

# **Inquiry into Social, Public and Affordable Housing: responses to questions on notice**

**Organisation:** National Disability Services (NDS), evidence provided Friday 30 May 2014.

- 1) **The Hon. Rick Colless:** You said [NDS] that the figure of 93,000 disabled is expected to increase to 144,000 in the near future. Do you have a breakdown of those figures indicating what proportion of those people live outside Sydney, Newcastle and Wollongong?

## **NDS Response:**

The 'Heads of Agreement between the Commonwealth and NSW Governments on the National Disability Insurance Scheme (NDIS)' document states that funding for disability service provision is set to increase from \$2.7 billion to \$6.4 billion by 2018. This will result in the number of people in NSW receiving government funded disability support services increasing from 93,000 to 144,000 between 2013 and 2018. 10,000 of these recipients will reside in rural and remote areas. <sup>1</sup>

## **The Hon. Rick Colless:**

- a) I would also like to know the proportion of people in regional areas who are intellectually disabled and physically disabled and the reason for their disability.
- b) Is it the result of motor vehicle, sporting or workplace accidents, or have they been disabled from birth?
- c) Do you have any details on the proportion of those people who are now in need of more appropriate housing in regional NSW?

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<sup>1</sup> The Survey on Disability, Ageing and Carers identifies that 7% of people with disability reside in rural and remote NSW.

## **NDS Response:**

**2(a)** A breakdown of disability type in regional NSW is not available. However, information identifying the severity of disability can be located. In rural and remote NSW, 33,200 people were identified as living with severe or profound disabilities.<sup>2, 3</sup> This is 34% of the total number of people residing in rural and remote NSW who are living with disability.<sup>4</sup>

**2 (b)** It is not possible with available data to determine whether a person's disability is life-long or whether it has been acquired.

The 2008/2009 Workcover NSW Statistical Bulletin provides the most comprehensive information addressing disabilities that are acquired at a workplace. Between 2000 and 2009 the number of workers compensation claims for injuries resulting in permanent disability dropped by 6,452 (24%). Claims for 'temporary disability injuries' fell by 3,872 (10%).<sup>5</sup>

In 2008/09, occupational diseases such as deafness and psycho-social disability comprised 21% of all Workcover claims. That year, 45% of all occupational diseases resulted in a permanent disability.<sup>6</sup>

In the 2009/10 financial year, of the 38,111 work-related injuries and illnesses reported, 9,118 (24% of all workplace injuries) resulted in a permanent disability.<sup>7</sup>

In the 2012-13 Motor Accidents Authority Annual Report it was reported that 16.5% of claims occur in Country NSW<sup>8</sup>.

**2 (c)** The National Disability Insurance Agency estimates that 30-40,000 NDIS participants in NSW will not be able to access the social housing that they require once the NDIS has been fully implemented.<sup>9</sup> NDS understands that of these NDIS

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<sup>2</sup> ABS, 'Survey on Disability, Ageing and Carers 2012'

<sup>3</sup> The ABS' definition of severe disability is located at the following webpage <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4430.0Glossary602012>

<sup>4</sup> ABS, 'Survey on Disability, Ageing and Carers 2012'

<sup>5</sup> Workcover NSW, Statistical Bulletin 2008/09, p.8

<sup>6</sup> Ibid., p.34 and 38

<sup>7</sup> Workcover NSW, Annual Report 2010-11, p.15

<sup>8</sup> Motor Accidents Authority of NSW (2013), 'Annual Report 2012-13', p.39

<sup>9</sup> Bonyhady, Bruce (2014), 'The National Disability Insurance Scheme: a catalyst for scalable, affordable and accessible housing for people with disability',

participants, the number of people with disability in rural and remote areas requiring access to public housing will be 2,100 to 2,800<sup>10</sup>.

In our submission, NDS recommended that Housing NSW capture and publish information identifying the number of people with disability on the public housing register and the region/sub-region where they reside. This information would provide greater clarity to government and disability services' understanding of unmet demand.

**3. The Hon. Rick Colless:** Are disabled people in regional areas more likely than people in city areas to be forced into residential aged care facilities? Is there less specialised disabled housing available in regional areas?

**NDS Response:**

Yes to both questions. We have attached the relevant pages of the Summer Foundation/Price Water House report, as referred to in NDS' evidence. In the Hunter trial site it is projected that without action the number of people under 50 living in residential aged care facilities will remain static.<sup>11</sup> For people aged 0-64, this figure is set to increase by 16%.<sup>12</sup> NDS believes that these trends can be applied to areas outside the Hunter trial site in NSW.

