

Choice, control and certainty in SDA

Submission to the Department of Social Services'
Review of the SDA Pricing and Payments Framework

26 June 2018



About VCOSS

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups, and individuals interested in social policy. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

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Introduction

VCOSS welcomes the opportunity to provide a submission to the Department of Social Services as part of the review of the *Specialist Disability Accommodation (SDA) Pricing and Payments Framework*.

VCOSS is the peak body for Victoria's social and community services. VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups and individuals interested in social policy. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

The National Disability Insurance Scheme (NDIS) brings a major shift in service provision for people with disability. VCOSS strongly supports the goals of the NDIS – to provide eligible people with greater choice and control over their services and improve social and economic inclusion for all people with disability, their families and carers – however, as with any large social reform, there are emerging issues. While some are 'teething' issues likely to disappear over time, others are more substantial and require action to be taken.

VCOSS is concerned that housing remains an area of significant unmet need for people with disability. There are high levels of uncertainty in the community about people's ability to gain affordable, accessible and secure housing, and the extent to which the NDIS will support people to find and maintain appropriate housing. Similarly, housing providers are also concerned about the uncertainty in the market, and about their ability to fund appropriate housing for people with disability.

People with disability have the right to live independently and to be included in the community. This right is protected by the Convention on the Rights of Persons with Disabilities (CRPD), to which Australia is a signatory. Article 19 of the CRPD states:

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.*

VCOSS and our members are concerned that the SDA Framework does not accord with these principles, and that it restricts people's choice and control and risks reproducing the problematic 'group home' model of housing. We are also concerned that the current uncertainty in the market acts as a disincentive to investment and development of quality housing stock for people with disability.

This submission sets out our feedback on the Framework and our recommendations on the ways in which the NDIS' approach to SDA can be improved to better meet the needs of people with disability and allow each person to have choice and control over their living situations.

The policy position of VCOSS and our member organisations regarding housing for people with disability more broadly, including tenancy rights and access to social housing, is outlined in our 2016 submission to the Joint Standing Committee on the NDIS.¹

¹ VCOSS, *Housing for people with disability*, March 2016.

Summary of recommendations

Ensuring choice and control for NDIS participants

- Ensure NDIS participants have the right to choose where, how and with whom they live.
- Support the provision of appropriate housing choices for people with disability, moving away from a group home approach.
- Embed a 'choice and control' approach in shared housing, including when deciding who lives with whom and when choosing service providers.

Increasing market certainty and developing supply-side strategies

- Maintain the Framework's focus on portable individualised funding for SDA.
- Provide greater certainty for SDA investors around future pricing and investment opportunities.
- Investigate supply-side incentives to stimulate the development of high-quality, innovative housing options.

Supporting flexible and innovative housing models

- Allow participants to use their SDA entitlements flexibly and creatively, including being able to:
 - substitute housing assistance with levels of care
 - substitute disability modifications and housing assistance
 - combine housing assistance with other resources, including family contributions and informal care
 - use resources to finance home ownership or shared equity products.
- Promote the construction of housing models that support greater independence.

Ensuring housing choice and control for NDIS participants

This section aligns with the following review question: Does the SDA Framework enable choice, control, independence and inclusion?

Recommendation

- Ensure NDIS participants have the right to choose where, how and with whom they live.
- Support the provision of appropriate housing choices for people with disability, moving away from a group home approach.

VCOSS and our members strongly endorse the view that people with disability should be able to choose where they live, how they are supported to live, and with whom they share their housing if they choose to do so. This principle applies regardless of the level of support someone requires.

In a speech to the NSW Community Housing Federation in 2014, Bruce Bonyhady (at the time the NDIA Chairman) shared his vision of the NDIS being “a catalyst for scalable, affordable and accessible housing for people with disability”, potentially leveraging its funding “two or three times” to expand the availability of affordable, accessible housing, as well as partnering with others to expand supply.²

The vision outlined in the *Specialist Disability Accommodation (SDA) Pricing and Payments Framework* is far more circumspect in its approach. It proposes limiting funds to a very small percentage of participants, in restricted circumstances, often determining ‘priority’ for funding based on their current housing circumstances, rather than their needs.

This approach is reflected in the NDIA’s recently released *Specialist Disability Accommodation Provider and Investor Brief*, which notes that the NDIA estimates only 6 per cent of participants will be eligible for SDA funding, and that “an SDA budget to support a single resident dwelling is only likely to be provided to a very small number of SDA eligible participants... even when the dwelling

² Bonyhady, B, *The National Disability Insurance Scheme: A catalyst for scalable, affordable and accessible housing for people with disability*, PowerPoint presentation, 2014

is in a configuration that makes shared supports possible.”³ VCOSS shares the sector’s concern about the implications this has for participants’ choice and control.⁴

At worst, VCOSS members fear the proposed funding model could drive replication of a homogenous ‘group homes’ model, which our members commonly regard as the antithesis of choice and control, for the few participants who qualify for housing support. While the quality of housing and support in group homes is highly variable, and some service providers strive to provide stimulating, capability-building environments, the often limited resources available mean that such opportunities are hard to maintain, and disability advocates consider some group homes to be little more than ‘mini-institutions’.

