

**Submission
No 130**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

Organisation: Achieve Australia

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building extraordinary lives

**Achieve Australia's Submission to the NSW Legislative
Council Inquiry into Social, Public and Affordable Housing**

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INTRODUCTION

Achieve Australia welcomes the opportunity to provide input to the NSW Legislative Council Inquiry into Social, Public and Affordable Housing. The provision of affordable, accessible and appropriate housing for people with disability in NSW has been a long held priority for Achieve Australia. Through our own significant experience in this area as well as our investment in research and innovation, we are pleased to offer our expertise to the Inquiry.

The Terms of Reference states that the Select Committee is to inquire into and report on demand for social, public and affordable housing and in particular:

- (a) Projections of future social, public and affordable housing supply and demand to 2020
- (b) Data regarding the link between the lack of appropriate social, public and affordable housing in New South Wales and indicators of social disadvantage
- (c) Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing
- (d) Maintenance and capital improvement costs and delivery requirements
- (e) Criteria for selecting and prioritising residential areas for affordable and social housing development
- (f) The role of residential parks
- (g) Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including, but not limited to:
 - (i) policy initiatives and legislative change
 - (ii) planning law changes and reform
 - (iii) social benefit bonds
 - (iv) market mechanisms and incentives
 - (v) ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement
 - (vi) ageing in place, and
 - (h) Any other related matter.

The provision of sustainable, suitable and meaningful accommodation options for people with disability has long been a topic of debate within the disability and housing sectors. The broader and well recognised need to address the critical issue of housing supply in Australia for all disadvantaged and low income groups is further compounded for the specific cohort of people with disability due to ageing population, increasing life expectancies and the significant cost of disability that impacts already low disposable income levels.

The statistical evidence on the barriers faced by people with disability to financial security are undeniable: 45% of Australians with disability live in poverty compared to an OECD average of 22%¹. Two thirds of people with disability earn less than \$320 per week compared with one third of the general population earning this amount or less². Compare this with current market rental rates and loan repayment requirements and it is clear that many people with disability are excluded from the home ownership and private rental markets altogether.

Earning capacity and financial stability undoubtedly go hand in hand, making employment and its associated outcome of financial security a critical factor in accessing sustainable and meaningful accommodation options for people with disability. Financial exclusion of people with disability is further compounded by the low labour force and employment participation rates in Australia. In 2010, Australia's employment rate for people with disability was ranked 21 out of 29 OECD countries³. In 2009, the labour force participation rate for all people with disability was 54.3% and the employment rate was just 50%, compared to 82.8% and 78.6% respectively for people without disability⁴.

Achieve Australia is a Sydney based community organisation supporting around 550 people with a disability or who experience disadvantage since 1952. Achieve Australia provides a

¹ OECD (2010), *Sickness, Disability and Work: Breaking The Barriers*, p.56.

² Price Waterhouse Coopers (2011), *Disability Expectations*, cited in National Disability Services 'Disability Data Snapshot'.

³ OECD (2010), p. 51.

⁴ Australian Bureau of Statistics (2012), *Disability support services: service provided under the National Disability Agreement 2010-11*, Australian Institute of Health and Welfare, cat number DIS 60, Canberra, p.vii.

range of essential supports and services including a choice of accommodation options, in-home support, employment opportunities, information, training, and practical skills for daily living. The focus of Achieve Australia is to support people with disability to learn and maintain life and work skills, develop relationships, make choices about their lives and become independent members of their community. Achieve Australia prides itself on delivering flexible and individualised support centred around a person's goals and aspirations to achieve meaningful and valued lives.

Over the past 30 years, Achieve Australia has undergone a process of devolution from large congregate models of residential accommodation to more individualised, integrated and community based models of accommodation support. This process combined with our extensive experience in the disability accommodation area and innovative approach to increasing housing supply positions us well to inform the disability housing policy landscape.

The purpose of this submission is to draw on our extensive experience and distil existing evidence and research pertaining to the provision of sustainable and meaningful accommodation options for people with disability in Australia. This submission will focus on key themes of:

- evidence of the need for an increase in housing supply with a focus on people with disability;
- the critical role of sustainable and meaningful accommodation for people with disability;
- an analysis of the lessons of the Defence Housing Australia model for affordable housing provision for people with disability.

Whilst much research has been conducted in relation to housing supply and affordability in Australia, there seems to be a generalist approach to identifying people with disability as part of the broader disadvantaged cohort. This submission seeks to bring together contemporary research and data as well as our extensive experience to provide members of the Council with a clearer picture of the need for sustainable and meaningful accommodation options for people with disability in Australia.

OVERVIEW OF RECOMMENDATIONS

Achieve Australia makes the following recommendations to the NSW Legislative Council:

Recommendation 1

That the specific issues facing people with disability within the broader context of public, social and affordable housing in NSW are formally acknowledged and recognised.

Recommendation 2

That a research project be funded that focuses on the provision of meaningful and sustainable housing options for people with disability in NSW – including but not limited to public, social and affordable housing. This research should be lead by a consortia comprising of a disability service provider, a research entity, a community housing provider, a person or persons with disability and representation from the private property development and investment sector. Such research would ideally include an audit of all current public, social and affordable housing stock and assess its accessibility (both in terms of the dwelling as well as its accessibility to the community, transport and employment) and condition. The penultimate aim of the research would be to better understand the current unmet and undermet need, project future need and develop strategies that deliver accessible, affordable and appropriate housing options and maximise choice for people with disability across the full spectrum of ownership models.

