Providing housing for people with disability

Final Report

September 2014
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This report has been prepared by the Community Housing Federation of Australia (CHFA) the national industry body for community housing in Australia. CHFA represents the views of community housing providers throughout Australia. CHFA is funded by the Australian Government Department of Social Services.

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Executive Summary

The National Disability Insurance Scheme (NDIS) represents a significant and new investment in Australians with disability. Key to fulfilling the scheme’s promise of greater independence, choice and control for people with disability is ensuring that our housing system supports these goals. Against this context, the Community Housing Federation of Australia (CHFA) sought to identify both the opportunities and challenges for community housing providers in this new landscape.

The strong message that came through in our research was that the community housing sector is ready to take up the challenge. People with disability are already the core (or even sole) tenants of many community housing providers and the NDIS is seen as a catalyst for providing more and better housing options for this group. There is excitement about the potential to access capital through the scheme to grow the supply of housing. Through more appropriate, consumer-directed support, the NDIS can better support clients to sustain tenancy obligations. Many providers have for some time been testing innovation in design, support partnerships, and funding models and the NDIS is seen as providing an opportunity to build on that track record.

The NDIS is a complex reform and will also present significant challenges for housing providers. Existing relationships between housing and support providers will need to adapt and change to a new landscape of consumer-directed support and potential workforce constraints. Pressures around access to subsidised housing will remain in the context of a stressed social housing system. Heightened (and legitimate) expectations of independence and individuals’ right to choose their own support provider will challenge existing housing models based on congregate settings. New funding models pose the risk of strategic retreat by state housing authorities from providing housing for people with disability. Without innovation in design, a willingness to allow people with disability to take reasonable and dignified risks, and a flexible approach to the funding of ‘reasonable and necessary’ supports, the design of new homes may simply reinforce, rather than depart from, older, institutionalised models.

In a broader sense, people with disability struggle in our housing system for the same reasons as many other Australians. People with a disability are twice as likely to have a low income, and therefore tend to be over-represented amongst people who are forced by necessity to the margins of society by our housing market. Therefore, the NDIS will not be the answer to the wider structural challenges in Australia’s housing landscape, but it will form an important part of the solution.

This paper has four sections. The first two provide an overview of the NDIS landscape and the methodology used by CHFA to carry out its research. Section 3 discusses the responses of the providers that participated in the research to various themes on consumer choice, access, design and new supply. The fourth section identifies a series of future directions for the development of policy in this area.
Abbreviations

CHP  community housing provider
NRAS  National Rental Affordability Scheme
NDIS  National Disability Insurance Scheme
NDIA  National Disability Insurance Agency

Glossary

Affordable housing
Housing is generally considered to be affordable if members of a household are not in housing stress after they have paid for their housing. There are a number of measures of affordability. One of the most widely used is that a low-income or moderate-income household (usually defined as being in the lower two income quintiles) should not pay more than 30% of their gross income on housing. Social housing (defined below) is a subset of affordable housing, but this term can also include rental housing that is targeted at low-moderate income households with the rent set as a proportion (e.g. 75%) of market rent.

Community Housing
Rental housing that is provided by not-for-profit, non-government organisations. It is intended to be affordable and appropriate for low to moderate income earners, and/or for groups whose housing needs are not adequately met in other forms of housing.

Community housing providers
A non-profit, non-government organisation which includes community housing as one of its activities. Community housing providers may also undertake other activities such as homelessness support, disability support or aged care.

Participant
A person who participates in, and is a beneficiary of the NDIS.

Rent
A regular payment made by a tenant to secure the legal right to occupy a dwelling.

Social housing
Affordable housing targeted for rent by low-income households, usually on a long-term basis (generally for the duration of housing need). Rent in social housing properties is usually calculated based on tenant or household income, and is commonly set at 25% or 30% of gross household income. Social housing is provided by a variety of organisations, including state governments (public housing), Aboriginal housing providers, and community housing providers.
1. Overview and scope

The NDIS and housing—the missing piece of the puzzle?

The NDIS is a paradigm shift in the way in which support for people with disability is delivered in Australia. It was launched on 1 July 2013 in four trial sites in Victoria, New South Wales, Tasmania and South Australia. It was further rolled out to another three trial sites in Western Australia, the Northern Territory, and all of the ACT on 1 July 2014. It is scheduled to apply in full by 2019, at which point it is expected to fund care and support for 410,000 Australians with disability. Participants in the NDIS receive a funding ‘package’ and may choose their preferred support provider. This is in contrast to existing models where government and non-government providers are funded directly and offer services to clients.

The NDIS has the potential to dramatically improve the independence and social and economic participation of people with disability. However, affordable housing may be the missing piece of the puzzle for many NDIS participants. A housing market in which secure, affordable and appropriate housing is in short supply will remain a key barrier to Australians with a disability getting the most out of the NDIS.

Why community housing providers?

Subsidised, appropriate and adapted housing provided by Australia’s community housing providers (either as asset owners or managers on behalf of government and others) already plays a key role in providing housing to people with disability. Many community housing providers already view people with disability as either an important or indeed sole target group. The National Disability Insurance Agency (NDIA), which administers the NDIS, has indicated that it expects to provide financial support to help providers to meet this aspiration. Community housing providers, at arm’s length from government but subject to robust regulation, are well-placed to deliver that new supply in a way that meets NDIS participants’ needs.

