

RESPONSE TO DRAFT QUEENSLAND PRODUCTIVITY COMMISSION REPORT INTO THE NDIS MARKET IN QUEENSLAND

Dr Grace Bitner, Research Fellow
Professor Michele Foster, Research Director
The Hopkins Centre
Menzies Health Institute Queensland
Griffith University

The Hopkins Centre Positive Environments and Communities Stream is currently undertaking a number of research projects related to disability accommodation in Queensland. Of particular relevance are the *Disability Accommodation Landscape in Queensland*, and *Valuing Home Modifications* projects, both of which are being led by Dr Bitner. The following document refers to some of the findings from these projects, and where relevant, other existing research in response to information requests made in Chapter 9 of the QPC draft report into the NDIS market in Queensland. Responses are grouped below according to the individual information request points outlined in the draft document:

Policy options to reduce conflicts of interest in the provision of accommodation and supports provided within the home & the costs, benefits and risks in separating the provision of accommodation and supports within the home.

The *Disability Accommodation Landscape in Queensland* project is currently bringing together quantitative and qualitative data to develop a more detailed understanding of how the marketplace is functioning - with the aim of identifying barriers and opportunities for further growth and development. Emerging evidence from this ongoing research indicates that some Supported Independent Living (SIL) providers are becoming involved in the accommodation marketplace as a response to difficulties the sector currently faces in trying to match individuals with appropriate accommodation and support. Examples have been cited where SIL providers have become involved in SDA in an effort to improve chances of matching participants to accommodation and reduce the potential for vacancy - which is currently a concern for investors. While this may reduce risk, and result in greater willingness to build these dwellings for investors, it can also transfer risk to the SIL provider, particularly if their financial modelling relies on full occupancy. As noted in the draft report, such arrangements can result in the conflicts of interest for the SIL provider identified in the QPC draft. The question this raises then is whether addressing the underlying problems related to matching participants with appropriate accommodation (and the associated vacancy risk) has the potential to reduce the need for (and attractiveness of) these types of arrangements that may result in conflict of interest?

Whether there are sufficient tools, mechanisms and supports to help participants find a suitable housemate.

While the matching of participants to potential housemates is a priority consideration that requires appropriate solutions, the health and safety of participants in group living environments is an equally pressing issue. This requires clear consideration if safety is to be assured in the future growth in shared living situations.

Pre-NDIS, it was not uncommon for a single service provider to provide services to all the tenants of a particular group housing dwelling. While such arrangements had many documented problems, including the restriction of individual choice and control in relation to the support provided, it did

ensure that responsibility for health and safety for all staff and tenants was held by a single organisation. As a result, duty of care was placed upon the provider to design and implement a range of measures, including plans, procedures and protocols which ensured the health and safety of tenants and staff. This often included (but was not limited to) incident and behaviour management protocols and procedures, fire safety and evacuation plans, and a range of health emergency response initiatives. In addition to the design and implementation of these, the provider was also responsible for the ongoing training of staff, and the regular review and modification of these protocols.

In the post-NDIS landscape, however, multiple organisations may now be engaged to provide support for individuals within a single dwelling. The safety and health of occupants, and concomitantly risk management, in these situations relies on coordination and consistency, and clear lines of responsibility, which are areas of uncertainty at present. An example of where lack of co-ordination can carry increased risk is with shared accommodation building classes that are required to have tailored fire evacuation plans and equipment. In these environments, if there is not clear organisational responsibility for the creation, maintenance, review, and training of staff in these systems (including where necessary the associated equipment) risk can be amplified. Outside of major emergencies, other areas of uncertainty include inconsistencies in practices and quality of support provision procedures and protocols, and how these might lead to gaps or inefficiencies for tenants. For example, previously a single organisation might work to minimise, and manage the risk of harm to co-tenants in the event of behaviours of concern from one occupant. In a recent survey of over 2,300 disability workers (Cortis & van Toorn, 2020) just under half (45%) reported being aware of harm to a client in the last 12 months. Within this statistic, 24% attributed the harm as coming from another client¹, and 23% identified the perpetrator as a worker or volunteer (Cortis & van Toorn, 2020, p. 89). In the NDIS environment, where there are multiple providers working in a single household, a critical policy question concerns the incentives and motivations of these providers to act in a more coordinated way to optimise safety and mitigate risks.

These issues amplify further when viewed alongside emerging evidence that “competitive market conditions” and “financial pressures” are resulting in “safety and quality risks to service users in all service settings” including “reduced or no paid work time for training” and reduced worker supervision (Charlesworth, Macdonald, & Clarke, 2020, p. 15). The combination of general market conditions with loss of a single point of responsibility in shared living environments carries obvious risk implications for both occupants and staff. The question then is whether the creation of more of these shared living environments will only increase the size of the problem that is already evidencing?

