

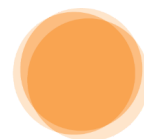


Specialist Disability Accommodation Provider Experience Survey

September 2021

Housing Hub

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FOUNDATION**

Specialist Disability Accommodation Provider Experience Survey

Housing Hub

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CITATION GUIDE

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DISCLAIMERS

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Foreword



The Housing Hub and Summer Foundation are very pleased to present this report, *Specialist Disability Accommodation Provider Experience Survey*. This report provides valuable insights and quantifies the current risks, challenges and opportunities in the emerging Specialist Disability Accommodation (SDA) market.

This report is motivated by a vision for Australia where all people with disability have access to high quality housing that meets their needs and fosters their connection to communities. SDA has enormous potential to transform disability housing in Australia. However, in order for the market to remain viable and to function as it should, change is needed.

This survey is one of several projects that the Housing Hub and Summer Foundation are undertaking to address the instability in the SDA market. It helps to build an evidence base that can be used to help the Australian government to take a more active stewardship role in the SDA market and address the issues raised by SDA providers. The findings of this survey suggest that in order for the SDA market in Australia to remain viable, improvements

must be made. Investor confidence in the market can change quickly. A number of high-profile insolvencies by SDA providers is all it would take to seriously undermine the market.

Currently, Supported Independent Living (SIL), or the cost of support for NDIS participants living in SDA and state government-owned accessible housing, is rising by over 17% per annum, which according to the NDIA could threaten the sustainability of the NDIS as a whole. A robust SDA market will reduce the long-term liability of the NDIS and drive SIL costs down as NDIS participants move to housing that is designed to maximise independence and social and economic participation. In some cases it is expected that support needs will decline over time as participants are supported to build skills, utilise smart home and other technology, and become more independent. Furthermore, outcomes for people with disability will improve in a demand-driven SDA market that provides models of housing and support that maximises autonomy, community involvement, and economic participation.

We look forward to continuing our work with people with disability, providers, investors, the NDIA and other partners to create a strong SDA market.

Di Winkler PhD AM
CEO & Founder, Summer Foundation

A handwritten signature in dark ink, appearing to be 'Di Winkler', written in a cursive style.

The Housing Hub is an initiative of the Summer Foundation

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Acronyms

AAT	Administrative Appeals Tribunal
AT	Assistive Technology
SDA	Specialist Disability Accommodation
SIL	Supported Independent Living
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
OOA	On-site Overnight Assistance

Executive Summary

Specialist Disability Accommodation (SDA) is intended to provide eligible participants with housing that increases their independence and maximises social and economic participation, whilst delivering value for money. A well-designed home in the right location can allow for more independent living arrangements, increased community connection and access to informal supports (NDIA, 2019). The SDA model of funding is designed to create a demand-driven market where individuals can make decisions about the property they will access with the SDA payment in their NDIS Plan. However, while the NDIA estimates that up to 28,000 people are likely to be eligible to receive payments for SDA when the market reaches full coverage (NDIA, 2018), only 15,667 are currently receiving this funding (NDIA, 2020). The fact that over 12,000 people are not yet receiving SDA payments is not necessarily an indication of insufficient demand for housing. Rather, it may indicate administrative inefficiencies or challenges in identifying the eligible NDIS participants and getting SDA funding approved in NDIS participants' plans.

Anecdotal evidence provided to the Housing Hub suggests that many SDA providers are under significant financial pressure, due to ongoing uncertainties in the market, as well as challenges in dealing with the NDIA. This report provides the findings of a 2021 survey of SDA providers in Australia that set out to quantify and understand these issues.

A total of 37 providers responded to the survey and reflected on their experiences of dealing with challenges and opportunities in the emerging SDA market. Between them, these providers offer 1,441 places for tenants in new build SDA; however, 404 of these places are currently vacant. Together, these providers have committed over \$1.2 billion in the SDA market, accounting for approximately 50% of the total market.¹ Given this, the insights and warnings from these providers about the state of the SDA market must serve as a catalyst for change. SDA providers are losing confidence in the NDIA's capacity and willingness to properly steward the market, which in turn risks dampening the current momentum in SDA market investment.

Key findings

- **28.0%** of SDA places are currently vacant
- **54.1%** of respondents said it takes **6–18 months** to lease a housing project in full
- **83.8%** of respondents are receiving less than anticipated income for some of their SDA
- **89.2%** of respondents rated the time the NDIA takes to make SDA decisions as “moderately” to “extremely” challenging
- Almost **one-third** of respondents reported a lack of NDIS participant knowledge about SDA as a barrier to finding tenants
- **51.4%** of respondents are owed payments by the NDIA
- **27.0%** of respondents are owed in excess of **\$100,000** by the NDIA
- At least **\$3.7 million** is overdue by more than **90 days**, across 14 respondents

¹ Calculated based on the number of enrolled SDA (excluding “in-kind” arrangements with state governments) multiplied by an approximate cost per dwelling: 4,921 dwellings * \$500,000 per dwelling = \$2.46 billion.

Recommendations

- Federal and state governments to invest in the demand side of the SDA market to increase the number of NDIS participants who are eligible to get SDA in their plan. NDIS participants should be informed about housing and support options. SDA eligible NDIS participants should have the appropriate level of SDA in their plans required to move into new SDA
- NDIA to become more efficient and timely in the processing of SDA applications and make decisions which align with eligibility and evidence provided
- NDIA to pay SDA providers the correct amount on time as per standard business rules
- SDA providers and seekers are given a direct point of contact within the NDIA
- Existing SDA guidelines and procedures are simplified
- SDA determinations and NDIA decision-making processes are made more transparent
- NDIA and DSS to recruit additional talent with expertise in markets and impact investment in order to actively steward the SDA market
- The NDIA to provide the SDA market with detailed demand data that enables SDA providers to build SDA that is driven by the needs and preferences of people with disability in the right locations



Introduction

The Specialist Disability Accommodation (SDA) market in Australia has the potential to transform the lives of tens of thousands of people living with severe disability. The National Disability Insurance Scheme (NDIS) provides housing payments for people with disability who need housing designed to maximise their independence. NDIS participants receiving SDA funding can choose a dwelling that suits their needs and pay the registered SDA provider the required amount from their NDIS plan. This model is designed to deliver better and more person-centred housing outcomes for people with very high and complex disability support needs.

SDA payments are expected to total approximately \$700 million per year, meaning that the SDA market has the potential to stimulate around \$5 billion in private sector investment (PricewaterhouseCoopers and Summer Foundation, 2017). In 2018, the NDIA estimated that up to 28,000 people with disability would be eligible for SDA payments (NDIA, 2018). However, by the end of 2020 only 15,667 people were receiving SDA payments, and only \$198 million of the \$700 million had been allocated in NDIS participant plans (NDIA, 2020). In order for registered SDA providers to receive SDA payments, dwellings must be enrolled with the NDIA, and tenanted by a NDIS participant with SDA funding in their NDIS plan. To enrol an SDA property with the NDIA, SDA providers submit information on the building type, occupancy, design category, number of bedrooms, and location of the dwelling.² As of December 2020, there are 839 registered SDA providers, of which 298 are actively developing SDA in Australia. Also, there are over 17,500 SDA places enrolled with the NDIA,³ and according to a recent survey, there are at least 1,817 SDA places in development around the country (Housing Hub and Summer Foundation, 2021).

The federal government has not invested sufficiently in developing the demand side of the SDA market. Five years after the inception of the SDA market by the NDIA, it was anticipated that SDA providers would just need to advertise their vacancies, and NDIS participants with SDA in their plans would apply to become tenants. It was expected that by now, there would be a pool of potential tenants from the 28,000 informed and empowered NDIS participants with the purchasing power of having SDA already in their NDIS plans. The fact that approximately 12,000 people who are eligible for SDA funding are not yet receiving SDA payments is not necessarily an indication of insufficient demand for housing. Rather, it indicates administrative inefficiencies or challenges in identifying eligible NDIS participants and getting SDA funding approved in NDIS participants' plans. Most of the 15,667 NDIS participants with SDA in their plans have a "basic" level of SDA approved and are therefore living in legacy stock. This level of SDA does not allow NDIS participants to move into new build SDA.

Anecdotal evidence from meetings with Housing Hub and Summer Foundation stakeholders in recent months indicate that some SDA providers are under significant financial pressure due to extended vacancies in new build SDA as well as delayed remittance of SDA payments. There are only a small number of NDIS participants with SDA in their plans (1,406 people) who are looking for SDA (NDIA, 2020). Therefore, SDA providers must cast a wider net and engage with NDIS participants who are likely to be eligible for SDA and, more often than not, SDA providers are supporting NDIS participants to compile and submit an application for an SDA determination. This is because providers cannot afford to simply advertise vacancies and only engage with NDIS participants that already have SDA in their plans when there are so few potential tenants.

² For a detailed explainer of SDA eligibility and payments, see: Summer Foundation (2020).

³ Inclusive of 'in-kind' arrangements with state governments, and in dwellings housing 6+ residents. NDIA (2020).

Another reason why extended vacancies are likely to be occurring is because determinations by the NDIA on the amount of SDA funding to provide are not aligning with participants' eligibility or the evidence presented in applications. Housing Hub's Tenancy Matching Service⁴ has found that some participants are not being funded for their required SDA design category, building type or number of co-residents (who they live with). When this occurs, participants may request a review of the decision. However, data collected by the Summer Foundation and Housing Hub has shown that this review by the NDIA can in some cases take in excess of 3 months to complete. If participants believe that the outcome of this first review still does not match their needs shown in their evidence, they may appeal to the Administrative Appeals Tribunal (AAT). These reviews are costly, time-consuming and stressful for all involved and further extend an already lengthy process⁵.

The aim of this survey is to understand the experiences of SDA providers, including the commercial risks they face when operating in the SDA market. This survey asks providers to reflect on their experiences to date, and provide information on a range of issues, including:

- Leasing new build SDA
- Challenges in finding tenants and filling vacancies
- Navigating NDIA SDA processes
- Securing the timely payment of SDA funds by the NDIA

The survey also elicited suggestions for possible improvements to the SDA market.



