

23-27 Lytton Street, Wentworthville

Economic Impact Assessment

PREPARED FOR Northside Group & Eriyan

November 2021



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Version	Version No.	Author(s)	Date	Review
Final Draft	1.0	RB, GY	19/10/2021	MR (Eriyan)
Final	1.1	GY	15/11/2021	MR (Eriyan)

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Executive Summary

Macroplan have been engaged by Erilyan, on behalf of Northside Group, to assess the potential economic impacts of a proposed State Significant Development application (SSD) of the proposed mental health clinic facilities for Stage 2 of the Wentworthville Northside West Clinic at 23-27 Lytton Street, Wentworthville (i.e. subject site). In particular, our assessment is considering the employment generation potential arising from the creation of additional patient beds, consultation rooms, additional car parking spaces and ancillary facilities on the subject site.

Overall, the application seeks to expand the current mental health clinic facility at the subject site encompassing additional patient beds, additional consultation rooms, and associated car parking spaces and ancillary facilities (e.g., extensive landscaping of the gardens surrounding the clinic).

The clinic is a 70-bed private hospital and a premier provider of mental health care, currently offering specialist services for general adult consultation and eating disorders. The proposed expansion of the clinic will provide additional operational capacity for the health care facility to provide for mental health services and in-patient residential services in response to the emerging demand for specialist clinical care in the community, such as mood disorders, drug and alcohol detoxification and rehabilitation, youth mental services, and supporting allied health services (i.e. psychology).

The proposed expansion will assist in providing new local employment opportunities and promoting industry diversification. As demand for mental health services continues to expand strong in immediate future, the expansion will also complement the Council's vision and strategies for Wentworthville and the state-of-the-art the Westmead Innovation District.

The key take-outs are summarised below:

Employment Generation

The proposed development can support the local economy and complement other health care facilities within the local and wider catchment by providing more employment floorspace and promoting industry diversification. It will also generate more employment during the planning, construction, and maintenance stage.

In terms of the development phase, assuming 2 years of construction, Macroplan envisage that this development will generate 40 to 50 full-time equivalent jobs per annum directly in the construction industry and a further 65 to 75 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

In terms of post development, it is estimated that an additional 23 FTE direct jobs per annum could be generated on site once the expansion is fully completed and operational. Furthermore, based on our multiplier assessment, the additional direct jobs at the Stage 2 will also generate an additional 20 indirect and induced jobs outside the Wentworthville Northside West Clinic.

Gap Assessment

For the assessment, Macroplan generated two catchments identified as relevant in capturing the provision of psychological and psychiatric practitioners. Catchment Area A was imputed based on the concept of where we envisage most of demand for psychiatric services will stem from, whilst Catchment Area B was imputed based on the concept of where we envisage most of demand for psychological services will stem from

Looking at the historical population, both catchments have been on an upward trajectory with growth seen in all LGA's examined. Between 2012 and 2020, Catchment Area A grew by 266,246 residents, equating to a CAGR of 2.0% (about 33,300 residents per annum). Over the same period, Catchment Area B grew by 87,260 residents, equating to a compound annual growth rate (CAGR) of 2.4% (about 10,900 residents per annum)

Looking at projected population, both catchments are expected to experience strong growth in line with recent population increases. Between 2021 and 2036, Catchment Area A is expected to grow by 573,773 residents at a CAGR of 1.4%. Looking at the shorter term (2021-2026) the age cohort with the largest growth is expected to be those aged 35-54 (+83,738 residents). Over the same period, Catchment Area B is expected to grow by 185,579 residents at a CAGR of 1.4%. Looking at the shorter term (2021-2026) the age cohort with the largest growth is expected to be those aged 35-54 (+36,864 residents).

Macroplan assessed the supply and demand of psychiatrists and psychologists, with research indicating a total of 90 psychiatrists within Catchment Area A and a total of 188 psychologists within Catchment Area B. Demand for mental health specialists was derived using provisional rates sourced from the Department of Health. A provisional rate 13.4 psychiatrists per 100,000 residents, and 83 psychologists per 100,000 residents was used to calculate demand in line with population growth over the period between 2021 and 2036.

Macroplan's gap assessment found that, there is an immediate need for more psychiatrists and psychologists in Wentworthville and its surround. Without this proposed expansion, the current shortages will deteriorate further into the future.

- As of 2021, there is a shortage of 131 psychiatrists and 283 psychologists.
- As of 2026, there is a shortage of 160 psychiatrists and 358 psychologists.
- As of 2031, there is a shortage of 183 psychiatrists and 402 psychologists.
- As of 2036, there is a shortage of 202 psychiatrists and 481 psychologists.

Other Considerations

Macroplan also considered other economic and community impacts that are achievable as a result of the proposed expansion of the subject site.

- Research undertaken by Macroplan indicates that a growing requirement for additional mental health professionals as evidenced by an already strong prevalence of mental illness within Australia and historical figures suggesting proportionally increased rate of mental illness (i.e. depression and anxiety) into the future. Increasing the supply of mental health professionals in the short- to medium-term future will be critical in meeting projected (unmet) demand and mitigating the 'total burden of disease' on the local and wider community.

- Macroplan also note a growing requirement for additional mental health hospital beds, evidenced by limited to nil growth in Specialised public sector and residential mental health hospital beds within NSW between 1992 and 2019. Relevant statistics indicate that public sector beds increased marginally by 84 beds to reach 2,736 beds in 2018-19, whilst residential beds decreased by 223 beds to reach 60 beds. Over the same time-period the NSW residential population increased by 2,022,350 residents to reach 7,980,200 in 2019 (addition of about 77,783 persons per annum).
- In note of the deteriorating gap between the supply of mental health hospital beds and the growing population of NSW (also noting that a large portion of this growth will be concentrated around Western Sydney), expanding the subject site to provide for additional Specialised mental health hospital beds will be a major contribution to the existing shortfall of mental health hospital beds in NSW.
- Increasing the supply of mental health services (via site expansion) will also alleviate pressure from surrounding hospital and general medical facilities. Macroplan note that there is an array of care providers in Australia widely accessible to individuals seeking treatment – notably hospital emergency departments and general practitioners. If approved, the expansion of the Wentworthville Northside West Clinic will improve the current position of the clinics to absorb unmet demand whilst complementing/supporting surrounding facilities, ensuring they are better equipped to deal with critical emergencies (e.g. hospital emergency departments) and general broader services (e.g. medical centres & GPs).
- The impact of COVID-19 is another factor to consider as it has potential to contribute to or exacerbate long-term mental illness, with statistical figures indicating a significant increase in the number of mental health services used throughout 2020 and 2021. Macroplan note existing concerns about the long-term impacts on mental health stemming from COVID-19, with reference to insights from previous pandemics and national emergencies. Our case study indicated that the outbreak was associated with a 30% increase of suicides in Hong Kong for people over the age of 65. It will therefore be critical to ensure that sufficient resources are committed over the short- to mid-term future, to prepare for any increased rates of mental illness stemming from the COVID-19 pandemic.
- Expanding the existing clinic will generate additional spatial capacity to provide vocational training and educational platforms for prospective medical graduates. As population and proportion levels of mental illness are expected to increase, there is a greater need to train more mental health professionals. An increase in quality clinical placements is required to ensure that more mental health professionals can perform their clinical roles when they graduate.

Section 1: Introduction

Macroplan have been engaged by Erilyan, on behalf of Northside Group, to undertake an economic impact assessment to form part of the State Significant Development application for Stage 2 of the Wentworthville Northside West Clinic. Macroplan's assessment considers the economic implications of the SSD application including additional jobs generated, industry value-add and catalyst project for the region.

The application seeks to expand the current mental health clinic facility at the subject site encompassing additional patient beds, additional consultation rooms, and associated car parking spaces and ancillary facilities (e.g., extensive landscaping of the gardens surrounding the clinic). The Stage 2 will comprise:

- 95 inpatient units;
- 9 consulting suites;
- associated amenities including lounge rooms;
- dining area, terrace;
- kitchenette & utility rooms;
- indoor & outdoor courtyards;
- Alterations & additions to existing building comprising new lobby, gym, loading bay, ancillary office & associated amenities on lower ground level; and
- New carpark for an additional 58 vehicles.

The capital value of the potential development is estimated to be \$32 million¹. Assuming 2 years of construction, the development will deploy 40 to 50 FTE direct jobs during construction (per annum). According to our assessment (Sections 4.1 and 4.2), the expanded clinic could employ 23 FTE direct jobs per annum at its fruition.

The report is structured as follows:

- **Section 2** identifies key mental health care industry trends and key demographic information in the identified catchment areas.
- **Section 3** provides an inventory of existing mental health practitioners, and also assesses the likely demand and potential market gap in the area in the subject locality.
- **Section 4** examines the benefits of expanding the mental health clinic on the subject site including direct and indirect jobs created.
- **Section 5** considers any other economic and community impacts that are achievable as a result of development.
- **Section 6** concludes the assessment.
- **Section 7** comprises of appendices & references.

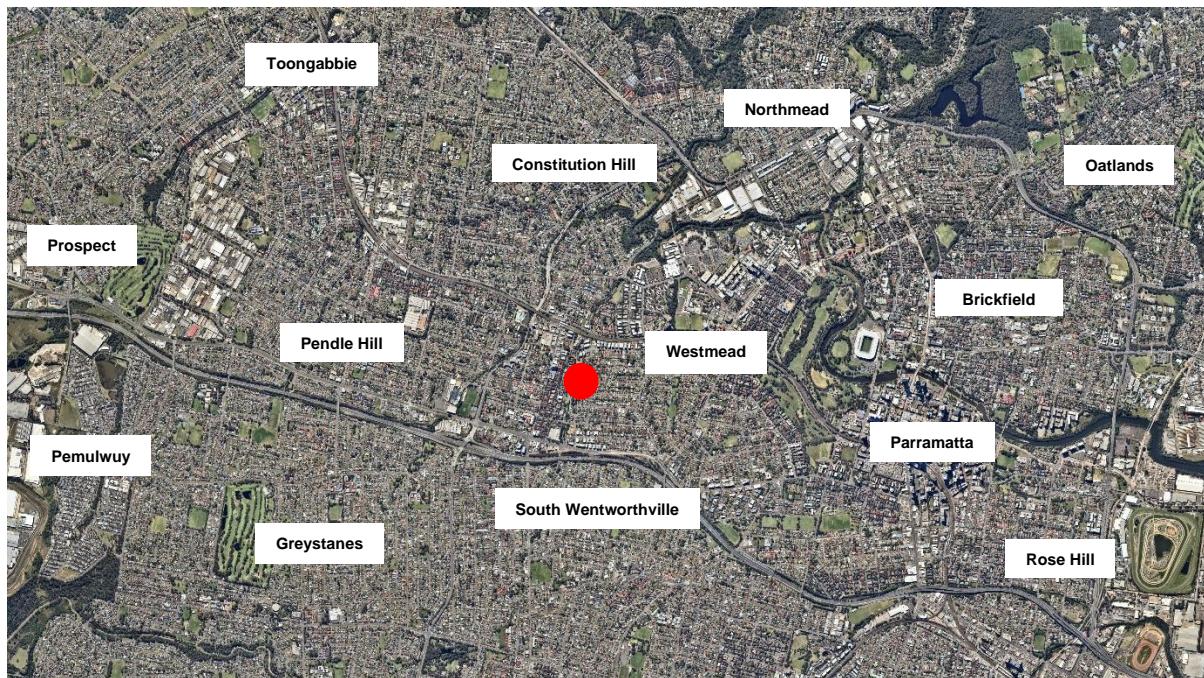
¹ Source: Linesight

1.1 Regional and Locational Context

Figures 1 to 7 illustrate the subject site's location and general layout (see location below).

