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**Submission to the  
NDIS consultation on  
Home and Living**

**September 2021**

*[www.anglicare.asn.au](http://www.anglicare.asn.au)*

## About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of over \$1.94 billion, a workforce of over 11,000 staff and 6,000 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 474,00 people and reach close to 1.37 million Australians in total. In all, Anglicare services reach over 1 in every 19 Australians.

As part of its mission the Anglicare Australia Network “partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by influencing “social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network”.

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## Introduction

Anglicare Australia welcomes the opportunity to provide a submission to the National Disability Insurance Agency's (NDIA) consultation paper on Home and Living, *An Ordinary Life At Home*.<sup>i</sup> The paper signals the Agency's intent to provide greater flexibility to National Disability Insurance Scheme (NDIS) participants when making choices about how to allocate the funding in their plan to achieve their home and living goals.

As part of our consultations during the development of this submission, Anglicare Australia undertook discussions with several key informants. These include our members, disability housing experts, Specialist Disability (SDA) providers, and disability advocates. These discussions provided detailed information about the choices — or otherwise — that are available to people with disability about their home and living situation. This feedback is referred to throughout this submission, however to ensure their privacy, the details of the individual informants are not disclosed.

The NDIS has enabled people with disability to make more choices in how they live their lives. It funds reasonable and necessary personal support, assistive technology, and other types of support, such as transport, that help participants live an ordinary life. Having a choice in where they live, however, is a significant missing ingredient for many NDIS participants. Without access to housing that is affordable, available, and suits their needs, many NDIS participants are unable to exercise meaningful choice and control over their lives.

The NDIS only directly funds one type of housing program, Specialist Disability Accommodation (SDA).<sup>ii</sup> About six percent of NDIS participants are eligible for this type of housing assistance. This leaves much unmet need for housing among many other NDIS participants. Anglicare Australia believes there is a role for the NDIS to play in meeting the housing needs of these people. Housing needs to be viewed differently from other types of services. It needs to be viewed as an infrastructure investment, and the NDIS should have a greater focus on market stewardship and policy development.

This submission makes recommendations to help improve the home and living options available to NDIS participants. The complexity and breadth of the issues relating to home and living arrangements mean that reforms need to be made in areas outside the NDIA's limited scope, which is constrained by its legislative framework, funding, and policy settings. Nonetheless, the Agency does have the capacity to conduct policy development, and can take a leadership role in the national conversation about reform in these areas. This consultation process provides a valuable opportunity to consider reforms that would assist people with disability to have greater choice and control about their home and living situation.

At their meeting on 13 August 2021, the Disability Reform Ministers' Meeting agreed "that priority work be undertaken by officials, led by the Commonwealth, to explore options to address current challenges for people with disability in accessing safe, affordable and suitable housing options and to

improve the supply of accessible and well-designed housing for all people with disability”.<sup>iii</sup> It is hoped that the recommendations in this submission may be helpful in advancing that goal.

## The SDA and housing outcomes for NDIS participants

### The NDIS and housing choices

At the NDIS' inception, many hoped that NDIS funding would be used to fund or incentivise housing for a larger number of NDIS participants than it currently supports. People with disability and advocacy organisations also called for a separation of tenancy and support provision. That has yet to be realised. Since the NDIS and the SDA have become established, the number of NDIS participants living in large group homes has grown, as have the costs to provide support to them.

Instead of driving an expansion in the supply of accessible and affordable accommodation for a broad range of NDIS participants, funding has been directed to the SDA program, which is for NDIS participants with "extreme functional impairment or very high support needs", about 6 percent of NDIS participants.<sup>iv</sup>

Specialist Disability Accommodation refers to funding for accommodation only, not support. This funding is for people with the highest housing needs and who would benefit from access to custom built housing that suits their needs. SDA housing is not directly commissioned by the NDIS. Rather, approved SDA developers construct housing that meets SDA standards and lease it to approved tenants. The funding for SDA housing is tied to an approved NDIS participant, not the dwelling that they live in. If a participant chooses to move to another SDA property, their funding package will move with them.

There are detailed design standards for four different types of SDA housing, which will suit the needs of a range of prospective tenants.<sup>v</sup> Some standards suit people with high physical impairment, others are suitable for people with psychosocial disabilities. There is also a fifth category, Basic. This is primarily made up 'legacy stock' of pre-NDIS government or not-for-profit managed group homes that now attract SDA funding.