The NDIS’ approach to SDA should ensure that appropriate housing options are available for people with disability to exercise choice and control. A key part of this will be providing increased certainty for potential investors and housing providers, so that they will invest in developing and maintaining housing options for participants. This is discussed on pages 8 and 9 of our submission.

Recommendations

- Embed a ‘choice and control’ approach in shared housing, including when deciding who lives with whom and when choosing service providers.

Where participants wish to share housing, they should be given greater choice and control over their living arrangements than is currently available under the group home model.

Shared housing is not uncommon in the general community. People often rent accommodation as a group in order to reduce costs and have greater social interaction with people in their home. However, these arrangements generally require the consent of all parties, and people cannot be forced to share a home with somebody if they do not want to. In addition, joint tenancies are generally between small numbers of people – usually only two or three people living together, rather than large groups.

The NDIS should facilitate a move away from the existing system where people are ‘allocated’ to a group home by government, regardless of the desires of that person or the existing tenants of the property. Instead, the NDIA should facilitate a process by which existing residents can meet and get to know a prospective tenant before agreeing to share their home. Similarly, a prospective tenant should be able to inspect the property and meet the existing residents before agreeing to share a home with them.

³ NDIA, *Specialist Disability Accommodation Provider and Investor Brief*, April 2018, p.9.

⁴ [Joint Statement on the NDIA’s Specialist Disability Accommodation Provider and Investor Brief](#), 14 May 2018.

Part of the rationale of sharing housing is that people may be able to meet their care needs less expensively by sharing their care resources with others. However, this need not apply to all the services they use. Care must be taken in shared housing not to simply bundle all tenants' support services to a single provider. Instead, there should be a careful assessment of which services tenants need or wish to share, and a joint provider should only be sought for the relevant subset of services. Services that can continue to be individualised for each tenant should not be included in collective support services.

Additionally, there should be a mechanism for collective decision-making and control around services that are shared. This would mean that tenants can collectively discuss and negotiate when choosing a provider, and can agree to change providers if they wish.

Increasing market certainty and developing supply-side strategies

This section aligns with the following review questions: (i) Does the SDA Framework support the process of appropriately setting prices? (ii) Does the SDA Framework stimulate required volume of supply? (iii) Does the SDA Framework support investor decision making and provide sufficient market certainty?

Recommendations

- Maintain the Framework's focus on portable individualised SDA funding.
- Provide greater certainty for SDA investors around future pricing and investment opportunities.
- Investigate supply-side incentives to stimulate the development of high-quality, innovative housing options.

VCOSS welcomes the basic structure of NDIS housing assistance as set out in the Framework, in that it follows the person as they change their housing, and is calculated to offset the full cost of housing; however we are concerned about the degree of uncertainty in the market. It remains unclear whether (and seems unlikely that) the current approach will stimulate the development of sufficient, high-quality housing to meet the needs and choices of NDIS participants.

The current SDA Framework only applies until 30 June 2021, and there is no guarantee that pricing will not be decreased in future Frameworks. This means housing providers risk being unable to recoup their investment if prices change in the future, and it reduces the attractiveness of the investment opportunity available in the present. Sufficient supply of housing in rural and regional areas is a particular concern with pricing uncertainty.

Additionally, policy and pricing information that has been released in the years since the SDA Framework was agreed (such as the Provider and Investor Brief) has contributed to increased uncertainty in the market. There is also a lack of clarity about the impacts that 'trigger events' may have on SDA pricing (see paragraph 20, p.4).

Greater market certainty, including information about what the pricing framework will look like after 30 June 2021, is urgently needed. This would assist in reducing the risks for potential investors and increase the attractiveness of the investment opportunities available, leading to increased supply. Long term certainty is especially important because of the time it takes to plan, design and develop new housing stock, and for investors to receive a return.

In its role as market steward, the NDIA must continue to monitor the market response to the Framework and other SDA policies closely. Where insufficient housing is being generated to allow participants choice and control in their housing, other options should be considered to stimulate the market. This approach aligns with the NDIA's acknowledgement of "the need to embrace a broad diversity of supply solutions".⁵

For example, while maintaining individualised SDA funding, the NDIA could introduce additional supply-side incentives, such as capital grants or long-term subsidies like those provided by the National Affordable Rental Scheme. Supply-side incentives would offer greater certainty to providers that they could recoup their investment costs, thus stimulating greater supply. This funding could then be recouped by the NDIA through reductions in future payments from participants.

⁵ NDIA, *NDIS Market Approach: Statement of Opportunity and Intent*, November 2016.

