



## Submission to the Joint Standing Parliamentary Committee on the National Disability Insurance Scheme (NDIS) on accommodation for people with disability

### Overview

NDS welcomes the Committee's focus on housing as it offers an opportunity to promote action beyond what the NDIS can do on its own. No single level or area of government can successfully address housing issues for people with disability; collaborative and innovative solutions involving many players is necessary to substantially increase supply. NDS would like to see governments commit to the following priorities:

1. **Policy certainty for investors** – as establishing housing has a long lead time, investors need clarity about relevant regulatory and funding policy.
2. **New partnerships** – property developers, financiers, and the disability and community housing sectors need opportunities to share knowledge and to explore ways to increase the supply of accessible housing.
3. **Information** – information (such as demand data and housing availability services for people with disability) is required to support investor and consumer decisions.
4. **Stimulate construction of affordable rental housing** – a national funding scheme is needed to increase the availability of accessible and well-located community housing.
5. **Building regulation** – the National Construction Code should include minimum access and adaptability standards for all new and extensively modified housing.
6. **Affordable housing** – eligibility criteria for affordable/social housing schemes should be reviewed to ensure it is equitable for people with disability and their families.
7. **Responsive planning** – local government planning regulation should require all new housing developments to include 10 per cent affordable housing options.

### The case for housing market intervention must be widely understood

There is a case to intervene and invest in housing markets for people with disability to enable the best possible interface with transport, employment and services and the best long-term outcomes<sup>1</sup>. Housing is directly connected to wellbeing and employment because 'place' matters. If people live where they can get to work, access health services, transport and education, they flourish. If they are isolated they flounder and often make more use of expensive crisis services such as hospitals and income support.

The NDIS provides a catalyst for governments and the sector to step up and disentangle the barriers to housing for people with disability. It is important to leverage the new injection of support funds, and the related expansion of choices that many people with

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<sup>1</sup>AHURI. 2013. People with disabilities, 'housing that helps', Evidence Review 017

Bruce, J. et al. 2012. Evaluation of the Housing and Accommodation Support Initiative. Social Policy Research Centre. Sydney

Beer, R. 2013. What effect does housing assistance have on social inclusion for people with disabilities? AHURI Research and Policy Bulletin, no 159, Melbourne

disability will have over where and how they live. A range of government planning, regulation and supply interventions are required because the housing market has proven that it will not deliver the range of accessible and affordable housing options required for people with disability. Unfortunately, this is the norm in many developed economies.<sup>2</sup>

A disability housing strategy based on the following priorities is urgently needed.

## Priority solutions

### 1. Policy certainty for potential investors in housing for people with disability

As creating housing has a long lead time, more clarity about future regulatory and funding policy is required now. Providing this clarity will give developers, planners, housing providers, disability providers, families and banks the confidence to act on opportunities to invest and innovate in housing options that suit people with disability.

- a. The NDIA must set adequate prices within the Specialist Disability Accommodation Pricing and Payments Framework (the Framework).

NDS welcomes the release of the discussion paper on how the NDIA will fund specialist disability accommodation for about 30,000 NDIS participants with high and complex accommodation support needs. This Framework should help ensure the sector can retain and improve existing housing providing the prices that result are sufficient. It should also enable the sector to develop housing options that assist more young people to move out of aged-care facilities.

However, as always the devil is in the detail. This includes the need for clarity on how the NDIA will administer registration requirements and on how it will assess the quality of housing. There is also an inherent tension between portability of a participant's funds and longer-term funding security for accommodation providers. Until these details are clear, the market remains uncertain for potential disability housing investors.

- b. Registration processes for specialised disability accommodation must ensure quality homes but not reduce choice or diversity. The NDIA must allow disability service providers to own and operate specialist disability accommodation.

It is important to manage both registration and information about the quality and nature of specialised disability accommodation options to ensure informed and safe choices. Critical to quality is a core understanding that we are talking about people's homes. Whatever the configuration or form of housing, it needs to pass the 'home' test, which means it must reflect the criteria which we apply to a home — providing people with a sense of dominion, security and choice. It is also important that quality rules do not reduce effective options and the choices people have about where they live (for example, not all homes should be required to have fire sprinkler systems installed).