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[http://chfa.com.au/sites/default/files/sites/default/files/docs/bonyhady\\_bruce\\_-\\_presentation\\_-\\_chfa\\_ndis\\_forum\\_-\\_27\\_march\\_2014.pdf](http://chfa.com.au/sites/default/files/sites/default/files/docs/bonyhady_bruce_-_presentation_-_chfa_ndis_forum_-_27_march_2014.pdf), p.5.

<sup>10</sup>Ibid., p.5.

<sup>11</sup>Summer Foundation and PricewaterhouseCoopers, (2013) 'NDIS Launch Sites-Projection of the number of young people in Residential Aged Care', p.15.

<sup>12</sup>Ibid., p.15.

# Projection

The number and cost of young people in RAC is projected under two different scenarios. In the baseline scenario, new entrants to and exits from aged care are expected to continue as per the experience from 2000-2006 with no impact as a result of the NDIS launch.

The alternative scenario aims to estimate the resources required to meet the needs of young people in RAC. In the alternative scenario, existing residents of RAC at 1 July 2013 are assumed to receive additional supports under the NDIS. Of these existing residents, 35% are assumed to remain in RAC with an enhanced service package of cost \$10,000 per annum and 65% are assumed to be moved out of RAC to more appropriate accommodation at a cost of \$145,000 per annum plus 12% capital expense. In this scenario, new entrants to RAC are instead diverted to more appropriate accommodation at a cost of \$145,000 per annum plus 12% capital expense; for at least some of these new entrants (those who sustain brain injuries through a motor vehicle accident) the cost would be borne by the relevant NIIS in each jurisdiction.

## Numbers

Table 7 shows the number of young people estimated to be in RAC at 1 July 2012 to 2016 in the baseline scenario.

**Table 7 BASELINE SCENARIO – Projected number of young people in RAC in each NDIS launch site – 2012-2016**

	2012	2013	2014	2015	2016
<b>ACT</b> 0-49 years	<5	<5	<5	<5	<5
50-64 years	70	71	72	73	74
<b>Total</b>	70-75	71-76	72-77	73-78	74-79
<b>NSW</b> 0-49 years	27	27	27	27	27
50-64 years	101	107	111	115	117
<b>Total</b>	128	134	139	143	145
<b>VIC</b> 0-49 years	7	8	9	9	10
50-64 years	74	78	81	83	85
<b>Total</b>	81	86	90	93	96

The alternative scenario assumes that 65% of young people in RAC wish to move out of RAC over the three years of the launch period and that all potential new entrants over the period avoid entry to RAC and are diverted into more suitable accommodation. The projected estimates of young people in RAC and young people moved out of or diverted from RAC in this scenario are shown in Table 8 and Table 9 respectively.

Note that this scenario, rather than proposing a potential pathway for young people in residential aged care during the three-year launch, is highlighting the extent of unmet need for appropriate accommodation supports. This scenario is unable to be realised without a large injection of capital funding and a building plan and program.

**Table 8 ALTERNATIVE SCENARIO – Projected number of young people in RAC in each NDIS launch site as at 1 July 2012-2016<sup>8</sup>**

	2012	2013	2014	2015	2016
<b>ACT</b> 0-49 years	<5	<5	<5	<5	<5
50-64 years	70	71	31	14	6
<b>Total</b>	70-75	71-76	31-36	14-19	6-11
<b>NSW</b> 0-49 years	27	27	14	7	4
50-64 years	101	107	42	16	6
<b>Total</b>	128	134	56	24	10
<b>VIC</b> 0-49 years	7	8	3	1	1
50-64 years	74	78	32	13	5
<b>Total</b>	81	86	35	14	6

If the assumptions of this potential scenario were to be realised, including the injection of capital funding and a plan for a targeted building program, the number of young people in RAC is estimated to decrease significantly. At 1 July 2016, the total number of young people in RAC across all three NDIS launch sites is estimated to be 6-11 in the ACT, 10 in the NSW launch site and 6 in the Victorian launch site. This is much less than the estimated number of places under the baseline scenario: 74-79 in the ACT, 145 in the NSW launch site and 96 in the Victorian launch site. This reduction in the number of young people living in RAC would require an additional 377 accommodation places in at 1 July 2016 across all three launch sites as shown in Table 9 below: 87 in the ACT, 172 in the NSW launch site and 118 in the Victorian launch site.

<sup>8</sup> Note: projected numbers less than 5 are not shown for the ACT because these projections are based on small populations that need to be confidentialised. Projected numbers for NSW and Victoria less than 5 are shown because these projections do not represent actual people that could be identified at this stage.

