

5 February, 2021

Via: enquiry@qpc.qld.gov.au

The NDIS Market in Queensland- Draft Report

Thank you for the opportunity to provide feedback into the Queensland Productivity Commission's (QPC) draft report into the NDIS market in Queensland. Previously, the Property Council provided feedback on the Issues Paper and thanks the Commission for incorporating this feedback into its draft report.

The Property Council of Australia is the leading advocate for Australia's biggest industry – property. We are a national not-for-profit organisation established to promote the work of the property industry in delivering prosperity, jobs and strong communities to all Australians. Here in Queensland, the Property Council represents over 360 member companies across residential, commercial, retail, retirement living, industrial, tourism, health and education sectors.

As such, the Property Council is concerned with aspects of the draft report that relate to the provision of accommodation for NDIS recipients, particularly Specialist Disability Accommodation (SDA). Previously, the Property Council has been involved in the Brisbane Lord Mayor's Disability Housing Working Group and provided feedback on how Livable Housing Design (LHA) could be incentivised by Brisbane City Council. This process was crucial in providing the Property Council with insight into the challenges the development sector faces in providing SDA in Queensland.

Though the Property Council broadly supports QPC's two recommendations that relate to the provision of accommodation for NDIS recipients, there is concern that they may not sufficiently address some of the barriers to the development community further investing in SDA, which in turn has consequences for the ongoing shortfall of SDA in Queensland.

Draft Recommendation 21

The Queensland Government should propose that the NDIA increase the ready availability of market information on the demand for and supply of specialist disability accommodation (SDA) and supported independent living (SIL) support. This should include the preferences and needs of participants likely to require accommodation, while protecting participant privacy.

The Property Council supports this recommendation, with the current information gap highlighted in our earlier submission as a barrier for the property industry.

However, in line with other findings and recommendations within the draft report, we suggest this recommendation is expanded to also include the increase of readily available information on not only the preferences and needs of participants, but also the responsibilities (or requirements) of SDA providers in delivering compliant accommodation.

As noted in the Property Council's initial submission, there is not only a lack of awareness among residential developers on the existence of the SDA market, but confusion regarding the eligibility criteria and prescriptive standards for SDA. In many instances this deters the property industry from becoming involved in the market.

In addition to market information, Government can play a proactive role in marketing the opportunities and need to develop SDA. This may include promotional and educational events that provide the opportunity for various parties to access and share information with each other. This is particularly crucial to stakeholders such as bank valuers, who as previously noted, often have no comparative form of accommodation to base their valuations on. By collaborating with developers and investors, valuers will be able to ascertain a much more accurate picture of the costs involved and relative value of SDA.

Providing an avenue for mutually aligned parties to collaborate will also encourage these parties to work together and become involved in the SDA market. While educational and promotional opportunities may typically be undertaken by the NDIA, the current shortfall in the supply of SDA in Queensland may necessitate a greater role for the Queensland Government in facilitating its provision in Queensland.

Recommendation 22

The Queensland Government should propose that the NDIA investigate ways to streamline and align SDA, home modification and SIL access processes in order to provide faster access for participants and clearer signals to providers. Participants' eligibility should be determined regardless of their access to a support or the presence of a provider.

The Property Council supports this recommendation, as it seeks to address some of the the industry's concerns with the time delays and risk involved in the 'pre-approval' of potential tenants.

However, despite tenants potentially being able to gain early confirmation of eligibility, there remains considerable risk for the supplier of the SDA should the tenant choose not to take up the accommodation, or to move out of the accommodation within a short timeframe.

As SDA is developed to specifications that target a small percentage of the population, resale or re-tenanting of a property could prove difficult- particularly in the current climate, whereby there are limited avenues through which to match prospective tenants with available accommodation.

Furthermore, the funding arrangements for supplying SDA is configured so that payments will only commence once the dwelling is completed, certification has been received, and eligible applicants have commenced residence. So, while Recommendation 22 may lower barriers for participants, there is still a high initial cost to the developer, and inherent risk that no SDA participants may agree to enter into a tenancy agreement. As a result, the delivery of SDA will remain highly speculative, risky, and difficult to obtain banking finance for.

Other recommendations

Activity across the broader housing market will also have an impact on the supply and demand of SDA and warrants further consideration by the QPC.

At a high level, the COVID-19 pandemic has seen a shift in market preferences towards house-and-land product (detached product) and away from higher density attached products, such as apartments and townhouses.

Given the implied preference for SDA to be delivered as a product within multi-residential developments (rather than as standalone single resident dwellings), the drop-off in multi-residential product coming to market may impact on the ability of the development industry to deliver new SDA.

In addition, the demand for house-and-land product is currently outstripping supply in many locations and putting pressure on affordability.

Following an increase in interstate migration and a slow-down in construction activity, there is considerable pressure on accommodation in many parts of Queensland- most notably in areas of already high demand for SDA, like the Gold Coast.

Given the additional cost, complexity and risk involved in delivering SDA, without further incentive, it is unlikely that developers operating in the current climate will be seeking to deliver more of this product. It is therefore imperative to consider how delivery of SDA can be incentivized in a market where there is increasing demand for all forms of housing.

Thank you again for the opportunity to provide feedback on the draft report. If you would like to discuss any of the measures suggested above or would like any further assistance with the inquiry, please do not hesitate to contact me at [REDACTED] or on [REDACTED]

Yours sincerely,

A handwritten signature in cursive script that reads "JWilliams".

Jen Williams
Queensland Deputy Executive Director