On 30 December 2020, there were 15,667, or 3.6 percent of active participants, with SDA supports in their plan. The Agency estimates that this number will grow to about 28,000 participants over time. At the same time, there were 76,062 NDIS participant with a 'Where I Live' goal identified in their plan, representing 17.6% of total NDIS active participants.

As a result, the other 94 percent of participants are left battling an unaffordable private rental market, or long waiting lists for social housing providers. Although these options help some people realise their living goals, they are not meeting the housing needs of many people with disability.

The most recent and comprehensive work that analysed the projected housing needs of NDIS participants was conducted in 2016 by the Disability Housing Futures group. This report estimated that there is a gap of unmet need in affordable housing for people with disability of an estimated 35,000–55,000 people. The report noted that "this cohort will require housing assistance in the form

of rental assistance (over and above Commonwealth Rent Assistance) or access to new affordable housing supply (over and above existing social housing supply)".<sup>vi</sup>

### **The consultation paper *An Ordinary Life at Home***

The consultation paper makes welcome references to the need to shift away from current congregate accommodation models and towards "contemporary group homes". By this the NDIA means dwellings with 2-4 residents, rather than five or more. This language provides a signal regarding the NDIA's preference for built form going forward, or at least the living arrangements in which the Agency will prefer to fund support.

The paper also explains that the NDIA wants participants to have more flexibility in how they spend the funding in their plan. This would mean that participants could choose to spend, for example, some of their transport funding on something else, and vice versa.

Anglicare Australia welcomes both of these policy shifts, but notes that they will not have any significant impact on the home and living outcomes of NDIS participants unless other steps are taken to improve supply and affordability of housing that suits their needs. Individualised Living Options will work well for some people, but not all.

The consultation paper discusses the need for people with disability to be able to make choices about home and living "equivalent to others". Notwithstanding the paper's proviso that these choices should be "achievable", this is an excellent starting point. Many NDIS participants do not have specific housing requirements, although they may face other barriers, as discussed above. The SDA program is too targeted to meet needs of the wide range of NDIS participants whose housing needs are not otherwise being adequately met, and the overwhelming majority of NDIS participants do not require housing that meets the SDA design guidelines.

Unfortunately, there is now a split approach to housing people with disability. For six percent of participants, the NDIA will fund housing outcomes. For the remainder, the NDIS does not intervene in the market, or engage in market stewardship, as the Agency refers to it. This approach, combined with market failure or scarcity elsewhere, means that many NDIS participants cannot make choices equivalent to others. Having a "where I live" goal built into an NDIS plan are not useful if there is no way for people to realise such goals. Home and living plans in and of themselves will not effect change in Australia's housing stock to make it more accessible, reduce stigma in the private rental market, or help with affordability.

The structure of the NDIS prefers enabling participants' choice and control through market-based approaches. Sometimes these markets are created by the NDIS. At other times services are purchased in mainstream markets. Despite this, the NDIS has, from its inception, intervened in markets. Indeed, as a non-means tested Government-funded insurer, market intervention, and responding to market failure, are key planks of the NDIS. The NDIS sets benchmarks for payments to carers, plan managers, and for equipment costs. They have an ongoing body of work related to

market intervention. In December 2019 the then Disability Reform Council agreed to use a more flexible approach to address NDIS market gaps. Since then, the NDIS has produced market monitoring reports for all jurisdictions, and has begun trialling market intervention projects across a wide range of geographic areas and support types.<sup>vii</sup>

For the housing it does fund, SDA, the NDIS treats this as a service that can be purchased, rather than viewing it as an infrastructure investment. This has resulted in very favourable returns on investment for private investors without contributing to the long-term growth in housing supply that is badly needed.<sup>viii</sup>

**Recommendation: Contribute to the long-term growth in housing supply**

Anglicare Australia recommends that the NDIA play a greater role in intervening to create long-term growth and more opportunities for people with disability to live an ordinary life in a home environment that they choose.