⁴ See: www.housinghub.org.au/resources/category/tenancy-matching-service

⁵ Recent unpublished data collected by Summer Foundation and the Housing Hub across a range of SDA providers and properties located across Australia has shown that the NDIA are taking, on average, 66 days to make a SDA decision

Method

This study involved a survey of SDA providers across Australia to understand the commercial risks being faced by providers operating in the SDA market. The SDA provider distribution list used for the most recent SDA supply report was used for this survey (Housing Hub and Summer Foundation, 2021). This list had been updated from multiple sources such as the NDIS list of SDA providers, Housing Hub housing providers, PowerHousing Australia membership and the SDA Alliance membership. The survey link was sent to SDA providers in March 2021 and remained open for 3 weeks. The survey closed on 24 March 2021. The survey consisted of 30 questions and took approximately 15 minutes to complete. Providers were advised that their participation was voluntary and that their responses were strictly confidential and only aggregated data would be published. Quantitative results were analysed using R, while Excel was also used for the analysis of qualitative data.

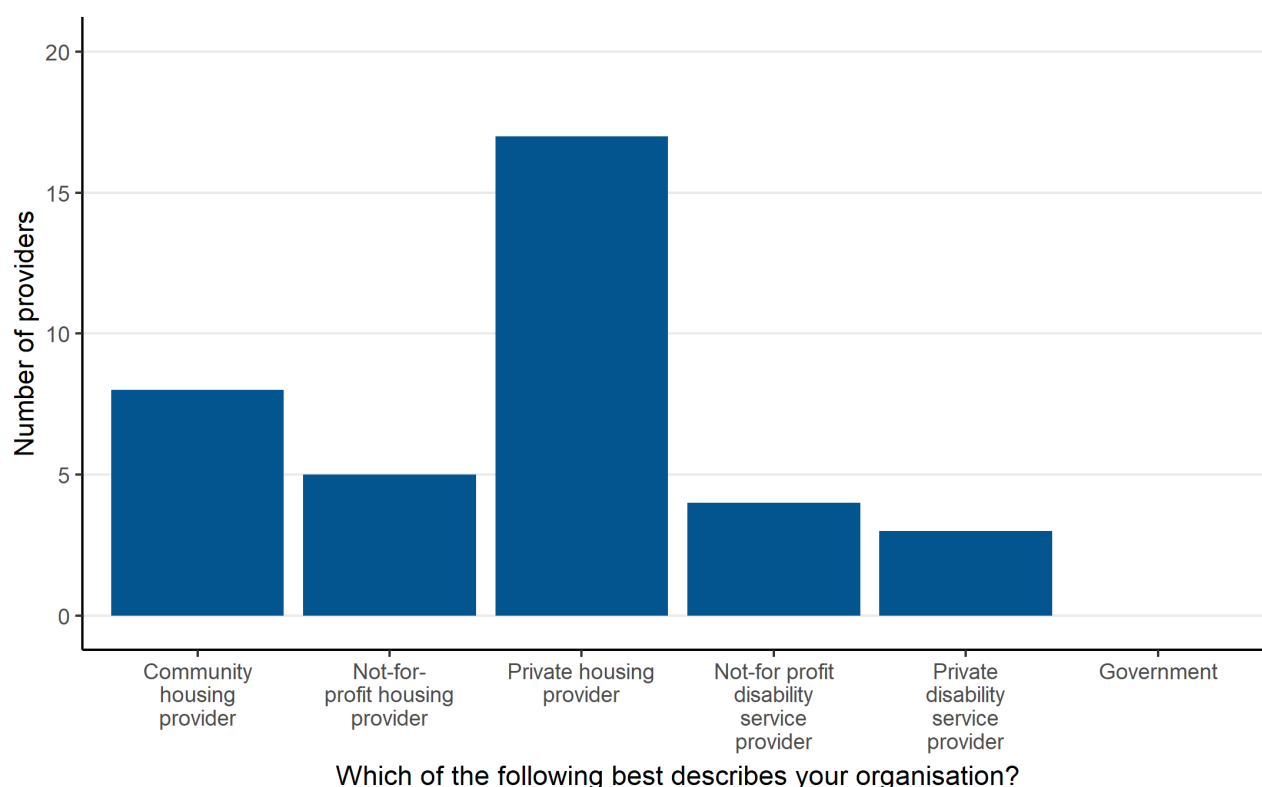
Results

A total of 40 respondents were involved in the survey however, 3 of these responses were duplicates (i.e., from different people within the same organisation) and were deleted from the analysis. Therefore, a total of 37 respondents were involved in this survey. The descriptive statistics for responses are presented below.

Organisation type

As can be seen in Figure 1, almost half of the organisations were private housing providers (46.0%), followed by community housing providers (21.6%) and not-for-profit housing providers (13.5%). No government SDA organisations were involved in this survey.

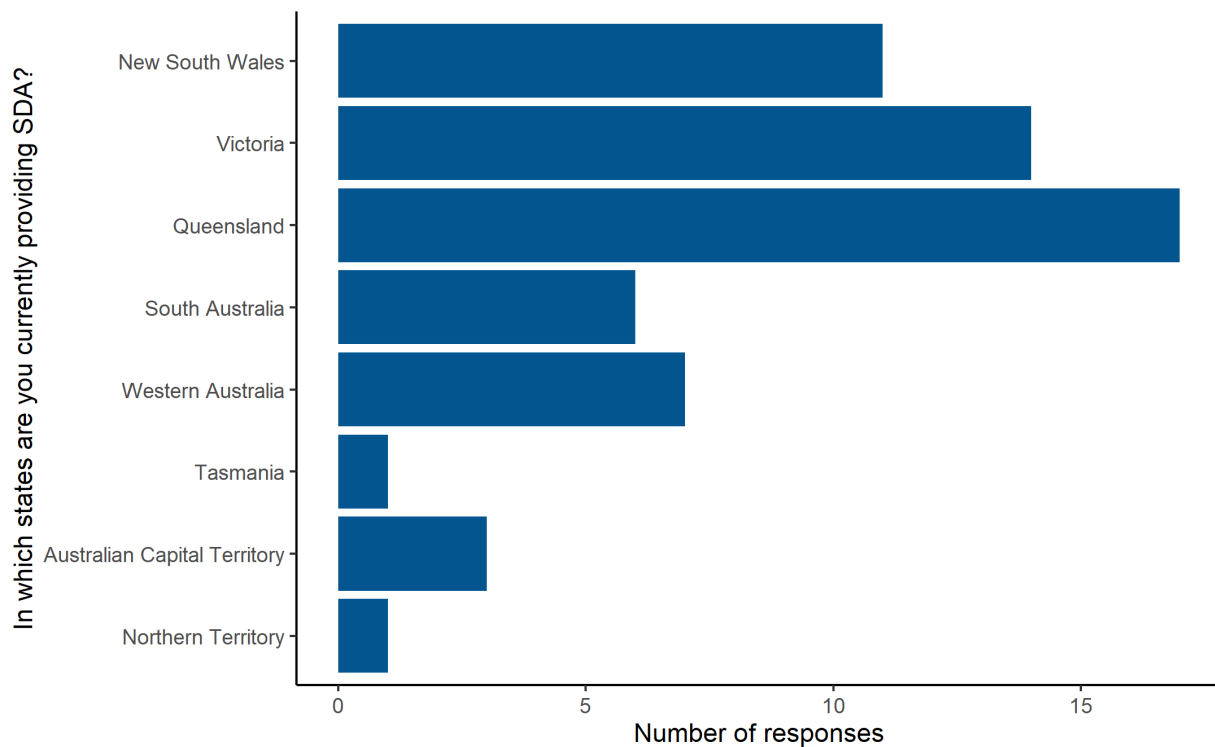
Figure 1 – Organisation type of respondents ($n = 37$)



Location

Respondents were building SDA in all jurisdictions (see Figure 2). The majority of the respondents reported that they developed SDA in Queensland (46.0%) and Victoria (37.8%). These states were then followed by New South Wales (29.7%) and Western Australia (18.9%). As can be seen in Figure 2, very few respondents were supplying SDA in Australian Capital Territory (8.1%), Tasmania (2.7%) and Northern Territory (2.7%).

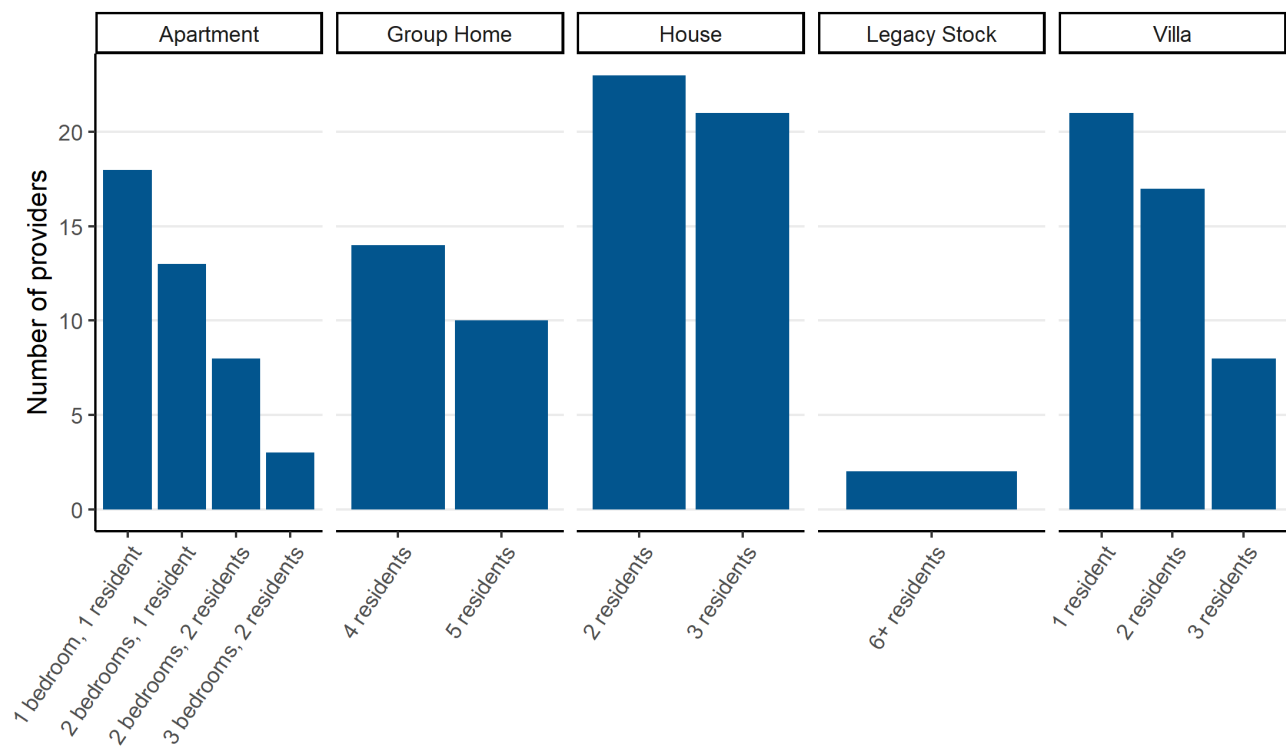
Figure 2 – Number of respondents supplying SDA housing in each state and territory in Australia ($n = 37$) *Note: Respondents were able to select multiple options.*



