



# Joint Standing Committee on the National Disability Insurance Scheme

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Accommodation for people with disabilities  
and the NDIS

May 2016

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## **Terms of Reference**

As part of the committee's review of the implementation, administration and expenditure of the National Disability Insurance Scheme (NDIS), the committee will examine the issue of affordable and appropriate accommodation for people with disabilities. The committee noted in its most recent report, that the lack of adequate accommodation can limit people's ability to fully exercise their individual choice and control. It can also limit people's ability to fully participate in society and live an ordinary life like any other Australian.

On 23 October 2015, the committee conducted a roundtable hearing in Canberra on housing. This was the first part of the committee's inquiry into accommodation for people with disability.



## Abbreviations and Acronyms

AHURI	Australian Housing and Urban Research Institute
AMIDA	Action for More Independence and Dignity in Accommodation
BCCM	Business Council of Co-operatives and Mutuals
CEHL	Common Equity Housing Limited
CLA	Community Living Association Ltd
CRA	Commonwealth Rent Assistance
CRPD	Convention on the Rights of Persons with Disabilities
DHF	Disability Housing Futures Working Group
DNF	Disability Network Forum
DSP	Disability Support Pension
DSS	Department of Social Service
HOME	Home Owners Mutual Enterprise
NAHA	National Affordable Housing Agreement
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NDS	National Disability Services
NRAS	National Rental Affordability Scheme
OPA	Office of the Public Advocate
PaRA	Parent Assisted Residential Accommodation
PC	Productivity Commission
RA	Rent Assistance
RAC	Residential aged care
SAIF	Supported Accommodation Innovation Fund
SDA	Specialist Disability Accommodation
SDAI	Specialist Disability Accommodation Initiative
TACT	Transport Accident Commission
UCC	User Costs of Capital
YODKWP	Younger Onset Dementia Key Worker Program
YPINH	Young People in Nursing Homes National Alliance



# Recommendations

## Recommendation 1

**3.11** The committee recommends that Commonwealth and state and territory governments work with national disability peak organisations and the Australian Building Codes Board to examine updating the Building Code of Australia in regard to accessibility.

## Recommendation 2

**3.21** The committee recommends that accommodation for people with disability be integral in the development of affordable and social housing policy proposals.

## Recommendation 3

**3.66** The committee recommends the Commonwealth government explore all possible proposals for disability accommodation, and the ways it can assist in bringing them to fruition.

## Recommendation 4

**3.67** As part of the analysis of proposals, the committee recommends the Commonwealth should assess how financially accessible they are for people with disability and their families.

## Recommendation 5

**3.78** The committee recommends that the Department of Social Services clarify the status of the Supported Accommodation Innovation Fund, and if the fund is no longer available, whether it will be replaced with another initiative to assist in the development of innovative housing solutions for people with disability.

## Recommendation 6

**3.102** The committee recommends the Commonwealth government explore capital sharing, securitisation, and joint ownership options to expand the provision of appropriate accommodation for people with disability.



# Chapter 1

## Introduction

### Introduction

1.1 The Joint Standing Committee on the National Disability Insurance Scheme was established on 2 December 2013. The committee is composed of six members and six senators and is tasked with reviewing the implementation, administration and expenditure of the National Disability Insurance Scheme (NDIS).

1.2 The committee is required to make a report to Parliament after 30 June each year, detailing its activities during the year. The committee has tabled two reports on the progress of the NDIS, in July 2014 and November 2015. More information about the committee, and copies of the reports, are available on the committee's website.<sup>1</sup>

1.3 Since its inception, the committee has heard consistent evidence on the importance of affordable and appropriate accommodation for people with disability, and how this must interface with the NDIS. In its second progress report, the committee noted that the lack of adequate accommodation can limit people's ability to fully exercise their individual choice and control, and participate in society and live an ordinary life like any other Australian.

1.4 The report stated that accommodation continues to be a key concern for all Australians and outlines the current situation:

Like all Australians, people living with a disability also aspire to control and improve their own environment. 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.<sup>2</sup>

1.5 The report noted that accommodation had been repeatedly raised by all stakeholders and that the committee had sought advice from relevant government agencies on this issue. The committee decided to further examine the issue of affordable and appropriate accommodation, and commenced this inquiry.

1.6 In addition, this inquiry responds to recommendation seven of the Senate Community Affairs report: *Adequacy of existing residential care arrangements*

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1 [www.aph.gov.au/joint\\_ndis](http://www.aph.gov.au/joint_ndis)

2 Joint Standing Committee on the National Disability Insurance Scheme, *Progress report on the implementation and administration of the National Disability Insurance Scheme*, tabled 12 November 2015, p. 6, available on the committee's website: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/National\\_Disability\\_Insurance\\_Scheme/Second\\_progress\\_report](http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/Second_progress_report) (accessed 11 March 2016).

*available for young people with severe physical, mental or intellectual disabilities in Australia:*

### **Recommendations to the Joint Standing Committee on the National Disability Insurance Scheme**

#### **Recommendation 7**

**The committee recommends that the Joint Standing Committee on the National Disability Insurance Scheme (NDIS) conduct an inquiry into the issue of disability housing after the release of the discussion paper on disability housing.<sup>3</sup>**

1.7 Noting the volume of evidence indicating that accommodation is a key issue, the committee was particularly keen to hear evidence of possible solutions, innovations, pilot programs and, in particular, possible funding models. These would enable practical steps to be taken to deliver appropriate and affordable accommodation for people with disability.

#### **Conduct of the inquiry**

1.8 The committee conducted a roundtable on accommodation on 23 October 2015. At this hearing, the committee heard from individuals and representatives from organisations who shared their personal experiences and discussed accommodation research, options and projects.

1.9 The committee received 55 submissions, as listed in Appendix 1.

#### **Structure of this report**

1.10 This report is divided into the following three chapters:

- Chapter one (this chapter) states the administrative arrangements for the inquiry.
- Chapter two provides background information including a brief outline of the provision of accommodation, the need for appropriate and affordable accommodation, and key issues that must be addressed in order to deliver appropriate and affordable accommodation.
- Chapter three examines the issues with accommodation and discusses possible solutions.

#### **Notes on references**

1.11 References to submissions in this report are to individual submissions received by the committee and published on the committee's website. References to the committee Hansard is to the official transcript from the roundtable.

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3 Senate Community Affairs References Committee, *Adequacy of existing residential care arrangements available for young people with severe physical, mental or intellectual disabilities in Australia*, June 2015, p. xiv. Available at: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/Young\\_people\\_in\\_aged\\_care/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Young_people_in_aged_care/Report)

**Acknowledgements**

1.12 The committee would like to thank the individuals and organisations that made written submissions to the inquiry, as well as those who gave evidence at the roundtable.



# Chapter 2

## Background and key issues

### Introduction

2.1 Enabling people with disability to have choice and control over their lives is one of the central tenets of the National Disability Insurance Scheme (NDIS).<sup>1</sup> At present, Australians with disability are not assured of access to housing suitable for their needs. This has long been an issue of local, state and national concern. As noted in the committee's 2015 report, the lack of adequate housing can significantly limit people's ability to fully exercise choice and control. Ultimately it restricts their ability to participate in society and live an ordinary life.<sup>2</sup>

2.2 Addressing the shortage of suitable housing and increasing access in a meaningful way requires understanding that Australians with disability are not a homogenous group; their needs and preferences are varied. Recognition of this is the key to improving, both quantitatively and qualitatively, access to suitable housing.

2.3 This chapter discusses the barriers which impede access to suitable housing. Possible ways of improving the system are outlined in chapter three.

### Background

2.4 Accommodation has been repeatedly raised with the committee by participants, families, carers, advocacy groups, providers and other stakeholders. In the past year, accommodation has been raised in public and in-camera hearings and private meetings. Subsequently, the committee sought advice from relevant government agencies on this issue.

2.5 The committee understands the Department of Social Services (DSS) and the state and territory governments are currently undertaking work around housing capacity and funding options, primarily as part of the negotiations of the bilateral agreements between the Commonwealth and state and territories for the transition to the full NDIS. Negotiations are ongoing to develop a framework for funding participants and/or providers for specialist disability housing, including the financial appreciation treatment of land acquired or land associated with existing buildings. This work may also include a suite of prices or adjustments (loadings) for geography, accommodation type, occupancy (individual or group based) or other factors as appropriate.<sup>3</sup>

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1 Victorian Council of Social Service (VCOSS), *Submission 47*, p. 2.

2 Joint Standing Committee on the National Disability Insurance Scheme, *Second progress report on the implementation and administration of the National Disability Insurance Scheme*, November 2015, p. 6.

3 Council of Australian Governments, *Bilateral Agreement between the Commonwealth and New South Wales for the transition to a NDIS*; and *Bilateral Agreement between the Commonwealth and Victoria, Schedule J*, p. 1.

2.6 A 'Housing Discussion Paper'<sup>4</sup> was developed by the National Disability Insurance Agency (NDIA) in early 2014. The committee was aware of the paper, but did not see a copy until July 2015 when it was released as a result of the National Disability Services' Freedom of Information request. The paper discusses what accommodation options the NDIS will support and how it will be funded.

### ***2015 Senate Community Affairs References Committee inquiry***

2.7 In 2015, the Senate Community Affairs References Committee inquired into the *Adequacy of Residential Care Arrangements Available in Australia for Young People with Severe Physical, Mental or Intellectual Disabilities*. For the purposes of the inquiry, young people were defined as those under 65 years of age. Among a series of targeted recommendations, the committee called on the NDIS committee to conduct an inquiry into the issue of disability housing.<sup>5</sup>

### **National Disability Agreement**

2.8 The National Disability Agreement (NDA) was developed by the Commonwealth, state and territory governments in 2009. The Agreement is intended to be in place until the full rollout of the NDIS. The Agreement is clear in stating that:

It is the role of the states and territories to deliver specialist disability services such as disability supported accommodation, respite and community support services such as therapy, early childhood interventions, life skills and case management. These responsibilities remain in place prior to the full rollout of the National Disability Insurance Scheme.<sup>6</sup>

2.9 In 2011, under the NDA's auspices, a National Disability Research and Development Agenda was designed to focus on research issues that impact people with disability, across a whole range of sectors including education, transport and health. Future policy decisions are intended underpinned by evidence provided through this Agenda.<sup>7</sup>

### **Estimates of those in need of accommodation assistance**

2.10 In its 2011 report, *Disability Care and Support*, the Productivity Commission (PC) calculated there were around 15 700 people in state government managed supported accommodation and a further 6500 in residential aged care. It was estimated that the existing waiting lists would add a further 25 per cent to the population

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4 National Disability Insurance Agency, *Optimising the 'User Cost of Capital' for Housing as part of Delivering the NDIS sustainably and efficiently*, 2014.

