

Pre Budget Submission

Summer Foundation

January 2022

Introduction

The Summer Foundation is pleased to work alongside the Federal Government to enable significant improvement in the lives of people with disability. The National Disability Insurance Scheme (NDIS) is an incredible social policy initiative, providing life changing opportunities to people with disability.

About the Summer Foundation

The Summer Foundation is a not-for-profit established in 2006, committed to resolving the issue of young people, under the age of 65, living in aged care. Our focus is to shape, demonstrate and deliver systemic change of social policy and practice across the disability/NDIS, health and housing sectors.

We do this by providing a strong [evidence base](#), expert knowledge from people with [lived experience of disability](#), demonstration projects and social enterprises (including the [Housing Hub](#) and [Housing Brokerage Service](#)), policy influence across the NDIS, housing, health and adjacent sectors and [Clinical experience](#).

How the Summer Foundation Works

With people with disability

The Summer Foundation is committed to building the capacity of younger people, their families, supporters, government and the sector to deliver age-appropriate housing and support that meets the individual needs of people with disability. Our research and lived experience teams lead this work through the collection and analysis of evidence, co-design of approaches and solutions. Moreover, the Summer Foundation plays a significant role in establishing a collective wealth of knowledge, relied on by both the sector and government.

With Government

The Summer Foundation actively collaborates with all levels of governments. In particular, we work closely with the Federal Government to provide insights and evidence on key disability issues, including provision of housing related supports and outcomes for tenants of Specialist Disability Accommodation (SDA). We lead co-design and consultation opportunities across the government and our cohort of people with disability.

The Summer Foundation is not a provider of supports or services under the NDIS, health or housing sectors. Therefore it holds a level of independence which allows it to support governments to understand the needs of younger people with significant and complex disability.

The Issue

There are currently 3,899 younger people, under the age of 65, living in aged care. Over 50 young people continue to enter aged care each month. Most young people enter aged care via hospital - they fall through the gap between the hospital and the disability sectors.

Additionally over 1,100 long stay NDIS participants are stuck in Australian hospitals at a cost of \$860m per annum. People with disability remain in hospital for months after they are clinically ready for discharge because it takes the NDIA an average of 60 days to determine eligibility and allocate funding for supports in an NDIS plan. Funding for SDA can take much longer.

Many NDIS participants have to go to the Administrative Appeals Tribunal (AAT) to get the right SDA determination. This can take up to another year, costing the Federal Government \$17 million per annum (reported by the NDIA) and causing undue stress to NDIS participants and their families.

Lack of disability housing is not the main barrier to hospital discharge. According to the NDIA, there are 3,000 vacancies in disability housing across Australia, 800 of which are new build SDA.¹

In 2016, the NDIS committed to providing \$700 million per year to housing payments called SDA. Last year the NDIA only allocated 31% of the committed \$700 million for SDA (the partial allocation of committed funding also occurred in prior years).

The Federal Government will not achieve its 2022 or 2025 YPIRAC Targets unless:

- The NDIA steps up and matches the efficiency of the aged care system in the timely allocation of funding for housing and support, post receipt of all required evidence to make an SDA determination.
- There is investment in better hospital discharge for people with severe disability.

Case Study: Sam (46 years old)

Sam is a small business owner with two school aged children. In January 2021 Sam had a stroke. One year later, Sam remains in hospital because she cannot get into or around her rented home in a wheelchair. Sam is at risk of being moved into aged care. Sam is one of the 6% of NDIS participants with the highest needs who is eligible for NDIS SDA payments.

Over 8 months ago, Sam requested the funding she needs for housing and support to move out of hospital into an accessible home. A new wheelchair accessible apartment has been standing vacant and available for Sam to use for the past 6 months. This delay means that Sam is forced to live in hospital, which is having an impact on her relationships with her family and friends as they are restricted from visiting. Sam is not able to do everyday things while in hospital such as cooking a meal, going out with family or being a part of her social networks. As a result she is losing her confidence, independence and the gains made in rehabilitation.