Recommendation 3

That following the research project outlined in Recommendation Two, strategies are put in place and effectively monitored and evaluated to specifically address the current and future needs of people with disability requiring affordable, accessible and appropriate housing.

Recommendation 4

That accessibility principles and design guidelines are developed and applied to all future developments of public, social and affordable housing dwellings in NSW to ensure they are accessible and suitable not only for people with disability but also for ageing people with

limited or declining mobility. The current Adaptable Design Guidelines and Platinum Level Livable Housing Design Guidelines would be a useful starting point for such work.

Recommendation 5

That the current quota for 10% of new developments to feature accessible dwellings be reviewed to better match the current and future numbers of people with disability and people who are ageing to ensure that ageing in place can occur in line with continuity and sustainability of tenure throughout various life stages. Awareness about and access to such accessible dwellings should be raised through a number of targeted marketing methods.

Recommendation 6

That people with disability are actively supported to gain financial independence through employment, greater access to capital and credit and better information and advocacy in order to obtain and maintain their own home. In line with the research presented in this submission, more needs to be done to maximise choice and control for people with disability in obtaining and maintaining financial security and independence.

Recommendation 7

That the insights of private investors and property developers are actively sought to inform the Inquiry recommendations, as well as an analysis of comparable domestic and international models to addressing housing supply constraints – such as the Defense Housing Model cited in our submission.

Recommendation 8

That an advisory council is established to oversee, inform and monitor the interface between NSW Housing and Ageing, Disability and Home Care in relation to the provision of public, social and affordable housing to people with disability in NSW. This would ideally be comprised of disability service providers, community housing providers, advocacy organisations and people with disability. This is particularly pertinent with the new NDIS (NSW Enabling) Bill 2013.

Achieve Australia has long advocated for new ways of thinking to emerge in the housing and accommodation space for people with disability that go beyond a welfare approach.

Homes, Not Houses

Achieve Australia's position on accommodation and housing for people with disability is:

- all people with disability have a fundamental right to affordable, accessible and appropriate housing options;
- housing goes beyond the provision of quality bricks and mortar and is about creating a safe, secure and personalised home for individuals;
- the importance of affordable, accessible and appropriate housing as a cornerstone for whole of life outcomes cannot be underestimated;
- integration of people with disability in the local community is paramount;
- congregate models of care are not synonymous with quality of life outcomes at both the individual and group level;
- the housing and accommodation needs and preferences of individuals will change over time;

This position provides us with a threshold from which any housing and accommodation projects we are involved in will be decided.

Our Experience

Achieve Australia has formidable experience in the housing and accommodation area with the CEO actively involved in a range of expert committees, reference groups and research bodies including but not limited to:

- Australasian Housing Institute;
- Australian Housing and Urban Research Institute;
- National Disability Services National Committee on Accommodation (NSW Representative);
- Chair of the National Disability Services NSW Sub-Committee on Accommodation;

- Member of the high level NSW Ageing, Disability and Home Care (ADHC) Accommodation Models Framework Reference Group;
- Member of the NSW ADHC Supported Living Fund Reference Group;
- NSW Federation of Housing Association and Shelter NSW memberships.

Our long involvement in these forums has indicated that there is very little being done in either research or practice that focuses on the sustainable and meaningful housing and accommodation needs of people with disability underpinned by a lifespan approach.

Merging our experience with research, we have been driven to act on this issue over the past decade due to three compelling and undeniable factors:

1. There is unmet and undermet demand to be addressed:

- people with disability represent a significant proportion of the general population in Australia and thus a potentially significant market for the housing and development sectors;
- people with disability experience disadvantage like many other groups in Australia, as well as a number of other issues specific to disability that need to be considered holistically;
- people with disability are disproportionately represented in data on poverty, unemployment, low income levels, social exclusion and welfare dependency;

2. There are supply constraints to be addressed:

- housing supply and affordability is not a new issue in Australia with much research conducted pertaining to new approaches and investment options;
- the affordable housing sector is comprised of relatively small, not for profit organisations that are reliant on government subsidies, assets and support to conduct their business;
- there is a clear lack of housing diversity in the current market;

3. There are clear individual, social and financial outcomes to be gained:

- many lessons can be learned from other sectors with a number of initiatives investigated but yet to be implemented that could increase both demand for, access to and supply of affordable housing for people with disability;
- the provision of affordable, accessible and appropriate housing has a positive impact on the quality of life and wellbeing of people with disability and has a clear social dividend.

AUSTRALIA'S HOUSING SUPPLY AND AFFORDABILITY CRISIS

Access to adequate housing has been long viewed as a basic human right⁵ and is considered to be an integral factor in the enjoyment of other economic, social and cultural rights. The UN Committee on Economic, Social and Cultural Rights has defined adequate housing as encompassing: legal security of tenure; availability of services, materials, facilities and infrastructure; habitability; accessibility; location that allows access to employment, education, health services etc; cultural adequacy; and affordability.

In Australia, there is no single accepted definition of what constitutes 'affordable housing'. In general, it is housing which meets the needs of households whose incomes are not sufficient to allow them to access appropriate housing in the market without assistance. Achieve Australia would take this definition slightly further to suggest that affordable housing goes beyond income constraints and also addresses access needs for people with disability on a number of levels beyond just financial.

Providers of affordable housing are generally non-government organisations. In return for government or developer assistance in various forms (such as tax concessions, title and land grants, planning concessions and developer contributions), they invest in housing provided to the tenant (under government regulation, funding agreement or contract) at a price considered affordable to the low income households they serve.⁶

According to the Australian Government Senate Select Committee on Housing Affordability in Australia in 2008 and Shelter NSW statistics, the breakdown of the Australian housing landscape is as follows:

- Australia's estimated population of 22.7 million comprises of more than 8.6 million households;

⁵ Article 25, United National Declaration on Human Rights; Article 11, International Covenant on Economic, Social and Cultural Rights.

