A Scope Submission for the

Inquiry by the
Family and Community Development Committee
of the Victorian Parliament into

SUPPORTED ACCOMMODATION FOR VICTORIANS
WITH A DISABILITY OR MENTAL ILLNESS

November 2008
The Future: One Possibility

As a provider of a range of respite and accommodation options for people with disabilities, Scope recognises the pressures associated with trying to be both a landlord/property owner and service provider. Through direct ownership or leasing model arrangements, Scope is responsible for the upkeep of many of its 47 accommodation facilities. This can be a drain on resources, particularly for the homes that are ageing and now require considerable maintenance. In trying to maintain client support as a core focus AND leverage property assets for better client and community outcomes, Scope is looking to stimulate the development and acceptance of alternative models of housing for people with disabilities to help address the rapidly-growing level of unmet need for accommodation support.

Imagine a newly-developed neighbourhood consisting of a variety of free-standing homes, single story villa units and dual occupancy sites. This neighbourhood has its own little shopping strip. The local Council is actively encouraging higher density development. They have set aside some of their own land near the shopping strip to develop a multi-storey building in partnership with a number of community service organisations and State government. This building will house, on its ground floor, a community hub of resources that will support the local population, e.g. health services, counselling services, etc. Above this ground floor community hub, the Council has decided to sell air rights that would enable the construction of more than 50 affordable-housing units on 4 floors. A State funding initiative has provided the necessary opportunity to encourage a private disability services organisation to leverage some of its own assets to benefit a known group of people desperately needing supported accommodation. This organisation wishes to see one-third of these units reserved for people with disabilities.

Think of the many benefits that such a venture would offer clients, community partners and even property developers:

- People with disabilities who take up an accommodation option in one of the single or conjoined units in the multi-storey development could have their individual support needs addressed in a community environment, ensuring they are not subjected to the social isolation that can occur when housed in one stand-alone facility.
- Support agencies could support clients efficiently and benefit from economies of scale because of the close proximity of a number of sites and clients within a community.
- Community service organisations would be pleased to see their assets employed to benefit a larger number of people.
- The neighbourhood would be provided with a variety of desirable resources which will benefit everyone living in the area.
− Buying into the area could also be attractive to family and friends of the people with disabilities wishing to live nearby, encouraging property developers to become involved.
− The local Council would have responded to the metro-wide need for higher density development and affordable housing, while retaining equity in the land on which the multi-story development is built.
− All partners would benefit from this very practical demonstration of a marriage between government and the private sector.

This is not simply a dream. The community hub/multi-story affordable housing concept has been accepted by a local Council in Melbourne. A number of community organisations, including Scope, have come forward to be part of this exciting project. The State Minister for Housing, Local Government and Aboriginal Affairs and the Parliamentary Secretary for Disabilities and Children’s Services have both expressed their support for the project. In a separate Scope initiative, the notion of property developer involvement in a mixed housing development is being explored, i.e. a partnership between the “for profit” and “not-for-profit” sectors.

Whether the end result is a “vertical neighbourhood” or a mixed housing initiative in a new growth corridor community, the timing is right to explore new solutions to an ongoing need.

The attached submission outlines a variety of supported accommodation models that may be appropriate to the needs and aspirations of individuals with disabilities. The list is by no means all-inclusive. Various permutations and other options also need to be explored.
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1. Introduction

1.1 About Scope

Scope is a not-for-profit organisation providing innovative disability services throughout Melbourne and Victoria to more than 6,000 children and adults with physical and multiple disabilities. Thousands more people intermittently access our information, support and assessment services on a casual basis. Scope supports people with disabilities to achieve their potential in welcoming and inclusive communities.

Central to Scope’s work is to ensure Victorians “See the person, not the disability”. Therefore, Scope focuses on overcoming the personal, structural and attitudinal barriers that prevent people with disability from participating in community life and works to make our community more inclusive, more accessible and more welcoming.

Scope has long-standing expertise in supporting people with significant support needs. This is a result of a commitment to work with people who many other organisations have considered “too hard” to work with. Many clients with disabilities have very high levels of physical and intellectual disability, often with complex health needs.