An important, historic investment model has been disability service providers owning housing as well as providing support services. The NDIA should avoid creating inflexible rules preventing the owner of such housing from providing support. To do so would result in a considerable loss of investment in housing stock by service providers.

The Committee should note that there is a diverse range of housing options available, particularly amongst those owned by disability service providers where they have had opportunities to innovate. These include share houses or group homes, neighbourhood

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<sup>2</sup> Gurran, N. et al. 2008. New directions in planning for affordable housing: Australian and international evidence and implications. AHURI Final Report NO. 120

networks, lead tenant arrangements, units within mixed tenure housing and many more. Loss of these from the sector would be a retrograde step.

Some people with disability have very challenging behaviours which result in property damage and high maintenance costs. Many mainstream housing developers and owners would not tolerate this. In these situations it is critical to allow providers to link investment their investment in housing with the provision of support.

- c. Governments and the NDIA should provide commitments as soon as possible about how much of the user-cost of capital funding will be available, in aggregated forms, to stimulate new housing production for people with disability.

The Framework clarifies how some of the 'user-cost of capital' funding identified by the Productivity Commission will be used. However, a significant missing detail is whether any pooled funds will be available - and if so how much - to stimulate the construction of new housing suitable for NDIA participants.

Research indicates 50,000 future participants over 25 years of age currently living with their parents will be likely to want to establish their own home<sup>3</sup>. Most will have low incomes. NDS suggests that if the Framework offers the only NDIA investment in housing, there is a risk that it will encourage participants to seek access to 'specialised disability accommodation' when other options would have been preferable had they been available.

While much of the responsibility for housing for people with disability properly belongs to state and territory housing ministers, it is critical that we do not allow the matter to be entangled in federal-state arguments around responsibility for housing and homelessness. Any NDIA funding available for housing must remain very visible (to ensure it benefits participants) and there must be a proportion that can be pooled so it can be leveraged.

## **2. Establish partnerships involving developers, financiers, and the disability and community housing sectors**

Governments and the NDIA have a role in coordinating the establishment of partnerships to share knowledge and to explore ways to increase the supply of accessible housing.

While the responsibility to address longstanding disability housing challenges goes beyond the Australian Government, it can play a key role in facilitating collaboration between all governments (including local governments), developers, planners, housing providers, disability providers, families and banks. Partnerships are needed to canvas a wide range of approaches for financing, such as shared equity<sup>4</sup> and social investment as well as traditional commercial return and government-funded options.

## **3. Disseminate information on diverse housing demand, options and supply**

It is critical to recognise and promote the wide continuum of housing arrangements and financing options – every location, family and individual circumstance provides different opportunities. Major investors as well as individuals and families need to understand the range of possibilities to make good decisions.

To make useful investment in housing for people with disability, investors need to have access to detailed demand data to have a good sense of where, how much and what

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<sup>3</sup> Wiesel, I. et al. 2015. Moving to my home: housing aspirations, transitions and outcomes of people with disability. AHURI Final Report NO. 246.

<sup>4</sup> NDS and Curtin University. 2014. Home Ownership and Affordability for People Living with Disability in Western Australia. [www.NDS.org.au](http://www.NDS.org.au)

housing is wanted. Similarly, families need to know about the range of financing or shared living arrangements that are possible and might suit.

Understanding this evolving 'demand' is complex but necessary. It is important that stakeholder knowledge of the diverse range of housing models is improved - such as share houses, 'key-ring' networks, tenant-managed cooperatives, host families and shared equity.

There is a role for the NDIA to fund the dissemination of housing information through their information, linkages and capacity-building tier. If families and people with disability are well informed, they gain confidence to explore less traditional housing models that may meet their needs well. The intensity of information required ranges from rigorous planning for ageing carers to ensure long-term sustainable arrangements (a planning process that might take years) through to online preference matching (e.g. a dog lover sharing a flat with another dog lover).

