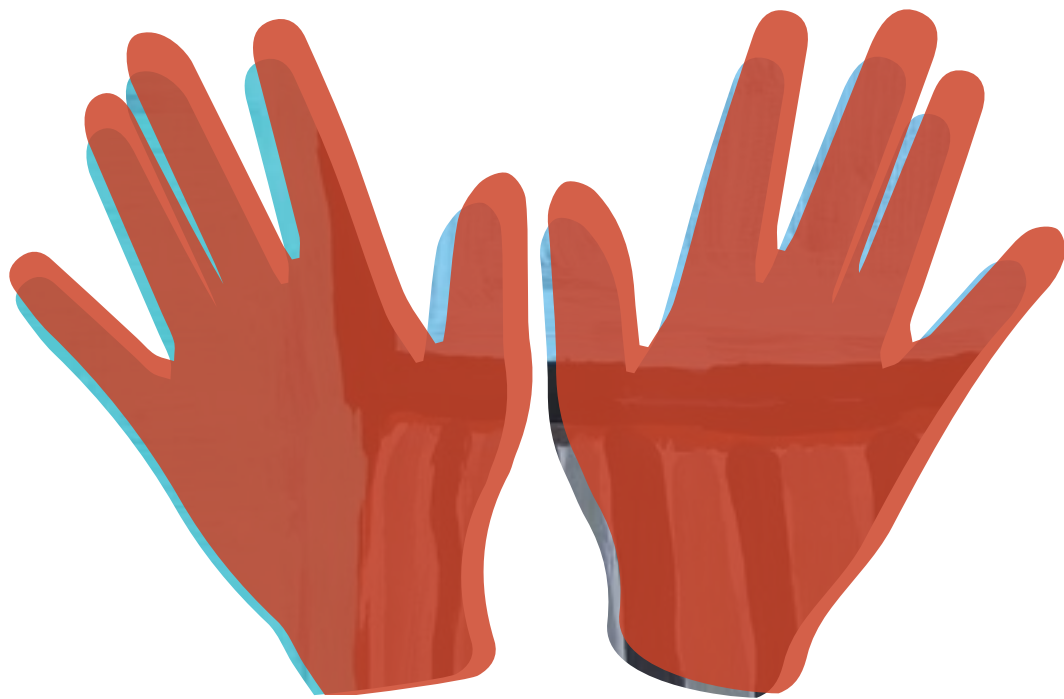




TWO HANDS



Delivering More and Better Housing for
Australia's National Disability Insurance Scheme
(NDIS) Participants

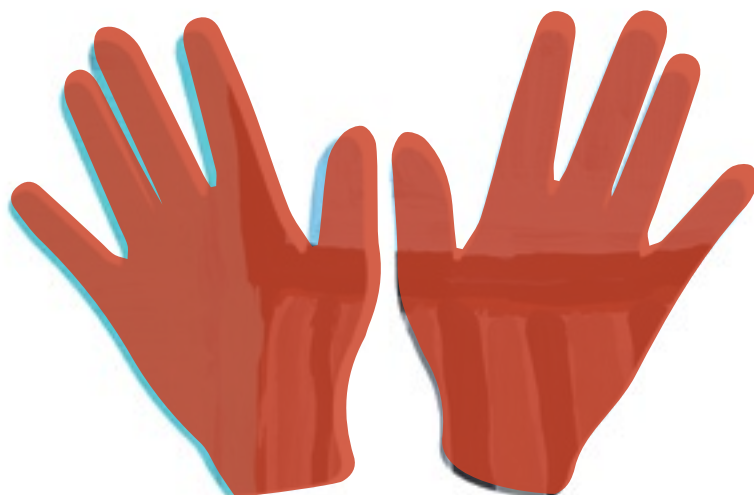
EDITION 1 - 2018

by Joseph Connellan



A stylized graphic of a house roof in the background, composed of geometric shapes in blue, yellow, and black. The title 'TWO HANDS' is centered below the roof.

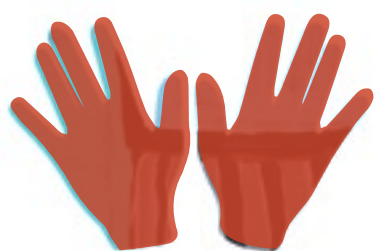
TWO HANDS



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National Disability Insurance Scheme (NDIS) Participants

by Joseph Connellan

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TWO HANDS Delivering More and Better Housing for Australia's National Disability Insurance Scheme (NDIS) Participants

EDITION 1.0 - 2018

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ABOUT THE AUTHOR

Joseph Connellan has a successful career spanning more than thirty years in leadership positions in affordable housing and disability services at not-for-profits, mutuals and government organisations.

For the last ten years, Joseph has worked as a consultant across Australia through his company, MC Two Pty Ltd, with the last three focused predominantly on the National Disability Insurance Scheme (NDIS) and housing. His clients are spread across the private sector, three tiers of government and the non-government sector, as well as peak bodies.

Joseph has been CEO for a number of not-for-profit organisations, including Supported Housing Limited, one of the first housing associations in Australia, and Headway Victoria, a leading advocacy agency aimed at improving services to people with an Acquired Brain Injury (ABI).

Joseph has also held positions on a number of government advisory bodies, including the Victorian Disability Advisory Council (VDAC) and the Victorian government National Disability Insurance Scheme (NDIS) Implementation Taskforce – Housing Sub-Committee. He has served as a director at several not-for-profit organisations and, on two occasions, been the Chair of the Board. Joseph has an acquired disability.



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ACRONYMS AND DEFINITIONS

AHURI	Australian Housing Urban Research Institute
AIHW	Australian Institute of Health and Welfare
CDC	Community Directed Care
COAG	Council of Australian Government
COI	Conflict of Interest
CRA	Commonwealth Rental Assistance
DHHS	Victoria Department of Health and Human Services
DSP	Disability Support Pension
IHS	Investigating Housing Solutions (formerly known as Exploring Housing Options Package [EHOP])
LGA s	Local Government Areas
LHA	Liveable Housing Australia
MPS	Market Position Statement
NDIA/Agency	National Disability Insurance Agency
NDIS/Scheme	National Disability Insurance Scheme
NFP	Not For Profit
NGO	Non-Government Organisation
NRAS	National Affordability Rental Scheme
OHS	Occupational Health and Safety
OOA	On-site Overnight Assistance
OT	Occupational Therapy
RIPL	Residential Independence Pty Ltd (Established by Victoria's Transport Accident Commission)
PWD	People with a Disability
RRC	Reasonable Rent Contribution
SDA	Specialist Disability Accommodation
SIL	Supported Independent Living
SSA	Shared Supported Accommodation
YPINH	Young People in Nursing Homes





Chapter 1

INTRODUCTION

Key Points

- NDIS is Australia's largest social change in generations, and the transition will be long and difficult
- NDIS is generating previously unseen levels of housing demand due to portable and adequate support
- NDIS will commercially and recurrently fund Specialist Disability Accommodation (SDA) – for the top six per cent of highest need participants
- The housing need of NDIS participants (after the projected new SDA is delivered) is estimated to be more than 76,000
- This book provides a mechanism for existing and new stakeholders to work together to develop the necessary new housing at scale

Today, we face the greatest opportunity to develop more and better housing for people with a disability of any generation in Australia. The challenge now is to seize the opportunity with both hands and drive growth and change within the challenging environment of the NDIS rollout. This will not be easy but, ultimately, will profoundly improve the lives of many people with a disability – a great reward in itself.

This book provides information about the NDIS and its development, details of current supply and the proposed SDA policies. It explores funding and growth opportunities and presents a framework to support the analysis of any housing project for people with a disability. Finally, it looks at the implications of some key policy directions, such as separation of housing and support and choice of provider.

“Leadership in the NDIS world is walking beside, not being at the front of the room with all of the knowledge.”

- An Agency Leader in an NDIS rollout region



It would be great if this book were to be a comprehensive guide to housing for NDIS participants, written by an all-knowing expert. Unfortunately, it is not – nor can such a guide be produced (or expert exist) at this stage of the NDIS development and rollout. The NDIS is simply too large and dynamic to be ‘knowable’ even in one defined area such as housing.

What this book does provide, hopefully, is the background and a framework for dialogue, discussion and learning (including by the author). We do, after all, have more than thirty years of successful (and unsuccessful) practice in helping people with a disability to live independently (with support) in our community. In recognition of the dynamic and evolving space that is the NDIS, this book is designated Version 1.0, as it represents what is known and understood by the author today. This will change and, as it does, updated editions will need to be produced.

We should grasp the opportunities ahead of us. We can use the image of Two Hands to illuminate the segments of housing market and the roles organisations can play. This book will, hopefully, provide a common language for the large number of new stakeholders who are coming from diverse backgrounds into the development of housing for people with a disability.

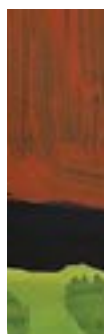
The growth of the NDIS is defined but, by and large, its form is not. The NDIS is underpinned by the competing principles of ‘Necessary and Reasonable’ and ‘Control and Choice’, but how this balance is achieved in housing is unclear. While we will have growth in housing for NDIS participants, the delivery of ‘good’ diversity is far from guaranteed. Meeting the needs of participants eligible for Specialist Disability Accommodation (SDA) and ‘the Other 94%’ will rely on the informed engagement of many players, not just the National Disability Insurance Agency (NDIA) – the NDIA being the organisation that manages the NDIS and is owned by the Commonwealth and state/territory governments.

The NDIS is not only transforming the funding and provision of services to people with a disability in Australia; it also represents the largest social (and one of the largest economic) reforms in Australia in forty years. It is said to be the largest social reform underway in the English-speaking world.

The NDIS is, simultaneously, doubling the amount of funds provided for services to people with a disability and moving to focus on whole-of-life and consumer-directed funding allocation while dismantling the existing state- and territory-based administrative structures for more than 450,000 people who require disability services. Not unexpectedly, some impediments are emerging as the development of the scheme and the rollout are being undertaken concurrently. This process, while generating great uncertainty, is providing an unparalleled opportunity for many diverse stakeholders to shape the new system.

One of the key consequences of the introduction of the NDIS will be the large demand for housing through the provision of portable and adequate housing for the first time. There is estimated (Disability Housing Futures Working Group, 2015) to be an unmet need for affordable housing for 76,000 eligible NDIS participants beyond the planned SDA (Specialist Disability Accommodation) growth. The NDIA itself forecast that the numbers of people housed in SDA will grow nationally from 14,000 to 28,000 (NDIA, 2017, p.4, Figure 4).

The NDIS is meeting its mandated responsibility to fund NDIS participants with the highest support needs through its SDA. This funding program will support both new and existing stock through commercial and recurrent funding. It will also support the transition to a new market open to investors and providers where NDIS participants (including private providers) can potentially choose



housing and support from different providers. These funding arrangements are complex – not fully developed – and radically different from the previous system. They are made even more complex by uncertainty about the future roles of state and territory governments in both housing, SDA and the associated NDIS support program, Supported Independent Living (SIL).

The new NDIS world is, of course, not a completely blank canvas. People with a disability already live in diverse circumstances that can be divided into five segments (broadly in order of support need):

- SDA-equivalent housing;
- Housing for high needs NDIS participants who will not qualify for SDA (High Needs Non-SDA);
- Social housing (public, affordable and community housing);
- Private rental; and
- Private ownership, including those living at home with ageing carers.

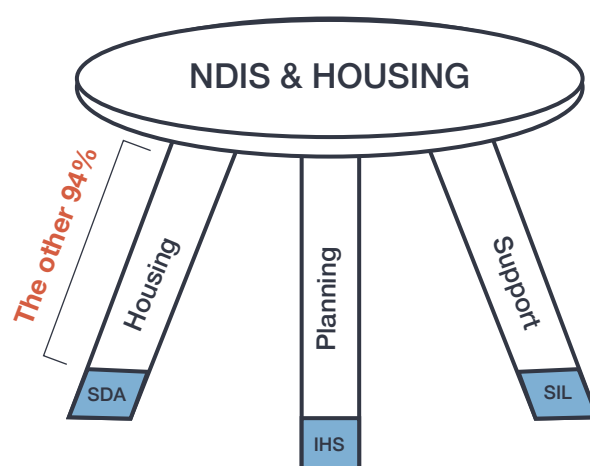
There is a clear delineation of responsibility with the NDIA being responsible for SDA and the relevant state and federal governments responsible for the balance as part of a housing response ('the Other 94%'). Each of these segments intersects with others, and unmet demand in one area may be displaced into others.

Housing for NDIS participants is like a three-legged stool consisting of Housing, Planning and Support. Without three robust legs, it will fail. The tips of each of legs represent the most intense NDIS interventions:

- Specialist Disability Accommodation (SDA).
- Support – Supported Independent Living (SIL).
- Planning – as Investigating Housing Solutions (IHS), formerly known as Exploring Housing Options Package [EHOP]).

The IHS is supported by Occupational Therapy (OT) assessments (called Ecological Assessments by NDIS).

Planning, Support and Housing



The existing housing stock for people with disability who have high support needs is typically classified as Shared Supported Accommodation (SSA), and consists mainly of group houses for people with intellectual disability. It will, by and large, become SDA (although not in Queensland, due to Queensland government policy). There is also a small but significant stream of housing for people with a mental illness (often housed in smaller settings). NDIS participants currently housed in institutions are a high priority to be decanted into smaller settings such as the Stockton Centre (NSW Government Department of Family and Community Services (FACS), 2018).

One emerging segment of stock is 'High Needs Non-SDA' – that is, housing for people with high needs who do not qualify for SDA. In this segment, largely unrestrained by NDIS SDA policy and practice, support efficiencies may be used to fund the housing. The portability of support and the limitation of options means that, outside of SDA, the most rapid area of expansion is likely to be in the private rental market, leading to the scaling of key facilitation activities such as head leasing and lead tenant programs. Private home ownership is also showing early signs of activity, with increased interest in family-funded housing and, on a more transitional basis, relocatable housing on land also occupied by family homes. Progress may appear slow, as housing development, even at scale, will require two to three years to deliver.

Every housing development for people with a disability has several components that can be defined by the following questions:

- What Use(s) are in the project?
- What numbers, and in what Configuration?
- What Supports are provided, and what is the impact on the property?
- How Accessible are the dwellings?
- Who was the project Developer?
- Who will be the Owner?
- What was the Cost and Funding?
- How will it be Managed?

An understanding of housing practice and relevant practice from other sectors will be central to the scale-up of housing development as we move from the current 'Heroic Model' of development, where a small number of units are produced after many years of sustained effort by a large number of stakeholders. In particular, there seem to be opportunities to transfer some technologies (rather than complete systems) from the aged care and retirement sectors. In this book, we also propose a standardised format to illustrate both the diversity of current practice and the practical impact of key policy debates such as aggregation. This standardised reporting format allows us to understand the key elements of the project and to highlight the area of particular interest.

Now is the time to get our hands dirty and start building new and better housing for people with disability in this once-in-many-generations opportunity. This book, hopefully, provides the background and framework to begin this exciting, yet challenging, journey.



Chapter 2

NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

Key Points

- NDIS is the biggest social reform in forty years, with many areas of change
- NDIS will grow quickly to be bigger than aged care – including both residential and community aged care
- The transition period will be lengthy, complex and have an impact on all service providers

The NDIS is arguably the biggest social (not just disability) reform in Australian in forty years (since the introduction of Medibank in 1975), and is one of the largest social reforms currently being undertaken in the English-speaking world. In some ways, the creation of the Snowy Mountains Scheme – with its bold vision, great expenditure, reliance on new technologies and influx of new people and organisations – is a useful analogy. It is highly likely that the NDIS is unlike anything we have experienced in our working life, in terms of both scale and complexity. Housing is a vital but small part of a much larger change. To understand the housing challenges and opportunities for the National Disability Insurance Scheme (NDIS) participants, we must first understand the NDIS, its principles and development pathway.

NDIS FUNDAMENTALS

The NDIS will fund services to 460,000 people who have a permanent disability (National Disability Insurance Agency (NDIA), 2017) that significantly affects their communication, mobility, self-care or self-management. The NDIS will replace the administration functions undertaken by the state and territory governments, transferring these roles to the National Disability Insurance Association (NDIA), a company owned by the Commonwealth government in conjunction with the state and territory governments. This will be underpinned by an increase of national expenditure from \$12 billion to \$22 billion (National Disability Insurance Agency (NDIA), 2017, p. 19).

In a radical departure from the current model of limited resources rationed out to those most in need, the NDIS is built upon four key pillars (National Disability Insurance Agency (NDIA), 2017, p. 13):

1. An actuarial estimate of 'reasonable and necessary' support for the NDIS participant's entire life.
2. Pursuit of value over a person's lifetime.
3. Support for research and innovation.
4. Support for the development of community capability and social capital.

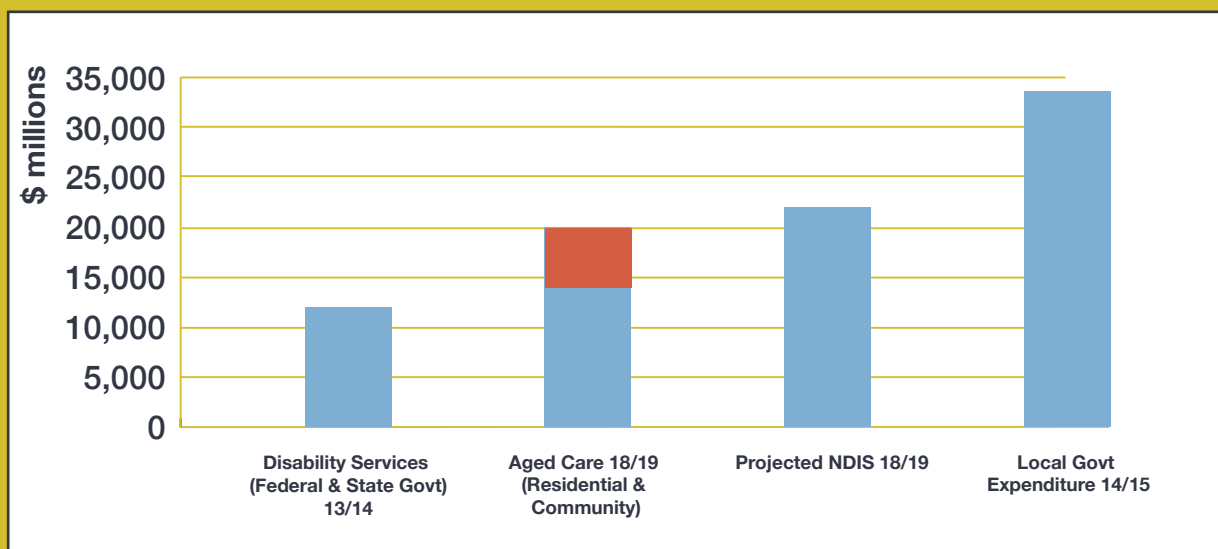
At its core, the NDIS is a 'social insurance scheme' (National Disability Insurance Agency (NDIA), 2017, p. 13). That is, it moves away from the current short-term (often crisis-driven) rationed approach to an entitlement scheme focused on long-term outcomes and minimising costs across the whole of a person's life, using an actuarial model.

NDIS will be hugely disruptive to the current service system. In particular, it will have a significant impact on the funding income and cost structure of providers across the country. It will do this by changing the service, funding and decision-making models and introducing interstate, interregional and private competitors.

The NDIS is a disruptive platform that will move the current system from:

- A rationed funding model to an 'as of right' model, albeit only if the costs are 'necessary and reasonable'.
- Short-term costs to whole-of-life costings, using actuarial costing or the participant's likely whole-of-lifetime costs.
- A balance of Not for Profit (NFP) and government service providers to a majority of provision by private organisations.

1. NDIS Expenditure vs Other Industries



The implementation of the NDIS will also include:

- The end of local catchments which may encompass a limited number of Local Government Areas (LGAs) to a single national market (with state/territory variations)
- The dismantling of the state- and territory-based disability administration and the establishment of a national administration through the NDIA
- Allocation of funding and resources by funders or providers to consumer choice (extending beyond individualised funding).

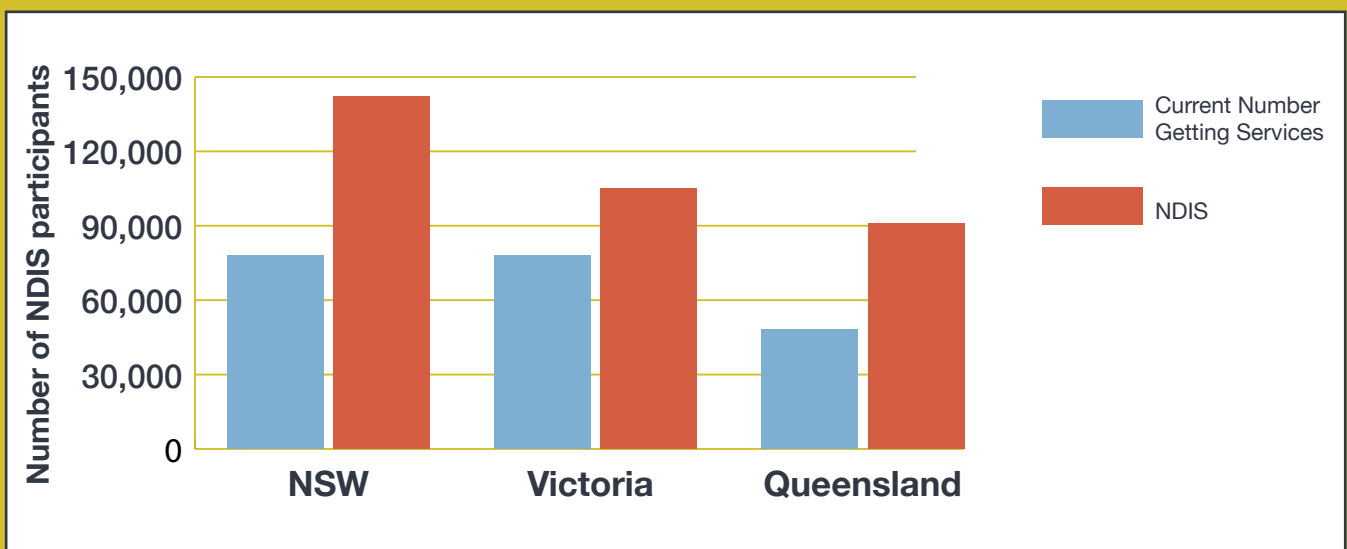
The introduction of the NDIS will cause many of the current NFP providers to carefully consider their mission as they adapt to survive. Many will not continue in their current form, while others will grow rapidly. Maintaining a measured, low-risk growth trajectory will be extremely difficult.

The NDIS will be huge. Within five years, the NDIS will be spending more than all of aged care (residential and community aged care combined) (Australian Institute of Health and Welfare (AIHW), 2014). To use another comparison, the NDIS will grow to be more than half of all local government expenditure. (Australian Government, 2016, p. ABS cat. no. 5512.0). **See Diagram 1.**

One of the more interesting aspects of the NDIS is that it provides valuable insights into historical inequalities of funding of services to people with a disability. Those inequalities could relate to numbers accessing services and/or the funding levels received when enrolled. For example, the growth in numbers of people receiving funded disability services in each of NSW (National Disability Insurance Agency (NDIA), 2012, p. 5), Victoria (National Disability Insurance Agency (NDIA), 2016, p. 5) and Queensland (National Disability Insurance Agency (NDIA), 2012, p. 5) illustrates a different history of funding in each state. NSW will see the largest number of people receiving services (an increase of 64,000) and Queensland will experience the largest growth (90+%). Growth in NSW (82%) will be similar to Queensland, but Victoria's growth will be much more modest (32%). **See Diagram 2.**

Some communities (either geographic communities or communities of interest) have been more successful in securing disability service in the past than others. The NDIS data would seem to support the assumption that some people are better at getting into the system and better at getting services once in it. (This data is, of course, distorted by factors such as population growth and the location of closed institutions.)