**Table 9 ALTERNATIVE SCENARIO – Projected number of young people in alternative accommodation in each NDIS launch site as at 1 July 2013-2015**

	2013	2014	2015
<b>ACT</b> 0-49 years	<5	<5	6
50-64 years	41	61	82
<b>Total</b>	41-46	61-66	87
<b>NSW</b> 0-49 years	13	18	23
50-64 years	69	109	149
<b>Total</b>	82	127	172
<b>VIC</b> 0-49 years	6	10	14
50-64 years	49	76	104
<b>Total</b>	55	86	118

## Costs

The costs of these projected residents have been estimated under the two different scenarios:

- 1 Baseline scenario – all projected young people in RAC remain in RAC with an annual cost of \$90,000.
- 2 Alternative scenario – all projected young people in RAC either remain in RAC with an enhanced package of services (35%) or are relocated or diverted into more appropriate accommodation over the period of the launch (65%) at a cost of \$145,000 per annum plus 12% per annum capital costs.

The projected estimated annual costs of the baseline scenario are shown in Tables 10 below.

**Table 10 Projected annual cost of baseline scenario – all young people remain in RAC**

\$ million	2012/13	2013/14	2014/15	2015/16
<b>ACT</b> 0-49 years	<\$0.5	<\$0.5	<\$0.5	<\$0.5
50-64 years	\$6.4	\$6.5	\$6.6	\$6.6
<b>Total</b>	\$6.4-6.9	\$6.5-6.9	\$6.6-7.0	\$6.6-7.1
<b>NSW</b> 0-49 years	\$2.4	\$2.4	\$2.5	\$2.5
50-64 years	\$9.6	\$10.0	\$10.3	\$10.5
<b>Total</b>	\$12.1	\$12.5	\$12.8	\$13.0
<b>VIC</b> 0-49 years	\$0.7	\$0.8	\$0.8	\$0.9
50-64 years	\$7.0	\$7.3	\$7.5	\$7.7
<b>Total</b>	\$7.7	\$8.1	\$8.3	\$8.5

Under the baseline scenario, in 2015/16, the annual cost of young people in RAC is estimated to be between \$6.6-7.1 million in the ACT, \$13 million in the NSW launch site and \$8.5 million in the Victorian launch site.

The projected annual costs of young people in RAC and young people moved out of or diverted from RAC in the launch sites are shown in Table 11 and Table 12 respectively.

**Table 11 Projected annual cost of meeting the housing and support needs of YPIRAC in the NDIS launch sites – cost of RAC places for young people remaining in RAC (including enhanced supports)**

	\$ million	2013/14	2014/15	2015/16
<b>ACT</b>	0-49 years	<\$0.5	<\$0.5	<\$0.5
	50-64 years	\$7.1	\$3.1	\$1.4
	Total	\$7.1-7.6	\$3.1-3.6	\$1.4-1.8
<b>NSW</b>	0-49 years	\$2.7	\$1.4	\$0.7
	50-64 years	\$10.7	\$4.2	\$1.6
	Total	\$13.4	\$5.6	\$2.4
<b>VIC</b>	0-49 years	\$0.8	<\$0.5	<\$0.5
	50-64 years	\$7.8	\$3.2	\$1.3
	Total	\$9.9	\$3.2-3.6	\$1.3-1.8

If the assumptions of the alternative scenario were to be realised, the estimated cost of young people in residential aged care in 2015/16 is \$1.4-1.8 million in the ACT, \$2.4 million in the NSW launch site and \$1.3-1.8 million in the Victorian launch site.

**Table 12 Projected annual cost of meeting the housing and support needs of YPIRAC in the NDIS launch sites – cost of other accommodation places for young people moved out of or diverted from RAC**

	\$ million	2013/14	2014/15	2015/16
<b>ACT</b>	0-49 years	<\$0.5	\$0.7	\$1.0
	50-64 years	\$6.6	\$9.9	\$13.3
	Total	\$6.6-7.1	\$10.7	\$14.3
<b>NSW</b>	0-49 years	\$2.1	\$2.9	\$3.8
	50-64 years	\$11.3	\$17.7	\$24.1
	Total	\$13.4	\$20.6	\$27.9
<b>VIC</b>	0-49 years	\$1.0	\$1.6	\$2.3
	50-64 years	\$8.0	\$12.4	\$16.8
	Total	\$9.0	\$14.0	\$19.1

The estimated cost of additional accommodation places under this scenario in 2015/16 is \$14.3 million in the ACT, \$27.9 million in the NSW launch site and \$19.1 million in the Victorian launch site.

**Table 13 Comparison of projected annual costs in 2015/16  
– baseline scenario compared to alternative scenario**

	Baseline scenario	Alternative scenario			<i>Difference</i>
	RAC costs	RAC costs	Other accommodation costs	Total	
(\$000)					
ACT	\$6.9	\$0.6	\$14.3	\$14.9	\$8.0
NSW	\$13.0	\$1.0	\$27.9	\$28.9	\$15.9
VIC	\$8.5	\$0.6	\$19.1	\$19.7	\$11.2