Building type

As shown in Figure 3, 2 resident houses are the most common dwelling type supplied by 62.2% of respondents. This was closely followed by 3 resident houses (56.8%), 1 resident villa/duplex/townhouses (56.8%), and 1 resident apartments (48.7%). As reported in the SDA supply report released in January 2021, 1 resident apartments were found to be the dominant build type in the SDA pipeline, accounting for 34.6% of SDA dwellings in development (Housing Hub and Summer Foundation, 2021). The current survey found that “Legacy stock, 6+ residents” was the building stock owned and supplied by the least number of survey respondents (5.4%).

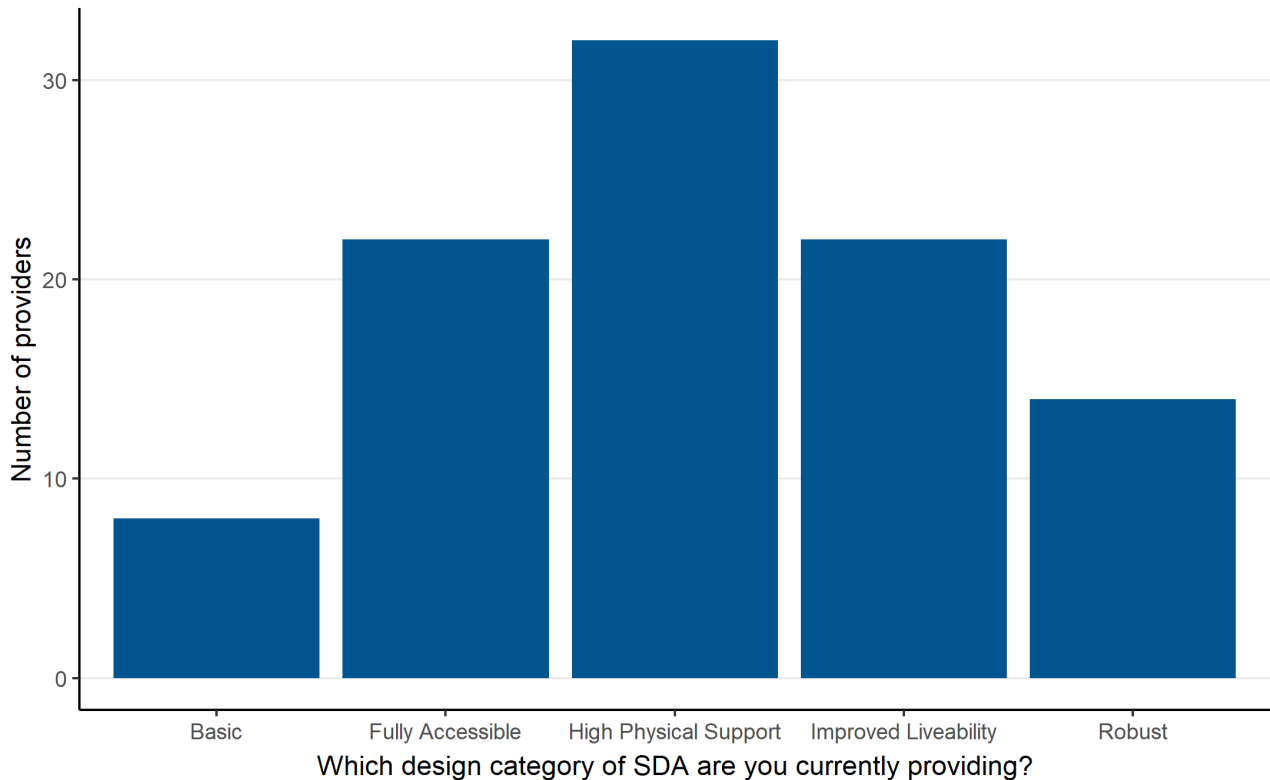
Figure 3 – Number of respondents supplying each building type and configuration ($n = 37$). *Note:* Respondents were able to select multiple options.



Design category

When asked about the design category of the SDA that is currently provided, the majority of respondents selected High Physical Support (86.5%), followed by Improved Liveability (59.5%), Fully Accessible (59.5%) and Robust (37.8%). The Basic design category was provided the least (21.6%). See Figure 4.

Figure 4 – Number of respondents supplying each design category of SDA housing ($n = 37$). *Note:* Respondents were able to select multiple options.



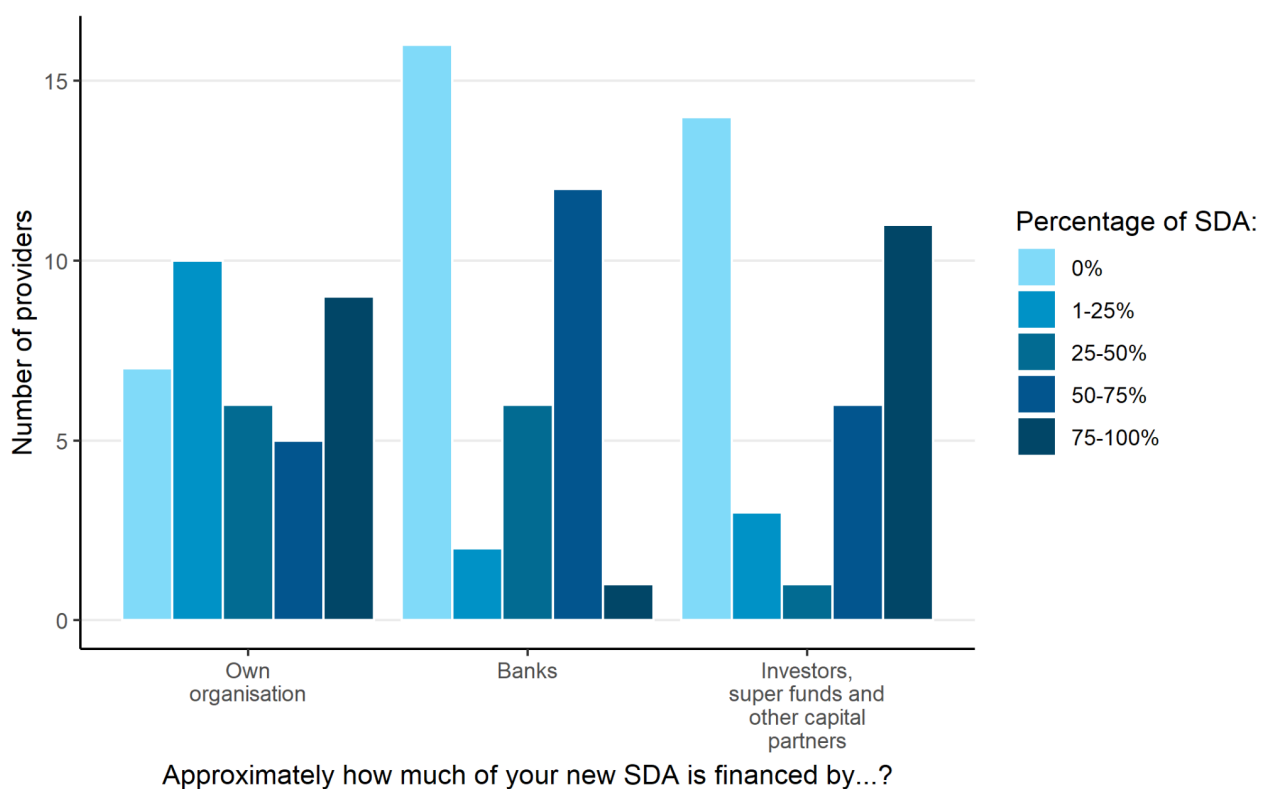
Committed capital

The total amount of committed capital reported by respondents ($n = 33$) is \$1,246,800,000, or \$1.2 billion. There was a large amount of variation between responses, with the lowest amount of capital committed being \$500,000 and the highest amount being \$327 million.

Finance

The funding sources of new SDA were explored in this survey. As can be seen in Figure 5, 46.0% of respondents indicated that at least 50% of their new SDA was funded by investors, super funds and other capital partners. Over one-third of respondents (37.8% and 35.1%) also indicated that at least 50% of their new SDA was funded by their own organisation and/or banks, respectively.

Figure 5 – Number of respondents indicating the percentage of their new SDA that is financed by their own organisation ($n = 37$), banks ($n = 37$), and other capital partners ($n = 35$). *Note:* Respondents were able to select multiple options.



Enrolled dwellings and vacancies

A total of 1,441 SDA places have been enrolled with the NDIA by the respondents of this survey ($n = 37$) which is equivalent to at least 700 registered dwellings ($n = 36$). However, it was reported that 28.0% (404 places) of this new SDA was vacant.