2. Growth: Numbers of participants under the NDIS in Queensland, NSW and Victoria



An examination of NDIS regions within states also reveals diverse ‘Service Gaps’ required to bring all into a position of equality. In Victoria, the number of people receiving disability services will increase by as much as fifty per cent or as little as three per cent. In some regions, total expenditure on disability services (including both housing and support) will increase by as much as seventy per cent.

See Diagram 3.

In summary, NDIS is for people with significant and permanent disability, their families and carers, and it replaces Australia’s current funding and support systems. The NDIS funds individualised support and provides choice and control. It’s based on the premise of intervening early, minimising the impact of disability and promoting consumer decision making within an actuarial assessment of whole-of-life costs. This will provide both an entitlement to support and a long-term, holistic decision-making framework. These changes will have a profound influence on existing service providers.

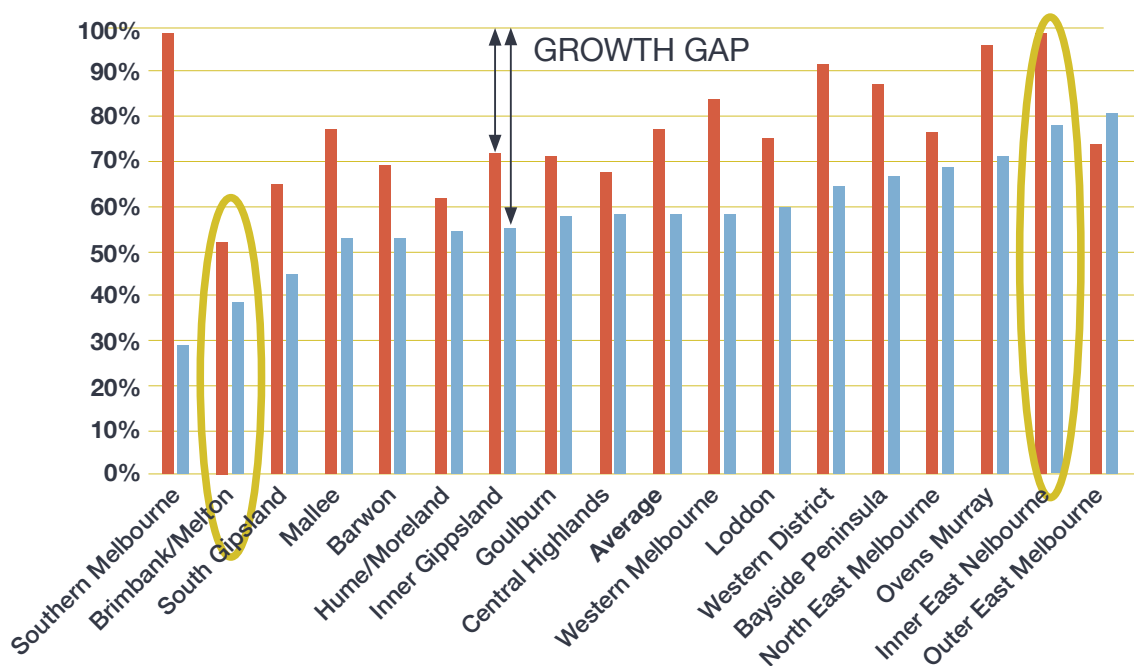
NDIS INTERFACES

One of the key principles of the NDIS – often emphasised – is that the NDIS alone will not meet *all* the needs of a person with a disability. People with a disability will also continue to access the mainstream and specialist government services to which they are entitled. Those interfaces, of which housing is only one, are many, complex and vary enormously.

“The specialist disability supports provided by the Scheme complement the mainstream services provided by Commonwealth and state and territory governments, including health, education, housing, transport, and safety.”

- Page 14 NDIS Annual Report 2016/17

3. NDIS Service Gap by NDIS Regions



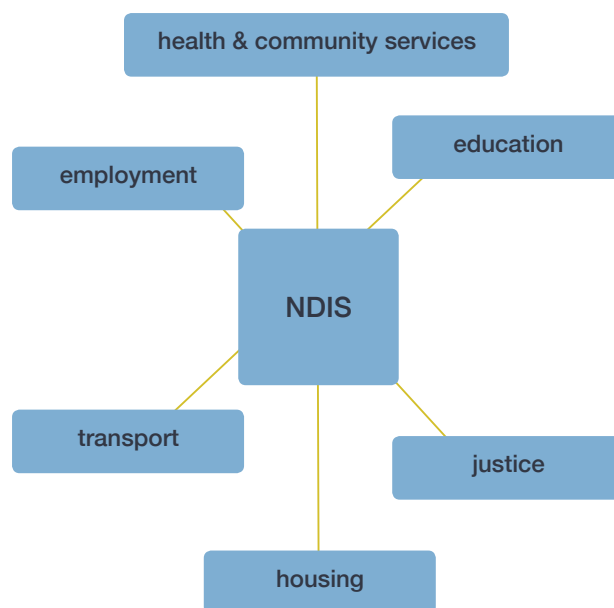
The radical transformation of the disability support system, such as is occurring under the NDIS, presents a variety of challenges, including:

- Is there a shared responsibility between the different agencies?
- If so, which funding body has lead responsibility for each person?
- If people receive services from both the NDIS and another system, is there an integrated access pathway that leads to an integrated administration system?
- How will an entitlement to services under the NDIS interface with other areas, such as housing, where access to services is strictly rationed due to shortages?

For support providers, questions to consider may include:

- Are my existing clients getting the NDIS-funded services (including from others) to which they are entitled?
- How are our (non NDIS-funded Services) integrated and articulated into NDIS-funded services?
- Indeed, should we provide NDIS-funded services?

NDIS Interfaces





WORKING IN AN NDIS ROLL OUT ENVIRONMENT

The NDIS is currently combining development and rollout, an approach that has been described – much to the displeasure of some – as the equivalent to ‘building an aeroplane in flight’. While driven by a continuing political necessity, the ambitious timelines are causing impediments such as problems with the payment portal, which has delayed both payments and enrolments.

In 2017, there were changes at the Board level of the NDIA with the departure of the founding Chair and the appointment of new directors and, more recently, the appointment of a second CEO who came from a banking background. The evolving nature of the NDIA is adding complexity to the NDIS rollout.

‘Stay close to the people in the NDIA, [be] flexible and relaxed (which is very hard).’

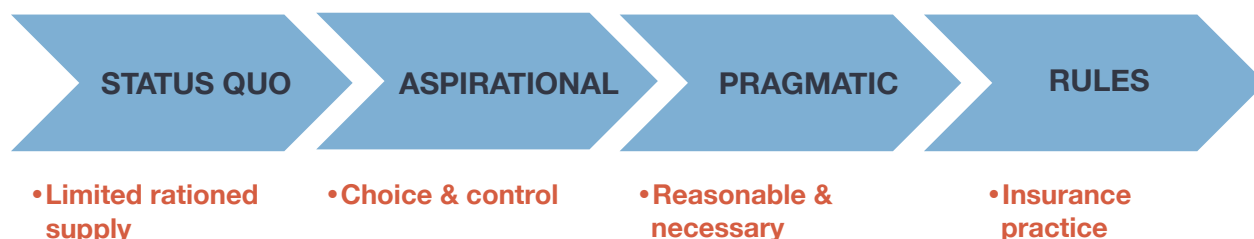
- an experienced practitioner

 Number of NDIS Participants
 \$ amount of expenditure

In such an environment, the need for the NDIA to address its own urgent issues – such as being able to pay suppliers or develop a reasonable plan – can overwhelm other important issues that are slower to resolve. That is why, some years into the rollout, housing is only beginning to come onto the agenda.

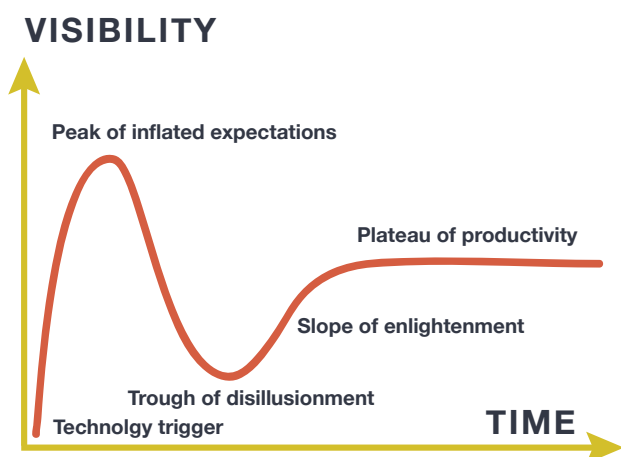
The establishment of the NDIS Quality and Safeguards Commission (Department of Social Security (DSS), 2018), funded to the tune of \$200 million to set and monitor service standards, presents a new issue for consideration. How the interaction between the agency which sets the prices (the NDIA) and the separate agency that enforces standards will work remains unclear, but it will be critical to the success of both the scheme and its service providers.

Predicted Evolution of Approach within NDIS



As the NDIS evolves, we are likely to see it move through several iterations, from the status quo to uncertainty and thence to a period of aspiration and optimism. As the realities of the rollout bite, there is likely to be a more pragmatic and rules-based approach as the insurance-based scheme matures.

4. Gartner Hyde Cycle



It is useful to consider how others have articulated how new systems come into common acceptance – for example, the Gartner Hype Cycle (Gartner, 2018), which illustrates how radically different expectations settle over time as more people embrace the new reality. **See Diagram 4.**

If we plot the NDIS on these charts, there is something very familiar about both the gyrating expectations and the enthusiasm of the innovators and early adopters, albeit enhanced by the colourful language, ‘Trough of Disillusionment’ and ‘Slope of Enlightenment’.

This sort of challenge is not new to nation building...

“We should realise, however, that this great development will not be a cheap one. We are not going to obtain this enormous scheme ‘on the cheap’. As a matter of fact, in all such proposals, there are great hopes expressed at times that are doomed to disappointment, and sometimes early results lead to misapprehensions.”

- Robert Menzies (1949) about the Snowy Scheme

In the middle of 2018, we were probably still climbing towards the 'Peak of Inflated Expectation' before plunging into the 'Trough of Disillusionment'. If this is true, we are now in easier times (although it does not feel like that to many) and things are about to get tougher.

During this time, we're likely to see the NDIA move from its current internal focus to one of engagement with language around partnership, and finally to the imposition of agreed rules and proven methodologies. There are times early on where, because of systemic limitations, the NDIA may not consistently engage with all provider sectors effectively (nor to capture existing wisdom in the sector).

"We in the NDIS are hacking a way through the jungle next to a five-lane freeway."

- A Home Modification Provider

One of the confusing things about the NDIS, especially for those not deeply embedded in it, is that it is a 'Policy Supercycle'. In other words, because it is much larger and more complex than all other policy reforms we have experienced, it operates over a much longer timeframe and on a more complex developmental pathway. Typically, this many years into a new program, things are well-established, products and services have been defined and suppliers, by and large, are settled. With the NDIS, things are nowhere near settled.

The transition to the NDIS will include a period of disruption that is likely to last years.

Since the commencement of the NDIS in 2013, there has been a focus on building this new system. Housing has been progressing more slowly than support, with the publication of the rules of the NDIS housing policy and funding architecture only occurring in 2017. Only now will we see practice develop and evolve. In some states, like Victoria, there is additional complexity as the state seeks to reconcile conflicted state legislation (such as the Victorian Disability Act) during this transition period.

"At the most basic level, we can ask, "Is the NDIS a good thing for housing for people with a disability?" The answer is an aspirational one: 'It can be.' "

- A Service Provider Leader

HOUSING DEMAND GENERATED BY THE NDIS

So, how do these NDIS transformations translate into demand for housing? Profoundly, it turns out. We are, for the first time, seeing the broad distribution of portable and adequate support. This removes the key barrier to housing demand of the past – the lack of associated support.

"Social housing turnover, low-cost private rental in low-value markets and new specialist housing supply funded by the NDIS could potentially deliver housing solutions for 55,000 to 75,000 people in the first decade of the scheme. This leaves a gap of unmet need in affordable housing of an estimated 35,000 to 55,000 eligible NDIS participants."

- Disability Housing Futures Working Group Report (Disability Housing Futures Working Group, 2015)

The NDIA itself has estimated the unmet housing need nationally to affect between 83,000 and 122,000 NDIS participants – or, more than twenty per cent of NDIS participants (Bruce Bonyhady AM, 2016).

We know that many state and territory governments, key players in this space, are reconsidering their roles as both housing providers (SDA and social housing) and policymakers. We also see that new players, both private and NFP, are entering this space. Diversity will bloom in what is currently a heavily regulated and uniform space. However, not all diversity represents contemporary practice and, indeed, some quite old-fashioned models are being branded as innovative.



CONCLUSION

The NDIS is unlike anything most of us have experienced. It is not a new funding program, but a multi-dimensional revolution that will have an effect on every provider in the system – in part by bringing new players in and by driving others out. The transition period is likely to be lengthy and complicated as systems, methodologies and capacities are built – particularly so as the NDIA develops its governance, management and operational capacity. We will see more housing (mainly SDA), but will it be enough, and will it be good housing that supports the principles of the NDIS as well as the aspirations of the participants? This is both our challenge and opportunity.





Chapter 3

STATE/TERRITORY AND LOCAL GOVERNMENT IN AN NDIS WORLD

Key Points

- State/territory and local governments will have central, but different, roles in an NDIS world
- State/territory governments are withdrawing from direct service provision
- There will be more demand – in scale and complexity – on state/territory governments in interface areas such as housing
- State/territory governments have primary responsibility for housing ‘the Other 94%’ of NDIS participants who will not access SDA
- Local government has three potential perspectives to balance: Direct Service Provision, Social and Economic Participation, and Economic Development
- Local government economic development engagement in the NDIS rollout will be required to capture economic and employment benefits, particularly in regional areas, and help avoid potential losses

The creation of the NDIS is having a profound impact on the roles of state/territory governments and local governments. For state/territory governments, who are part funders of the NDIS and part owners of the NDIA, it is about redefining their role as they divest functions to the NDIA while also maintaining their leadership in the interface services such as Health and Housing. For local government, there is also an adjustment to service delivery and a focus on outcomes for their citizens and the potential economic impact of the rollout.

POTENTIAL ROLES IN HOUSING

A useful way to identify what a state/territory or local government does or should do in the housing space is to consider the hierarchy of possible roles. These are arranged from the broadest (Investigate) to the most resource-intensive (Manage), with very few performing all of these roles.

- Investigate: By collecting information and undertaking research.
- Inform and Advocate: Resource the community in understanding the challenges and possibilities of key issues and engage with other leaders individually and/or collectively on key issues.
- Facilitate and Fund: Support development with information and/or organisations resources.
- Develop and Own: Develop and/or own housing.
- Manage: Manage housing.

Hierarchy of Possible Roles in Housing



Arguably, the only two that are non-negotiable for all levels of government are the first two: Investigate and Inform and Advocate. The extent of activity in each of these roles will be informed by housing need in the community, the priority placed on it and the resources made available.

STATE AND TERRITORY GOVERNMENTS

State and territory governments have been central to the funding, regulation and, in some cases, delivery of services to people with disability for many decades. In some instances, they have had an unbroken chain of activity running from Policy Maker to Service Provider. **See 5 Diagram.**

The NDIS will, over time, change the state and territory government roles in the first three – Policy Maker, Regulator and Funder – to a contributor role through the NDIS. This will most likely cause the acceleration of the already entrenched trend towards the exit from service provision. The NDIS is adding to the scale and complexity of demand in Interface areas such as health and housing, both in terms of responding to new areas of demand generated by portable and adequate NDIS-funded support and clarifying where responsibility sits – with the NDIA, with federal/state/territory/local governments or shared.

In housing, like a lot of Interface services, the NDIS is also triggering demand beyond that which it funds. The NDIS has a clear absolute housing mandate for – and only for – SDA. Leadership in responding to housing needs for ‘the Other 94%’ sits clearly and unequivocally with the state/territory governments (except for home modifications). In this context, it is worth considering that the number of NDIS participants seeking housing after completion of the funded SDA housing growth is estimated to be as high as 76,000 (Disability Housing Futures Working Group, 2015). The vast majority will be eligible for social housing, and many for priority access. The responses to this challenge are, in some states and territories, underdeveloped, unarticulated or both.

While the NDIS has sole and exclusive responsibility to fully fund SDA for those with the highest need, its contribution towards the remaining 94% of NDIS participants is much less. These participants may be funded for housing options investigation, broad information and advice provision and/or home modifications.

5. State and Territory Governments Roles Before NDIS



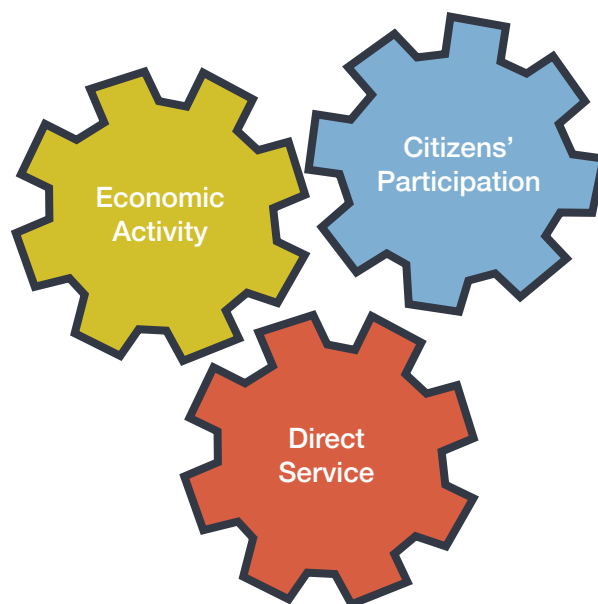
LOCAL GOVERNMENT

Local Government, as the sphere of government closest to the people, faces a different set of challenges, starting with its own capacity to understand the scale of change embedded in the NDIS and the associated challenges and opportunities.

Local government interests can be framed within three areas:

- Direct Service Provision to people with a disability, which is often meshed with services to older people (typically under the Home and Community Care Program [HAAC])
- The possible gains and losses in Social and Economic Participation for citizens with a disability
- Potential increases (and reductions) in Economic Activity, including new jobs as the NDIS rolls out.

Local Government's Three Areas of Interest in the NDIS



Local Governments need to be mindful that housing outcomes are not achieved through a single policy lens, but are ‘...inextricably linked to the planning, provision and ongoing funding and infrastructure and employment.’

(Municipal Association of Victoria (MAV), 2012)

Further, that state government has housing policy leadership rather than local government. The extent of a council's role will change in different markets (and sub-markets), with different target groups.

Specifically, council's potential role in any housing development will vary depending on:

- The housing need or gap;
- If it is a 'market failure' or an 'affordability' gap;
- Council's objectives;
- Council's available resources and powers;
- Roles of other players, including the state/territory and federal government.

Clearly, the NDIS will have a profound economic impact as it rolls out. This is particularly so in regional areas. This impact is potentially variable. For example, the impact of an NDIS rollout in a traditionally underserved regional area of 16,000 people could vary by as much as \$5 million per annum and the equivalent of 40 full-time jobs.

This could be because people with a disability:

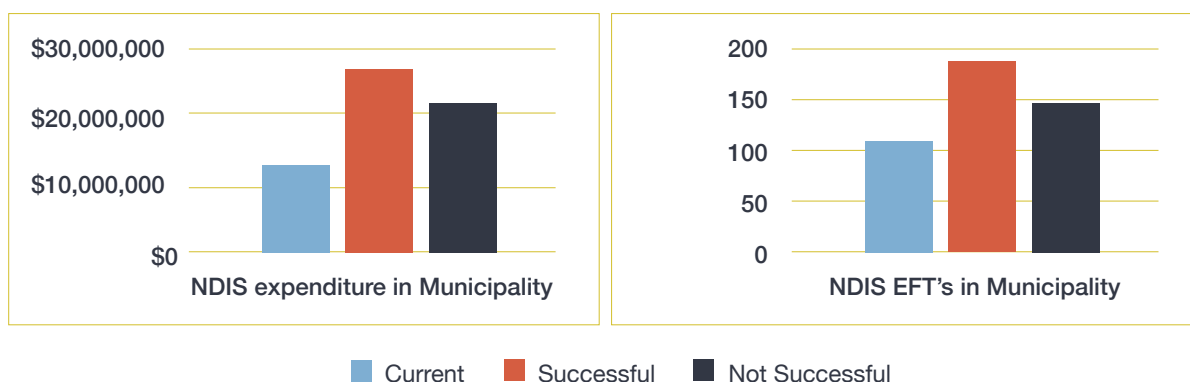
- Did not enrol in the NDIS despite being entitled to it;
- Did not have their needs correctly assessed;
- Were not funded for all the services they were entitled to;
- Did not receive the service they were funded for;
- Received services from providers headquartered outside the region, replacing local providers.

See Diagram 6.

CONCLUSION

The rollout of the NDIS is likely to have broad and diverse impacts on state and territory governments as well as local governments. Broadly, the NDIS will disrupt the chain of functions carried out by state and territory governments (Policy Maker, Regulator, Funder and Service Provider) by removing their control over the first three and hastening an exit from the last. Local governments will face challenges and opportunities across Direct Service Provision, Social and Economic Participation as well as Economic Development activities. The difference between a successful and unsuccessful NDIS rollout could equate to millions of dollars of expenditure and many jobs in both direct service and management roles.

6. Example Council - NDIS Expenditure and Employment Transition Comparisons





Chapter 4

SUPPORT PROVIDERS IN AN NDIS WORLD

Key Points

- Service providers will need to fundamentally change how they work
- Most will not survive in a recognisable form
- Organisations can adopt a changing combination of strategies to adapt to the new NDIS world
- Competitors will emerge at scale, including some that subsidise their operations to secure market share

The introduction of the NDIS is such a profound change that it is likely to challenge the very existence of providers, both in a commercial sense and – especially for Not for Profits – in relation to their mission or purpose. This is truly a time where governance rather than just management needs to be engaged across the organisation in order to consider and prosecute a range of strategies. This is true for housing agencies as well as support providers as they reposition themselves to respond to the challenges and opportunities with a new and enhanced role and a new relationship with a more dynamic support system. A key part of this journey will be for housing agencies to understand where their support organisation partners are today and where they are likely to end up.

THE NEW WORLD

The move to open up housing provision to private operators, create a national market and make funding commercially viable and recurrent (at least for SDA) is unlocking an area of housing provision that has traditionally been the domain of state governments. Their roles have potentially combined housing support provider, landlord on properties head leased to support providers and/or capital funder of non-government owned stock. The NDIS-led change in the housing landscape is leading to the entry of commercially-focused developers and owners (both private and NFP) – a diverse range of new players not only with potentially different objectives, but also different cultures and, indeed, language.

