

Specialist Disability Accommodation Overview

NDIS HOUSING OVERVIEW

The National Disability Insurance Scheme (NDIS) is being progressively rolled out across Australia, growing to an annual budget of \$21 billion per annum in funding for disability support in 2019. This provides an additional \$10 billion of funding for disability services compared with Australia's spending trajectory without the NDIS.

Young people with high disability support needs register with the NDIS and receive a package of support that includes annual funding to pay for the cost of their housing ('Specialist Disability Accommodation (SDA) payment'). Each 'participant' then has a choice in where they live and their SDA payment will be paid to the owner of the property ('SDA Provider') the participant chooses to reside in. The participant has a separate amount in their package to pay for their day-to-day support costs.

The NDIS pays a standardised yearly amount for housing that is calculated based on the location, dwelling size and level of accessibility. Housing built for people with disability will only receive housing payments when an NDIS participant is living in the dwelling. The property owner bears the risk that the housing will not be fully tenanted.

NDIS HOUSING PAYMENT SYSTEM

Specialist Disability Accommodation (SDA) refers to housing for NDIS participants who require specialist housing solutions to assist with the delivery of supports that cater for their individual care needs. The policy outlined is designed to facilitate the development of new housing for over 12,000 people with disability who require the highest levels of support.

All young people in aged care, and many of those at risk of entering aged care, will get an NDIS SDA payment for their housing needs. The NDIS has detailed policies and rules about how this payment works.

SDA payments will be paid by the NDIA directly to the SDA Provider. The payment is included in each participant's plan and is held by the NDIA in a trust-like arrangement on behalf of the participant. The value of payment is calculated based on the particular dwelling they choose to live in. The participant is in control of where they live and is able to choose any dwelling that is registered with the NDIA.

SDA Providers will only be paid for dwellings that are occupied by NDIS participants. The property owner bears the vacancy risk should they be unable to find a tenant for the dwelling.

Tenants will be required to make a Reasonable Rent Contribution ('RRC') to their SDA Provider, which will be in addition to any SDA payment from the NDIS. The rent will be a standalone payment for rent only. Rent paid by a participant will be limited to 25% of the Disability Support Pension plus any Commonwealth Rent Assistance.

It is anticipated that the SDA pricing will continue for 20 years. The framework assumes that at the end of 20 years the property would revert to the general market, providing a lump sum cash flow to the investor(s) equal to the market value of the property. When combined the revenue from SDA payments, rent and the sale value of the property will sufficiently recover the initial investment, all maintenance, outgoing and management costs, and an 'institutional' return on debt and equity.

NDIS HOUSING PRICES AND PAYMENT LEVELS

There are three key documents that set out how the NDIA will determine the revenue a SDA Provider will receive:

- [NDIS Specialist Disability Accommodation Decision Paper on Pricing and Payments](#)
- [NDIS Price Guide Specialist Disability Accommodation](#)
- [NDIS \(Specialist Disability Accommodation\) Rules 2016](#)

The five key elements to determine the revenue are:

1. **Whether the dwelling is new or existing.**
 - a. The 'new builds' refers to housing where an occupancy certificate was obtained after 1 April 2016. The price for new builds is set to provide an incentive to a broad range of potential providers to respond quickly in constructing new properties to provide for the unmet SDA demand.
 - b. The other category ('Existing Stock') refers to existing properties where an occupancy certificate was obtained prior to 1 April 2016 and payments are significantly lower than for new builds.
2. **The level of accessibility in the property.** The pricing caters for a number of building types which incorporate different standards and characteristics to meet participants' needs and the nature of their disability. There are 5 broad categories of SDA design, which include Basic, Improved Livability, Fully Accessible, Robust & High Physical Support. Each design category is explained in greater detail below.
3. **The type of dwelling.** In developing the policy framework the NDIA outlines the SDA building types, which can be enrolled as SDA and this also influences the price paid for the dwelling.
4. **Location factor.** The locational factor takes into consideration the variations in construction costs in each location and the differences in median land values for each location. The location factor is specific to each statistical area across Australia. The location factors can reduce the payment by up to 13% or provide a bonus of 128% above the standard price in high cost locations, such as inner city Sydney.

Periodic pricing reviews are to be conducted every five years with a focus on continuing to drive market solutions that meet the needs and preferences of participants.