Leasing

Almost half of the respondents (54.1%) reported that the average time taken to lease a new project/group of dwellings in full (from time of advertising to all dwellings being filled) was 6-18 months, with 1 provider indicating it generally took more than 18 months. Only 2 respondents indicated that it generally took less than 1 month (see Figure 6). Similarly, the average time taken to fill a single vacancy (from time of tenant moving out to when a new tenant moves in) was also reported to be 6-18 months by almost one-third of respondents (29.7%), with only 2 respondents reporting it is generally took less than 1 month to fill a single vacancy (see Figure 7).

Figure 6 – Average time taken for respondents to lease a new project or group of dwellings in full ($n = 33$). *Note:* Three respondents selected “not applicable”.

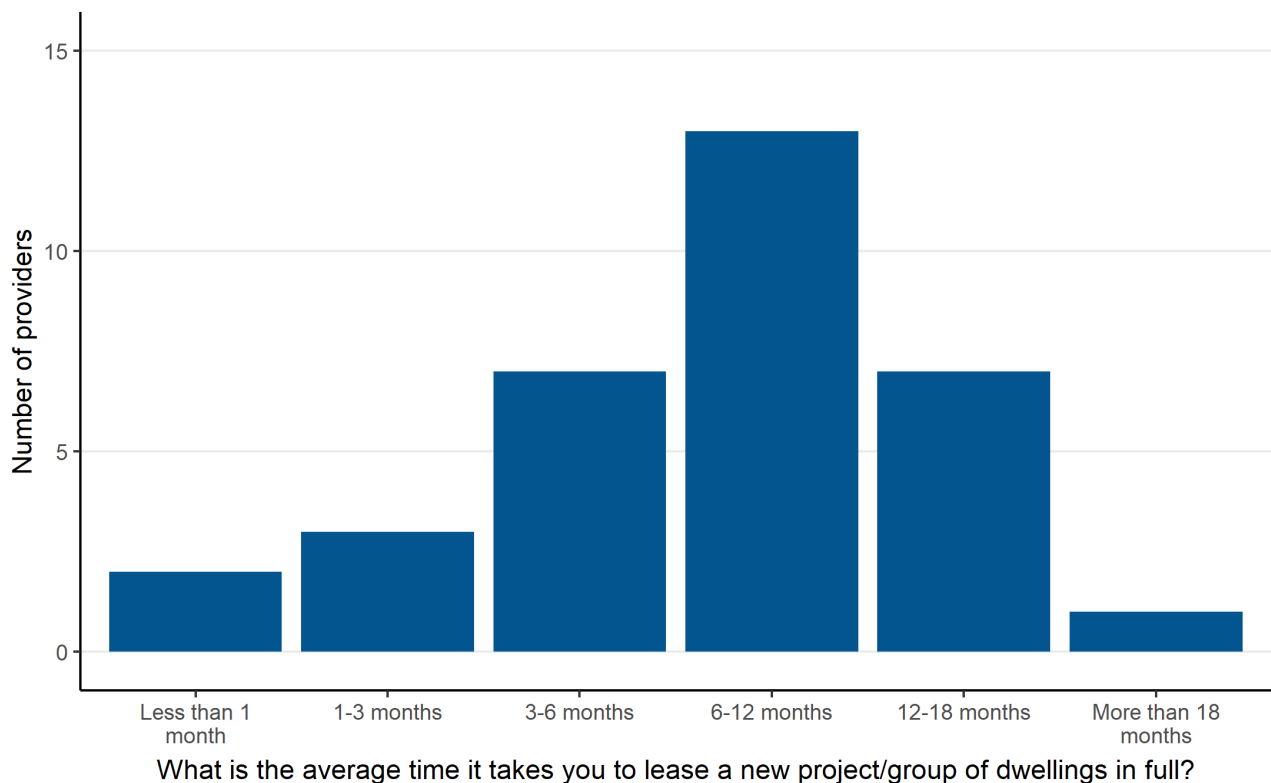
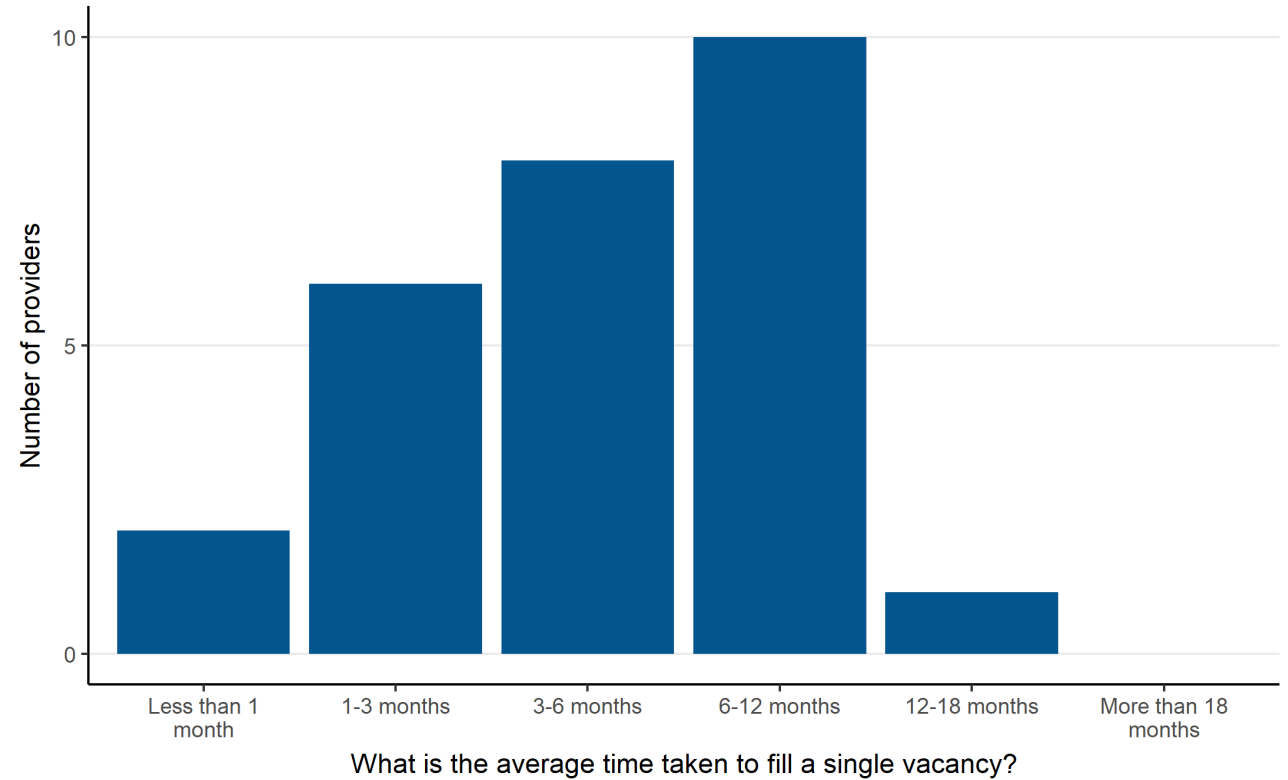


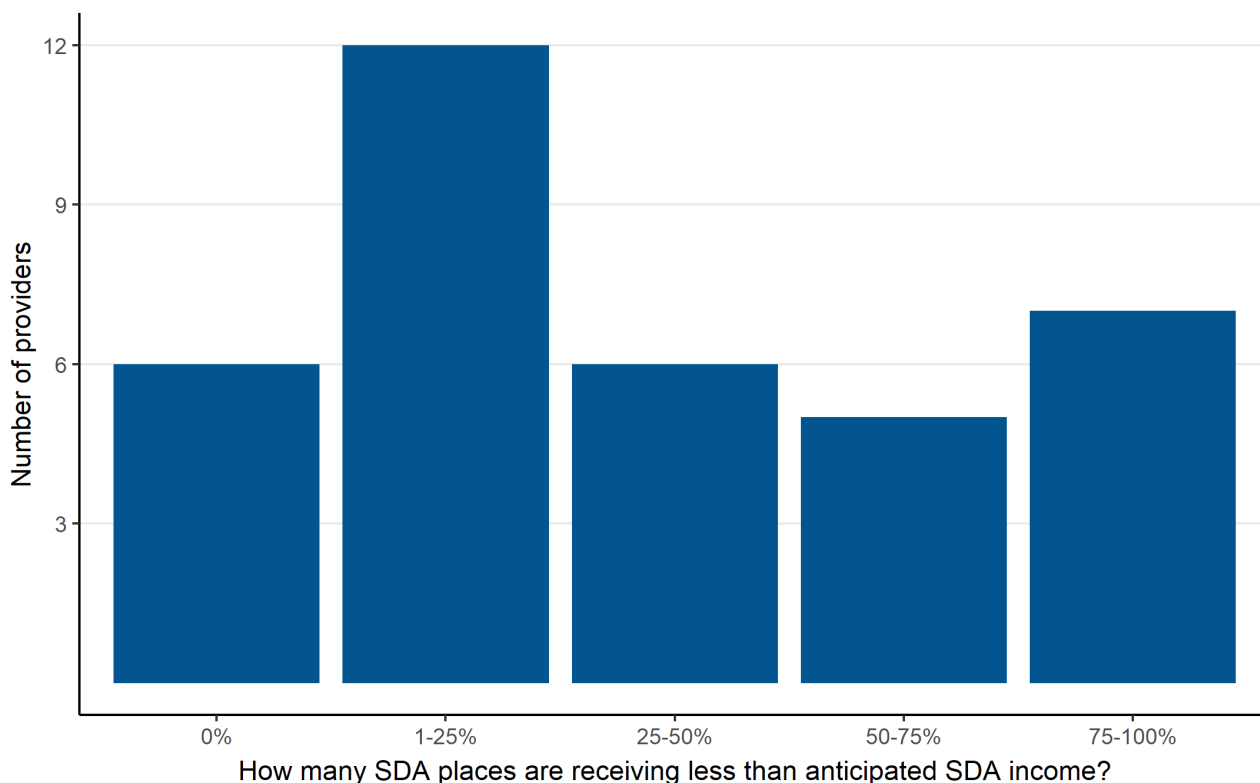
Figure 7 – Average time taken for respondents to fill a single vacancy ($n = 27$). *Note:* Ten respondents selected “not applicable”.



