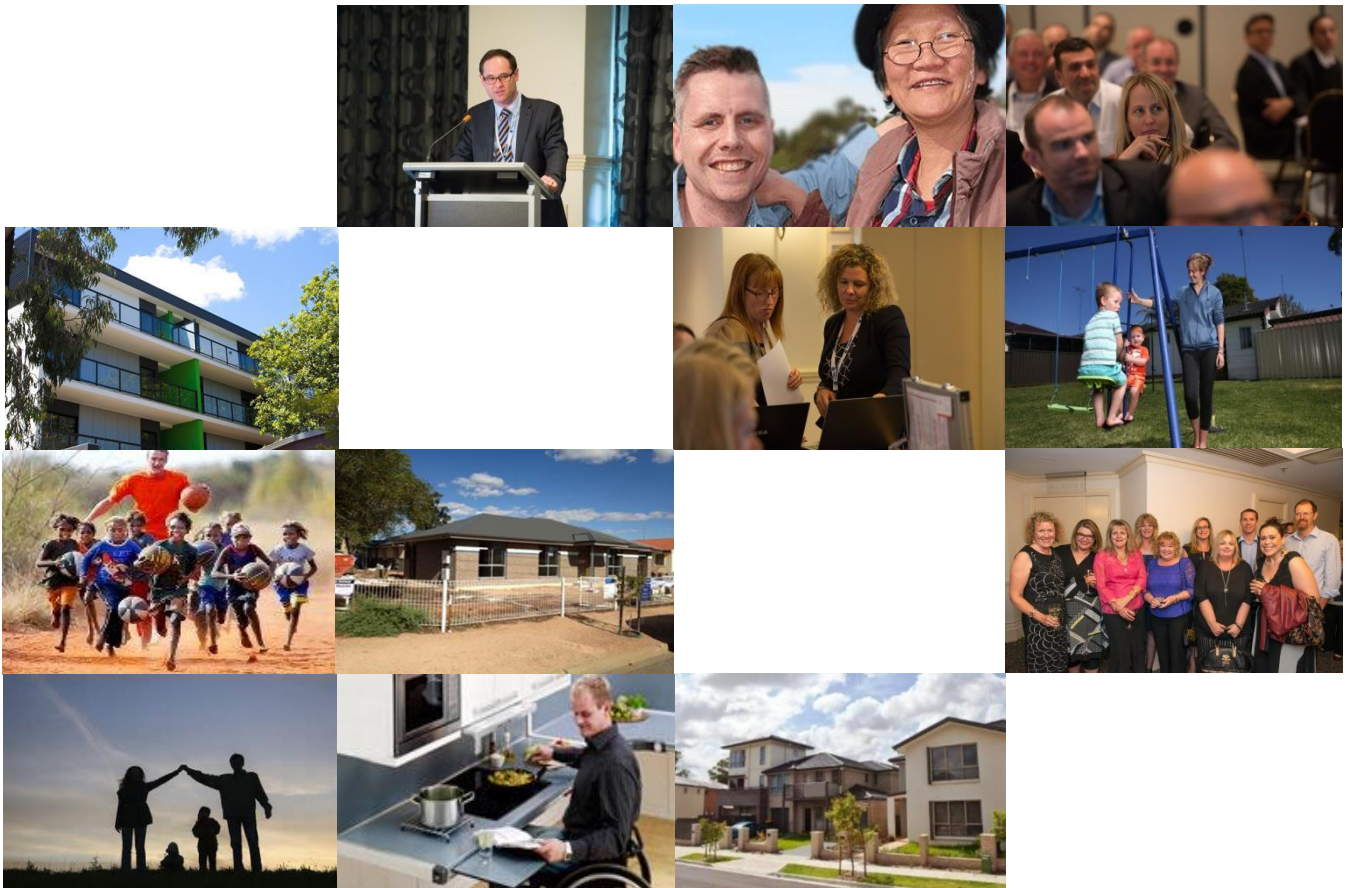




**PowerHousing
Australia**

Collaborating for a better housing future



National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Issues Paper

Submission – March 2017

Introduction

PowerHousing Australia makes four important submissions on behalf of our members who are 28 of the largest Community Housing Providers in the country in regards to the NDIS Costs Study to be conducted by the Productivity Commission.

The submission includes: an overview of PowerHousing Australia and our membership; a brief background of the community and affordable housing sector, and the sector's work with NDIS recipients; four important principles of submission for our members and the sector and conclusions.

Community housing providers have a long history of providing housing services to people with disabilities in Australia. It is an area of service that many of our members are passionate about offering, and our members have worked to develop appropriate stock and accommodation for people with disabilities. Government and NDIS representatives would reduce costs and improve NDIS recipient outcomes by working with Community Housing Providers around linking services, finding appropriate housing accommodation, and future policy measures regarding modification and accommodation regulations.