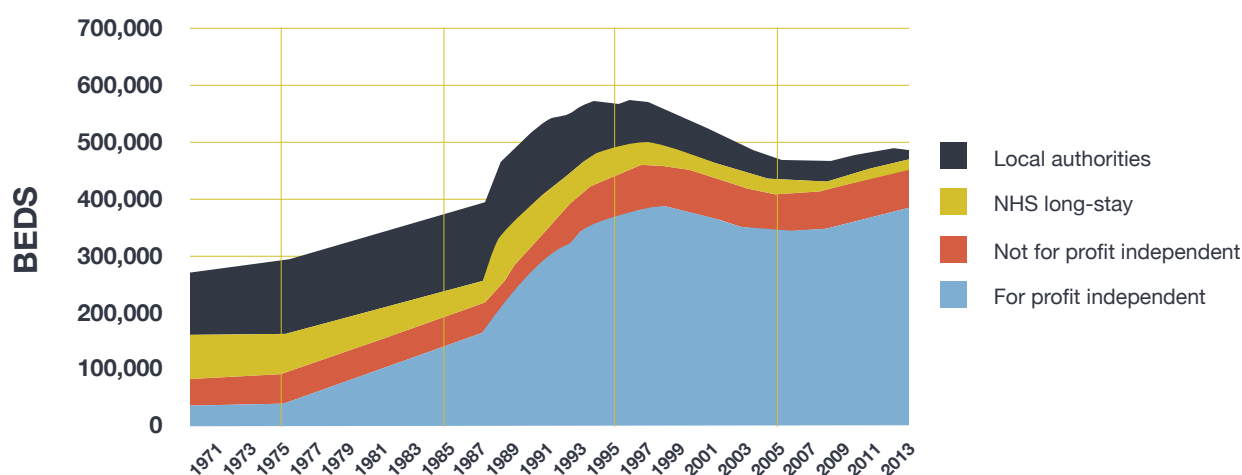
It is useful to consider what happens when a system both grows and is opened to private providers, particularly one that requires capital. An analysis of the UK aged care system over forty years (Laing, 2014, pp. 8, Table 2.1) shows the relative and absolute decline in the provision of beds by the national government (NHS segment) and local governments (Local Authorities segment), an increased number of beds by the NFP sector and, overall, an absolute move to dominance by the private sector. See Diagram 7.

After thirty years of focusing on group houses for people with a disability (which is still the case in some states), it is a shock to move to a system that is open to, and indeed focused on, diversity. While there is currently a varied and proven set of housing options for people with disability, these options are largely unrecognised and undocumented. Successful projects typically garner little attention or analysis. Consequently, they are often not well understood, and the key innovations embedded in them are unrecognised.

As we move to a more diverse landscape, it is important to identify what models work. By that, I mean dissecting the housing project's key components to identify which contribute to its continued success and which differ from usual practice. While individual projects may be innovative, years of evolution in housing development mean that it is highly unlikely that every component will be. Often what is being promoted as contemporary and/or innovative practice is, in fact, not new at all.

We can, therefore, access good information about what is likely to work and, importantly, what is not likely to work, simply by considering current practice. So, before we embrace any innovation, it might be worth asking those who might know the answers to two questions:

7. Privatisation of Aged Care in the UK 1970 - 2013



Source: Laing Buisson Research

- Has it been tried before (not just in this jurisdiction in the last three years)?
- Did it work then? And, if it failed, what did we learn?

The thing that will lead the NDIS to deliver more and better housing (and ultimately better lives) for people with a disability will be the strategic and focused work of people who are not simply interested in maximising a political and/or economic position. This will be hard, thankless and confusing work that can only be guided by a commitment to improving housing for people with disability, built upon a knowledge of what housing actually works and what is needed to make that housing work. Welcome to the world of nation-building social reform.

FROM BLOCK FUNDING TO INDIVIDUAL CHOICE-DRIVEN FUNDING

In a block-funded world, people with disability tend to represent a place in a program that needs to be filled. With the introduction of the NDIS, this will change radically and far beyond the current individualised funding models now in place.

Each participant becomes an opportunity for the organisation to provide viable (typically profitable) and sustainable services. In a start-up phase, such as now, this becomes quite complex.

The logic used to assess existing and potential clients is essentially a hierarchy, with providers constantly considering if they can provide services in an effective and efficient (and profitable) manner. **See Diagram 8.**

As an organisation pivots to meet the challenges of this new NDIS world, it will quickly realise that housing is a key part of a successful future. The next step – deciding if it will undertake this role itself – is a critical one.

Housing often requires a particularly large investment in terms of both resources and leadership focus. Consequently, it is worth considering the impact in terms of commercial returns/cost and project outcomes relative to how those resources might otherwise be used. It may be that a project will have a commercial return – or indeed a cost – that is not reasonable when the project's requirements are considered.

8. Hierarchy of customer assessment

NDIS ELIGIBILITY	• will the person be eligible for the NDIS?
NDIS ENROLMENT	• is the person enrolled in the NDIS?
NEEDS ASSESSED	• have their needs been fully identified and assessed?
SERVICES FUNDED	• have all appropriate services been funded?
SERVICE MIX	• how will the service mix effect efficiency and effectiveness over time?
OUR SERVICES	• what services will the client choose from us?

WHAT TO DO

Given all of this, the question is, ‘What to do?’ It is useful to start by acknowledging the scale and uncertainty of the NDIS and the transition. Organisations must welcome the new people, organisations and cultures that will enter their space as new co-workers and leaders, or as part of the new and broader value chain. It will be important for the organisation, at a governance level, to re-examine and reaffirm its rationale for working with people with disability given the radical transformation underway from an advocacy-based service environment to a market-based approach. Critically, organisations must adopt a strategic approach that looks beyond the transition period, including undertaking scenario planning to ensure some awareness of what is possible.

In this new environment, successful organisations will be strategic, robust, nimble and pragmatic, with the ability to assess their clients’ potential service needs and funding quickly and comprehensively.

They will be able to:

- Provide scalable and sustainable services – offered individually or in combination.
- Track revenue and cost at an individual service level to identify profitability.
- Engage with clients and stakeholders through comprehensive communication and marketing.
- Learn about new service catchments, models, and client groups.
- Develop new service models, often combining resources from a variety of origins.
- Many will merge, partner and/or become part of value chains. Failures will be common.

The rollout of the NDIS is creating an extraordinary, diverse, challenging and opportunity-laden environment for provider organisations, particularly Not for Profits. Much has been made of the proverbial asteroid strike

(the NDIS) wiping out the dinosaurs (the current disability providers). Now the NDIS rollout is underway and the strike has occurred, even more is being made of the fact that the dinosaurs are still with us.

It is important not confuse a slow start with profound change.

“We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run (Amara’s Law).”

- Spotless Data, 2018

Any organisation (NFP or private) can adopt any combination of strategies and vary that mix over time:

- **Lower cost** – Focusing on cost reduction is often the natural response in a time of financial stress, particularly when confronted with new private sector entrants. However, this is difficult to sustain and can lead to lower quality, higher risk service provision.
- **Focus on innovation** – Successful innovation is often seen as the silver bullet. However, the diversion caused by focusing on innovation and the cost of inevitable failures along the way is often underplayed.
- **Increased customer responsiveness** – In some ways, this strategy is closest to the core of many providers, thanks to their strong history of listening to their communities. It can, however, be challenging for people and agencies used to deciding what is best for clients.
- **Premium quality** – Many agencies have a tradition of seeking to provide the best service to all irrespective of cost. Translating this approach into a viable commercial service in a contested marketplace can be complex.

Finally, it is worth considering if the best strategy is to exit. A change as broad as the NDIS should be considered in the context of the mission of the agency. Simply put, NFP agencies need to preface the question, 'How can we survive?' with the question, 'Do our communities need us to do this anymore?'

When considering the impact of the NDIS, it is worth noting that:

- Some organisations are very big and, even in the most hostile environments, could draw on reserves and outcompete smaller rivals for many years.
- Typically, the rate of change and adaption will start slowly but accelerate.
- Some organisations that are already commercial and provide individualised services to clients barely need to evolve.
- Competing organisations may take time to evolve and spread.
- Some will falter after initial success.
- Big private players tend to wait until successful models evolve and then buy their way in with significant resources.
- Some players may enter the marketplace with unsustainable costing and practices simply to acquire market share and will fall back to more common practices when that position is achieved (or the aspiration abandoned).

CONCLUSION

In this environment, organisations must decide the balance of their strategic approach – from cost-cutting or scale to innovation or increased responsiveness. In the broadest sense, they must button down for the coming storm while ensuring they continue to experiment and change to find their place in this new dynamic national market for services for people with a disability.







Chapter 5

HOUSING POLICY AND PRACTICE TRENDS AND ASPIRATIONS

Key Points

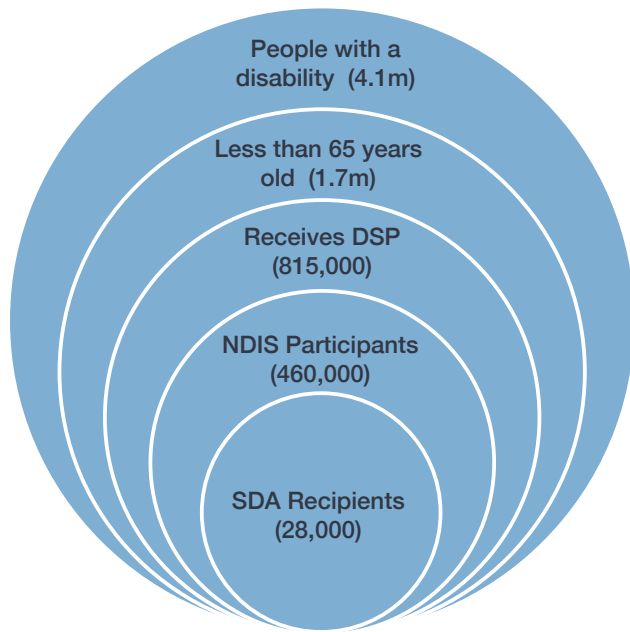
- Over decades, the housing of people with a disability has moved from institutions to dispersed housing
- The move from bundled housing and support to the provision of housing and support by different providers (the 'separation of housing and support') has been underway for some decades
- People want to be near transport, friends, family, work and education
- In general, people only want to share with up to three others
- People with disability and their parents will often have different aspirations and concerns

During our lives, we have seen many changes – in both policy and practice – in how services are provided to people with a disability and how they are housed.

In many cases, these changes have involved moving away from larger institutional settings towards smaller settings. The introduction of the NDIS will cement many of these changes and, for the first time, bring national consistency. Different states and territories will progress at different rates with the most focus on lifting less developed practices. Central to this new era will be an understanding of the role of people with disability as true consumers. This will mean that understanding their housing aspirations will become of critical importance.

In the context of the NDIS, it is worth unpacking the term 'people with disability' and to consider the numbers in each of the different subsets. Of the four million people with disability in Australia, about 1.7 million are under 65 years old (Australian Bureau of Statistics (ABS), 2015). Of these, 815,000 will receive a Disability Support Pension (DSP) (Department of Human Services Administrative, June 2015). We also know that about sixty per cent of disability service recipients between 16 and 64 years old will receive the DSP (Australian Institute of Health and Welfare (AIHW), 2016, p. 18). They may, of course, be in receipt of other sorts of income. All this should be seen in the context 460,000 NDIS participants and just 28,000 SDA places.

People in Australia with disability moving to SDA



having a choice of providers (and, indeed, possibly multiple providers).

The key trends that have emerged in the last couple of decades reflect a move from a safe-keeping, institution-based approach to a community-based rights approach. Progress has been slow and inconsistent both across and within states and territories. The introduction of a consistent national approach (one of the promises of the NDIS) will mean that change will occur most rapidly in the least developed states and territories; the others can rest on their laurels – for some time, at least. This may mean that some jurisdictions will see practices change rapidly, while others will see little or no change for some time.

FROM INSTITUTIONS TO GROUP HOUSES TO CLUSTERS TO DISPERSED LIVING

TREND LINES IN HOUSING POLICY

Broadly speaking, we can see two trends occurring in the policy and practice for housing for people with a disability. **First**, housing is moving towards a less aggregated approach – from institutions to dispersed housing. The **second** is a move from bundled housing and support to each person

Probably the most defining change in the last half-century in services to people with a disability is the closure of the institutions or ‘deinstitutionalisation’.

While still occurring in Australia, it is now broadly accepted as the way forward, and the challenges have mainly been about implementation.

Disability and Housing Policy Trend – Housing Setting



Disability and Housing Policy Trend – Support Provision



The move from institutional to community-based living is still questioned by some. However, there is strong evidence that it is successful in most instances (Kozma, 2009). Reviews have identified that people living in community-based living typically demonstrate better adaptive behaviour, as well as improved community participation; social networks and friends; family contact; self-determination and choice; quality of life; and satisfaction (for residents and their families).

The move from institutions in Australia has largely been to group homes or clustered settings rather than into dispersed housing. A broad-based review of outcomes achieved in clustered and dispersed housing (Mansell, 2009, pp. 313-222) concluded that dispersed housing is either superior to, or no worse than, clustered settings on most quality of life indicators. This has been supported by other research (Bleasdale, 2007), which focuses on the issue of providing housing and support to people with complex needs – specifically people with physical disability, people with intellectual disability and people with mental illness.

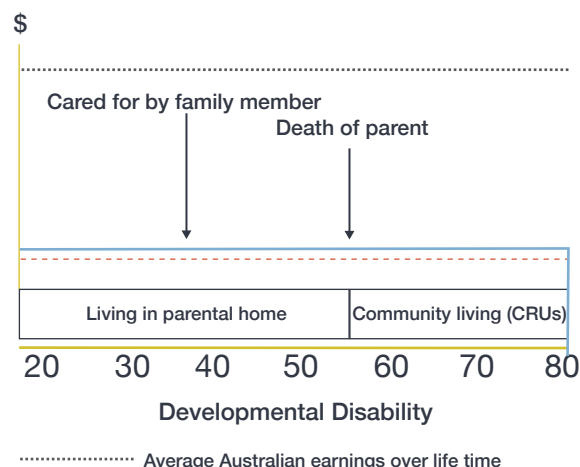
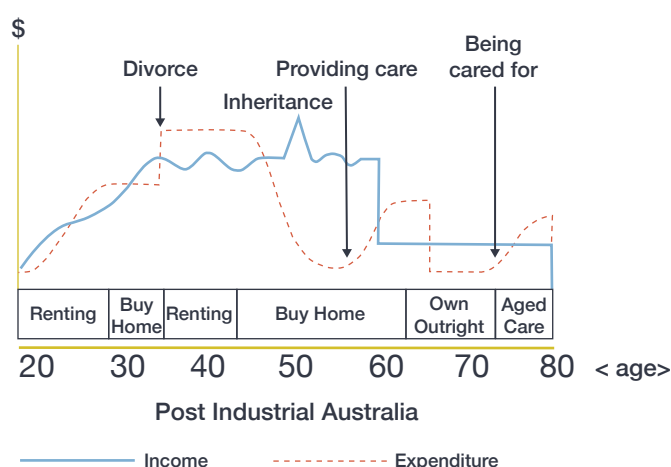
The creation of group houses to decant people from institutions has, therefore, been seen as a way to achieve scale and create efficiencies in support – not as a way to secure better outcomes for people with disability. Indeed, it has been suggested that group houses may be best used as a simple interim step to build competence and confidence in a new model of provision for both individuals and for a service system as a whole. This practice is still in play

with the planned decanting of Stockton Centre (KIRKWOOD, Stockton Centre shock: residents to be moved to 88 group homes, 2015) into group homes rather than more dispersed settings.

Unlike other members of the community, people with a disability tend to have a housing career that includes fewer moves and far less diversity (Faulkner, 2009). For true inclusion to be secured, people with a disability need to see a significant increase in the diversity and fluidity of their housing careers.

See Diagram 9.

9. Usual Housing Career vs Housing Career for People with Disability



SEPARATION OF HOUSING MANAGEMENT AND SUPPORT

Currently, most people in group homes with significant support needs receive combined housing and support. In some jurisdictions, such as Victoria, this is a requirement embedded in legislation. In other cases, it is embedded in government service contracts. The move to separate the two has been driven by a desire to pursue a policy of allowing people with a disability to have diversity in their support, and a recognition that there was an inherent conflict of interest where the one organisation provided both support and housing. It also recognises that support providers may not have the expertise or economies of scale achieved by housing providers. This move has been a flagged policy direction for decades, with initiatives as far back as 2002 HASI NSW (Jasmine Bruce, 2012, p. 11) and even earlier with the establishment of Singletons Equity Housing in 1989 (Wiesel, 2017).

It is important to note that this NDIS policy of the separation of housing and support relates to management, not ownership. However, in some cases where ownership is separate, properties have then been head leased to support providers. In these circumstances, the separation intent of the policy is negated despite the separation of ownership.

Conversely, it is possible to meet policy requirements if a support provider appoints an outside agent to manage the property it owns while still continuing to provide support services. Although it can add complexity to arrangements, it does strengthen individual tenancy rights and provide a property focus, which has often been underdeveloped, particularly from an asset management point of view.

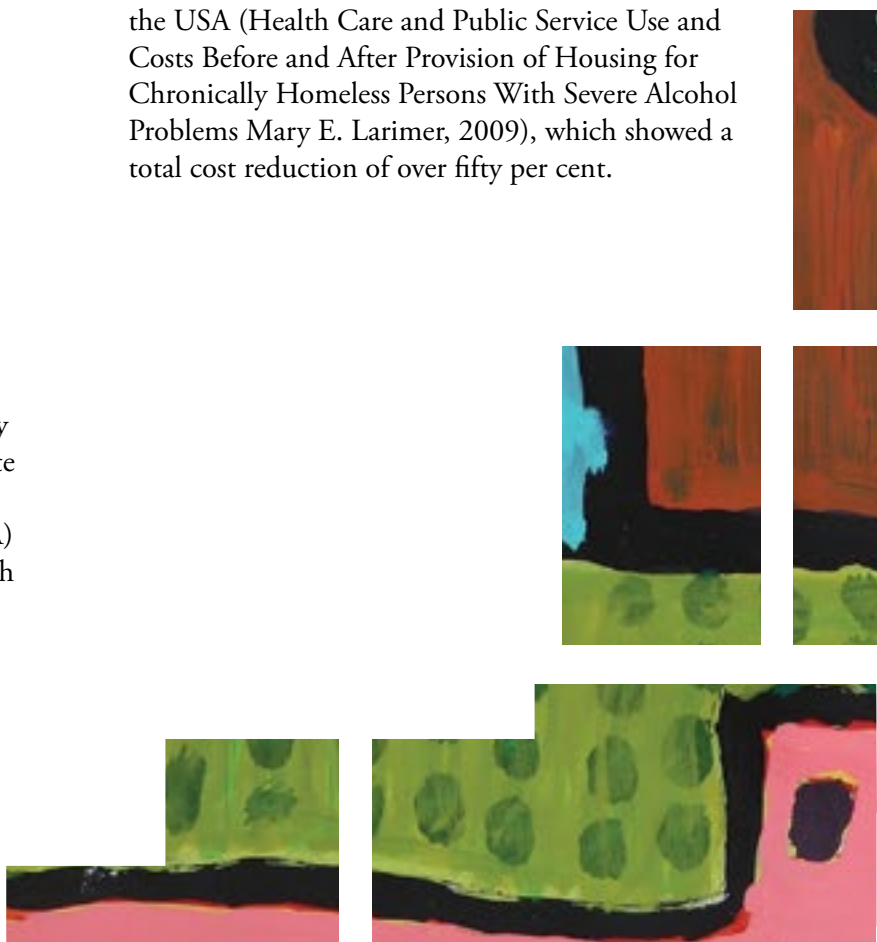
It should be noted that the NDIS separation policy only applies to NDIS SDA-funded housing, despite some attempts to extend the policy to include ownership. However, housing (SDA and non-SDA) and support SIL are interrelated and will affect each other's efficiency and effectiveness.

The policy of separation of housing and support will end short-term nomination rights. It will also

challenge long-term arrangements, since support agencies no longer have their 'control of support' to trade. Conflict of Interest (COI) arrangements do not typically exist, so a number of agencies are now developing these. It seems that choice of provider in a shared setting is being resolved with the adoption of collective choice (such as all participants jointly selecting one provider for a fixed period) and a separation of overnight support and individual support.

HOUSING AS AN EFFICIENT SUPPORT SPEND

Expenditure on housing is often quarantined, in part because it tends to involve large amounts that are infrequently spent. However, there is clear and growing evidence that housing has a profound impact on the efficiency and effectiveness of support services. The whole 'Housing First' and 'Rapid Re-Housing' initiatives in the homeless sector highlighted this relationship as far back as 1988. The evaluation of the Housing and Accommodation Support Initiative (HASI) (Jasmine Bruce, 2012), a NSW program for housing people with a mental illness, reported a 59 per cent decrease in the average number of days spent in a mental health inpatient hospital per year, a substantial saving in support expenditure. This sort of result is consistent in other countries such as the USA (Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems Mary E. Larimer, 2009), which showed a total cost reduction of over fifty per cent.



Indeed, the NDIA itself identified that:

“SDA funding enables eligible participants to achieve better outcomes while representing value for money for the NDIS. This is due to high-quality fit-for-purpose dwellings making it easier and less expensive to provide the range of person-to-person supports that SDA eligible participants require. Improved design in SDA dwellings can reduce person-to-person support needs, and allow for choice in models that utilise shared supports.”

- (National Disability Insurance Agency (NDIA), 2018, p. 6)

CONSUMER CHOICE

Consumer choice in support provision (i.e. the right of a consumer to select the nature, mix and provider of their services) is a simple, but surprisingly confused concept and practice. It is not equivalent to individualised planning or funding, as it extends far beyond. Support providers often don't recognise or talk about this fundamental difference.

To put it simply, under the consumer choice model, consumers – often with family input – are empowered to select (and reconfigure) the services they want, not necessarily what the 'experts' think is best. Professional staff raised in an environment which pursues 'best practice' and avoids risk and failure at all costs are often deeply unsettled by and resist this.

Consumer choice, by its nature, is less efficient; additional costs can be incurred related to marketing, vacancies, smaller programs and service coordination. However, there is substantial evidence and belief that it is more effective in delivering better outcomes, albeit over longer periods. A move to consumer choice shatters traditional practices and introduces diverse providers chosen by consumers, with many consumers having imperfect information about services and possible providers.

In this consumer-empowered environment, housing providers will play a central role. Not only will they need to take on more of the existing management and maintenance loads, but potentially they will also need to take on increased responsibility for service co-ordination. The risk of support failure and/or inadequacy will be borne by the housing agency in a way not seen before.

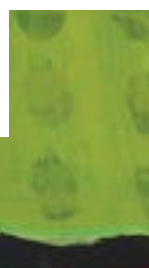
The emergence of consumer choice of support provision in both disability (as a central platform of NDIS) and aged care (with Community Directed Care [CDC]) will change the operating models of many social housing providers. This will offer both challenges and opportunities. Indeed, the maintenance of the status quo will not be an option; housing agencies will need to embed themselves more deeply into the lives of older people and people with a disability, or retreat from the field altogether.

Much emphasis has been placed on 'Choice and Control' in the development of the NDIS. It is, therefore, very important to consider the aspirations of people with disability (and those of their parents, who may have the capacity to influence decisions).

In the past, these views have been, by and large, irrelevant – housing was bundled with support and in limited supply. Where new places were developed (and these were few and far between), they were designed by experts within the system and within narrow sets of guidelines and rules.

“Choice without supply is not choice.”

- Housing Provider



However, some research (Dr. George Taleporos, 2013) shows that people with a disability have similar views and concerns to their parents, but with different weightings. The project surveyed 53 people with a disability (PWDs) and 114 parents on a range of key issues. These findings are important as we move from an ‘expert-led’ world to a ‘consumer-driven’ world.