SDA income

The vast majority of respondents (83.8%) indicated that they are receiving less than the anticipated income for at least some of their SDA. As can be seen in Figure 8, almost one-third of respondents (32.4%) are receiving a lower rate of SDA for between 1-25% of their SDA places, followed by 18.9% of respondents receiving a lower rate of SDA for between 75-100% of their SDA places.

Figure 8 – Number of respondents receiving less than anticipated SDA income for a percentage of their SDA places ($n = 36$)



Challenges to finding tenants and filling vacancies

In relation to the challenging aspects of finding tenants and filling SDA vacancies, the majority of respondents reported that it was “moderately” or “extremely” challenging to find NDIS participants with the right level of SDA in their plan (78.4%), assess the SDA eligibility of potential tenants (64.8%), and determine the suitability of tenants for a particular model of housing and support (56.7%). Additionally, more than one-third (40.5%) of respondents reported that finding NDIS participants who are interested in moving was also “moderately” or “extremely” challenging (see Figure 9).

Figure 9 – The extent of various challenges associated with finding tenants and filling SDA vacancies
(*n* = 37)

	To what extent are the following issues challenging?				
	Not challenging	Slightly challenging	Somewhat challenging	Moderately challenging	Extremely challenging
Assessing the SDA eligibility of potential tenants	8.1%	13.5%	13.5%	29.7%	35.1%
Assessing the suitability of tenants for a particular model of housing and support	8.1%	16.2%	18.9%	29.7%	27.0%
Finding NDIS participants with the right level of SDA in their plan	5.4%	5.4%	10.8%	16.2%	62.2%
Finding NDIS participants who are interested in moving	27.0%	16.2%	16.2%	24.3%	16.2%

Other challenging aspects of finding tenants and filling SDA vacancies were also explored in this survey. Specifically, the time taken by the NDIA to make decisions about SDA, decisions about support and decisions about funding for AT was “moderately” or “extremely” challenging for 89.2%, 75.7% and 64.8% of respondents, respectively. More than one-third of respondents (40.5%) also reported that the logistics associated with tenants moving in was “moderately” or “extremely” challenging (see Figure 10).

Figure 10 – The extent of various challenges associated with filling SDA vacancies (*n* = 37)

	To what extent are the following issues challenging?				
	Not challenging	Slightly challenging	Somewhat challenging	Moderately challenging	Extremely challenging
Logistics associated with tenants moving in	10.8%	27.0%	16.2%	21.6%	18.9%
Time NDIA takes to make decisions about funding for assistive technology	10.8%	13.5%	2.7%	27.0%	37.8%
Time NDIA takes to make support decisions	5.4%	0.0%	16.2%	21.6%	54.1%
Time NDIA takes to make SDA decisions	2.7%	2.7%	2.7%	16.2%	73.0%

The final set of challenging aspects of finding tenants and filling SDA vacancies related to NDIS participant plans and funding. Specifically, three-quarters of respondents (75.7%) indicated that identified tenants who have received an SDA determination that does not align with their housing preference or evidence provided was “moderately” or “extremely” challenging (see Figure 11). Other “moderately” or “extremely” challenging aspects included working with support teams to gather quality evidence for SDA determinations (48.6%), getting home modifications and AT in participant plans (40.5%), the recent changes to “concierge” funding (35.1%) and working with SIL providers to set up on-site overnight assistance (OOA) and associated funding (21.6%).

Figure 11 – The extent of various challenges associated with filling SDA vacancies (*n* = 37)

	To what extent are the following issues challenging?				
	Not challenging	Slightly challenging	Somewhat challenging	Moderately challenging	Extremely challenging
Getting home modifications and assistive technology (AT) in their plans	8.1%	16.2%	24.3%	21.6%	18.9%
Working with Supported Independent Living (SIL) providers to set up on-site overnight assistance (OOA) and associated funding	16.2%	29.7%	24.3%	10.8%	10.8%
Identified tenants have received an SDA determination that is not aligned to their housing preference or the evidence provided	5.4%	2.7%	13.5%	18.9%	56.8%
Working with support teams to gather quality evidence for SDA determinations	8.1%	2.7%	32.4%	27.0%	21.6%
Recent changes to “Concierge” funding	21.6%	5.4%	27.0%	8.1%	27.0%

The respondents were also able to describe their main barriers and challenges to finding tenants and filling vacancies in an open ended question. Guided by a thematic analysis, five overarching themes were identified. These themes complimented and built on the findings displayed in Figures 9-11 above.

The first theme was ***inaccurate SDA decisions and processes*** (*n* = 31) of the NDIA. This mainly referred to potential tenants who are SDA eligible experiencing difficulties with getting SDA approved in their plans and once SDA is approved, often receiving inappropriate SDA determinations. As a consequence, a lower amount of SDA is offered to what they are entitled to receive (i.e., incorrect design category and to a greater extent, building type and number of co-residents). This is despite participants providing the NDIA with quality evidence to support their application. Some respondents reported that single resident apartments were often not approved. Included in this theme was a reported lack of transparency by the NDIA, particularly with SDA participants receiving limited information regarding their inappropriate SDA decisions. Respondents also reported that they often received insufficient payments because the SDA Price Guide does not account for land prices adequately for some building types that require more land per person housed. Other barriers described were that service bookings were prematurely cancelled and that the NDIA often failed to provide respondents with reply to enquiries about the 90 day vacancy payment.

“Funding is not approved at the right level for the participant to move in.”

“[Funding] does not seem to be related to what has been evidenced and justified in the SDA Housing report.”

- SDA Providers

The second theme was the **lengthy duration of SDA processes** ($n = 34$). This mainly referred to: the time required for potential tenants to prepare and submit their SDA applications; the time taken for potential tenants to receive an SDA determination from the NDIA; and the time required for internal and AAT appeals. These appeals are often necessary when tenants receive a determination that is inconsistent with the SDA eligibility criteria and the evidence submitted. A lack of cohesion between housing and support decisions within the NDIA was a suggested reason why unnecessary delays exist, particularly with participant plans.

“The NDIS are incredibly slow at approving SDA applications and getting slower.”

“The process for approving SDA is significant compared to the agreed time of the NDIA.”

- SDA Providers

The third theme was the **complexity of SDA processes** ($n = 18$) which blur the clarity of SDA decision-making. Respondents reported that the current SDA processes implemented by the NDIA are poorly understood by most stakeholders involved, including support coordinators, hospital discharge planners, families and carers. This leads to stakeholders having insufficient knowledge and little confidence when navigating the application process. NDIS planners and other staff processing SDA applications were also reported to have insufficient knowledge of SDA processes. A lack of clear guidelines and education provided by the NDIA were mentioned as potential reasons for these difficulties, as well as having no direct point of contact, which makes ongoing communication with the NDIA difficult.

“The SDA approval process for participants is excessive and the NDIA SDA panelling process is confusing for all stakeholders.”

“The process seems to be very complex and hard to understand by all parties involved.”

- SDA Providers

The fourth theme was **lack of participant knowledge about SDA** ($n = 13$). This included the tendency for the NDIA to not actively identify, engage and support people to receive SDA funding in order to move into new SDA.

“We need more NDIS participants to be aware of SDA as a possible housing solution for themselves in order for them to know to look for vacancies [...].”

“We don’t believe that participants are informed well about SDA, and as many have limited capacities, which makes it difficult.”

“What is the demand for housing? I thought there was a big demand, but we are not getting enquiries?”

- SDA Providers

The fifth theme was **lack of clarity about the SDA market** ($n = 5$). Respondents reported that they are discouraged from building more SDA. Support coordinators are becoming reluctant to recommend an SDA application to participants because of the delays and uncertainties involved.

“[There is] no incentive to build another purpose built dwelling with no support from [the] government.”

“The lack of market engagement from the NDIA makes it hard for us to assess if we are on track or if we are going [off on] a tangent that will not meet the NDIS’ strategic direction. If we don’t have current information it is difficult to adjust our model. If we can’t adjust our model the financial consequences to our organisation are significant.”

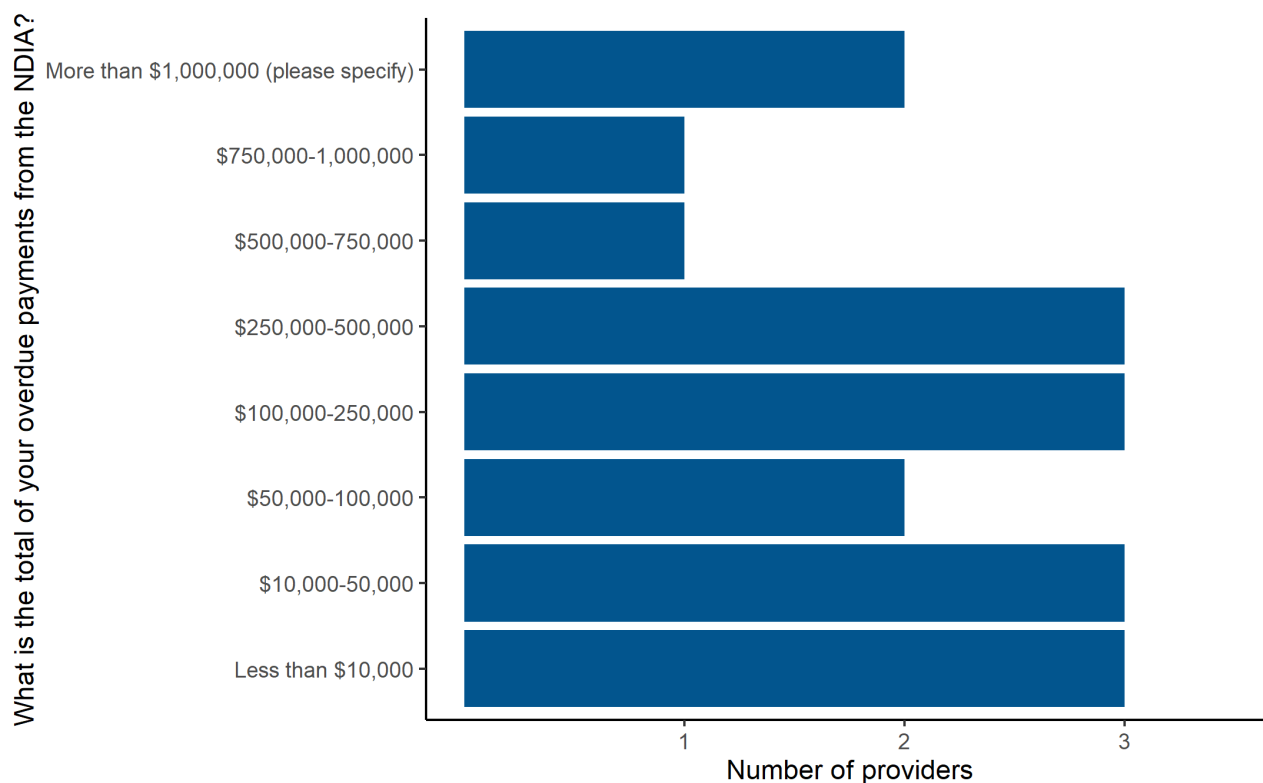
“CoS [Coordinator of Support] prefer to recommend participants who are probably SDA eligible move into a Support provider owned and operated (SIL) house rather than embark on the SDA journey with them – the SDA Process is time consuming and there is no guarantee of an outcome. No one wants to set participants up for disappointment.”

