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Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
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AHURI submission to the Joint Standing Committee on the National Disability Insurance Scheme Inquiry into accommodation for people with disabilities and the NDIS

On behalf of the Australian Housing and Urban Research Institute (AHURI) Limited and the AHURI Research Centre—University of New South Wales, I am pleased to make this submission to the Inquiry into accommodation for people with disabilities and the NDIS.

The purpose of this submission is to draw the Committee's attention to the considerable evidence-base relevant to the Inquiry's terms of reference developed by the Australian Housing and Urban Research Institute (AHURI).

AHURI Limited is a small not-for-profit management company based in Melbourne that leads and manages the work of the Australian Housing and Urban Research Institute. Staff are experts in research management, research synthesis, knowledge transfer and research dissemination—including event design and management, and evidence informed facilitation.

AHURI Limited manages the National Housing Research Program, including a network of university Research Centres throughout Australia, and convenes the biennial National Housing Conference, supports a range of events to engage the research, policy and practice communities, and supports the development of research capacity building.

Through its National Housing Research Program, AHURI Limited currently invests around \$4 million annually in high quality policy-oriented housing research and associated activities. The program receives funding from three sources: grants from the Australian Government and all state and territory governments, contributions from the Institute's university partners and third parties.

The company, through the AHURI Limited Board, is committed to the highest standards of corporate governance—undertaking vigilant internal and external audit processes each year—and to the promotion of transparency in our operations.

AHURI has a public good mission to deliver high quality, policy-relevant evidence for better housing and urban outcomes. Our work informs the policies and practices of governments and industry, and stimulates broader debate.

What is our research approach?

AHURI is purposefully structured to support the delivery of high quality research and actively transfer this into policy development. We broker engagement between policy-makers and researchers, which

allows us to undertake research that is purposeful and actively contributes to national housing policy development.

We use a variety of academically rigorous research approaches, giving us the flexibility to undertake longer-term projects when fundamental research is needed and also respond quickly to new policy or practice issues as they arise.

Once research is complete, we ensure findings are actively disseminated through a variety of mechanisms including the AHURI website, our conference and events program, email newsletters, social media and engagement with the media.

A full listing of research referenced in the submission—including AHURI reports—is provided at the end of the submission. In addition, direct web-links to the AHURI reports are provided in the submission. All AHURI research is available free from www.ahuri.edu.au.

I would like to thank the committee for its consideration of our submission. I would welcome the opportunity to elaborate further on this submission.

If there is any way we can be of further assistance to the Inquiry, please contact me directly

Yours sincerely

Dr Ian Winter
Executive Director
Australian Housing and Urban Research Institute

AHURI submission to the Inquiry into Accommodation for People with Disabilities and the NDIS

**Australian Housing and Urban
Research Institute Limited**

and

**Dr Ilan Wiesel
AHURI Research Centre—University of New South Wales**

February 2016



Submission to the Inquiry into Accommodation for People with Disabilities and the NDIS

The importance of housing for people with disability and for the success of the NDIS

As noted in the Joint Standing Committee's recent report (JSC NDIS 2015), 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. Furthermore, inappropriate housing is likely to incur additional costs on supports funded by the NDIS. Housing designed to meet accessibility standards, or to accommodate assistive technology, can reduce the need for paid support by improving independent mobility and self-care (Carnemolla and Bridge, 2011; Lansley et al., 2004). The location of housing can improve access to informal support to substitute paid support, and reduce the cost of taxis for any one of the 73,000 NDIS participants who will not be able to use public transport (Productivity Commission, 2011).

Substituting 5.5 weekly hours of paid support through housing design and location, could fully offset the cost of an annual \$10,000 supply-side housing subsidy (equivalent to an NRAS incentive). Substituting only 2 weekly hours of paid support (or two weekly taxi trips) fully offsets the cost of a \$72 weekly private rental subsidy (Wiesel et al., 2015b).

