

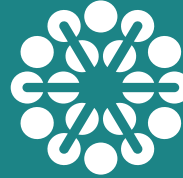
ECONOMIC BENEFITS OF THE NDIS IN NSW

NDS

National Disability Services



NDIS | Revolutionising disability services



Centre for
Applied Disability
Research

An Initiative of National Disability Services



THE STORY: NDIS A DRIVER FOR JOBS GROWTH

Today National Disability Services and Every Australian Counts have released a paper showing the potential scale of the economic benefits the NDIS will bring to NSW. New economic modelling forecasts the impact the NDIS will have on NSW Gross State Product when fully implemented and details the potential for increased labour force participation of people with disability and their carers.

In NSW the NDIS will:

- **Support between 7,800 and 12,400 people with disability to find work**
- **Support approximately 10,700 carers to return to the workforce**
- **Create an employment boom in NSW with 37,400-46,400 jobs created as a consequence**
- **Create approximately 25,000 jobs in the NSW disability service sector**
- **Add up to \$7.3B annually to NSW's Gross State Product**

Every Australian Counts Campaign Director, John Della Bosca said of the report: “We have always known the NDIS is the right direction. This report proves the NDIS is not just a socially responsible scheme, it’s what Australia needs. The economic benefits cannot be denied.”

The report uses ABS data on numbers of people with disability who would like to work but because of various restrictions have been unable to. With the NDIS, this is changed as more support becomes available to more people with disability. The report also uses data of carers who desire to return to the workforce but cannot now because of their caring responsibility. The modelling is based on an ABS survey of over 75,000 people with disability and their carers. At about one 300th of the Australian population, this makes it the largest sample survey conducted by the ABS.

Manager of State Operations for National Disability Services, Tony Pooley welcomed the new report: “There are people with disability across Australia eager to work. There are carers who cannot wait for the chance to get back into the workforce. Economic modelling gives voice to their eagerness. What this report tells us is that the NDIS can’t come soon enough. Soon enough for people to find work and soon enough for huge economic benefit to be seen in NSW.”

Mr Pooley continued: “The NSW Government has been a leader in regard to the NDIS and in investing in a strong disability service sector. Their investment in the NDIS will be rewarded through these terrific gains.”

Mr Della Bosca concluded: “The NDIS will not only make a huge difference to lives of 460,000 Australians with permanent and significant disability but will repay the taxpayer many times over. Once fully implemented the NDIS has the potential to increase GDP by \$22billion. We’ve heard a lot recently about potential budget blowout, this report shows again, the NDIS could actually be our golden ticket.”

INTRODUCTION

National Disability Services (NDS) and Every Australian Counts commissioned modelling to forecast the economic impact of the National Disability Insurance Scheme (NDIS) in NSW. This report details the findings of labour force participation of people with disability who will be NDIS participants and their carers¹. The modelling forecasts the impact this will have on NSW Gross State Product (GSP) when the scheme is fully implemented.

The key findings are:

1. Direct employment growth for between 7,800–12,400 people with disability on a full-time equivalent (FTE) basis is expected;
2. Employment growth of approximately 10,700 FTE carers returning to the workforce as a result of NDIS supports for their care recipient is forecast;
3. Total direct employment growth of approximately 18,500–23,100 FTE is expected;
4. With flow-on effects from this employment growth, the creation of 37,400–46,400 new FTE jobs in NSW is predicted;
5. A GSP impact for NSW of \$6–7.3B per annum in 2015 dollars when the NDIS is fully implemented is expected; and
6. These gains are in addition to any employment gains created by increased disability service funding in NSW as a result of the NDIS funding agreement.

¹ The modelling was undertaken by Dr Brendan Long, a Senior Research Fellow at Charles Sturt University and Director of Agape Economics, a consultancy. This modelling updates previous analysis by NDS using the ABS Survey of Disability and Carers. The work builds on previous work see a) NDS (2015), 'Economic Benefits of the NDIS' ; b) NDS Policy Paper (2011), The Economic Benefits of Disability Employment, Estimates of the labour supply impacts of the OECD integration scenario and the National Disability Insurance Scheme using SDAC; and c) Long, B (2012), 'Applying SDAC 2009 to the OECD Integration Scenario for Disability Employment', Economic Papers: A journal of applied economics and policy, 31: 274–285).

THE MODEL

NDS and Every Australian Counts commissioned an economic model of the impact of the NDIS. The national results of this modelling are included in a detailed research paper of NDS².

The model focuses on the potential increase to labour force participation of people with disability and their carers as a result of the NDIS. The work intentions of future NDIS participants have been measured using the ABS Survey of Disability Ageing and Carers (SDAC), most recently in 2012. SDAC also highlights the work restrictions that people with disability face.