- SDA Providers

Overdue payments by the NDIA

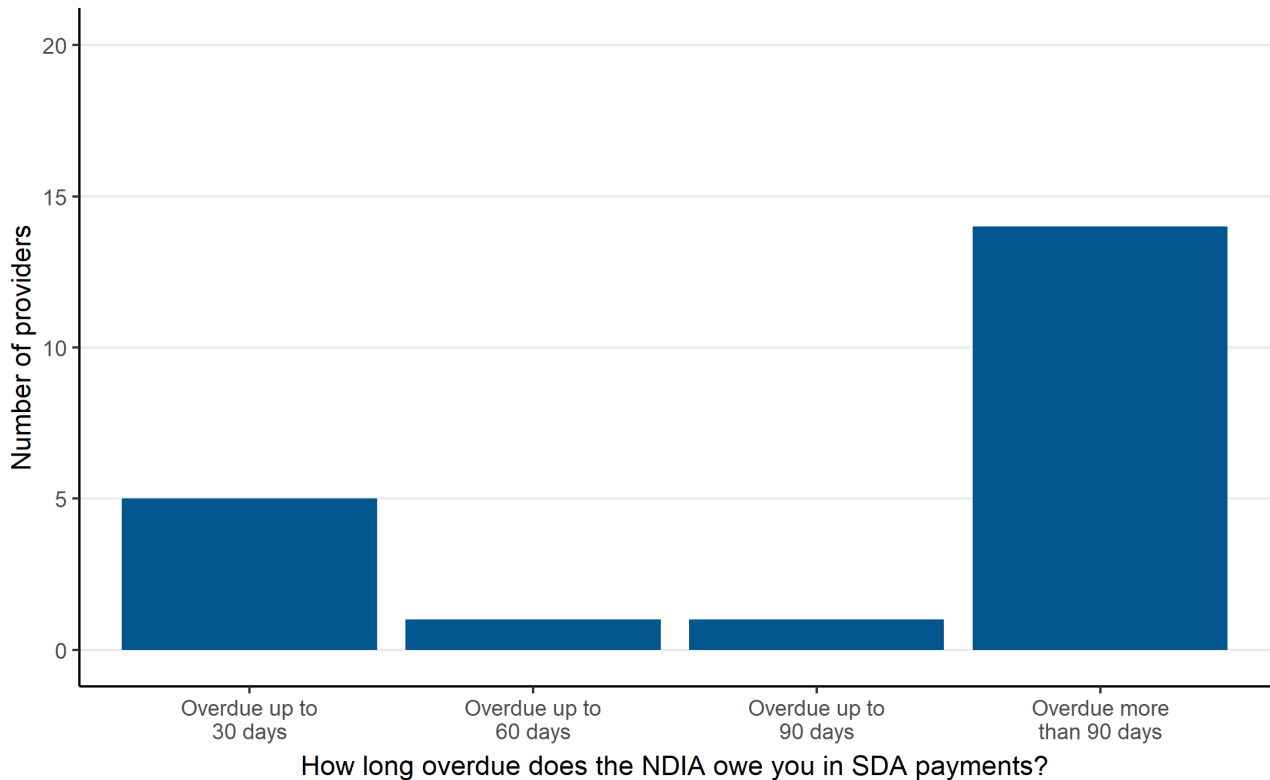
More than half of the respondents (51.4%, $n = 19$) reported that the NDIA owes them SDA payments for NDIS participants living in their properties. When asked to indicate the total of these overdue payments, over one-quarter of respondents (27.0%) reported that they are each owed in excess of \$100,000, with 1 provider indicating they are owed \$1.2 million (see Figure 12).

Figure 12 – Number of respondents indicating the total amount of overdue payments from the NDIA ($n = 18$)



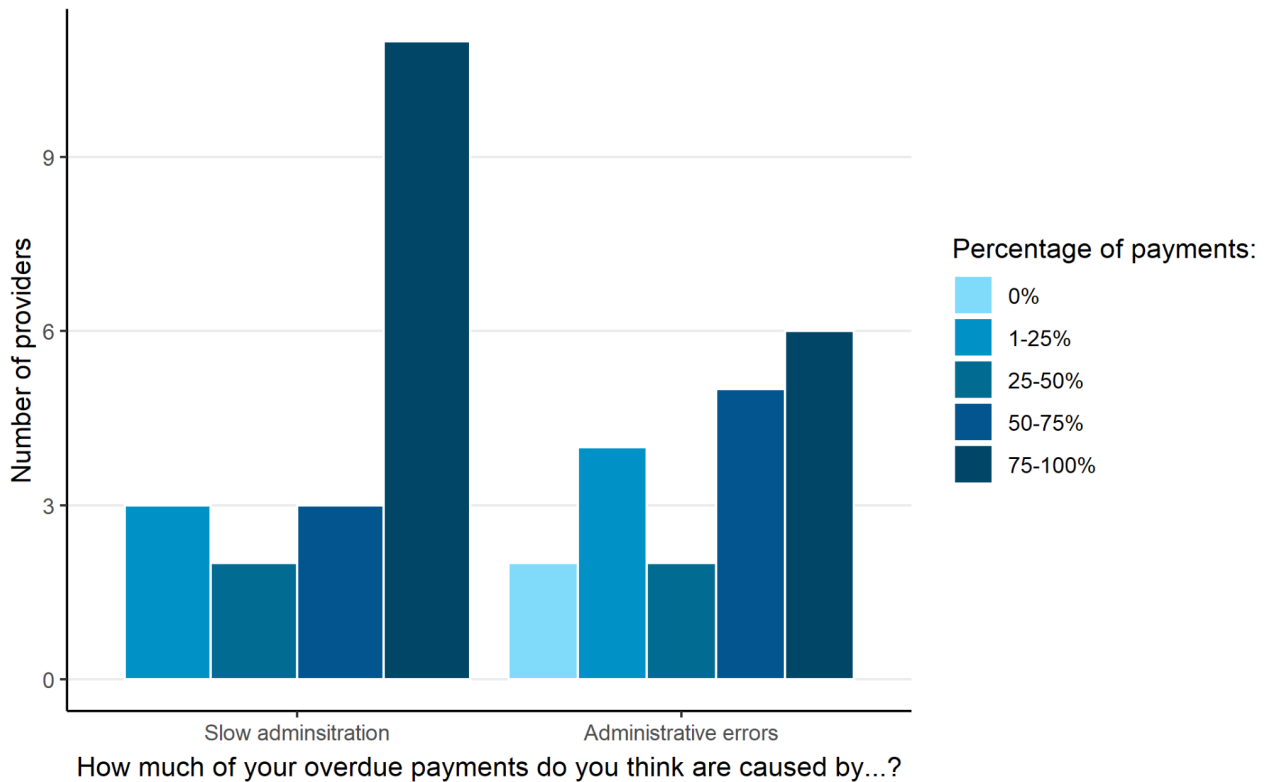
Of the respondents that indicated they were owed SDA payments from the NDIA, the majority of respondents (73.7%) reported that these payments were overdue by more than 90 days (see Figure 13). Almost two-thirds of these respondents then disclosed further detail on the amount they were owed. This revealed that the total amount overdue by the NDIA by more than 90 days is in excess of \$3,719,815.

Figure 13 – Number of respondents indicating the length of their overdue SDA payments from the NDIA (n =18). *Note:* Respondents were able to select multiple options.



Possible reasons for these overdue SDA payments were also investigated (see Figure 14). Of the respondents that indicated that they were owed money by the NDIA, 57.9% believed that between 75-100% of their overdue payments are caused by slow administration by the NDIA (e.g., the NDIA processing applications and requests slowly). In addition, 31.6% of respondents believed that between 75-100% of their overdue payments are also caused by administrative errors by the NDIA (e.g., NDIA not paying the correct rate).

Figure 14 – Number of respondents indicating a percentage of their overdue payments which are believed to be caused by slow administration and administrative errors by the NDIA ($n = 19$)



Challenges once tenants have moved in

Respondents were asked about a range of challenges experienced once tenants have moved into their SDA properties. Most frequently reported as “moderately” or “extremely” challenging issues were getting paid by the NDIA (70.2%), NDIS plans expiring (64.8%), issues with service bookings (59.4%) and changes in tenants’ circumstances, including NDIS plan reviews (40.5%). A smaller number of respondents indicated that issues related to the tenancy (24.3%) and issues with the OOA provider (16.2%) were also “moderately” or “extremely” challenging. See Figure 15.