Whether the market supplies enough appropriate housing to NDIS participants

The adequate supply of appropriate housing to participants raises complex issues about how *quantity* is understood and operationalised, particularly in relation to the *diversity* and *distribution* of housing stock. While there is currently evidence of a general lack of appropriate disability housing supply throughout the state (NDIS, 2020) there are also indications of overrepresentation of some supply categories of SDA (such as high physical support) (The Summer Foundation, 2021) as well as ‘thin markets’ such as regional and remote areas (Callaway, Tregloan, Moore, & Bould, 2020; NDIS, 2020). Within the *Disability Accommodation Landscape in Queensland* study, industry attributed the trend for investors to build predominately high physical support properties to their potential for generating greater return on investment than other types of SDA. The number of participants who have been approved for this level of SDA in their plans however has not necessarily been as high as originally

¹ While not delineated in the data, instances where one client causes harm to another might be predicted to be less likely in situations where individuals are living alone as compared to within shared living environments.

predicted. While certain initiatives such as participant matching platforms have the potential to help address this issue, broader market initiatives, such as mandated minimum accessibility standards (discussed in more detail in the next section) could potentially address issues of supply and demand on a greater scale and in a more distributed manner.

In relation to identified 'thin markets' such as regional and remote areas - the lack of appropriately detailed data available to investors and developers as to where the small number of identified participants in need of SDA are located within large geographical areas (and what their needs are) remains a barrier. This only increases when considered alongside the higher risk and cost associated with building in these areas. Additionally, the risks over the lifecycle of the dwelling can be higher in these markets. For example, a participant may initially be matched to a particular property but decide later to relocate. In this type of case, the investor can be left with a tailor-made property for which there is no market demand in that geographical location. The current trend of regional migration in Australia (Terzon, 2021) which is associated with an increase in regional house and land prices (more than double the rate of growth than seen in major cities in 2020) has also already been identified as impacting negatively on the risk-return profile for investors. In the absence of active market stewardship or intervention, the risks may continue to outweigh benefits for those who are considering building this type of housing in regional and remote locales.

Whether and how broader housing and accommodation issues outside the operation of the NDIS affect the effectiveness and efficiency of the NDIS market.

One identified facet of the broader housing and accommodation market that has the potential to positively impact on the availability of appropriate accommodation for NDIA participants is the potential introduction of mandated minimum accessibility standards. Proposals to include minimum accessibility standards in the National Construction Code have been proffered and debated for well over a decade. Recently, The Centre for International Economics (2020) produced a large, detailed, report which strove to economically model the potential benefits and costs of introducing mandatory accessible housing standards into the National Construction Code. According to their calculations, introducing accessibility standards (which roughly equated to Livable Housing Design Guidelines Silver Standard) on all new residential builds could have an overall cost premium of as little as \$529 per dwelling². If such a change were to be implemented, this could result in as many as 30,000 more accessible dwellings being built every year³ in Queensland, which also have potential to be more easily and economically modified to suit individual's specific needs.

² Note: The cost modelling undertaken was multi-faceted and attempted to account for potential larger societal benefits and costs – readers are encouraged to refer the original document for explanation of how this projection was derived.

³ Figure based on Australian Bureau of Statistics published total number of dwelling units approved through the development application process for Jan-Nov 2020 (29,057) and 2019 (30,981) in Queensland (Australian Bureau of Statistics, 2020).

References

- Australian Bureau of Statistics. (2020). *Building Approvals, Australia*. Retrieved from Canberra: <https://www.abs.gov.au/statistics/industry/building-and-construction/building-approvals-australia/latest-release#data-download>
- Callaway, L., Tregloan, K., Moore, L., & Bould, E. (2020). Audit of advertised housing and support vacancies for people with disabilities in Australia. *The Australian journal of social issues*. doi:10.1002/ajs4.114
- Charlesworth, S., Macdonald, F., & Clarke, J. (2020). *Nature and extent of gender-based violence in individualised disability support & aged care services in Victoria: Scoping Study Report for Worksafe Victoria*. Retrieved from Melbourne:
- Cortis, N., & van Toorn, G. (2020). Working in new disability markets: A survey of Australia's disability workforce. *Social Policy Research Centre, UNSW Sydney*. <https://doi.org/10.26190/5eb8b85e97714>.
- NDIS. (2020). *NDIS Quarterly Report to Disability Ministers*. Canberra: National Disability Insurance Agency Retrieved from file:///C:/Users/s2120236/Downloads/QR%20Q1%20202021%20Part%20A%20PDF_0.pdf
- Terzon, E. (2021, Monday 4 January 2021 at 9:26am (updated Monday 4 January 2021 at 10:23am)). House prices rise with regional market outperforming capital cities, CoreLogic data shows. *Australian Broadcasting Corporation*. Retrieved from <https://www.abc.net.au/news/2021-01-04/house-prices-rise-1pc-regional-beats-capital-cities/13029268#:~:text=House%20prices%20in%20regional%20Australia%20have%20risen%20at,capital%20cities%20rose%20%20per%20cent%20during%202020>.
- The Centre for International Economics. (2020). *Proposal to include minimum accessibility standards for housing in the National Construction Code: Consultation Regulation Impact Statement*. Retrieved from Canberra:
- The Summer Foundation. (2021). *Specialist Disability Accommodation Supply in Australia*. Retrieved from Blackburn, Victoria: https://assets.ctfassets.net/blhxs4s3wp2f/IPTcZyEQf4OUhAOF2GQnc/f516c1f8b48c5e54f2378769f18f5ba1/SDA_Supply_Survey_Report_-_22_12_2020_small.pdf