1.2 About the carers we support

Scope supports many families with a son or daughter with severe and profound disability. Many of these families are in crisis. Here are some quotes from carers captured in a recent survey of the need for supported accommodation conducted by Scope (refer to Section 4.2 for further details of this survey):

<table>
<thead>
<tr>
<th>Quote</th>
<th>Age/Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A local supported accommodation unit would mean so much to us while both of us are still here. We are finding it harder to cope because of our own health problems.</td>
<td>Husband over 70 years old, wife over 65 years old, child over 40 years old</td>
</tr>
<tr>
<td>Our [child] has waited six years for supported accommodation, we were told we would only have to wait 5 years. Despite continual inquiries disability services cannot say when [our child] will be placed. I have other carer commitments with an aging family &amp; our own health issues. Yet even with a letter from my doctor to disability services nothing has been changed. I can only hope this funding will help those who have waited as we have.</td>
<td>Both parents over 65 years old, child over 40 years old</td>
</tr>
<tr>
<td>We hope this problem will be addressed as soon as possible - it is a concern which places a lot of stress in our family.</td>
<td>Both parents over 65 years old, child over 45 years old</td>
</tr>
<tr>
<td>My [child] is total care, had to have everything done for [them], since my husband passed away… I find the work load much harder for me.</td>
<td>Sole carer over 70 years old, child over 45 years old</td>
</tr>
<tr>
<td>Hurry up. Do something. NOW!</td>
<td>Sole carer over 65 years old, child over 40 years old</td>
</tr>
</tbody>
</table>
2. **Scope’s Interest in Disability Supported Accommodation**

As a major provider of disability supported accommodation, Scope has a strong interest in this inquiry into supported accommodation. Scope has an enormous amount of experience in providing supported accommodation to people with severe and profound disability, particularly where people have physical disabilities and complex communication needs. We are well positioned to provide constructive input into the current Inquiry.

Scope receives $17.7 million funding per year from the Victorian Government to provide supported accommodation. A further $1 million is raised through resident fees and charges. While service entry is controlled by the Department of Human Services, Scope’s recognized leadership in addressing the needs of Victorians with the highest levels of disability has ensured that residents placed into our services are typically those with the highest support needs.

Scope has an insight into the experiences of people who use, or wish to use, supported accommodation. We have the capacity to work in partnership with people with disabilities and their families to put forward successful local supported accommodation solutions.

In this submission Scope wishes to address a number of issues that impact on supported accommodation.

3. **Unmet Need**

3.1 **Addressing Unmet Need**

The Australian Institute of Health and Welfare (AIHW) has attempted to determine unmet need for disability supports across Australia using population based estimates. The AIHW estimated that, in 2005, the unmet need for disability services in Australia was as follows:

- Unmet need for accommodation and respite in Australia: 23,800
- Unmet need for community access in Australia: 3,700

Using an estimate of Victoria’s population as a proportion of the Australian population (24.77%) this indicates unmet need in Victoria was as follows:

- Unmet need for accommodation and respite in Victoria: 5,895
- Unmet need for community access in Victoria: 916

The Victorian Department of Human Services (DHS) maintains a Disability Support Register, which indicates the requested, unmet demand for services. This is summarised in Table 3.1.

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1. Australian Institute of Health and Welfare 2007. *Current and future demand for specialist disability services. Disability series*. Cat. no. DIS 50. Canberra: AIHW. Note that these statistics have a sampling error of 17%.
Table 3.1  Department of Human Services Disability Support Register as at 30 June 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>All Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability Services Supported Accommodation options</td>
<td>1,358</td>
</tr>
<tr>
<td>Support to live in the community</td>
<td>1,282</td>
</tr>
<tr>
<td>Daytime activities</td>
<td>357</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,997</strong></td>
</tr>
</tbody>
</table>

Both the AIHW and DHS measures provide conservative estimates of unmet need, yet both indicate that there is an unacceptable level of unmet need. This will continue to grow as a function of population increase.

A recent Auditor General’s report into accommodation for people with disabilities suggests that 30% of people with disabilities who need accommodation help from the state do not receive it.4

In this context, a commitment to address unmet need in supported accommodation is of great importance.