¹ Housing Hub www.housinghub.org.au

The Solution

The Summer Foundation requests support from the Federal Government:

1. Timely allocation of SDA funding and support in NDIS plans. The NDIA needs to match the aged care benchmark and take 3 days instead of 60+ to allocate funding for people with disability stuck in hospital. Note: 3 days for NDIA to make an SDA determination, following receipt of all relevant evidence.
2. The NDIA to commit to make the best use of the new build SDA dwellings that are vacant and the SDA stock under construction.
3. The Federal Government to provide \$54 million to improve hospital discharge efficiency for NDIS participants.

If these actions are taken by the Government, it would:

- Achieve better outcomes for up to 30,000 NDIS participants with the highest support needs
- Create positive momentum for the NDIS fostering innovation and application of insurance principles to achieve scheme sustainability rather than indiscriminate slashing of NDIS plans

Appropriate housing is a human right included in the United Nations Convention on the Rights of Persons with Disabilities. By ratifying this convention, Australia recognises “the equal right of all persons with disabilities to live in the community, with choices equal to others”. It’s time to follow through with actions to make this a reality in the lives of people like Sam.

Asks

1. Timely SDA and support in NDIS plans

The NDIA needs to match the efficiency of the aged care system in the timely and accurate allocation of funding for housing and support.

Last year the NDIS spent only **31% of the \$700 million** committed to SDA payments. Timely allocation of SDA funding into NDIS plans will result in much better outcomes for both NDIS participants and our hospitals.

We need the NDIA to match the aged care sector and take:

- **3 days** to allocate funding for people with disability stuck in hospital and younger people at risk of entry to aged care, at the required level of SDA. Note: 3 days for NDIA to make a determination, following receipt of all relevant evidence.
- **10 days** to allocate funding for housing and supports to other NDIS participants with a housing goal (i.e. NDIS participants do not have to go through a 12-month AAT process to get a fair SDA decision). Note: 10 days for NDIA to make a determination, following receipt of all relevant evidence.

The NDIA should be able to make timely and accurate decisions on the level of SDA funding and housing related supports required for NDIS participants within 3 days in urgent circumstances (in line with ACAT urgent circumstances pathway) and 10 days for all other participants. Decision timeframes should commence on receipt of all required evidence to inform an SDA determination. Ideally NDIS planners or a representative from the Home and Living Panel should work with participants to inform them of the evidence required and to support lodgement of evidence.

The NDIA appears to be underspending the \$700 million committed to SDA payments in the mistaken belief that this will assist to make the NDIS sustainable. However, the **net cost** to the federal budget of timely approval of SDA payments would be **\$306 million in 2025** and **\$117 million in 2031** which is offset by the current **underspend (69% of \$700 million)** on SDA payments .²

These overall savings will continue into the future due to an ongoing reduction in support costs over time in built environments that incorporate technology and are designed to maximise independence and enable the efficient provision of paid support.