Wentworthville is strategically located with access to the Sydney Orbital Road system (connecting Great Western Highway, Cumberland Highway and M4 Western Motorway), providing easy access to the Greater Western Sydney region and throughout Greater Sydney. It is also serviced by the Sydney Trains network (i.e. Northshore & Western Line) and by the everyday bus services.

Figure 1 Locality



Source: Nearmap

The subject site is approximately 0.66ha in area and is positioned on Lytton Street - directly adjacent and between Jordan Street and Haig Street. It is directly encompassed by low density residential to the north, east and south, as well as parklands/open public space and Finlayson's Creek to the west. The surrounding locality's wider context consists largely of low and medium density residential dwellings, retail/commercial offerings along Station Street (i.e., Udaya Supermarket), local shopping centre (i.e., Wentworthville Shopping Plaza), parklands and various health & education institutions in Westmead (i.e., Westmead Innovation Precinct).

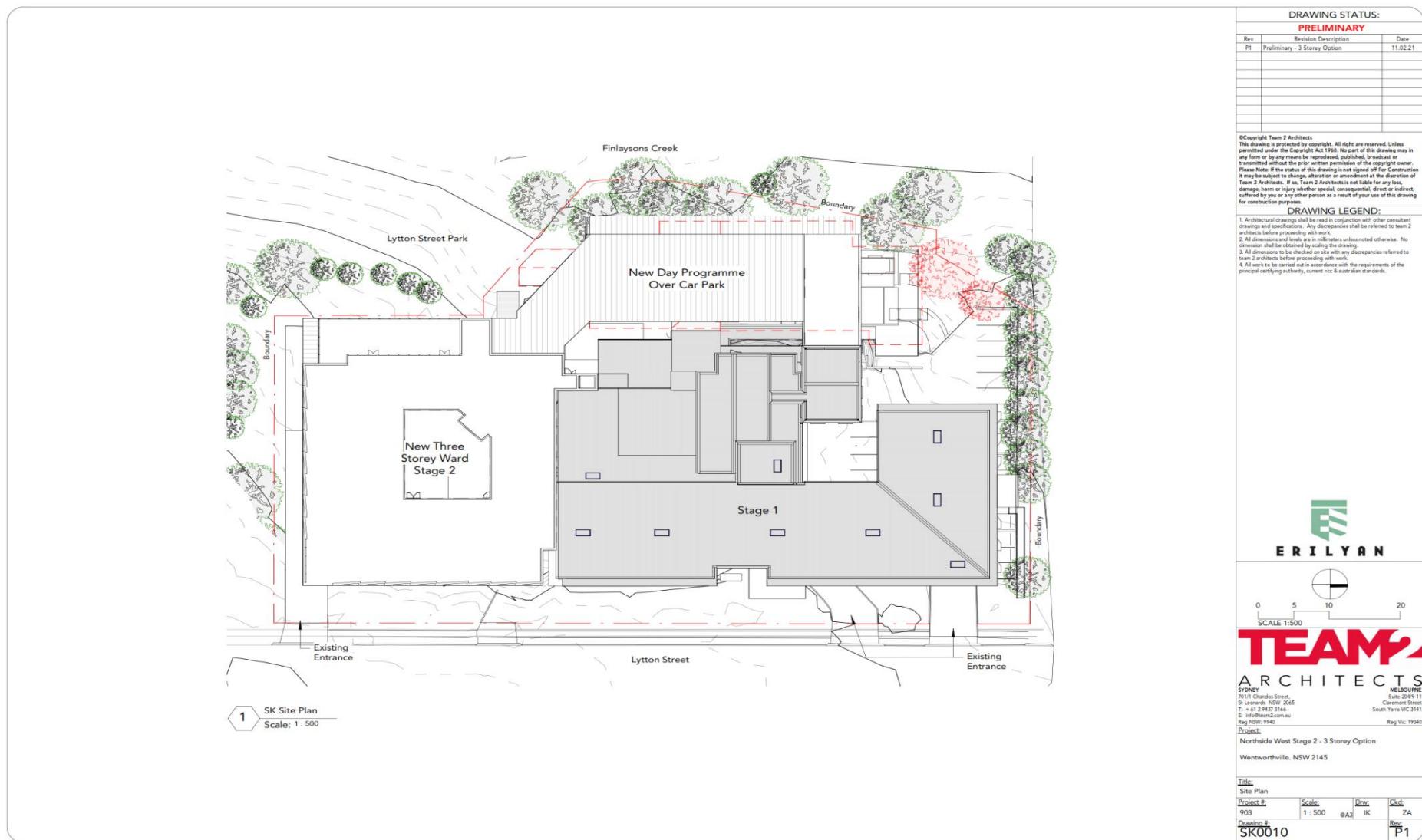
The subject site also boasts a range of positive locational attributes such as extensive visual exposure via its eastern and western boundaries, good road frontage and seamless dual accessibility via Lytton Street and the pedestrian linkage along Finlayson's Creek. The pedestrian linkage is a notable feature of the site as it provides a green link that extends from the Great Western Highway and Wentworthville Shopping Plaza to Vernon Street. The green link contains a substantial number of natural amenities (e.g. Ernest Quinn Village Green and Lytton Street Park) and playground facilities. It should be expected that these features will continue to generate foot traffic and exposure to the site's western boundary.