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family member with disabilities living at home. Scope supports over 120 ageing carers who are the primary carer of a relative with severe and profound disability. The survey of these ageing carers identified the following requirements for supported accommodation for their child:

- 70% need supported accommodation in the next 5 years
- 35% need supported accommodation in the next 12 months

To spell this out:

**Over one third of ageing carers supported by Scope have an immediate need for supported accommodation.**

The Scope survey also found that 53% of ageing carers were sole carers – that is, they had no-one else in the family to assist with care on a day-to-day basis.

The Scope survey reveals that supported accommodation requirements were as follows:

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**Scope Survey - Ageing Carers' Need for Supported Accommodation**

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;5 years</td>
<td>19%</td>
</tr>
<tr>
<td>4-5 years</td>
<td>19%</td>
</tr>
<tr>
<td>3-4 years</td>
<td>2%</td>
</tr>
<tr>
<td>2-3 years</td>
<td>12%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>13%</td>
</tr>
<tr>
<td>&lt;1 year</td>
<td>35%</td>
</tr>
</tbody>
</table>

The geographic spread of ageing carers supported by Scope who require supported accommodation in the next 5 years is as follows:

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Location of families with ageing carers seeking supported accommodation who use Scope services – Victoria

Location of families with ageing carers seeking supported accommodation who use Scope services – Metropolitan Melbourne
As expected, there is a preponderance of families in metropolitan Melbourne. However, there is certainly a need for supported accommodation in rural and regional Victoria. Within the Melbourne metropolitan area there is a clear “doughnut” effect, with carers living in a band around the CBD.

This is important data for planning purposes. It highlights that Scope can work in partnership with ageing carers in developing local supported accommodation solutions. It also indicates where supported accommodation might be located to ensure families are able to maintain contact with their relative with disability.

Scope recommends that the State Government set aside additional funding over the next five years for supported accommodation places to address the still significant unmet needs of ageing carers.

Scope further recommends that the State Government work in partnership with carers and supported accommodation providers to facilitate effective local planning for supported accommodation.

5. Ageing-in-Place

There is a need to support ageing-in-place for people with disabilities, to ensure there is an alignment with policy applied to the rest of the community. It is important to understand that the concept of ageing-in-place is applicable to both people living independently and those living in supported accommodation. This will require cross-sector engagement by the Government to clarify obligations within the health, aged care and disability sectors, together with additional ‘top-up’ funding to pay for the support of people with disabilities who are ageing.

Bureaucratic boundaries between the disability and HACC services are highlighted in the Australian Senate Community Affairs Committee report. These boundaries currently prevent many people with lifelong disabilities living in supported accommodation who are ageing from accessing appropriate supports to enable them to continue to age in place. Similar boundary issues have been identified at the interface between disability and a wide range of health services (for example, palliative care, community nursing and allied health).

If supported accommodation is to meet ongoing and future needs of people with disabilities, then support for ageing-in-place must be provided. This will only be achieved if the disability, health and ageing sectors take up their appropriate responsibilities to this group. If such steps are not taken these residents risk a further crisis in accommodation as they reach old age.

Scope believes that ‘top-up’ funding is required for aged care and disability services to ensure the additional age-related support needs of people with disabilities ageing in place can be appropriately addressed. This should include additional funding for models of support such as those developed in the Innovative Pool Aged Care Disability Interface Pilot.

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7 Fyffe, Bigby and McCubbery. Exploration of the population of people with disabilities who are ageing, their changing needs and the capacity of the disability and aged care sectors to support them to age positively. National Disability Administrators: February 2006. Page 68.
8 Australian Senate Community Affairs Committee. Section 5.18 – 5.24
Scope notes the recent announcement by the Commonwealth Government that people living in “disability group homes” who are ageing will be given access to community aged care programs to ‘top up’ their specialist disability support services\(^{10}\). This initiative, which is in line with Scope’s recommendations outlined in this section, is to be commended, but needs to be implemented urgently.

Scope believes that the State Government needs to take similar steps to remove artificial barriers the prevent access of services that would enable people to age in place.