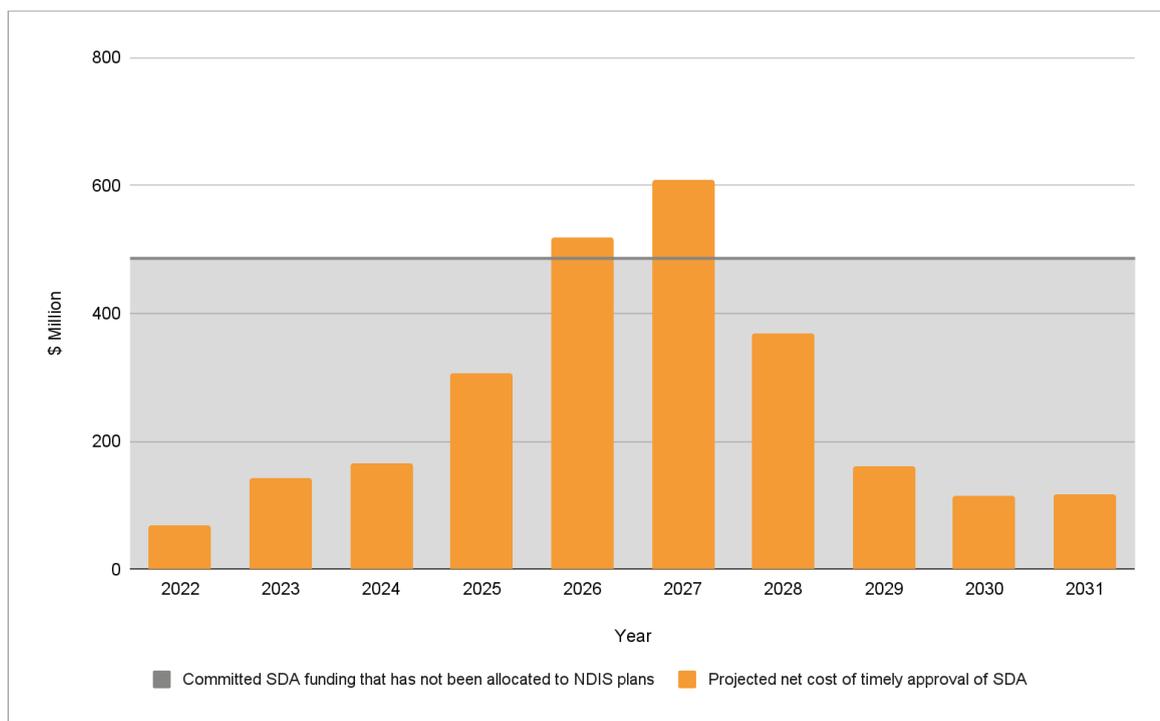


Figure 1. Projected net cost of timely approval of SDA vs Committed SDA funding that has not been allocated to NDIS plans

2. The NDIA to commit to make the best use of the new build SDA dwellings that are vacant and the SDA stock under construction.

The SDA market has the potential to leverage \$5-12 billion of private capital investment in much needed social infrastructure. **However, private capital is drying up and the SDA market is at risk of failing because of the slow and minimal allocation of SDA in the plans of NDIS participants.** With 800 vacancies in new SDA dwellings across Australia investors are walking away and are unlikely to return for 10 years.

² Committed SDA funding, which has not been allocated to plans (NDIA Quarterly report: 2021-22 Q1). Projected net costs of timely SDA approval was determined by building a model accounting for SDA payments and support costs for new housing for 17,387 additional participants in the next decade and reduced costs borne by the Commonwealth in Hospital, RAC and the Justice systems.

3. Investment to improve hospital discharge for NDIS participants

The Federal Government to provide \$54 million to make hospital discharge planning timely and effective for NDIS participants and prevent new admissions of young people to aged care. This program will involve:

1. **Funding specialist services to assist hospital staff to identify suitable disability housing - \$37.5 million over 3 years.** The Summer Foundation has developed an effective approach of secondary consultancy to support and build the capacity of health professionals working alongside people with disability who are stuck in hospital and require suitable housing. The approach ensures a comprehensive housing search is performed based on the specific needs, long-term and transitional, of each person. Currently we are working with 74 hospitals across Australia and are partnering with the Victorian and South Australian Governments to effectively plan and facilitate timely discharge. Funding this initiative will make a significant contribution to achieving the YPIRAC Target of no new entrants under the age of 65 to aged care by 2022.
2. **Capacity building for hospital discharge planners and NDIS funded support coordinators - \$4.5 million over 3 years.** The Summer Foundation facilitates two Communities of Practice for these professions, which are well positioned to deliver this, [Leaving Hospital Well](#) and [UpSkill](#).
3. **New flags in hospital systems for the early identification of new NDIS participants and patients with disability that need intensive discharge planning - \$6 million over 3 years.** The La Trobe University–Summer Foundation Hospital Discharge Planning Evaluation is obtaining the data needed to inform and test an algorithm to flag patients who are likely to be eligible for the NDIS.
4. **Develop and pilot an evidence based approach to streamline the allocation of funding for new NDIS participants leaving inpatient rehabilitation - \$6 million over 3 years.** This pilot would draw on data from the La Trobe University–Summer Foundation Hospital Discharge Planning Evaluation and expand current research at Macquarie University to facilitate data driven decisions and the timely and equitable allocation of NDIS resources.