Figure 2 Subject Site - Cadastral Boundaries & Aerial Imagery



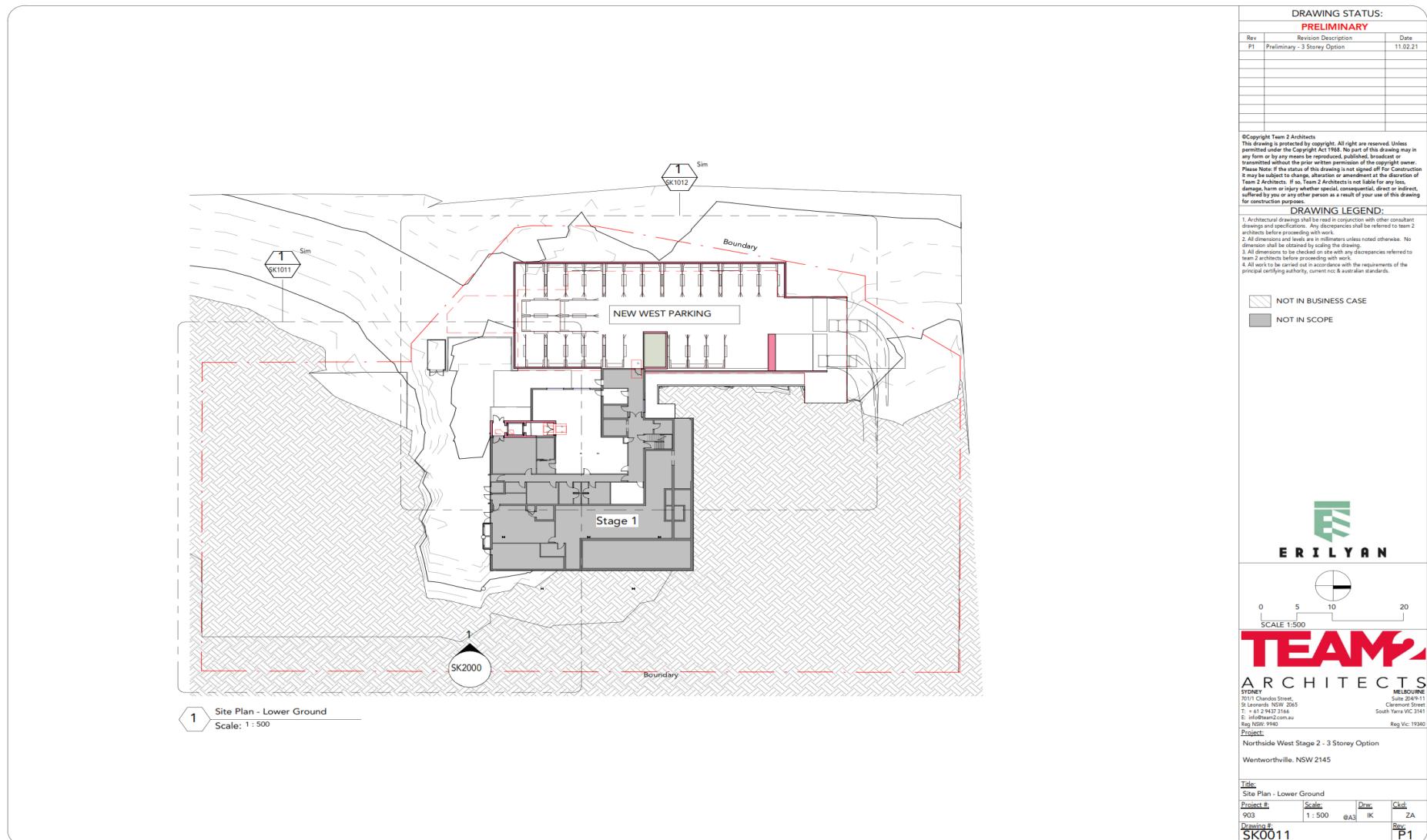
Source: Nearmap, Macroplan

Figure 2 Site Plan



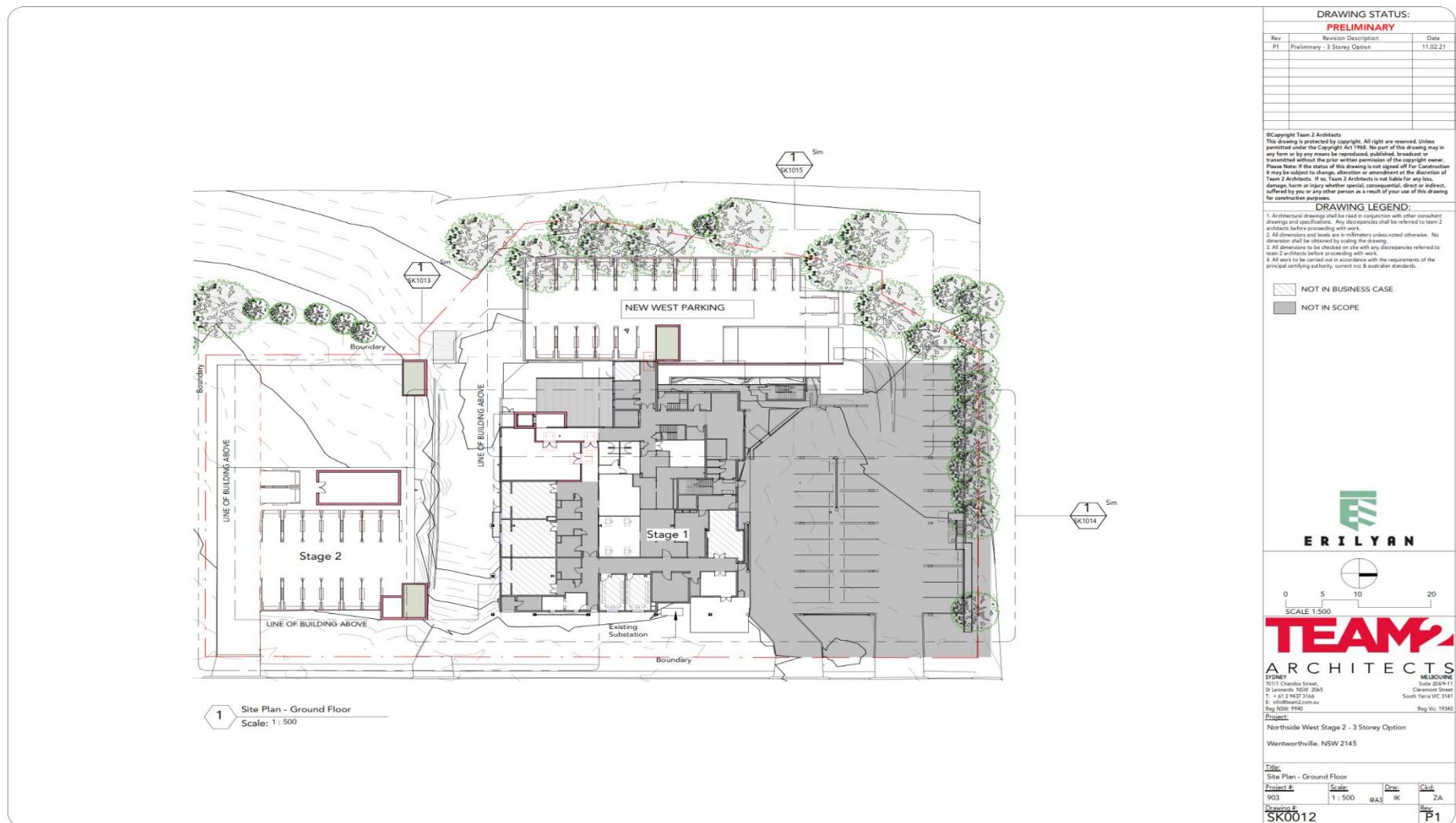
Source: Erilyan, Team 2 Architects

Figure 3 Site Plan – Lower Ground



Source: Erilyan, Team 2 Architects

Figure 4 Site Plan – Ground Floor



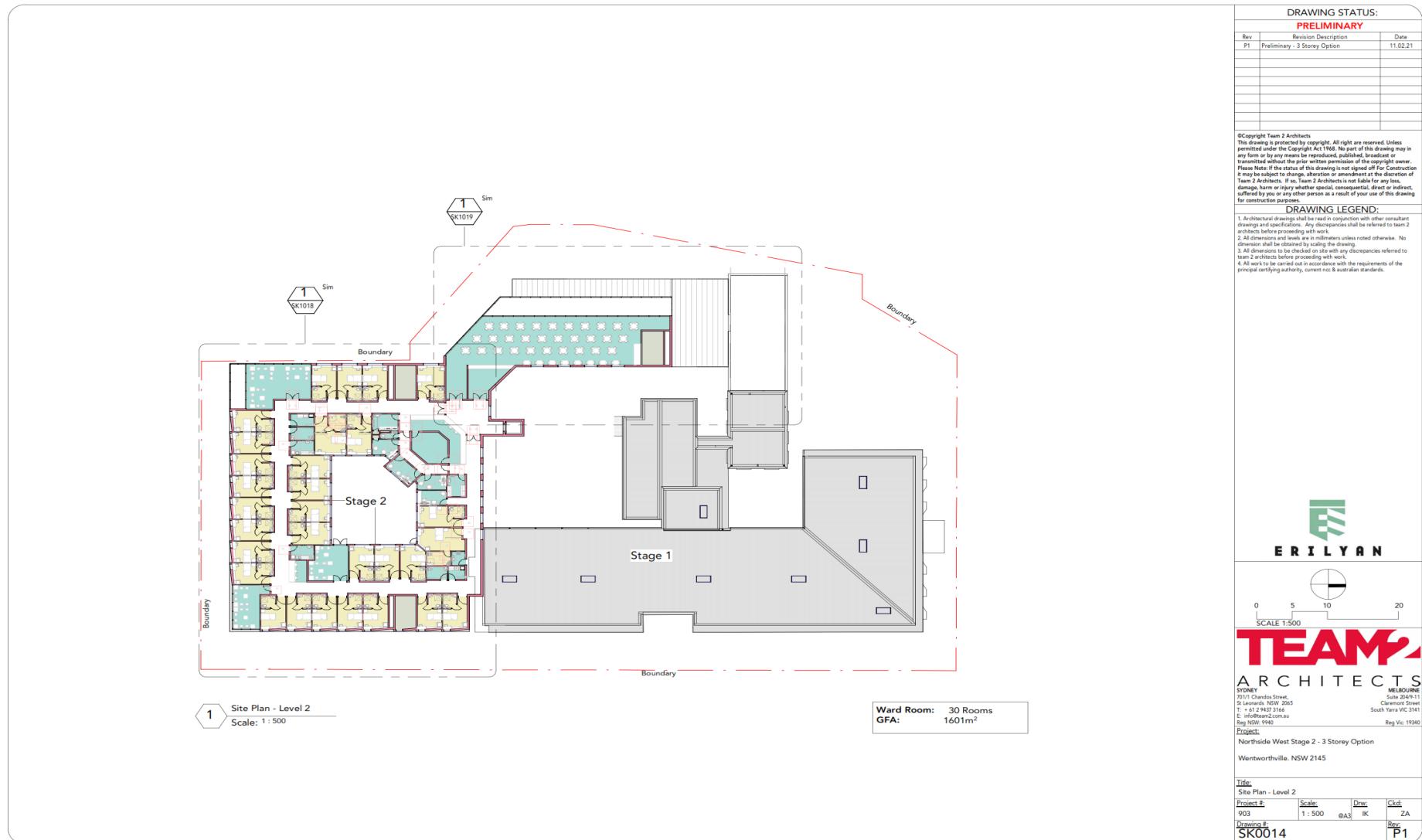
Source: Erilyan, Team 2 Architects

Figure 5 Site Plan – Level 1



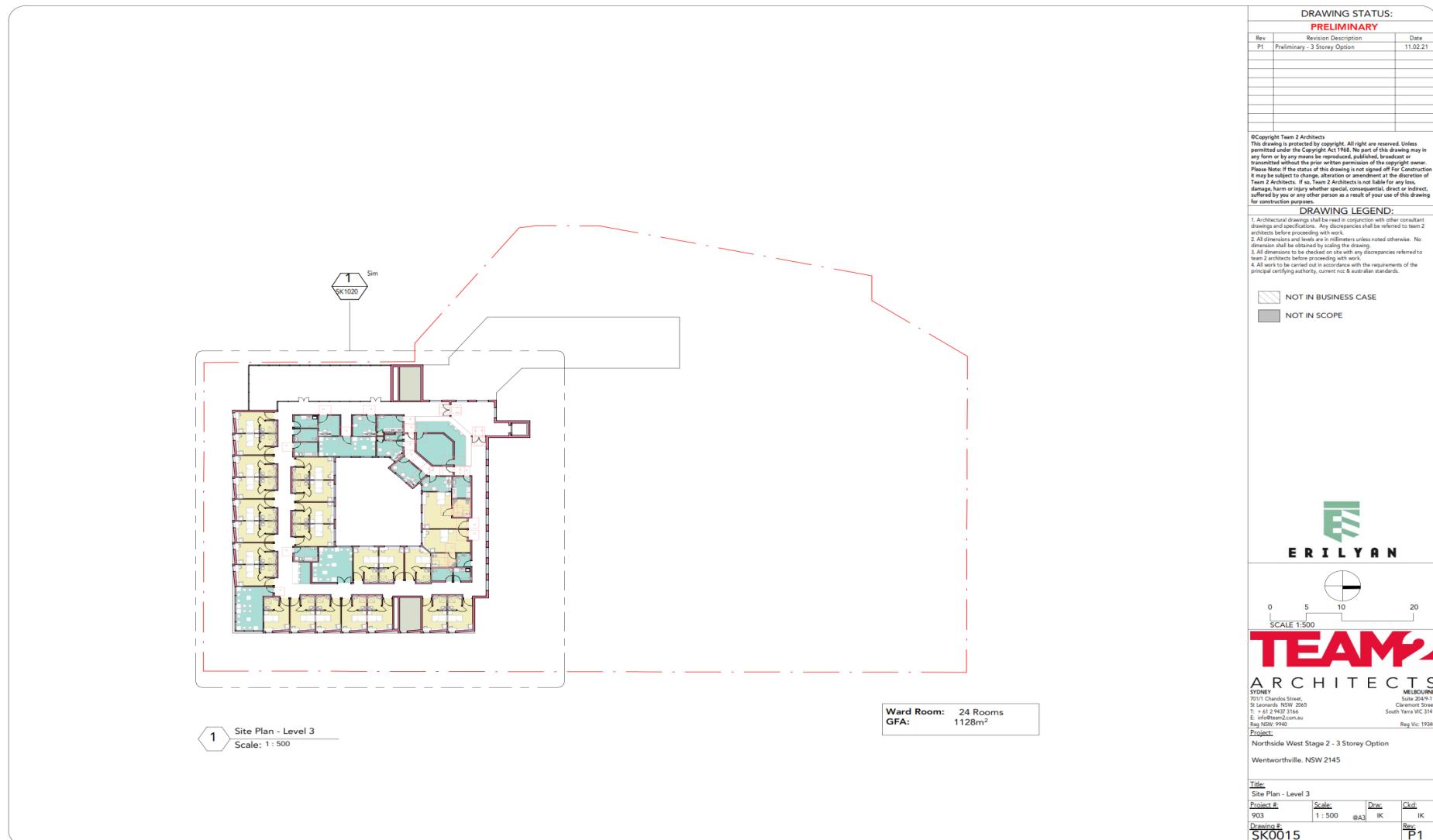
Source: *Erilyan, Team 2 Architects*

Figure 6 Site Plan – Level 2



Source: Eriyan, Team 2 Architects

Figure 7 Site Plan – Level 3



Source: *Erilyan, Team 2 Architects*

1.2 Wentworthville Northside West Clinic

The Wentworthville Northside West Clinic is a member of the Northside Group, owned by Ramsay Health Care and has been operating as an exceptional mental health clinic in the broader Sydney, offering specialist mental health clinics in four locations across Sydney at St Leonards, Wentworthville, Campbelltown, and Cremorne.

The clinic is a 70-bed private hospital and a premier provider of mental health care, currently offering specialist services for general adult consultation and eating disorders. The proposed expansion of the clinic will provide additional operational capacity for the health care facility to provide for mental health services and in-patient residential services in response to the emerging demand for specialist clinical care in the community, such as mood disorders, drug and alcohol detoxification and rehabilitation, youth mental services, and supporting allied health services (i.e. psychology).

Proposed works are to include significant refurbishment including, relaunch of the drug and alcohol service, consultation rooms, creation of additional patient beds, additional car parking spaces and ancillary facilities:

- 95 inpatient units;
- 9 consulting suites;
- associated amenities including lounge rooms;
- dining area, terrace;
- kitchenette & utility rooms;
- indoor & outdoor courtyards;
- Alterations & additions to existing building comprising new lobby, gym, loading bay, ancillary office & associated amenities on lower ground level; and
- New carpark for an additional 58 vehicles.

Macroplan also envisage that the proposed expansion will complement the emerging residential population by increasing the operational capacity of the existing Wentworthville Northside West Clinic. Further to this, the expansion will also support the viability of Wentworthville as a local centre by providing health care infrastructure and facilities in the locality and provide local employment opportunities.

1.3 Planning Context

Central City District Plan

*The Central City District Plan*² is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision of Greater Sydney. The Central City District is expected to grow by 550,500 people to reach 1,521,500 in 2036. Over the same period, the number of dwellings is expected to increase by 207,500 to 2036.

Throughout the District Plan, Wentworthville (among other suburbs) has been identified as a 'Planned Precinct' that can support an increase in more diverse and affordable housing supply. The Planned Precincts will be consistent with the objective and strategies of *A Metropolis of Three Cities* and the District Plan to enhance liveability, sustainability, and productivity.

² Greater Sydney Commission, Our Greater Sydney 2056 – Central City Plan (2018), pg. 25, pg. 39

Cumberland 2030: Local Strategic Planning Statement 2020 (LSPS)

The Council's *LSPS*³ has been implemented to support future planning decisions as well as drive future land use planning and guide how population, housing and economic growth will be managed. There are four themes that form the basis for the community's vision:

- Infrastructure & Collaboration: Access and movement
- Liveability: Housing and community
- Productivity: Economy, employment, and centres
- Sustainability: Environment and open spaces

Cumberland LGA is experiencing significant population growth, new infrastructure plans and a changing economic landscape that presents opportunities for industry, culture, and city planning.