Project scope and purpose

CHFA sought to hear directly from a limited number of community housing providers who currently provide housing for people with disability and who are interested in expanding their involvement in this area. In doing so CHFA sought to identify and assess, within the context of the NDIS:

- The current capacity (and limitations) of community housing providers to house people with disability;
- What issues impact on their future capacity to provide housing for people with disability and grow supply; and
- Providers’ views regarding policies and conditions that need to be in place to facilitate this future growth.

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1 This is the terminology used by the NDIS to describe those to participate in the scheme. This report will use this terminology generally to describe clients, consumers or tenants of community housing providers.
2. Methodology

The research was structured around four themes: housing and support in a context of consumer choice; access and allocation; housing design; and growing the supply of housing for people with disability. These issues, along with a brief background to the NDIS, were summarised in an issues paper circulated to participants.2

In June 2014 CHFA conducted five semi-structured interviews via teleconference with small groups of around three to five providers, interviewing representatives from sixteen organisations. The intent was that the small group size offered participants a ‘conversational’ experience where ideas could be floated and discussed, while still being small enough to enable everyone to have a say.

The research was not intended to be comprehensive, nor representative of the community housing sector in Australia. Further, CHFA did not intend to speak to, or represent the views of, people with disability about their experiences. Rather, CHFA sought to move the debate along from the perspective of housing providers themselves by identifying emergent themes, points of tension and disagreement, and potential future directions that could be given further consideration.

Research participants

Of the sixteen providers who participated in the teleconferences:

- There was a diversity of organisations: six are specialist disability housing providers, two are disability support providers with a housing arm, seven are generalist housing providers (all with particular interest/focus on housing for people with a disability), and one is a support provider working in an NDIS trial site.

- Two of the specialist disability providers also have a particular focus on research and advocacy in this space.

- They operate in all states and territories except the Northern Territory.

- Two providers operate in more than one jurisdiction.

Nature of teleconferences

Each group interview ran for 90-120 minutes, and broadly followed the structure of the issues paper, allowing participants to engage with one another and bounce ideas off others. There was limited intervention from the two CHFA representatives other than to keep discussion on track and prompt discussion areas.

The general feedback from providers was that they gained a great deal out of the discussions. It was seen as chance to network and hear about experiences of other providers working in this space, often amongst groups that did not normally collaborate.

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2 An updated version of this paper is available on the CHFA website. See http://chfa.com.au/issues-paper-providing-housing-people-disability
3. Key findings and emerging themes

The emergent issues for each of the four research themes are discussed below in this section. During the course of the research a number of overarching themes also emerged. These are:

- Providers are frequently testing innovation within their own organisations and areas of expertise, often isolated from other providers. Therefore there is a need for more dialogue and collaboration in this space, to test ideas, share information, get input from participants, learn about best practice and prevent providers from working in silos.

- There is a strong desire for leadership from government and leaders in the community housing sector to bring to the table the various stakeholders, including NDIS participants, their families, housing providers, governments, support providers, funders, design experts and urban planners.

- Community housing providers see the NDIS as one potential area of opportunity in an otherwise bleak social and affordable housing policy landscape. Providers are excited about the possibilities which the NDIS may open up to increase and improve their offer to NDIS participants, but also looking to policymakers, participants and their families/carers for guidance about how best to do this. Many providers are already doing a great deal of work in this space and in preparation for the NDIS.

- It is notable that many housing providers—both public and community—already house a significant cohort of people with disability—whether they are people with special physical needs regarding accessibility or people with intellectual or significant psychosocial disabilities. However, the extent of this activity is not documented in a comprehensive way, nor is there any understanding of the ‘baseline’ against which funding for additional outcomes could be measured.

- Programs and funding sources to date have tended to be piecemeal, and there is not a strong history of evidence-based evaluation of housing models.

These broader themes served to inform the discussion of each of the research areas below.

Housing and support in a context of consumer choice

The NDIS funds ‘reasonable and necessary’ supports for participants. This is clearly a contextual and value-laden concept, and one that will be further developed as the NDIS expands. Providers, however, felt that this concept should be flexible enough to support different aspirations over time and should not be interpreted in a manner that is too limiting or tied to existing support models.

There are diverse views about the appropriateness and desirability of shared supported accommodation (also known as group homes or congregate care). It was acknowledged that this model, and other housing models that will require multiple NDIS participants to ‘pool’ NDIS funding, will be around for some time yet. This is owing to both economic and workforce constraints via the ‘reasonable and necessary’ test, as well as the type of housing stock that currently exists, both in terms of specialist accommodation for people with disability as well as in the broader housing market. Providers with experience of the NDIS launch sites reported there had been no significant increase in support funding for NDIS participants who already lived in shared supported accommodation to enable access to other forms of housing.
Providers acknowledged that participants’ choice and control will be limited in shared supported accommodation and other arrangements that require support funding to be pooled by a number of people living on the one site. One response was that in the short to medium term this will likely mean choice within a housing context. It was suggested that some form of private agreement may be necessary between NDIS participants living in aggregated settings that is separate to any agreement between participants and support providers and individual tenancy agreements. Under such an agreement, all participants would agree to have support provided by a particular provider, and agree to leave if they want to change support and fellow residents do not. In essence, the ‘choice’ in this case would be an individual choice to move in to an aggregate setting (assuming the person is not already living in such accommodation at the commencement of the NDIS in their area), and a group choice about what support provider to engage.

