



The National Disability Insurance Scheme

**A catalyst for scalable, affordable and accessible housing
for people with disability**

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NDIS Snapshot

- The NDIS is the flagship reform of our generation
- It is as much an economic reform as a social reform. The Productivity Commission concluded that the benefits will outweigh the costs and that the NDIS will add 1% to GDP
- The NDIS is core government business. It is an exemplar of governments doing what people cannot do themselves and holds the key to disability spending being fiscally affordable
- The start of the NDIS was remarkably smooth for such a large and complex reform
- At 30 June 2014, there were 7,316 participants with approved plans at an average cost of \$34,600 and client satisfaction over 90%
- On 1 July, new trials commenced in the ACT, Western Australia and the Northern Territory
- The sustainability and fairness of the NDIS are the Board's highest priority



A Sustainable and Fair NDIS

- The Agency is committed to continuous learning and improvements from the trial sites, based on learn, build, learn, build
- The Productivity Commission designed NDIS 1.0. Governments agreed on NDIS 2.0 and since then the Agency has introduced NDIS 2.1 and 2.2
- Key changes include streamlined eligibility assessments and ‘rolling up’ of supports into three key categories of capital, investment/capacity building and consumption/core
- Further changes are in prospect to enhance market design and development, Tier 2, mental health and housing
- The Board is also in the process of giving advice to governments on the optimal approach to transition to full scheme from 1 July 2016, based on evidence from the trials and advice from KPMG
- Approach must be fair, sustainable and build the NDIS to last
- Potential to adopt a flexible approach, strengthen Tier 2 and bring forward action on housing investment



NDIS and Housing

- Access to suitable and stable housing is critical to the well-being of people with disability and the Vision for the NDIS
- There are currently few housing options and very limited housing careers for people with disability today because of:
 1. The cost of support when living independently; and
 2. Private housing is unaffordable for most people with disability.
- The NDIS will provide support for people with disabilities to live independently of parents, as part of ‘reasonable and necessary’ support and so will solve the first and biggest barrier
- The NDIA cannot and should not solve the latter constraint. However it has the potential to be the catalyst for the most transformative growth in disability housing in decades. But this will require high leverage and partnerships with governments, the housing sector, families, disability service providers, social finance and philanthropy



Estimating the potential demand for affordable housing

- There are around 460,000 people who will become NDIS participants.
- Of these, 286,000 are aged 25 to 64.
- Of these around 198,000 participants are expected to be on low and very low incomes who may need housing assistance from some source (including those already with assistance).
- This includes:
 - 6,200 people under 65 in residential aged care (600 aged under 50);
 - 17,000 people in specialist disability accommodation – 3,000 in institutions and 14,000 in group homes; and,
 - 57,000 living in social and public housing.
- Estimated unmet need for affordable housing of 127,000 NDIS participants.



How the NDIA can increase housing supply options

- The NDIA can increase housing supply options through
 - A flexible approach to ‘reasonable and necessary’ support arrangements
 - Using the ‘cost of capital’ built into Scheme costs as a catalyst for major growth in affordable and accessible housing
 - Building on recent housing sector reforms and innovation (e.g. NRAS, social finance development) and learning from mistakes and challenges
 - Influencing the National Disability Strategy and the housing sector, as part of being a catalyst for wider inclusion and adoption of adaptable/accessible housing standards (Livable Housing Australia – Target of a Silver rating for all new homes by 2020))



How 'reasonable and necessary' will add to housing

- NDIS will fund reasonable and necessary supports based on individual needs – part of insurance approach
- NDIS includes home modifications, as a way of facilitating greater independence, which will add to the suitable housing stock
- Opportunity within support packages to innovate and create shared living arrangements, particularly where the housing needs are not specialised
- However, these measures will not be sufficient to meet demand and the NDIS cannot take over the responsibility of the housing sector
- The NDIS should also not replace families, which also have a critical role to play, where they have the financial capacity to do so
- Therefore the NDIS should complement and work with the housing sector and families to provide person centred solutions for Scheme participants



NDIS can be a catalyst for new accessible housing

- NDIS funding include some funding for accommodation
- The Productivity Commission included a ‘user cost of capital’ in its model. This was included in packages for people with very high supports needs (around 27,700 people - 6% of participants) and estimated to be 12% of their costs
- While this was costed, as above, it was notional and not allocated
- This will provide the NDIA with funding estimated at around \$700m per annum (in 2019-20) for the ‘user cost of capital’ at full scheme
- This is a large amount but to achieve sufficient impact it must act as a catalyst and be leveraged two to three times, as well as being available to be recycled, as new participants join the Scheme



Partnering with the Other Sectors

- The NDIS alone is not sufficient to meet the housing needs of all participants, but it should be a catalyst and partner, including with other parts of government
- The Commonwealth Minister is seeking a strong and robust dialogue across the housing sector and the NDIA will be part of this discussion
- **NDIA is a funder.** It does not have assets to invest directly in housing and cannot borrow or use its balance sheet. It will therefore need to work with partners to implement new disability housing solutions
- The NDIA should draw on the success of the **National Rental Affordability Scheme** (NRAS) which has helped to create a more market driven and supply focused approach. However, lessons also need to be learnt to address the implementation and targeting challenges experienced with NRAS
- **Commonwealth Rent Assistance** will continue to be a key support for many people with disability with the costs of renting privately