As of 2021, there is a total of 260,000 people and 84,000 dwellings in the Cumberland LGA. Over the next 20 years the population is expected to grow by around 30% to reach 280,000 people and 91,000 dwellings by 2026, 293,000 people and 97,000 dwellings by 2031, and 305,000 people and 102,000 dwellings by 2036. It is also noted that a total of 2,500 additional dwellings are planned for Wentworthville with a projected total population of 14,760 by 2036.

Increases are forecast particularly for couple families with dependants, meaning that young families will be attracted to Cumberland and will continue to grow in numbers. Access to education, as well as health care and community services for young people will be among the community's highest priorities.

1.4 Data and Information Sources

Our research draws on a wide range of information sources including: various planning and strategic documents (Local, State and Federal), NSW Department of Planning, Industry and Environment Projections, Australian Bureau of Statistics – Census data (2011 & 2016) and various latest statistics; and relevant experience throughout NSW and Australia, with particular reference to socio-economic profiles, industry trends, and recent property market trends in Western Sydney and Greater Sydney generally.

1.5 Limitations

The information in this report have been obtained from, and opinions herein are based on, sources believed to be reliable. Although great care has been taken to ensure accuracy and completeness in this report, Macroplan have not independently verified and does not accept responsibility for its completeness and accuracy of the information on which its opinions and assumptions are based. Further, as the report involves future forecasts, it can be affected by several unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of Macroplan, but Macroplan can give no assurance that any forecasts will be achieved.

³ Cumberland City Council, Cumberland 2030: Our Local Strategic Planning Statement (2020), pg.11, pg. 15-16

Section 2: Mental Health Care Trends Overview

In this section of the report, Macroplan reviewed recent trends of the mental health care industry and the key demographic profile that has been observed in the identified catchment areas.

2.1 Catchment Areas

For this assessment, and in consultation with Northside Group & Eriyan, Macroplan have developed the following two catchment areas which represents the areas in which we expect the largest source of demand for mental health care will stem.

The geographic size of the catchment areas has been defined based on proximity to other major mental clinics and service providers, road linkages and natural boundaries.

These two catchment areas are reflected as follows:

- **Catchment Area A** comprise of Blacktown, Canterbury-Bankstown, Cumberland, Fairfield, Parramatta, and The Hills Shire LGAs. The catchment area was derived for the purpose of assessing demand for psychiatric services. Macroplan note that given the scale of the proposed Wentworthville Northside West Clinic (i.e., at its fruition) and degree of its specialisation, Macroplan envisage that the proposed mental health services will attract demand from a wider catchment relative to psychologists (below).

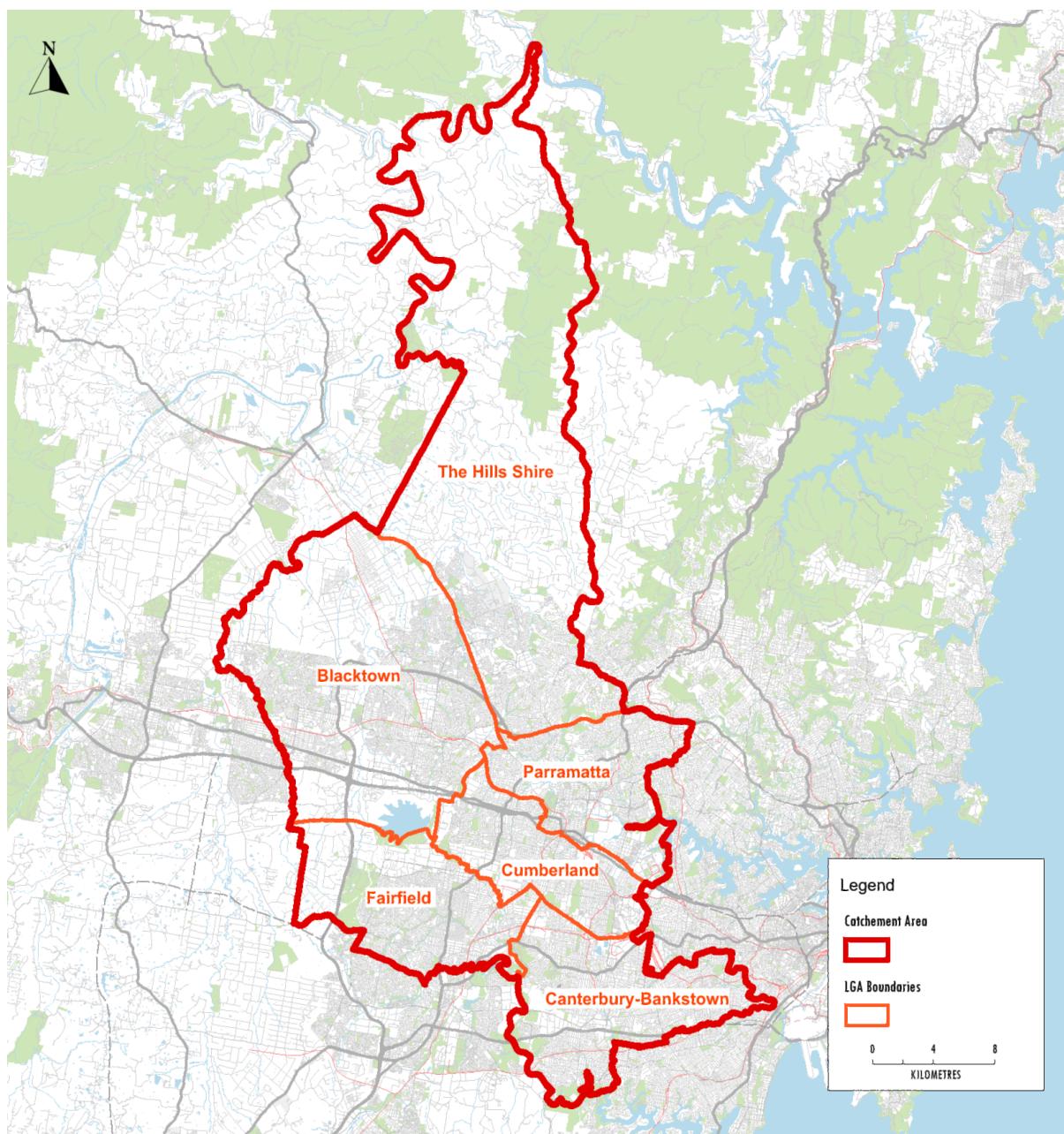
That is to say that patients will be willing to travel further distances given the provision of Specialised services/level of care will be provided at the subject site, as well as the limited supply of mental health services within the immediate locality and the broader Sydney. This is in comparison to psychological practices and general health operators (i.e., medical clinic) where services are less specialised and of which there is abundant supply.

- **Catchment Area B** comprises of Parramatta & Cumberland LGAs. The catchment area was derived for the purpose of assessing demand for psychological services. Macroplan note that a smaller catchment was utilized (relative to the demand catchment for psychiatrists), based on the notion that psychologists are generally less Specialised than psychiatrists and of which there is abundant supply (relative to the supply of psychiatrists).

That is to say that individuals will be less willing to travel further distances given the level of specialization/qualification generally held by psychologists, as well as the immediate supply of said services that are easily accessible to most individuals within the catchment.

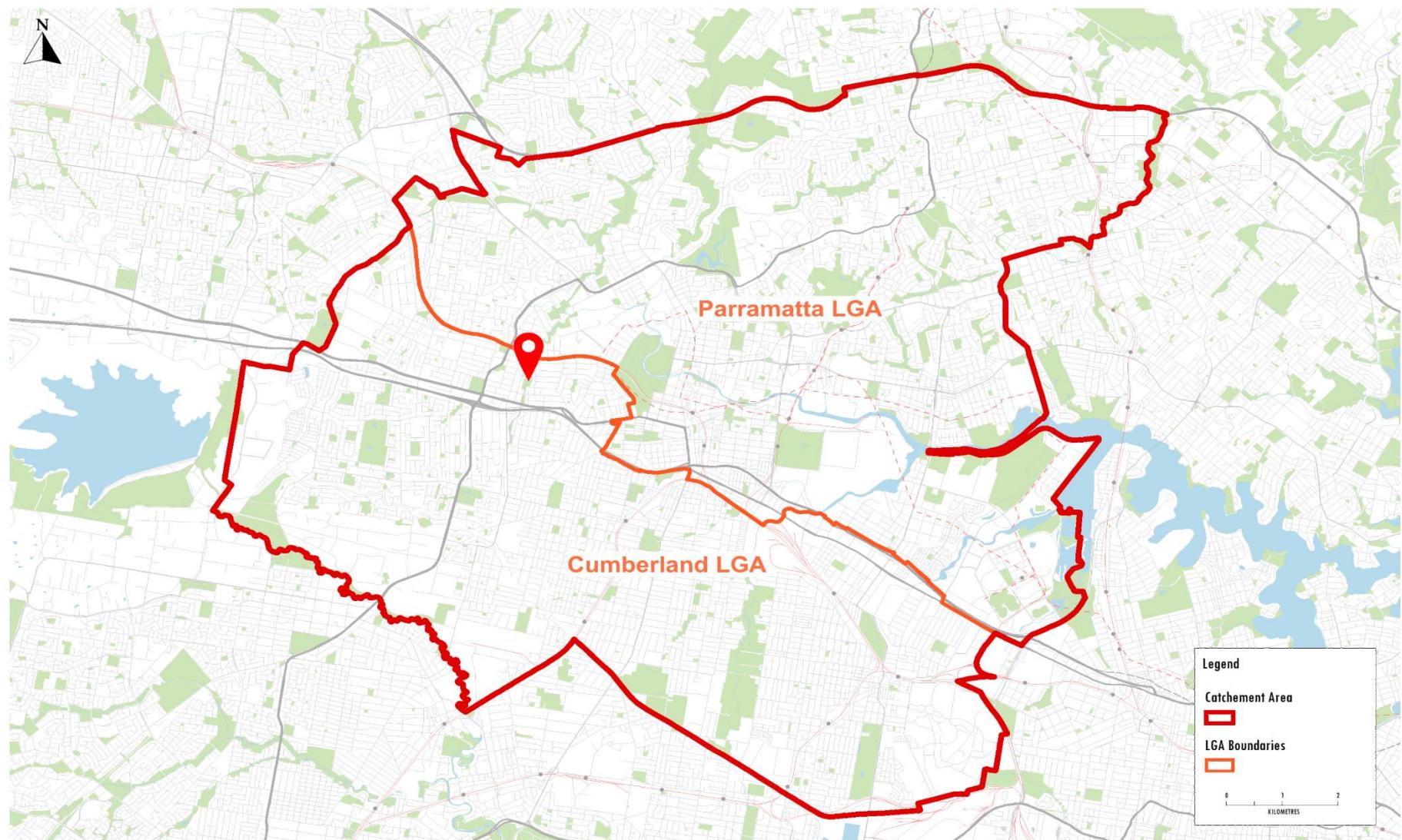
The study areas are depicted in Figures 8 and 9 (below).

Figure 8 Catchment Area A (Psychiatrist Demand)



Source: Northside Group & Eriyan, Macroplan

Figure 9 Catchment Area B (Psychologist Demand)



Source: Northside Group & Eriyan, Macroplan

2.2 Overview

Mental illness refers to a clinically diagnosable disorder(s) that significantly interferes with an individual's cognitive, emotional, or social abilities (Slade et al. 2009), with the term covering a spectrum of disorders that vary in severity and duration.

Mental health is an integral and essential component of overall health and wellbeing. According to AIHW, approximately 1 in 5 individuals (45.5% or 3.8 million people) aged 16 to 85 will experience a mental health disorder in any given year⁴ in Australia. Mental health is impacted by a range of socioeconomic factors, including access to services, living conditions and employment status, and is heavily linked to the physical health of an individual.