How these arrangements will work in practice, especially where there is conflict or disagreement between participants about the choice of support provider, and how such conflicts will be resolved, is a complex question. Housing providers might end up becoming de facto advocates for participants, particularly where support arrangements are not working and this impacts on a participants’ ability to sustain tenancy obligations. Housing providers will need clear policies and procedures about what they will, and will not, do to resolve these tensions and to communicate those to NDIS participants.

In the longer term, the debate about aggregated settings may be resolved by ensuring that such households exist as intentional communities where all participants choose to live with one another (analogous to sharehouse living common amongst young people). This would be complemented by participants having other options to live in a more independent, self-contained environment that, if necessary, facilitates support being located in close proximity. This is discussed further in the design section of this report.

In general there was a sentiment amongst providers that while the NDIS may bring about choice in support providers, realistically for the foreseeable future there will be very little choice for people about who provides any subsidised housing because of the chronic undersupply of social and affordable housing. This is consistent with the experience of those in the wider community that are on social housing waiting lists: most simply have to accept any housing that is offered (or not, and stay in whatever inappropriate housing they are in). Respondents felt that for current and potential tenants, the choice of housing provider is less important relative to there being a sufficient supply of housing, as well as options for people regarding the type and location of their housing. This housing should be provided within the context of a multi-provider model that encourages innovation.

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3 For convenience we refer to these arrangements as aggregated settings.

4 This is analogous to the private rental or purchase markets, where prospective tenants/owners are likely to be more interested in finding the right house in the right price and location than they are about the choosing a house based on the real estate agent that is managing or selling the property.
Some providers thought that the NIDS’s lifetime care approach (which looks at the cost of providing support over a participant’s lifetime through planning) might maximise the utility of independent living arrangements by prioritising strong early intervention—including through a focus on housing design and up-front expenditure on technology—which builds independent living skills. Within the scope of ‘reasonable and necessary’, this may also reduce the necessity of 24-hour support and the aggregate settings that are often felt required to economically sustain high levels of support.

It was also noted that housing providers have built strong partnerships with support providers around sustaining tenancies through interplay of tenancy and support functions. Such relationships are sometimes described as a triangular model, with communication between the customer, support provider and tenancy manager aimed at sustaining tenancies.

**Figure 1 - Tenancy/support model**

Providers generally spoke very positively about these relationships, although many noted that keeping those relationships working required considerable investment of time.

These relationships will be challenged by the introduction of the NDIS because participants will be able to change support provider at any stage during their tenancy, and providers may be required to have relationships with a greater range of support providers, rather than having a relationship with a small number of support providers, including relationships involving ‘nomination rights’ for support providers. It could make tenancy/support partnerships more difficult, as the housing provider will have less control over the number of support providers it will need to interact with in order to sustain tenancies. This was generally seen by research participants as a likely challenge, albeit one that could be overcome by adapting their work practices. Indeed, given this approach is client/tenant-centred it was viewed positively.
To a large degree, research respondents viewed the separation of tenancy and support functions as desirable. It was felt that such a separation would remove conflicts, and put asset management in the hands of organisations with professional capability in that area. When asked about the option of organisations separating tenancy and support services there was some scepticism about the efficacy of such structures unless there is sufficient scale to make this work. Some providers also noted that an “overly-cosy” support/tenancy partnership between separate housing and support providers might have the same impact on choice and control as support and tenancy being provided by a single organisation.

Housing providers also commented that they expected a number of challenges in terms of the provision of services to tenants with disability during the early stages of the NDIS, including two significant ones. These are:

- Workforce issues, given an expectation that the increased demand and funding of support services will, at least in the medium term, outstrip the supply of skilled labour to provide that support; and

- The possibility of customer-directed care leading to inappropriate choice or support being directed to providers without sufficient skills, expertise or systems to properly support independent living.

Put simply, the market may not always operate efficiently and effectively to deliver good quality service, at least during the NDIS’s implementation period. If this is the case, housing providers will have little capacity to ensure that the best support outcomes are being delivered, but may have to live with the consequences of failed tenancies (such as damage, lost rent or neighbourhood tension) or face unreasonable community expectations to act as a welfare provider of last resort where supports are failing.

Access and allocation

Experience of access and allocation varies greatly across and within jurisdictions, mainly because of the different approaches adopted by state and territory governments to this, not just in the area of disability but in social and affordable housing more generally. We have identified five broad pathways that people with disability currently use to access subsidised and/or modified/adapted housing. These are:

1. Applying directly for public housing. In jurisdictions where there are shared waiting or allocation lists for public and community housing, this is also the entry point for community housing.

2. Registers of interest and direct advertising by community housing providers.

3. Supported accommodation registers (and like systems) run by state disability services authorities, often in conjunction with waiting lists for support provision.