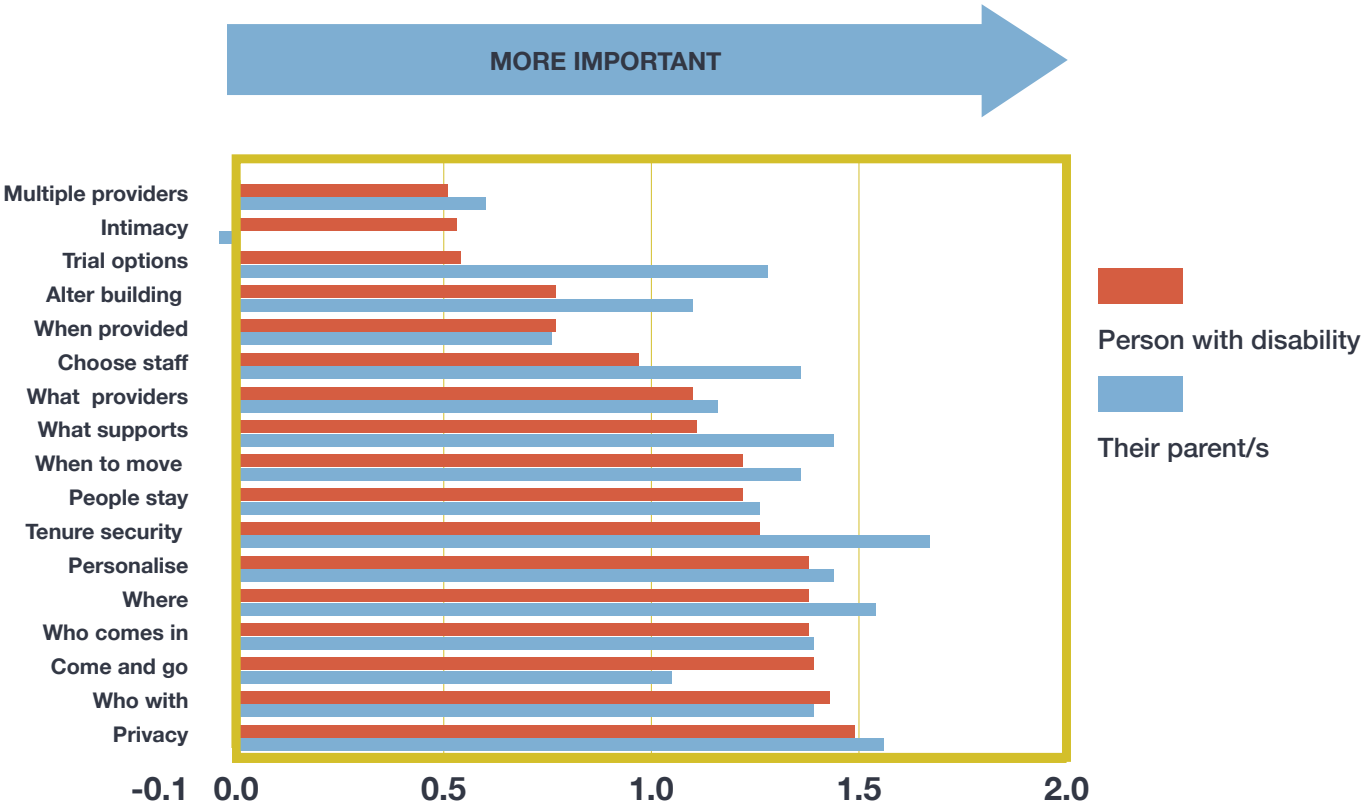
In broad terms – and unsurprisingly – the sample indicated that parents were more cautious about housing and associated supports than people with a disability.

The following charts have been published from data contained in that report.

Rights

To a large degree, there was a higher emphasis on privacy, deciding with whom they live, the capacity to com and go (more for people with disability than parents), deciding where they live, and their ability to personalise their home. Security of tenure was less important to people with disability, but the highest priority for parents. Similarly, parents also valued choice and trialling of support services.

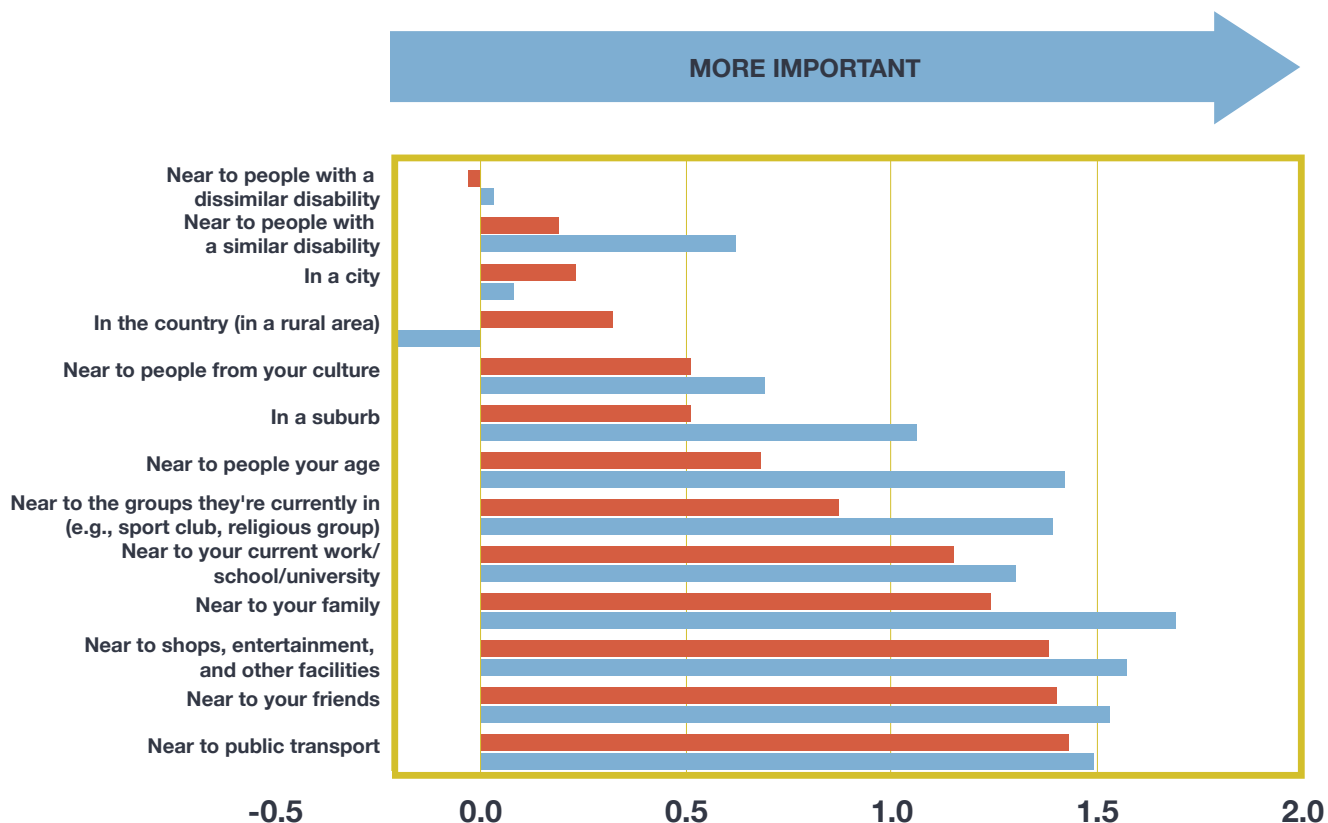
If you moved out of home, what rights would be most important to you?



Location

Location priorities broadly focused on being close to public transport, friends, work/school, shops and family (although the last was much higher for parents than for people with disability). Parents valued their children being near groups to which they belong, people their own age and people with a similar disability much higher than people with a disability themselves.

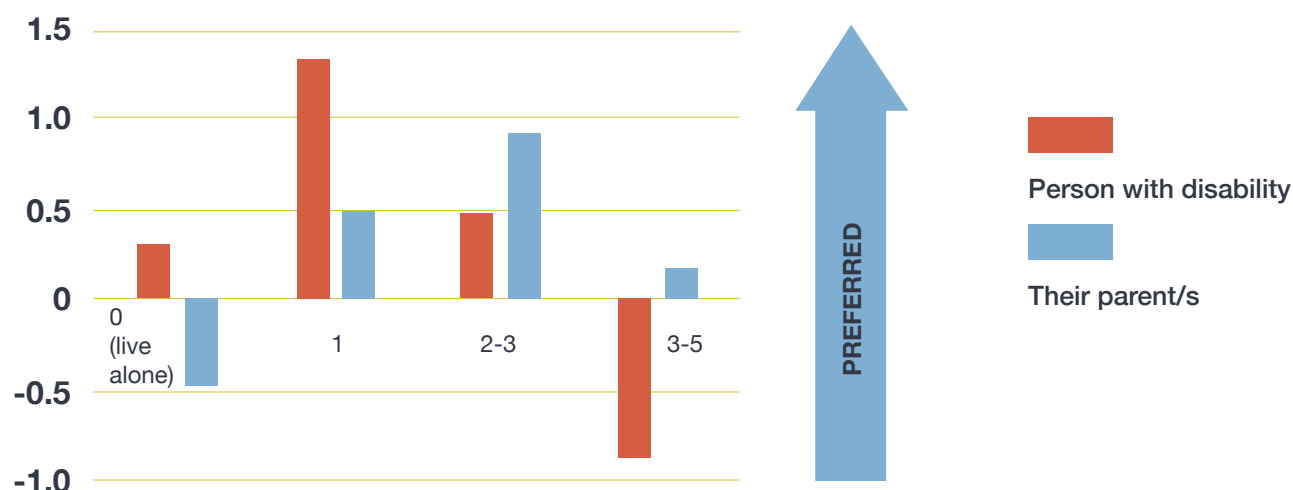
If you moved out of home, where would you live?



How Many to Live With

Given the continued dominance of group houses, it is interesting to note the strong preference expressed in the survey by people with disabilities to live alone or just with one or two others. They – and their parents – shared a dislike for the 5-10 person group houses, although parents were more accepting of 3-5 person group houses.

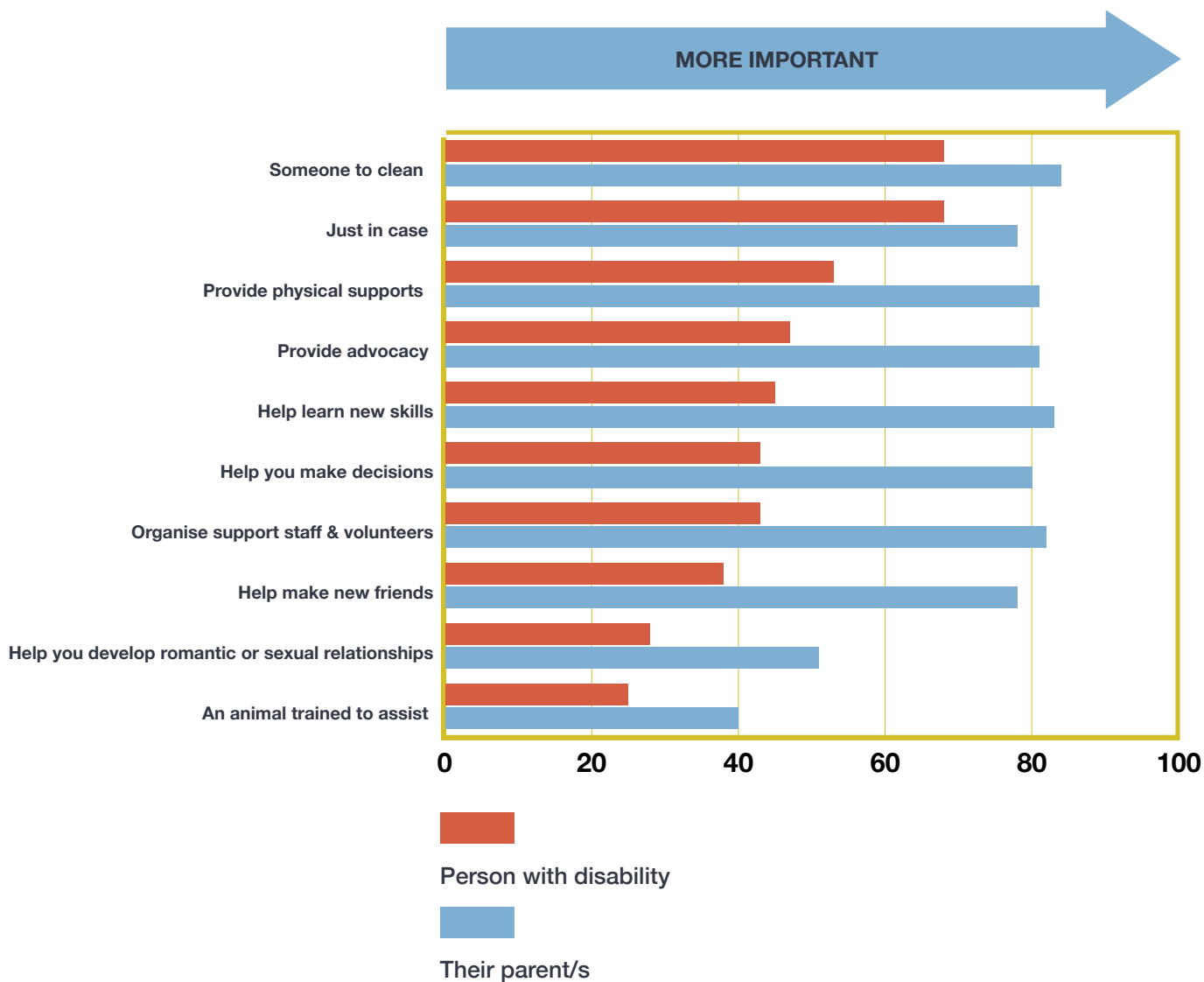
How Many People with Whom to Live?



Support Types

The parent survey respondents identified that more supports were needed across a broad range of categories. People with a disability did, however, identify a need for support 'just in case' and for someone to clean and take care of the property.

Kinds of Support Needs



CONCLUSION

There are clear long-term trends over many decades in housing and support for people with a disability. These need to be considered as we move from institutions to dispersed housing. These trends are occurring in different parts of the country at different rates. The move to consumer choice highlights the different aspirations of people with a disability and their parents. However, both share a strong preference for the individual to be near transport, friends, family, work and education in housing where they share with up to three others.







Chapter 6

HOUSING SEGMENTS FOR PEOPLE WITH DISABILITY

Key Points

- The 460,000 NDIS participants do live and will increasingly live in diverse settings
- There are a number of interrelated housing segments
- Very few people with a disability live in 'disability housing' such as Specialist Disability Accommodation (SDA)
- The NDIS will commercially and recurrently fund SDA for the top six per cent of highest need NDIS participants
- 94 per cent of NDIS participants will not get NDIS brick and mortar housing assistance (except for up to five per cent who may get home modifications on funding)

The diverse housing for NDIS participants can be placed in five interrelated housing segments:

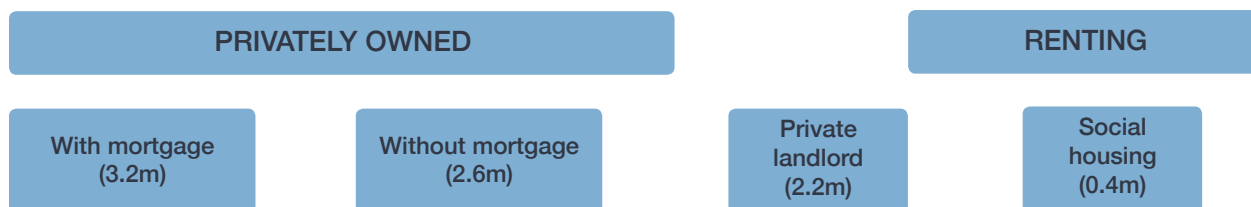
- Specialist Disability Accommodation (SDA)
- High Needs Non-SDA
- Social Housing
- Private Rental
- Private Market

Each segment attracts different government interventions and subsidies.

GOVERNMENT HOUSING ASSISTANCE

Across Australia, people live in a variety of tenures, with some receiving Commonwealth government assistance (Australian Institute of Health and Welfare, 2014, p. 2). The 8.6 million households in Australia predominantly live (apart from the 105,000 people who are homeless) in privately owned homes (although there is an increasing proportion who rent). Owners may or may not have mortgages, and renters may rent from the private sector or from social housing providers such as the government or community organisations.

Housing Tenures in Australia (Households)



- per million households

Government provides support through both financial assistance and funding of social housing (Australian Institute of Health and Welfare, 2014, p. 2). By far, the largest assistance is by way of Commonwealth Rental Assistance (CRA), which can be accessed by community housing tenants, but not public housing tenants.

Housing Assistance



- number of households

HOUSING SEGMENTS

Not all people with a disability – indeed, not even a large minority – live in purpose-built ‘disability housing’. The same will be true for the 460,000 NDIS participants around Australia who will live in diverse housing settings in several defined but interrelated segments. In part, access to and the diversity of housing has been constrained by a crisis-driven, rationed approach to support funding. Now, for the first time, adequate and portable support under the NDIS is feeding an explosion of demand for housing across all five segments.

These segments are, from highest cost and smallest numbers:

- SDA - High needs housing funded by the NDIS
- High Needs Non-SDA - housing for NDIS participants with high needs, but who cannot access NDIS housing funding
- Social Housing- which consists of public, community and affordable housing
- Private Rental
- Private Ownership including housing owned by NDIS participants and their families
- Each is interrelated, and demand will be displaced from one to another if not met.

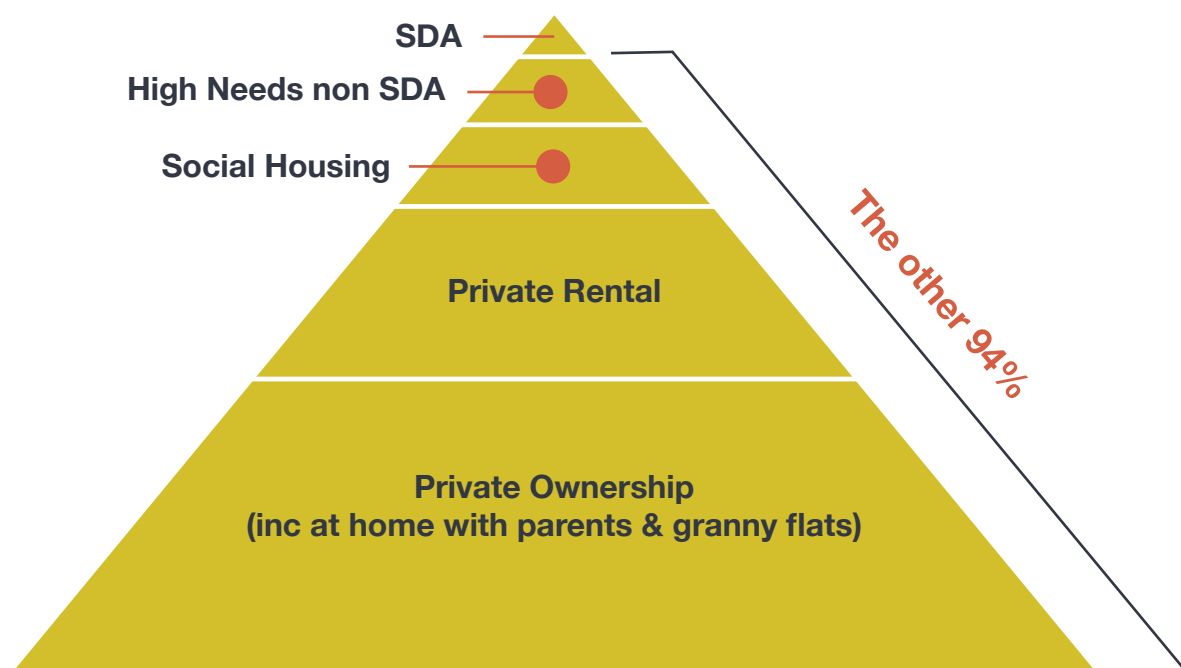
Typical of most diagrams of service need, these segments increase in numbers and diminish in support needs as they move down the pyramid of need. It is important to note that, due to a decision by the Council of Australian Government (COAG), the NDIS is only responsible for funding the SDA (the highest six per cent of NDIS participant needs) and home modifications. The responsibility for housing the balance (‘the Other 94%’) rests with federal/state/territory governments.

The AIHW Disability Support Services Report 2014–15 identified (Australian Institute of Health and Welfare (AIHW), 2016, p. 18) that of the 317,623 people who received disability support, most lived at home.

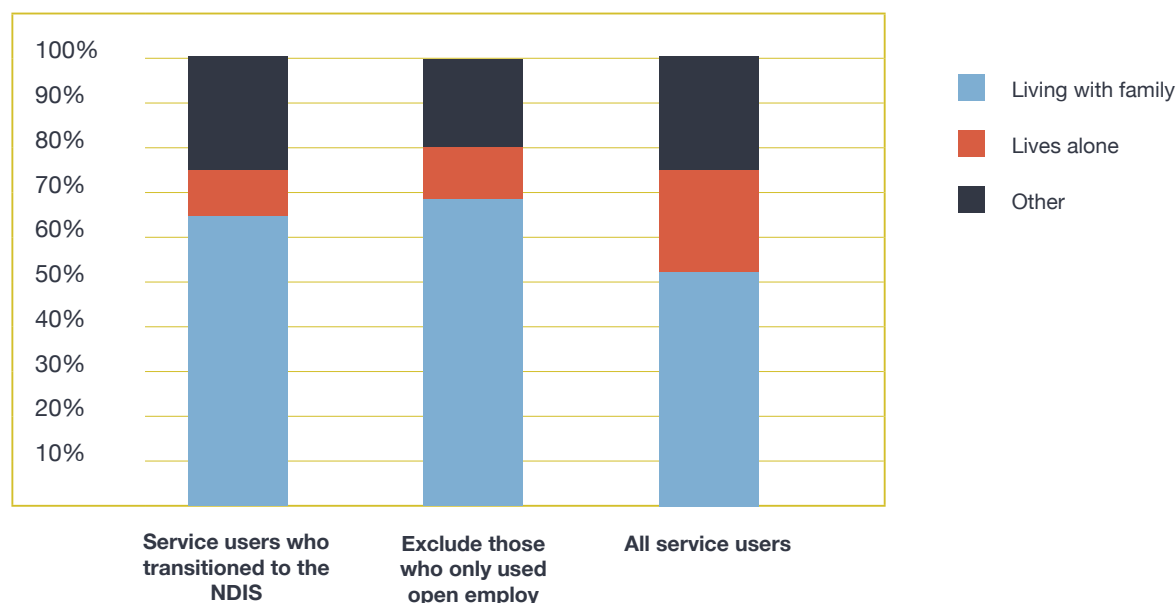
The majority (81%) of service users lived in a private residence. Other types of residential settings included domestic-scale supported living facilities, such as a group home (5%), boarding houses or private hotels (5%) and supported accommodation facilities (3%).

See Diagram 10.