Partnering with Other Sectors-continued

- **State and local governments** will need to continue to contribute suitable land, which should be accessible and close to public transport and shops
- **Public and community housing** will continue to be a major source of housing for NDIS participants – an estimated 57,000 potential participants currently in public housing
- **Families** have previously offered to build or purchase houses for their children with disabilities but not done so because of lack of ongoing support funding. This will need to be unlocked.
- **Community** has contributed to housing for people with disabilities through philanthropy, social finance and fund raising. This will remain important and will need to be emphasised so that it is not assumed that the NDIS will meet all housing needs



Potential NDIA Housing Principles (#1)

1. Maximum catalyst for scalable affordable housing

- The cost of capital in the NDIS funding envelope provides a unique opportunity to act as a catalyst to leverage even more funds/capital and develop new housing models at scale
- A strong focus on improving contemporary housing supply, rather than subsidising rents, in most locations will gain the best results in increasing housing options for people with disability
- The Agency will add its voice to removing supply side barriers, including lack of suitable land, planning hurdles and a lack of developer focus
- The Agency's focus will be on participants who have specialised housing needs, due to their disability and where supply is most limited



Potential NDIA Housing Principles (#2, #3)

- 2. People with disabilities should have the same opportunities and responsibilities as the broader community**
 - Leaving home at the same age as peers, which is now around the age of 25
 - Those who can afford to participate in the private housing (rental and ownership) market should do so
 - Housing should be non-congregated, anticipate future needs (50 year assets) and ensure that people with disability are part of the community and not segregated

- 3. NDIS funding for housing must augment not replace existing Government funding obligations and policy responsibilities**
 - The NDIS is not primarily responsible for housing for people with disabilities and NDIS funding for housing must add to existing funding obligations and responsibilities of governments
 - The NDIS funds should be allocated by State in line with the overall funding arrangements and ring fenced with a very clear line of sight between NDIA contributed funding and the housing it is creating for participants



Potential NDIA Housing Principles (#4, #5)

4. Promote independence

- Safe and secure housing is a foundation of a quality life and NDIS housing funds should also maximise independence and social and economic participation
- Specialised design, aids and equipment and technology will add to independence

5. Partnerships with participants, families, carers and other sectors are essential

- The NDIA will not own housing stock and will not be borrowing funds to invest, rather the NDIA will use the funding stream created by the 'user cost of capital' to partner with other sectors in the community to maximise investment in housing for participants.
- Housing models should identify opportunities for participants and families to contribute to housing security through shared equity models and provide for capital recycling as new participants enter the Scheme



Potential NDIA Housing Principles (#6)

6. Control and choice

- Participants should choose whom they live with and who comes into their homes as much as possible. 'Home ownership like control' with full tenancy rights, rather than a workplace
- Housing needs to be accessible and close to amenities, transport and family/friends
- In the majority of cases choice and control is best supported by the separation of the provision of housing from the provision of support services and so will be preferred



Potential NDIA Housing Principles (#7)

7. An insurance approach

- The NDIA will consider how housing solutions can be used to reduce scheme costs
- Insurance schemes influence community attitudes and so the NDIA will seek to facilitate wider adoption of adaptability/accessibility standards and goals, such as the Livable Housing Design standards and the target of a Silver standard for all new homes by 2020
- The NDIS represents a major opportunity for innovation in design, use of technology, funding, etc. and this should be promoted and facilitated
- The trial phase should be used to showcase new best practice models and options



Potential roles for the NDIA: Increasing stock

- Working with State Governments which have primary responsibility for affordable and public housing
- Promoting stock ownership transfers from governments and disability service providers to community housing associations
- Partnerships with developers, community housing associations and banks; and philanthropy and social finance providers to increase access to finance
- Working with developers to ensure that all dwellings in projects which attract NDIA funding are accessible and/or adaptable
- Structuring funding from the NDIS to build supply, like the NRAS model (including learning lessons from NRAS)



Potential roles for the NDIA: Working with participants

- Allowing for different housing pathways, timeframes and costs
- Particularly supporting those with high support needs while also facilitating housing access for those with low support needs or no disability-specific housing need
- Promoting the benefits of mixed equity models with people with disability in achieving ‘home ownership like control’
- Overcoming barriers to families contributing capital to shared equity models, including determining a reasonable contribution
- Facilitating the development of standard mixed equity and tenancy agreements and examining the potential role of Special Disability Trusts



Potential roles for the NDIA: An insurance perspective

- Determining the appropriate level of funding for accommodation in the scheme, including where there is a demonstrable insurance-based return of reduced future support costs
- Balancing the approval and control of housing investments between the desires of current participants with very long term nature of housing investments (50 years)
- The role of home ownership and ‘home ownership like control’ in providing greater security and increased economic participation
- How to test new housing models during the trial phase and best promote innovative, best-practice models and share this knowledge



Conclusions and Next Steps

- Housing is an area where the NDIA has a deep interest because of its impact on well being. We have consulted with the Commonwealth and State Governments
- A **Discussion Paper** on housing will be published shortly, followed by consultation and engagement
- We will want your detailed feedback and to partner with you
- Success will depend on partnerships which achieve maximum leverage, as well as other goals consistent with control and choice and the aspirations and rights of people with disability. Together we can innovate and transform the supply of disability housing to give people with disability real choices and control



NDIS Information and Updates

- For more information go to:
 - www.ndis.gov.au
 - Email housing@ndis.gov.au
- Register for Updates, via email, Facebook and Twitter