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6 Given the adoption of shared waiting and allocation lists in most jurisdictions this mainly applies to people in Victoria and Tasmania (where there are hybrid systems) for social housing waiting lists. In all jurisdictions, however, some providers, or particular properties owned or managed by community housing providers, will not fall within a shared waiting list or allocation system.
4. Nomination-rights arrangements where housing providers agree to house clients put forward by support providers, on the condition that the support provider agrees to support those clients (see Box 1 below). Arrangements also exist where the support services provides both the support and the property and the community housing organisation provides tenancy management.

5. Informal pathways using networks, understanding of system, use of private rental market, community connections and so on.

Box 1 - Nomination rights explained

‘Nomination rights’ arrangements are long-standing in the community housing sector across the country. Nomination rights are typically tied to specified properties owned or managed by community housing providers in favour of a particular support provider. In most cases they have arisen either because support providers originally managed dwellings and decided to transfer the management of these to community housing providers, or because of particular funding models that tied capital grants or operating leases from funding bodies with funded supports.

When a vacancy arises in a particular dwelling the community housing provider asks the support provider to nominate a suitable client, and subject to usual assessments of eligibility and suitability, the housing provider offers that client a tenancy. Typically there is an implicit (or explicit) promise by the support provider to support that client. It is also thought that the support provider has a better understanding of the suitability of different clients for particular housing options, therefore leading to more appropriate and sustainable tenancies.

It was acknowledged that the current structure of social housing waiting lists prioritises those in urgent need, and people with disability, especially those living already in a family home, have difficulty as being as seen as having the same level of priority as some other tenant cohorts. Some providers said that they had positive experiences with housing and support models designed to ensure that these clients are not forgotten within the social housing system. Depending on how they are managed, segmented waiting lists can allow for people with disability to be identified and targeted for the purposes of specific funding programs.

Providers reported that coordination of vacancies through disability services support registers tended to be slow. One cause of this however is the need for vacancies in aggregated settings to be sensitive to the needs of other residents. This creates challenges for vacancy turnaround times and lost rental income. The future of these registers is unclear in a post-NDIS landscape where the states are no longer funders and providers of disability support. Indeed, it is apparent that these registers reflect a different paradigm to that of the broader social housing system.
### Table 1 - Different paradigms of housing and accommodation

<table>
<thead>
<tr>
<th>Model</th>
<th>Legal arrangement</th>
<th>Right to occupy</th>
<th>Relationship to support provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Tenancy agreement plus state residential tenancy laws</td>
<td>Exclusive possession (including right to refuse entry to support provider)</td>
<td>No inherent link; although offer of both commonly linked</td>
</tr>
<tr>
<td>Accommodation</td>
<td>Service and residency agreement with provider; state disability services legislation</td>
<td>Non-exclusive possession (residency right/licence)</td>
<td>The two are linked, and often in the same agreement (where support and housing provided by same provider)</td>
</tr>
</tbody>
</table>

It is likely that there will be some convergence of these two separate housing paradigms over time as a spectrum of housing options is developed which converges these two paradigms and state disability service providers withdraw from the space with the rollout of the NDIS.

When asked what the ideal entry/access point system would be for prospective community housing tenants with disability, most providers nominated a common allocation system where all actors have access to the common register, but where providers have some flexibility around allocation (with appropriate monitoring to ensure that targets regarding housing different types of tenants are met). This is the type of system that operates in NSW.

It should be noted that a common register is unlikely to capture all the people with disability, even those who eventually are accommodated in community housing. Some people with disability will be eligible for social housing and will be prioritised under the current system and will easily access community housing through a common register. Some will be eligible for social housing but not at a priority level, requiring the community housing provider to use other mechanisms to them. And some people with disability will not be eligible at all for social housing and not part of the common register. While the common register is a valuable tool, other mechanisms will need to be in place to capture the full spectrum of people with disability needing subsidised housing. This point was not raised specifically by participants, however the researchers believe this is a significant consideration that should be noted in this report.

There were some differences of opinion about whether a specialised ‘disability housing’ register/waiting list was appropriate. The majority of research participants favoured mainstream approaches such as common housing registers, provided that those registers were transparent, allowed applicants to express preferences, recorded data on whether applicants were also NDIS participants, and were matched with appropriate targets in funding arrangements.

This would largely involve using existing systems with a disability component ‘bolted on’ (this could be a simple as additional data fields). If there were particular requirements about transparency and access, this could actually drive further reform in the mainstream registers. Research participants generally said that an approach which allowed providers some flexibility in allocation was appropriate for reasons of financial sustainability, neighbourhood fatigue, or tenancy mix, while acknowledging that the system would also have to have appropriate safeguards to ensure that prospective tenants perceived (rightly or wrongly) as “difficult” or “uneconomic” were not continually overlooked.
Box 2 - Comparison of social housing access points across Australia

All states and territories now operate a segmented waiting list for public housing. This means that certain applicants are given priority for housing (for example, applicants who are currently homeless or at risk of homelessness). The management of these lists and allocation procedures varies considerably around the country, including as to whether:

- Eligibility for community housing is the same, or separate to eligibility for public housing (and indeed even the definition of what constitutes income that is assessable varies);
- All applicants are drawn from a common register, or whether there is a separate register for community housing (e.g. South Australia), or whether community housing providers may operate their own entry point; and
- Common housing registers are used by state housing authorities to manage allocations centrally, or whether providers have access to the register and some level of discretion as to whom to make an offer of housing.