**Improving the SDA program**

The market-based, rather than a direct commissioning, framework of the SDA introduces both a demand risk for investors. It also creates a vacancy risk for tenancy managers. Because there are currently more NDIS participants who are eligible for SDA housing than there SDA dwellings, demand for SDA housing is higher than supply. There are no issues of widespread or significant vacancies in SDA properties. As the number SDA properties grows, there will be no assurance for developers, investors, or tenancy managers that an SDA-approved dwelling will attract a tenant. This risk will increase as the number of SDA-approved dwellings increases.

The vacancy risk for tenancy managers arises because the payment is attached to the NDIS participant, not the housing. If a person moves out of an SDA property and a new tenant isn't found quickly, or at all, it reduces the income stream. Again, this is not a problem because of the current imbalance between supply and demand for SDA housing, but could be in the future.

These issues of supply and demand are far less likely to arise in traditional social and affordable housing contexts, because properties can be rented to different cohorts of tenants, depending on demand, and in the unlikely event that supply exceeded demand, housing providers could sell stock into the open market or rent to people on higher incomes. This is harder to do with dwellings built to SDA standards, because they are more expensive to build in the first place, and may need to be modified back to non-SDA standards if they were to generate interest from prospective buyers who did not require this type of housing.

Because of the market-based approach of the SDA program, an asset class has had to develop, which has taken some years. It is only beginning to mature now. Had a direct commissioning approach been taken, there would almost certainly have been more highly accessible housing built than there has been.

Further, the NDIS could have used the “user cost of capital” component of the Scheme to fund housing that would suit the needs of a wider range of NDIS participants, and focused on directing and intervening in the market. There is still scope for the NDIA to provide greater direction, even within the existing SDA policy framework. Matt Tominc, the chief investment officer of impact investor Conscious Investment Management, has observed that:

*“One problem with SDA funding is a subsidy system that effectively encourages development of high-density housing for recipients with high physical support needs and effectively discourages development of more land-intensive, larger housing for clients with behavioural needs, such as high-end autism.”<sup>ix</sup>*

This observation was echoed by those Anglicare Australia spoke to during the development of this submission. It also applies to housing for other SDA eligible participants, such as those with enduring mental health conditions.

Even if a mature and balanced SDA ‘market’ develops, the SDA model will remain more expensive than a direct procurement approach by governments, not-for-profits, or for-profit developers working within a more targeted funding framework. Nonetheless, Anglicare Australia acknowledges that the SDA program is likely here to stay. This does not mean that it cannot be reformed as it evolves. In the first instance, we believe that changes should be made to the program that incentivise or require SDA developers and investors to build or buy a range of SDA housing types that reflect the housing needs of NDIS participants who have SDA funding.

Secondly, the NDIA should investigate and implement changes to the SDA program to incentivise or require SDA developers and investors to build and buy properties across the geographic areas that NDIS participants with SDA funding want to live, and that are located near to services that they use. Consideration should also be given to whether support staff can access these locations. A number of the key informants for this submission observed that SDA dwellings are being built in outer metro areas because the subsidy to the tenant — passed on to the investor — remains the same regardless of location. Unlike properties that are built and sold into the private market, where the sales price has a relationship to the location and the cost of the land that the development is built on, this relationship has been decoupled for SDA.

Neither of these changes would affect existing developers or investors, and they could be phased in over time to ensure that planning decisions for future SDA developments that are already underway are not impacted.

It is worth noting, too, that there is no need for an individual investor to purchase a single property. A market could develop for SDA bonds, where investors are able to purchase a portion of an SDA portfolio, with their investment locked in for a minimum period to ensure stability. This would limit the risk exposure of an investor purchasing an individual property that may have a greater vacancy risk or a lower rate of return because of its location, size, layout, and intended tenant cohort.

**Recommendation: Investment in a greater range of SDA housing**

Anglicare Australia recommends that the NDIA investigate and implement changes to the SDA program to incentivise or require SDA developers and investors to build and buy a range of SDA housing types that reflect the housing needs of NDIS participants who have SDA funding.

**Recommendation: SDA properties to be built where they are needed**

Anglicare Australia recommends that the NDIA investigate and implement changes to the SDA program to incentivise or require SDA developers and investors to build and buy properties across the geographic areas that NDIS participants with SDA funding want to live, and that are located near to services that they use. Consideration should also be given as to whether support staff can access these locations.