5 Senate Community Affairs References Committee, [\*Adequacy of Residential Care Arrangements Available in Australia for Young People with Severe Physical, Mental or Intellectual Disabilities\*](#). June 2015, p. xiv.

6 Department of Social Services, *National Disability Agreement*. Available at: <https://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-agreement>, (accessed 14 April 2016).

7 Department of Social Services, *National Disability Agreement*. Available at: <https://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-agreement>, (accessed 14 April 2016).

needing specialist disability accommodation. With population increases the PC working figure was now around 28 000 people, or 6.8 per cent of projected participants that may require direct assistance under the Scheme.<sup>8</sup>

2.11 More recently, the NDIA estimates that up to 193 000 participants are on low to very low incomes and may need housing assistance from some source (including those already with assistance). This includes:

- 6200 people under 65 in residential aged care (600 aged under 50);
- 17 000 people in specialist disability accommodation (3000 in institutions and 14 000 in group homes);
- 57 000 living in social and public housing;
- Estimated unmet need for affordable housing of between 127 000 NDIS participants.<sup>9</sup>

### ***The NDIS and general housing demand***

2.12 The Disability Housing Futures Working Group (DHF), a group comprising housing experts from across Australia and overseas, was formed to 'explore the availability of innovative ideas, models and research on housing for people with disability, and to contribute new thinking and new modelling, and identify opportunities for a viable disability housing market under the NDIS.'<sup>10</sup> The group published its report in February 2016 and submitted it to this inquiry.

2.13 According to the DHF, the NDIS will affect participants in a number of ways, including their access to housing options. As the NDIS increases individually-tailored support funding for people with disability, as is expected, there may be a concurrent rise in demand for affordable, appropriate and well-located housing. Their submission described the NDIS as potentially 'the catalyst for the most transformative growth in housing supply for people with a disability in decades'.<sup>11</sup> However, it is estimated that 35 000 to 55 000 NDIS participants will not have their housing needs met in the first decade of the scheme.<sup>12</sup>

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8 Productivity Commission, *Disability Care and Support*, Volume 2, 2011, p. 759

9 National Disability Insurance Agency, *Estimating the potential demand for affordable housing*, NSW Community Housing Federation Housing and NDIS Forum, Sydney, 26 August 2014  
Available at:  
<http://www.communityhousing.org.au/S4%20presentation%20attachments/Bruce%20Bonyhad%20y.%20Chair%20of%20the%20National%20Disability%20Insurance%20Agency.pdf>, accessed 14 April 2016.

10 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, p. 9.

11 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, p. 9.

12 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, p. 3.

2.14 Sundale, a disability services and housing provider, also submitted that while there would be an impact on both consumer demand for disability housing, as well as housing and accommodation providers, the extent of this is still unclear.<sup>13</sup>

### *Options and expectations*

2.15 As indicated earlier, a 'Housing Discussion Paper' was developed by the NDIA in early 2014 and was not provided to the committee at that time. The paper discusses what accommodation options the NDIS will support and how they would be funded. Options explored in this paper are discussed further in chapter three.

2.16 A submission from the NSW Disability Network Forum (DNF) sets out three important elements which DNF believes should underpin housing support. These are:

- choice and control, including choice from models other than those currently available;
- separation of housing and support; and
- high expectations of people with disability.<sup>14</sup>

2.17 Access to suitable housing is inextricably a part of exercising choice and control in any person's life, as recognised by the Convention on the Rights of Persons with Disabilities (CRPD):

States Parties to this Convention recognize the equal right of all persons with disabilities to live in the community, with choices equal to others, and shall take effective and appropriate measures to facilitate full enjoyment by persons with disabilities of this right and their full inclusion and participation in the community, including by ensuring that:

- a) Persons with disabilities have the opportunity to choose their place of residence and where and with whom they live on an equal basis with others and are not obliged to live in a particular living arrangement;
- b) Persons with disabilities have access to a range of in-home, residential and other community support services, including personal assistance necessary to support living and inclusion in the community, and to prevent isolation or segregation from the community;
- c) Community services and facilities for the general population are available on an equal basis to persons with disabilities and are responsive to their needs.<sup>15</sup>

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13 Sundale, *Submission 3*, p. 1.

14 NSW Disability Network Forum, *Submission 13*, p. 3.

15 Article 19, *United Nations Convention of the Rights of Persons with Disabilities*, available at: <http://www.un.org/disabilities/convention/conventionfull.shtml> (accessed 29 March 2016).

2.18 This goal, DNF explained, does not ignore the realities of the high cost of housing faced by all Australians, nor does it advocate for unlimited choice:

[W]e recognise that few people in the community have complete choice about housing. Rather, the DNF is advocating for funding models in relation to accommodation for people with disability under the NDIS that enable the tradeoffs made by people with disability (in regard to budget, needs and preferences) to mirror those made by others, rather than being circumscribed by Government policy.<sup>16</sup>

### **Housing assistance policy and programs**

2.19 People with disability are over-represented in housing assistance programs. The committee received numerous submissions that detailed the multiple barriers people with disability face in accessing suitable housing, including barriers in the housing system and the disability support system.

2.20 The DNF submission makes the following statements regarding current support for housing options for people with disabilities:

- Most of the housing assistance programs available in Australia are funded under the National Affordable Housing Agreement (NAHA) and associated National Partnerships Agreements between the federal government, states and territories. Payments under this system totalled \$1.6 billion in 2014–15.

#### *Social housing*

- Access to the 427 600 social housing dwellings across Australia is means tested and prioritised to those considered to be in greatest need. The waiting list for social housing was over 200 000 in June 2014, meaning that demand is considerably greater than supply. 76 000 of the 200 000 on the waiting list were assessed as being 'in greatest need'.

#### *Commonwealth Rent Assistance*

- Commonwealth Rent Assistance (CRA) is a supplementary payment available to Australian residents who rent accommodation, whether in the private rental market or community housing. It is not available to public housing tenants, and recipients must meet eligibility requirements for a social security income support payment.

#### *National Rental Affordability Scheme (NRAS)*

- The National Rental Affordability Scheme (NRAS) is a joint federal and state government commitment, offering annual subsidies for investors to lease their NRAS-allocated properties to low and moderate income households at a discounted rate. The offered rate must be at least 20 per cent below the market rate, and the subsidy is available for up to 10 years.<sup>17</sup>

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16 NSW Disability Network Forum, *Submission 13*, pp 3–4.

17 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, pp 13–14.

### ***Barriers in the housing system***

2.21 Barriers to accessing suitable accommodation options for people with disability within the housing system include cost, disadvantage or discrimination in competition for private rental properties, and a limited supply of 'accessible' housing.

2.22 In 2012, 53 per cent of Australians with disability were in paid employment. In comparison 83 per cent of the working population [those without disability] participate in the workforce.<sup>18</sup> These low employment participation rates impacts their ability to pay private market rentals rates.

2.23 Those not employed are often reliant on the Disability Support Pension (DSP), as their principal source of income, which carries a maximum payable amount of \$22 500 per annum. As pointed out by the DHF, less than one per cent of suitable rental properties are accessible for people on such low incomes. As a consequence, DHF states in its submission, most people on low incomes have to spend close to 50 per cent of their DSP plus CRA for one bedroom rentals in the private market.<sup>19</sup>

### ***Disability Support Pension***

2.24 While the NDIS generally will have no impact on the receipt or amount of Disability Support Pension (DSP) someone is likely to receive, how it is used to service specialised accommodation costs is an issue that is frequently raised.

2.25 The NDIA recently published a Position Paper on Draft Pricing and Payments for Specialist Disability Accommodation (SDA) which has proposed calculating the individual's rent contribution to SDA as 25 per cent of their DSP:

In formulating a resident contribution in the benchmark prices as per the SDA Framework, the Agency has assumed residents will contribute 25 per cent of the base rate of the Disability Support Pension plus any Commonwealth Rent Assistance (CRA) for which they are eligible...The reasonable rent contribution component of the benchmark prices will be adjusted if Disability Support Pension or CRA payment rates are changed.<sup>20</sup>

### **What the NDIS will pay for**

2.26 The NDIA is a funder of individual disability supports. It does not have assets to invest directly in housing and cannot borrow or use its balance sheet. It will therefore need to work with partners to implement new disability housing solutions. However, the NDIA have said that the capital costs of certain specialist disability housing would be covered under the Scheme. In addition, there is agreement that the NDIA will also contribute to the life cycle costs of possible future accommodation.

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18 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, p. 15.

19 Disability Housing Futures Working Group, *Submission 42*, Attachment 1, p. 15.

20 National Disability Insurance Agency, *Specialist Disability Accommodation - Position Paper on Draft Pricing and Payments*, p. 12.

2.27 This concept of the NDIA paying for capital and life cycle costs evolved from the 2011 PC report that envisaged the Scheme could pay for the 'User Cost of Capital' to cover the higher costs a participant may be subject to as a result of their disability.

2.28 Nevertheless, the costs of housing for people with disability who do not require specialist housing solutions would remain the responsibility of other housing systems, such as social housing and Commonwealth rent assistance. The NDIS will complement, but not replace, the efforts of the housing sector, the Commonwealth, state and local governments, and families.

2.29 The role of the NDIS with respect to housing infrastructure is set out in sections 7.19 and 7.20 of the NDIS (Support for Participants) Rules 2013:

7.19 The NDIS will be responsible for:

- a) supports to assist a person with disability to live independently in the community, including by building their capacity to maintain a tenancy, and support for appropriate behaviour management; and
- b) home modifications for accessibility for a person in private dwellings; and
- c) home modifications for accessibility for a person in legacy public and community housing dwellings on a case-by-case basis but not to the extent that it would compromise the responsibility of housing authorities to develop, maintain and refurbish stock that meets the needs of people with disability; and
- d) user cost of capital in some situations where a person requires an integrated housing and support model and the cost of the accommodation component exceeds a reasonable contribution from individuals.

### **What the NDIS will not pay for**

2.30 Under section 7.20 of the Rules, the Scheme will not be responsible for:

- a) the provision of accommodation for people in need of housing assistance, including routine tenancy support and ensuring that appropriate and accessible housing is provided for people with disability; or
- b) ensuring that new publicly-funded housing stock, where the site allows, incorporates Liveable Housing Design features; or
- c) homelessness-specific services including homelessness prevention and outreach, or access to temporary or long term housing for participants who are homeless or at risk of homelessness; or
- d) the improvement of community infrastructure, ie accessibility of the built and natural environment, where this is managed through other planning and regulatory systems and through building modifications and reasonable adjustment where required.<sup>21</sup>

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21 NDIS (Support for Participants) Rules, 2013, p. 19.

