



**Submission to Senate Standing Committee on  
Economics**

TREASURY LAWS AMENDMENT (NATIONAL HOUSING  
AND HOMELESSNESS AGREEMENT) BILL 2017

**Submitted by:**

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## **Submission on Treasury Laws Amendment (National Housing and Homelessness Agreement) Bill 2017 by the Summer Foundation**

### **Introduction**

The Summer Foundation's mission is to resolve the issue of young people living in nursing homes. We support the housing, disability, health and aged care systems to work more effectively with younger people in, or at risk of entering aged care.

The Summer Foundation welcomes the Australian Government's commitment to a new National Housing and Homelessness Agreement, and is pleased to have the opportunity to provide comment on the Bill.

### **NHHA and housing needs of NDIS participants**

Our submission advocates for explicit recognition in the NHHA of the need to address housing needs of people with disability as priority.

Access to affordable housing is widely accepted as a key issue for achieving effective outcomes for people with disability with the introduction of the National Disability Insurance Scheme.

Accessible and affordable housing is a key element of realising the promise of the NDIS to "support a better life for hundreds of thousands of Australians with a significant and permanent disability and their families and carers."  
(NDIS website)

The Joint Standing Committee on the implementation and administration of the NDIS reported in 2015 that:

"There is a lack of safe, secure, affordable and appropriate accommodation for people with disabilities. A lack of adequate accommodation can limit people's ability to fully participate in society and live an ordinary life like any other Australian. If the matter of accommodation remains unresolved, it could significantly impinge on people's ability to fully exercise their individual choice and control, impacting on their ability to improve their quality of life and care." (p. 1)

The Joint Standing Committee recognised access to housing as a fundamental issue for the implementation of the NDIS, and separately reported on the matter in 2016.

In that report the Committee recommended, "that accommodation for people with disability be integral to the development of affordable and social housing policy proposals" (Recommendation 2, JSC report on Accommodation for people with disabilities and the NDIS, 2016).

The NHHA is central to affordable housing policy in Australia and should acknowledge the housing imperatives presented by the NDIS.

### **Estimates of housing need from the NDIS**

Of the 460,000 people expected to be supported with individual funding packages under the NDIS, specialist housing support will be provided to 6 per cent (around 28,000 people). This group, due to extreme functional impairments or very high support needs, cannot live in mainstream housing. The Specialist Disability Accommodation (SDA) payment provides a funding stream which will encourage the development and retention of specialist housing for that small group.

However a large number of the remaining 94 per cent of NDIS participants will seek to move from current arrangements to more appropriate housing. NDIS funding of supports will open up new opportunities to pursue a more independent life in the mainstream housing system.

The vast majority of NDIS participants will not receive housing assistance through the NDIS as housing is viewed as a mainstream support. However, with attention focussing on the innovative SDA payment framework, we believe there is a risk that other housing needs generated by support provided through the NDIS could be overlooked. This includes a large number of people with highly constrained housing options or in inappropriate housing arrangements.

The Disability Housing Futures (DHF) working group estimated in 2016 that 110,000 NDIS participants will seek to transition to different housing arrangements in the next 10 years. Taking account of people who would move into available social housing or private rental and people who would access the SDA payment which can fully fund their housing, the DHF report estimated a gap of 35,000 to 55,000 people seeking to transition to new housing options.

Affordable housing options are critical to people with disability due to low incomes and workforce participation. Improved housing outcomes for this cohort would lead to reductions in NDIS support costs and mainstream health costs for individual NDIS participants.

Addressing the housing needs of people with disability will also generate significant reductions in spending across other portfolios that are both unnecessary and adversely affect the wellbeing of people with disability.

Actuarial modellings from DHF's September 2017 report on housing for people with disability found that there is a multiplier of between \$2.09 and \$17.01 for every dollar invested in affordable housing for people with

disability. Many of these savings are in reduced hospital admissions and justice system costs.

### **NHHA presents an opportunity**

The Australian Government's plan to address housing affordability features measures which should contribute to addressing the affordable housing needs of people with disability in Australia.

The Housing Affordability package includes important supply side measures – including the NHHA, the plan to establish a National Housing Finance and Investment Corporation (NHFIC) and the bond aggregator to provide efficient finance for affordable housing development by the community housing sector.

We note the Bill to establish the NHHA sets out the conditions that a State needs to satisfy to receive its funding allocation under the NHHA (s.15C). This includes a published, up to date housing strategy (s. 15C(5)). We note that this element of the Bill provides a mechanism for jurisdictions to signal their commitment to strong planning and actions to address priority housing needs.

State and Federal Government must balance the housing needs of people with disability against range of priority groups in the housing programs and strategies of jurisdictions. A scan of the current housing policies across jurisdictions reveals little explicit recognition of the needs of people with disability and no acknowledgement of the new pressures on affordable housing demand created by the NDIS.