Supporting flexible and innovative housing models

This section aligns with the following review question: Is the SDA Framework facilitating high quality and innovative SDA models and design?

Recommendation

- Allow participants to use their SDA entitlements flexibly and creatively, including being able to:
 - substitute housing assistance with levels of care
 - substitute disability modifications and housing assistance
 - combine housing assistance with other resources, including family contributions and informal care
 - use resources to finance home ownership or shared equity products.

VCOSS is concerned that the SDA Framework only identifies very narrow forms of housing assistance, and constrains the use of those resources in ways that may prevent them being used in the most cost-effective manner and allow people to maximise their ability to live independently.

Part of the difficulty in trying to partition housing into a specific customised category for a small number of participants, while retaining funding for home modifications and housing advocacy for others, is that housing and support needs are interdependent. The quality, location and design of a person's home will affect the level of care and other support that they require – for instance, their need for transport support will be affected by their proximity to locations they travel to, and whether there is public transport that could be used. Location may also affect the level of informal care that might be available to a person. A person may be able to reduce the costs of other supports by paying for more expensive (but better located) housing, but the current structure forbids this. The NDIA should have the capacity to pay an additional rent supplement in general housing if that would result in greater independence and reduce support costs.

Similarly, it is not clear in the Framework whether SDA funding might be combined with a person's existing resources to fund housing that would allow a higher level of independence. For example, if a person or their family could contribute towards some or all the costs of SDA, the person could use the funding in their package that had been allocated towards SDA to pay for additional care that allows them to live independently, rather than in shared housing.

Where individuals or their families have existing resources that can be combined with NDIS housing funds, it may be possible that instead of ‘renting’ a home built by someone else, people may be able to finance home purchase. In this situation, NDIS funding would assist in securing home finance and be used to pay down a private mortgage, allowing people to build equity in their homes, rather than transferring funding to a housing provider – without requiring any additional funding from the NDIA.

NDIS funds may also be able to be leveraged to purchase shared equity products, or homes purchased via land rent models or community land trusts. The NDIA may need to have some oversight of the specifications of these products, to ensure that people with disability, their families and carers have a strong understanding of them and are not left financially exposed as a result.

The NDIS should enable participants to use their funding (whether they are eligible for SDA funding or not) flexibly and creatively to arrange cost-effective support and housing services and maximise their opportunity for independent living.

Recommendation

- Promote the construction of housing models that support greater independence.

Despite the density restrictions in the *SDA Rules*, the sector is concerned that the approach to housing set out in the SDA Framework and through subsequent NDIA publications will encourage and may even “require people with disability to live in group-home style accommodation settings, even if it is not their preference”.⁶

Large numbers of existing group homes will transition into the NDIS, meaning this housing model will already be highly represented in available housing options. There is deep concern that unless specific controls are in place to prevent it, the ‘market’ will simply produce more group homes, and people with disability will have no other option than to live in them.

Research shows that small-scale and dispersed housing supports better outcomes for people with disability,^{7,8} and there are many examples of flexible models that provide alternatives to group homes and better align with people’s needs and wishes.

Firstly, particularly for people who require customised housing but do not need to share care, self-contained homes should be the primary housing response. While they may require a high standard of accessibility rarely available in the private market, people capable of living independently should not be forced into shared housing. Highly accessible, self-contained housing (e.g. Livable Housing

⁶ [Joint Statement on the NDIA’s Specialist Disability Accommodation Provider and Investor Brief](#), 14 May 2018.

⁷ Youth Disability Advocacy Service, *Housing and support for young people with disabilities transitioning to independent living*, June 2013, p.6.

⁸ Wiesel I & Habibis D, *NDIS, housing assistance and choice and control for people with disability*, AHURI, December, 2015, p.25.

Australia Platinum Standard) should be eligible to receive NDIS housing assistance funding, to help stimulate these housing forms.

Where people have high care needs, the NDIA should require a superior model of housing to the traditional group home model. This could include models such as:

- Keyring housing, where people can live in mainstream or customised housing in local neighbourhoods, supported by common volunteers and support workers⁹
- Intentional communities, where a group of people share support, pool resources and choose to live together on the basis of explicit common values, not defined by their disability type or vacancy management priorities¹⁰
- Homeshare arrangements, where a person with disability shares their home with another person who can provide informal care, often in exchange for reduced or no rent¹¹
- Mixed model developments, where accessible properties are dispersed throughout a larger social housing development, with on-site support available.¹²

⁹ Northern Support Services, *The 'KeyRing' model of supported independent living for people with disability*.

¹⁰ Every Australian Counts, *A place I can proudly call home*, p.6.

¹¹ NSW Disability Network Forum, *Response to Specialist Disability Accommodation Pricing and Payments Framework*, February 2016, p.7-8.

¹² Fyffe C, *Learnings from the Abbotsford Housing Demonstration Project 2012-13*, Summer Foundation.

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