## Available funding

2.31 The PC recommended \$565m for accommodation costs at full scheme terms in 2011-12 dollars. This has been indexed to around \$700m in 2019-20, for a cohort of around 31 280 participants (i.e. 6.8 per cent of 460 000 participants across Australia in 2019-20, recognising growth in the population).<sup>22</sup>

2.32 In preparation for its roundtable on disability accommodation, the committee received evidence from the Department of Social Services explaining the status of the money allocated for supported accommodation:

Around 80 per cent of the \$565m in 2011-12 terms or the \$700m in 2019-20 terms is committed to meeting the existing costs of supported accommodation places and the accommodation costs of people residing in aged care facilities. This 80 per cent comes from the supported accommodation residents and aged care residents in the need estimate above.

In the initial trial and transition phases of the NDIS, only a proportion of the population will be able to access the NDIS. Because these funds were calculated as part of the package costs for individuals, the funds notionally available for housing will grow as more people come into the NDIS and the budget for the NDIS grows commensurately.<sup>23</sup>

## Bilateral agreements between the Commonwealth and the states and territories for the transition to a NDIS

2.33 The Commonwealth has so far signed new bilateral agreements for the transition period with NSW, Victoria, South Australia, Tasmania and Queensland. These agreements outline the funding principles which all parties will be guided by:

- a mix of potential funding streams may be utilised to address existing and new specialist disability housing;
- funding would be based on the efficient lifecycle cost of delivery of specialist disability housing representative of typical providers;
- residents will be expected to provide a reasonable contribution towards their accommodation;
- funding is provided for both existing and new supply of specialist disability housing, as well as for both private and publicly owned specialist disability housing;
- providers of specialist disability housing will be expected to finance ('cash-flow') the purchase or build of accommodation and their operations; and

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22 Department of Social Services, *NDIS housing paper for Parliamentary Joint Standing Committee*, 20 October 2015, p. 3.

23 Department of Social Services, *NDIS housing paper for Parliamentary Joint Standing Committee*, 20 October 2015, p. 3.

- funding will allow for the continuity of supply from providers and also ensure there is scope for change and innovation over time.

2.34 With regard to the lifecycle costs of accommodation that will need to be covered between the NDIS and the participant, the following principles apply:

- an efficient cost of purchase, lease or construction for new specialist disability housing, including land and buildings;
- an efficient cost of capital (finance) for new and existing specialist disability housing;
- an efficient cost of depreciation, which allows for the replacement of specialist disability housing (existing and new supply) at the end of their useful life; and
- an efficient accommodation-related operational cost of specialist disability housing, including facilities management, rates, insurance, utilities, repairs and maintenance.

Therefore, the NDIS funding support for specialist disability housing will be based on the following formula:

- $\text{NDIS funding support} = (\text{asset base} \times \text{cost of capital}) + \text{accommodation related operating costs} + \text{depreciation} - \text{land appreciation} - \text{resident contribution}.$ <sup>24</sup>

2.35 The agreement between the Commonwealth and NSW also recognises that NSW is moving the direct provision of specialist disability housing to the non-government sector, and that NSW government will no longer be the service provider for these clients.

2.36 The NDIA will also support access to affordable housing options for people with disability through local area coordination and information, linkages and capacity (formerly Tier 2) building, by helping people with a disability link to other systems such as social and community housing; and support people with disability to engage with the private rental market to identify appropriate options.

2.37 The Community Affairs References Committee acknowledged the complexities of the provision of specialist housing for people with disability under the NDIS. While welcoming the concept of individualised funding for those people in need of accommodation, the committee was concerned that this type of funding alone could not adequately fund the capital element of disability housing:

The committee recognises the importance of individualised care packages for young people with disability as part of the NDIS's movement to person-centred care. However, the committee also notes the difficulties that arise with respect to funding capital works. State and Commonwealth

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24 COAG, *Bilateral Agreement between the Commonwealth and Victoria for the transition to an NDIS*, Attachment J, para 8.

Governments should give consideration to capital funding for construction of specialised disability accommodation.<sup>25</sup>

## **Specialist disability accommodation - position paper on draft pricing and payments**

2.38 On 1 April 2016 the NDIA published a position paper on draft pricing and payments for comment by stakeholders by 15 April 2016. The paper incorporated the Pricing and Payments Framework which sets out some of the policy background and thinking behind the setting of pricing.

2.39 The Framework discusses establishing benchmark prices for all specialist disability accommodation using the following formula:

Dwelling price =

- Consumption costs<sup>26</sup>
- + Opportunity costs of capital<sup>27</sup>
- + Costs of ownership<sup>28</sup>
- Land price inflation<sup>29</sup>
- Resident rent contributions (from all participants in dwelling)

Benchmark price = Dwelling price / Anticipated number of dwelling residents.<sup>30</sup>

2.40 According to the paper, a number of other factors will be considered when setting the benchmark price, to take account of a number of additional variables:

The benchmark prices will have additive and/or multiplicative factors or weights for classes of dwellings (determined by the Agency) that can be applied by the Agency as necessary including for:

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- 25 Senate Community Affairs References Committee, [\*Adequacy of Residential Care Arrangements Available in Australia for Young People with Severe Physical, Mental or Intellectual Disabilities\*](#), June 2015, p. 63.
  - 26 The consumption cost equates with depreciation of the dwelling to the end of its useful life. This price component will be set to cover the capital cost over the useful life of the building.
  - 27 The opportunity cost of capital component would recognise the typical sources of capital (debt or equity) and associated costs (at an efficient price), across all aspects of the capital investment in the accommodation (land, buildings, plant and equipment).
  - 28 The costs of ownership component would make provision for costs that are legally required, e.g. facilities management, rates, insurance, utilities not met by the tenants, repairs and maintenance, and tenancy management.
  - 29 The land price inflation component recognises the gain or loss the accommodation owner incurs over time due to changes in the value of land.
  - 30 National Disability Insurance Agency, *Specialist Disability Accommodation - Position Paper on Draft Pricing and Payments*, pp 35–36.

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Geographical location<sup>31</sup> (recognising – for example – that land costs, building costs and maintenance costs can be higher or lower in various locations);

Number of bedrooms (recognising that the size of a dwelling affects costs);

Whether the dwelling is furnished or unfurnished;

Specific building/dwelling features requiring additional build costs to address disability requirements;

Price inflation in the second and subsequent years of an established benchmark price; and/or

Any other factor the Agency determines to be necessary.<sup>32</sup>

### **Treatment of publicly owned land in setting the benchmark prices**

2.41 The committee is aware of the difficulties in negotiations between the Commonwealth and states and territories over the cost of making land available for specialist disability housing. In its deliberations over benchmark pricing, the NDIA has attempted to provide a consistent approach to the treatment of publicly owned land and where the costs involved would lie.

2.42 It is relatively common for state and territory governments to release land at below market cost, or even at nil cost, to organisations for a specific purpose, e.g. the supply of specialist housing. However each scenario is different, which creates a difficulty for the NDIA in its attempts to create a benchmark pricing structure.

2.43 To equitably address these different procurement circumstances, the NDIA has indicated that it will endeavour to treat all land costs in the same way, regardless of their provenance. The NDIA will have a land cost element in its benchmark price, and if the providers' land costs are less than this price, the state or territory government will be required to 'charge and recover' this difference and pass it on to the NDIA. This difference between the market price charged by the state or territory government and the benchmark price paid by the NDIA will comprise part of that government's 'in-kind' contribution.

2.44 The NDIA proposes that if the state or territory government are charging the market rental costs, the provider will receive the full benchmark price and the government will recoup the market rent. This will form part of that government's cash contribution to the NDIS, but not the in-kind contribution. In the NDIA proposal, if state and territory governments do not wish to participate in the 'pass back mechanism', other bilateral arrangements will be made.<sup>33</sup>

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31 This would include weights or factors for remoteness.

32 National Disability Insurance Agency, *Specialist Disability Accommodation - Position Paper on Draft Pricing and Payments*, pp 35–36.

33 National Disability Insurance Agency, *Specialist Disability Accommodation - Position Paper on Draft Pricing and Payments*, pp 37–38.

***Accommodation options for people with disability***

2.45 Chapter three considers various housing options for people with disability, as well as the funding and investment avenues available to those looking to develop these options.

# Chapter 3

## The way forward

### Introduction

3.1 The previous chapter provides the background and key issues surrounding the provision of suitable housing for people with disability. It also examined the policy drivers and proposals in place to address the significant and urgent need. This chapter identifies specific shortages and inadequacies inherent in the current system, and outlines options and models proposed by submitters.

### Improving the status quo

3.2 Many submitters proposed ways to at least improve, if not overhaul, the existing system. Most agreed that a one-size-fits-all approach would not work, and instead called for a diversity of housing options to be pursued.

3.3 In the context of the NDIS, there are also the difficulties presented with specialist disability accommodation which is primarily the responsibility of the states and territories, but it is proposed that the land and build elements of specialist disability accommodation will be priced and funded by the NDIA through a national framework.<sup>1</sup>

3.4 Submitters agreed that substantially increasing the supply of appropriate housing will require collaborative and innovative solutions to be designed and implemented at all levels of government.<sup>2</sup> Responsibility, however, does not rest solely with governments:

[T]he Commonwealth can play a key role in facilitating collaboration between all three levels of government, land developers, planners, housing providers, disability housing providers, families, banks and superannuation funds. There is a need for partnerships to canvas a wide range of approaches for financing such as shared equity and social investment options as well as the more traditional commercial return and government funded options.<sup>3</sup>

3.5 National Disability Services (NDS) called for all governments to commit to the following measures that would see a cohesive approach to planning, construction, building regulation and funding for specialist disability accommodation:

1. **Policy certainty for investors** – as establishing housing has a long lead time, investors need clarity about relevant regulatory and funding policy.

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1 National Disability Insurance Agency, *Specialist Disability Accommodation - Position Paper on Draft Pricing and Payments*, p. 12.

2 National Disability Services, *Submission 17*, p. 1. See also Brightwater Care Group, *Submission 9*, p. 2.

3 Activ Foundation, *Submission 15*, p. 4.

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.<sup>4</sup>

### **Rethinking the conversation about housing**

3.6 A number of submissions drew attention to the breadth of the housing issue. Housing for those with a disability had been the starting point of this inquiry, though as it has progressed, it has become evident that a broader emphasis is required.