## Providing housing choice for people with disability in Australia

### Access to the private rental market

As part of this consultation process, the NDIS recently held information and feedback sessions with key stakeholders. The view of participants at these sessions was clear, and backed up the research conducted by the Disability Housing Futures group: the private rental market does not provide for the housing needs of people with disability.

People with disability who wish to access housing in the private rental market face a range of barriers. These include:

- Affordability;
- Disadvantage when competing with other people wishing to access the private rental market due to a lack of rental history, low income, and discrimination by real estate agents and landlords;
- A shortfall in the supply of housing that is appropriately designed for people with mobility restrictions; and
- The insecurity of tenancies in the private rental sector, which also makes modification of housing stock unviable.<sup>x</sup>

Because of their disability, many NDIS participants cannot work, or work full-time hours. They are more likely than the broader population to rely on income support payments, which makes being able to afford private housing more challenging. And while they may not require housing constructed or modified to SDA design standards, they may have other requirements that will not always be available in the private market, such as stepless entry, wider hallways, or easy access to public transport. In addition to their own requirements, they may have access requirements for their visitors, such as aging parents, friends with a disability, or the need to live somewhere that is serviced by support providers. Other potential requirements include issues relating to neighbourhood amenity, such as the existence and condition of footpaths and public seating.

### Subleasing programs

It is clear that people with disability face a range of barriers to accessing private rental housing, including discrimination. Having to move at the end of a lease when a person would prefer to stay in their home can be challenging for any tenant. For a person with a disability this can be even more frustrating. Firstly, they will have to try and find another suitable property. Secondly, if they have successfully negotiated with the lessor to make modifications to the dwelling, such as installing a ramp or grab rails, they will have to repeat this process. Unless residential tenancy laws are amended to ensure that reasonable requests for modifications are not turned down, there is no way to be sure that their new landlord will agree to any modifications. Regardless of whether the NDIS will pay for similar modifications to be made to multiple rental dwellings that a participant might live in over time, this is not an efficient use of resources.

One solution to improving access to appropriate private rental housing for people with disability is to establish subleasing programs that are managed by a regulated community housing provider. There is a strong history of programs that involve not-for-profit organisations renting properties in the private rental market on medium- to long-term leases, and then subleasing them to people in housing need.

A key advantage of a subleasing program is that particular cohorts of tenants can be given priority access. In the first instance, this reduces the likelihood that prospective tenants will suffer discrimination because of their disability. Community housing providers are regulated social landlords, and many specialise in managing complex tenancies and providing other types of non-housing support to their tenants. Their regulation through the National Regulatory Scheme for Community Housing provides external oversight, additional protections for their tenants, and improved avenues to make complaints and seek redress if there is a problem.

A subsidy might be needed to make a program such as this 'stack up', or as an additional incentive to prospective lessors. But this needn't be a deep subsidy, such as those typically applied to social housing tenancies. The main feature of this approach is that it uses existing rental stock, and targets it to people with disability.

Key to the success of subleasing programs in attracting participating lessors is being able to offer guaranteed, medium- to long- term rental income to property investors, and assurance that any damage or modifications to the dwelling will be made good when it is returned. These are key features of the Defence Housing Australia scheme. This also works favour of tenants: if community housing providers have longer lease terms with owners, it means they are less likely to have to move house. Further, if a sublease program operates a portfolio of dwellings, in the event that a landlord does require the property back because they need to move in, or if it sustains major storm damage, there may be other properties within the portfolio that are vacant or will become vacant that the tenant could move into.

The Agency is currently spending \$204 million per annum of its predicted \$700 million annual spend on SDA. A small portion of this underspend could be allocated to fund a variety of trial sites for subleasing programs. This funding should include trials in different geographic areas. It could also include trials of programs with different types of housing, with a subsidy to ensure rent is affordable, or for different tenant groups or compositions. It should have an insurance component that covers rental loss if a property or part of a property is vacant while new tenants are being sought. It should also include funding for an external evaluation of the trials, which should be published, along with responses from the Agency to any recommendations from the evaluation.

**Recommendation: Private rental stock for people with disability**

Anglicare Australia recommends that the NDIA fund subleasing programs that utilise existing private rental housing and target this to people with disability. This could begin across a number of sites, with tenancy management provided by registered community housing providers. An external

evaluation should be conducted, with any report and recommendations published within three months of receipt by the Agency, along with any responses to recommendations from the Agency.