ATTACHMENT A: SDA DESIGN CATEGORIES & HOUSING TYPES

TABLE 5: DESCRIPTION OF SDA DESIGN CATEGORIES

SDA design category	Definition	Minimum Requirements for New Builds
Basic	Housing without specialised design features but with other important SDA characteristics (e.g. location, privacy, shared supports).	Available for Existing Stock only.
Improved Livability	Housing that has been designed to improve 'Livability' by incorporating a reasonable level of physical access and enhanced provision for people with sensory, intellectual or cognitive impairment	<ul style="list-style-type: none"> • Livable Housing Australia 'Silver' level • One or more 'improved Livability' design features such as luminance contrasts, improved wayfinding or lines of sight
Fully Accessible	Housing that has been designed to incorporate a high level of physical access provision for people with significant physical impairment	<ul style="list-style-type: none"> • Livable Housing Australia 'Platinum' level • External doors and external outdoor private areas to be accessible by wheelchair • Bathroom vanity/hand basin to be accessible in seated or standing position • Power supply to doors and windows (blinds), for retrofit of automation as necessary • Consideration must be given to whether it is appropriate for the kitchen sink, cooktop, meal preparation bench area and key appliances (dishwasher, oven, microwave oven, laundry appliances) to be accessible in seated or standing position
Robust	Housing that has been designed to incorporate a high level of physical access provision and be very resilient, reducing the likelihood of reactive maintenance and reducing the risk to the participant and the community.	<ul style="list-style-type: none"> • Livable Housing Australia 'Silver' level • Resilient but inconspicuous materials that can withstand heavy use and minimises the risk of injury and neighbourhood disturbance including: <ul style="list-style-type: none"> - high impact wall lining, fittings and fixtures (e.g. blinds, door handles) - secure windows, doors and external areas

SDA design category	Definition	Minimum Requirements for New Builds
		<ul style="list-style-type: none"> - appropriate sound proofing if residents are likely to cause significant noise disturbances (if required must retrofit in new builds if not previously installed at building stage) - laminated glass • Layout with areas of egress and retreat for staff and other residents to avoid harm if required • Consideration must be given to providing adequate space and safeguards throughout the property to accommodate the needs of residents with complex behaviours
High Physical Support	Housing that has been designed to incorporate a high level of physical access provision for people with significant physical impairment and requiring very high levels of support.	<ul style="list-style-type: none"> • All requirements listed in the 'Fully Accessible' design category, plus: <ul style="list-style-type: none"> - Structural provision for ceiling hoists - Assistive technology ready - Heating/cooling and household communication technology (e.g. video or intercom systems) appropriate for the needs of residents - Emergency power solutions to cater for a minimum two hour outage where the welfare of participants is at risk - 950mm minimum clear opening width doors to all habitable rooms
All	Applicable to all categories	<p>In all cases, SDA should:</p> <ul style="list-style-type: none"> - ensure the property is designed and maintained in a manner that is consistent with other properties in the neighbourhood - recognise the importance of outdoor areas and allow for adequate land area commensurate with the number of residents in the household

NDIS Specialist Disability Accommodation Decision Paper on Pricing and Payments (1 June 2016). p25-26.

TABLE 6: DESCRIPTION OF SDA BUILDING TYPES

Building type	Description	Typical Building Code of Australia classification
Apartment	Apartments are self-contained units occupying only part of a larger residential real estate building.	Class 2
Villa / Duplex / Townhouse	<p>Villas, duplexes and townhouses are separate but semi-attached properties within a single land title or strata titled area. The dwelling will be separated from one or more adjoining dwellings by a fire-resisting wall (fire resistance not required for Existing Stock).</p> <p>May also include ancillary dwellings that are located on the same parcel of land as another dwelling (e.g. standalone villas, 'granny flats'.)</p>	<p>Class 1(a)(ii), or Class 3</p> <p>Class 1(a)(i)</p>
House	Houses are detached low-rise dwellings with garden or courtyard areas.	Class 1(a)(i), Class 1(b)(i), or Class 3
Group home	Group accommodation is distinguished from other forms of accommodation by the larger number of residents (4 or 5).	Class 1(b)(i), or Class 3

NDIS Specialist Disability Accommodation Decision Paper on Pricing and Payments (1 June 2016). p27.