3.7 Uniting Care Community called for 'a shift to broader social responsibility by all players in this market', and advocated for the pursuit of varied housing proposals in order to maximise the delivery of appropriate and affordable housing.<sup>5</sup>

3.8 The Young People in Nursing Homes National Alliance (YPINH) called for a fundamental shift in how we conceptualise the issue, suggesting that the 'conversation concerning housing for Australians with disability needs to be completely recast.'<sup>6</sup> Inadequate housing assistance, YPINH posited, is a much wider problem in Australian society, one which affects not just people with disability but also older Australians on the aged pension, the homeless, and people with mental illness: '[t]he need for housing for Australians with disability is thus part of a wider need for social housing and alternative housing finance approaches.'<sup>7</sup> This view was supported by others:

The Australian housing market is currently under such stress that it is unable to meet the needs and aspirations of many of its citizens and is particularly failing the most vulnerable in our society. Housing is the

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4 National Disability Services, *Submission 17*, p. 1.

5 Uniting Care Community, *Submission 44*, p. 2.

6 Young People in Nursing Homes National Alliance, *Submission 16*, p. 2.

7 Young People in Nursing Homes National Alliance, *Submission 16*, p. 2.

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foundation of a good life and is increasingly difficult to attain and maintain even for the average income earner.<sup>8</sup>

3.9 The decoupling of the concepts of housing and disability was an area YPINH thought crucial in addressing the accommodation needs of people with disability, and a first step in ensuring that housing ceases to be thought of as a disability service:

Australians with disability are currently not only being limited by housing availability, but by the historic anchoring of accessible accommodation to block funded disability services. In most jurisdictions, the rationing of places in these services is centrally controlled by government 'vacancy management' systems that undermine the central tenets of choice and control expounded by the NDIS.<sup>9</sup>

3.10 To help achieve this aim, YPINH suggested that national building codes need to be modified to ensure access for all people, regardless of whether they had a disability or not. The committee agrees with this proposal.

### **Recommendation 1**

**3.11 The committee recommends that Commonwealth and state and territory governments work with national disability peak organisations and the Australian Building Codes Board to examine updating the Building Code of Australia in regard to accessibility.**

3.12 From YPINH's perspective of supporting young people to leave aged care facilities, they suggested that greater consultation and engagement with the aged care sector, as well as ensuring that wraparound services such as healthcare were in place to support people with disability to live in their own homes.<sup>10</sup>

3.13 Furthermore, YPINH held that group home settings should not be the default model for housing for people requiring proximal support. Rather, their submission argued, the group home model should just be one among a number of options to be pursued and developed.<sup>11</sup>

3.14 NDS argued that the housing market has proven it cannot and will not deliver the range of suitable (i.e. accessible and affordable) housing options Australians with disability require. Thus the case for market intervention, NDS submitted, needs to 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. 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

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8 Uniting Care Community, *Submission 44*, p. 2.

9 Young People in Nursing Homes National Alliance, *Submission 16*, p. 4.

10 Young People in Nursing Homes National Alliance, *Submission 16*, p. 5.

11 Young People in Nursing Homes National Alliance, *Submission 16*, p. 4. Other submitters echoed the call for multiple housing models. See for example Carers NSW, *Submission 35*, p. 4.

education, they flourish. If they are isolated they flounder and often make more use of expensive crisis services such as hospitals and income support.<sup>12</sup>

3.15 The NDIS added that the NDIS can provide the catalyst for governments, and indeed the entire sector, to disentangle the barriers to suitable housing and drive tangible change.<sup>13</sup> This was echoed by the Activ Foundation.<sup>14</sup>

### ***Increasing the social housing stock***

3.16 Action for More Independence and Dignity in Accommodation (AMIDA) submitted that Australia is woefully behind other advanced economies in the provision of social housing:

The Victorian Council of Social Services have said that in 1996 and 2008 the Australian public housing sector diminished from about 4.1% to about 3.7% of our total housing stock. If we compare ourselves to other countries, for instance Canada has about 6% of total housing is public, New Zealand 7%, France 17%, the United Kingdom 20%.<sup>15</sup>

3.17 The existence of the NDIS does not, AMIDA stressed, absolve governments of responsibility for increasing the country's social housing stock, especially as private rental and ownership remains unaffordable and sector investment in social housing has not filled the gap.<sup>16</sup>

3.18 The Australian Housing and Urban Research Institute (AHURI) looked at a number of options for addressing unmet need in affordable, suitable housing and concluded that social housing will remain the only solution for many people with disability. However, social housing, as also noted by AMIDA, is a declining resource in Australia which will not be able to meet the current demand:

From 1998 to 2010, the number and proportion renting social housing dropped from 5.8 per cent of households to 3.9 per cent, while waiting lists are burgeoning (NHSC, 2013). Furthermore, like most social housing tenants, those with disability face very constrained choices about the location, form and management of their home. Difficulty obtaining social housing in locations with good access to jobs, transport and, importantly, family and informal support networks could add to the costs of the paid supports they require (Wiesel et al., 2015a). Increasing the proportion of people with significant disability (who are already over-represented) in social housing may have additional negative implications for both these tenants as well as other high need households who will face even greater difficulty accessing social housing.<sup>17</sup>

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12 National Disability Services, *Submission 17*, p. 1.

13 National Disability Services, *Submission 17*, p. 1.

14 Activ Foundation, *Submission 15*, p. 2.

15 AMIDA, *Submission 10*, p. 2.

16 AMIDA, *Submission 10*, p. 2.

17 Australian Housing and Urban Research Institute, *Submission 14*, p. 6.

3.19 AHURI concluded that additional private rental assistance for people with disability who receive Commonwealth Rent Assistance (CRA) may be a cost-effective way to increase housing assistance. In saying this, AHURI acknowledge that such assistance would be highly vulnerable to rent increases.<sup>18</sup>

### *Committee view*

3.20 The committee is conscious that the conversation around disability accommodation takes place in the broader context of the provision of affordable and social housing more generally. The committee is also aware that the parliament, and the Commonwealth government are in the midst of developing proposals to be taken to stakeholders to address some of the issues surrounding the provision of housing in Australia.

## **Recommendation 2**

**3.21 The committee recommends that accommodation for people with disability be integral in the development of affordable and social housing policy proposals.**

### *The group home model*

3.22 The group home model can be traced back to the practice of housing people with disability (when not being cared for by family) in residential institutions. These were perceived to be an efficient means of caring for large numbers of people at once, but carried unintended consequences:

The negative impact of a lifetime of institutional care on a person's health and wellbeing were not factored into the costs of institutional care.<sup>19</sup>

3.23 There was little support for any form of congregate care for people who do not necessarily need or benefit from such a model. Specifically, it was clear from submissions that the group home model, which gives residents paltry choice in terms of where they live or who they live with, has had its time and is no longer a desirable option:

Affordable housing should not require residents to live with people not of their choosing simply because of the fact that they have a disability. In our experience this can result in inappropriate mixes of individuals in group homes, a high rate of restrictive practices and turnover, and unsafe home environments.<sup>20</sup>

3.24 Among the housing options discussed was "supported living". Supported living describes when a person with disability requires ongoing, organised, publicly funded assistance, and works with an agency which is tasked with providing whatever assistance is necessary for the person to live in an appropriate home of their own. This

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18 Australian Housing and Urban Research Institute, *Submission 14*, p. 6.

19 Office of the Public Advocate, *Submission 38*, p. 1.

20 Uniting Care Community, *Submission, 44*, p. 3.

model may be particularly appropriate for people with disability who engage in problem behaviour which can be exacerbated by living in a group home:

This [living in a group home] means that they are more often exposed to people who anger them, stress them, or scare them. In addition, a further vicious cycle is activated when the demands of caring for and supervising such a group means that support workers simply try to survive to the end of their shift. This means the needed skilled, long-term, proactive work is not done, and just reacting to incidents is what typically happens. This usually means that more restrictions are placed on the residents. Now, not only are they more likely to be angry, stressed and scared, but are also frustrated at the control that they have lost, with the result being ever more serious incidents.<sup>21</sup>

3.25 The Office of the Public Advocate (OPA), which has long advocated for the closure of congregate care facilities, called for the development of 'a specialist disability accommodation market that fosters choice and control' and is informed by the following principles:

- Group homes should have no more than six residents so they can properly meet the residents' individual needs.
- All accommodation support needs to be personalised, planned and flexible; provide the maximum autonomy and choice for the individual; enable the person to maintain and develop relationships; and minimise and address potential barriers to community participation.
- All disability accommodation supports must strengthen an individual's existing relationships, natural supports and community connections.
- Individuals should not be compelled to live in a particular setting to gain access to support, unless ordered by a lawful authority.
- Participants who live in specialist disability accommodation including group homes and institutional setting who wish to explore options to change their accommodation arrangements should be supported to do so.<sup>22</sup>

3.26 The committee noted the OPA's pronounced concern about recently-established, privately owned and operated disability accommodation facilities.<sup>23</sup>

3.27 Despite waning support for the group home model, the committee noted that the current proposed pricing framework for Specialist Disability Accommodation (SDA) under the NDIS is based on the assumption that congregate care, or group housing, will remain a feature of the NDIS model. Such an assumption, Uniting Care Community implied, is intrinsically flawed:

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21 Mr Gary Radler, *Submission 51*, p. 1.

22 Office of the Public Advocate, *Submission 38*, p. 2.

23 Office of the Public Advocate, *Submission 38*, p. 2.

Designing new strategies using old models will result in old solutions and maintains the issue of housing for people with disability as a ‘niche’ funding problem rather than a broader human rights issue.<sup>24</sup>

3.28 The emphasis on viewing housing policy through the prism of human rights, rather than disability *per se*, was echoed by other submitters:

Housing is a fundamental human right and essential to the maintenance of human dignity. Every Australian has the right to adequate, safe and affordable housing. From a psychological perspective, adequate safe and secure housing (tenure) provides a foundation for individuals and families to develop a sense of identity and belonging. It is essential to both individual and community wellbeing. By contrast, not having a stable base (or home), denies people their fundamental human right to shelter and safety, disrupts the connections they have with their family and communities and is associated with a sense of social exclusion and poor mental health and wellbeing.<sup>25</sup>

3.29 Evidence was provided to substantiate this view, including that on the proven, positive relationship between appropriate housing, health and quality of life. People who are disadvantaged in the housing market, as Australians with disability certainly are, experience disproportionate vulnerability to the negative health effects of inappropriate housing.<sup>26</sup>

3.30 Many submitters recognised that group housing would remain an important feature of disability accommodation. AHURI found the additional funding to be a modest contribution:

NDIS user cost of capital funds for specialist housing will assist in delivering an additional supply of specialist housing for approximately 12,000 participants (in addition to approximately 14,000 people already housed in group homes). This is an important, however proportionally very small contribution addressing only approximately 10% of the estimated shortfall in affordable housing.