Figure 15 – Extent of various challenges once tenants have moved in (*n* = 37)

	To what extent are the following issues challenging?				
	Not challenging	Slightly challenging	Somewhat challenging	Moderately challenging	Extremely challenging
Changes in tenants' circumstances, including NDIS plan reviews	8.1%	13.5%	35.1%	18.9%	21.6%
Issues with the on-site overnight assistance (OOA) provider	29.7%	29.7%	21.6%	13.5%	2.7%
Issues within the tenancy that you need to get involved in	16.2%	24.3%	32.4%	13.5%	10.8%
Issues with service bookings	5.4%	0.0%	29.7%	18.9%	40.5%
NDIS plans expiring	2.7%	8.1%	18.9%	29.7%	35.1%
Securing the payment of SDA funds by the NDIA	2.7%	5.4%	18.9%	35.1%	35.1%

When respondents were given the opportunity to elaborate on these challenges, 3 respondents advised that they are often not aware that service bookings have been prematurely cancelled by NDIS staff and further adding to their frustration, these service bookings are often not re-booked.

“SDA service bookings are often terminated prematurely without knowledge of the provider. This isn't discovered until the next SDA claim is due. It is nearly always the case that a replacement SDA service booking has not been raised...”

- SDA Provider

Furthermore, 2 respondents also discussed changes to participant funding, specifically that the NDIA are not “future proofing” decisions by incorporating changes in the needs of participants over time into their SDA determinations. In practice, this means that some NDIS participants with degenerative conditions will have to move again, rather than live in SDA that is designed to adapt to their changing needs.

Changes to the SDA market

When asked to propose one change that could be made to the SDA market (see Figure 16), the majority of respondents suggested that the NDIA needs to take a more active stewardship role in the SDA market. This could be achieved by:

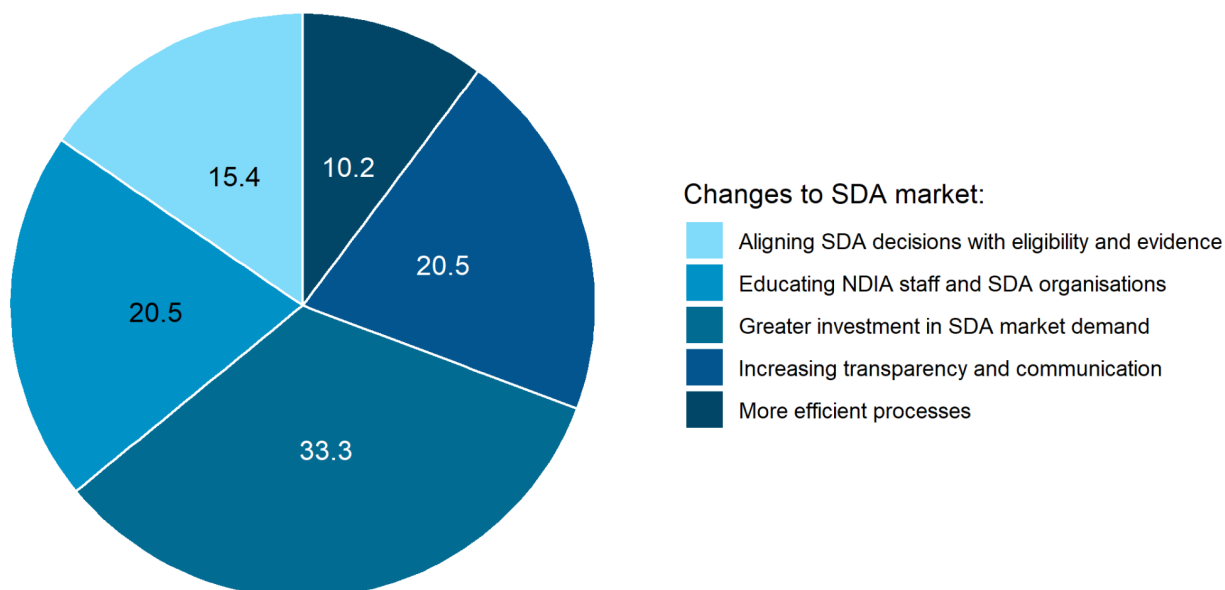
- Making a greater investment in the demand side of the SDA market ($n = 13$). The NDIA needs to engage eligible NDIS participants, build their capacity and publish data on their housing and support needs and preferences. According to respondents, such data would make it easier to forward-plan tenancies for new builds and ensure demand is met
- Providing more training for NDIA staff and other SDA organisations, including SIL providers and support workers ($n = 8$)
- Increasing transparency and communication about the outcomes, processes, and changes made to the scheme ($n = 8$). Specific recommendations for the NDIA to increase clarity and transparency included having a more direct point of contact and streamlining SDA and SIL processes and decisions⁶
- Aligning SDA decisions with eligibility and evidence provided by increasing SDA approval for single occupancy dwellings for example ($n = 6$)
- More efficient processes, including time taken for SDA approvals and providing SDA funding on time ($n = 4$)

“SDA decisions [should] occur efficiently and predictably with due regard to the centrality of choice as per the SDA Pricing and Payments Framework ... People then receive supports which are reasonable and necessary to live in the type of SDA for which they have been funded.”

- SDA Provider

⁶ According to the NDIA, SDA and SIL decisions are already streamlined. See: <https://www.ndis.gov.au/participants/home-and-living>. However, as indicated by the provider responses in this survey, it is likely that this is not occurring consistently.

Figure 16 – Themes identified from reported changes to the SDA market (percentage of responders)



What's working well with the SDA market

Finally, respondents were asked to indicate aspects of the SDA market that are currently working well. While 5 respondents indicated that there were no positive aspects to comment on, a larger proportion ($n = 10$) suggested that when all the hurdles are overcome, the final outcomes for participants are extremely rewarding; enabling choice, control, and freedom for people who are otherwise marginalised. Another frequently reported positive aspect was the variety of housing designs on the market, which 6 respondents suggested are being built to the requirements of the SDA participants. Other positive aspects included SDA investment capital being easily accessible, high-quality builds ($n = 4$), and the willingness of organisations, providers, and builders to provide SDA, despite the risks involved ($n = 3$).

Discussion

The aim of this survey was to understand the experiences of SDA providers, including the commercial risks they face when operating in the SDA market. This survey asked providers to reflect on their experiences to date, and provide information on a range of issues, including:

- Leasing new build SDA
- Challenges to finding tenants and filling vacancies
- Navigating NDIA SDA processes
- Securing the timely payment of SDA funds by the NDIA

The survey also allowed providers to suggest possible improvements to the SDA market.

The SDA providers involved in this survey have committed over \$1.2 billion to building SDA, which represents over half of the market share⁷. Many SDA providers are carrying significant commercial risks. Almost one-third of enrolled SDA places reported in this survey are currently vacant, with a large proportion of respondents indicating that it takes between 6-18 months to lease a single vacancy. The resulting financial losses make building SDA housing riskier for providers, as they are not guaranteed to receive financial returns on their investments in a timely manner. This finding is consistent with a previous report that also highlighted that vacancies pose one of the biggest financial risks to SDA investors (Winkler et al., 2020).

The findings of this survey suggest that the lack of government investment in the demand side of the SDA market, lengthy and complex SDA processes, as well as inappropriate SDA determinations, are the main reasons why providers experience difficulties finding tenants and filling vacancies. There are simply not enough NDIS participants with SDA in their plans to sustain the SDA market. A large proportion of respondents reported that the NDIA takes a long time to make decisions about SDA, support, and AT funding. Moreover, as the decisions often do not align with participants' eligibility and evidence, the subsequent need for internal and AAT appeals further prolongs SDA application processes. There is often a mismatch between available SDA properties and the specific SDA payment approved in participants' NDIS plans. Specifically, it was reported that NDIS participants experience difficulties receiving funding for 1 resident dwellings, even with evidence showing this is appropriate. It is noted that 1 resident dwellings were identified as being provided by almost half of the providers involved in this survey and was previously identified as the dominant dwelling occupancy in the national pipeline (Housing Hub and Summer Foundation, 2021).

"Increasing the efficiency and accuracy of SDA decision making would be beneficial for providers with vacant dwellings and potential tenants waiting to move into SDA."

- SDA Provider

Other difficulties in finding tenants and filling vacancies were also highlighted in this survey. Respondents reported that potential tenants for new SDA are not aware of their right to choose where they live. NDIS participants are a marginalised group of people that are difficult to reach. Many are living in traditional group homes where the one organisation is their landlord and providing their support. Some NDIS participants have little contact with anyone apart from the people who are paid to support them and are therefore a captive market. Consequently, SDA properties remain vacant not because of insufficient demand, but because potential tenants are not aware of the possibilities or do not have the level of SDA in their plans needed to move to new SDA. The SDA pricing has vacancy risk built into the price, however, it assumed that SDA providers would just need to spend resources on advertising in order to mitigate their vacancy risk. The lack of investment in the demand side of the SDA market undermines the concept and viability of a market approach. The SDA market cannot function unless eligible people have SDA in their plans that provides them with the purchasing power to spend as informed consumers in an open and active market

The survey also indicated that providers face additional economic risks even after SDA properties are tenanted. Findings revealed that the NDIA owes more than \$100,000 to over one-quarter of the respondents involved in this survey (27.0%), with a staggering \$3.7 million being overdue by more than 90 days across this group of respondents. Furthermore, over 80% of respondents are receiving less than anticipated income for at least some of their SDA. This reduction in anticipated revenue presents a significant challenge to developing reliable financial models that are needed for providers to plan SDA

⁷ Calculated based on the number of enrolled SDA (excluding "in-kind" arrangements with state governments) multiplied by an approximate cost per dwelling: 4,921 dwellings * \$500,000 per dwelling = \$2.46 billion.

projects. SDA providers have secured finance for SDA based on assumptions that are flawed and are at risk of bankruptcy. In the long-term, an inability to rely on financial estimates will likely harm providers' trust and confidence in the SDA market and their ability to raise capital to provide SDA. Indeed, some respondents in the current survey already expressed discouragement from building further SDA properties. Furthermore, because the majority of respondents involved in this survey are private housing providers and are therefore, start-ups coming into the market to respond to the government's call for investment, these issues are jeopardising their ongoing financial viability. It would only take 1 or 2 SDA providers to become insolvent to ruin investor confidence in the SDA market which could see the whole market collapse. This would also damage the wider social impact investment market in Australia.

Considering the significant challenges that SDA providers face, it is critical that the government invests in the demand side of the SDA market to increase the number of NDIS participants who have SDA new build funding in their plan. It is also crucial that the NDIA actively identifies, engages and builds the capacity of NDIS participants to be informed and empowered consumers in the SDA market.