10. Housing for People with a Disability Segments Triangle

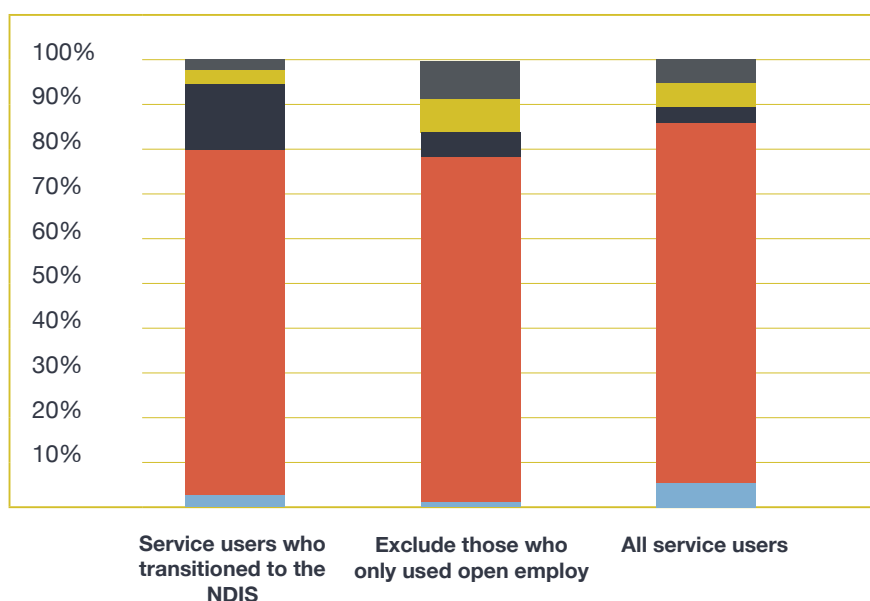


Living Arrangements of People receiving Disability Services in 2015/16



Two thirds of people who have transitioned to the NDIS – or are likely to – are currently living at home. This proportion declines markedly when people who use open employment are included.

Residential Setting of People Receiving Disability Services in 2015/16



	Service users who transitioned to the NDIS	Exclude those who only used open employ	All service users
Boarding House/Private Hotel	2%	9%	5%
Domestic Scale Supported Living	3%	8%	5%
Supported Accommodation	14%	5%	3%
Private Residence	77%	77%	80%
Other	3%	2%	7%

While most people who have transited to the NDIS are living at home, a high proportion live in supported accommodation facilities (e.g. hostels), supported residential services or facilities, with a smaller number living in a domestic-scale supported living facility (e.g. group home).

SPECIALIST DISABILITY ACCOMMODATION (SDA)

The first segment is Specialist Disability Accommodation (SDA), which is the NDIS-funded housing for the six per cent of NDIS participants with higher needs (see Chapter 8). By and large, SDA will replace the stock that was previously funded as Shared Supported Accommodation (SSA) and constitutes group houses for between three to eight people (often four or five occupants), typically with overnight support. Like most of the existing disability service system, SSA was largely targeted at people with an intellectual disability. In some parts of the country, large groups of future NDIS participants still live in larger hostels and institutions, with their relocation being a clear NDIS priority.

In most cases, government is the owner or at least funder of the stock and, typically, housing has been bundled with support in integrated models not consistent with the NDIS policy direction to separate housing and support directions. In many cases, the integration of housing and support was achieved by head leasing stock to NFP providers, often on a peppercorn lease. In most states and territories, governments have exited direct support provision or are in the process of doing so.

The group house stock is often quite old and sits on large, well-located sites. It is not unusual to have only four or five people accommodated on an 800 square metre block in regional or metropolitan areas. We are yet to see what sort of redevelopments the new SDA funding will drive.

HIGH NEEDS NON-SDA

The second and, in some ways, the most intriguing segment is High Needs Non-SDA housing. This is housing occupied by NDIS participants who may have funded support of more than \$100,000 per year for SIL services, but who are ineligible for SDA. While there are some property limitations imposed by SIL and some of the state/territory-based quality control systems, developers and operators are, by and large, free to do as they wish. Policies such as property standards, separation of housing and support, and choice of provider all place restrictions on occupants of SDA properties.

Existing models such as Boarding Houses (Consumer Affairs Victoria, 2018), Supported Residential Services in Victoria are likely to flourish, in part, because they will be NDIS-funded for support services that were previously funded by resident fees – a much smaller pool of funds.

Support providers have long recognised that appropriate housing may generate support efficiencies, helping them to retain their clients and attract new ones. In this environment, many support providers are identifying that some of those support efficiencies could be funnelled into housing.

SOCIAL HOUSING

Social housing is the broad term that includes crisis, transitional, public, community and affordable housing. It is a major provider of housing for people who have a disability. Indeed, forty per cent of social housing households in Australia (159,000 households) were people with a disability (Australian Institute of Health and Welfare, 2014, p. 37), and thirty per cent were in receipt of a Disability Support Pension (DSP) (Australian Institute of Health and Welfare (AIHW), 2014, p. Table 3.7). This proportion is likely to increase, as over half of new public housing tenants report a disability (Australian Institute of Health and Welfare (AIHW), 2014, p. Tab 4.2). From the above, it can be extrapolated that more than fifteen per cent of social housing properties will be occupied by at least one NDIS participant, with some households having more.

The impact of the NDIS on social housing and homeless agencies is diverse and may be profound. For homeless agencies, the NDIS will open new service and funding streams for many of their clients. For social housing providers, it will be more of a double-edged sword – providing more and better support for existing and new tenants, but also adding thousands to their waiting lists, often with a priority classification.

PRIVATE RENTAL

Like all housing segments, private rental is likely to increase substantially under the NDIS with the provision of portable and adequate support. In this context, we are likely to see an increase in brokerage, lead tenant and head lease programs.

Clearly, the availability of private rental for single people who are NDIS participants is very limited on affordability criteria. For example, in 2018, a snapshot by Anglicare indicated that only two properties were affordable to people on the Disability Support Pension (DSP) in the Greater Sydney and the Illawarra regions (Australia, 2018, p. Table 1). This is before considering the other two barriers to accessing and maintaining rental that may exist: physical accessibility and the need for enhanced management.

There are, however, a number of initiatives to help low income earners access the private rental market or Private Rental Brokerage Programs (PRBPs) across the country. They have been well documented in a 2016 Report (Tually, 2016):

“PRBPs are designed to assist low-income Australians to access and sustain private rental housing. They have emerged to help clients strengthen their relative position in a highly competitive marketplace. They work individually with clients to help them navigate the private rental market, through application processes and into accommodation. PRBPs represent the antithesis of a ‘one size fits all’ approach. Their work is facilitative: they act as brokers, mediators and, in some cases, managers in the rental relationship between property managers and clients. They work within the parameters set by the local rental market. The fundamental aim of brokerage activity is to locate, procure and ‘patch together’ a package of necessary supports to improve the shelter outcomes of vulnerable individuals and households seeking or occupying private rental housing.”

The report (Tually S. B., 2011) showed that stakeholders in the disability sector acknowledged the potential role that private rental had in accommodating their clients and felt that PRBPs were crucial to success. However, they were emphatic that more resources were needed for tenancy facilitation, in particular to fund:

- Agencies to provide and manage such assistance;
- The higher costs of private rental housing;
- Modifications to accommodation to meet the needs of tenants;
- The development of tenants’ independent living skills.

PRIVATE OWNERSHIP

Private ownership will include people living at home in family houses, as well as those living in their own (sometimes family-developed) housing and moveable units. This may also include the various mixed and shared equity models that have been developed for people with a disability over the years.

A comprehensive review of shared home ownership by people with disability (Wiesel I. B., 2017) identified four types of schemes:

- Transition to full or part home ownership for people with disability with moderate household incomes.
- Restricted-resale shared equity model where resale is restricted to maintain social investment.
- Licence models where a capital contribution is made but not recorded on title.
- A group mixed equity model such as that pioneered by Singletons in Victoria.

CONCLUSION

The 460,000 NDIS participants will live in increasingly diverse settings across the five segments of housing: SDA, High Needs Non-SDA, Social Housing, Private Rental and Private Market. Very few, around six per cent, will live in ‘disability housing’ such as Specialist Disability Accommodation (SDA).

Chapter 7

COMPONENTS OF HOUSING FOR PEOPLE WITH DISABILITY

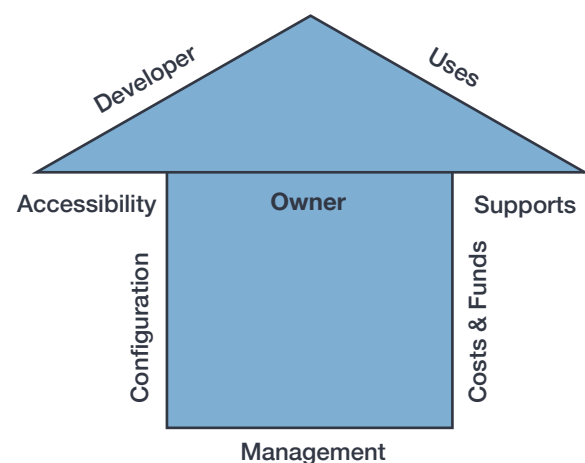
Key Points

- Every housing project for people with a disability has common and identifiable components
- Each component has several elements comprising options, often set along a continuum
- Most have examples already in existence
- NDIS housing development methodologies need to move from slow, small-scale 'heroic' projects to innovative, scalable models

All housing projects for people with a disability have the same identifiable components. Each component has a number of elements, comprising a variety of options often set along a continuum. The details of any project can be defined by the following questions:

- What Use(s) are there in the project?
- What numbers in what Configuration?
- What Supports are provided and what is the impact on the property?
- How Accessible are the dwellings?
- Who was the project Developer?
- Who is the Owner?
- What was the Cost and Funding arrangement?
- How is it Managed?

Components of Housing for People with Disability



USES

Any property project needs to define what the newly created spaces will be used for: commercial, i.e. offices or service areas, industrial such as a warehouse or residential. These choices are largely constrained by planning law and informed by demand. Service provision areas may become attractive to support services associated with the project – either as a mechanism to engage with the people housed or a reference to the origins of the site (often important when redeveloping NFP-owned sites.) Retail areas may similarly be used to pursue activities that are strictly commercial or may be part of a broader support strategy, such as an NDIS participant staffed cafe or nursery shop.

The mix of residential is broadly about who is housed (in what proportions) and under what circumstances. In the past, housing for people with disability has been exclusively been for people with disability, but this is changing. Today, it is much more common to see mixed developments, sometimes with other specialist target groups such as older people and/or affordable housing (housing provided at a discounted market rental) as well as private rental and ownership.

Finally, there is the question of commercial return and ongoing ownership. Some of the property developed may simply be sold or rented at a commercial rate as a funding mechanism. This is important, as the design and construction of property to be held over the long term may be significantly different from that to be sold.

In summary, the starting point of any property development is to decide how the newly created space is to be used or, indeed, sold. Where residential housing is developed and retained, it could be targeted at a range of cohorts, from people with disability to older people or, more generally, social or affordable housing.

CONFIGURATION

The history of deinstitutionalisation means that there is great caution (backed by considerable evidence) against aggregating people with a disability on one site. There is, however, always the pressure to deliver support efficiencies by aggregating. While this has typically been done under one roof (such as group houses), more recently, there have been moves (often supported by new technologies) to have people with a disability dispersed over a site.

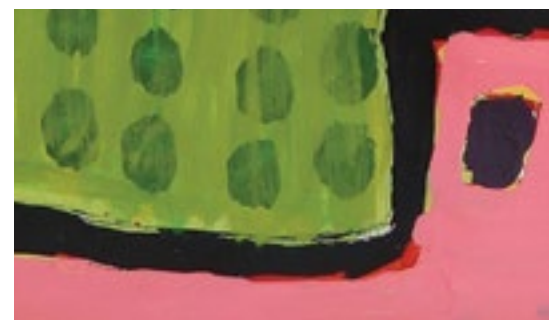
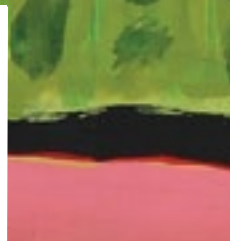
The question of ‘How many?’ raises the question of ‘Who?’ Is it people who are disadvantaged, people with a disability, people who are NDIS participants or people who may qualify for SDA?

Aggregations and Segregation

Deinstitutionalisation focused on breaking up the larger institutions, largely by creating new group houses. More recently, however, criticism has emerged of group houses becoming mini institutions, and the discussion has moved to how people relate outside their housing. NDIS is also heralding a diversity of options rather than the single-minded pursuit of the best option. In this context, it may be that people with disability choose a larger setting, particularly if it is located near a service hub that will allow them to access the services they need.

Best for Current and Future Occupants

It is important that housing facilitates the effective and efficient provision of support where possible, both now and in the future. This will require the property developer to consider what provisions can be made for support staffing and operating requirements (as a minimum) and what makes operational sense. Of course, this requires a deep understanding of who the residents are likely to be (and their support requirements), both on opening and over the lifetime of the housing.



SUPPORTS

The likely support needs of potential tenants can be translated into impact on the built environment through a series of questions such as:

- Are staff frequently doing administrative work, or do they need a technology hub, i.e. is there a need for dedicated secure workspace?
- Will there be overnight support, i.e. is there a need for a sleepover or overnight assistance room?
- How often do staff attend, i.e. is there a requirement for dedicated car spaces?
- Is the support individualised or collective, i.e. is there a requirement for a meeting place on site?
- Is there a possibility of occasional informal support, i.e. is an additional bedroom required?
- Will participants travel out regularly on a bus, i.e. is bus access required?
- How is technology used, i.e. does technology need to be installed to reduce the need for support or make it more efficient and effective?

Typically, support planners and service providers will seek to 'spec up' buildings to cater for any possible risk or contingency, as they do not carry the cost. The housing developer, therefore, needs to have a clear understanding of who is and is not the target group, a robust set of minimum specifications and a sophisticated understanding of what are reasonable enhancements. This can be supplemented by financial mechanisms which can use support efficiency savings to fund housing capital (which is not particularly easy).

The potential move to multiple providers could have a dramatic effect on how housing managers operate. In the past, support agencies – informally or through agreements like nomination rights and head-leases – have outsourced various property-related functions to support providers. The possibility of a change of support provider is causing that arrangement to be reassessed, often placing housing agencies in a more central role. Where there are multiple providers on site, the overarching responsibility for an issue like resident/provider conflict or OHS may sit with the housing agencies.

All this suggests that housing managers may need to add functions that will add cost to their operations. It is unclear if this will lead housing operators to extend into areas such support provision over time as a risk management mechanism.

Underutilised Spaces

It is important to distinguish between potential capacity (number of bedrooms) and optimum capacity (best number of people to be accommodated). It may be appropriate, for example, to leave a bedroom available for support staff (sometimes referred to as On-site Overnight Assistance [OOA]) or other uses.

It is worth noting that, in some social housing contexts, the Canadian National Occupancy Standard (CNOS) (Canada) identified that:

“While having spare bedrooms indicates a capacity to accommodate more people in reasonable comfort, it does not necessarily mean that dwellings are not being fully utilised. Households may put these ‘spare’ rooms to various uses.”

- Canadian National Occupancy Standard

For people with disability, there may be service demands generated by sharing that make it more cost efficient to hold a bedroom vacant. The higher cost of support will often make expenditure (or foregone revenue such as rent for a spare room) an attractive alternative. However, the separation of housing and support funding does work against this.



ACCESSIBILITY

Housing developers (and managers) should be keenly interested in housing for specific disabilities rather than just providing housing that is typically associated with a disability label. In particular, they need to consider what is the actual or likely consequence of the disability of the current or potential future occupant and how this will affect the person's capacity to access or sustain housing.

“Accessibility is often defined as solely physical access. However, if it is to address all of the barriers to housing for people with a disability, it should also include mechanisms that address cognitive impairment (the need for more robust management structures) and financial barriers.”

- A housing manger

Currently, many state and territories – as the major developers and funders of housing for people with disability – have their own, often very prescriptive standards and have associated fire risk management, such as Victoria's Capital Development (Victorian Department of Human Services [DHS] (now part Department of Health and Human Services), 2013). Typically, these additional features add size, robustness and complexity to a building, and also reduce its saleability at the highly modified end.

These standards will ultimately be repealed and replaced – at least for SDA – by the NDIS rules and regulations (see Chapter 7). These NDIS rules are built upon and expand those set down by Liveable Housing Australia (Livable Housing Australia, 2017).

DEVELOPMENT

Because they own the land, support organisations will often consider doing their own developments. However, housing developments require organisations to develop the project idea, assemble the resources and manage the risk – not typically the core business or competency of a support provider. When government was capital funding all or nearly all of the costs, the risks in such projects were relatively low, particularly when undertaken by a support provider in a project that combined housing and support. Now that the NDIS is commercially and recurrently funding SDA beds that only generate income when occupied, the complexity and risks associated with development have magnified markedly.

With this new open market, the development role can be undertaken by a diverse range of players, including government, support providers, housing providers, people with disability and their families, as well as private developers.

See Diagram 11.

Possible Developers

A property developer's objective is to secure a profit by developing and selling property. This equation becomes more complex when that property is being used to deliver support services to people with a disability. Inevitably, the building will influence the effectiveness and efficiency of support provision.

11. Possible Developers



For example, a separate living area may be useful in minimising conflict between residents, which will reduce support costs. Such additional expenditure may be perceived as unnecessary by the developer or owner.

This means that, in seeking to maximise the commercial return, developers must consider housing options that may affect support provision. This is, of course, added to for NFP developers who are likely to consider mission-related objectives as well.

Reasons to Do Housing Developments

Organisations (support or housing providers, private developers or NFPs) can, of course, all perform different roles in housing NDIS participants. These range from being the developer (with all of the associated risk), the ongoing owner



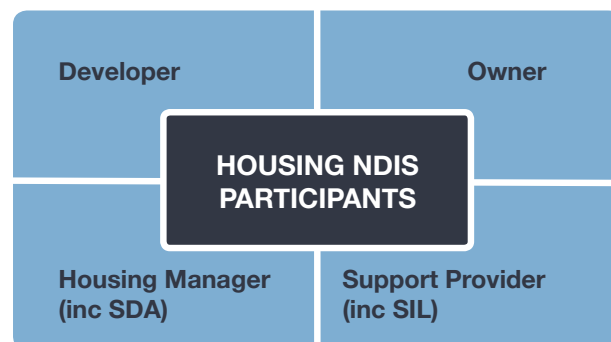
or housing manager (covering both tenancy and SDA compliance) or, finally, the support provider. Being both SIL provider and SDA manager requires separate management structures and Conflict of Interest (CoI) arrangements to be put in place during the transition. Dual roles are likely to be prohibited afterwards.

Possible Roles in Housing Support

As we've seen, there are multiple roles that can be played in housing development and provision, each with different challenges and opportunities.

Before an organisation commits to undertaking housing development – and especially if it is an NFP – it needs to ensure that:

- Such a development is consistent with their purpose and strategic intent;
- The project responds to an identified demand



with associated funding, not just a need that may exist in the community;

- The organisation has an appetite for risk and the mechanisms to manage them;
- The organisation has resources such as land and/or cash that can be devoted to such a project.

And, finally, they also need the expertise (which may be contracted in) to develop and deliver such a project.

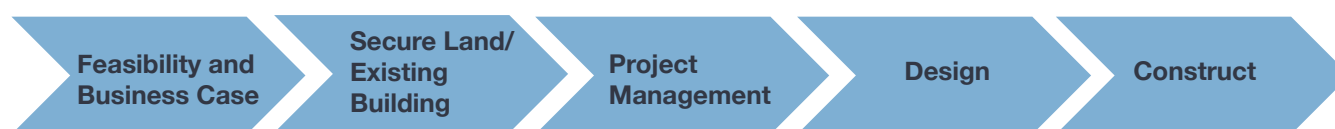
It is useful to examine the options for any developer (NFP Housing Agency or private developer) against the resource impact, risk, and financial and social returns.

NFP Housing Development Options

Option	Option	Resources	Risk	Financial Return	Social Return
Self-managed	Agency engages project manager, architect and builder and finances the project	HIGH	HIGH	HIGH	MEDIUM
NFP Housing Organisation	Project entered into with Housing Association who assumes ownership of land; provides access to social housing	MEDIUM	LOW	LOW	HIGH
With a Private Developer	Private developer contracted to deliver unit/cash in exchange for land	LOW	MEDIUM	MEDIUM	LOW

All housing projects go through a development process (albeit with more or lesser degrees of formality) consisting of several defined stages – commencing with concept development, followed by a feasibility analysis and then the more detailed business case. Securing the land is the point at which the first major financial commitment is made; for NFPs, this may simply be about re-allocating existing land (or, more likely, land and building) for redevelopment. Once the land or buildings are secured, a project manager is appointed, sometimes internally, but often as a contractor or consultant. The process of design and construction then commences with contracted architects and tendered builders.

Housing Development Process



It is a truism, but property development can only take place with access to land or buildings and a willingness to redevelop it/them. For NFPs, this can be complex, as they are typically risk-adverse and hold property secured over long periods through community activism and political processes.

“First rule of property development: Secure the land.”

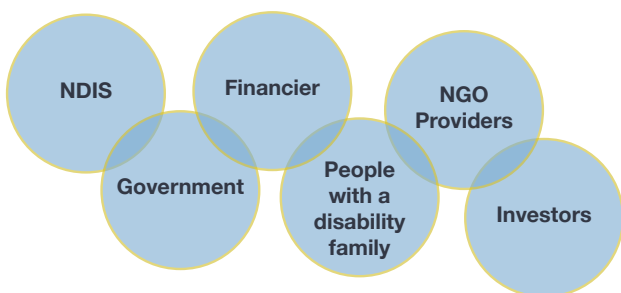
- Development Industry saying

FUNDING HOUSING DEVELOPMENTS

Funding the cost of a housing development is a simple but brutal equation. Enough funds must be secured to ensure that the project is completed and that adequate proceeds secured from sales cover the costs and, hopefully, deliver a profit. Most disasters (as opposed to sustainable losses or reduced profits) occur within housing developments when the cash runs out. This risk is heightened thanks to the development industry's highly cyclical demand and pricing.

The big question is, 'Where will the resources and funds come from to deliver the project?' As mentioned above, NFPs will typically already own land or buildings, providing a very valuable equity contribution – either for themselves, or for their developer partners.

This equity is supplemented by borrowings. Most lenders are concerned about vacancy and payment level risk as well as asset valuations and potential reputational damage if repossession is required. Meeting with a banker during the development process is a great reality check.



Potential Sources of Resources

As housing development becomes more diverse and funding becomes more challenging, sales are increasingly being used as a source of capital. Nomination rights – an existing favourite amongst some – have largely been devalued by the NDIS policy of choice of support provider. Sales do, of course, increase risk and expose developers (including NFPs and their government underwriters) to the wide fluctuations in the housing markets in projects that can take up to three years to get to market.

See Diagram 12.

Risk Management

Central to any activity, but especially important for property development, is risk management. This is a well-developed concept and methodology AS/NZS ISO 31000:2009 (Standards Australia/ Standards New Zealand Standard Committee,, 2009) where risk is managed by avoidance (to eliminate), reduction (to mitigate), transference (to outsource or insure) or retention (to accept and budget).

The preferred response of avoid/eliminate may not always be possible, financially or organisationally. In some cases, accepting the risk is the best solution.

The key areas of risk in a housing development for NDIS participants are government/policy, financial, operational and market. Obviously, these will be highly specific for each project and may change over time. The greatest risk is, by definition, uncertainty.

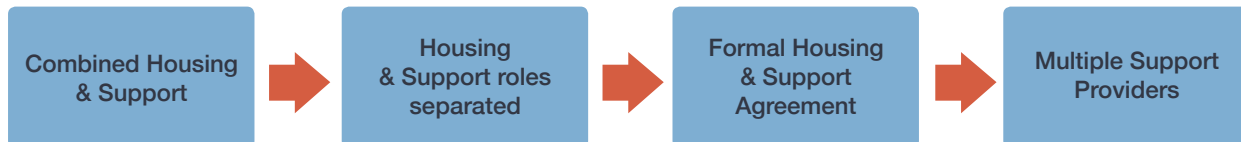
12. Options for Sales



MANAGEMENT

The management of housing for people with disability is in some ways the most important and least regarded aspect of housing for this cohort. Although now predominantly bundled with support provision, the NDIS policy and practice is to separate housing and support. This separation will initially be in function (i.e. potentially within one organisation, but with separate management and Conflict of Interest [CoI] agreements). Over time, the expectation is that the NDIA will require the functions of housing and support to be undertaken by entirely separate organisations.