### **Young people in residential aged care**

3.31 Young people with disability have a diverse range of reasons for moving into residential aged care (RAC) and different support needs. For most, it is not an optimal outcome or one sought out as a first choice. Instead, most have moved into RAC because their needs were unable to be met in the wider community, although not all have high or complex needs. Ensuring timely access to the diverse range and level of services people with disability require would, the committee noted, carry a range of benefits:<sup>27</sup>

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24 Uniting Care Community, *Submission, 44*, p. 3.

25 See for example Australian Psychological Society, *Submission 36*, p. 1; Uniting Care Community, *Submission, 44*, p. 3.

26 Australian Psychological Society, *Submission 36*, p. 2.

27 Summer Foundation, *Submission 2*, p. 2.

Improving the housing and support option in the community will reduce the flow of young people into RAC, leading to better outcomes for young people and lower costs for government.<sup>28</sup>

3.32 Aged care providers who deliver services to younger people are, the committee heard, keenly aware of the shortcomings of RAC where younger residents are concerned, and are eager for housing alternatives to be made more readily available. This would enable younger people in need of support to receive necessary services appropriately, in their own homes, and in the wider community. The committee also noted YPINH's submission that 'many providers are capital ready and keen to invest in developing alternative housing options to residential aged care for their younger residents', and that there is a greater interaction required between the NDIS and aged care providers as a means of addressing this challenge.<sup>29</sup>

### ***People with complex needs currently in Residential Aged Care***

3.33 People with disability who have high and complex needs often require services to be delivered frequently and at a high intensity, by a range of service providers, and at levels which can change unexpectedly.<sup>30</sup> Currently, housing choices for people with complex or high support needs are very limited and usually dictated by the location of the service delivered. In most cases services are located in hospitals or aged care homes.<sup>31</sup> Changing this situation requires 'a dedicated service development strategy for those health services (including rehabilitation services) comprising the NDIA and state and territory health programs.'<sup>32</sup> However, the Alliance noted decision-makers still view group home settings as the only realistic option.<sup>33</sup>

### **The quality of housing required**

3.34 AHURI submitted that Australians with disability have long been disadvantaged by usually only having access to substandard housing with a limiting effect on their choice and control. In practice this means that people with disability are frequently separated from their families and informal support networks, as well as being segregated from the wider community.<sup>34</sup>

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28 Summer Foundation, *Submission 2*, p. 2.

29 Young People in Nursing Homes National Alliance, *Submission 16*, p. 4.

30 Summer Foundation, *Submission 2*, p. 2.

31 Young People in Nursing Homes National Alliance, *Submission 16*, p. 5.

32 Young People in Nursing Homes National Alliance, *Submission 16*, p. 5.

33 Young People in Nursing Homes National Alliance, *Submission 16*, p. 5.

34 AHURI, *Submission 14*, p. 8.

3.35 PaRA Co-operative Limited eloquently summed up what is needed:

People with disabilities do not need luxurious accommodation but they do have the right to live in decent accommodation, near their families and where they work or attend Day Programs.<sup>35</sup>

3.36 It is estimated that around 94 per cent of NDIS participants will not require specialist housing.<sup>36</sup> Instead, most will need access to affordable, mainstream housing which meets four overarching criteria:

- It must be small scale and dispersed in the general community. Evidence indicates that non-congregated, small-scale housing dispersed in the general community is critical for the self-determination, wellbeing and social inclusion of people with disability.
- It must be adaptable or universally designed. Poor outcomes are compounded by poor housing design that inhibits peoples' movement in their own home. Accessible design is a fundamental aspect of increasing independence, and, consequently, reducing reliance and costs of support. The most effective means of achieving this would be through a legislative requirement for non-discriminatory access standards in new housing.
- It must be secure. Security in this context relates to security of occupancy and the stability of existing housing arrangements. Research demonstrates security of housing is associated with important aspects of human functioning: family functioning, social participation and health. Given the high underlying risk of homelessness, as well as often limited social networks, security of housing is of vital importance to people with disability. Brightwater Care Group called on the government to ensure that, if not all, then at least a percentage of affordable, adaptable housing is included in new housing developments.
- It must be well-located. Living in places with limited access to employment, services and public transport can compound social disadvantage significantly.<sup>37</sup>

3.37 The role of governments will be critical to forming the collaborative relationships necessary for establishing the diverse range of housing necessary. Members of the community who are living with disability should not have to relocate and leave their communities behind in order to access appropriate, affordable housing.<sup>38</sup>

### **Features of potential models**

3.38 Since the inception of the NDIS, a number of submitters have been working to develop models of accommodation for people with disability. While embracing the potential of the Scheme to significantly improve accommodation options, some

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35 PaRA Co-operative Limited, *Submission 21*, p. 4.

36 AHURI, *Submission 14*, p. 8.

37 AHURI, *Submission 14*, pp 8–9.

38 Brightwater Care Group, *Submission 9*, p. 3.

submitters, such as the Summer Foundation, were of the view that it is still too early in the life of the NDIS to confidently conclude which models are most appropriate. The Foundation instead proposed four core characteristics housing models should have:

1. Housing is accessible and its location aids in building community connections.
2. Housing choices are diverse and include the option for people with disability to live with their family.
3. Investors have faith in the structure and delivery of the NDIA's housing payment scheme.
4. The design and delivery of housing and support models is innovative and highly collaborative.<sup>39</sup>

3.39 Models currently in place, the Foundation suggested, do not meet the above criteria. Several key issues of concern were identified:

1. The slow pace of progress in using NDIS funds to create housing.
2. The lack of investor certainty when investing in housing models.
3. The lack of assurance that funding will be sufficient for the high-cost housing needed by young people in RAC.
4. The lack of a focused, strategic approach to funding innovation.<sup>40</sup>

## Current housing projects

### *Abbotsford Housing Demonstration Project*

3.40 Abbotsford Housing Demonstration Project is one of the projects established by the Summer Foundation to 'test and refine new options for young people in or at risk of entry to residential aged care facilities.'<sup>41</sup> Its implementation was facilitated through the involvement of four core organisations: Common Equity Housing Limited (CEHL), Transport Accident Commission (TACT), Summer Foundation and Annecto. The four organisations developed a shared vision of 'making a reality the long term impact of increasing independence, decreasing support hours, and maximising control for tenants'.<sup>42</sup>

3.41 The project aims to provide an alternative model for housing and support for people with complex needs, in which tenants will be able to live—both in their apartment and the wider community—in a manner reflecting their personal choices

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39 Summer Foundation, *Submission 2*, pp 3–5.

40 Summer Foundation, *Submission 2*, pp 6–7.

41 Summer Foundation, *Submission 2, Attachment 1*, *New Housing Options for People with Significant Disability*, 2015, p. 9.

42 Summer Foundation, *Submission 2, attachment 3*, p. 5. annecto is an independent, not-for-profit organisation providing advocacy and advice for people with disability, older people and carers. See [www.annecto.org.au](http://www.annecto.org.au) (accessed 26 April 2016).

and lifestyle preferences. Apartments are designed to be attractive to any prospective buyer (irrespective of ability), functional and 'accessible but not institutional':<sup>43</sup>

Technology was pursued which could:

- Reinforce each tenant's sense of, and capacity for, independence, privacy and personal control (through control of, for example, light, blinds, temperature, door access)
- Reinforce each tenant's confidence and sense of security when they were alone
- Create reliable communication, safety and security arrangements for emergencies and contingencies
- Simultaneously reduce the need for ever-present support staff by increasing each tenant's independence.

The specific features of physical design of the individual units included:

- Highly accessible internal circulation spaces in each apartment, (such as door and corridor width; room lengths; and turning circles)
- Attractive design similar to neighbouring units, with use of mainstream rather than disability specific design and products wherever possible
- Accessible bathrooms and kitchens with a number of adaptable features that can be tailored to individual requirements
- Robust wall products to reduce damage from wheelchairs.<sup>44</sup>

3.42 Support facilitators at Abbotsford assist only with what tenants cannot do for themselves, an integral aspect of supporting people's independence. The support model also recognises different staff competencies and tenant needs:

TAC has a Disability Services Agreement with annecto regarding provision of care and support for the TAC tenants. The two Summer Foundation tenants have support funded through Department of Housing and Human Services ISPs. Support funded through TAC ensures access to support 24 hours a day and is flexible based on each individual changing support needs. For those with state disability funding, arrangements are less reliably aligned to people's support needs and to changes in those needs.<sup>45</sup>

3.43 As people gain independence, confidence and capability through working closely with support staff and become more comfortable using technology, the requirement for paid support is expected to decrease over time.<sup>46</sup>

3.44 Abbotsford is guided by tenancy and property management rules which apply to all tenants. The project does not assume a relationship between tenants, nor does it

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43 Summer Foundation, *Submission 2, attachment 3*, p. 7.

44 Summer Foundation, *Submission 2, attachment 3*, pp 7–8.

45 Summer Foundation, *Submission 2, attachment 3*, p. 8.

46 Summer Foundation, *Submission 2, attachment 3*, p. 9.

assume that one will develop over time. This is a critical feature of Abbotsford and distinguishes the project from other shared living arrangements.<sup>47</sup>

### *Outcomes*

3.45 The Summer Foundation cited evidence suggesting that the Abbotsford model has increased tenants' independence and improved their quality of life. The project's emphasis on increasing independence and building capacity were considered integral to its ongoing success. Learnings from the Abbotsford experience, the Summer Foundation stated, can be used to inform other projects and new policy:

The most useful learning from Abbotsford is that organisations with the foresight to recognise an opportunity for a housing development can be successful, despite the challenges of short timelines and a lack of synchrony between organisational processes.

The significance of simultaneously promoting personal independence and increasing long term service effectiveness is just now being realised. Ideally the Abbotsford experiences will commence an ongoing process of learning and development with ever expanding possibilities through improvements in design, technology and staff practices.<sup>48</sup>

3.46 The committee is aware that the Abbotsford experience has informed refinements in other housing developments, but also that no model can be replicated the same way each time. Taking a uniform approach based on the success on one model would, in fact, run contrary to the central aim of tailoring housing arrangements to individual needs and preferences.<sup>49</sup>

### *The Haven Foundation*

3.47 The Haven Foundation was established in 2006 by a small number of mothers whose adult children had long-term mental illness, and is a registered housing provider in Melbourne, Victoria. By registering as a charity, the Foundation was able to secure funding through the state government, the Catholic Church and through fundraising activities. With considerable effort over a number of years, the foundation was able to secure \$3.2 million in funding from the state government to convert a disused convent into 14 fully self-contained one-bedroom apartments with facilities for support staff. Residents are responsible for day-to-day living, including meals.<sup>50</sup>

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47 Summer Foundation, *Submission 2, attachment 3*, p. 12.