The model measures the impact of people with disability achieving their work intentions through NDIS support. The base case assumes that the NDIS will allow eligible people with disability who want to work that opportunity with appropriate support. Both on a full or part-time basis. The more conservative module of the analysis focuses on a narrower range of people with disability whose labour force participation restrictions align most directly with NDIS funded supports. The two cases then present the lower to upper range of expected employment effects.

SDAC also reveals the work intentions of carers. Some carers indicate that they have left the labour market as a result of care obligations. Some carers say they would work more hours if they were relieved of caring duties. The model estimates the increase in employment from enhanced labour force participation of carers. The labour force effects of both people with disability and carers are then applied to the REPLAN modelling tool, an input/output model, to produce GSP impacts.

DIRECT EMPLOYMENT GROWTH IN NSW FROM THE NDIS

The table and chart below show the expected increase in labour force participation at industry level in NSW. These results relate to the year 2018, the assumed full NDIS implementation period, but are presented in 2015 dollar terms. The figures represent new full-time job equivalents (FTE).

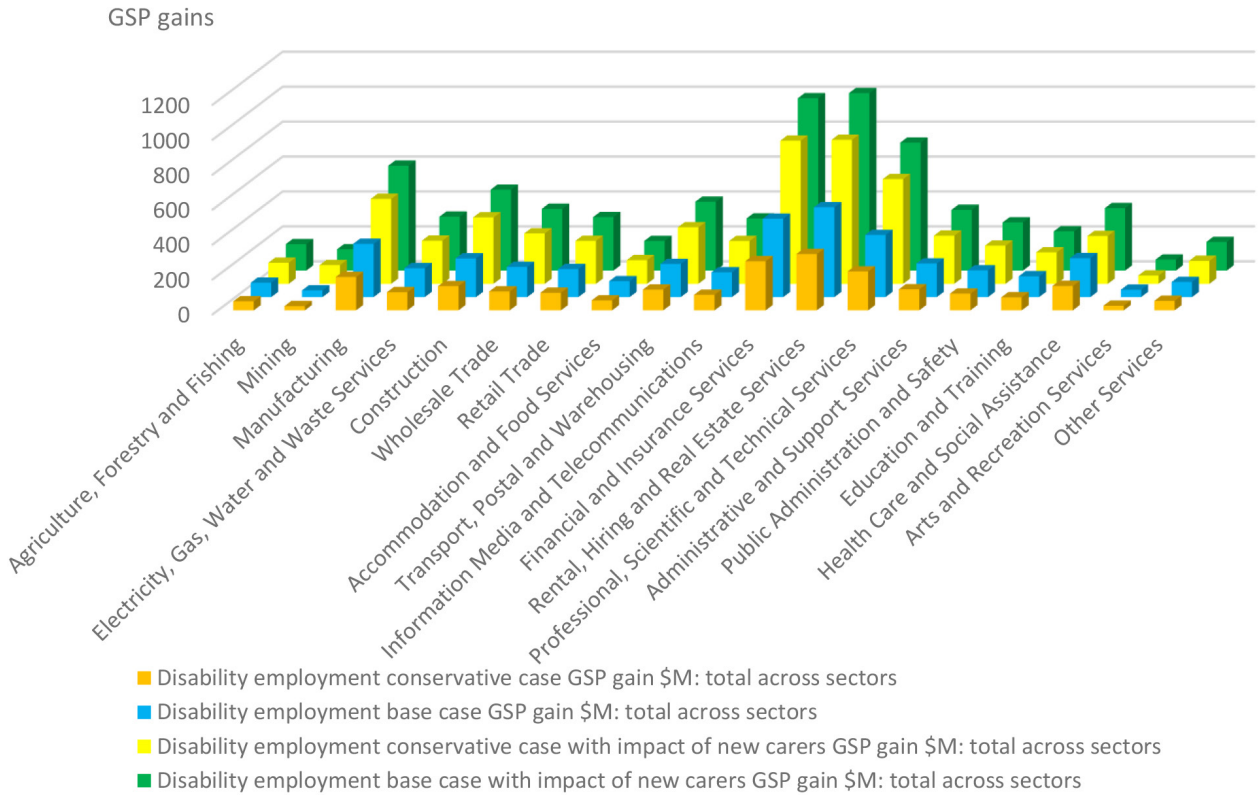
The employment of people with disability will grow by 7,800–12,400 FTE. This is distributed according to the employment profile of people with disability in NSW revealed in SDAC. The employment of carers will grow by approximately 10,700 FTE. This is distributed according to the mainstream employment distribution in NSW.

