Opportunities to improve the Specialist Disability Accommodation program and outcomes

Based on AHURI Final Report No. 417: Specialist Disability Accommodation in the social housing sector: Policy and practice

What this research is about

This research explores the interaction between the Specialist Disability Accommodation (SDA) program and the social housing sector, including National Disability Insurance Scheme (NDIS) participants' experience of accessing these homes and the extent to which they are equipped with assistive technology. It also considers policy and practice opportunities to improve the delivery of SDA.

The context of this research

SDA is a support program provided under the NDIS for Australians with extreme functional impairment or very high support needs to access specialist housing solutions.

Designed to attract private market investment, the SDA program constitutes an individualised funding model, and provides approximately 6 per cent of NDIS participants with greater choice and control about where and with whom they live, as well as the type of dwelling in which they reside. The type of housing and household size is determined by the actual level of SDA funding approved in a participant's package. Annual payments are then made by the National Disability Insurance Agency (NDIA) to a registered SDA provider who may own or manage an enrolled property tenanted by a SDA participant.

The key findings

$3.5 billion invested into registered SDA properties

The SDA program has delivered housing for 18,219 NDIS participants nationally to December 2022. Despite an annual allocation of $700 million by the NDIA over a ten-year period, actual SDA payments amounted to $214 million in 2022. The program was anticipated to leverage an additional $5 billion in private market investment over that time, yet growth has stagnated since 2021 despite demand remaining strong.

NDIA reporting shows more 'Basic' stock (56%), that is dwellings built prior to April 2016, has been enrolled in the SDA program than 'New Build' stock (44%). The majority of this 'Basic' stock is a remnant of former state and government accommodation designed to provide housing for people with disability. This indicates that less than half the SDA stock meets best practice design standards.

The SDA program interests for-profit investors and developers because of the potential to realise attractive returns. In some cases, this led to the speculative delivery of select design categories and dwelling types aimed at the most profitable segment of the market, such as sole-occupancy apartments built to High Physical Support design specifications.

However, such opportunistic investment coupled with a 2018 NDIA decision to restrict the number of sole-occupancy approvals has impacted the SDA sector. SDA vacancies have increased, leading some providers to offer tenancies to SDA recipients with lower levels of funding or let them on the private rental market. These factors have increased risk for SDA providers in both the private and social housing sector, while also compromising choice and control for NDIS participants who desire to live alone or with family members.

NDIS Participant experience of accessing appropriate SDA

Navigating the SDA program

The complexity of the SDA program creates a significant barrier for applicants. Limited and fragmented information and education for NDIS participants, including the process of applying for, finding and securing appropriate SDA makes navigating the program difficult.

Subsequently, informal support networks shoulder a large share of the workload associated with negotiating and interpreting the program and its processes on behalf of many NDIS participants.

Applying for SDA

Knowledge of the SDA program and the quality of functional capacity assessments can vary significantly among health practitioners and other frontline workers. As a result, access to funding is not equally available to all applicants. There is a need for greater standardisation of the SDA application process, while it is also critical that standardisation does not compromise the allied health process.

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The research identified a lack of transparency and consistency in SDA funding decisions, which can undermine both participant outcomes and may leave individuals without access to the accommodation they need to meet their Home and Living goals. Some SDA determinations were found to contradict clinical evidence and NDIS participants with similar housing needs have received very different funding outcomes. The most common disparity is between shared and individual living arrangements.

Although NDIS participants can appeal these decisions, it is a lengthy, costly and complex process, which can result in negative health and wellbeing outcomes for people with disability. NDIA reported that 60 per cent of all appeals identified the initial SDA determination to be incorrect.

The role of State and Territory Governments needs clarification

The role of state and territory governments in the SDA program is not well defined and is further complicated by housing policy and programs for people with disability established prior to the NDIS. In addition, regulations limiting state and territory government access to SDA data create barriers to delivering SDA as well as developing housing and disability service policy.

There are also inconsistencies between jurisdictions regarding their roles within the SDA program, with many state and territory governments still in a process of navigating their position. At the time of writing, Victoria is the only government jurisdiction to register as an SDA provider and directly manage SDA properties. Currently it provides more than 50 per cent of all SDA in that state. Most of this stock is of a 'Basic' design category and has been transitioned into the SDA program from previous government housing schemes for people with disability.

Other state and territory governments have taken a more hands-off approach to SDA, transferring the responsibility for disability services to the federal government and the NDIA. This has included a decision to not register as an SDA provider and either selling-off or headleasing state and territory housing for people with disability to non-government entities such as community housing providers (CHPs).

The situation is further complicated as state and territory governments have a responsibility to provide housing for a large proportion of people with disability who are not eligible for SDA. State and territory government-operated housing programs for people with disability remain vital for those unable to secure private market housing, ineligible for SDA, or where mainstream social housing may be inappropriate or unavailable.