48 Summer Foundation, *Submission 2, attachment 3*, p. 12.

49 Summer Foundation, *Submission 2, attachment 3*, p. 12.

50 Mr Ric Walsh, Haven Foundation, NDIS Housing Showcase Event, 6 April 2016, transcript, pp 15–17.

3.48 The housing is now managed by the Haven Foundation, which in 2013 applied for and achieved registered housing provider status. To qualify, residents must:

- be diagnosed with a mental illness;
- have been scheduled to achieve a functional level of daily living skills;
- be medically compliant (taking their medication and attending necessary medical appointments); and
- be over 18 years of age.<sup>51</sup>

3.49 For future Haven projects residents will be required to be eligible for an NDIS package, through which on-site support will be provided. A significant feature of the model going forward will be the high degree of involvement required from families and carers:

There is an extensive involvement in the families and carers in the day-to-day running of Haven in South Yarra. There is a standing committee that meets every month, which oversees Haven South Yarra. It comprises me, two representatives from the Prahran Mission, two parents and two residents.

They have an extensive involvement. There is an active involvement, and each resident is allocated a key support worker. Service provider activities focus on skilled (inaudible) development, give support and social inclusion. There are individual program plans developed for each resident and they are reviewed on a six-monthly basis, in partnership with the resident and with the approval of the resident and business family.<sup>52</sup>

3.50 The Haven has by all accounts been a success, with 11 out of 12 surveyed families reporting that the model had contributed towards mental health recovery.<sup>53</sup>

### ***Five Dock mixed use development***

3.51 In 2004 the Canada Bay Council and a private developer, Koundouris Group, redeveloped a single level supermarket and car park into a large development comprising a range of apartment types, a supermarket, public library and café. Apartments are arranged around a shared courtyard, while the whole mixed-use development is connected by a network of paths that link private and open spaces. The pedestrian-friendly laneways integrate the development into the wider neighbourhood. The variety of apartments 'encourages a diverse mix of residents and provides a range of different living options to meet different needs.'<sup>54</sup>

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51 Mr Ric Walsh, Haven Foundation, NDIS Housing Showcase Event, 6 April 2016, transcript, p.17.

52 Mr Ric Walsh, Haven Foundation, NDIS Housing Showcase Event, 6 April 2016, transcript, p.17.

53 Mr Ric Walsh, Haven Foundation, NDIS Housing Showcase Event, 6 April 2016, transcript, p.18.

54 Young People in Nursing Homes National Alliance, *Submission 16, attachment 1*, p. 31.

### ***The Cairo concept***

3.52 Planning began in 2008 for the development the 'Cairo model', which will create a diverse housing environment in Southbank [Melbourne]:

The proposed development is an inclusive, high amenity residential apartment tower where people with disability can live and engage in the social, sporting, economic and cultural opportunities available to all residents of the CCZ [capital city zone].<sup>55</sup>

3.53 Ten per cent, or twenty five, of the available apartments are intended for people with disability requiring support—these will be peppered throughout the building. Fifteen apartments will be supported by government funding, while the remainder will be available for private purchase. Seventy-five per cent 'will be built to platinum accessibility standard.' Facilities will include an accessible gymnasium, retail spaces and swimming pool.<sup>56</sup>

### ***Home Occupiers Mutual Enterprise***

3.54 Home Owners Mutual Enterprise (HOME) is a registered charity in Sydney's inner west, offering people with disability an innovative alternative housing option by providing a socially inclusive housing complex. The complex aims to house a mix of residents, reflecting the make-up of the local community. Between 15–20 per cent of the dwellings will be for people with disability. The following features are central to the model's aim of integrating residents of all ability levels:

- the acquisition of properties within existing or new apartment developments
- a HOME Community Inclusion Facilitator, funded out of a partial pooling of NDIS funding to coordinate social inclusion.
- (desirably) a community meeting space which may be a retail premises like a café, but also operates as a hub for inclusive community activities.<sup>57</sup>

3.55 The first development is in the planning stages and is awaiting the outcome of an application for funding through DSS. The HOME submission, however, recognises that a universal solution for the housing affordability problem is unlikely. HOME instead discusses funding inner-city disability-friendly accommodation for a subset of people whose ageing parents own valuable real estate which could be a valuable equity resource.<sup>58</sup>

### ***Freedom Housing***

3.56 Freedom Housing is a model of privately owned housing, in a small 4 house development, supported by a central structure that will provide governance of the facility, as well as the necessary care and supports required by the residents. A feature

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55 Young People in Nursing Homes National Alliance, *Submission 16, attachment 1*, p. 39.

56 Young People in Nursing Homes National Alliance, *Submission 16, attachment 1*, p. 39.

57 Home Occupiers Mutual Enterprise, *Submission 20*, p. 1.

58 Home Occupiers Mutual Enterprise, *Submission 20*, p. 1.

of the model is its flexibility. The houses can be owner-occupied, leased through an NGO, or rented from a private developer. The provision of care and supports will be funded through the residents' NDIS package and the building will be managed through an Owners' Corporation, which will comprise representatives from each household. In addition, Freedom Housing propose that the Owners' Corporation will provide:

- Care services and care coordination;
- Governance;
- Advocacy;
- Facilitation; and
- Coaching and Training.<sup>59</sup>

3.57 Freedom Housing argue that this model satisfies all the conditions and objectives of the NDIS Act, as well as providing flexible, safe, secure and sustainable housing options for people with disability and their families.

### ***Community Living Accommodation***

3.58 Community Living Association Ltd. (CLA) is a community-based organisation supporting ageing carers, and their middle-aged sons and daughters with disability. CLA supports 45 carers who are aged between 65 and 88 years on the Mornington Peninsula in Victoria.<sup>60</sup>

3.59 CLA have partnered with a range of organisations<sup>61</sup> to develop the Cloverleaf Housing Project, which will comprise a 'two-story building with 4 separate units for 2 people in each unit, joined by a lobby area on each floor that will connect the 2 units.' Residents will have their own bedrooms, and share common facilities such as kitchens, dining and laundries. Again the underlying principle of the project is independence and the choice and control by the resident over their accommodation.

3.60 The Cloverleaf Project has secured funding from a number of organisations, negotiated matching funds the state government, and has applied to the Commonwealth government under the Specialist Disability Accommodation Initiative (SDAI), for 'top-up' funding for the project. However the contribution of \$1 million from the state government is contingent on the success of the SDAI application. If they are not successful, the Victorian government will not provide its contribution.

### ***International models***

3.61 The Kaufhaus Breuer development in Eschweiler, Germany, is a mixed-use building housing accessible apartments, function and recreation rooms, and a restaurant open to residents and the public. The development includes five self-

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59 Freedom Housing, *Submission 7, Attachment 1*, pp 6–7.

60 Community Living Accommodation Ltd., *Submission 11*, p. 2.

61 The partnership comprises Southern Mornington Peninsula Uniting Church, Uniting Church Property Trust, Housing Choices Australia (HCA) and Melba Support Services. According to their submission, it is supported by the Mornington Shire, the Department of Health and Human Services Victoria (DHHS), and the Bendigo Bank. (*Submission 11*, p. 2).

contained units and a single shared accommodation apartment. Residents benefit from open-plan living spaces which are easily adapted to accommodate individual needs, and have access to support as required.<sup>62</sup>

3.62 Also in Germany, the Sankt Antonius Community Centre aims to provide accommodation for people with disability who want to live as independently as possible, while still having access to assistance in day-to-day life. Twelve assisted living apartments sit atop a community hall, fair trade shop and social welfare offices. These are primarily designed for people over 60, but are available to all age groups. Residents of Sankt Antonius access and receive support services when needed. The development was initiated and funded by the Sankt Antonius church community, which many of the residents are affiliated with (although this is not a requirement of residence).<sup>63</sup>

### *Committee view*

3.63 Options for people with disability are one of the most positive outcomes of the NDIS, and the principle of choice and control for people underpins the entire Scheme. Through the roundtable and subsequent submissions, the committee is now aware of the extensive activity taking place across the country to develop appropriate accommodation options for people with disability. The innovation and creativity in developing solutions is testament to the potential present in the sector.

3.64 The committee also welcomes the NDIA's draft position paper on pricing and payments for specialist disability accommodation. The paper answers a number of questions on how ongoing accommodation costs will be serviced in the long term.

3.65 While clarity around ongoing costs may be improving, and a picture emerging of the types of accommodation that will be developed in the coming years, in the committee's view there remains a gap in how people with disability can access and take full advantage of the improved opportunities.

### **Recommendation 3**

**3.66 The committee recommends the Commonwealth government explore all possible proposals for disability accommodation, and the ways it can assist in bringing them to fruition.**

### **Recommendation 4**

**3.67 As part of the analysis of proposals, the committee recommends the Commonwealth should assess how financially accessible they are for people with disability and their families.**

### **Investment and funding models**

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62 Young People in Nursing Homes National Alliance, *Submission 16, attachment 1*, p. 35.

63 Young People in Nursing Homes National Alliance, *Submission 16, attachment 1*, p. 35.

3.68 Investment into the sector is needed from a wide range of stakeholders. This includes people with disability, their families and housing corporations. Currently there is a considerable regulatory and compliance burden in place—this represents a barrier to entry and a disincentive for investors who wish to provide, or continue providing, social housing.<sup>64</sup>

3.69 The committee heard that greater certainty and clarity about the trajectory of regulatory and funding policy was required. In this vein, Activ found the price benchmark methodology developed by the NDIA to be appropriate, but called for them to be regularly reviewed:

Benchmarks must also be subject to regular review and the application of appropriate indexation, otherwise over time the benchmarks will be eroded and lose their relevance. An open approach by the NDIA to the ongoing resolution of these issues will assist to allay the concerns regarding the current lack of details. The Commonwealth government has not demonstrated a good record in the application of appropriate and sustainable levels of indexation.<sup>65</sup>

3.70 Activ further suggested that the NDIA should allow service providers to own and operate disability accommodation. As providers will want to leverage current equity in order to contribute to future housing developments, they should be allowed to retain equity in current housing capacity. The alternative would be counterproductive:<sup>66</sup>

To reduce the capacity of providers to own and operate disability related accommodation would severely reduce the development of potential options in an era where demand significantly exceeds supply. All endeavours should be made to maintain the current level of supply and to find new options to increase supply into the future.<sup>67</sup>

3.71 Brighton Care Group suggested a number of ways that could assist in increasing capital investment in the sector, and broaden the range of investment vehicles:

- Universities constructing accessible student housing for on-campus living
- Superannuation funds providing capital investment
- Use of social impact bonds by both private and not for profit organisations
- The possible role of not-for-profit service providers as a possible source of housing investment should not be underestimated. While it would be

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64 Brighton Care Group, *Submission 9*, p. 3.