A range of mental health-related services are provided in Australia by various levels of government. Such services include:

- Admitted patient care in hospital and other residential care.
- Community mental health care services, and consultations with specialist medical practitioners.
- General practitioners (GPs), psychiatrists, psychologists, and other allied health practitioners.

Over the last 3 decades Australian governments have worked together, via the National Mental Health Strategy (AIHW), to develop mental health programs and services to better co-ordinate services and address the mental health needs of Australians. The Strategy has included five 5-year National Mental Health Plans which cover the period 1993 to 2022. The Fifth National Mental Health and Suicide Prevention Plan was agreed in 2017, and several mental health-related measures were announced in the 2019 Federal budget, providing \$736.6 million for mental health and suicide prevention initiatives over 7 years. Further to this, mental health services will receive an additional \$2.3 billion as part of the 2021 federal budget, with the bulk of the funding going into treatment centres and suicide prevention efforts⁵.

In response to the COVID-19 disease pandemic, in May 2020 National Cabinet endorsed the National Mental Health and Wellbeing Pandemic Response Plan and the Australian Government committed an additional \$48.1 million in support of its priority actions. State and territory governments have also introduced various mental health support packages to better support the mental health and wellbeing of their residents.

2.3 Historical Population Trends

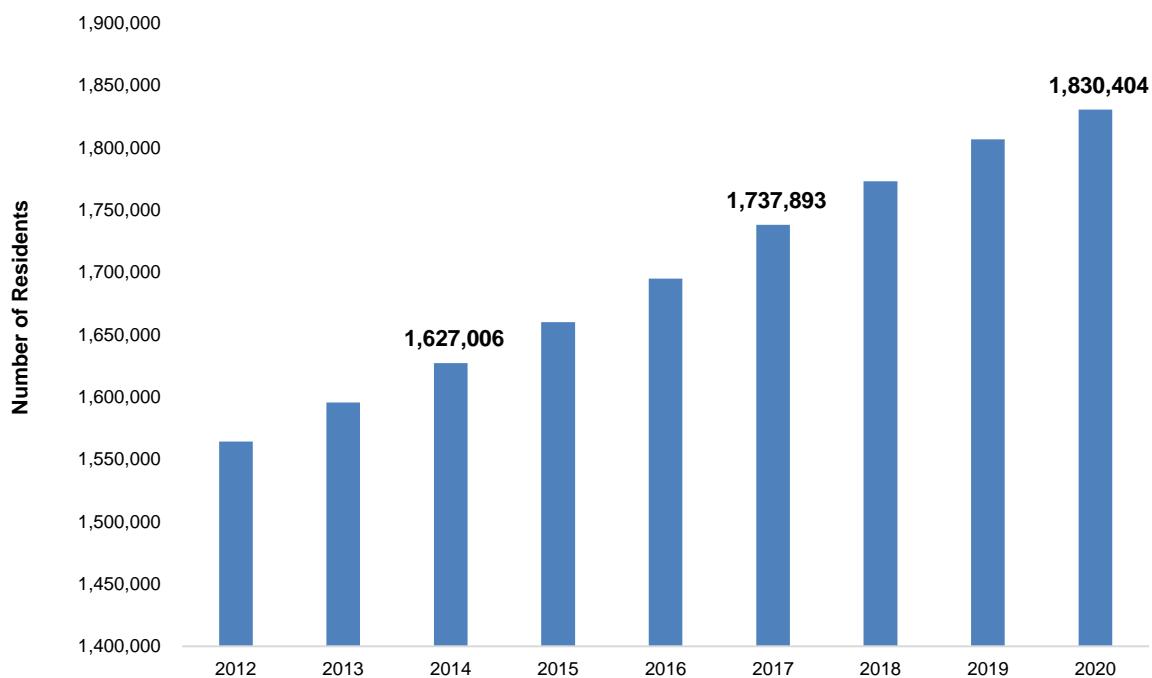
The total population of Catchment Area A has been on an upward trajectory with growth seen in all included LGAs. Between 2012 and 2020, Catchment Area A has grown by 266,246 residents, equating to a CAGR of 2.0% (i.e. about 33,300 residents per annum). The highest growth was seen in Blacktown LGA (grew by 65,096 residents) and followed by Parramatta LGA (grew by 52,114 residents).

The total population of Catchment Area B also has been on an upward trajectory with growth seen in all included LGAs. Over the same period, Catchment Area B has grown by 87,260 residents, equating to a compound annual growth rate (CAGR) of 2.4% (i.e. about 10,900 residents per annum).

⁴ ABS (Australian Bureau of Statistics) 2008. National survey of mental health and wellbeing: summary of results, Australia

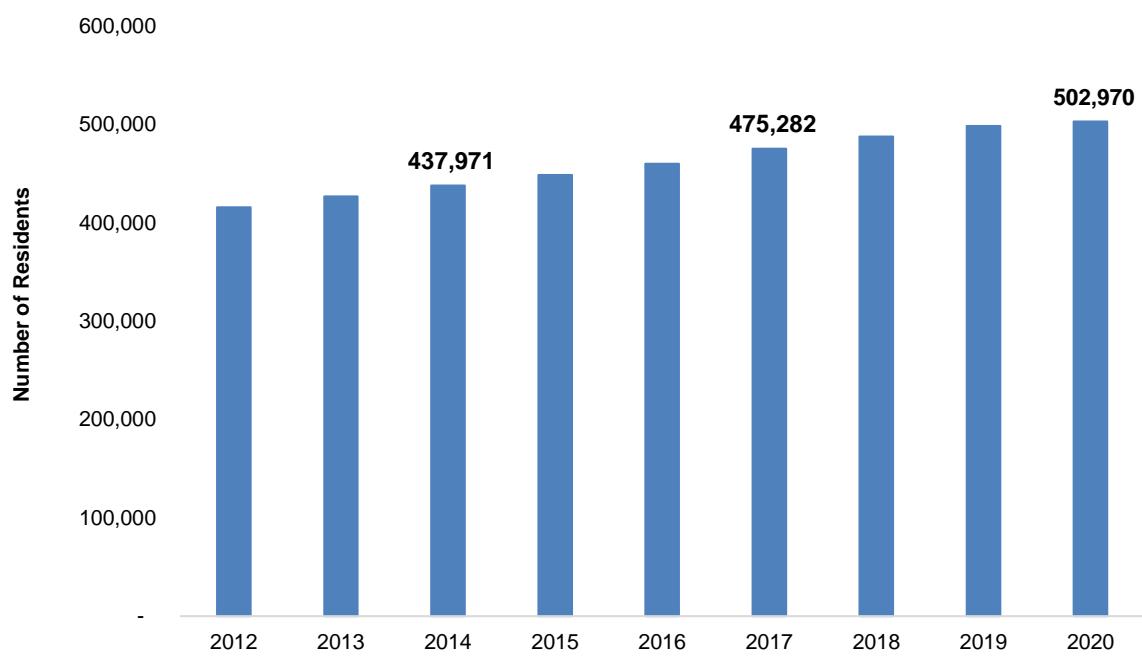
⁵ Australian Department of Health - Budget 2021-22

Historical Population Trends, 2012-2020, Catchment Area A



Source: ABS ERP & Macroplan

Figure 10 Historical Population Trends, 2012-2020, Catchment Area B



Source: ABS ERP & Macroplan

2.4 Population Projections

The NSW Government Department of Planning, Infrastructure and Environment (DPIE) publishes detailed projections of population, households and dwelling demand over the 20 years to 2041 by Local Government area. The latest set of projections released in 2019 included minor updates on the DPIE projections which were closely aligned with the ABS (2017) projections for Australia's population, which are published by State and with splits by capital cities and regions (rest of State).

2.4.1 Catchment Area A

In terms of Catchment Area A, from 2021 to 2036 the catchment is expected to grow by 573,773 residents at a CAGR of 1.41%.

Throughout the observed time-period the catchment area is expected to grow by the following proportions:

- 2021-2026: Increase by 234,074 residents to reach 2,016,657 (CAGR of 2.5%)
- 2026-2031: Increase by 186,035 residents to reach 2,202,629 (CAGR of 1.8%)
- 2031-2036: Increase by 153,664 residents to reach 2,356,356 (CAGR of 1.4%)

Looking at the shorter term (2021 – 2026) age cohorts with the largest growth are expected to be those aged 35-54 (+83,738 residents) followed by those aged 0-24 (+68,059 residents).

2.4.2 Catchment Area B

In terms of Catchment Area B, from 2021 to 2036 the catchment is expected to grow by 185,579 residents at a CAGR of 1.43%

Throughout the observed time-period the catchment area is expected to grow by the following proportions:

- 2021-2026: Increase by 90,681 residents to reach 657,787 (CAGR of 3.0%)
- 2026-2031: Increase by 53,519 residents to reach 711,306 (CAGR of 1.6%)
- 2031-2036: Increase by 41,379 residents to reach 752,685 (CAGR of 1.1%)

Looking at the shorter term (2021 – 2026) age cohorts with the largest growth are expected to be those aged 35-54 (+36,864 residents) followed by those aged 0-24 (+29,053 residents). Age cohorts with the largest growth are expected to be those aged 35-54 (+36,864 residents) followed by those aged 0-24 (+29,053 residents).

Table 1 Population Projections, Catchment Area A, 2021 to 2036

Age	2021	2026	2031	2036	CAGR	CAGR	CAGR
					(2021-2026)	(2026-2031)	(2031-2036)
0-19	591,271	659,330	718,495	757,852	2.2%	1.7%	1.1%
20-24	301,477	318,965	311,655	315,848	1.1%	-0.5%	0.3%
25-34	481,288	565,026	633,164	674,479	3.3%	2.3%	1.3%
35-44	181,790	197,323	214,470	237,115	1.7%	1.7%	2.0%
45-54	128,946	150,861	170,120	182,562	3.2%	2.4%	1.4%
55-64	68,877	89,437	109,388	127,983	5.4%	4.1%	3.2%
65+	28,934	35,715	45,400	60,517	4.3%	4.9%	5.9%
Total	1,782,583	2,016,657	2,202,692	2,356,356	2.5%	1.8%	1.4%

Source: DPIE & Macroplan

Table 2 Population Projections, Catchment Area B, 2021 to 2036

Age	2021	2026	2031	2036	CAGR	CAGR	CAGR
					(2021-2026)	(2026-2031)	(2031-2036)
0-19	178,205	207,258	227,205	238,384	3.1%	1.9%	1.0%
20-24	119,366	125,480	117,133	116,162	1.0%	-1.4%	-0.2%
25-34	154,396	191,260	215,372	226,464	4.4%	2.4%	1.0%
35-44	51,333	56,224	61,080	69,164	1.8%	1.7%	2.5%
45-54	35,719	42,487	47,911	50,993	3.5%	2.4%	1.3%
55-64	19,550	24,782	29,897	35,047	4.9%	3.8%	3.2%
65+	8,537	10,296	12,708	16,471	3.8%	4.3%	5.3%
Total	567,106	657,787	711,306	752,685	3.0%	1.6%	1.1%

Source: DPIE & Macroplan

2.5 Socio-Demographic Assessment

The below table outlines key socio-demographic trends within Catchment Area A (Psychiatrist) and Catchment Area B (Psychologist).

2.5.1 Catchment Area A

- Catchment Area A has a higher household size when compared to Greater Sydney (2.8).
- Residents are young with 50% of residents under the age of 34. The most dominant age cohort is those aged 0-19 and 35-54. The median age is 34.
- The catchment area has slightly more Australian born residents than overseas born residents. Macroplan note that the catchment has a large proportion of overseas residents when compared to Greater Sydney.
- The most common family composition is couple families with children followed by couples without children.
- In terms of tenure, most households are identified as owner occupiers (i.e. purchased outright or with mortgage) which is contingent with that of Greater Sydney.
- Residents are generally car-dependent exemplified by 90% of residents owning one or more cars (please note that this is in line with trends seen in Greater Sydney).