Housing demand arising from the NDIS

The NDIS is expected to impact the lives of its participants in various ways, including their housing options. To date, the range of housing options available to people with disability has been very limited because of the cost of support necessary to live independently and because of a range of barriers to accessing suitable housing (Beer & Faulkner 2008). The availability of individualised supports funded by the NDIS is expected to significantly reduce the first barrier, potentially enabling eligible participants to move to housing that better suits their goals and needs. However, it is expected that the majority of NDIS participants will face a range of barriers in accessing suitable housing, including:

- Shortfall in affordable housing
- Disadvantage in competition over private rental tenancies due to low income, the lack of rental history and references and discrimination by landlords and real-estate agents.
- Shortfall in supply of housing that is appropriately designed for people with mobility restrictions in the social and private sectors. (Wiesel et al. 2015)

The National Disability Insurance Agency (NDIA) estimates that at full rollout, there will be an unmet need in affordable housing for 83,000-122,000 participants (Bonyhady, 2014).

A similar assessment by the Disability Housing Futures Workgroup (DHF, Forthcoming) estimates unmet need in 110,000 housing units over the first 10 years of the scheme (DHF Forthcoming). This includes adults with disability expected to move out of their parents' home (50,000), out of institutions (4,000) and other congregate accommodation (16,000) and out of homelessness (5,000). In addition, housing

assistance will be required for people with severe and profound disability currently living in private rental but experiencing affordability stress (35,000).

Addressing unmet need

A mix of solutions will be required to address unmet need in affordable housing for people with disability across a range of housing tenures:

Social housing

Social housing will remain a solution for a large number of people with disability. 60,000 people with severe and profound disability already live in social housing. It is estimated that there is capacity in the system for additional placements in the order of approximately 30,000-40,000 NDIS participants over ten years through tenancy turnover (DHF Forthcoming). However, social housing in Australia is a scarce and declining resource. 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.

Private rental

Private rental is becoming a long-term tenure for an increasing number of low income Australians, including people with severe or profound disability (Wiesel et al. 2015). However, in a recent Anglicare (2015) survey only 1 per cent of properties were found to be affordable and suitable for a single income-support recipient. Approximately 30% of people with disability who receive Commonwealth Rent Assistance (RA) are still in affordability stress (AIHW, 2013, p. 40). Additional private rental assistance for this cohort—over and above RA—could potentially be a cost-effective form of housing assistance to ensure people with disability are able to sustain private rental in locations close to their informal support networks, public transport and services. However, it should be noted that, in the context of constrained supply, this assistance could be captured by increased rents.

Specialist housing

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.

Renewal programs for the existing supply of approximately 4,000 group homes as well as remaining institutions across Australia present opportunities for improvements in both quality and quantity of supply. The Productivity Commission (2011) has

acknowledged group homes as “the most appropriate response” for some people with disability, but has also criticised their short supply, and the inability of the current group home system to take account of individual preferences (pp. 229_230). Outcomes for group home residents in terms of engagement, choice, and participation are highly variable (Mansell, Beadle-Brown, & Bigby, 2013). While group homes will remain a central housing option for people with mostly intellectual disabilities with high support needs, the NDIS has pledged an “innovative approach” to group housing.

Affordable rental housing

New supply of affordable rental housing will be required to assist the majority of 83,000-122,000 NDIS participants estimated to be in unmet need for affordable housing. Most NDIS participants are likely to be eligible for affordable housing dwellings that have already been approved under the National Rental Affordability Scheme (NRAS). However, the defunding of NRAS in April 2014 has eliminated a critical source of funding for new affordable housing supply. The unmet need in affordable housing for NDIS participants highlights the need for a new national affordable housing program, complemented by state level initiatives and local planning incentives to produce new affordable housing supply in the scale required. Mixed-income affordable housing projects (targeted at both low and moderate income households) will enhance the financial viability of such schemes while also avoiding congregate housing for people with disability.