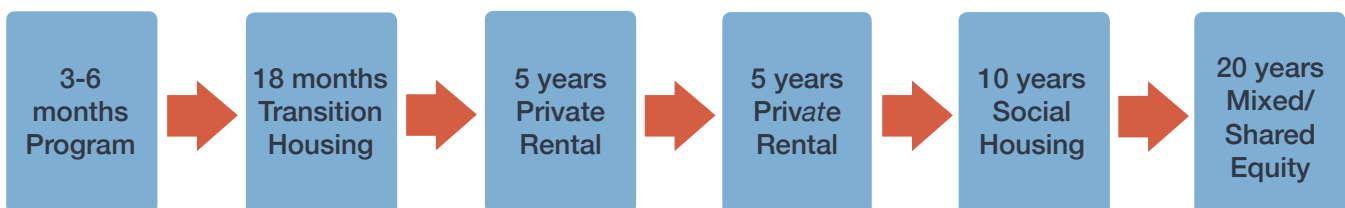
Housing and Support Separation



The management of housing (both tenancies and property) for people who require support has traditionally been provided either by a single provider for both housing and support, by head leasing of stock to support providers or via the exchange of formal nomination rights (i.e. the trading of access for support). Typically, people who require support require more (and higher cost) management and maintenance (with more expensive and more complex buildings). Currently, many of these costs are mitigated via the coordination provided by support providers and the separate maintenance budgets that they have typically provided and managed. Neither will be available under the NDIS.

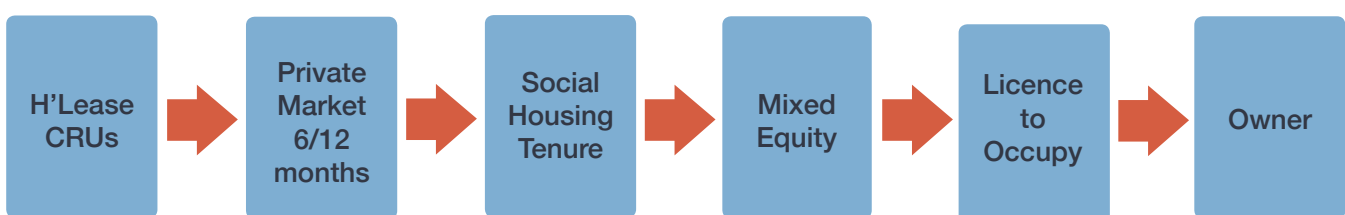
One central question is the nature of the tenure and its management. This extends beyond length to include security. Tenures are broadly defined around length and security dictated by legal frameworks – or the lack of them. Different people with disability may occupy properties under quite different arrangements, ranging from residency associated with a program right through to ownership. We know that security of tenure is about having a home – not staying in one property – and that long-term, but unstable, tenures are not good for outcomes. This underpins the NDIS's pursuit of 'home ownership like security'.

Residency Length by Tenure Type



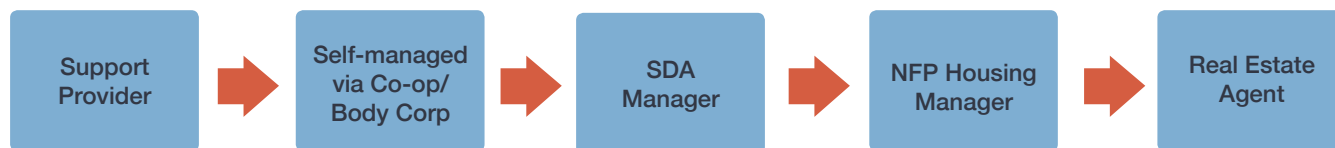
Security of tenure, however, is different from length of tenure; people can and often do live for a long period of time with insecure tenures.

Security of Tenure



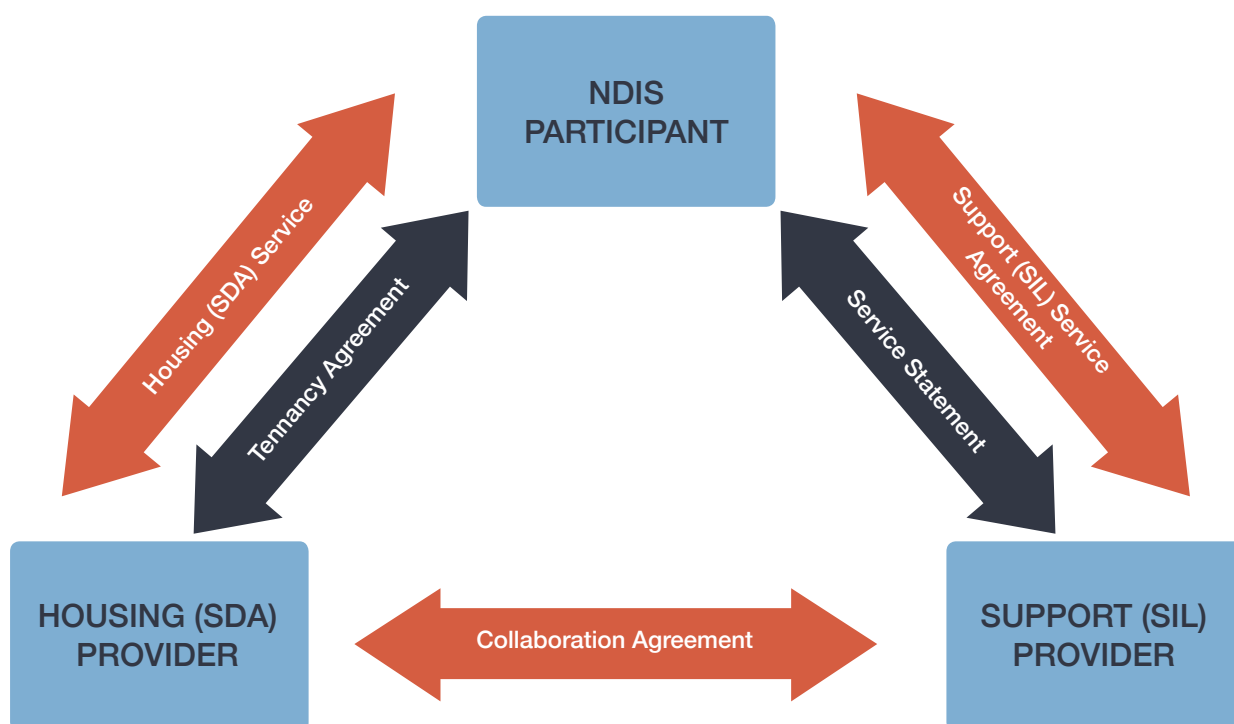
With the separation of the housing and support roles comes the question of who will manage the stock. Will we see, as happened under NRAS, the emergence of specialist NDIS housing managers?

Housing Management Options



The separation of housing and support is also complicating what was once a simple relationship between a combined support and housing provider and a client. Now there is a three-way relationship (NDIS participants, support provider and housing provider), all underpinned by agreements relating to both tenancy and services.

Housing and Support Relationships



CONCLUSION

Every housing development for people with disability has numerous key components: what uses; who is housed; how many and with what support requirements; in what configuration; and with what level of accessibility. Central to this is the question of who developed the project and how it was developed. Finally, there is the question of how the project is to be managed.

Before any support provider commences a property development – even if it owns the land – there does need to be considerable soul-searching about why it is undertaking this project and if it has the capacity and resources to deliver it.





Chapter 8

SPECIALIST DISABILITY ACCOMMODATION

Key Points

- Specialist Disability Accommodation (SDA) is NDIS-funded housing for the 6% with the highest need
- SDA funding is for new and existing properties of between \$4,500 to \$107,000 per person per annum
- SDA will fund five categories of design and four building types
- Many things about SDA are being refined and clarified during the transition period

Specialist Disability Accommodation (SDA) is the NDIS funding for housing (not support) for NDIS participants with the highest level of need – typically those who require overnight support. SDA often attracts the most interest even though it is only available to about six per cent of NDIS participants, as it is the area that will grow the most; is funded in a new way; is open to private developers and investors; is governed by new standards, policies and procedures; and is to be accessed in new ways.

All of this is happening at a time when some of the largest owners of the existing stock that is likely to become SDA are yet to clarify their future directions. The NDIS approach to SDA is informed by the current practice, but is focused on different, more commercial, directions that are not yet fully transparent and evolved. A curious aspect of the SDA subsidy arrangements is that the Agency, in 2018, defined the payment levels as price limits, i.e. a ceiling that could be negotiated up to by NDIS participants and that, further, it would consider deregulation when the market matures (National Disability Insurance Agency (NDIA), 2018, p. 7).

Supported Independent Living (SIL) – the support matched with (but extending beyond) SDA – includes personal care and other assistance to enable a participant to live in a secure, independent environment in the community. SIL incorporates assistance and/or supervising tasks of daily life in a shared living environment or another domicile of the participant's choice. This support category does not include rent or board or other living expenses such as food and social expenses as the NDIS is not intended to fund non-disability-related expenses.

SDA DEFINED

SDA is defined (National Disability Insurance Agency (NDIA), 2017, p. 4) as:

“Accommodation for people who require specialist housing solutions, including to assist with the delivery of supports that cater for their extreme functional impairment or very high support needs. SDA does not refer to the support services, but the homes in which these are delivered. SDA may, for example, have specialised designs for people with very high needs or a location or features that make it feasible to provide complex or costly supports for independent living.”

Currently, stock that will in the future be classified as SDA is called Support Accommodation (SSA) and consists largely of group houses, although it should be noted that there are a number of institutions that are in the process of being closed as the NDIS rolls out.

SDA DOCUMENTATION

SDA will, by and large, be framed by a series of key documents ranging from the high-level Foundation Documents such as the ‘Specialist Disability Accommodation Pricing and Payments Framework’ to the more operational Working Documents such as the ‘NDIS Price Guide Specialist Disability Accommodation 2017/18’ (National Disability Insurance Agency (NDIA), 2017). The NDIS is an entitlement scheme and will, to a significant extent, be defined by the appeals. The resolution of these appeals lies with the legal interpretation of NDIS legislation and rules rather than by a bureaucrat or, indeed, minister.

The key underpinning foundation documents for SDA are:

- ‘National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2016 - Legislative Instrument’ (Australian Government, 2016)
- ‘National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2016 - Explanatory Statement’ (Australian Government, 2016)
- ‘Specialist Disability Accommodation (SDA) Decision Paper on Pricing and Payments.’ (National Disability Insurance Agency (NDIA), 2016)

An early but superseded document – such as the ‘Position Paper Specialist Disability Accommodation on Draft Pricing and Payments’ (National Disability Insurance Agency (NDIA), 2016) – also provides useful detail information. (Note: The publication date can be very important, as updates have been provided in the past, which has led to some work being done with outdated documents.)



On a practical level, the working documents include:

- ‘NDIA Specialist Disability Accommodation (SDA) Guide to Suitability 10th April 2017’ (National Disability Insurance Agency (NDIA), 2017)
- In a broader sense, the ‘NDIA Provider Toolkit Module 3 Terms of Business 30 March 2017 inc. Specialist Disability Accommodation – Addendum to the Terms of Business for Registered Providers Updated 1 April 2017’ (National Disability Insurance Agency (NDIA), 2016)
- All, of course, are set within the broader ‘NDIA SDA Operational Guidelines (National Disability Insurance Agency (NDIA))’
- At a practical financial level, the most critical document is the regularly updated ‘NDIS Price Guide Specialist Disability Accommodation 2017/18’ (National Disability Insurance Agency (NDIA), 2017).
- All is premised on the individual property being enrolled, which is achieved through the completion of the ‘NDIA Dwelling Enrolment Form (SDA).’

- ‘Specialist Disability Accommodation Provider and Investor Brief’ (National Disability Insurance Agency (NDIA), 2018)

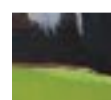
In mid 2018 the NDIA published the Quality and Safeguarding Quality Indicators for SDA (Australian Government, 2018, pp. in Part 8 – Module 5: SDA and Schedule 7) This documents a number of required outcomes with associated details:

- Rights and Responsibilities - Outcome: Each participant’s access to specialist disability accommodation dwellings is consistent with their legal and human rights and they are supported to exercise informed choice and control.

- Conflict of Interest - Outcome: Each participant’s right to exercise choice and control over other NDIS support provision is not limited by their choice of specialist disability accommodation dwelling.
- Service Agreements with Participants - Outcome: Each participant is supported to understand the terms and conditions that apply to their specialist disability accommodation dwelling and the associated service and/or tenancy agreements.
- Enrolment of SDA Properties - Outcome: Each participant’s specialist disability accommodation dwelling meets the requirements of the design type, category and other standards that were identified through the dwelling enrolment process.
- Tenancy Management - Outcome: Each participant accessing a specialist disability accommodation dwelling is able to exercise choice and control and is supported by effective tenancy management.

In individual states and territories, there is also a patchwork of legislation, policies and pro forma documents that inform practice. Many of these will exist only in the transition period (which is currently undefined). In the Victorian context, for example, it is useful to canvass DHHS (Disability) Policy, procedures and forms for the registration of National Disability Insurance Scheme disability service providers (Victorian Department of Health and Human Services, 2016).

As state and territories consider transition arrangements, they are necessarily reconsidering if and how they have a role in the future. The Victorian government is exploring its potential future role in relation to SDA through a process underpinned by the ‘Rights in Specialist Disability Accommodation Consultation Paper’ (Victorian Government, 2017).



To assist in the transition process, the Victorian government has published:

- ‘DHHS Offering Residency in Specialist Disability Accommodation Policy and Standards’ (Victorian Department of Health and Human Services, 2017).
- ‘DHHS Draft Disability Accommodation Collaboration Agreement between the SDA and Support Provider Sample agreements’ (Victorian Department of Health and Human Services, 2017).

The Victorian situation is made more complex because the current Victorian Disability Act places property responsibility onto the support providers through the so-called ‘Residential Statement.’

State and territory governments, who typically remain the dominant providers of SDA, are developing and publishing their own SDA agreements, often incorporating both tenancy and SDA service agreements. NSW has published examples of the relevant documents:

- Draft Service Agreement for Supported Independent Living under the National Disability Insurance Scheme (or Continuity of Support Program) (NSW Department of Family and Community Services (FACS), 2018)
- Sample Accommodation Agreement for Specialist Disability Accommodation under the National Disability Insurance Scheme (or Continuity of Support Program) (NSW Department of Family and Community Services (FACS), 2018)

SEPARATION OF HOUSING AND SUPPORT

The NDIS has proposed the separation of housing and support as part of a commitment to choice and control (Australian Government, 2013, p. Section 4). Consequently, under the NDIS, supported accommodation is split into two parts (SDA and SIL), each contracted and funded separately.

The policy is articulated in the ‘Specialist Disability Accommodation (SDA) Decision Paper on Pricing and Payments’ (National Disability Insurance Agency (NDIA), 2016, p. 6):

“The Agency expects SDA and SIL to be separable and ultimately separately provided. The Agency and States are currently examining the legislative and other requirements to enable the separation of SDA and SIL supports across all states and territories. The objective is that SDA providers will need to demonstrate meaningful separation of the functions delivering the two types of support in the same residence.

Subject to a review of jurisdictional legislative and other processes, the Agency expects that there will be a transition period in which:

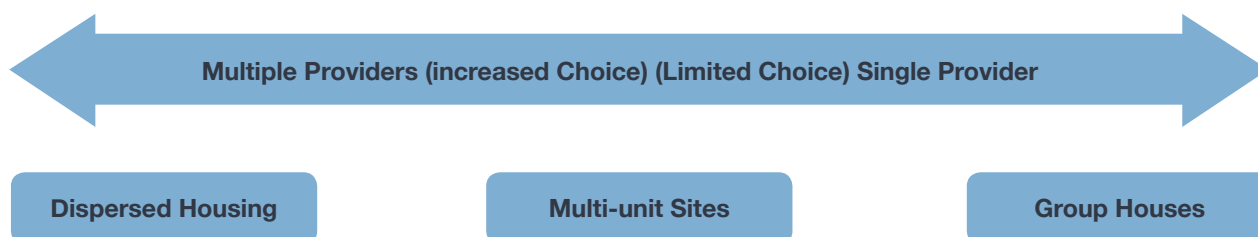
- 1. In cases where the SDA provider (or a related party) also provides SIL services to residents of the property they will need to provide participants with separated contracts (service agreements) for each service at no cost to the participant;***
- 2. Conflict of Interest (COI) provisions will be introduced to manage any real or perceived conflict of interest between SDA and SIL services. The active management of conflicts of interest are required to give clear effect to the participant’s rights as a resident of the house separately from the support services they receive.”***

A key part of the NDIS system development will be the development of the new SDA management rules and roles. SDA management will be built upon (but be different to) the current, separated SSA housing management. It will need to take into account the introduction of private owners, multi-provider sites and changed access and vacancy management arrangements.

CHOICE OF PROVIDER

The introduction of choice of support provider (or limited support provider tenure) will also change the housing and support provider relationship. Housing providers will need to become more engaged with tenants and potentially manage multiple support providers. There may be a site co-ordination/facilitating role emerging beyond the traditional housing management role.

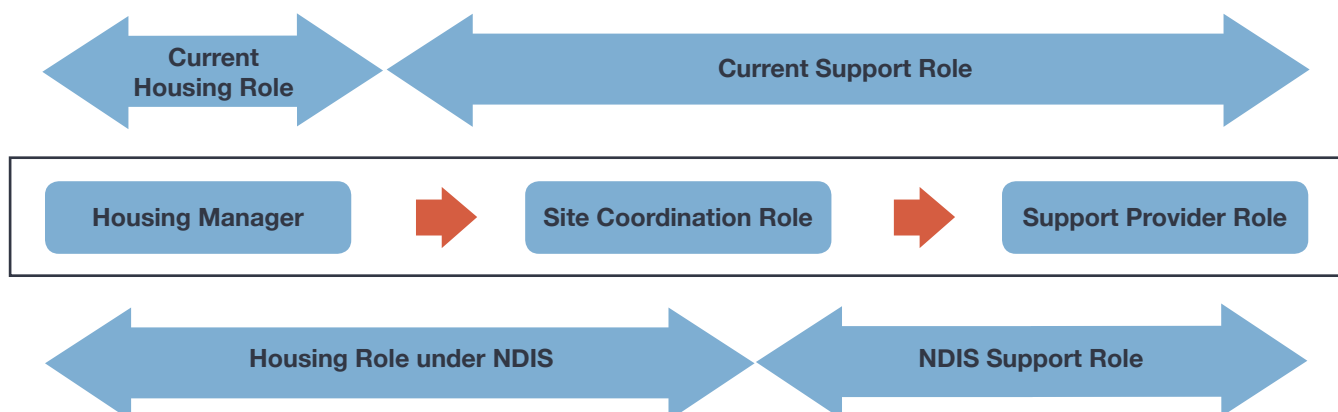
Application of Choice of Provider Policy



The development of multi-provider sites has been considered, and there seems to be an increasing acceptance that unfettered free choice by NDIS participants in shared dwellings was not a 'reasonable and necessary cost' and would not be approved by the NDIS in that setting. However, in dispersed housing, the aspiration of choice of provider seems to be more broadly accepted. In shared housing, regular collective decision-making may be acceptable – indeed required – due to SIL funding levels (which vary depending on whether it is for a single occupant or a number in shared accommodation).

These changes are likely to rebalance the roles of housing agencies who currently operate in partnership with support agencies, forcing housing managers to become far more engaged in support roles such as site access and coordination. There does, however, appear to be a walking back of the policy position by the NDIA with the Agency suggesting that SDA providers and investors partner with disability support organisations (National Disability Insurance Agency (NDIA), 2018, p. 3).

New Role between Housing and Support?



SDA DEMAND AND GROWTH

The national supply of SDA is projected to grow by about 14,000 people housed to a projected 28,000 SDA places (National Disability Insurance Agency (NDIA), 2017, p. 5). However, the Agency conceded that there is no cap on SDA and that the 6% is an estimate and may change over time (National Disability Insurance Agency (NDIA), 2018, p. 8). This will include an estimated growth rate from 500 per annum to 900 in 2019 and then declining below 500 in 2022.

See Diagram 13.

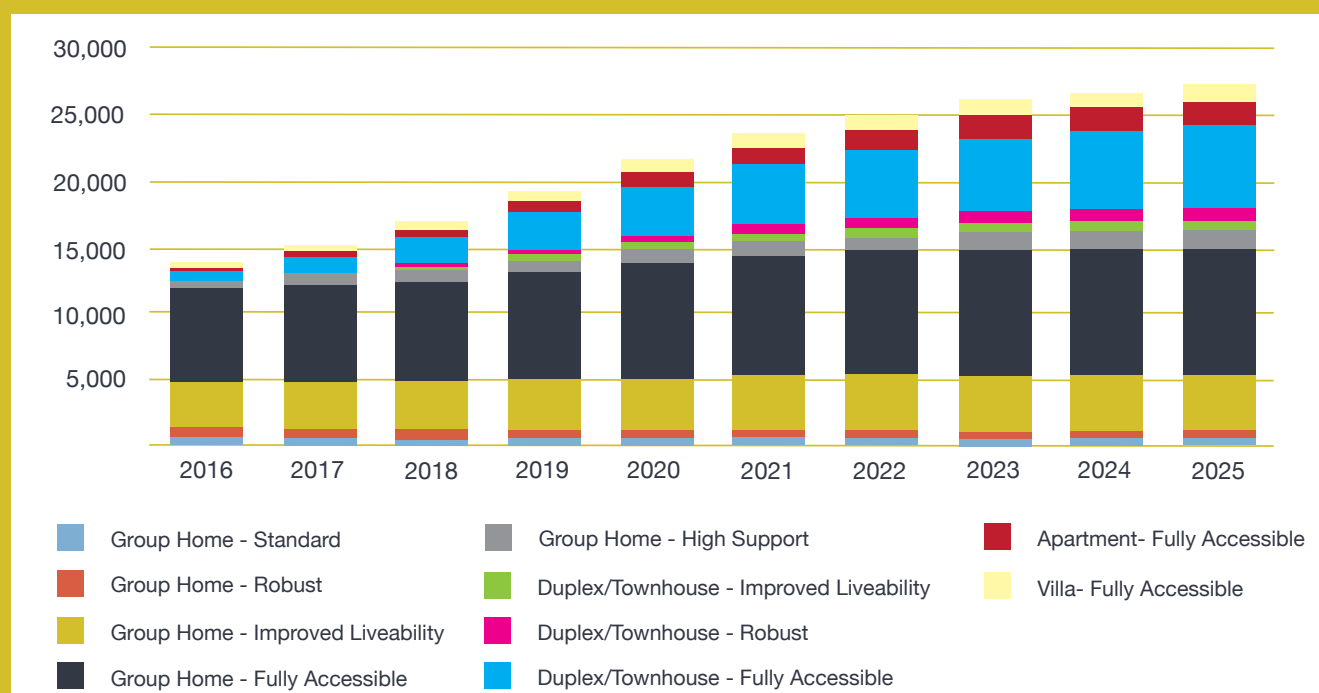
The demand for SDA is not easy to estimate, because the NDIS has moved away from state and territory defined catchments to a national marketplace with naturally occurring (but as yet undefined) sub-markets and catchments. Demand for SDA is broadly made up of people currently in SSA (including those who may not qualify for SDA if entering the system today, but who receive a 'continuation of support' access to SDA) plus people who are judged to be eligible for SDA. Summer Foundation have estimated (Planning, SGS Economics and Planning, 2018) that the unmet demand for SDA is some 33,000 places

more than the current estimate of 28,000, implying the required SDA growth may be 47,000 places, not 14,000. It can be expected that these people will be accommodated broadly in line with the general population, but with distortion caused by historical supply and effective advocacy as well as service aggregation and geographic land cost differences.

