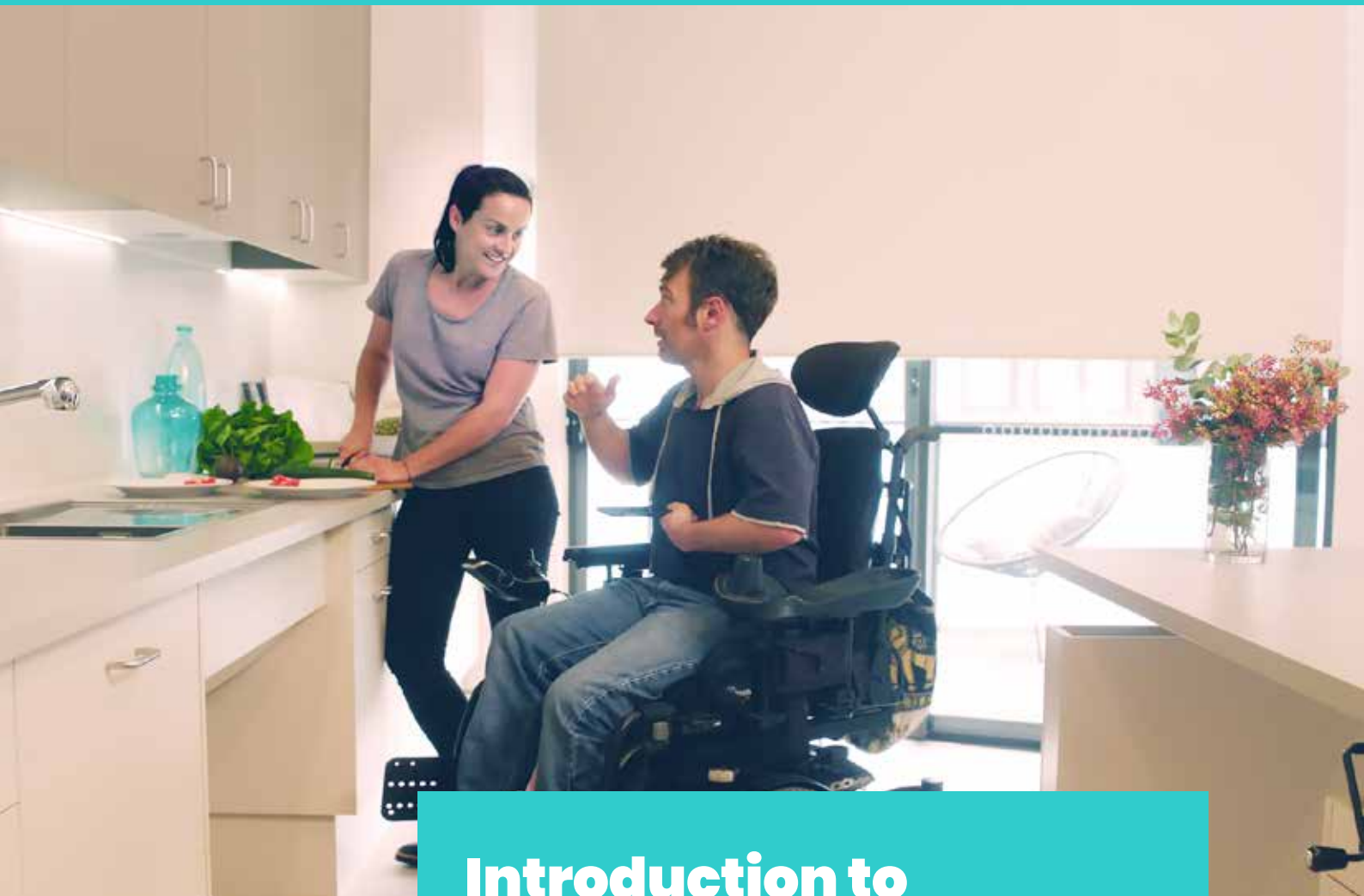


GET BUILDING SDA

An Initiative to grow
Specialist Disability
Accommodation



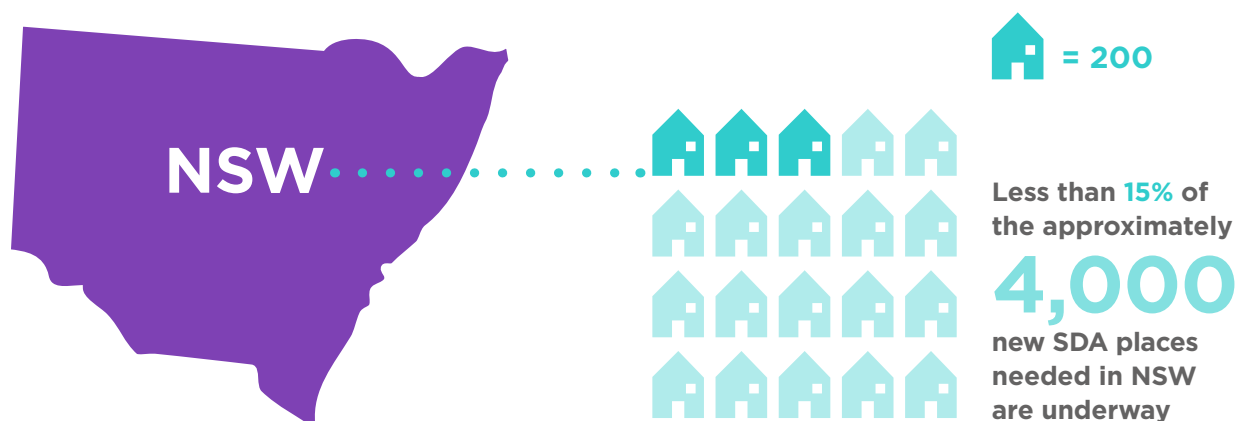
**Introduction to
Specialist Disability
Accommodation (SDA)**

Summary

Specialist Disability Accommodation (SDA) is an integral component of the National Disability Insurance Scheme (NDIS). SDA is targeted to provide purpose built housing for NDIS participants with very high and complex support needs to enable them to lead an ordinary life.

The opportunities for participants and families, housing developers and investors are huge, but SDA represents a leap into the unknown for many people. The 'Get Building SDA' initiative will give people the tools to realise these opportunities.

Currently, only a small fraction of the SDA that is needed has been built. In NSW, only around 200 SDA builds are underway – around 15% of the 4,000 new SDA places that are required. One of the early adopters of SDA projects – Stephen Vick from Guardian Living best summarizes the key to a successful SDA project:



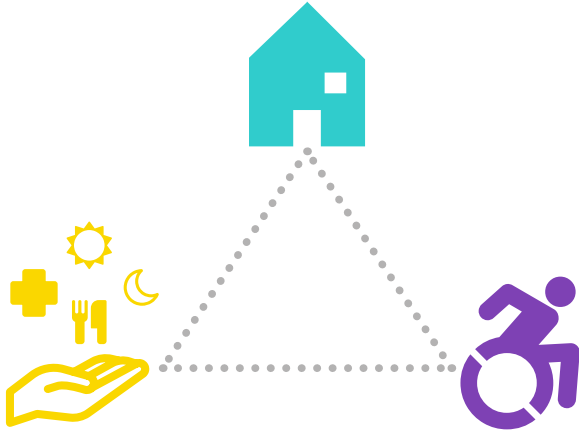