⁶ AHURI Sydney Research Centre (2005), *Not for profit affordable housing - the Australian experience*, Issue 51, February 2005, p.2.

- Breakdown of home status:
 - Own home: 34%;
 - Paying off own home: 35%
 - Renting: 29% (22% of which are on the private rental market)
 - Public Housing: 5%
 - Other rental accommodation (such as caravan parks or employer owned housing): Remainder
 - Homeless: Approximately 100,000 Australians (an increase of around 17% between 2006 and 2011)
- In 2012, there were 224,876 applicants waiting for social housing;
- In 2010-11, only 5.2% of homes sold or built nationally were affordable for low income households;
- In 2009-10, there was a shortage of 539,000 private rental dwellings that were both affordable and available for renters with gross incomes in the bottom 40% of income distribution;
- At 30 June 2011, there were over 900 mainstream community housing organisations and almost 330 Indigenous community housing organisations operating in the not for profit housing sector. These organisations managed nearly 58,000 mainstream community housing dwellings and just under 18,000 Indigenous community housing dwellings;
- In mainstream community housing, almost 80% of dwellings are managed by about 10% of organisations. Additionally, the number of organisations has decreased from 950 at 30 June 2010 to 900 at 30 June 2011;
- Net recurrent costs per rental unit or dwelling in mainstream community housing include administration and maintenance costs but exclude capital costs and is calculated by the Australian Institute of Health and Welfare in 2009-10 as \$10,175 per rental unit or dwelling in NSW and \$9,120 nationally (though this data is said to be interpreted with caution);
- In 2011, 129,840 households with at least one member with disability were allocated public housing from the total sum of 324,908 households - this represents a 40%;

- In 2011, 19,409 households with at least one member with disability were allocated mainstream community housing from the total sum of 54,911 households - this represents a 35%.

Currently, there is a significant problem with housing affordability in Australia with some measures indicating housing affordability to be at a record low.⁷ The problem of affordability in Australia has been a function of both strong demand and limited supply, as outlined by the Australian Government Senate Select Committee on Housing Affordability in Australia in 2008, from which much of the following demand and supply data is extracted.

DEMAND PRESSURES

Several factors have contributed to strong demand for housing, including:

- higher than average real incomes and an increase in the number of double income households;
- a decrease in the size of the average household due to later marriage, fewer children and increased incidence of divorce and separation;
- relatively strong population growth underpinned by higher immigration rates;
- the decline in standard home loan interest rates from the mid 1990's to early 2002 reflecting a low inflation environment;
- greater availability of credit, including from non-bank lenders;
- the taxation system incentives have encouraged investment in second and third properties and have benefitted owner-occupiers over renters.

It is important to consider such demand pressures in the broader Australian context. As demand increases for housing, people with disability are pushed further to the periphery in an already constrained marketplace.

⁷ Australian Government Senate Select Committee on Housing Affordability in Australia, *A Good House is Hard To Find*, Final Report, June 2008.

SUPPLY CONSTRAINTS

Depending on the data set presented, it is estimated that there is currently an annual shortfall in housing supply relative to population based demand of between 30,000 - 55,000 dwellings in NSW alone. Several factors are identified as drivers for this shortfall, including:

- The complexity of state and federal government planning processes that involve high costs and long delays;
- Excessive developer infrastructure charges and supply restrictions due to private players in the market;
- A shortage of skilled labour in the construction industry.

In a recent audit conducted in July 2013, the NSW Auditor-General's Performance Audit Report states that the imbalance and shortfall between demand and supply for public housing is a crucial issue.⁸

THE RIGHT KIND OF SUPPLY

Addressing the affordable housing crisis is simply not a matter of constructing a certain number of dwellings in greenfield sites. Housing supply must be well located and well serviced with supporting jobs, public transport and community infrastructure. Housing supply must reflect what residents need and want. Greater diversity in the design, price, location and tenure of housing will help address the issue of inadequate or inappropriate housing. The profile of supply must be flexible and dynamic to meet not only current but also future needs of tenants.

SPOTLIGHT ON NSW: AFFORDABLE HOUSING STATISTICS

Looking specifically at NSW, the following statistics were sourced from the recent Performance Audit undertaken by the NSW Auditor-General in July 2013:

- NSW has the largest social housing portfolio in Australia, comprising over 150,000 dwellings. The NSW Land and Housing Corporation (LAHC) owns the bulk of these with about 134,000 dwellings valued at around \$32 billion – the vast majority of

⁸ Audit Office of NSW (2013), *NSW Auditor General's Report: Performance Audit*, July 2013, p.2.

which are used for public housing for which Housing NSW provides tenancy management services;

- The breakdown of social housing in NSW is as follows: 119,000 dwellings in public housing (79%), 27,000 dwellings in community housing (18%), 5,000 dwellings in Aboriginal housing (3%);
- Around 214,000 people are currently living in public housing, with a further 55,000 eligible households (translating to about 120,00 people) on the waiting list for such accommodation;
- It is estimated the public housing only meets 44% of need in NSW;
- The characteristics of people requiring public housing have changed with a significant increase in single person households, tenants with significant disability and elderly tenants;
- Projections for 2021 undertaken by Housing NSW show that over 50% of all social housing need will be by older people and those with significant disability;
- In over 20% of the areas where social housing is available in NSW, applicants can expect to wait more than ten years for social housing;
- Public housing dwellings are ageing and increasingly not fit for purpose;
- Projections undertaken by the NSW Land and Housing Corporation indicate that if current funding arrangements continue, the housing portfolio in NSW will decline in terms of dwelling numbers and standard;
- Over 30% of households do not match their dwellings – many of these properties are underoccupied;
- There are over 8,000 existing tenants awaiting relocation due to their current housing being unsuitable;
- Public housing is now supporting fewer people than ten years ago, with its use becoming less efficient with 30% of three or more bedroom public housing properties occupied by a single person or couple.