Following a 2009 Council of Australian Governments agreement to do so, allocation systems for public and community housing are now integrated across the country. These reforms have, however, been implemented in a wide variety of ways ranging from highly integrated systems (QLD), creating only a common register (NSW), multiple lists (SA), and systems where only a portion of allocations must come from a common list (Victoria). In some instances the entire sector is covered (Queensland, New South Wales, Australian Capital Territory, South Australia, Northern Territory) and other systems only cover certain providers (Victoria, Tasmania, Western Australia).

Research carried out by CHFA this year determined that:

Organisations from across the country who were contacted during this research generally felt that the NSW allocation system offers the best mix: it avoids duplication by offering a ‘no wrong door’ approach to application and a common IT system accessible by all social housing providers. Providers’ independence is maintained by being able to conduct their own allocations, however they are held to account for these practices by a strong and well-resourced regulator.

CHFA, op. cit.
Research participants noted that another key feature of a desirable access/allocation system for prospective tenants with disability would be some additional operational funding to cover extended vacancies or rental losses in contexts where housing is highly targeted, or participants need time to ‘test’ a particular environment. This funding could cover:

- Longer vacancy turnaround times associated with sourcing appropriate NDIS participants which are suited to the particular living environment;
- Short-term tenancies designed to trial a tenant’s independent living skills, particularly for young people who are developing skills in living outside of the family home; and
- A period to enable a support provider to ensure that it has the skills to support a participant in a particular housing context.

These matters also have implications for the financial viability of housing projects and also regulatory benchmark issues (an average fourteen day turnaround time is the upper limited of acceptable performance under the National Regulatory System for Community Housing). Current approaches, such as asking support providers to cover vacancy costs (common for nomination rights), are unlikely to be sustainable in a world of individualised funding. It was suggested by some research participants that the NDIS funding cluster for assisting participants to live independently could be used for people to ‘road test’ particular housing models before committing to a long-term tenancy. Connected to that is the NDIS’s ‘reasonable and necessary’ test being applied flexibly to provide additional support dollars to keep aggregated support models on track when there is a vacancy.

Providers recognised that the NDIS challenges nomination rights arrangements since support providers will no longer be block funded for accommodation support, breaking the nexus between tenancy and support in these models. Some housing providers noted that there have been occasions where support providers place pressure on community housing providers to end tenancies when a customer withdraws support or seeks to change support provider in these ‘nomination rights’ arrangements, but that these requests were rarely acceded to.

Outside of the formal pathways, there was agreement amongst research participants that there exists a role for a new intermediary—described by some as a matchmaking service—which would enable NDIS participants (and others outside the scheme) to connect and match housing needs. In this way NDIS participants may form communities of interest and providers can better understand what models of housing are desired by participants, and even how participants might contribute financially to them. The NDIA seems reluctant to do this itself but might consider seed-funding a pilot in the launch sites.
Within the limitations of the social housing system (amount, type, location, suitability, and availability of housing stock etc.), choice-based letting systems allow prospective tenants greater choice and control about where they live. The majority of housing providers in Australia do not offer prospective tenants any choice of dwelling, although a number of public housing providers will allow a prospective tenant to reject the first offer of housing that is made to them.

There are a number of examples of choice-based letting systems, including in the UK. The criteria and rules that apply to specific choice-based letting schemes vary but in every system the communication of housing advice and information is vital in its success. Two options for choice-based letting are described below.

**Option 1**

A choice-based letting model could be implemented as part of a common housing register. Under this option housing providers would give reasonable preference to certain categories of people, leading to bands of priority. Potential tenants would be assessed for their housing priority upon applying for housing or upon a change of circumstances. Applicants would be expected to express an interest in a range of suitable property types and locations (or even specific properties).

As new properties become available for letting, vacancies would be advertised to eligible prospective tenants, who could then 'bid' for the properties by a certain date. These bids would be ranked in order of priority (such as the longest waiting time within a priority ‘band’). The applicant with the highest priority for that type of accommodation would be allocated the property, with the option to accept or reject it. The results of the process would then be made available to the unsuccessful applicants, using the same media as the vacancy advertisements.

**Option 2**

When a prospective tenant reaches the ‘top’ of a waiting list they could be offered a choice of several properties and given the option to choose between them. Within the constraint of needing to ensure that rents are affordable, these properties could also be priced differentially, based on their location and amenity. (To work effectively, this type of system would require significant scale within or across housing providers.)
Housing design

Most research participants had direct experience of construction of new housing for people with disability across a range of programs, including:

- Construction of specialist supported accommodation, most recently under the Supported Accommodation Innovation Fund (SAIF);
- Utilisation of grant funding for social housing under the Nation Building and Economic Stimulus Plan; and
- Various other housing construction programs, some specifically targeted at people with disability, as well as other ‘mainstream’ funding options.

Regarding housing constructed specifically for people with disability, there was agreement amongst many of the housing providers that took part in the research that although there are numerous examples of good design and innovation, there are also examples of wasteful or poor design, and in particular, over-specification. There is no consistent standard adopted nationally for modified or adapted housing for people with disability.