The timing of the NDIS roll out and the actuarial modelling of the benefits in investing in housing for people with disability is a powerful case for the housing needs of people with disability to be explicitly addressed in the housing strategies of State and Territories in order to meet conditions of NHHA funding.

This would create a link between the intent of the NDIS and the role in the NHHA to provide the funding framework for improving housing outcomes.

### **Recommendation**

The Summer Foundation primarily advocates for young people forced to live in aged care due to lack of alternatives. We expect that a good proportion of those people will be eligible for SDA payments under the NDIS and will fund a better housing option.

However many people with disability will remain trapped in inappropriate accommodation, lacking alternative housing options and choice about how

they live, with negative consequences and increase costs on other support systems.

The Summer Foundation recommends that:

1. Governments recognise NDIS participants as a priority cohort for housing in the NHHA and in the housing and homeless strategies linked to the NHHA, supporting the realisation of a better life for people with disability;
2. Governments consider the Disability Housing Futures (DHF) recommendations at Appendix A in delivering a commitment to improve housing outcomes for people with disability.

## References

Disability Housing Futures Working Group 2016 *Final Report*  
[https://nahc.org.au/documents/DHF\\_Final\\_Report\\_February\\_2016.pdf](https://nahc.org.au/documents/DHF_Final_Report_February_2016.pdf)

Disability Housing Futures Working Group 2017 *Disability Housing Futures: Modelling the disability housing gap and its impact on lifetime support costs*  
[https://nahc.org.au/documents/DHF\\_Report\\_2\\_September\\_2017.pdf](https://nahc.org.au/documents/DHF_Report_2_September_2017.pdf)

Joint Standing Committee on the National Disability Insurance Scheme 2015 *Progress report on the implementation and administration of the National Disability Insurance Scheme*  
[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/National\\_Disability\\_Insurance\\_Scheme/JNDIS-44th/Second\\_progress\\_report](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/JNDIS-44th/Second_progress_report)

Joint Standing Committee on the National Disability Insurance Scheme 2016 *Accommodation for people with disabilities and the NDIS*  
[http://parlinfo.aph.gov.au/parlInfo/download/publications/taledpapers/fc276add-0085-4bec-9e67-537d0a89a84f/upload\\_pdf/Accommodation%20for%20people%20with%20disabilities%20and%20the%20NDIS.pdf;fileType=application%2Fpdf#search=%22publications/taledpapers/fc276add-0085-4bec-9e67-537d0a89a84f%22](http://parlinfo.aph.gov.au/parlInfo/download/publications/taledpapers/fc276add-0085-4bec-9e67-537d0a89a84f/upload_pdf/Accommodation%20for%20people%20with%20disabilities%20and%20the%20NDIS.pdf;fileType=application%2Fpdf#search=%22publications/taledpapers/fc276add-0085-4bec-9e67-537d0a89a84f%22)

## APPENDIX A: Disability Housing Futures – Recommendations and Roadmap for implementing an investment approach for people with disability

### A comprehensive housing-assistance program to close the NDIS housing gap

We recommend NDIA, DSS and the sector implement pilot or demonstration projects for a selected group within the 55,000 people falling in the housing gap. Further, we recommend that the projects be scaled up quickly to deliver housing assistance for all 55,000 people falling in the housing gap (i.e., ineligible for SDA and unable to access social housing or affordable and suitable private rental). The upfront costs of such a scheme are modest compared to the long-term savings that will be generated.

### Demonstration projects

- Establish small-scale demonstration projects to measure the impact of distinct housing assistance models on residents' health, employment and engagement with the justice system over several years to inform the business case for broader application in the social insurance context.
- Develop new models of financing for the demonstration projects by building partnerships involving health, justice and social services with Commonwealth and state government agencies.

### High quality evidence to guide financial decision making

- Further investment in data analytics and research on co-morbidity, outcome causation and the development of early warning signals within local area coordination frameworks is needed. This work should also consider any data available from Australian commensurate insurance schemes. It could focus on shortening intervention reaction times where it is likely to be productive, based on longitudinal evidence.
- Potential participant and supplier incentivisation and flexibility around innovative and low cost alternatives should be explored.
- Exploring ways of encouraging non-government stakeholders (including parents, super funds, philanthropy and others) to invest in shared equity housing models through social bonds and impact investing should be a priority.
- Restructuring housing regulation on a nationally consistent basis to guarantee a minimum of 5% of all new housing stock is fully accessible would be beneficial.

### Rational investment in housing

- A longer term development of a life stage sensitive investment framework is recommended for participants based on risk, age, life trajectory, available products and cost of alternate support.