2.5.2 Catchment Area B

- Catchment Area B has a higher household size when compared to Greater Sydney (2.8).
- Residents are young with 41% of residents under the age of 34. The most dominant age cohort is those aged 20-34 and 35-54. The median age is 33.
- The catchment area has slightly more overseas born residents than Australian born residents. Macroplan note that the catchment area has a large proportion of overseas residents when compared to Greater Sydney.
- The most common family composition is couple families with children followed by couples without children.
- In terms of tenure, most households are identified as owner occupiers (i.e. purchased outright or with mortgage) which is contingent with that of Greater Sydney.
- Residents are generally car-dependent exemplified by 88% of residents owning one or more cars (please note that this is in line with trends seen in Greater Sydney).

Table 3 Socio-Demographics, Selected Areas and Greater Sydney

ABS Census 2016			
	Catchment Area A	Catchment Area B	Greater Sydney
Census Population	1,481,553	442,229	4,823,991
Average household size	3.1	3	2.8
Average household income (weekly)	\$1,577	\$1,573	\$1,750
Age Distribution (% of population)			
Aged 0-19	27.0%	19.1%	24.6%
Aged 20-34	23.0%	21.9%	23.1%
Aged 35-54	27.0%	25.8%	27.4%
Aged 55-64	10.6%	13.6%	10.9%
Aged 65-74	7.0%	10.3%	7.7%
Aged 75-84	3.8%	5.6%	4.2%
Aged 85+	1.6%	3.6%	2.0%
Median age	34	33	36
Birthplace (% of population)			
Australian born	51.7%	45.9%	61%
Overseas born	48.3%	54.1%	39%
Family Type (% of household)			
Couple without children	20.1%	21.5%	24.1%
Couple with children	44.7%	41.9%	37.9%
One parent family	13.2%	10.9%	11.2%
Lone person	17.1%	19.1%	22.0%
Car Ownership (% of population)			
0 Cars	9.6%	11.6%	11.6%
1 Car	36.2%	41.3%	38.5%
2 Cars	35.6%	32.9%	33.8%
3+ Cars	18.6%	14.1%	16.1%
Dwelling Tenure (% of dwellings)			
Owned/buying home	36%	43%	35.5%
Renting	64%	57%	64.5%

Source: ABS & Macroplan

Section 3: Gap Assessment

In this section of the report, Macroplan assesses the supply and demand of psychiatrists and psychologists.

For the purpose of this assessment, Macroplan have undertaken separate gap assessment for psychiatrists (Catchment Area A) and psychologists (Catchment Area B) in order to accurately assess levels of demand and supply of mental health services.

3.1 Psychiatrist Gap Assessment

Research conducted by Macroplan identified a total of 90 psychiatrists located within Catchment Area A.

For this assessment, the demand for psychologists is derived based on the latest research done by the Australian Institute of Health and Welfare (AIHW)⁶. According to the research, 13.4 FTE (Full-time-equivalent) staffs per 100,000 population were employed in NSW in 2018/19. Macroplan have adopted this benchmark to derive the total demand for psychiatrists within Catchment Area A for 2021 to 2036.

As of 2021, there is a total demand for 239 psychiatrists within the catchment area. The total demand in 2026 is 270 psychiatrists, with this figure expected to reach 295 by 2031.

As can be observed in the table below, as of 2021, there is a shortage of 149 psychiatrists, increasing to a shortage 180 by 2026, and further deteriorating to a shortage 205 by 2031.

Table 4 Psychiatrist – Gap Assessment

Projections				
	2021	2026	2031	2036
Population				
Catchment Area A	1,782,583	2,016,657	2,202,692	2,356,356
Provision rate (FTE per 100,000)				
Psychiatrist	13.4	13.4	13.4	13.4
Psychiatrist Demand				
Total Demand	239	270	295	316
Existing Supply				
Catchment Area A	90	90	90	90
Total demand/supply gap	-149	-180	-205	-226

Source: Macroplan, AIHW, DPIE, TPA

⁶ Mental health services in Australia (MHSAs)

3.2 Psychologist Gap Assessment

Research conducted by Macroplan identified a total of 188 psychologists within Catchment Area B - 33 from the Cumberland LGA and 155 from the Parramatta LGA.

Macroplan have utilised profession provision rates outlined by the Federal Government and other relevant bodies. The demand for psychologists is generally derived based on application of the typical provision per 100,000 residents in metropolitan locations from the Department of Health. According to the AIHW, 83 FTE (Full-time-equivalent) staffs are required per 100,000 population in Sydney.

As of 2021, there is a total demand for 471 psychologists within the Catchment Area B. The total demand in 2026 is 546 psychologists, with this figure expected to reach 590 by 2031.

As of 2021, there is a shortage of 283 psychologists. There will be a shortage of 358 psychologists by 2026, and further deteriorating to a shortage 402 by 2031.

Table 5 Psychologist - Gap Assessment

Projections				
	2021	2026	2031	2036
Population				
Catchment Area B	567,105	657,789	710,700	806,332
Provision rate (FTE per 100,000)				
Psychologist	83	83	83	83
Psychiatrist Demand				
Total Demand	471	546	590	669
Existing Supply				
Catchment Area B	188	188	188	188
Total demand/supply gap	-283	-358	-402	-481

Source: Macroplan, AIHW, DPIE, TPA

Section 4: Employment Generation

In this section of the report, Macroplan examined the spatial context of the subject site, and consider its employment dividend and potential role in contributing to the employment future of Cumberland LGA⁷. The assessment considered the employment returns that are achievable as a result of potential development (i.e. the proposed expansion) compared to the current employment dividend potential (i.e. 'Do nothing' vs 'potential development').

The proposed expansion can support local employment by increasing employment floorspace and maintaining local employment objectives, while promoting key local industries and generating more employment during the planning, construction, operation, and maintenance stages.

There are three elements to the impact of expansion of an industry:

- First, there is the direct employment, value-added (income), and output in that industry.
- Secondly, there is the indirect employment, value-added (income), and output of other industries supplying inputs into the industry.
- The third element is the induced spending impact. This comes from the economic ripples that result from added consumption generated by the added income spent by those employed directly and indirectly. For example, employees spending their incomes at local supermarkets, car dealerships and hotels and these local firms having workers of their own.

4.1 Development Phase

Based upon details provided by the applicant, the estimated project cost of the proposed expansion (i.e. Wentworthville Northside West Clinic) is expected to be approximately \$32 million⁸, which comprises site works, construction and equipment installation etc. Assuming 2 years of construction, Macroplan envisage that this development will generate 40 to 50 full-time equivalent jobs per annum directly in the construction industry and a further 65 to 75 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

4.2 Post-development

4.2.1 Direct Employment

The proposed development can support the local employment in Wentworthville and Cumberland LGA generally by maintaining employment floorspace availability and employment objectives, while promoting industry diversification (and generate new employment sources) and can generate more employment during the planning, construction, and maintenance stages.

⁷ Wentworthville is located in the Cumberland LGA.

⁸ Source: Linesight

According to Willow Tree Planning (i.e., Town planner), it is estimated that an additional 23 FTE direct jobs per annum could be generated on site once the expansion is fully completed and operational.

Macroplan's view is that the above-mentioned job estimate seems reasonable considering the specific nature of some industries:

- Over a proposed floorspace of 4,559 m² GFA, the proposed development will engage about 23 FTE workers, equivalent to an average rate of about 200 m² GFA of floorspace per employee.
- Further to this, according to the latest research done by the AIHW, one 'salaried medical officer' (mental health services) was employed to look after 3.5 to 4 mental health service beds in Australia. Based on this, our view is that the employment density assumptions utilised by the applicant are sufficient and realistic, and also complies with planning standards.
- In addition to achieving higher employment outcomes, the proposed land uses are consistent with market appetite – business growth in Wentworthville and its surrounds was most pronounced amongst the 'Health Care and Social Assistance' sector.

If the development does not proceed, the site would not provide additional employment opportunities for an employment sector which is currently in demand. Further to this, it would not provide local employment opportunities for the people of Wentworthville and the Cumberland LGA.

4.2.2 Indirect and Induced Employment

The following analyses of the 'Health care services'⁹ indicate the linkages with other sectors within the Cumberland LGA.

According to the latest Census, the sector employed 3,109 direct jobs in 2016, on this measure the total impact is 5,933 jobs, implying a ratio of 1.91 jobs for each direct job. Therefore, the total employment multiplier is 1.91 (i.e. 100 direct 'health care' jobs will generate about 91 indirect and induced jobs).

Table 6 Total Impact of 'Health care services' Sector, Cumberland LGA

	Direct	Indirect	Induced	Total Impact	Ratio Total to Direct
Output (\$'m)	378.1	276.0	203.0	857.1	2.27
Value Add (\$'m)	242.7	128.4	157.4	528.5	2.18
Employment (jobs)	3,109.0	855.3	1,968.7	5,932.9	1.91

Source: ABS & Macroplan

As discussed before, the development approval will allow for expanded employment outcome in terms of direct jobs which means it can generate additional indirect jobs. Based on our multiplier assessment, with approval, 23 additional direct jobs at the subject site will generate additional 20 indirect and induced jobs outside the Wentworthville Northside West Clinic.

⁹ ABS Input-output tables are published using a different classification to ANZSIC: input-output product categories (IOPC) and input-output product groups (IOPG). These two classification structures do not perfectly align, but the BCAR has attempted to do the best matching possible.

Section 5: Other Considerations

In this section of the report, Macroplan considered other economic and community impacts that are achievable as a result of the proposed expansion of the subject site.

5.1 Contribution to the overall wellbeing of Australia's mental health care facilities

5.1.1 Prevalence of Mental Illness in Australia

Mental illness is widespread in Australia, as it is in other developed countries. It was estimated that 64,000 people aged 18-64 accessed treatment for a psychotic disorder from public Specialised mental health services each year (AIHW, 2019).

The prevalence of mental illness in Australia can be further confirmed by the following statistics:

- Almost half of Australians will have a common mental disorder in their lifetime (Black Dog Institute, 2020).
- 1 in 7 (560,000) young people (4-17 years) had mental disorders in the previous 12 months. For these people, anxiety disorders were the most prevalent type of disorder (14%), followed by affective disorders (6.2%) and substance use disorders (5.1%) (Australian Child and Adolescent Survey of Mental Health and Wellbeing (2015)).

Whilst these statistics indicate an already strong prevalence of mental illness, the 2017-18 National Health Survey¹⁰ indicated that the number of people with mental illness will proportionally increase into the future. The survey found increased rates of mental illness in several areas¹¹:

- Around 1 in 8 adults (13%) experienced high or very high levels of psychological distress in 2017-18 – an increase from 11.7% (or 2.1 million adults) in 2014-15.
- 1 in 5 Australians (20.1%) reported a mental or behavioural condition in 2017-18 – an increase from 17.5% (four million Australians) in 2014-15.
- Around 1 in 8 Australians (13.1%) had an anxiety-related condition in 2017-18 – an increase from 11.2% in 2014-15.
- 1 in 10 people (10.4%) had depression or feelings of depression in 2017-18 – an increase from 8.9% in 2014-15.

This projected rise in mental illness can be further supported when noting the increase in patient Medicare-subsidized mental health-specific services, and the number of services provided over the 5 years to 2016-2020. The number of patients receiving services increased from 1.6 million to 2.3 million, while the number of services provided increased from 7.9 million to 10.6 million, an annual average increase of 7.6% services. From 2011-12 to 2015-16, services provided by GPs and clinical psychologists made up almost two-thirds of the total growth in services¹².

¹⁰ ABS Statistics

¹¹ RACP, 'Mental health issues increasing among Australians, 2019

¹² AIHW, Mental health services in brief, 2017

5.1.2 Impact on the Wider Community

Mental health affects not just the individual but also the wider community. The total burden of a disease on a population can be defined as the combined loss of years of healthy life due to premature death (known as fatal burden) and living with ill health (known as non-fatal burden)¹³.