Some providers talked of their frustration when working with planning authorities and funding bodies regarding a lack of consistency in design requirements, for example between different levels or arms of government. A number of research participants provided examples of instances where minor changes to design may result in a housing development being classified differently under planning codes, resulting in a range of new requirements and cost increases being imposed. Ensuring that new housing simultaneously meets the requirements of different codes can also add significant complexity and cost to projects.

Many providers noted that most planning and funding bodies tended to respond to the lack of flexible standards via the adoption of a risk-averse approach which classified certain designs as “disability accommodation” as distinct from normal residential use. This required high levels of adaptation even when the people who will live in a particular dwelling do not require those modifications. Aside from adding to cost, the end result of this risk-averse approach is design outcomes that have an institutional rather than residential or mainstream feel.

A flexible approach to standards challenges a dominant worldview of people with a disability as people needing special care and protection. Most research participants thought that there needs to be a reconciliation of the ‘dignity of risk’ versus legitimate community concern to ensure that the lives of vulnerable people are not put at unnecessary risk. When someone’s home is also a workplace, compliance with national workplace health and safety standards adds another level of complexity in terms of designing homes that do not feel like workplaces.

Some providers suggested developing a broader set of “typologies” that could be used to break down the binary between “disability accommodation” (high level of modification to accommodate workplace health and safety standards, fire safety systems etc) and general housing. There appears to be fertile ground to fill the space between the two with a more nuanced approach.

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8 Research participants provided a number of examples—some of which likely have to do with a range of different legislative and planning requirements—such as requirements to have signage about fire egress and insurance inside peoples’ homes, as well as driveways with “Emergency Assembly Area” painted on them.
Providers noted that they did not have many ways to benefit from the experience of other organisations involved in the development and management of housing for people with disability. They noted that if they did it would contribute towards the wider adoption of robust and cost-effective housing design. Many research participants also expressed a view that mechanisms that would allow them to listen to the voices of participants about the types of design that best suit their needs would be valuable. There is therefore a strong need for greater evidence-based evaluation of design, and also an ability for providers and builders to be able to exchange information and ideas to lower build costs and drive best practice in design. This would include utilisation of low-cost construction methods.

Providers with experience in providing highly modified homes for people with physical disabilities reported that it remains expensive to construct to these dwellings. Design features that add to construction cost include:

- Particular design features which allow homes to be used flexibly by a range of clients;
- Designs that incorporated technological aids; and
- Robust design (e.g. to prevent damage to walls from impact by wheelchairs or mobility aids).

Some providers thought that these costs could be reduced over time as such constructions became more commonplace and builders became experienced in doing this efficiently.

In terms of concentration, there is a strong preference against aggregation of too many units in one place, and in favour of putting housing for people with disability in mainstream settings. This argument was advanced on both social and economic grounds. Living in apartment-style dwellings is seen as inevitable (and indeed desirable), owing to the lower cost of construction and better proximity to transport and services.

Some providers suggested demonstration models to help NDIS participants and their families envisage different types of accommodation options, especially from the shared supported accommodation options that are currently available. It was noted that the space between shared supported accommodation and mainstream independent living had not been properly explored, at least in Australia. Now that reasonable and necessary supports can be assumed, what is needed is some imagination and creative thinking about what kind of a future might be possible.

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9 It is important to note that such technological aids may reduce the overall support expenditure for the NDIS.

10 A number of participants expressed concern about the possibility of copying the retirement village model.
There was a consensus that there is a greater need to explore arrangements where independent living units were “clustered” (either in a standalone context or salt-and-peppered amongst mainstream housing) around a support model. Examples include a small number of apartments within an apartment development (with a bedsit or office on site for support workers), or ‘keychain’ model, in which support staff are located in close proximity (but not necessarily in the same building) as participants.

**Growing the supply of housing for people with disability**

Unsurprisingly, a lack of supply this was identified as the key barrier for people with disability being able to access appropriate and secure housing.

Given the NDIA’s indication that it expects to fund construction of new housing supply, providers were asked to comment on their preferred model for the distribution and accountability of that funding. It is worth noting that rental income is the primary source of ongoing revenue for community housing providers. The way that rents are set—and for what type of tenants—is crucial both in terms of organisations’ viability as well as their capacity to service debt. Rent setting was, however, outside the scope of this report and was not discussed during the interviews with providers.

There was broad agreement on the following points:

- There is a risk of strategic and unaccountable retreat by state housing authorities from the area of housing for people with disability in favour of other needs (e.g. people escaping family violence, Indigenous housing, homelessness) if the NDIS is seen to have taken control or assumed responsibility in this area. Accordingly there is a need for a partnership approach to ensure that additional supply is not impacted by a withdrawal of options in the remainder of the social housing system. A baseline of the type of housing stock that currently exists and the type of tenants living in it would therefore be helpful. The review of housing that is proposed to take place later this year could present a good opportunity for the Commonwealth to drive the gathering of such data, which could then be used to ensure good value for money for the NDIA spend.
• There was no strong preference about whether subsidies to help cover the cost of developing housing for people with disability should be up-front (grant) or recurrent (such as NRAS). The level of subsidies does, however, need to be flexible so that the particular needs of some tenants can be accounted for in the design (physical modifications or facilitation of support), additional wear and tear, or increased vacancy costs. To enable this there is a need to establish a set of minimum benchmarks for types of housing and the clients for which that housing is suitable.\textsuperscript{11}

• Some providers noted that some additional up-front investment in more flexible or robust design can lead to lower long-term costs, however more innovation is needed in this area, and information about good practice needs to be more widely shared. Additionally, an evaluation of the additional cost of maintaining some innovative housing features over time should be factored into project budgets. This will allow for an evidence-based assessment of the viability of particular housing models, designs, and features.