The NDIA should fund some coordination of access (vacancy information) for diverse housing options to assist some people to find good places and to help ensure providers do not have unwarranted vacancy costs. These information dissemination and vacancy information functions will help give housing investors greater confidence in this market.

#### **4. Establish national funding to stimulate the construction of affordable and accessible community housing for people with disability**

The ministerial working group established to investigate innovative ways to improve the availability of affordable housing should have a special focus on disability. A national funding scheme for stimulating the construction of affordable and accessible housing for people with disability should be introduced.

Improving access to affordable housing for people with disability is a key plank of the National Disability Strategy and is essential for the NDIS. There is no simple solution to bridging the gap between the rental stream available from people on a disability support pension and the cost of good quality housing that is well located. However, a number of strategies can be used concurrently and lessons from previous initiatives should be heeded.

To complement the NDIS, the Commonwealth should introduce a national scheme that offers financial incentives to build and rent dwellings to low and moderate income households. This should include people with disability, and be offered at a rate that is at least 20 per cent below the market value rent. These incentives should:

- be indexed annually and provided for each approved dwelling for up to 10 years
- either be a tax offset or cash (for endorsed charitable organisations who have not made an election to receive a tax offset)
- complement contributions/investments from state or territory Governments
- allow investors in the scheme to benefit from the annual incentive for up to 10 years as well as through rental yields and potential capital gains
- only apply to approved schemes that meet quality and probity standards.

#### **5. Regulate adaptability standards in the National Construction Code**

All new and extensively modified housing should be required to meet access and adaptability standards.

Proposed minimum access and adaptability standards are defined by the Australian Network for Universal Housing Design (equal to 'the silver level' of the Liveable Housing

Design Guidelines). They include features such as a clear pathway from the street to entry, wider doorways and passages, and reinforced bathroom walls to allow grab rails to be installed if necessary. A generous estimation is that the current voluntary approach will achieve less than five per cent of an agreed 2020 target to implement the minimum standards.<sup>5</sup>

These access and adaptability features would benefit all people with accessibility needs including older people, people with temporary impairments, young families and people with disability. Regulation is required to ensure a level playing field for developers and because the housing industry, as a whole, has failed to show signs of voluntary systemic transformation.

## **6. Ensure access to affordable housing is equitable for people with disability**

It is not possible for governments to address housing issues for people with disability or fully achieve the objectives of the NDIS without also considering the broader affordable housing challenge. According to the latest figures from the Australian Institute of Health and Welfare, there is an estimated shortage of 539,000 rental properties that were affordable and available for renters with income in the lowest two income groups. The latest census figures show that 105,200 people, or one in every 204 people, are homeless at any one time.

With this level of demand, waiting lists and rationing systems are sometimes inequitable for people with disability<sup>6</sup>. Some people with disability who are eligible for affordable housing (for example, who may be living with very elderly parents) never get access due to priority places going to families and people who are homeless or in unstable housing, or a lack of accessible or appropriately configured social housing stock. All jurisdictions should review eligibility criteria and prioritisation systems for affordable housing schemes to ensure they are equitable for all people with disability and their families.

## **7. Revise local government planning regulation to require all new housing developments to include 10 per cent affordable housing options**

The Committee must encourage all jurisdictions - down to local government level - to do their part in addressing a longstanding national problem with a shortage of affordable housing. One way of contributing to this would be to require affordable housing to be incorporated in all new housing developments. These mixed tenure solutions are an inclusive and progressive way to promote a prosperous future for all citizens including people with disability.

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<sup>5</sup> Australian Network for Universal Housing Design. 2015. Report on the Progress of the National Dialogue on Universal Housing Design 2010-2014. <http://www.anuhd.org/>

<sup>6</sup> Community Housing Federation of Australia. 2014. Providing Housing for people with disability. Final Report.

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**National Disability Services** is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its Australia-wide membership includes more than 1080 non-government organisations, which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.