Shared equity

Shared equity models can assist in leverage of private finance from families to meet demand for affordable housing. Shared equity models also provide significant benefits for people with disability, including secure occupancy, sense of ownership, improved choice and control and opportunities for capital gain. Shared equity will assist in promoting owner-occupation for people with disability who are able to secure significant capital contributions of at least 25% of the cost of a dwelling (for example from their families).

NDIS participants with moderate incomes could potentially enter shared equity by securing loans for their share of the property. Expansion of low-income homeownership assistance programs such as Keystart (WA) is likely to increase the viability of the shared equity model for moderate income NDIS participants. To enhance the viability of the shared equity model, it is important to ensure shared-equity owners are eligible for first home owner grants across all states and territories.

However 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. A significant government subsidy will still be required to cover the costs of the equity partner's share. Such a subsidy would be approximately 30% less expensive than social housing provision, while providing improved outcomes for the same target group (Wiesel et al. Forthcoming).

The quality of new housing supply required

People with disability have long been disadvantaged by forms of substandard accommodation that have limited their choice and control; separated them from their families and informal support networks; and segregated them from the mainstream community. The vast majority (estimated by the Productivity Commission as 94%) of NDIS participants will not require specialist housing, rather mainstream housing that is affordable, small scale and dispersed in the community, adaptable or universally designed, secure and well-located, as elaborated below:

Small-scale, dispersed and non-congregated housing

The research evidence demonstrates that smaller-scale, non-congregated housing dispersed in the community is a fundamental condition for the social inclusion, self-determination, and wellbeing of people with disability (Walsh et al., 2010). As summarised in Kozma et al.'s (2009) review of existing evidence on housing for people with intellectual disability:

People in small-scale community-based residences or in semi-independent or supported living arrangements have a better objective quality of life than do people in large, congregate settings. Particularly, they have more choice-making opportunities; larger social networks and more friends; access more mainstream facilities, and participate more in community life; have more chances to acquire new skills and develop or maintain existing skills; and are more satisfied with their living arrangements. (p. 210)

Adaptable and accessible housing

Poor housing outcomes for people with disability—primarily those with physical disability—are compounded by poor domestic design that inhibits their movement into and around their own home or other people's homes (Imrie, 2003). Accessible housing will increase independence for people with mobility restrictions, and can reduce the long term costs of support (Carnemolla and Bridge, 2011; Lansley et al., 2004).

Voluntary initiatives to increase supply of adaptable or accessible housing—such as the Liveable Housing Australia (LHA) Guidelines—have been largely ineffective, and despite population ageing, demand for newly built accessible housing in the private market has remained low (Franz et al. 2014). Legislative requirement for non-discriminatory access standards in new housing construction will be the most effective strategy to increase supply of adaptable and accessible housing, with minimal cost for government.

Secure Housing

Security of occupancy relates to the stability of existing housing arrangements, and is associated with many aspects of human wellbeing, such as family functioning, economic and social participation, and physical and mental health. Having secure housing is an important condition for people's sense of "ontological security", a deep psychological need for a sense of security and constancy (Hulse & Milligan, 2014). For people with disability, security of occupancy is particularly vital, given the high underlying risk of homelessness (Beer et al., 2012). Furthermore, the limited social

networks for many people with disability (Bigby, 2008; Forrester-Jones et al., 2006) further highlights the importance of stable housing that would enable them to develop and sustain long-term relationships with others in their community.

Well-located housing

The location of housing is a major factor determining access to material and non-material resources. Being located in places with limited access to jobs and services can significantly compound social disadvantage (Pawson, Davison, & Wiesel, 2012). For people with disability, well-located housing is particularly important because of greater reliance on public transport options. Therefore, people with disability require housing in locations with good access to services, including both mainstream services and specialist formal support services, as well as to their own families and informal support networks (Productivity Commission, 2011).

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