• Providers are keen for a flexible approach that allows the innovation, diversity and creativity of the non-for-profit housing sector to be unleashed. A number of research participants suggested that this could include an open ‘expression of interest’ process for providers to put in unsolicited proposals that blended the NDIA’s funding with funding from other sources. This would not only have economic benefits but could also potentially deliver more socially integrated housing outcomes.

• There was a strong preference for any capital funding for housing from the NDIA to be administered centrally, rather than being delegated to state housing authorities or other arms of state government, even if they were working in partnership with the NDIA.

• Providers noted that flexibility about where they provide housing outcomes for people with disability is important. Rather than having to tie a particular dwelling as “disability housing”, the preference is to be able to meet targets across their portfolios, enabling better matching of housing to need by offering different dwellings within a provider’s portfolio to people with disability, or by having the capacity to sell a dwelling into the open market and build or purchase another. This idea perhaps underscores the need for there to be a clear ‘baseline’ of the amount, type, and tenant profile of existing social housing prior to funding being advanced for new housing for people with disability, as well as ways of recognising in housing entry points whether a client is an NDIS participant.

• Predictability of funding sources is important. Providers need to be able to plan knowing that so long as they meet various benchmarks they will be eligible for funding from the NDIS for capital contributions.

\textsuperscript{11} For many people with disability, such as those with psychosocial or intellectual disabilities, existing ‘mainstream’ housing stock is accessible and appropriate—the issue here is a lack of supply. Others may require a modified kitchen or bathroom, but have no need for other modifications, such as fire sprinklers. Having a range of housing typologies, rather than the current ‘all or nothing’ approach, would serve to both reduce construction costs and over-specification, as well as allow for the construction of housing that could more easily be sold back into the open market.
Providers were optimistic about what they could do in terms of leverage, despite the target group tending to have lower incomes than the rest of the community. There was some suggestion that banks may be reluctant to lend money to finance housing for people with disability, however there is no firm evidence of this. Other participants noted that they have experience securing finance for housing very low income and often disadvantaged people, and did not think that this would be a barrier. A key advantage of the community housing model is the ability to blend capital and income streams, including sales into the private market, debt, philanthropy, local government, planning dividends etc.

Research participants did not expect that the NDIS will be the sole funder of new housing supply—the NDIS’s funds will be part of the mix, but the other settings for housing development have to be there as well. Consistent with the insurance approach of the NDIS, providers agreed that there is a leadership role for the NDIA in using its data to help the sector understand the likely demand curve for different types of housing options both now and into the future.

Family contributions are seen as a potential source of capital, but with a few exceptions there a general lack of experience in the sector in accessing this source of income. Likewise some people with disability will have earned income from mainstream or supported employment that can also contribute to the pool of available funds. There is also some scepticism that there are significant amounts of money out there from these sources, and understanding that these arrangements are complex where property is highly specialised, clustered or built around particular support models. Considering all potential funding sources will assist community housing providers to think more creatively and with greater flexibility about the type of funding models that could work. Whatever the funding model, it was noted that people with disability should be allowed access to the same spectrum of housing tenures as the wider community, including benefiting from subsidised home ownership schemes.
Schemes which enable an individual or their family to make a capital contribution to their own housing can take a variety of forms. Currently available schemes include:

**Subsidised home ownership**

The consumer holds title subject to two mortgages—the first securing a normal bank loan, and the second securing an equity loan. This equity loan does not require the payment of interest or principal, but must be repaid when the loan ends, and is calculated on a formula that uses the current market value or sale price of the property. The equity mortgage reduces the need for a deposit and the interest payments are reduced, as borrowings comprise a lower proportion of the value of the property than a traditional bank loan.

**Mixed equity schemes**

Individuals or families contribute to the acquisition by a community housing provider of a specified property. The property is then leased on a secure basis to the nominated tenant (usually the family member with a disability) at an affordable rent. If the tenancy ends or the family/individual wishes to end the arrangement, the property can be sold and the equity repaid, based on the value of the property at the date of sale.

**Equity cooperatives**

Members pool financial resources to establish a portfolio of housing to be made available to members of the cooperative. These can be full equity (i.e. fully funded by members), or limited or shared equity (where members’ contributions are blended with other funds such as government grants).
4. Future directions

While the purpose of this report was not to make firm recommendations, arising out of the research the following directions were identified:

1. Understanding the baseline and projected need

The NDIA should work with state housing authorities/state disability services to ensure that it gathers information on the number of NDIS participants that are currently housed via those systems. State housing authorities and disability service authorities should also share their data on demand, allocation and projected housing need. This data should be broken down on a regional basis and made available to housing providers and updated regularly to enable long-term planning for housing that meets demand.