### 6. Who Should Provide Supported Accommodation?

#### 6.1 Cost Effectiveness of Non-Government Accommodation Support Services

The Industry Commission, in its 1995 overview of the charitable sector, found that governments “could expect significant cost savings by making greater use of the community sector in the provision of government services”\(^{11}\). In particular, they noted that non-government service providers were significantly more effective providers of services than equivalent government agencies. The 2007 Productivity Commission Report on Government Services reinforces the cost effectiveness of non-government accommodation support services. This report identified that, nationally, annual government expenditure on accommodation support services in group homes was $98,629 per service user (in 2004-05), compared to $82,203 per service user in non-government organisations\(^{12}\). (It needs to be highlighted that this difference is partially due to chronic underfunding of the non-government sector by State governments, as well as lower wage costs resulting from application of differing industrial awards. However, this does not fully account for the 17% difference in cost).

#### 6.2 Service Quality and Service Experience

Non-government disability supported accommodation service providers have an extensive history in the provision of quality support to people with disabilities, particularly for people with severe and profound disability. For example, Scope operates 47 supported accommodation facilities across Victoria. These services are often provided in an integrated manner with employment and non-vocational services. The location of these facilities is provided for information:

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Many years of experience delivering services under State Government quality and monitoring systems have enabled disability supported accommodation service providers to develop a deep operational experience base. This experience is critical, given many residents often have complex health, physical and/or behavioural support needs.

7. Preferred service models

7.1 The right service model

What is the right service model for supported accommodation? The answer to this is well summarised in a recent report from the NSW Department of Ageing, Disability and Home Care:

No one model can fit all needs. Flexible options, planned approaches, the development of criteria to allow for changing needs, and collaboration between Government departments, agencies and service providers [are] important issues in relation to supported accommodation provisions\(^\text{13}\).

There needs to be an effective planning process around the individual that draws on international best practice person-centred approaches. Assuming that this planning indicates that supported accommodation is the preferred option, appropriate accommodation and related supports can then be matched to the individual.

7.2 The disconnect between funding for support packages and accommodation

Scope notes a growing divergence between the availability of funded support packages and accommodation options, particularly supported accommodation options. The move by the State Government to individualised funding means that people are gaining access to flexible funding that can be spent on accommodation. However, the lack of housing stock means that for many people supported accommodation is nothing more than a dream.

It is becoming increasingly important to consider ‘bundling’ support packages to ensure people with disabilities have real choice regarding accommodation and are not forced into compromises imposed by having no meaningful housing options available.

7.3 The right number of people

Scope supports a range of choices in terms of supported accommodation.

The current Australia-wide trend to group homes of 4-5 people is largely a compromise between quality of life and economies of scale.\(^\text{14}\)

The people who use Scope’s services generally have a strong preference to live with one or two other people. For any single building Scope advocates that there should be no more than 4 to 5 residents. A separate bedroom for each resident is an absolute necessity. International research has shown that quality of life outcomes are significantly enhanced when people live in smaller

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\(^{13}\) NSW Department of Ageing, Disability and Home Care. Report on Models of Supported Accommodation for People with a Disability. DADHC: 2005

versus larger single-building or single-site accommodation. Scope has confirmed this difference in quality of life at first hand through its own research of people moving from a large residential complex into group homes.\footnote{Heggie & Dyson. \textit{Quality of Life Outcomes: A Move to Community Living}. May 1999}

There is one exception to this preference for smaller numbers of people living together – namely purpose built supported accommodation for people with disabilities who are elderly (typically 65 years and older). For example, Scope has recently established a 10-resident facility in the south east suburbs of Melbourne for clients who are elderly. Designed with the needs of the elderly in mind, it provides an appropriate home for the residents and is in line with community norms for the frail elderly where they are not able to live without high levels of skilled support.

7.4 \textbf{Supported accommodation options}

Taking into account the constraints outlined in Section 7.2, there are many supported accommodation options that might be appropriate, depending on the individual needs and aspiration of the individual. In its response to the NSW Report on Models of Supported Accommodation for People with a Disability (2005), the Disability Council of NSW\footnote{Supported Accommodation Models: Disability Council of NSW, 2005}, which is the official adviser to the NSW government on disability issues, noted a number of the accommodation models currently available. These are outlined in the Box 7.4., including positive and negative aspects of each proposal.