Interestingly, the report states that neither Housing NSW (under the NSW Department of Families and Communities) nor the NSW Land and Housing Corporation have articulated

long term strategies or plans to address the challenges for the provision of public housing to those most in need⁹. This indicates a clear gap that exists in the current policy environment.

Additional data from Shelter NSW provides a complementary overview of the current landscape in NSW:

- 8% of home purchase stock is affordable for low income households;
- 27% of rental stock in NSW is affordable for low income households but not all the stock is available to low income households;
- Sydney house prices are the most expensive in Australia and increased by 6.1% in the past 12 months (double the increase in CPI);
- 28,190 people in NSW were estimated to be homeless in 2011, an increase of 26.9% from 2006;
- In 2012, there were 55,186 applicants waiting for social housing.

DELVING DEEPER INTO 'DISADVANTAGE'

In much of the literature reviewed, there is little to no indication of the specific issues relating to people with disability within the broader cohort of disadvantage when it comes to housing and accommodation. Whilst we agree that people with disability are indeed disadvantaged, earn lower incomes proportionate to the general population and experience social exclusion, there are also issues specific to people with disability that separate them from the broader cohort of 'disadvantage' under which they are often grouped. Given the poor amount of available literature focusing on people with disability beyond the broader cohort of 'disadvantage' in relation to homelessness and housing needs, Achieve Australia recommends that this be further studied.

In addition, what makes disability so critical is that the abovementioned demand and supply pressures in the general population work to further exclude people with disability from the housing market. That is, the more the general population battles to secure affordable housing, the more people with disability are pushed further to the periphery.

⁹ Audit Office of NSW (2013), *NSW Auditor General's Report: Performance Audit*, July 2013, p.3.

THE CRITICAL ROLE OF SUSTAINABLE AND MEANINGFUL ACCOMMODATION FOR PEOPLE WITH DISABILITY

The 2009 Survey of Disability, Ageing and Carers found that around four million Australians have some form of reported disability according to census data. This represents one in five Australians or 18.5% of the population, for whom the statistics in the research show:

- 17% under the age of 65 live in public housing;
- 13% own their own home or have a mortgage;
- 16% are private renters;
- 16% are boarders;
- 13% live rent free.¹⁰

Research also states that people with disability have much lower incomes, are much more likely to be in the rental market, are much less likely to be homeowners and have significantly greater levels of housing stress than the population overall.

Interestingly, in the data presented by the AIHW, people with disability are more likely to own their own homes than those without disability - 44.2% compared to 21.3% own a home without a mortgage. This is explained by the fact that the prevalence of disability (otherwise referred to as age-related or late onset disability) increases in older age groups.

A PLACE TO CALL "HOME"

For all of us, the importance of home goes beyond bricks and mortar. The majority of Australians aspire to home ownership. It should be an aspiration that through prudent management of household finances they are able to realise. The appeal of home ownership and security of tenure goes beyond financial security. Home ownership provides people with a sense of physical and emotional security and safety. Research also suggests that home ownership enhances the ability of older people to remain living in the community with assistance, which has been shown to be important in maintaining health and wellbeing.

¹⁰ Australian Government Senate Select Committee on Housing Affordability in Australia, *A Good House is Hard To Find*, Final Report, June 2008, p.28.

Our extensive experience indicates that the same can be said for people with disability. Given its importance in promoting and maintaining a functional, stable and just society, housing should not be considered just another commodity. Many of the social benefits seen to flow from home ownership - security, connection to community, control over one's lived environment - can also be conferred through more secure tenancy models.

A recent study conducted by the Australian Institute of Health and Welfare (AIHW) supports the notion that housing plays a critical role in the health and wellbeing of individual Australians.¹¹ The AIHW states that a home for most Australians is a dwelling that provide shelter, safety and security as well as privacy. Housing also provides much more than just meeting basic needs. The availability of affordable, sustainable and appropriate housing underpins good health and the social, educational and economic participation of individuals. It is critical that the views of people with disability are sought in shaping a clear picture of what constitutes a "home". This rich information will underpin a range of deliverables from the project, including principles and guidelines to ensure appropriate and relevant design of housing for people with disability.

In addition to unsuitability of dwellings, uncertainty of tenure is a significant issue for a majority of people we support. Research shows that security and stability are important for all people (as per Maslow's Hierarchy of Need) and we would argue this to be even more so for people with disability. Due to various funding and policy constraints, a number of people supported by Achieve Australia are not eligible to access public, social and affordable housing leaving them with private rental as their only option. This has posed a number of issues for both Achieve Australia as well as the residents which remain of great concern. This ineligibility leaves the private rental market as the main avenue through which we secure housing, though it is well documented in recent media that this market is severely constrained and financially difficult for everyday Australians to access. Such difficulty of access is further compounded for people with disability on financial and accessibility grounds.

¹¹ AIHW (2012), *Housing Assistance in Australia*, p.vii.

