

**OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE  
ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE**

**Organisation:** Project Independence

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Mr Leon Last  
Committee Manager  
Committee on Community Services  
Parliament of NSW  
6 Macquarie Street  
SYDNEY NSW 2000

*via email: [communityservices@parliament.nsw.gov.au](mailto:communityservices@parliament.nsw.gov.au)*

Dear Mr Last,

**Options to improve access to existing and alternate accommodation to address the social housing shortage**

Project Independence is pleased to provide a short submission in response to the enquiry by the Committee on Community Services into options to improve access to existing and alternate accommodation to address the social housing shortage.

*About Project Independence*

Access to secure and affordable housing has long been recognised as fundamental to our well-being. In Australia, home ownership has long been a widely held aspiration – providing owners with stability and numerous long term social, health and economic benefits. Sadly, home ownership rates for people with an intellectual disability (ID) lag far behind the rest of the population, with people living with disability over-represented as renters in both public and community housing. Overwhelmingly, the limited housing options available to people with an ID don't provide a pathway towards future home ownership.

Project Independence (PI) provides a unique and sustainable housing and home ownership solution for people with an ID. PI was established in 2012 and represents a unique model of home ownership – not only in Australia, but internationally.

PI provides individuals with an ID the opportunity to progressively build home equity using just their Disability Support Pension within a safe and supported environment that encourages the development of independent living skills. PI empowers people with an ID to move to truly independent living in the broader community and grow beyond social housing as they move up the home ownership ladder. PI proudly provides people with an ID a viable and achievable pathway from dependency on shared, social housing to independent home ownership.

PI operates as a self-sustaining company with a high quality skills based board and a small, dedicated staff. It currently runs two purpose built PI facilities in the ACT providing homeownership to 20 people with an ID with two further residential developments (in the ACT and in Sydney) due to commence construction later this year, each accommodating 10 people with an ID. In addition, PI is actively seeking to purchase a suitable property in Melbourne to accommodate a further 10 residents.

PI is registered with the Australian Charities and Not-for-Profits Commission, and is a registered Community Housing Provider as well as a registered NDIS provider.

### *How does the Project Independence model operate?*

The PI model uniquely addresses key housing issues affecting people with an ID, including:

- access to suitable, safe and affordable housing;
- resident and family support and well being;
- economic empowerment that include mechanisms to support home ownership; and
- service delivery that protects the rights of residents and fosters independence.

PI provides accommodation and related support services in a purpose built complex. Each complex consists of ten ensuite units for residents, communal kitchens, living areas and a separate area for an on-site resident coordinator.

The PI financial model operates as follows:

- each resident purchases their unit as part of the larger complex, initially by paying an upfront deposit of 10% from their own funds;
- the remaining balance of the funding required for their unit is loaned to them by PI as an interest free loan, requiring weekly repayments equivalent to 75% of the resident's DSP. This payment covers:
  - repaying the interest free loan and builds equity in their unit (approximately 11%) and;
  - paying for the resident's operational expenses (89%) such as meals, utilities, etc.

A key distinction of the PI model is that the resident's payments from their DSP go towards building home ownership, rather than being used solely as rental payments;

- PI manages the sale of the unit if and when the resident is ready to leave; and
- when leaving PI, residents have a substantial lump sum (their initial deposit, accrued equity, and the benefit of some capital gains on their unit) that can be used to fund their purchase of a future home.

To date, PI has seen a number of its residents use the life experience and independence skills they have developed while at PI to successfully enter the private housing market.

### *Role of Government*

PI currently raises its funds from donations and is increasingly working with various social impact investment funds. What has constrained the growth of PI to date has been access to capital for the build and for the initial support of residents. This is where Government can play a transformative role.

An investment by Government to accelerate the growth of the PI model would be entirely consistent with the Government's social impact investment principles as well as its housing policy objectives. Further, relatively modest co-investment by Government not only acts to accelerate the rate of growth of PI, but a strong demonstration of Government support acts to increase the confidence of the private sector, further facilitating the growth and expansion of PI.

Importantly, the PI model provides Government an attractive return on its investment. Rigorous financial analyses by both EY (2015) and KPMG (2020) concluded that not only is the PI model financially sustainable, but that it offers an attractive ROI for Government. In October 2020, KPMG undertook an analysis of the return on investment of PI to Government relative to three existing housing options for individuals with an ID. The analysis highlighted a substantial ROI from the Government's perspective, due in part to individuals with an ID no longer being reliant on social housing (requiring substantial ongoing Government funding). Specifically, the Government's ROI (when providing a representative plot of land to PI) was calculated as follows:

- PI compared to living at home: 2.43;
- PI compared to public housing: 3.84; and
- PI compared to community housing: 2.43.

#### *Application to other disadvantaged groups*

Importantly, the success of the work of PI with people with an ID has demonstrated that the model could equally apply to other disadvantaged groups. The ongoing development of PI's social franchising model will consider the extension of the PI model to other groups within the community that experience severe housing stress and disadvantage. Cohorts identified by PI for future inclusion include women and families escaping domestic violence, older women without savings or superannuation, homeless veterans, and other significantly disadvantaged homeowner groups.

#### *Summary*

PI offers people with an ID a demonstrable pathway from reliance on public and community housing to home ownership in the private market. PI's unique and proven home ownership solution has generated significant interest throughout the sector and is applicable to a range of cohort groups that struggle to obtain secure and affordable housing.

PI's financial model has been subject to rigorous financial analyses and has been found to be sustainable. With relatively modest investment by Government, PI has proven that it can remove vulnerable people from the strained social housing system. Government can play a tangible role in the continued and accelerated growth of PI through minimal investments such as:

- grants of land for PI developments;
- waiver of government fees and charges (including stamp duty and land tax); and/or
- co-investment to facilitate the construction of PI developments.

PI will continue to seek to work with Governments at the Federal, State and Territory level to collaborate to expand the PI model throughout Australia and across other disadvantaged groups who struggle to attain affordable housing suited to the needs.

I hope our submission is of assistance to the enquiry. Please do not hesitate to contact me should you require any further information in relation to the operations of Project Independence.

Yours sincerely,