Demonstration projects to provide an evidence base		
<i>Goal</i>	<i>Delivery approach</i>	<i>Action steps</i>
<ul style="list-style-type: none"> <li>▪ Business case for investment approach to housing developed through the demonstration projects to test evidence base and savings achieved</li> </ul>	<ul style="list-style-type: none"> <li>▪ Demonstration projects with dedicated housing for NDIS participants who have high avoidable costs to the health, mental health and justice systems or who are expected to have high avoidable system costs if they do not have access to housing</li> <li>▪ Begin with five demonstration projects with 20 tenants each</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify a project facilitator and external evaluation to measure the impact of distinct housing assistance models on residents' health, employment and engagement with the health and justice systems over three years</li> </ul> <p><u>Option 1: Identify committed, new social housing properties that are accessible to be prioritised for this group</u></p> <ul style="list-style-type: none"> <li>▪ Existing in-kind costs: property cost (already committed social housing builds), technology, equipment and support cost (NDIA)</li> <li>▪ Additional spend: Project facilitation, brokerage and external evaluation (\$12,000 per tenancy over three years)</li> </ul> <p>Total cost for 100 tenants over three years = \$1.2 million</p> <p><u>Option 2: Grow the social housing market by incentivising new properties to be created for this group</u></p> <ul style="list-style-type: none"> <li>▪ Existing in-kind costs: technology, equipment and support cost (NDIA)</li> <li>▪ Additional spend:                             <ul style="list-style-type: none"> <li>○ Property cost (\$20,000 per tenancy per annum, in line with SDA pricing for units)</li> <li>○ Project facilitation, brokerage and external evaluation (\$12,000 per tenancy over three years)</li> </ul> </li> </ul> <p>Total cost for 100 tenants over three years = \$7.2 million</p>

High quality evidence to guide financial decision making		
<i>Goal</i>	<i>Delivery approach</i>	<i>Action steps</i>
<ul style="list-style-type: none"> <li>Agreed evidence base on data analytics and research for co-morbidity, outcome causation and early warning signal development, such as pathways into becoming a high intensity user</li> </ul>	<ul style="list-style-type: none"> <li>Development of an early identification tool for predicting avoidable system costs, including through a predictive model for service usage drawing on data from governments and social insurance schemes and actuarially agreed cost savings to health, mental health and justice systems</li> <li>Pilot and test this tool through the demonstration projects identified above</li> </ul>	<ul style="list-style-type: none"> <li>Funded project cost for early identification tool and predictive model Estimated cost: \$250,000</li> </ul>
<ul style="list-style-type: none"> <li>Longer term development of a life stage sensitive investment framework for participants based on risk, age, life trajectory, available products and cost of alternate support</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing engagement between NDIA, state social insurance schemes and mainstream systems (health, mental health and justice) on longer term framework for investment based on ongoing data collection from demonstration projects and other initiatives</li> </ul>	<ul style="list-style-type: none"> <li>COAG consideration of a revised framework for an investment approach for reducing avoidable health, mental health and justice system costs through housing interventions. Supported with a clear funding source to make these investments</li> </ul>
Broad-based actions to increase housing stock for people with disability		
<i>Goal</i>	<i>Delivery approach</i>	<i>Action steps</i>
<ul style="list-style-type: none"> <li>Implement and showcase strategies to engage non-government stakeholders (including parents, super funds, philanthropy and</li> </ul>	<ul style="list-style-type: none"> <li>Enable home ownership by people with disabilities through mixed equity</li> <li>Increase the usage of Special Disability Trusts for Home Ownership</li> <li>Free up government and non-profit owned land for accessible and affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Develop shared equity products in partnership with banks and other financial institutions</li> <li>Remove strict eligibility criteria and means testing from Special Disability Trusts and increase the maximum value up to \$1 million</li> <li>Redevelop old housing stock to produce housing with a higher yield and a mix of private and social housing. The sale of the private</li> </ul>



<p>others) to invest in shared equity housing models through social bonds and impact investing</p>		<p>apartments would effectively fund the social housing, including accessible housing for people with disability.</p> <ul style="list-style-type: none"> <li>▪ Establish community land trusts to both benefit disadvantaged groups and to achieve urban renewal</li> </ul>
<ul style="list-style-type: none"> <li>▪ Restructuring housing regulation on a nationally consistent basis to guarantee a minimum of 5% of all new housing stock is fully accessible</li> </ul>	<ul style="list-style-type: none"> <li>▪ Through Building Ministers Forum and COAG, commit to changing the National Construction Code to require all new residential housing to be Livable Housing Australia Silver and 5% of housing to be Livable Housing Australia Platinum.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of changing the National Construction Code determined by the Regulatory Impact Assessment to be commissioned by COAG</li> <li>▪ Require accessible housing to be included in all new housing funded through the National Housing and Homelessness Agreement</li> </ul>

Reference:

Disability Housing Futures Working Group 2017 *Disability Housing Futures: Modelling the disability housing gap and its impact on lifetime support costs*

[https://nahc.org.au/documents/DHF\\_Report\\_2\\_September\\_2017.pdf](https://nahc.org.au/documents/DHF_Report_2_September_2017.pdf)