CASE STUDY: VULNERABILITY OF TENURE

Achieve Australia currently supports four groups of people at risk of eviction from their current properties rented through the private market. These people, whilst eligible for public, social and affordable housing face two key issues securing such properties – the waiting lists indicate a ten year wait and the properties themselves are unsuitable and inaccessible. This is of particular difficulty for one man with cerebral palsy who requires crutches to move. This situation has a range of impacts on financial, physical and emotional levels for the individuals affected and for us as the organisation supporting them to live stable, secure and fulfilled lives. In addition, the fact we are working with groups of people rather than individuals makes the placement task even more difficult. We are continuing in our attempt to find new premises for these people however in a tightly held Sydney private rental market this is proving to be a significant challenge leaving these individuals with the potential of having nowhere to go.

HOME BASE: THE IMPACT OF ACCOMMODATION ON WHOLE OF LIFE OUTCOMES FOR PEOPLE WITH DISABILITY

Qualitatively, our experience tells us that the provision of a secure and safe home environment has positive effects on other domains of a person's life. This is true not just for people with disability but for all people. A generalist study into affordable housing supply in Australia in 2002 conducted by AHURI states that affordable and appropriate housing is a central support to a decent life, which entails maintaining stable households connected to the main institutions in our society - jobs, services, family and social networks.¹²

Little research has been undertaken to explore this specifically for people with disability, though a scoping study undertaken by AHURI in 2011 provides us with some insights. The final report states that housing assistance plays a positive role in the social inclusion of people with disability, not only in enhancing whole of life outcomes, enabling social inclusion and wellbeing but also in avoiding crises.¹³ Similarly, in 2012 the AIHW reported

¹² AHURI (2002), *Expanding the supply of affordable housing in Australia*, Research and Policy Bulletin, p.1.

¹³ AHURI (2011), *Housing assistance, social inclusion and people living with a disability*, p.64.

that housing plays a major role in the health and wellbeing of Australians by providing shelter, safety, security and privacy, as well as enabling participation in social and economic activities.¹⁴

The research that formed the basis of the report - one of the few of its kind, though noting it focuses primarily on the provision of social housing and subsidies - found that the provision of appropriate housing assistance has a clear social dividend and provides a range of non-shelter benefits and positive social inclusion impacts, such as:

- stability to those who would otherwise be vulnerable to a range of negative circumstances and who may otherwise have no sense of control over their lives;
- helping people with disability deal with other crises in their lives - health, family relationships, financial concerns - and adds to their resilience and independence;
- reducing the exposure of people with disability to very high housing costs and the risk of eviction;
- reducing the vulnerability to homelessness and the experience of recurrent homelessness. In the absence of housing assistance, the report concludes that it is almost certain that a significantly larger number of people with disability would experience homelessness and rough sleeping;
- increasing the likelihood of entering and remaining in paid employment;
- enhancing the advocacy skills which in turn enables engagement within wider social networks.¹⁵

Achieve Australia recommends that further work be done to investigate the importance of a stable, meaningful and sustainable home on whole of life outcomes and the necessary positive intersections that occur when the home environment is secure - financially, practically and emotionally. This would address a current gap in the research by focusing not only on social housing but on the broader continuum of options for people with

¹⁴ AIHW (2013), *National social housing survey: a summary of national results 2012*, Bulletin 117, May 2013, p.1.

¹⁵ AHURI (2011), *Housing assistance, social inclusion and people living with a disability*, p.66.

disability, including open market housing options such as home ownership and the private rental market.

Ageing in place is an issue of particular importance to Achieve Australia. Frequently, we are faced with practical, ethical and moral dilemmas that place great strain on us as an organization and even more hardship on the people we support whose lives are drastically disrupted.

CASE STUDY: THE AGEING IN PLACE DILEMMA

Achieve Australia has supported a number of people with disability who acquire early onset dementia and degenerative health conditions which lead to a loss of mobility. Due to their changing needs, their homes are no longer physically fit for purpose (these dwellings are generally designed for fully ambulant, active people and for us to modify them is near impossible particularly if they are secured through the private rental market). This leaves us in a difficult moral and ethical position where we are forced to attempt to relocate these people to more accessible homes appropriate to meet their changing needs. When this is not possible – which is sadly often the case – these people are forced to reside in aged care facilities and nursing homes which we would argue are not the right setting. It is a significant and longstanding concern for Achieve Australia that placing people in unsuitable environments may negatively impact their quality and longevity of life. This situation could be avoided if accessible premises were available in the first place to allow for ageing in place. This remains one of the most troubling issues we as an organization continue to deal with.

FINANCIAL INCLUSION FOR PEOPLE WITH DISABILITY IN AUSTRALIA

Financial security is an ever present worry for most people, including people with disability, their families and carers. Critical factors unique to this cohort include the costs associated with disability, balancing the ability to work with caring responsibilities, the need to accrue adequate retirement contributions drawing on part time employment, supported wages and income support and poor levels of financial literacy.

Data tells us that people with disability and their carers are amongst the poorest in our community and they experience a range of consequential negative impacts on housing security, physical and mental health and social and economic participation¹⁶.

Before investigating avenues for financial inclusion of people with disability and their carers, we must first understand financial exclusion. A definition of financial exclusion is offered by the European Commission as being "a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream markets that are appropriate to their needs and enable them to lead a normal life in the society in which they belong"¹⁷. Whilst this definition relates to financial services, its relevance is transferable to the accommodation and housing market for people with disability, particularly in relation to the concept of 'appropriateness' of the product offering to the individual.