The key point to be made here is the importance of ensuring choice. People with disabilities should have access to the range of accommodation choices we would expect for anybody else in our society. Having said this, Scope wishes to emphasise that, by and large, people with disabilities who use Scope services have a preference for living with one or two people. They are also open to neighbourhood support models as a way of overcoming the funding limits for their in-home support and to maintain their existing friendships.
### Box 7.4  Supported Accommodation Models: Disability Council of NSW, 2005

1. **Terrace Houses/Town Houses (2-3 bedroom) - attached dwellings, usually 2 storey, separated by a vertical wall.**
   * outside spaces often small and divided between front and back - may not be appropriate for people requiring access to open areas;
   * issues of integration and access require careful consideration as these residences are often constructed in rows in busy locations.

2. **Villa Units (1-3 bedroom) - attached dwellings, one storey, separated by a vertical wall.**
   * positive for mixture of ownership and rental;
   * external areas don't always connect.

3. **Multiplex (1-3 bedrooms) - a group of more than two dwellings, with ground access to all.**
   * noise transfer issues need to be carefully considered;
   * outside space may be limited.

4. **Dual Occupancy e.g. "granny flat" - a second dwelling on a piece of land.**
   * offers privacy and crisis support if necessary.

5. **Freestanding Housing (2-6 bedroom).**
   * once considered the ideal model - now seen as just one of many options.

6. **Duplex (1-3 bedrooms) - two units divided by a horizontal separation.**
   * often larger than villas and home units.

7. **Duplex/Semi-Detached (2-3 bedrooms) - two units divided by a vertical wall.**
   * often larger than villas with increased privacy and space around the house;
   * could be appropriate for person with challenging behaviours with support next door.

8. **Home Units (1-3 bedrooms).**
   * outside spaces may be limited;
   * physical access to upper storey a key issue: installation of an elevator may improve capital gain opportunities though may also be cost prohibitive.

9. **Integrated (1-4 bedroom per dwelling) - five or more dwellings developed as a house/land package (this is a version of cluster accommodation).**
   * economies of scale: capital acquisition cost benefits;
   * overcomes problems of privacy through physical separation of housing;
   * opportunity to more efficiently provide support;
   * access to peer support and networks;
   * one-bedroom house possibly more appropriate for people with challenging behaviours to increase privacy for all residents;
   * integration of people with and without disabilities is essential with this model;
   * could have negative implications associated with an image of congregate care including the potential for institutional behaviour of staff.
10. Large freestanding residence (10-12 bedrooms).*

* less restrictive option for a specific group of people who have profound and multiple disabilities and are dependent on ongoing and intensive medical support and personal care;
* only acceptable as an alternative to residence in a nursing home or hospital for the above group, when dealing people with disabilities who have become elderly;
* maximum average number of residents with separate bedrooms: 10 - dormitory accommodation is not acceptable;
* issues to lessen institutional image and practice need to be considered;
* potential for staff to get to know people better.

* This has been modified from the original to reflect Scope’s preferences and concerns regarding this model

Scope considers that each of these options may be appropriate, depending on the individual circumstances and taking into account the need to accommodate the economic realities of capped funding.

In addition, Scope draws attention to the KeyRing Model, which we believe is a genuine alternative to the above options. This service model, from the UK, consists of around ten ordinary properties located in the one neighbourhood within easy walking distance. All but one of the homes (flats or houses) is used by people with disabilities. The last building houses a support worker whose role may include provision of personal support, but also involves building networks of informal and formal support for the residents with disabilities.

Other options can include Cottage Clusters, with four or five purpose-built three to four bedroom single storey villas on a large suburban block, plus a manager’s office and accommodation; or the Village Model, which consists of 20 purpose-built three to four bedroom single storey villas plus a manager’s office/accommodation. There are a range of variations on these themes. The co-residency model may also be feasible in some circumstances, where the person with disabilities shares with a co-tenant (or co-tenants) without disabilities, with support provided by a disability service provider.