² See 'Economic Benefits of the NDIS', NDS (2015)

DIRECT EMPLOYMENT GAINS (FTE) FROM THE NDIS IN NSW

SECTOR	DISABILITY EMPLOYMENT BASE CASE	DISABILITY EMPLOYMENT CONSERVATIVE CASE	DISABILITY EMPLOYMENT BASE CASE WITH IMPACT OF NEW CARERS	DISABILITY EMPLOYMENT CONSERVATIVE CASE WITH IMPACT OF NEW CARERS
Agriculture, Forestry & Fishing	344	215	604	476
Mining	54	34	220	200
Manufacturing	1,069	670	2,079	1,680
Electricity, Gas, Water & Waste Services	189	119	342	272
Construction	957	600	2,024	1,666
Wholesale Trade	421	264	901	744
Retail Trade	996	624	1,840	1,468
Accommodation & Food Services	660	414	1,147	901
Transport, Postal & Warehousing	552	346	1,205	998
Information Media & Telecommunications	232	145	522	435
Financial & Insurance Services	417	261	1,060	905
Rental, Hiring & Real Estate Services	212	133	422	343
Professional, Scientific & Technical Services	919	576	1,954	1,611
Administrative & Support Services	556	348	879	672
Public Administration & Safety	942	590	1,658	1,306
Education & Training	830	520	1,537	1,227
Health Care & Social Assistance	2,077	1,301	3,152	2,377
Arts & Recreation Services	417	261	557	401
Other Services	571	358	1,017	803
Total FTE	12,415	7,779	23,120	18,485

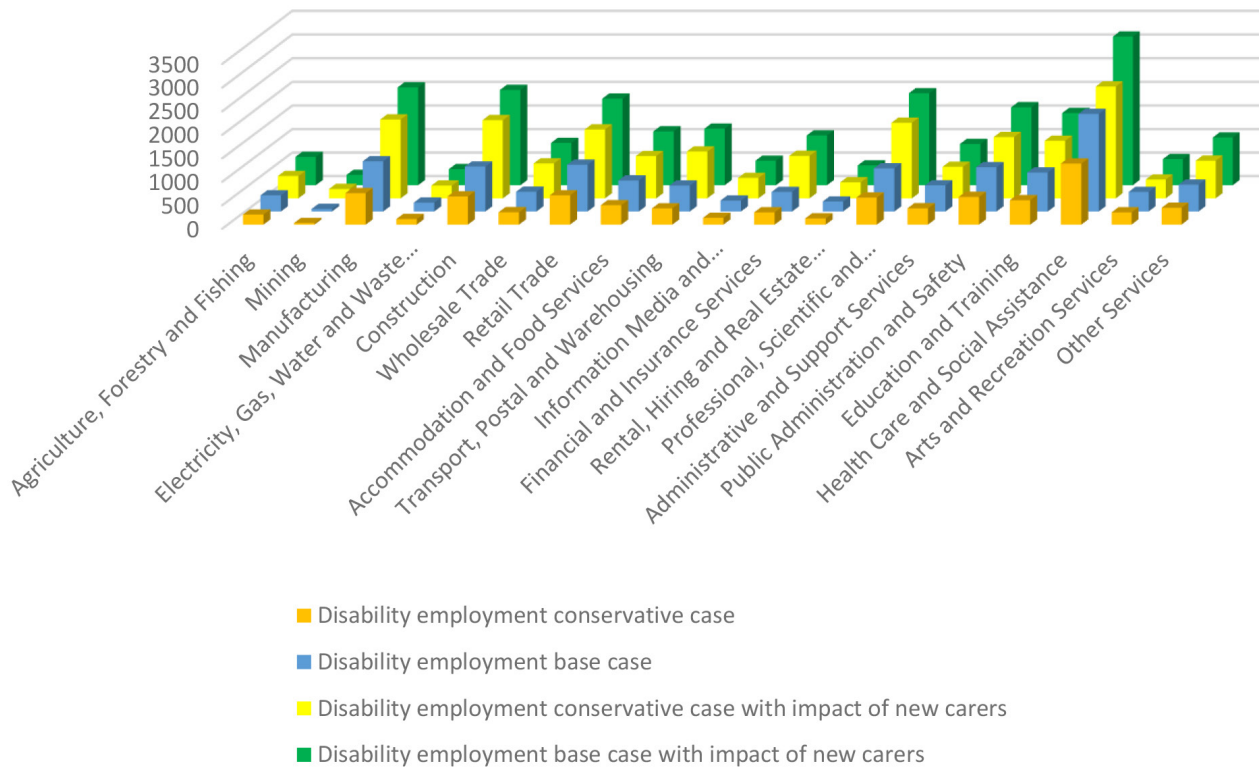
NEW EMPLOYMENT GROWTH FROM THE NDIS IN NSW