A recent study conducted in Queensland explored the financial exclusion of people with disability and their carers, highlighting that for many people with disability the main cause of financial exclusion is financial hardship and poverty. The following statistics gathered through our research support this conclusion:

Table One: Data Snapshot and Indicators of Financial Hardship and Poverty for People with Disability and their Carers

Indicator	Data	Comparator	Source
Number of Australians with one or more reported disabilities	4.026 million	Out of 21.783 million Australians, equating to 18.5%	ABS Census 2009
Number of Australians with disability who live in poverty	45%	OECD average: 22%	OECD
Australia's employment rate for people with disability	Ranked 21	Out of 29 OECD countries	OECD

¹⁶ Foresters Community Finance, National Disability Services Qld, BankMecu (2012), p.4

¹⁷ European Commission (2008), *Financial Services Provision and Prevention of Financial Exclusion*, as cited in Foresters Community Finance, National Disability Services Qld, BankMecu (2012), p.8.

Labour force participation rate for all people with disability	54.3%	Labour force participation rate for people without disability: 78.6%	ABS Census 2009
Labour force participation rate of primary carers	53.7%	Labour force participation rate of non-carers: 79.9%	ROGS

Data for this table cited in the disability data snapshot report produced by National Disability Services.

The study also highlights that for some people with disability and their carers, income and financial hardship are not the only drivers of financial exclusion. The report states that for the smaller proportion of people with disability and their carers who earn higher incomes, financial exclusion may take the form of lack of access to financial advice and planning at the right time and a lack of connection to lifelong planning that takes account of the need for continued care beyond the life of the individual's parents¹⁸. Anecdotally, through our extensive experience in the disability sector, we know that long term financial security and guarantees of stability and happiness are the greatest cause of stress, worry and discussion - yet a widely applicable solution remains to be found. Similar to the housing and accommodation market for people with disability, the report concludes that whilst the need and demand for new and innovative products in the financial services market is clear, there are only limited and often inappropriate products available.

The report highlights a number of barriers to the financial services market for people with disability and their carers, including:

- *financial hardship* linked to low income levels compounded by the additional costs associated with disability;
- *product advertising and communication* that is difficult to understand (in particular contracts and product disclosure statements) as well as a lack of proactive marketing to the demographic;

¹⁸ Foresters Community Finance, National Disability Services Qld, BankMecu (2012), p.10.

- *product design* that is 'off the shelf' and not individualised specific to need;
- *product delivery* that assumes access to a personal bank account rather than an account in trust;
- *the important link between employment on financial stability* where a lack of access to regular income represents a barrier to access credit and finance more broadly.

It is important to note that even where a family or person has access to assets of their own with a willingness to utilise these assets for long term stable housing, a number of the above barriers still exist making financial hardship but one factor.

In addition, the report highlights the important and unaddressed need for appropriate, long term affordable housing for people with disability. For people with disability, the location and type of housing can be critical to quality of life. The report concludes that housing affects social inclusion, employment participation and basic day-to-day functions¹⁹, aligning with our experience with the people we support.

SOCIAL EXCLUSION AND DISABILITY

In 2011, the World Health Organisation and World Bank presented to the United Nations the first ever *World Report on Disability*, putting the issue of social inclusion firmly on the international policy agenda. Following Australia's ratification of the *United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)* and optional protocol in 2009, the Centre for Disability Research and Policy at the University of Sydney conducted a longitudinal study comparing social inclusion indicators over a ten year period from 2001 to 2011. The study found that disabled Australian adolescents and young adults were more likely to experience social exclusion than their non-disabled peers. Such social exclusion leads to poor outcomes for the individual (employment, education, health, wellbeing) and for the wider community.²⁰ The report went on to state that in 2011, young disabled Australians were five times more likely than their non-disabled peers to experience long term unemployment and entrenched multiple disadvantage. Further, on 13 indicators of

¹⁹ Foresters Community Finance, National Disability Services Qld, BankMecu (2012), p.13.

²⁰ Centre for Disability Research and Policy (2013), *Left Behind: Monitoring the social inclusion of young Australians with self reported long term health conditions, impairments or disabilities 2001-2011*, p.1.

social inclusion, young people with disability were more disadvantaged overall (financially and socially) in 2011 than in 2001.

The social inclusion of people with disability is attracting increasing attention. Historically, negative social outcomes associated with disability were typically regarded as inevitable consequences of health conditions or impairments. Current understanding of the nature of disability suggests otherwise. Increasingly over the past three decades, disability has come to be seen as the result of the dynamic interplay between discriminatory social and environmental processes that perpetuate the social exclusion of people with particular health conditions or impairments. Despite numerous efforts by various governments at all levels to build a stronger, fairer Australia for all, quantitative and qualitative evidence suggests that the social inclusion of people with disability across all indicators is yet to improve.

In bringing the research together, it is clear that the relationship between being disabled, socially excluded and poor is well documented. What is missing is the connection between this and the need for and importance of housing and accommodation by this specific cohort. In addition, the provision of accommodation and housing options for people with disability have largely been dominated by government and government funded not-for-profit service providers with minimal movement away from this traditional approach.

FINANCIAL INVESTMENT MODELS

In recent years, there has been much interest in the potential to use alternative financing and delivery models for affordable and social housing supply in Australia. The main drivers of the growing research and policy attention being given to innovative models include:

- reduced public funding in real terms for public housing;
- increasing numbers of low and moderate income households experiencing housing affordability difficulties;
- a greater diversity of client needs that cannot be addressed adequately within the current social system.²¹

In addition, the increasing life expectancy rates of people with disability means that we are facing a new and positive social challenge of the first generation of people with disability who in the main will outlive their primary carers and thus require sustainable and meaningful accommodation. Achieve Australia recommends that a research project is undertaken to investigate a range of financial investment models drawing on a variety of examples and cross sectoral experiences. Of particular focus will be the role of the private sector in the provision of a range of meaningful and sustainable housing for people with disability in Australia.