We agree with the Australian Disability Discrimination Commissioner's vision for the NDIS when he said "It's about getting people with disability... being part of the economic, social and cultural fabric of our lives" (McEwin 2016), and we believe having access to appropriate, safe accommodation is integral to bringing that vision to fruition. While the Productivity Commission Issues Paper does not explicitly address housing, PowerHousing views the following four areas as integral to any study around NDIS costs and potential for partnering with Community Housing Providers:

1. Governance arrangements and the Commonwealth & State funding and risk sharing
2. NDIS Funded Home Modifications
3. Information, Linkages and Capacity Building Providers & Registers
4. Specialist Disability Accommodation and Payments
5. Housing Provision and Future Pressures on Housing Providers

The Federal Government working in conjunction with efforts and investments made by our members to provide disability housing will benefit NDIS current and future recipients, and would be invaluable to return on investment and reduce some NDIS related cost pressures. It makes economic sense for good client outcomes, affordable housing delivery and government improving its return on investment in social housing as well as supports.

PowerHousing Australia and Membership

PowerHousing Australia is the peak national exchange for 28 of the largest scale Community Housing Providers (CHPs) registered as Tier One in the nation. We assist our CHP Members to both increase the supply of affordable housing and deliver excellent tenancy and asset services within a community building model.

We achieve this fundamentally by opening opportunities for members to share best practice, innovative ideas and policy, facilitation of research, and benchmarking of services and special projects – which makes PowerHousing uniquely situated to work with the Commission, the Department of Social Services, and NDIS representatives in the disability housing space.

We collaborate in a time of great momentum for the Australian sector, and with our members representing up to 77% of registered community housing stock in jurisdictions such as New South Wales, our members demonstrate the scale, capacity and sophistication to drive and deliver holistic social and housing outcomes for people with disabilities.

Our members are engaged in acquiring and managing public and community housing stock across the country. We are working alongside scale developers and in developing projects that meet the highest level of standard for Specialist Disability Accommodation to bring new affordable disability housing stock to the market. As CHPs, our members are also working on several initiatives relevant to disability services in addition to housing, including employment services, and aged care.

Our members are also investigating shared equity models that would encourage people with disability to become home owners. PowerHousing members have made great strides in providing housing services that enable people with disability to further engage with their communities and everyday life.

Community Housing Providers and NDIS Participants

Four Areas of Study Interest and CHP Partnership

1. Governance arrangements and the Commonwealth & State funding and risk sharing

There are still considerable concerns regarding governance and risk management this is particularly noted in the certification of both home modifications and Specialist Disability Accommodation. Our members recommend that the National Disability Insurance Agency adopt and implement a regulated framework and process that specifies specific occupations and professionals accredited to assess and certify modifications and SDA. Our members are experienced in designing and building accommodation that meets and exceeds to needs of those with not only profound disability but other modifications and as such as well positioned to advise the Commission and NDIA on this. Our members are concerned that the current process of seeking attestations is insufficient to not only protect those most vulnerable in our society but also poses significant financial risk to the government as there is potential for non-compliant dwellings to be built and certified with payments subsequently issued.

Our members note that there is risk related to the Commonwealth / State funding arrangements particularly around the Assessment tools to assess participants' level of eligibility. These tools will be critical to driving costs including SDA. While SDA for the estimated 28,000 that may get registered for that allowance may less than 5% of the total

\$22B. Funding will be critical in driving the development of new housing to “provide the best possible outcomes”. If existing State Government Group Houses are to be treated as ‘in kind’ contributions from the States and the current members/participants in those properties are to be guaranteed SDA, this brings to question how many outside the State systems will be eligible for SDA. This further highlights the importance to incentivise CHPs to develop new housing, and in turn “provide the best possible outcomes” for participants. The rough numbers and locations are most likely known to the department, however, adherence to the assessment tools being valid, reliable, accurate and efficient are fundamental.

2. NDIS Funded Home Modifications

PowerHousing members have appropriate stock ready for occupancy and or modification for NDIS participants that are not eligible for Specialist Disability Accommodation due to lower care needs. Several members are also engaged in new construction projects that meet the highest standard for Specialist Disability Accommodation, as well as potential to easily modify for lower intensity needs.

By partnering with CHPs, local service coordinators could help NDIS participants find already modified vacant properties. These types of partnerships would help to cut costs for home modifications that might otherwise need to be completed on non-CHP regulated rental stock. Future home modification costs will undoubtedly grow and having a ready supply of already appropriately outfitted rental supply would curb government expenditure.

It is also important to note that CHPs and our member Tier 1 providers are regulated to the highest standard. Working with our members to supply housing with appropriate home modification would instil confidence in the product and safety of rental housing. Whereas, other housing home modifications may not be regulated to the same degree and pose potential threats to individual safety and litigation.

3. The Scheme’s Design including Information Linkages, Provider Connections and Market Pressures

Where people live and access to transportation and other amenities can drastically alter the ways in which people engage with their community. Community Housing Providers work to ensure housing stock provides opportunities for residents to fully participate in the neighbourhoods and larger communities in which they live.