65 Activ Foundation, *Submission 15*, p. 2.

66 Activ Foundation, *Submission 15*, p. 3.

67 Activ Foundation, *Submission 15*, p. 3.

necessary to have frank and honest communication about the possible conflict of interest inherent in such arrangements, neither is this insurmountable.<sup>68</sup>

## **Funding through NDIS transition programme**

### ***Specialist Disability Accommodation Initiative (SDAI)***

3.72 As part of the NDIS broader transition, DSS have two grants available to assist in the provision of specialist disability accommodation. The first is the Specialist Disability Accommodation Initiative (SDAI). This is designed to help address immediate community need for specialist disability housing in areas outside NDIS trial sites, as determined by geographic location or age cohort, by providing 'top up' funding to:

- increase the availability of accommodation for people with a disability, who the applicant anticipates will be eligible for the NDIS, with a particular focus on:
  - those housed in inappropriate accommodation settings; and
  - those with ageing carers who are in need of a long-term, sustainable arrangement.
- identify project initiatives with self-sustaining specialist disability housing models which could be scaled up in the future.<sup>69</sup>

3.73 The fund is not available to individuals for contribution to the private ownership of a property, nor will it be provided for the ongoing maintenance costs for buildings or equipment. Instead it will be provided to organisations as 'top up funding only to enable the completion of projects with an immediate need which, have community support, are outside NDIS trial sites, and can demonstrate that care and support funding will be provided by the relevant state or territory (or other third party).<sup>70</sup>

### ***Supported Accommodation Innovation Fund (SAIF)***

3.74 The second grant targeted at assisting in the development of specialist disability accommodation is the Supported Accommodation Innovation Fund (SAIF). This is a Commonwealth funded capital initiative designed to promote innovation in design and delivery of permanent and respite accommodation places for people with disability through individual projects across Australia.

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68 Brightwater Care Group, *Submission 9*, p. 4.

69 Department of Social Services, *NDIS Transition – Sector Development Fund – Specialist Disability Accommodation Initiative Funding Round Summary*, December 2015, p. 2.

70 Department of Social Services, *NDIS Transition – Sector Development Fund – Specialist Disability Accommodation Initiative Funding Round Summary*, December 2015, p. 4.

3.75 The SAIF initiative encouraged partnerships both within the disability sector and in other public sectors in the development and delivery of innovative accommodation facilities and support models.<sup>71</sup>

3.76 While it is included in the NDIS Transition Programme guidelines, presumably because projects funded under the initiative are still to reach completion, applications for the fund have closed, and there is no indication that they will be opened for a further funding round.

#### *Committee view*

3.77 The committee supports the provision of grants to develop housing concepts, and to provide urgent housing solutions outside the current NDIS trial sites. However, there is a lack of clarity about whether the SAIF grant is still available, and if it is not, why it is included in a list of grants published as late as December 2015. If the grant programme is not currently available, the committee would like to know whether it will be replaced by another initiative.

#### **Recommendation 5**

**3.78 The committee recommends that the Department of Social Services clarify the status of the Supported Accommodation Innovation Fund, and if the fund is no longer available, whether it will be replaced with another initiative to assist in the development of innovative housing solutions for people with disability.**

#### **Utilising the co-operative model**

3.79 PaRA (Parent Assisted Residential Accommodation) Co-operative Limited focused on the NDIS' objective of giving people choice and control, and pointed out that there can be 'a trade-off between achieving economies of scale and the individual having choice and control.'<sup>72</sup>

3.80 To address this, the PaRA Co-operative submission proposed a housing model which would arguably achieve better outcomes for individuals whilst reducing the cost to government. The concept involves people with disabilities, with or without their families, forming co-operatives to provide supported accommodation, and drawing on private and public funds to enable residents to acquire shared equity in the property over a length of time.<sup>73</sup>

3.81 This proposal is consistent with suggestions made by the Business Council of Co-operatives and Mutuals (BCCM), which outlined the benefits of co-operatives and mutuals:

- are member owned for member benefit, utilising democratic governance
- promote autonomy and independence of operation

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71 Department of Social Services, *National Disability Insurance Scheme Transition Guidelines Overview*, November 2015, 9 November, p. 9.

72 PaRA Co-operative Limited, *Submission 21*, p. 2.

73 PaRA Co-operative Limited, *Submission 21*, p. 2.

- engage member economic contributions and re-invest operational surpluses
- promote cooperation in the community
- engage in long-term value creation.<sup>74</sup>

3.82 BCCM made the case for strengthening the presence of co-operatives and mutuals in the social housing landscape and incorporating the concept into the NDIS framework, citing a 2014 BCCM White Paper (*Public Service Mutuals, a third way for delivering public services in Australia*). The paper highlighted the success of co-operatives and mutuals in the United Kingdom (UK), where they have grown to deliver services in multiple public service domains:

The UK Government has actively fostered the development of over 100 new mutual organisations (known as Public Service Mutuals) since 2009, now delivering over \$1.5 billion of public services.<sup>3</sup> PSM's have generated so much momentum that Francis Maude of the UK Cabinet Office stated in July 2014 that: 'mutuals are the future of public services'.<sup>75</sup>

3.83 Mutuals have led to lower costs and higher productivity in the UK, and were, BCCM stated, demonstrated to be more resilient to economic ebbs and flows.

3.84 In the context of this inquiry, BCCM submitted that co-operatives and mutuals present a means of improving housing outcomes for people with disability:

1. **Creating an alternative path for choice and control.** Co-operatives have participatory governance structures that are critical in housing if NDIS participants cannot have full choice and control over their housing options.
2. **Achieving scale within an NDIS housing market.** Co-operatives can achieve scale without sacrificing choice and control for people with disability because co-operatives are being run by people with disability for people with disability.
3. **Leveraging contributions from family and philanthropy.** Co-operatives can create structures to support joint equity ownership and provide long term housing commitments that enable families to confidently gift housing and assets.
4. **Retaining operational surpluses to be reinvested in people with disability.** Co-operatives ensure that accumulated resources (operational surpluses on the services delivered and ownership of housing) continue to benefit people with disability.<sup>76</sup>

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74 Business Council of Co-operatives and Mutuals, *Submission 1*, p. 6.

75 Business Council of Co-operatives and Mutuals, *Submission 1*, p. 5.

76 Business Council of Co-operatives and Mutuals, *Submission 1*, p. 4.

3.85 The historic exclusion and isolation of Australians with disability from community life, however, means that 'a catalyst is needed to develop co-operatives in the NDIS.'<sup>77</sup> BCCM offered eight concrete recommendations for achieving this outcome:

**Recommendation #1:** Add an additional objective to the NDIS housing framework that NDIS funded housing builds the individual and collective wealth of people with disability.

**Recommendation #2:** Add an additional objective to the NDIS housing framework that requires NDIS housing projects to involve people with disability in the design and approval process.

**Recommendation #3:** Empower and support existing group home residents and staff to create in home care co-operatives.

**Recommendation #4:** Create a co-operative incubator to provide capacity building, technical assistance and mentoring to new co-operatives.

**Recommendation #5:** Support the establishment of a co-operative Disability Land Trust where land and housing is owned collectively by people with disability into perpetuity.

**Recommendation #6:** Provide certainty in user cost of capital funding and aggregate payments to allow for housing bonds to be issued.

**Recommendation #7:** Allocate funding to create a smarter housing market that uses technology based solutions to reduce market failures in disability housing, including a platform to connect tenants to properties.

**Recommendation #8:** Add a category of Co-operative Accommodation Providers as eligible for Specialist Disability Accommodation (SDA) funding. The BCCM supports this recommendation in the submission made by the PaRA Co-operative to this inquiry.<sup>78</sup>

3.86 AHURI pointed out that government subsidies might be required to achieve shared equity in housing, particularly given that:

'the majority of NDIS participants are likely to be low-income. Because of the high costs associated with homeownership (such as rates and maintenance), people with low incomes could afford shared equity only if they are able to secure the initial capital contribution without any debt, for example through assistance from their families.'<sup>79</sup>

#### *An "incubator" co-operative*

3.87 PaRA Co-operative Limited discussed their experience of forming a co-operative which currently provides supported accommodation for three young men with autism. Establishing the co-operative, registering as a service provider and

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77 Business Council of Co-operatives and Mutuals, *Submission 1*, p. 4.

78 Business Council of Co-operatives and Mutuals, *Submission 1*, pp 4–5. See also PaRA Co-operative Limited, *Submission 21*, p. 4.

79 AHURI, *Submission 14*, p. 4.

drafting multiple policies and procedures designed to comply with Disability Service Standards was, the submitter stated, time-consuming and mired in bureaucratic red tape.<sup>80</sup> The approval system in place, the committee understood, is not suited to modern realities.

3.88 To address this, PaRA expressed its readiness to assist in the establishment of other co-operatives:

We want to create an enterprise co-operative to be an incubator by providing a service for other groups of families to enable them to do what we have done in a more streamlined way so that the benefits of operating as a small service provider can be achieved without the pain we had to go through to get there.

We propose that NDIS funding include a one-off claim of say \$5,000 per individual towards the fee charged by the enterprise co-operative for helping families establish and learn how to operate a co-operative service.<sup>81</sup>

### **Recognising the role of carers**

3.89 The majority of Australians with disability receive at least some assistance from carers who are family members or friends:

All caring roles are different, as what carers do depends on the condition and support needs of the person they care for, their relationship with that person, and other family and cultural factors. Caring can involve anything from round-the-clock nursing care, to transport and domestic assistance, to emotional support, and everything in between. While caring can have a number of positive impacts, many carers face considerable challenges, including financial hardship, poor health and wellbeing and social isolation, especially if they have an intensive caring role with inadequate support.<sup>82</sup>

3.90 Increasing the independence of people with disability is likely to decrease the pressure on carers, because with increased independence comes reduced reliance on family and friends to meet everyday support needs. This is particularly the case when NDIS funding enables adults with disability to move out of their parents' homes and into appropriately supported independent accommodation.<sup>83</sup> Carers NSW called for the NDIS to acknowledge the role carers can play in facilitating independent living:

Many success stories are underpinned by the efforts of carers who expend considerable time and energy advocating, planning and coordinating supports. These carers need support to continue, and some may prefer to opt out if equivalent funded supports are available. Such a high level of involvement in advocacy and support coordination may jeopardise the sustainability of their overall caring role and cost them in terms of their own wellbeing. Indeed, many carers are not even in a position to be so

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80 PaRA Co-operative Limited, *Submission 21*, p. 4.