2. Access via mainstream systems

Common access and/or allocation systems for social housing exist across Australia, and may be one pathway for housing people with disability, who could notify whether or not they are an NDIS participant when applying. This is consistent with the approach of the NDIS to work with ‘mainstream’ services (such as education, employment and transport) so that they interface with NDIS participants. Community housing providers should be given discretion regarding who they house from common access systems, however this must be subject to funding commitments about the type and number of people with disability that they house.

Multiple entry points can increase complexity for prospective tenants. If a common register is developed that only applies to NDIS participants this would be an important first step in reforming access points. The NDIA should insist that funding is contingent on establishment of such a register, whether stand-alone or as part of a mainstream application and allocation system. It should have a ‘no wrong door’ approach (as in NSW), and a fully transparent setup about what type of person gets housed by who. This should also allow people to nominate who they would like to be housed with in a sharehouse context, and also allow nominations by groups. Ideally this would involve a choice-based letting approach.

3. Capital investment by the NDIA

The NDIA’s capital contribution towards new housing supply should be complemented by funds from other sources including affordable housing funding and funds raised by housing providers themselves. Capital funding from the NDIS should be distributed by NDIA, or some other statutory body. There should be agreements with states and territories about matching funds, providing contributions such as land, and the establishment of targets for housing for NDIS participants. Funds could be allocated in a number of ways, including an open EOI process where providers put their best foot forward as to the leverage to which the funds can be put, or funding rounds (similar to NRAS). The capital investment could take the form of grants or ongoing subsidies. The NDIA should consider the use of innovative funding delivery and credit support mechanisms, such as housing supply bonds and/or the establishment of an affordable housing finance corporation.

4. Engage the existing housing system

It is essential that state housing authorities, with their significant reserves of land and existing base of tenants with a disability, are part of the solution. One way of achieving this would be through an inter-governmental agreement which sets baselines and targets. The NDIA should also be open to an additional subsidy to cover what appear to be unavoidably long vacancies for providers in housing contexts targeted towards specific tenant needs.
5. Establishment of a housing exchange facility

This would primarily use web-based technology, as well as training and support for participants/families/providers, and would facilitate:

- Better access to private market housing;
- Connections between NDIS participants, their families, and potential housing providers; and
- A better understanding of various housing options.

This would be separate to the entry point for subsidised housing since it is intended to be part of a wider framework designed to facilitate connections and access to the private housing market.

6. Bringing together best practice in design

There is a need to maximise the ‘mainstreaming’ of delivering accessible housing, and promote durable design methods and adaptability of housing stock over time. A best practice design hub should be created, with the goal developing and promoting a spectrum of housing typologies that meet various needs and facilitate a range of support models. This could take the form of a website that would allow people to share designs, funding cocktails, and project evaluation. One way to ensure that such a design hub is used would be for the NDIA to require that all housing that receives NDIS capital funding make its designs available for public scrutiny, evaluation, and a creative commons type of sharing. There are intellectual property issues to be resolved, however there may be significant benefit to preventing providers from having to ‘re-invent the wheel’ (or repeat mistakes). To support evolution and innovation in design we need to ensure that the voices and needs of people with disability are central to discussion and evaluation of housing design.

7. Ongoing evaluation of housing

Consistent with the insurance and lifetime care approach of the NDIS housing developed for people with disability should be evaluated over time to determine whether it meets tenants’ needs and to record the overall impact on support costs (i.e. if up-front investment in capital reduces ongoing support needs). A starting point would be a proper evaluation of projects funded under the Supported Accommodation Innovation Fund. It is possible that such evaluation will lead NDIA to recommend and fund further investment in up-front capital that lowers long-term support costs. The NDIA should invest in further research of housing models to test this notion.

8. Establish a high level strategic advisory group

The establishment of a high level strategic advisory group that can continue the conversation about housing for people with disability should be an immediate priority for the NDIA. Amongst other things, this group (or specialist working groups sitting under it) could be tasked with developing solutions to the ‘funding cocktail’ (i.e. determining the best delivery mechanism/s for NDIA capital funding, and how this can be blended with other sources), the development of methodologies for evaluation of housing projects and engaging prospective tenants (and their families and carers where appropriate), the requisite components for an intergovernmental agreement with states and territories, the design hub and so on.
9. Choice in context

Given that aggregate models are likely to persist for some time, further work should be done to identify models used elsewhere (or to develop one) that offer a transparent process for groups of NDIS participants living in a context where support is aggregated to choose a support provider. Housing providers need a framework for their tenants to make that choice, and to resolve differences of opinion or need. There may be a need for an independent arbitration/advocacy service to help resolve tensions.

10. Clarity for people that are not NDIS participants

Funding arrangements for housing for people with disability who are not NDIS participants needs to be clarified, both for the benefit of current and prospective tenants and also so that housing providers that manage independent living models for non-NDIS participants are able to make plans in order to sustain successful housing models and tenancies for this cohort.

11. Further research into developing property standards

Such research would need to include the development of typologies for both prospective tenants and dwellings, and a framework for matching them up. This could include a range of typologies to prevent standards from defaulting to the highest, most institutional format out of a risk-averse approach.