The amount of SDA growth in any catchment will, therefore, be the current supply less the reduction or elimination of stock due classification as legacy (some stock will have its capacity reduced to meet NDIS size requirements and avoid legacy classification).

- Filling this new supply will be people from a range of segments, including NDIS participants:
- Living in residential aged care (sometimes referred to as Young People in Nursing Homes [YPINHS]).
- At home with ageing carers.
- Living in short-term accommodation (including respite).
- In or exiting Child Protection.

13. Forecast Participants by Dwelling Type



For example, the number of people under 65 years in residential aged care in Australia was reported by the YPINH group (YPINH, n.d.) in 2010 as 1,528 (779 less than 60 years old, and 749 between 60 and 64 years old). Carers Victoria and Australian Institute of Family Studies identified (Lixia Qu, 2012, p. 4) that, in 2009, parents cared for some 236,000 people with a severe disability. Of this, 15.2% – or approximately 36,000 – were older than 24 years but less than 66 years old (with 3.5% between 45 and 65 years old).

While not all people eligible for SDA will actually access it, it seems there will be more than adequate demand for the proposed new supply in the medium term (five to ten years). How this translates into individual projects and catchments is unclear.

SDA CONTINUATION OF SUPPORT

A significant but undefined number of people living in existing SSA would not be eligible for SDA if assessed. The Agency has committed to their continued funding (noting, of course, that this new SDA funding is for existing housing that has, in the vast majority of cases, already been fully funded – mostly with government capital grants). The NDIA states that ‘.. participants are already residing in existing disability accommodation previously funded by a state or territory government. At the point they transition to the NDIS, the funding required to continue their current living arrangements will be included in their first NDIS plan.’ (National Disability Insurance Agency (NDIA), 2018, p. 10)

This does, however, leave the door open to what happens when an NDIS participant leaves a property. This may be because they choose another housing option, the property is being redeveloped or the landlord is seeking a tenant who will attract SDA. In this circumstance they ‘may require additional assessments in order to determine their eligibility and, if eligible, the appropriate level of SDA funding.’ (National Disability Insurance Agency (NDIA), 2018, p. 10)

SDA SHARING

Many NDIS participants have strong preference for sharing with few or no others, and the Agency is forecasting ‘smaller built forms (and shared on-site or nearby supports) rather than a perpetuation of group home settings with shared in-home supports.’ (National Disability Insurance Agency (NDIA), 2018, p. 9).

There is also a strong pushback against single resident dwellings in a clear demonstration of the balancing of ‘Choice and Control’ and ‘Reasonable and Necessary’. Indeed, the agency goes as far as to say that single resident dwellings will only be provided ‘to a very small number of SDA eligible participants.’ (National Disability Insurance Agency (NDIA), 2018, p. 9)

SDA HOUSING OPTION PLANNING

There is a requirement in the SDA rules (Australian Government, 2016, p. Section 3.2) for all who may be eligible for SDA to explore alternatives. Participants are required to have considered ‘the availability and likely effectiveness of suitable supports and pathways for the participant, either as an alternative to SDA or in combination with SDA, before considering whether the participant meets the SDA assessment criteria.’

Consequently, the NDIS has a requirement to formally explore other options. This is the origin of the now reframed Investigating Housing Solutions (IHS) function.

In 2018, the Agency affirmed the importance of planning (although not the program name): ‘A participant’s first NDIS plan may include funding for Support Coordination and Therapeutic Supports to allow assessments and exploration of suitable housing alternatives to be made. If it is demonstrated that SDA is the most appropriate option, SDA funding may then be included at the participant’s next plan review.’ (National Disability Insurance Agency (NDIA), 2018, p. 9)

SDA DESIGN AND PROPERTY RULES

The NDIS has developed their own set of standards or design categories formally defined in the SDA Rules (Australian Government, 2016, p. 4.3) that build on enhanced Liveable Housing Australia (LHA) requirements (Livable Housing Australia, 2017). It is important to note that the NDIS standards only apply to the SDA housing accommodation that the NDIS funds.

The LHA is a voluntary code that was, in turn, developed to provide affordable, scalable accessibility standards for both older people and people with a disability. The LHA has three tiers (Silver, Gold and Platinum) built around compliance with several elements.

SILVER LEVEL



Seven core liveable housing design elements.

Focuses on the key structural and spatial elements that are critical to ensuring future flexibility and adaptability.

GOLD LEVEL



Enhanced requirements for most of the core liveable housing design elements, plus more generous dimensions and additional elements in areas such as the kitchen and bedroom.

PLATINUM LEVEL

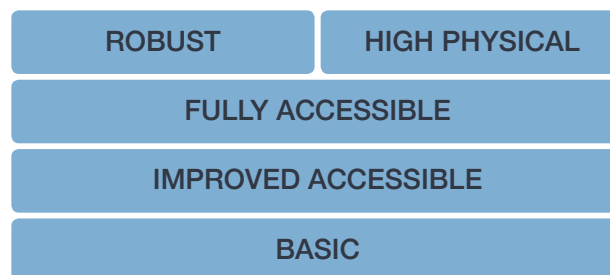


Further enhanced requirements for the core liveable housing design elements plus all 15 elements, with more generous dimensions and additional elements in the living room and flooring.

The NDIS has nominated five levels of accommodation design categories (National Disability Insurance Agency (NDIA), 2016, p. 13), ranging from a catch-all Basic (only for existing stock) to Improved Liveability, Fully Accessible, Robust and High Physical Support.

It is useful to consider the NDIS standards as a hierarchy with two peaks.

NDIS SDA Design Categories



- Basic (was originally Standard) Existing housing without specialised design features, but with other important SDA characteristics (e.g. location, privacy, shared supports).
- Improved Liveability Housing that has been specially designed to significantly improve the 'liveability' for participants with non-physical disabilities (e.g. improved wayfinding, clear lines of sight into other rooms for residents and staff, reduced sensory stimulation, room 'flow').
- Fully Accessible Allows full accessibility for participants with adjustments to improve liveability (e.g. appropriate height of windows and benches). This design is based on the Platinum standard for accommodation and Australian Standard 1428.1.
- Robust Construction Resilient but inconspicuous materials and features which minimise risk to the participant and the community, improve privacy and reduce maintenance costs (e.g. secure windows, doors and external areas, soundproof walls, unbreakable glass, appropriate strength walls, etc.) The room sizes are based on the Platinum standard for accommodation and Australian Standard 1428.1.
- High Support Needs Higher support needs (e.g. wider access and greater allowances for hoists and other equipment).

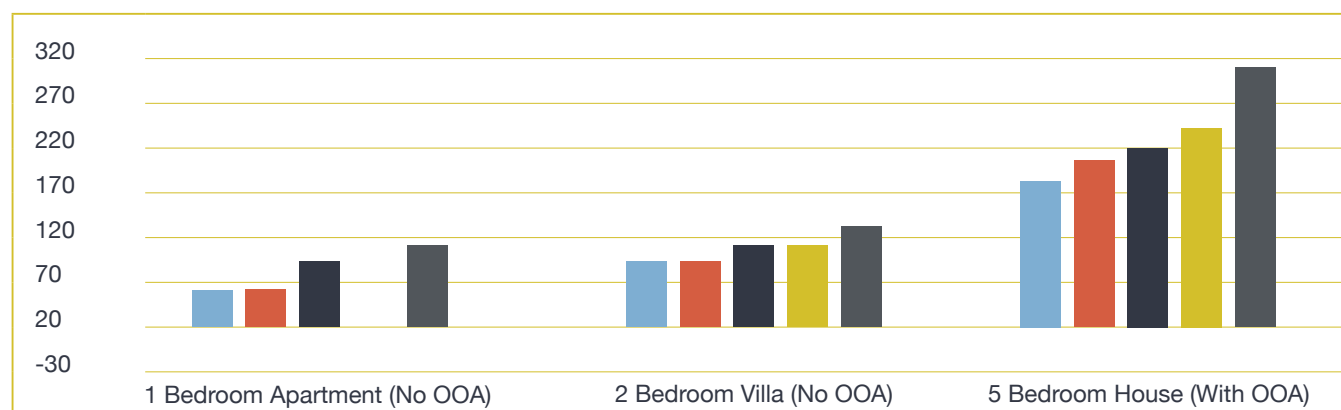
In a clear attempt to drive a more diversified set of housing options, four building types are also identified (National Disability Insurance Agency (NDIA), 2017, p. 13) being Apartment, Villa, Duplex/Townhouse, House and Group House. Consideration is given in the funding formula to the provision of on-site overnight assistance (OOA) and/or an additional breakout room. The subsidy levels are adjusted for geography and for additional features including sprinklers.

From mid-2018, the NDIS is committed to commissioning a limited number of third party assessors to assess SDA properties (National Disability Insurance Agency (NDIA), 2018, p. 11). This is being framed as a mechanism to provide additional certainty for providers and financiers.

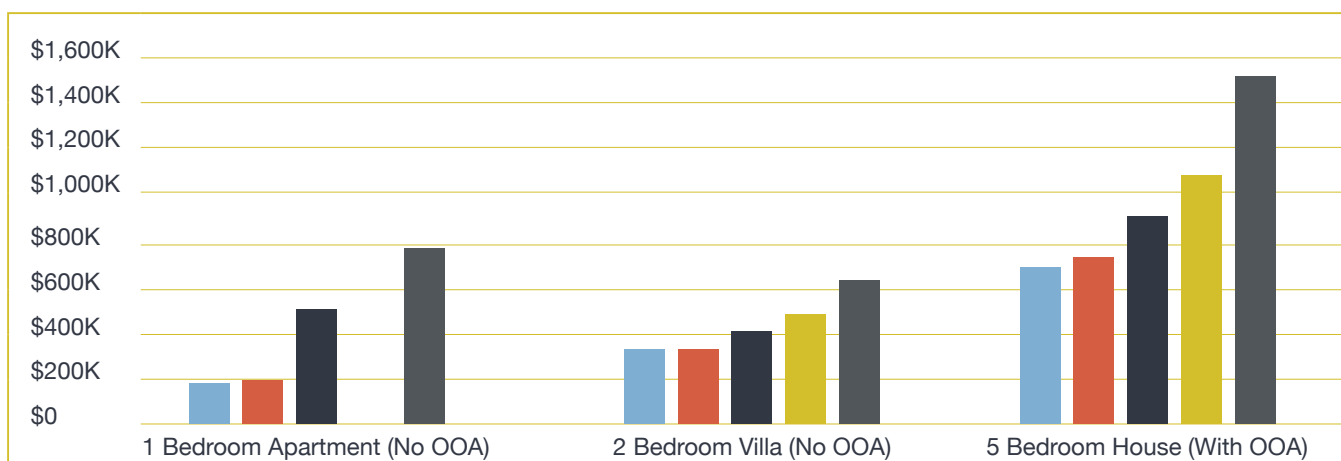
The NDIS has placed limits on the number of NDIS participants who can be accommodated on a single parcel of land. No more than five participants can be accommodated in a single SDA dwelling. Where participants are accommodated in one- and two-bedroom units, no more than fifteen can be accommodated on one site, and only ten if in larger units. There are concessions for larger developments and an exception for intentional communities. Non-compliant 'legacy' properties will be funded for a fixed lesser term.

In a practical sense, each of the requirements adds size and cost. Helpfully, the NDIA (National Disability Insurance Agency (NDIA), 2016, p. 50), in an early draft paper, included some estimates of size (it is worth noting that these are considered by some to be too small) and costs (thought by some to be too high). However, the trend lines are useful.

Estimated SDA Sizes (square metres)



SDA Cost (\$'000s)



PAYMENT OF SDA

The SDA subsidy, which is recurrent and only paid when the bed is occupied, has been structured to attract commercial investment while eliminating the need for NDIS to fund unused capacity (National Disability Insurance Agency (NDIA), 2017). There is also a 'Reasonable Rental Contribution (RRC)' that can be collected on top of this. The RRC has been set (National Disability Insurance Agency (NDIA), 2017, p. 21) on a similar basis to social housing rental, i.e. at 25% of Disability Support Pension (DSP) plus all Commonwealth Rental Assistance (CRA). This return was framed to be highly attractive to commercial investors. However, the relationship between housing and support and some of the arrangements – such as SDA rates being reset every four years and payments not being made when a room is vacant – signals risks to investors and owners.

SDA Payment Checklist

PROPERTY ENROLLED	• SDA property meets NDIS standards
MEETS STATE STANDARDS	• Property meets State/Territory set via SIL
SDA MANAGER REGISTERED	• Managed by registered NDIS Provider
SDA IN PLAN	• NDIS Participant has SDA in their PLAN
SDA OCCUPIED	• Participant occupying SDA property

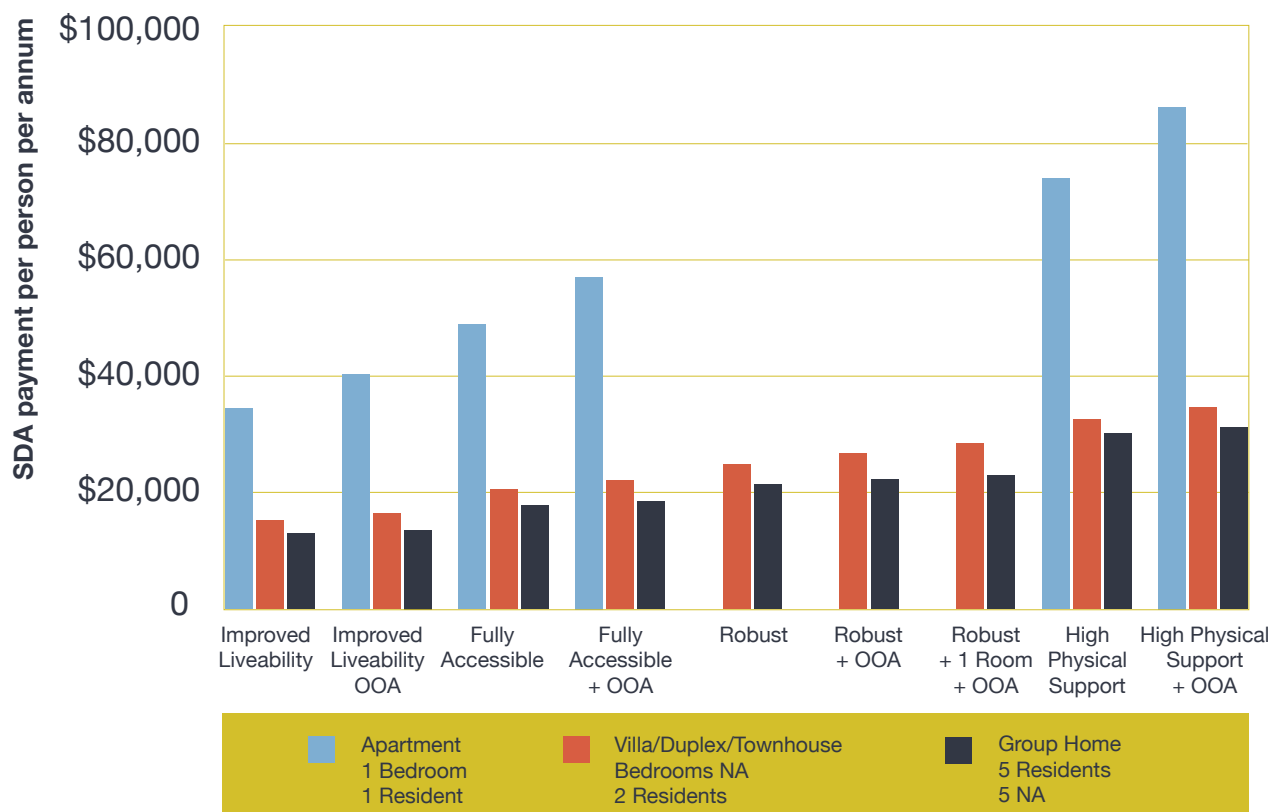
In 2018, the NDIA commissioned a company to review the SDA to consider the lack of market response to its launch or market failure. Many see this review as an opportunity for a major overhaul of the SDA arrangements, i.e. a 'SDA Reset'.

As noted above, the largest of owners (and funder where the stock is in NFP hands) of existing stock likely to become SDA are the state and territory governments. In many cases, government will own more than half of the stock and will have an equity interest in some form in most of the rest. Some of the funds used by the state and territory governments came from Commonwealth Disability funds and, in later years, from Commonwealth Housing funds. There is a broad lack of clarity about the possibilities and the intent for this stock, although there has been some interest in the transfer of government-owned social housing stock to the registered NFP housing providers. In only some cases, however, title transfer (with associated redevelopment potential) is being considered.

It should be noted that the NDIS will deduct an assumed market rental for property head-leased from government at peppercorn rates to Non-Government Organisations (NGOs). This will act as a mechanism for state/territory governments (which, by and large, are the largest owners of stock that will become SDA) to secure a return on previous grant-funded housing in the form of 'in kind' reductions in their required NDIS contribution. Without an understanding of the methodology to be used, it is unclear how significant this will be.

To give some sense of the amount of SDA subsidy, it is instructive to note that, while someone in a group home may only receive approximately \$13,000 per annum (National Disability Insurance Agency (NDIA), 2017, p. 20), in an SDA subsidy the value of base subsidy can be as high as \$107,000 per annum for a high support needs two-bedroom apartment with an On-site Overnight Assistance (OOA).

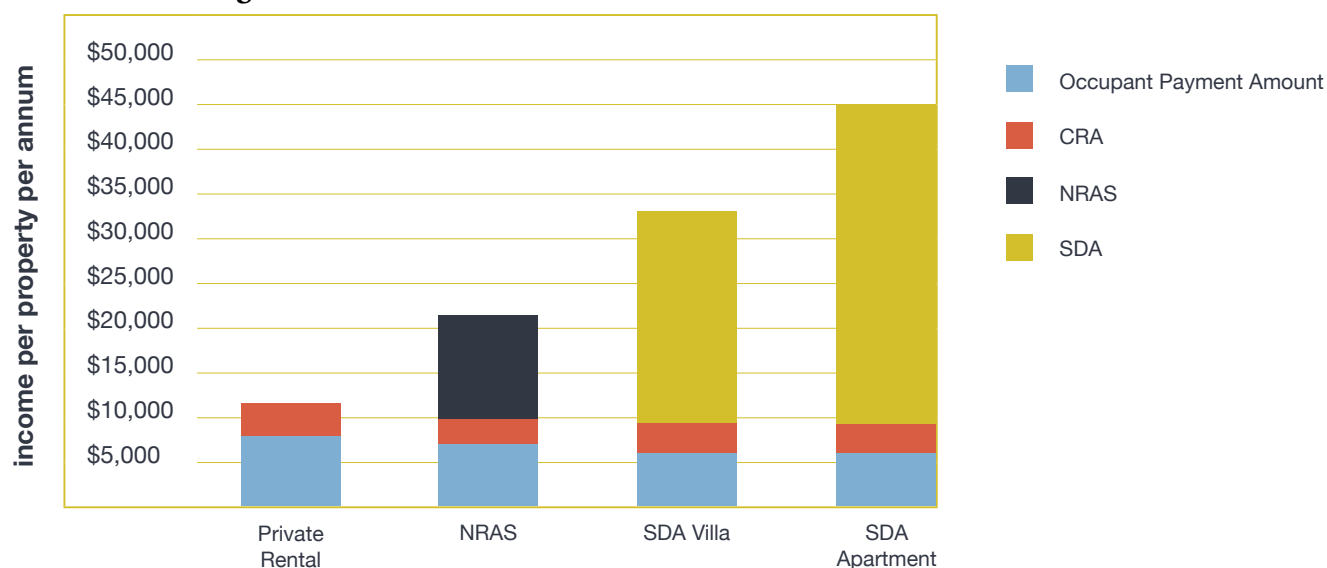
SDA Base Subsidy per annum 2017/18



When considering the likely viability of the SDA subsidy arrangements, it is worth looking at another federal government recurrently funded housing scheme, the National Rental Affordable Scheme (NRAS). NRAS provides a recurrent subsidy over ten years to generate new housing that is rented to eligible low and moderate income households at a rate that is at least twenty per cent below prevailing market rates. That payment is now slightly over \$11,000 per dwelling (Australian Government, 2016), and some 30,000 dwellings have been funded.

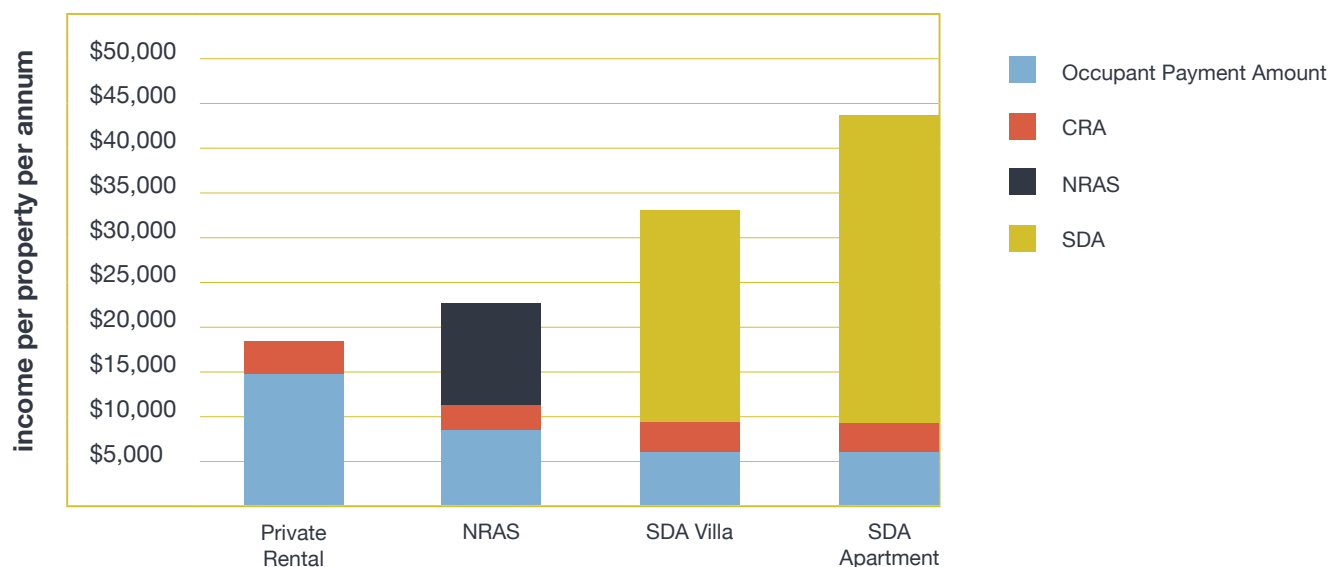
The comparison between NRAS and SDA (noting that SDA has higher construction and management costs, but that expected investment yields have probably declined since NRAS was established) reveals that SDA is less than NRAS for the occupancy level preferred by people with disability (one person per dwelling) except for regional villas. Because of the NRAS rent limit (80% of market rental), it is typically significantly less than the SDA Reasonable Rental Contribution (RRC).

SDA vs NRAS Regional Area in Victoria



The numbers are similar but less extreme when we consider metropolitan areas.