### **Access to social housing**

Accessing social housing is also a challenge for people with disability. This is because supply is constrained, with a shortfall of over 400,000 social homes across Australia.<sup>xi</sup> New allocations are targeted to people in the most urgent need. In practice, this means people experiencing homelessness or escaping domestic and family violence are given priority for urgent housing.

Currently, 35 percent of social housing households have at least one tenant with a disability, however only 29 percent of *new* social housing households have at least one tenant with a disability.<sup>xii</sup> This may reflect a shift in targeting by social housing providers, or perhaps the onset of age-related disabilities that housing tenants who are aging in place have. It is difficult to get a good sense of this, because there is a lack of national data about the types of disability that people living in social housing have, and in particular, whether their disability means they need to live in accessible housing. What is clear is that there is not enough social housing available to meet the needs of NDIS participants.

Anglicare Australia recognises that the legislative, policy, and funding environments that the NDIA operates in constrain its ability to drive effective and long-term solutions that will meet the home and living goals of NDIS participants. However, the Agency also works directly with the Federal and state and territory governments, disability ministers, and a wide variety of organisations, both for-profit and not-for-profit.

A dedicated stream of social and affordable housing is needed for people with disability. This could be achieved, for example, through a modest funding injection and a dedicated program facilitated by the National Housing and Finance Investment Corporation, a disability housing fund managed as part of the Future Fund, or by providing an equity share in government or community housing projects for people with disability. Each of the above suggestions could allow for flexibility in how housing portfolios are managed over time, but with the caveat that there must be a net addition to existing social and affordable housing for people with disability.

### **Recommendation: Social and affordable housing for people with disability**

Anglicare Australia recommends that a dedicated stream of social and affordable housing for people with disability be delivered.

## Conclusion

Anglicare Australia thanks the NDIA for opportunity to make this submission. Although some people with disability have choice and control regarding their home and living situation, many do not. Enabling and facilitating access to accessible and affordable housing for all NDIS participants in housing need is a key missing component of the Scheme.

The private market and mainstream services are not delivering. Demand for suitable housing by people with disability vastly outstrips supply. Further, there are other issues, including affordability and discrimination, that make accessing existing housing stock difficult or impossible for people with disability.

Housing is an enabler of social participation and agency. There is scope for the NDIS to reform the existing SDA program to ensure it better meets the needs of participants. It can also fund and lead reform in a number of areas that are outside its traditional area of operation or direct control, including ones that will improve access to existing private rental market stock for people with disability. This work could complement work that the Commonwealth is proposing to lead to improve housing supply for people with disability.

Market intervention is required to improve both access to existing housing and to increase housing supply. This will require both leadership as well as financial commitment from the Agency, the Commonwealth, and state and territory governments alike. Anglicare Australia is cautiously optimistic that this can be achieved. We look forward to partnering with governments and other stakeholders to help ensure that every person with disability in Australia can meet their home and living goals.

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<sup>i</sup> National Disability Insurance Agency (2021) [Consultation Paper: An Ordinary Life At Home](#).

<sup>ii</sup> National Disability Insurance Agency (2021) [Specialist Disability Accommodation](#).

<sup>iii</sup> Disability Reform Ministers' Meeting (2021) [Meeting Communiqué](#).

<sup>iv</sup> National Disability Insurance Agency (2021) [Specialist Disability Accommodation](#).

<sup>vi</sup> Disability Housing Futures Working Group (2016) [Final Report, February 2016](#).

<sup>vii</sup> National Disability Insurance Agency (2021) [Market monitoring and intervention](#).

<sup>viii</sup> high income property (2021) [NDIS SDA – A Unique Investment Opportunity](#); and SDA Housing Investments (2021) [Information for Investors](#).

<sup>ix</sup> Bleby, Michael (2021) [\\$2.5B disability housing sector set to explode in size](#).

<sup>x</sup> Wiesel, I, and Habibis, D (2015) [NDIS, housing assistance and choice and control for people with disability](#).

<sup>xi</sup> Yates, J. (2018) [Social and Affordable Housing Projections for Australia](#).

<sup>xii</sup> Australian Institute of Health and Welfare (2021) [Housing assistance in Australia](#).