Our members raise concerns regarding the interaction of disability services being able to meet the needs of people with a severe and profound disability in a market driven environment. Some of these concerns can be alleviated through adequate block funding and via sufficient information linkage packages noting that community engagement programs enable service providers to support participants to integrate into the communities in which they live.

Our members are working in innovative ways to provide holistic outcomes for the full spectrum of tenants they serve. Both tenants with disability in need of Specialist Disability Accommodation through to able bodied tenants. Our members engage tenants to build inclusive communities and offer opportunities for engagement, and would be well positioned to work with disability service providers and NDIS representatives.

We have heard from our membership that there is confusion around communication, partnership, and access to service providers. Better connecting local area coordinators, service providers, CHPs, NDIA representatives and tenants would further strengthen the community building work of our members and ensure people with disability receive appropriate housing and the full spectrum of wrap around services available to them.

These types of partnerships have potential to decrease cost pressures as services would be better coordinated and services not duplicated. Potential partnerships are being discussed in several states where service providers and CHPs have explored creating registers of both CHPs and service providers to enable better collaboration – however, these ideas would benefit from co-leadership on the part of government and NDIA representatives.

4. Specialist Disability Accommodation and Payments

As previously mentioned, PowerHousing members have appropriately modified stock ready for occupancy by NDIS participants in need of Specialist Disability Accommodation. Our members are also working to develop projects that meet the highest level of standard for Specialist Disability Accommodation to bring new affordable disability housing stock to the market.

Our members agree that the Specialist Disability Accommodation (SDA) program under NDIS is a vital program for providing accommodation for those with specialist disabilities. The program is expected to provide accommodation for around 6 per cent (26,000 to 28,000 participants) of those eligible for NDIS participation. (Endeavour2016)

As per our discussion of home modifications, partnering with Community Housing Providers could help NDIS participants find already modified SDA vacant properties potentially decreasing the wait time by participants in finding housing that meets their needs. In addition to and as previously mentioned, our member Tier 1 providers are regulated to high standard. Working with our members to supply SDA housing would instil confidence in the product and safety of rental housing. Whereas, other housing may not be regulated to the same degree and pose potential threats to individual safety and litigation.

An additional aspect to consider in relation to SDA is the review period around pricing. It was originally proposed to have prices reviewed every five years, but as per announcement made by the NDIA on 15 March 2017, this has been scaled back to a yearly review. This review process does not provide price continuity or certainty for Community Housing

Providers nor NDIA for budget forecasting. A more stable price review system would help both CHPs and the NDIA to estimate costs and make future projections properly.

5. Housing Provision and Future Pressures on Housing Providers

Our members have expressed concern that there is little transparency about where people with disabilities and those needing Specialist Disability Accommodation tend to live, and what types of disability housing are needed across Australia. As our members are building disability stock, it would benefit both the government and Community Housing Providers if there was access to information and future projections about disability housing needs across Australia. To ensure affordable housing with appropriate modifications are available into the future, information about current and future projections around the location, types of disability, and housing required for NDIS participants is recommended by PowerHousing Australia and its members to deliver the best return on investment.

In addition, as previously mentioned our members have expressed concern around the certification process for meeting SDA requirements. Currently, there is a checklist that needs to be completed, but not externally validated by a regulated certifier. To help mitigate financial and legal risks, the government would benefit from additional requirements around certification processes to ensure people with disability and the government are not being taken advantage of by unscrupulous builders. Community Housing Providers are already highly regulated, familiar with SDA standards, and have buildings externally certified – partnering with CHPs around disability housing would ensure accommodation is fit for purpose, safe, and provides the best return on investment.

Conclusion

Australian CHPs have been working for years to provide housing for people with disability, and commit to lead in providing appropriate, safe and inclusive accommodation for NDIS participants now and in the future.

The community and affordable housing sector is undergoing rapid expansion, as many states are transferring public housing stock management and/or titles to Community Housing Providers. The sector also has several new and pipeline projects, partnering with private developers to bring new affordable housing stock to market. In combination with movement by the Federal government around creation of a bond aggregator, these trends suggest an expanded sector with larger CHP portfolios. (Commonwealth Department of Treasury 2016)

As the NDIS comes fully online, the number of Australians requiring home modifications, Specialist Disability Accommodation, and coordinated wrap around services will also grow. The costs of providing these services will of course grow as well. As CHP portfolios increase and our members work to provide affordable disability accommodation, creating links and coordinated partnerships with all relevant stakeholders and CHPs will reduce cost pressures in the future.

If implemented well, such an approach could transform and scale affordable, inclusive disability housing. It would also deliver better return on investment for governments and improve outcomes for our most vulnerable citizens.

Any study into costs around the NDIS should necessarily look at housing, as appropriate and safe accommodation is fundamental for empowering people with disability. Our members will continue to provide such housing for all tenants and are committed to working with government to provide appropriate housing for NDIS participants now and in the future.

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