GSP IMPACT FOR NSW

The REMPLAN model predicts GSP for the base and conservative cases of increased employment of people with disability and each of these cases is augmented by the flow of more carers into the workforce. The table at the end of this paper shows the detailed results by sector for all of the four simulations modelled. Total GSP gains from increased employment of people with disability amounts to between \$2.3B and \$3.7B per annum. When the GSP gains from increased labour force participation of carers is included, the GSP gains are predicted to range from \$6B to \$7.3B per annum. These results are presented in the graph below.

NEW EMPLOYMENT GROWTH FROM THE NDIS IN NSW



FINDINGS

The NDIS will lead to an increase in labour supply in NSW. While an increase in labour supply does not automatically lead to increased employment, especially in the case of employment for people with disability, the modelling indicates the potential gains to NSW that may flow from increased labour force participation of people with disability and carers. These are significant with potentially 23,100 extra FTE jobs created directly with over \$7.3B of GSP gains each year.

Full implementation of the NDIS will also lead to a large increase in employment in the NSW disability service sector. This will also enhance GSP. Such benefits will be able to be modelled when the NDIS funding parameters for NSW are ultimately settled. The gains to GSP modelled here are in addition to economic benefits that will flow to NSW from increased employment disability service sector under the NDIS. National economic benefits from the implementation of the NDIS will also have flow on benefits for NSW as the multiplier effects of increased employment will flow across the nation.

BREAKDOWN OF EMPLOYMENT AND GSP GAINS FOR NSW BY SECTORS WHEN NDIS FULLY IS IMPLEMENTED, GSP GAINS IN \$2015

	DISABILITY EMPLOYMENT BASE CASE				DISABILITY EMPLOYMENT CONSERVATIVE CASE				DISABILITY EMPLOYMENT BASE CASE WITH IMPACT OF CARERS				DISABILITY EMPLOYMENT CONSERVATIVE CASE WITH IMPACT OF CARERS			
	Direct jobs growth	Full jobs growth	GSP gain \$M: total across sectors		Direct jobs growth	Full jobs growth	GSP gain \$M: total across sectors		Direct jobs growth	Full jobs growth	GSP gain \$M: total across sectors		Direct jobs growth	Full jobs growth	GSP gain \$M: total across sectors	
Agriculture, Forestry & Fishing	344	692	83		215	434	52		604	1,268	151		476	1,010	121	
Mining	54	112	39		34	70	24		220	344	122		200	302	107	
Manufacturing	1,069	2,132	305		670	1,336	191		2,079	4,191	600		1,680	3,396	487	
Electricity, Gas, Water & Waste Services	189	417	166		119	262	104		342	780	309		272	625	247	
Construction	957	1,719	222		600	1,078	139		2,024	3,590	463		1,666	2,946	380	
Wholesale Trade	421	959	173		264	601	108		901	1,959	353		744	1,601	289	
Retail Trade	996	2,287	161		624	1,433	101		1,840	4,356	306		1,468	3,503	246	
Accommodation & Food Services	660	1,497	91		414	939	57		1,147	2,795	170		901	2,237	136	
Transport, Postal & Warehousing	552	1,229	189		346	814	119		1,205	2,699	394		998	2,213	324	
Information Media & Telecommunications	232	591	142		145	370	89		522	1,242	298		435	1,021	245	
Financial & Insurance Services	417	1,178	449		261	738	281		1,060	2,588	987		905	2,150	819	
Rental, Hiring & Real Estate Services	212	580	514		133	364	323		422	1,151	1,016		343	935	824	
Professional, Scientific & Technical Services	919	2,574	356		576	1,613	223		1,954	5,298	732		1,611	4,337	600	
Administrative & Support Services	556	1,337	192		348	837	120		879	2,410	348		672	1,911	276	
Public Administration & Safety	942	1,188	153		590	744	96		1,658	2,147	276		1,306	1,703	219	
Education & Training	830	1,254	119		520	786	75		1,537	2,364	225		1,227	1,896	180	
Health Care & Social Assistance	2,077	2,583	223		1,301	1,618	140		3,152	4,140	357		2,377	3,176	274	
Arts & Recreation Services	417	605	42		261	379	26		557	906	63		401	680	47	
Other Services	571	1,173	87		358	735	54		1,017	2,220	164		803	1,781	132	
Total	12,415	24,172	3,704		7,779	15,148	2,322		23,120	46,444	7,335		18,485	37,420	5,953	

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