7.5 Key requirements for all models of supported accommodation

Scope believes that a number of issues must be addressed no matter which supported accommodation model is used:

**Support**

Residents in supported accommodation need the right support. This includes:

- appropriate support to address the unique needs of individuals
- adequate levels of support, including staffing in the supported accommodation
- residents being able to maintain existing employment and non-vocational activities
- access to high quality person-centred planning, particularly during the initial transition

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17 NSW Department of Ageing, Disability and Home Care. p. 69.
18 NSW Department of Ageing, Disability and Home Care. p. 70
- access to suitable aids and equipment (assistive technology), including communication aids for people with complex communication needs
- high quality staff development to ensure best quality support is provided

**Inclusion**

Additional resources are provided to facilitate genuine inclusion. This includes:

- development and implementation of strategies to enable inclusion of residents in the local community
- development and implementation of strategies to minimise social isolation, particularly in relation to friends and family

**Location**

The supported accommodation is located:

- to maximise contact between the residents and their families and friends
- to enable continuity of day time support and/or employment
- in proximity to local shops and facilities, and near to accessible public transport
- in urban environments that have adequate levels of physical accessibility

**Design**

The supported accommodation needs:

- to be built using principles of universal housing design
- to accommodate needs for privacy and social engagement as appropriate
- to enable unencumbered wheelchair access to and from the house, property and street
- to include, or be designed to accommodate, hoists for people who require this in bathrooms and bedrooms
- to meet best practice OH&S and fire safety standards (refer to Victorian Department of Human Services guidelines for good practice in this regard)
- to have adequate air conditioning and heating
- to meet emerging environmental standards for electricity and water usage.

8. **Supporting Communities to Be More Inclusive of Supported Accommodation Residents**

In any approach to supported accommodation Government needs to ensure residents are included in their local communities. As is the case with any marginalized group, people with disabilities often struggle for acceptance and inclusion by others. For example, the Victorian Government, in the current redevelopment of the Kew Residential Services, has invested in achieving this acceptance and inclusion for residents re-located into group homes.

Scope has a long-standing interest in strategies that lead to community organisations being better able to include or respond to the needs of marginalized people such as people with disabilities.
Our Mission explicitly incorporates the notion of creating welcoming and inclusive communities. As a result, Scope has developed significant expertise in this area.

Scope has developed a Community Capacity Building Framework for its engagement with communities. This Framework outlines a range of strategies that can be used with community organisations to develop their ability to include people with disabilities. To be effective, any community capacity building approach needs to operate at a number of levels and adopt a diverse range of strategies. The approach to be adopted incorporates three primary components – building capacity in infrastructure, programs and people. These three components, whilst defined separately, are very much interrelated in their application.

Scope raises the issue of community capacity building as this is an important piece of work that should be undertaken alongside the re-location of people into supported accommodation. There are additional costs associated with community capacity building, however these are usually short term – needed only during the transition period.

Scope recommends that consideration always be given to funding this type of work to maximise the success of supported accommodation.

9. Pricing for the Delivery of Services in Supported Accommodation

9.1 What is the right price?

The question of price is a difficult one to answer. In a report recently commissioned by National Disability Services (NDS) Allen Consulting highlighted the problem of “blended” funding. They observed that:

blending capital and output funding does not allow the funded agency or government to distinguish between ongoing costs and one-off or dedicated costs19.

Blending of capital and output funding for supported accommodation should be terminated.

Current funding levels for supported accommodation in Victoria are subject to a review, as part of a broader agreed review of unit cost pricing by the Victorian Department of Human Services (DSH). This review is to be undertaken in partnership with disability service providers, recognizing the knowledge of underlying cost drivers held by these organisations. Disability service providers have long argued that the underlying pricing principles and assumptions need to be reviewed, particularly as there is scant information available to service providers to determine the rationale of DHS pricing.