CASE STUDY: DEFENSE HOUSING AUSTRALIA

Looking beyond the disability sector, the Defence Housing Australia (DHA) provides an interesting comparative business model from which lessons may be learned and approaches transposed. The business model underpinning DHA integrates a range of functions including housing construction and asset and tenancy management. Central to this is the sales and leaseback (SLB) program through which DHA sells housing to private investors who then lease property back to for DHA to manage. This approach enables DHA to tap into funding

²¹ AHURI Sydney Research Centre (2005), *Not for profit affordable housing - the Australian experience*, Issue 51, February 2005, p.2.

unavailable to other affordable housing providers and account for more than 60% of DHA's stock.

Governance and Function of DHA

With origins dating back to the 1920's, the current DHA entity was established as a statutory authority in 1988 and in 1992 became a Government Business Enterprise – essentially, it is a commercially-funded organisation that undertakes business activities on behalf of the Government. DHA business is conducted in accordance with the *Public Service Act 1999* and our own *Defence Housing Australia Act 1987*. A Board of Directors (nine members) governs the organisation, with reporting provided to the joint shareholder ministers, the Minister for Finance and Minister for Defence. The Board has three committees: Board Audit Committee; Board Nomination and Remuneration Committee; Property Committee.

After a number of attempts, DHA is now a successful model of private investment in the large scale provision of rental housing. In 2009, DHA had a portfolio of over 17,000 dwellings valued at over \$7 billion that were owned by a mix of public, individual and institutional investors. DHA has a number of functions, it:

- constructs housing;
- buys housing;
- sells housing (to dispose of it);
- sells housing to investors and leases it back on long term leases typically for periods of up to 12 years;
- manage tenancies;
- maintains houses (including essential maintenance for its leaseback properties);
- refurbishes housing;
- relocates tenants;
- provides home loans through the *Defence Force (Home Loans Assistance) Act 1990*.

Overcoming Legacy Issues

In the 1988 annual report, DHA identified three major tasks to be initially undertaken by the organisation: to build new housing and dispose of outdated current stock; to upgrade housing units underpinned by the establishment of regional housing management centres; and to disengage from the states' public housing bodies and untangle a myriad of agreements. These initiatives were key to setting the foundation to improve service delivery in later years.

Key Attributes for Success

The key attributes of the current DHA business model are:

- asset development and management:
- robust design guidelines which provide a framework for the acquisition and development of appropriate housing
- good governance with regular and high quality reporting as a way of engaging investment;
- the ability to leverage scale due to bulk contracts in development and maintenance of the property portfolio.

Key Lessons for the Affordable Housing Sector

On the broad policy level, the DHA model demonstrates two major lessons. First, that it is possible for affordable housing providers to scale up if they are adequately capitalised. The success of the DHA model in the first ten years clearly demonstrates that a capitalised affordable housing provider with a clear mission can make a significant contribution to servicing housing need. Second, it is very difficult to sustain institutional investment in affordable housing.

Relevant operational issues for the affordable housing sector relate to how providers organise their assets. The key lessons from DHA indicate:

- *Successful housing development requires scale* - DHA develops some of its own stock (around 500-600 dwellings per annum) which enables DHA to be an efficient developer of stock at such a scale. Only a handful of affordable housing developers

are operating at the same scale as DHA. For smaller affordable housing providers, joint ventures and collaboration will make such scale attainable;

- *Large maintenance contracts will drive down average costs* - this same strategy is often adopted already by large social housing agencies and large affordable housing providers to lower per dwelling maintenance costs and provide certainty about maintenance costs in forward projections
- *Successful asset management will require significant trading of stock* - this is a significant part of DHA's asset strategy, with between 2-3% of stock sold each year. The focus is on removing older stock from its portfolio which should also be adopted by affordable housing providers which will require an acknowledgement and contracts that enable transferred public housing stock to be sold by affordable housing providers in the medium term;
- *Robust design guidelines will assist organisations to acquire and develop appropriate housing* - the history of DHA highlights that if you have stock that is not appropriate for your clients, the best strategy is to sell it and/or redevelop it. Many affordable housing providers are likely to have received stock transferred from the government as part of national and state strategies and it is important that in cases where such stock is not appropriate for their clients, housing providers have the opportunity to sell and/or redevelop stock and replace it with more appropriate stock. Particularly with joint ventures, DHA found the need to articulate clear and comprehensive design guidelines with a set of mandatory standards and preferred design approaches. In the affordable housing sector, City West have developed guidelines also;
- *Good governance and staff management drives high quality reporting strategies* - exceptional customer service is emphasised at all levels within DHA. The organisation has invested in fostering highly developed consultative relationships with stakeholders, including regular customer satisfaction reports, investor analysis reports and housing data. This is a gap in the current affordable housing sector that should be addressed through the provision of meaningful reports to a variety of stakeholders.

The biggest lesson for the affordable housing sector is the potential of a sales and leaseback model to attract private investment into the sector. After some false starts, DHA has developed a sustainable model in the sales and leaseback arena that has created a product that provides advantages for both DHA and investors. Research suggests, however, that the application of such a model to the affordable housing sector is likely to require some level of government guarantee.