SDA vs NRAS Metropolitan Area in Victoria



As a recurrent funding model, it does draw on other housing schemes with the vacancy risk loaded onto the developer and housing manager. Early reports indicate that the funding levels for most segments are commercially viable, but that the relationships (by and large defined by commercial risk and return) between developers, housing managers and support providers are as yet undefined. There does appear to be a potential for a mismatch between who carries the vacancy risk, who gets the return for properties when filled and the best outcomes for the people being housed.

SDA ACCESS

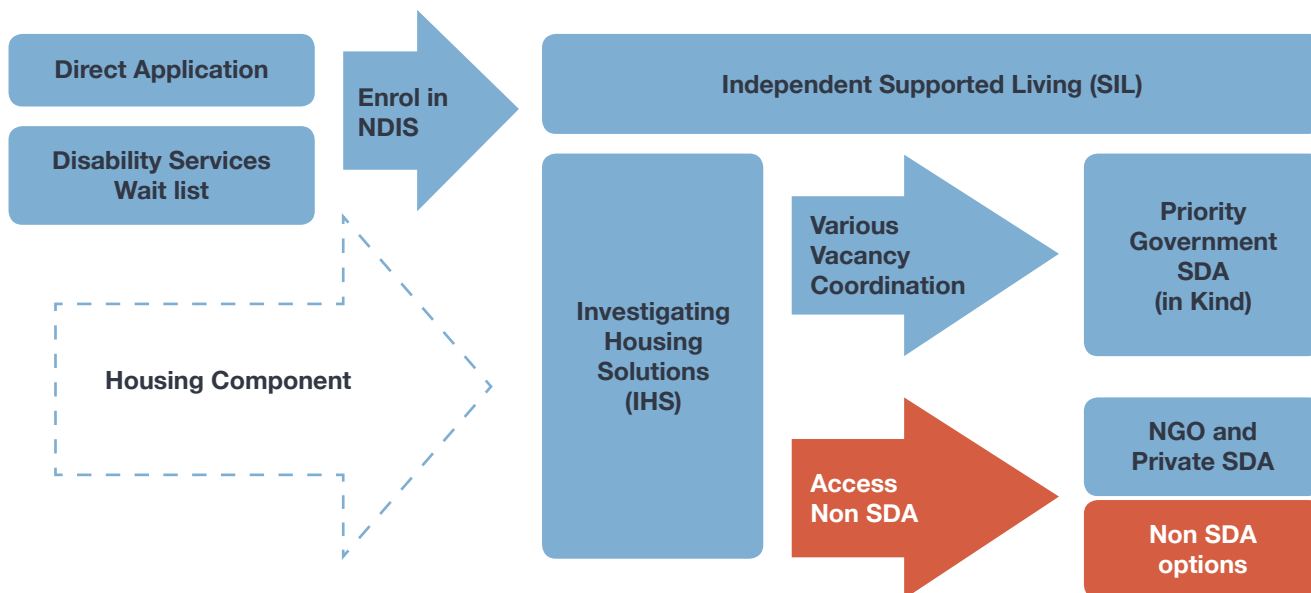
Access to Shared Supported Accommodation (SSA) in the past was difficult, but not complex, because housing and support were combined and there were relatively few vacancies. Usually, there was a waiting list with the capacity to prioritise people in crisis, and it often included placing people in short-term or crisis accommodation.

Current Shared Supported Accommodation (SSA) Access



Under the NDIS, access to SDA becomes much more complex (in part because the level of disability to access SDA can be higher than the previous benchmark for SSA). That is, not everyone who gets access to Supported Independent Living (SIL) will get Specialist Disability Accommodation (SDA). There is also the requirement to have explored alternative housing options before accessing SDA.

SDA and SIL Access under NDIS



CONCLUSION

There is a stated policy intent and funds available to grow the SDA from 14,000 to 28,000 people housed, which represents extraordinary growth. The new landscape is built around commercial and recurrent funding for private investors and the transition of the existing stock – all premised on the separation of housing and support. Only practice will bring clarity to how this will work (and not work).





Chapter 9

THE WAY FORWARD

Key Points

- Organisations need to seek and spread understanding about both the NDIS and housing
- NDIS is such a profound change that organisations have to address it at a governance level, focusing on mission
- A three-step process helps organisations ask the right questions about NDIS and housing:
 - What is our balance of effort?
 - What segment do we wish to focus on?
 - What roles do we wish to play?

Answering the question of ‘What should we do?’ in the face of so much housing opportunity (and challenge) is daunting. It is made more complex if the agency is a support provider and, further, if it is a Not-for-Profit. Critically, in these uncertain times, the journey is as much about seeking answers as securing them (given that many are, as yet, unanswerable).

A multi-step approach is proposed in this chapter starting with deciding on the rationale for being involved:

- What is the desired balance of mission (housing those in need), money (making a return on an investment), support impact (improving support efficiency)?
- Which housing segment(s) are to be targeted?
- What housing role(s) are to be played?
- What will the housing project look like and what housing project components need to be chosen?

Step 1: Choose the Balance of effort

Housing development is a relatively simple (but at times difficult) process for private developers. They typically need to deliver and sell housing over a number of years in a changing market. Occasionally, they will continue to own the property, but at this point their role becomes that of an owner or investor, not a developer.

For support providers, the housing development may be part of a strategy to improve support services or attract customers – all of which is occurring in the turbulence of the NDIS rollout. Finally, NFPs may be seeking to house a group that would otherwise miss out. It is therefore important to seek a viable and sustainable balance of these sometimes-conflicting objectives. It is critically important that the high-level directions are understood and agreed with the leadership group of the organisation.



Reasons to do Housing Developments

Broadly speaking, profit in housing developments can be maximised by either reducing cost or increasing price. This is premised, of course, on the appropriate product being delivered to the marketplace as quickly as possible. Delay and complexity both increases cost and adds risk to what is already a risky process. The housing product produced by a profit-focused property developer is therefore likely to be targeted to an area of high demand with a modest, flexible product that is easily delivered. It is only where there are pre-commitments that a developer would be more inclined to produce the specialised housing that is often required to house people with disability.

The planned commercial return for property development is often twenty to thirty per cent. This is significant, but also reflective of risks such as acquiring the land, securing the appropriate planning permits and lining up finance. Land ownership mitigates these risks by both reducing the holding costs (and, if used for something else, perhaps eliminating it altogether). Furthermore, when the land is used as equity, this reduces borrowing requirements – both the debt amount and cost. Partnering with a landowner in the development process (particularly one who may wish to own some of the housing produced) is therefore very attractive to a private developer.

- For support providers, the questions are:
- What role does and can housing play in attracting or keeping customers?
- How does housing affect the efficiencies and effectiveness of support?
- Do support providers benefit from these gains?
- How can housing-related support efficiency gains be converted into resources to support better housing?

The housing developed with support in mind will often be designed for long-term ownership by the support provider, have a level of specialisation to match client and staffing requirements, and may have a plethora of units aggregated in a single location to provide service efficiencies. Where an NFP houses people with disability for 'Mission Purpose', these are people likely to have been excluded from the market by one or more of the three barriers to accessibility (physical disability, cognitive impairment and/or financial hardship). From a housing point of view, the first is overcome relatively simply by NFP ownership; the second by modifications to the building; and the third by enhanced management structures.

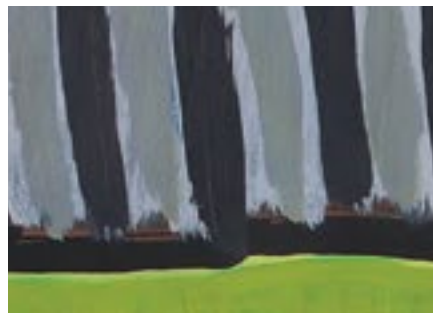
Even a single focus on profit-driven private development is complex. Adding requirements about support provision and housing people who are missing out adds layers of complexity and potential confusion into the project development and delivery process.

Scoring is one way to test the balance of these sometime contradictory objectives. For example, individual leaders of an organisation could allocate nine points amongst the three objectives. In reality, the objectives are never as clear as this and do indeed often overlap. However, seeking an absolute measure will both add clarity to the objective and bring to light different stakeholder views.

Step 2: Decide which Housing Segment(s)

The next step is to consider which housing segment(s) (defined in Chapter 6: Housing for People with a Disability Segments) are to be targeted. The interrelated segments to be considered are SDA, High Needs SDA, social housing, private rental and private ownership. Each has their own financial drivers, ranging from the high needs commercially and recurrently funded SDA, the undeveloped High Needs SDA, the redevelopment opportunities of stock transfers in social housing, the emerging head leasing and lead tenant models in the private market, and the quickly growing family-funded housing segment.

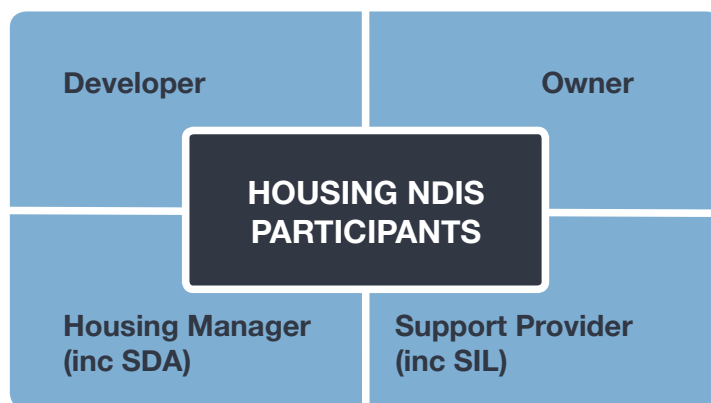
One of the more interesting aspects of the different housing segments is that the housing is to some extent the same, but with different ownership structures. The stock differences are largely created by the increasing or different support needs of the people with a disability they are targeting. Hence, it would be possible to develop a mix of housing stock that could be used as SDA, High Needs Non-SDA, social housing, private rental or private ownership. The first group (SDA) would be NDIS-funded, the second (High Needs Non-SDA) funded by support providers, the third (social housing) with Commonwealth and state/territory housing funds and the last two (private rental and private ownership) through the private market – all of which argues very strongly for housing projects that straddle a range of segments and incorporate different funding and financial mechanisms.



Step 3: Decide which Role(s)

Once an organisation has decided what segment(s) to target, the question becomes, ‘Which roles should it perform?’ Remember that being both a SIL provider and SDA manager requires separate management structures and Conflict of Interest (CoI) arrangements in place during the transition.

Possible Roles in Housing and Support



What we end up with is matrix of roles that the organisation may seek to play in individual housing market segments.

	SDA	Non-SDA	Housing	Rental	Owner
Housing Options Planner					
Developer					
Owner					
Housing Manager					
Support Provider					

Housing Roles and Segments

At a time when the NDIS is throwing everything into the air, it is worth considering what organisations do themselves and what partnerships they should be forming. What is their place in this new world of value chains? A value chain was defined by Michael Porter (Porter, 1985) as:

“The idea of the value chain is based on the process view of organizations, the idea of seeing a manufacturing (or service) organization as a system, made up of subsystems each with inputs, transformation processes and outputs. Inputs, transformation processes, and outputs involve the acquisition and consumption of resources – money, labour, materials, equipment, buildings, land, administration and management. How value chain activities are carried out determines costs and affects profits.”

- Michael Porter

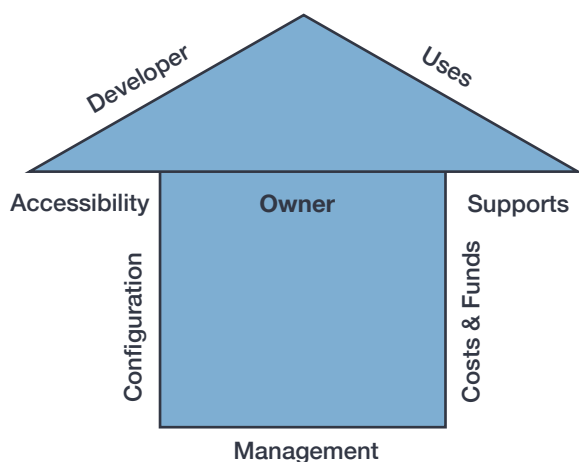
There may be other benefits of partnerships (as explored in ‘Good Together: A Short Guide – Partnering in the Not for Profit Sector’) (Connellan, 2018). For example, mutual referral arrangements should emerge from partnerships between support and housing agencies. Arguably, the only non-negotiable role that should be pursued is to ‘Investigate’ the environment in which they are likely to find themselves.

The most complex, resource-intensive and highest risk function is to ‘Develop’. If organisations are to pursue this role, there should be considerable time, resources and leadership effort focused on developing capacity and robust methodologies. Such an important commitment will, most likely, require a serious debate at the governance level, particularly at a time when a lot of the leadership’s time is necessarily focused on the transition to the NDIS.

Step 4: Define the Project

When the decision has been made to develop a project, choices must be made about the components of the project (see Chapter 5: Components of Housing for People with a Disability). These choices are often the product of the intersections between what is needed, what is financially viable and how many resources an organisation will allocate, as well as how much risk it will bear.

Components of Housing for People with Disability



CONCLUSION

Rarely has there been more need for an agreed upon plan and less certainty that this plan can be delivered. The purpose of this chapter is to provide guidance to leadership teams and other stakeholders (both management and governance) on the process to become informed of all available options to capture housing opportunities and meet housing challenges. It is critical to develop a shared understanding of and commitment to a set of strategies in this very fluid time of the NDIS rollout. Importantly, ruling out a particular course of action is often very useful, if only to contain the area for investigation.

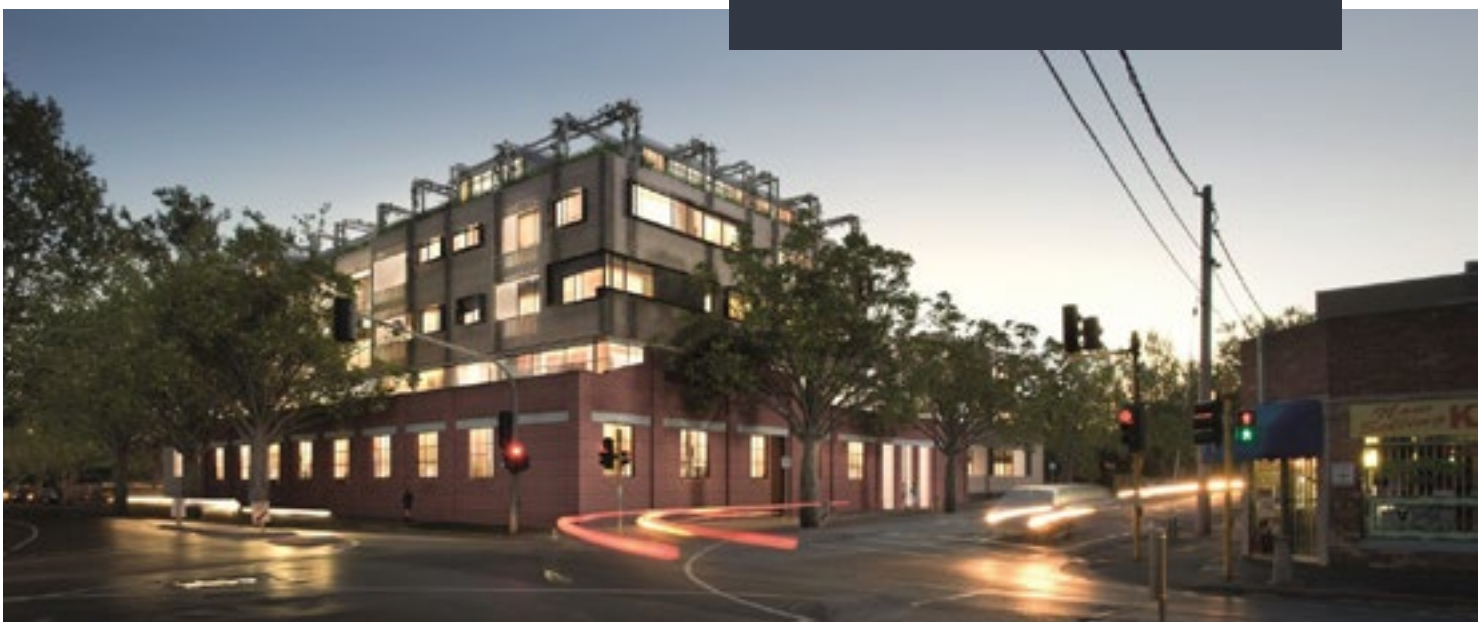




EXAMPLE PROJECT: GIPPS STREET – ABBOTSFORD, VICTORIA

Key Points

- High use of technology
- Single provider to multiple users
- Development funded through sale into private market
- Mix of disability, social housing and private





What use(s) is the project?

- Residential only with a mixture of private ownership, social housing and specialist housing for people with a disability

Chat numbers in what configuration?

- 59 1-bedroom and 2-bedroom units
- 6 units for disability, 25 units for co-op and 28 units in private ownership

WHAT SUPPORTS ARE PROVIDED AND WHAT IS THE IMPACT ON THE PROPERTY?

- Single on-site provider with technology-linked on-site office

HOW ACCESSIBLE ARE THE DWELLINGS?

- Modified for high physical need, similar to SDA

WHO WAS THE PROJECT DEVELOPER?

- Common Equity Housing (CELH)

WHO ARE THE OWNERS OF THE DISABILITY STOCK?

- Summer & TAC RIPL

WHAT WAS THE FUNDING?

- Not public

HOW IS IT MANAGED?

- NFP SDA Manager
-



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Acknowledgments

FEATURED ARTIST

The illustration in this book is titled “A home to love” by Claudio Petri. Claudio has worked within the ‘Art Connects’ initiative at Araluen for a decade where he produces vividly coloured paintings based on the Australian landscape and his more immediate urban surrounds. ‘Art Connects’ supports over one hundred artists living with intellectual disability to make and market their work and earn recognition and income based on talent.

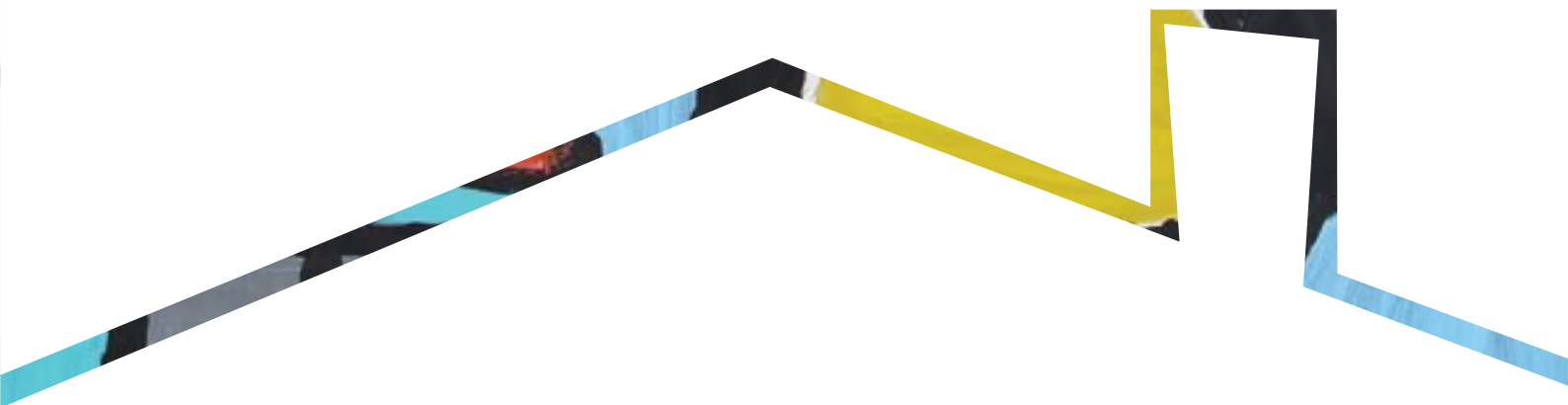
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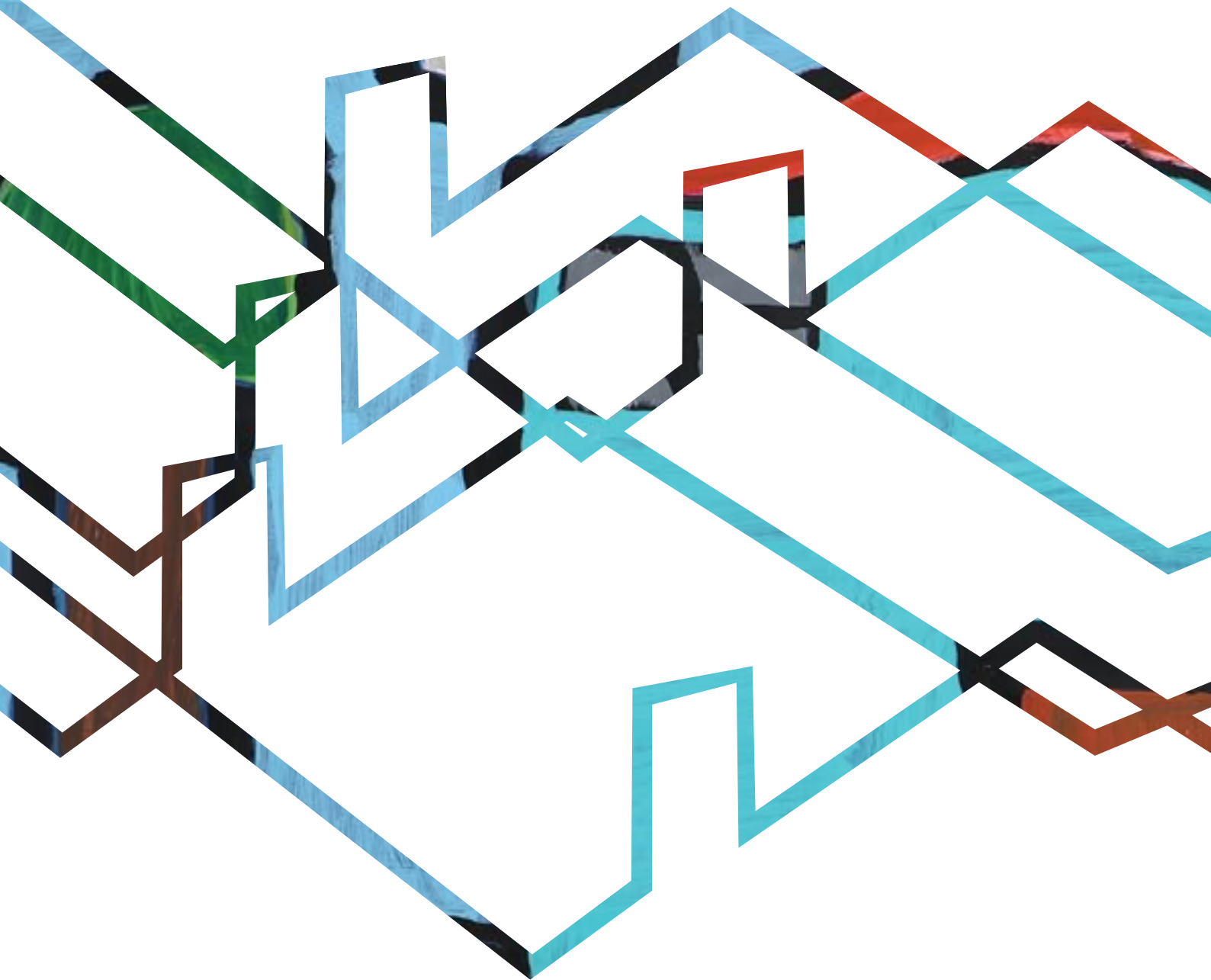
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