In addition to achieving better health and rehabilitation outcomes for patients with disability, timely discharge will also:

- Reduce the exposure of this vulnerable group to COVID-19
- Free up **1,100 hospital beds** nationally in a hospital system under pressure during a pandemic

At a cost of \$2,150 per patient per day, patients with disability in hospital waiting for adequate NDIS funding is a waste of public money.³ The national annual cost to hospitals is over \$860 million. Living in a hospital is more than twice as expensive as supporting people with disability to live in the community. Timely access to NDIS funding for housing and support for people with disability and complex needs who are stuck in hospital has the potential to save the Australian public over \$424 million per annum.

³ 60% patients with moderate care needs ~\$1350 per day, 40% patients with high/complex care needs ~\$3,350 per day

Benefits

Increased NDIS sustainability: As shown in Figure 2, the cost of support in disability housing dwarfs the cost of SDA payments. New SDA is part of the solution to a sustainable NDIS, not part of the problem. \$1.1 billion would be saved in disability support costs if NDIS participants were living in housing that was fit for purpose (i.e. enabling increased independence and the efficient delivery of support), with access to supports tailored to their individual needs.⁴

People with disability: Would have better rehabilitation and health outcomes. Timely hospital discharge would also reduce their exposure to COVID-19.

Tax payers: Would save over \$424 million per annum on the cost of supporting people with disability, because hospital beds are twice as expensive as community based housing and support for people with disability.

Hospital system: Timely access to NDIS funding will free up 1,100 hospital beds nationally in a hospital system under pressure during a pandemic.

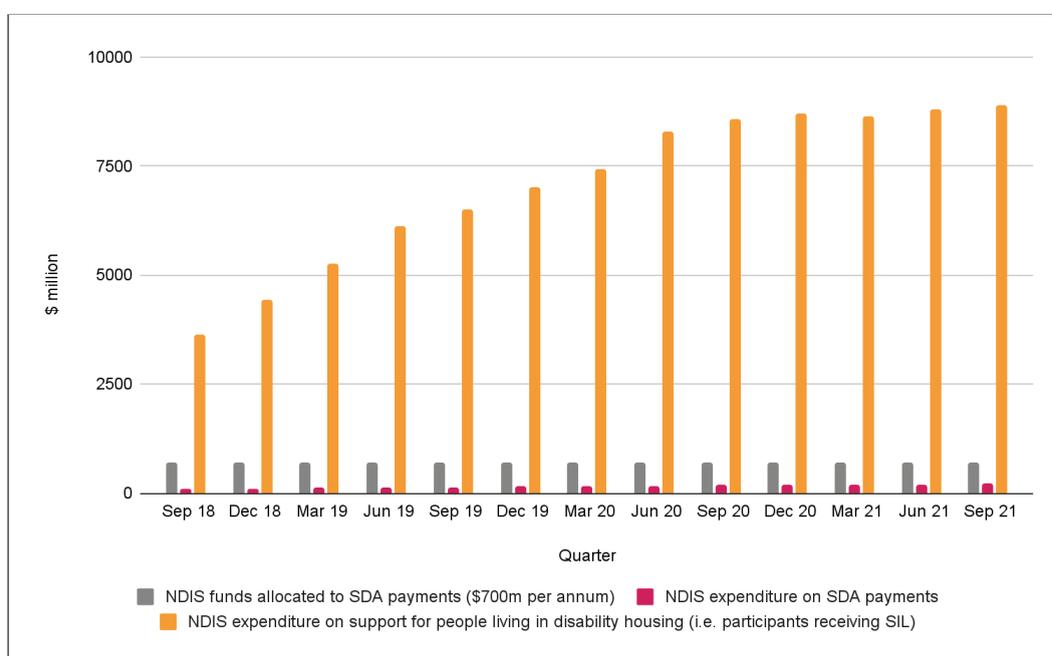


Figure 2. Current NDIS budget for SDA and expenditure on SDA payments & Supported Independent Living (SIL) costs

Contact: Di Winkler
Chief Executive Officer
Ph: 03 9894 7006
Email: di.winkler@summerfoundation.org.au

⁴ Winkler, D., Douglas, J., Oliver, S., D'Cruz, K., Naismith, J., Minter, E., & Liddicoat, S. (2021). Moving into new housing designed for people with disability: Evaluation of tenant outcomes (Interim report). Melbourne, Australia: Summer Foundation.