Potential Barriers for the Affordable Housing Sector

Many elements of the DHA model are attractive to the affordable housing sector. In addition, underlying principles of integration, social mix and the provision of quality housing resonate across both sectors. In a recent research report, AHURI highlight a number of barriers to the adoption of the DHA model in the affordable housing sector, including:

- *provision of a market rent to investors* - this could be achieved through a combination of the National Rental Affordability Scheme (NRAS) and the use of the development margin to meet the gap;
- *overcoming stigma related to affordable housing tenants* - a number of studies have been conducted into community responses to social housing development for disadvantaged groups with results indicating stigma may exist in some communities that would need to be identified, acknowledged and proactively addressed;
- *the availability of a government guarantee* - a key element of the DHA model is the explicit government guarantee provided to investors who are guaranteed rental payments from the beginning to the end of the lease, regardless of whether the property is tenanted. It would be difficult and unfeasible for an affordable housing provider to provide such a guarantee and unlikely to be valued by investors, making a government guarantee a necessary option for the sector. In the early days for DHA, there was an element of national interest that assisted in securing this guarantee - that is, the provision of housing was essential to the recruitment campaign for much needed servicemen and women. The affordable housing sector would may need to prosecute a similar national interest case.

This provides an interesting case study from which many elements may be transferrable.

CONCLUSION

Our submission has sought to bring together contemporary research and data as well as our extensive experience in the sector to provide a clearer picture of the need for sustainable and meaningful accommodation options for people with disability in Australia.

WHAT THE RESEARCH AND EXPERIENCE TELLS US

This submission and our years of work to inform it has proven to be an insightful process, particularly in terms of pulling together a vast number of threads of research that relate to the provision of meaningful and sustainable accommodation options for people with disability in Australia. A clear gap remains in practically and successfully addressing an issue that to date seems not to have ventured beyond academic bounds.

In short, the research reviewed tells us that:

1. There is unmet and undermet **demand** to be addressed:
 - ✓ people with disability represent a significant proportion of the general population in Australia and thus a potentially significant market for the housing and development sectors;
 - ✓ people with disability experience disadvantage like many other groups in Australia, as well as a number of other issues specific to disability that need to be considered holistically;
 - ✓ people with disability are disproportionately represented in data on poverty, unemployment, low income levels, social exclusion and welfare dependency;

2. There are **supply constraints** to be addressed:
 - ✓ housing supply and affordability is not a new issue in Australia with much research conducted pertaining to new approaches and investment options;
 - ✓ the affordable housing sector is comprised of relatively small, not for profit organisations that are reliant on government subsidies, assets and support to conduct their business;
 - ✓ there is a clear lack of housing diversity in the current market;

3. There are clear **individual, social and financial outcomes** to be gained:

- ✓ many lessons can be learned from other sectors with a number of initiatives investigated but yet to be implemented that could increase both demand for, access to and supply of affordable housing for people with disability;
- ✓ the provision of affordable, accessible and appropriate housing has a positive impact on the quality of life and wellbeing of people with disability and has a clear social dividend.

WHAT THE RESEARCH DOESN'T TELL US, YET OUR EXPERIENCE DOES

Whilst much research has been done on the affordable housing market, housing supply and pressure on disadvantaged and low income groups, there remains a distinct gap in the analysis of housing supply, affordability and appropriateness for people with disability - what it looks like, why it is needed and how to achieve it.

All evidence suggests that people with disability represent a significant market that has been relatively ignored to date by the mainstream housing and development sector - quantifying the scale and potential of such a market remains unknown yet critical to understand.

It is this gap in focus that Achieve Australia is actively seeking to address - specifically, the demand and supply measures that impact upon and can better be addressed to ensure the provision of meaningful and sustainable accommodation options for people with disability.

WHERE TO FROM HERE

Achieve Australia recommends that a significant research project is undertaken that better quantifies and develops solutions to the need for affordable, accessible and appropriate housing options for people with disability beyond the social housing market.

We would envisage that such research would include the following five key lines of inquiry:

1. ***capture market data***: ascertain quantitative and qualitative data on people with disability within the wider cohort of disadvantage, including those people with

disability who are or are at risk of becoming homeless as well as data on the size of the market for this specific cohort in relation to housing and their personal views on what constitutes a 'home';

2. **increase supply:** new and innovative approaches to increase the supply of affordable housing in Australia for people with disability;
3. **boost demand:** contemporary and sustainable ways to sustainably break the cycle of disadvantage and boost demand by people with disability for housing through access to capital, increased employment and other opportunities;
4. **define appropriateness:** determine principles and develop guidelines to underpin the development of appropriate housing options for people with disability;
5. **improve market access:** scan the current domestic and international environment for best practice examples leading to the development of tools and resources for people with disability to access meaningful and sustainable accommodation options.

Achieve Australia would be pleased to lead or partake in a consortia arrangement with academic institutions, disability and community housing providers, private investor and developers, government and people with disability to undertake such a critical research project.

This is of particular importance given the advent of the National Disability Insurance Scheme, under which there is very limited funding available for the capital components associated with the provision of housing and accommodation. This - coupled with the ageing of carers of people with disability who traditionally reside at home - will undoubtedly place even greater pressure on an already stretched public, social and affordable housing sector.

ABOUT ACHIEVE AUSTRALIA

Achieve Australia is a Sydney-based community organisation supporting around 550 people with a disability or who experience disadvantage. We provide a range of essential supports and services including a choice of accommodation options, in-home support, employment opportunities, information, training, and practical skills for daily living.

Our focus is on supporting people with disability to learn and maintain life and work skills, develop relationships, make choices about their lives and become independent members of their community. Our people deliver flexible and individualised support centred around a person's goals and aspirations to achieve meaningful and valued lives. Achieve Australia is a company limited by guarantee, governed by a Board of Directors and has been supporting people with a disability since 1952.

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