81 PaRA Co-operative Limited, *Submission 21*, p. 4.

82 Carers NSW, *Submission 35*, p. 2.

83 Carers NSW, *Submission 35*, p. 2.

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involved in helping the person they care for to transition to independent living. Not all carers have the language skills, confidence, emotional reserves or financial resources required. These carers and the people they care for should not be disadvantaged in their pursuit of appropriate housing.<sup>84</sup>

3.91 Carers NSW went on to reject calls for families to help cover housing costs for people with disability, arguing that such practices are not considered the norm for non-caring families. Carers are also likely to experience lower employment rates due to their responsibilities, which means that caring has a direct relationship with long term income and savings potential.<sup>85</sup>

3.92 The Summer Foundation accepted that 'leveraging of parents/family wealth to create housing co-ops or mutual societies may work', but that 'these options will not be suitable for all families.'<sup>86</sup>

### **Private capital**

3.93 The use of private capital, through capital sharing, securitisation and joint ownership models was raised by a number of submitters. The attribution of risk is a key issue in attracting capital investment to the provision of housing, but a number of submitters proposed mechanisms that could mitigate and appropriately attribute risk if all parties, and all elements of ownership were considered.

3.94 The utilisation of the User Costs of Capital (UCC) was central to proposals to securitise debt on disability housing. The Commonwealth Bank argued that reliance on government to provide the capital investment for specialist disability accommodation could be reduced in the right circumstances:

[W]ith the right fundamentals the UCC could be used in conjunction with a variety of capital providers (including bank debt, debt capital markets and social impact investors) to assist in delivering the much needed supply of SDA, reducing reliance on government.<sup>87</sup>

3.95 The Commonwealth Bank proposed that the UCC provide the necessary revenue to underpin capital investment by banks and other investors:

[W]ith the right fundamentals the UCC could be used in conjunction with a variety of capital providers (including bank debt, debt capital markets and social impact investors) to assist in delivering the much needed supply of SDA, reducing reliance on government.<sup>88</sup>

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84 Carers NSW, *Submission 35*, p. 3.

85 Carers NSW, *Submission 35*, p. 3.

86 The Summer Foundation, *Submission 3*, p. 3.

87 Commonwealth Bank, *Submission 52*, p. 7.

88 Commonwealth Bank, *Submission 52*, p. 7.

3.96 Australian Unity were also keen to see the UCC revenue flow used as broadly as possible to provide confidence to investors, and to ensure that all aspects of the accommodation were taken into account:

The NDIA's user cost of capital payments should provide certainty for housing providers and also take into account the higher cost of creating accessible common areas in large mixed use developments.<sup>89</sup>

3.97 The committee is also aware that many families want to assist, and contribute where possible, in securing appropriate accommodation for their family member. Home Occupiers Mutual Enterprise (HOME) Inc. highlighted both the benefits of joint ownership, and the current barriers. HOME's submission discussed the difficulties the parents of a person with disability may face, and the cost involved in releasing equity from their own home to assist in the funding of their child's accommodation.

3.98 HOME recommended a cheaper equity release scheme whereby the government 'looks to develop equity release programs that apply specifically to disability housing, so that families that sign up to foregoing capital gains in their own home so as to fund housing for their adult child with a disability can do so without significant cost, and that housing owned on behalf of people with disability can also release (some part of) equity without significant cost.'<sup>90</sup>

3.99 Similar to the Commonwealth Bank and Australian Unity, HOME suggested that capital debt could be securitised by NDIS and Disability Support Pensions.<sup>91</sup>

### ***Committee view***

3.100 The committee welcomes all suggestions for expanding the opportunities for people with disabilities to access appropriate accommodation. Offering a degree of certainty in terms of predictable revenue streams in something similar to the Defence Housing Australia model, would help attract capital finance into the sector. Joint ownership and other capital sharing ventures, such as the co-operative model and private investor models, are areas the committee is keen to see explored by the government.

3.101 The committee is also of the view that historically many parents have chosen to assist in the costs of their child's accommodation, in the belief that their contribution will accelerate the provision of appropriate and stable housing for their loved ones. While this cannot be assumed in many cases, it should be accommodated in the suite of policy options developed by governments.

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89 Australian Unity, *Submission 31*, p. 4.

90 Home Occupiers Mutual Enterprise Inc., *Submission 20*, p. 6.

91 Home Occupiers Mutual Enterprise Inc., *Submission 20*, p. 6.

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## Recommendation 6

**3.102 The committee recommends the Commonwealth government explore capital sharing, securitisation, and joint ownership options to expand the provision of appropriate accommodation for people with disability.**

### Conclusion

3.103 Appropriate accommodation is a key factor in a person's wellbeing. One of the tasks facing the NDIA is to assist people with disability in all aspects of their lives, including which housing options they can access. In those circumstances where a person requires a relatively high amount of care and support, the specialist disability accommodation model seems to be an appropriately comprehensive response to the issues that people with those types of disability may face. The release of the draft position paper on pricing and payments for specialist disability accommodation should provide some assurance to the sector and beyond that, there is a coherent approach being developed that will allow investment decisions to be made with a relative degree of certainty.

3.104 The committee understands that all avenues of funding and investment need to be utilised to attract the myriad of options required to meet the various circumstances of people with disability. However, in the committee's view there is still a gap in how people can access specialist disability housing, and have a security of tenure that reflects their circumstances and aspirations for an ordinary life.

3.105 The committee is also cognisant that the breadth of the housing issue goes far beyond disability accommodation. The committee strongly supports the views of submitters<sup>92</sup> that it is difficult to address the issues facing people with disability without encountering broader issues around the provision of affordable and appropriate accommodation for all Australians. The paucity of social housing across the country impacts not just people with a disability who are eligible for the NDIS. It impacts all those who, due to a variety of circumstances, are excluded from the private housing market.

3.106 Nevertheless, there are some practical measures around planning and building controls the committee thinks should be advanced that would extend the utility of social housing to a broader section of the population. Ensuring all new housing is compliant to an updated building code would ensure that people with a range of disability could access a broader range of housing.

3.107 The committee also notes that understanding existing housing stock would assist in determining where and what type of new stock should be built and for whom, especially when looking at all NDIS participants, not just people eligible for the NDIS Special Disability Accommodation payments. The committee considers that for this purpose, it would be beneficial to establish baseline data on the current volume of stock in each state, or local government area where possible, as well as the number of

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92 Young People in Nursing Homes National Alliance (YPINH), Australian Housing and Urban Research Institute (AHURI), and Action for More Independence and Dignity in Accommodation (AMIDA) among others.

people with disability by age, disability type and government or non-government provider, living in different types of disability accommodation settings.

3.108 Overall, the committee is of the view that the discussion around the funding streams, investment, provision of land and housing stock, must take place at a national level. Access to the housing market for certain groups is not enabled through market forces in the current housing market so a degree of market intervention is required. How this is facilitated is something the parliament and its committees has an enduring interest in.

3.109 The committee is aware of the work currently being done by the government's newly established Affordable Housing Working Group, and looks forward to the outcomes from that process.

3.110 Likewise, the recommendations contained in the Senate Economics References Committee 2015 report into *Affordable Housing*, and those in the Senate Community Affairs References Committee's *Adequacy of existing residential care arrangements available for young people with severe physical, mental or intellectual disabilities in Australia* report sought to address many of the issues that this committee is concerned with. The committee notes the recommendations included in those reports.<sup>93</sup>

**The Hon. Bruce Billson MP**  
**Chair**

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93 The relevant Senate Economics References Committee recommendations are 3, 11, 16, 24, and 28. The report is available at: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Affordable\\_housing\\_2013](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Affordable_housing_2013); The relevant Senate Community Affairs References Committee recommendation is 1. The report is available at: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/Young\\_people\\_in\\_aged\\_care](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Young_people_in_aged_care)

# **Appendix 1**

## **Submissions received by the committee**

### **Submissions received**

- 1 Business Council of Co-operatives and Mutuals (BCCM)
- 2 Summer Foundation
- 3 Sundale
- 4 Australian Network for Universal Housing Design (ANUHD)
- 5 Coral Coast Muscular Dystrophy Network
- 6 Sunshine Coast Working Group
- 7 Freedom Housing Pty Ltd
- 8 Sunshine Coast Access Advisory Network (SCAAN)
- 9 Brightwater Care Group Inc
- 10 AMIDA
- 11 Community Lifestyle Accommodation Ltd (CLA)
- 12 Alzheimer's Australia NSW
- 13 NSW Disability Network Forum (DNF)
- 14 Australian Housing and Urban Research Institute (AHURI)
- 15 Activ Foundation Inc
- 16 Young People In Nursing Homes National Alliance
- 17 National Disability Services
- 18 Frankston Peninsula Carers Inc
- 19 Prader-Willi Syndrome Association of Australia Inc
- 20 Home Occupiers Mutual Enterprise (HOME)
- 21 PaRA Co-operative
- 22 Alzheimer's Australia
- 23 MS Australia
- 24 Youth Disability Advocacy Service
- 25 Disability Services Commission
- 26 Carers ACT
- 27 Attendant Care Industry Association (ACIA)

- 28 Office of the Public Guardian
- 29 Home Modifications Australia and Home Modification Information Clearinghouse
- 30 Queensland Advocacy Incorporated
- 31 Australian Unity
- 32 Quality Living Options Bendigo Inc
- 33 Disability Council NSW
- 34 City of Whittlesea
- 35 Carers NSW
- 36 Australian Psychological Society
- 37 Refugee Council of Australia
- 38 Ms Colleen Pearce, Office of the Public Advocate
- 39 Summer Foundation, Youngcare and the Young People In Nursing Homes National Alliance
- 40 MS Queensland
- 41 Name Withheld
- 42 Disability Housing Futures
- 43 Ms Deborah Fullwood
- 44 UnitingCare Community
- 45 Name Withheld
- 46 Community Housing Industry Association and the Community Housing Federation of Victoria
- 47 Victorian Council of Social Service (VCOSS)
- 48 Multicultural Disability Advocacy Association
- 49 Youngcare
- 50 Inability Possability Inc.
- 51 Mr Gary Radler , Positive Behaviour Support Services
- 52 Commonwealth Bank of Australia (CBA)
- 53 People With Disabilities (WA) Inc (PWdWA)
- 54 Queenslanders with Disability Network Ltd (QDN)
- 55 Name Withheld
- 56 Confidential