Recognise and define role of the community housing sector

The Community Housing sector interacts with the SDA program by supporting private investment, developing and managing SDA dwellings, providing compliance with the SDA program as a registered provider and managing stock transferred from state and territory government housing authorities. Through this interaction, CHPs educate investors and participants, seek to understand participants' housing needs and may provide tenancy management and support once an SDA funding dwelling is tenanted.

CHPs work alongside a range of private investors or developers seeking to participate in the SDA program, with their involvement differing in each scenario depending on the needs of the investor or developer.

CHPs are also involved in transition of state-owned and state-operated housing for people with disability to the SDA program managing the enrolment and operation of these properties.

SDA program creates financial risks for CHPs

Three broad categories of risk exist for CHPs involvement in SDA:

- unreliable or inaccurate demand data
- high vacancy rates
- uncertainty around the SDA policy environment.

As a result of the financial risks associated with the vacant tenancies, some CHPs reported filling their SDA dwellings with non-eligible tenants from the social housing waitlist. High vacancies present a range of issues for CHPs, including reducing financing for future SDA and non-SDA developments.

Research participants suggested the establishment of a dataset that emulates the social housing waitlist to inform providers of participants' expressed housing need and their approved housing need in order to clearly differentiate between usable and non-usable SDA funding.

Specialist roles delivered by CHPs

CHPs undertake several key roles to assist participants to meet their Home and Living goals. These roles are not always funded. Consequently, CHPs are absorbing a significant degree of risk in the early stage of a participant's SDA journey often without compensation. This situation is especially challenging for smaller providers with limited financial capacity.

One of these functions is the support and education of NDIS participants and their families about the SDA program. CHPs also have the expertise to produce good housing outcomes for tenants, as well as unique skills as tenancy managers to support tenants with high and complex needs.

The research found that the specialist knowledge and services provided by CHPs should be recognised and supported both financially and structurally.

Further evaluation of the SDA pricing arrangements is needed

The majority of research panellists perceived the SDA pricing arrangements as insufficient to effectively develop and operate SDA. Price constraints related to increasing land and construction costs in recent years are severely impacting the delivery of 'New Build' dwellings.

Renewal efforts to bring 'Basic' stock up to best-practice SDA standards require substantial financial investment, yet SDA funding to carry out this task is limited, particularly when state-owned properties are headleased to CHPs under in-kind arrangements.

Depending on the outcome and implementation of the 2023 SDA Pricing Review, further reform could be required.

Assistive technology and the SDA program

Assistive technology (AT), such as smart devices and systems, is an integral part of accessible housing for Australians with disabilities. Current NDIS-funding policies limit funding for AT, and to date there has been limited advocacy in this area.

Although the up-front costs can be high, panellists emphasised the economic and time-saving efficiencies of including the 'backbone infrastructure' into the initial build, rather than retrofitting the dwelling at a later date. Further, panellists argued that the provision of this infrastructure not only delivers a better housing outcome for participants, but also boosts the attractiveness of the SDA dwelling and reduces vacancy risk.

What this research means for policy makers

This research highlights that:

- the determination of SDA funding applications must be more transparent and consistent, better align with NDIS participants' needs and preferences and the demonstrated clinical evidence. In addition, there is an opportunity for the federal government, through the NDIA, to further inform, educate and empower participants and their support networks (families, friends, carers) about what is possible under the SDA program, and establish a clearer pathway for participants to identify, apply for, and effectively secure appropriate SDA allocations

- pending the outcome and implementation of the 2023 SDA pricing review, it is critical that the pricing of SDA accurately reflects the true cost of delivering SDA and establishes a funding mechanism for enhancing the quality and performance of 'Basic' SDA

- there needs to be clearer guidance for state and territory government involvement with the SDA program. This could include working with the NDIA to facilitate a more streamlined and equitable pathway to identify and transition people with disability from social housing and other state-institutions (hospitals, residential aged-care facilities, etc) into the SDA program. Similarly, increased cross-government collaboration would support the delivery of more flexible housing options for people with disability in eligible for SDA with high housing needs

- policy should further recognise the specialist role of that CHPs bring to the SDA program, particularly in regard to education, support, tenancy management and the true cost of delivering and operating SDA

- the definition and application of AT (including 'mainstream' technologies) needs to be reviewed and included across all SDA design categories

- there is a need to establish stronger communication channels between the NDIA and all SDA stakeholders. There is an opportunity to do this by resurrecting and strengthening the SDA Reference Group, further increasing the quality of demand data and ensuring that SDA payments are made to providers in a timely manner.

Methodology

This research reviewed federal, state and territory government housing and service strategies for people with disability; identified the role of governments in the SDA program; and interviewed state and federal government representatives, CHP stakeholders and people with disability..

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