Mental and substance use disorders contributed 12% of Australia's total burden of disease in 2015, making it the fourth highest disease group contributing to total burden. Of the total burden caused by mental and substance use disorders, 98% was due to living with the effects of these disorders (AIHW 2019). Mental and substance use disorders were the second highest disease group contributing to non-fatal burden (23%) after the first-ranked musculoskeletal conditions (25%).

5.1.3 Contribution to the current mental health care system

The above analysis indicates a strong existing presence of mental illness among Australians, with supporting evidence indicating a proportional increase of people living with mental illness into the future. If left neglected, the unsustainable rise in mental illness could lead to increased rates of fatal burden and non-fatal burden among the population, creating detrimental impacts on the wider community for the long-term future.

As noted in Section 4, there is currently a supply shortage of 149 psychiatrists and 283 psychologists. With the catchment areas projected to grow significantly to 2036 (further deteriorating the supply/demand gap) it will be critical to ensure that there is a sufficient supply of mental health services to meet projected demand into the future. The proposed expansion of the Wentworthville Northside West Clinic is well positioned to absorb unmet demand whilst complimenting the existing and future mental health facilities within Greater Sydney and NSW generally.

Macroplan also note that it will be equally critical to ensure that mental health care services are provided in a diverse range of formats that are easily accessible to all individuals. According to AIHW, 54% of people with mental illness do not access any treatment. This is worsened by delayed treatment due to serious problems in detection and accurate diagnosis. The proportion of people with mental illness accessing treatment is half that of people with physical disorders (AIHW, 2014).

In reference to the above paragraph, Macroplan see a key point of difference for the Wentworthville Northside West Clinic against other private operators is its base of highly skilled and Specialised practitioners tailored to treat the full spectrum of mental health disorders, as well as the quality associated with patient accommodation offerings and supporting amenities delivered in a 'residential' format. These are key attributes that may attract suffering individuals to seek treatment, if provided by highly Specialised practitioners in an a more comforting/appealing environment (as opposed to a psychiatric unit/ward attached to a hospital).

Macroplan also recognise another key feature of the Wentworthville Northside West Clinic - its extensive internal network of mental health care operators. With four existing psychiatric hospitals under the Northside Group, the clinic will have improved capacity to transfer medical staff across the associated clinics from St Leonards, Wentworthville, Campbelltown, and Cremorne in line with effective patient demand for mental health services. This is a notable element that standalone operators do not possess and will be an important aspect for managing the on-going fluctuations of demand for mental health services.

¹³ AIHW, Australia's health 2020 – Mental health, 2020

In summary, Macroplan envisage that increasing the supply of Specialised psychiatric/psychological services in a residential/community format will be a significant attribution in meeting projected (unmet) demand and mitigating the 'total burden of disease' on the local and wider community.

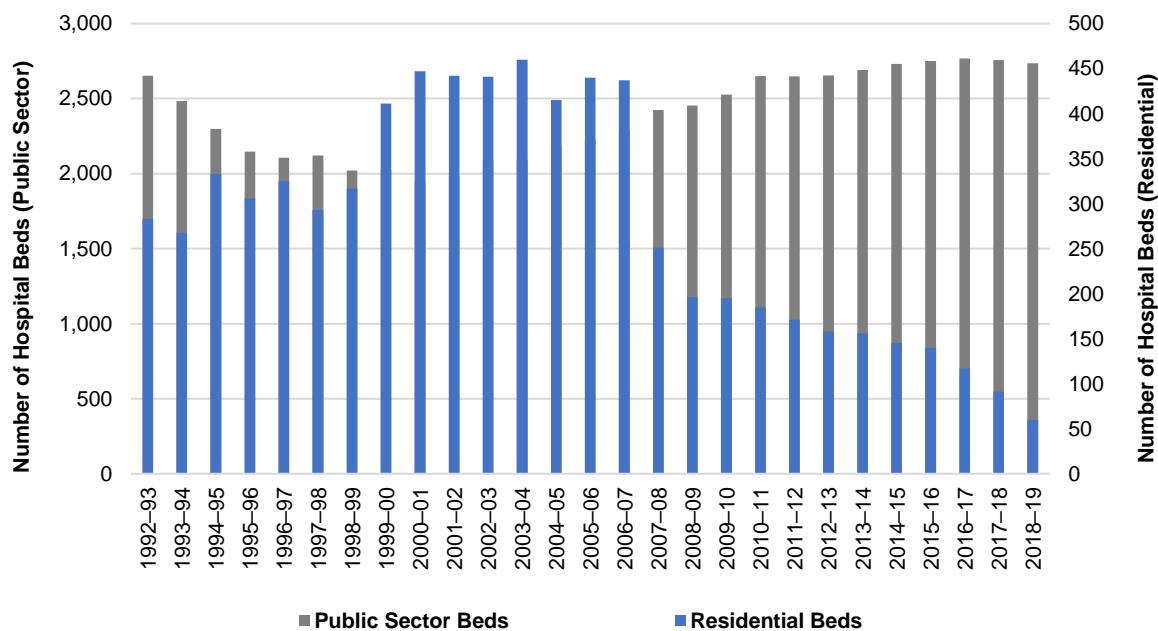
5.2 Contribution to the number of specialised mental health hospital beds available to patients

Whilst data on the total number of mental health hospital beds are not publicly available at local government level, Macroplan sourced and analyzed data from the AIHW looking at the total number of public sector and residential mental health care hospital beds within NSW over the period between 1992 to 2019 (latest available data).

These figures were used indicatively to assess the supply/demand relationship of bed numbers to NSW residents illustrated through the total number of beds available to patients in proportion to the total growth in population over the observed period (see Figures 12 and 13).

As observed in Figures 12 and 13, public and residential Specialised mental health care providers have failed to maintain hospital bed supply in proportion to the spike in population growth within NSW over the observed time-period.

Figure 11 Specialised Mental Health Hospital Beds, NSW, 1992–93 to 2018–19

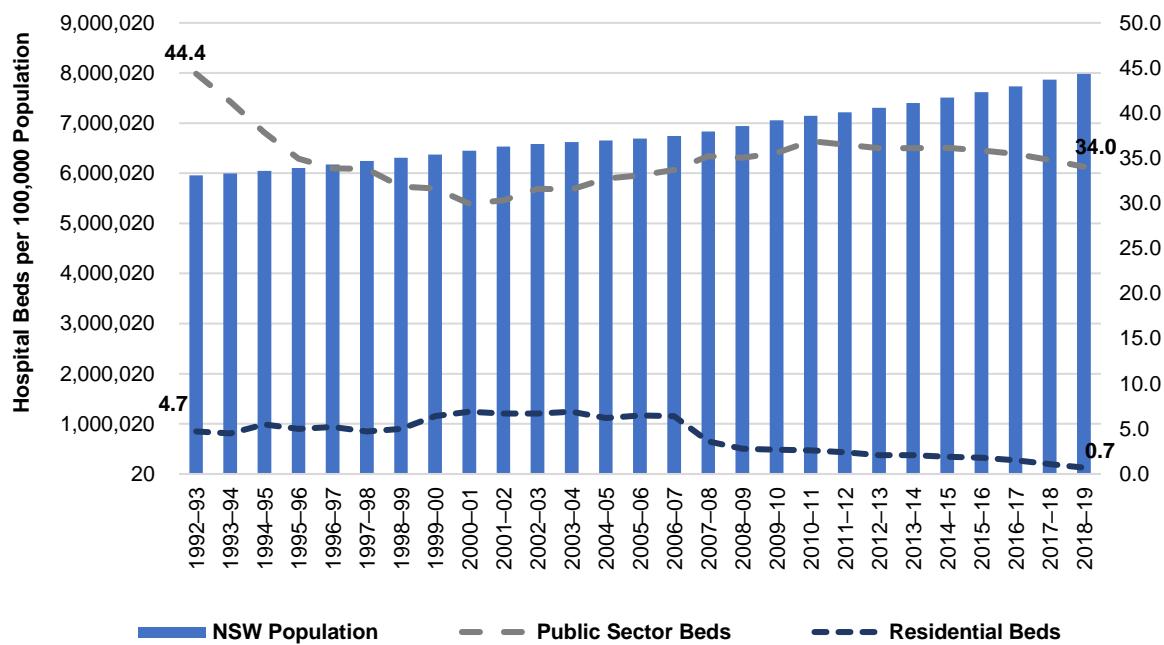


Source: AIHW, Macroplan

Over the 26-year timeframe, the supply of public sector Specialised mental health hospital beds increased marginally reflected through an increase of 84 hospital beds to reach 2,736 in 2018-19, equating to an additional supply of around 3.1 beds per year (CAGR of 0.12%). Over the same period, residential mental health service beds decreased significantly, reflected through a decrease of 223 mental health hospital beds to reach 60 in 2018-19, equating to a decline of about 8.6 beds per annum (CAGR of -5.8%).

Whilst these figures provide an indication of existing and projected supply of public and residential hospital beds, Macroplan undertook further analysis to ascertain the supply/demand relationship between bed numbers and patients. This is illustrated in Figure 13 as a proportion of the total number of mental health care hospital beds available to patients per 100,000 residents expressed over the 26-year time frame.

Figure 12 Specialised Mental Health Hospital Beds per 100,000 Population, NSW, 1992-93 to 2018-19



Source: AIHW, *Macroplan*

As expressed in Figure 13 the number of public sector and residential mental health hospital beds available to patients has failed to keep pace with underlying demand (population growth) in NSW. It can be expected that this will also hold negative implications for Sydney as well.

Over the observed time-period the population of NSW grew by 2,022,350 to reach 7,980,200 in 2019, equating to an addition of about 77,783 persons per annum (CAGR of 1.1%). Over the same time frame, the number of public sector mental health hospital beds available per 100,000 people decreased from 44.4 in 1992-93 to 34.0 in 2018-19, equating to a total decrease of 10.4 beds per 100,000 people. Similarly, the number of residential service beds decreased from 4.7 beds in 1992-93 to 0.7 beds in 2018-19, equating to a total decrease of 4 beds per 100,000 people.

Research undertaken by Macroplan indicates that there are a range of factors that are potentially attributing to this decrease in public and residential mental health care hospital beds, including a lack of commonwealth direct expenditure into the mental health care industry¹⁴, as well as an increase in Specialised psychiatric units or wards in public acute hospitals which increased from 5,179 beds in 2014-15 to 5,397 beds in 2018-19¹⁵.

¹⁴ Source: The Australian, 'We can't boost Australia's mental health without honesty about Morrison government funding'

¹⁵ Source: AIHW, Mental health services in Australia, public sector specialized mental health hospital beds

Further research undertaken by Macroplan indicates that despite some growth in the number of psychiatrist units in public hospitals, there is still a notable shortfall in the total supply of mental health hospital beds in respect to current and projected population levels. This notion has been underscored by various stakeholders across the mental health care industry, with a notable example provided in an article by the National Association of Practicing Psychiatrists (NAPP)¹⁶. The NAPP has indicated that there are not sufficient mental health services and facilities available to meet the needs of patients which leads to 'rationing' meaning that only severely ill patients are offered treatment. The severity of rationing also means that patients who need hospital admission may not get it, that patients who need longer stays in hospital may be discharged too early, and those patients who need intensive community case management and follow-up may not get it. The article noted that this is a trend seen across various parts of the nation.

This notion was echoed by Dr Dov Degen from Epworth HealthCare who highlighted that due to the limited number of beds available, patients must be extremely unwell to meet the current criteria and receive psychiatry admission. Dr Degen further noted that providing readily available and easily accessible resources will be critical in meeting the existing supply shortfall, ensuring that all patients are given the level of treatment required.