9.2 Financial contributions by people with disabilities

It is common practice across Australia for people with disabilities to contribute to the cost of their accommodation, with fees and rentals being paid. While practice varies from service provider to service provider, there are some important principles that Scope believes need to be upheld, consistent with community norms:

- rental fees should be set at up to 25% of the Disability Support Pension, but no higher
- residents should be expected to pay for outgoings (utilities, excluding phone because largely used by staff)
- residents should be expected to pay for day to day living costs such as food
- the Government should provide the initial capital outlay for furnishing supported accommodation buildings. Residents should then be expected to pay for the replacement and maintenance of furnishings, whitegoods, etc, although for some people access to financial support in this area may be needed

10. Capital Considerations

Scope provides its supported accommodation services in housing stock with a range of ownership structures:

- Scope owned
- Office of Housing owned
- Victorian Department of Human Services owned
- Owned by family of client and rented to others

Scope argues that the current approach to disability housing within Victoria is not sustainable. Recent innovations in Victoria and elsewhere, such as the establishment of Housing Associations to manage housing stock at arms-length from Government and service providers is worthwhile to consider, but careful attention must be paid to the long term sustainability of the model.

One of the biggest challenges faced by any owner of housing stock used by people with disabilities is that the owner is constrained by their ability to generate revenue to cover long term maintenance and upgrade costs. These constraints are:

1. the revenue stream from rental is tied to the pension, which means revenue is well below market rates and also can only increase at the rate of CPI
2. any funding from Government that includes a component for depreciation (that is, for capital) is typically indexed to the CPI which is arguably too broad a measure for the real costs that relate to purchase, maintenance and upgrade of property.

This places significant financial pressure on property owners over time. This, combined with the confused funding models (as outlined in Section 9.1), has led to the vast majority of housing stock operated by not-for-profit organisations and Governments requiring significant refurbishment. Increasingly, boards are faced with the choice of eroding the balance sheet to maintain housing stock, or are forced into onerous capital fundraising activities.

The Government needs to address the problem of under-funding capital in the community sector, or it will leave a costly legacy for future governments. It must take the long view when considering the capital side of supported accommodation, and not be seduced by funding models that do not address the long term acquisition, maintenance and upgrade of supported accommodation housing stock.
There is a need for a significant injection of funding for capital – to both purchase new housing stock and to upgrade current housing stock.

11. Innovative Approaches to Acquiring Housing Stock

Scope supports innovative approaches to acquiring property to maximise the value of the Government investment in appropriate housing stock for supported accommodation. (See the section on page 2, titled "The Future: One Possibility).

Public private partnerships should be actively pursued. By way of example, Scope is currently working with Melbourne Affordable Housing and local government to redevelop an old hostel site. These types of partnerships unlock significant value for all partners.

Scope observes that many not-for-profit organisations have capacity to redevelop or refurbish existing housing stock. The Government, working in partnership with these organisations, can release trapped potential through relatively modest capital injections. By way of example, Scope has such housing stock in the north-west suburbs of Melbourne, which it is seeking to develop to provide additional supported accommodation places for DSAP-eligible families.

Scope supports the concept of families contributing capital where they choose to do so. This may be to pay for all or part of a property. Scope currently has such an arrangement in place, where a family member has purchased a property and built a house to accommodate people with physical disabilities. They have agreed to a rental charge of 25% of the DSP, with indexation set at the CPI. The family member sees this as meeting a broader social responsibility and so is prepared to wear the opportunity cost of lost rental revenue.

An additional opportunity that Scope believes to be feasible is innovative use of land releases (particularly where a designed community is proposed). By partnering with State Governments or developers, the Commonwealth Government could explore establishing some of the service models outlined in Section 7.3, particularly the KeyRing, Cottage Cluster and Village models or similar approaches. Scope believes that it would be financially attractive to developers to offer these types of solutions, which may lead to families choosing to locate to the development to live near their family member. The developers could be encouraged to incorporate the service models into their initial design and perhaps to pay for administrative/staff offices in the same way that they currently pay (or are offering to pay) for landscaping, railway station construction or community centre construction. Developers would also be able to promote their corporate social responsibility credentials through such work, although Scope maintains that there is a purely financial case that could be made.

Scope representatives would welcome an opportunity to flesh out the details of each of the above approaches to acquiring property and housing stock with members of the Inquiry.
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