It is evident that the NDIA needs to implement changes to SDA processes and procedures to prevent prolonged vacancies and financial loss. This should involve more efficient and timely processing of SDA and support applications which importantly, align with participant needs and preferences. It should also involve paying SDA providers their payments on time, and the correct amount. Other suggestions for improvement included giving housing providers and NDIS participants a direct point of contact within the NDIA, having clearer and simplified SDA guidelines and providing more transparency about their SDA decisions. The NDIA could also provide their staff with more training about SDA eligibility and procedures. Both the NDIA and DSS need to engage talent with expertise in markets and impact investment in order to provide internal leadership in market stewardship. The NDIA could also invest in collecting demand data regarding the needs and preferences of SDA eligible participants. This would assist with forward planning of new builds by understanding demand. Together, these changes will provide all stakeholders involved with more confidence and clarity when navigating the SDA market.



Recommendations

The SDA market in Australia has the potential to be a world-leading solution to the housing needs of tens of thousands of people with disability. Its market-based approach is designed to put the choice and control of people with disability at the centre, as the NDIA funds individuals so that they can then determine where and how they want to live. However, as an emerging market, it remains vulnerable. Respondents of this survey together represent over half of the total capital committed in SDA to date (Winkler et al., 2020). Therefore, their insights and warnings about the state of the SDA market must serve as a catalyst for change. SDA providers are losing trust in the NDIA to properly steward the market, which in turn is dampening investor confidence that SDA offers returns that are worth the risks.

Suggestions derived from the survey for how the government and NDIA could improve their SDA processes include:

- Government and NDIA to invest in the demand side of the SDA market to increase the number of NDIS participants who have SDA new build funding in their plan
- NDIA to identify, engage and build capacity of NDIS participants to be informed and empowered consumers in the SDA market
- NDIA become more efficient and timely in the processing of SDA applications and make decisions which align with eligibility and evidence provided
- SDA providers are paid the correct amount on time by the NDIA
- SDA providers and participants are given a direct point of contact within the NDIA for SDA related enquiries
- Existing SDA guidelines and procedures are simplified
- SDA decisions and NDIA decision-making processes are made more transparent
- NDIA and DSS to engage talent (e.g. from Treasury) with expertise in markets and impact investment in order to provide leadership internally in the active stewardship of the SDA market
- NDIA works with stakeholders to collect and release SDA market data including demand data to help inform provider decisions

Together, these changes will provide all stakeholders involved with more confidence and clarity when navigating the SDA market. A strengthened SDA market will also reduce the long-term liability of the NDIS. The cost of SIL and other supports will be lower if NDIS participants live in housing that is designed to foster independence and meets their needs and preferences. Furthermore, outcomes for people with disability will improve if they can choose SDA that maximises social and economic participation and also their autonomy.

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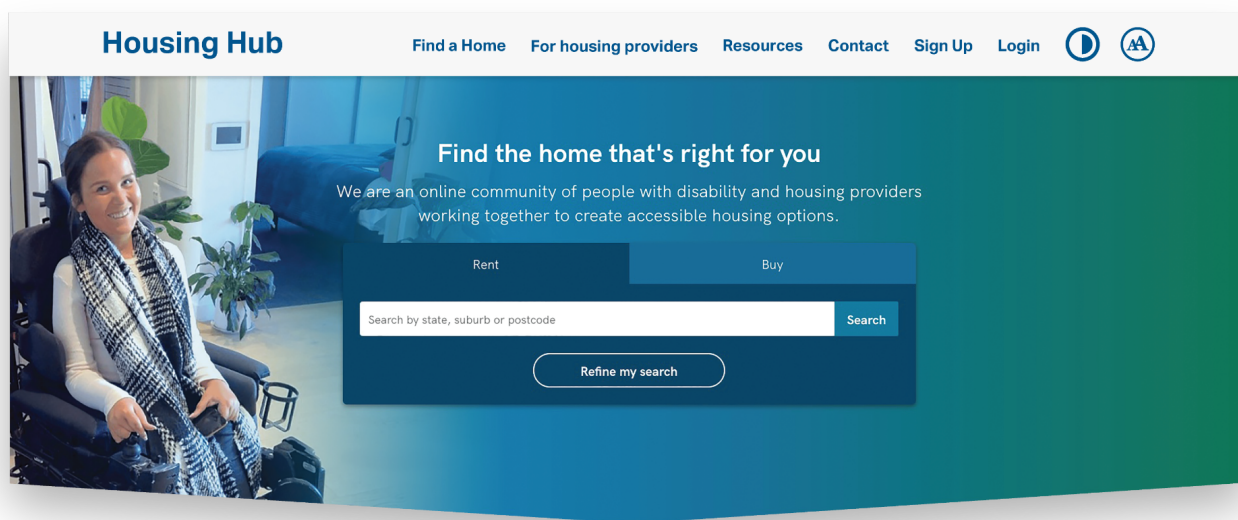
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Appendix A: About the Housing Hub

The Housing Hub is an online community of people with disability and housing providers working together to create accessible housing options.

The Housing Hub website – www.housinghub.org.au – lists properties for rent or sale that may be suitable for people with disability. With well over 1,500 properties currently listed, the Housing Hub features all design categories of Specialist Disability Accommodation (SDA), as well as many other types of accessible housing.



Housing seekers can search through the listings, or create a housing seeker profile by answering a few questions about where they want to live, what type of home they're looking for, what features are required and who they would like to live with. The Housing Hub will then show the seeker listed properties that are a good match for their profile. Each listing includes a 'Suitability Score', which tells the seeker just how good a match the property is to their preferences. When creating a profile, housing seekers can also elect to be automatically notified when a property is listed that is a good match for their profile.

Generalised data resulting from housing seeker profiles on the Housing Hub provides insights into the demand for accessible housing across Australia. With almost 10,000 new users and around 65,000 page views every month – and over 700 enquiries generated to property owners per month (and growing) – the insights generated are significant. Sharing the data gleaned from these interactions with the housing market enables the needs and preferences of people with disability to shape future development.

In 2017, with seed funding from the Australian Government Department of Social Services (DSS) Sector Development Fund, the first iteration of the Housing Hub was created by the Summer Foundation as a pilot project. In its first year, the Housing Hub expanded from a few small regions to include housing located in many states across Australia.

The Housing Hub team began providing tenant matching services in 2018. To date, our team has supported over 500 people to access SDA funding and move into a new SDA home.

Resources

The Housing Hub website contains libraries of resources for housing seekers, supporters and housing providers – including videos, guides and templates.

To explore, go to: www.housinghub.org.au/resources

Services for housing seekers

The Housing Hub team provides a range of services to support housing seekers. Via workshops, resources and the SDA Housing Advice Line (1300 61 64 63), we support people with disability to:

- Understand the range of housing options that may be available to them
- Find out more about Specialist Disability Accommodation (SDA)
- Think about where they may want to live, what type of home they want to live in and who they want to live with
- Find out from the NDIS if they are eligible for SDA funding

The screenshot displays a property listing on the Housing Hub website. The listing is for a house in Ivanhoe, VIC, 3079, titled "Quiet home in the suburbs". The property features 2 bedrooms, 2 bathrooms, and 1 car space. It is a single-level layout with a charming exterior and original character details. The listing includes a suitability score of 86% and a "Reasonable Rent Contribution as set by the NDIA" of \$100 per week. The property is available from 23/04/2021. The listing also mentions that the property will accept MTA funding instead of SDA funding for up to 90 days. The listing is posted 1 minute ago and edited 1 minute ago. The listing includes a "Download application form" button, a "Download brochure" button, and a "Print Listing" button. The listing also includes a "View score breakdown" button and a "My Preferences" button.

Quiet home in the suburbs

Ivanhoe, VIC, 3079

Reasonable Rent Contribution as set by the NDIA [More info](#)

*Plus 100% of Commonwealth Rent Assistance

*Plus 100% of the SDA funding in your NDIS plan

This property will accept MTA funding instead of SDA funding for up to 90 days

2 Bedroom 2 Bathroom 1 Car park

Bedroom Only Available 23/04/2021

It all begins with a charming exterior, and once inside, original character details are perfectly weaved into the highly functional, single-level layout. A combination of polished floorboards, high ceilings and sash windows

[Read more](#)

Suitability Score

86%

[View score breakdown](#)

[My Preferences](#)

Services for housing providers and vendors

The Housing Hub website is an effective way for providers and vendors of accessible housing to connect with suitable tenants. Providers can manage listings for their properties without needing to engage a third party, and prospective tenants can communicate with providers directly.

Recent changes to the Housing Hub's interface have dramatically improved the experience for housing providers and vendors, reducing the time it takes to list properties and simplifying the process – particularly for organisations with multiple properties to list.

It is free to use the Housing Hub to create property listings and receive inquiries from prospective tenants.

Premium services




The Housing Hub offers a tenant matching service for SDA providers on a fee-for-service basis. Our team identifies prospective tenants who may be a good fit for the SDA design category and features of the property, then supports prospective tenants to secure SDA funding and, if they wish to, apply for a vacancy at the property.

Generalised data resulting from housing seeker profiles on the Housing Hub can build an understanding of the demand for accessible housing. With insights into what types of housing (and housing features) are desired in what locations, providers can build to address demand with greater certainty. The Housing Hub regularly releases data insights to the market; while more detailed analyses are available for a fee. Contact support@housinghub.org.au for more information.

For a fee, providers and vendors can promote a listing as a 'Featured Property'. Featured properties appear on the homepage of the Housing Hub website, and are promoted to housing seekers via the Housing Hub's social media channels and via email to our subscriber list of more than 6,000 housing seekers.

For more information on the Housing Hub's services for housing providers and vendors, email: support@housinghub.org.au

Featured Homes

North Eastern Melbourne ☆  Bundoora VIC 3 Beds 3 Bathrooms 2 Car Spaces Villa	Sydney Sutherland ☆  Kirrawee NSW 1 Bed 1 Bath 1 Car Space Apartment	Adelaide Central Hills ☆  Unley SA 3 Beds 2 Bathrooms 2 Car Spaces House
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