In summary, the above analysis clearly indicates a deteriorating gap between the supply of Specialised mental health hospital beds in proportion to the current growth rate of the NSW population. This notion is further exacerbated when acknowledging the growing rates of mental illness seen across Australia in recent years. Noting that a large portion of NSW's population growth will be concentrated around Western Sydney, and with Wentworthville at the center of much of this growth, Macroplan envisage that expanding the subject site to provide additional Specialised mental health hospital beds will be a significant attribution to the existing shortfall of mental health hospital beds in NSW.

5.3 Supporting surrounding health precincts and medical centres

When looking at mental health care services, Macroplan note that there are an array of care providers in Australia widely accessible to individuals seeking treatment for mental health conditions.

The 2007 National Survey of Mental Health and Wellbeing indicated that in the previous 12 months (ABS 2008) approximately 70.8% of people with a mental disorder accessed mental health services through consultation with a general practitioner (GP).

Hospital emergency departments (EDs) also play a role in treating people with mental illness and in many cases is the initial point of access to the health care system for an individual with mental illness. Data from AIHW indicates that between 2015 and 2016, 273,439 presentations to emergency departments were mental-health related (AIHW, 2021). Furthermore, it is also noted that mental health-related ED presentations had a higher proportion of patients aged 15-54 (78.5%) compared with all ED presentations (48.9%).

Macroplan acknowledge that increasing the supply of community mental health care services in Wentworthville will alleviate pressure from other higher order hospitals and other mental clinics, and other specialist centres.

¹⁶ Source: NAPP, 'The Australian Mental health Crisis: A system failure in need of treatment'

In light the above, Macroplan also note that Northside Group's other three mental health clinics are partnered with public health institutions. Establishing relationships with major public health institutions is critical to ensure ongoing collaboration and support between government and private agencies. Whilst the Wentworthville Northside West Clinic does not currently have a formal arrangement with public health institutions, Northside Group have indicated their intentions of establishing one and are currently in the early stages of formalizing a relationship.

In summary, expanding the current clinic at Wentworthville will facilitate greater opportunities to support ongoing collaboration with existing health institutions and the Westmead Innovation precinct, made possible through additional on-site medical staff and an increased number of hospital beds available for patients.

5.4 Impact of COVID-19 on Mental Health

The potential for COVID-19 to have negative implications on one's mental health was recognised during the early stages of the pandemic (WHO 2020a). In addition to concerns around contracting the virus itself, some of the measures necessary to contain its spread were also likely to negatively impact mental health (NMHC 2020).

Widespread restrictions of movement, social distancing measures and physical isolation, or 'lockdowns', were implemented from March 2020. The sudden loss of employment and social interaction, and the added stressors of moving to remote work or schooling, and more recently, impacts of sudden, localised 'lockdowns' to prevent further outbreaks have impacted the mental health of many Australians. Stress, confusion, and anger are commonplace because of the pandemic (Brooks et al 2020) and, while many people may not experience any long-term concerns, COVID-19 has the potential to contribute to or exacerbate long-term mental illness including anxiety, depression, PTSD, and substance misuse (WHO 2020b).

The impact of COVID-19 on mental health in Australia can be further supported by the following statistics:

- Between March 2020 and January 2021, almost 11.5 million MBS-subsidised mental health-related services were provided.
- Use of telehealth MBS mental health services peaked at the end of April 2020 when half of MBS mental health services were provided remotely.
- The volume of mental health-related PBS prescriptions dispensed spiked in March 2020 when the first restrictions were introduced, followed by a dip in April, and a gradual uptrend to mid-December. This has been observed across all jurisdictions.
- In the 4 weeks to 24 January 2021, Lifeline received over 85,000 calls (an increase of 10.0% and 21.4% from the 4 weeks to 26 January 2020 and 27 January 2019 respectively)¹⁷.

Whilst community transmission rates associated with the virus are stabilising in Australia and social restrictions are easing, Macroplan note existing concerns about the long-term impacts on mental health stemming from COVID-19, with reference to insights from previous pandemics and national emergencies. A key example can be extrapolated from the SARS global outbreak in 2003 which was associated with a 30% increase of suicides in Hong Kong for people over the age of 65¹⁸.

¹⁷ AIHW, Mental health impact of COVID-19, pg. 1-2

¹⁸ BBC, 'Coronavirus: The possible long-term mental health impacts' & National Library of Medicine, A revisit on older adults' suicides and Severe Acute Respiratory Syndrome (SARS) epidemic in Hong Kong.

In 2008 the National Library of Medicine published a study completed by John Wiley & Sons Ltd, examining the impact of the SARS global outbreak on the mental health of individuals. In the study Poisson Regression Models¹⁹ were used to examine the impact of the SARS epidemic on older adult suicides in Hong Kong. The study indicated an excess of older adults' suicides in April 2003, when compared to the month of April of the other years. A trough, instead of the usual summer peak, was observed in June, suggesting some of the older adults' suicides might have been brought forward. On a year basis, the annual older adult's suicide rates in 2003 and 2004 were significantly higher than that in 2002, suggesting that the suicide rate did not return to the level before the SARS epidemic. Based on the Coroners' suicide death records, overall severity of illness, level of dependency and worrying of having sickness among the older adult suicides were found to be significantly different in the pre-SARS, peri-SARS and post-SARS periods.

Dr Joshua C Morganstein (assistant director at the Centre for the Study of Traumatic Stress in Maryland, USA) commented on the matter as follows: *"Historically, the adverse mental health effects of disasters impact more people and last much longer than the health effects...if history is any predictor, we should expect a significant 'tail' of mental health needs that continue long after the infection outbreak resolves".*

The above reconnaissance indicates a potential stream of long-term mental health impacts resultant from the COVID-19 pandemic. In conjunction with increased rates of mental illness seen in Australia, Macroplan note that the long-term impacts of COVID-19 could aggravate a detrimental increase of people living with fatal and non-fatal burden (ultimately resulting in a decrease in the total combined loss of years of healthy life due to premature death).

Considering the above, it will be critical to ensure that sufficient resources such as mental health hospital beds and mental health practitioners are committed over the short- to mid-term future, to prepare for any increased rates of mental illness stemming from the COVID-19 pandemic.

5.5 Providing educational and vocational training platforms for prospective medical practitioners

Macroplan also note that expanding the existing clinic will also create additional opportunities to provide vocational training and educational platforms for university medical students. Typically, psychiatrists will be required to complete a medical degree, followed by one year of vocational training within a medical facility, finishing with the completion of specialist training in psychiatry. Similarly, psychologist will be required to complete a psychology degree followed by either an accredited two-year postgraduate qualification or two years of supervised experience with a registered psychologist.

As noted in Section 3, there is a growing requirement for more psychologists and psychiatrists, which can only be enabled through providing more on-the-job vocational training and workplace opportunities. As population and proportion levels of mental illness are expected to increase, there is a greater need to train more mental health professionals. An increase in quality clinical placements is required to ensure that more mental health professionals are able to perform their clinical roles after they graduate.

¹⁹ Poisson Regression is a generalized linear model form of regression analysis used to model count data and contingency tables

By expanding the clinic at the subject site, it will have additional capacity to facilitate employment opportunities for prospective mental health practitioners via a comprehensive platform of internal collaboration, workplace education and on-the-job vocational training – three key elements to entering the mental health care industry.

5.6 Employment Containment

Job containment refers to residents who live and work in the same area as a share of total resident workers in that area. A high self-containment implies there are many jobs in an area which employs local people – evidence of a strong regional employment base. Wentworthville currently achieves a self-containment level of 22.2%²⁰, noting that a high proportion of local workers travel to work outside of the Cumberland LGA.

If the proposed expansion is not allowed, there will be no job creation arising from the potential subject site development and its operation. Without any local job creation, this means that the suburb will have a lower self-containment rate and will become less self-contained.

5.7 Industry Value Added

Industry Value Added (IVA) is the sum of income from labour (wages), land (rent) and capital (profit) generated by the production of economic goods and services. The expansion of the new mental clinic centre requires investment (profit), resulting in the creation of jobs (wages) in different industries (e.g. transport & logistic operation jobs located at the subject site will contribute to the overarching health care industry's total income through wages and profit). The IVA in this case demonstrates the monetary value that the project will contribute to the local economy.

In its developed form, the proposed medical centre will employ 23 FTE direct workers. This could generate an Industry Value Added (IVA) of close to \$5 million per annum²¹.

²⁰ ABS Census 2016

²¹ Refer to methodology in Appendix 7.1

Section 6: Conclusion

This report provides an economic implication assessment of a proposed expansion of the subject site at 23-27 Lytton Street, Wentworthville.

The proposed development can support the local economy and complement other health care facilities within the local and wider catchment by providing more employment floorspace and promoting industry diversification. It will also generate more employment during the planning, construction, and maintenance stage.

In addition, it is professional opinion that the proposed expansion can deliver about 23 FTE direct jobs (i.e. indicated by the applicant). However, the operational employment outcome is subject to several variables including economic growth trajectory or systematic risk (e.g., recession, policy changes, international conditions). The potential FTE direct jobs could be higher or lower than the mentioned estimate. Considering the current shortage of psychiatrists and psychologists, however, our view is that the employment density assumed by the applicant seems realistic and achievable.

Further to this, the additional direct job creation will generate additional 20 indirect and induced jobs outside the proposed expansion of the Wentworthville Northside West Clinic.

Macroplan understand that, the capital investment value of this project is expected to be approximately \$32 million²². Assuming 2 years of construction, 40 to 50 full-time equivalent jobs per annum can be created directly in the construction industry and a further 65 to 75 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

In addition to delivering a superior employment outcome, the expanded clinic will also generate a number of social and economic benefits such as:

- Contribution to the overall wellbeing of Australia's mental health care facilities
- Contribution to the number of specialised mental health hospital beds available to patients
- Supporting surrounding health precincts and medical centres
- Providing additional support to prepare for increased rates of mental illness stemming from COVID-19
- Providing education and vocational training platforms for prospective medical practitioners

²² Source: Linesight

Section 7: Appendices

This section discusses the required social infrastructure arising from a proposed medical centre development on the subject site in Wentworthville.

7.1 IVA Calculation Methodology

The Australian Bureau of Statistics (ABS) constructs estimates of Industry Value Added (IVA) and Gross Regional Product (GRP) for each of the States, but not at a regional or LGA level. There is insufficient data at the regional or LGA level for the ABS to assert a degree of confidence around IVA/GRP estimates, suggesting that estimates of IVA/GRP at the LGA or suburb level need to be treated with some caution.

With that qualification, the Office of the Chief Economist of Department of Industry, Innovation and Science (OCE) has published provisional estimates of regional GRP for 2014/15. The methodology used by the OCE is set out broad terms in its 2016 Report. It uses partial data, relative employee compensation (vs Labour Value Added and Capital Value Added for State industries) in most instances, to determine ratios and a region's share of State IVA. The methodology is reasonable and defensible but (as the OCE would agree) the results need to be treated with caution.

This report has adopted the OCE methodology, to generate 'estimates' of output by regions in Australia, in this case for the expanded mental health clinic. Taking the estimates of floorspace by industry, we use standard measures of space per worker to derive a potential workforce if the floorspace were fully utilised.

Total factor income measures the total income generated by the production of economic goods and services. In the case of labour this means income from wages, while income from land is rents and income from business is profits. Total factor income by industry looks at the total income generated by an industry. To calculate the Industry Value Added (IVA) by industry, the total factor income per worker by industry for NSW is applied to the number of workers per industry to generate an estimate of total factor income for each industry. Total factor income incorporates income generated from capital (profit) – the methodology incorporates the assumption of the NSW capital/labour ratio for each industry. The aggregate of income (wages) and capital (profit) from each industry is an estimate of industry value added.

The estimates of IVA generate an estimate of gross regional product (GRP) for this small area, i.e., the subject site at Wentworthville, a monetary measure of the market value of all final goods and services produced in a region.

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