One of the early adopters of SDA projects – Stephen Vick from Guardian Living best summarizes the key to a successful SDA project:

“ Successful SDA projects are a partnership between the NDIS / SDA participant (and family / carer / guardian), support providers and developers and investors all working together for the common goal of providing a home for the person that meets their unique requirements. ”

Watch the video: youtu.be/70KBW8WgM-E

Context

This introduction to SDA booklet touches on the key themes of a SDA project. It is not an exhaustive start to finish guide on every aspect of SDA projects. For more detailed information please refer to the extensive resources that can be found by visiting the initiatives website getbuildingsda.org.au.



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1. What is SDA?

Under the NDIS Specialist Disability Accommodation (SDA) is described as a type of support a participant can be funded to receive. The term 'SDA' refers to housing and also to the payment the person has in their NDIS Plan. The NDIS does not own housing or build housing- that's what Get Building SDA is all about.

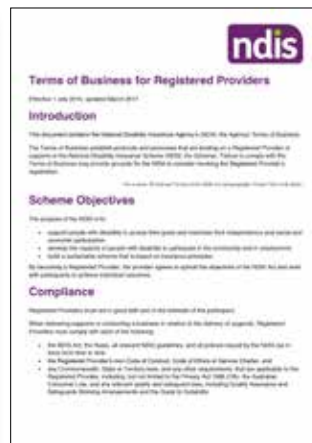
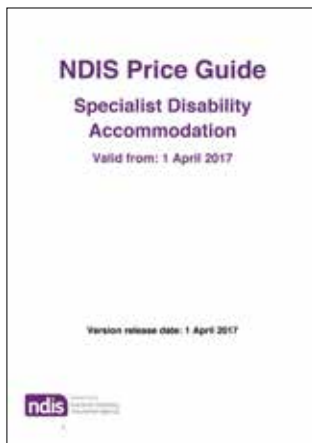
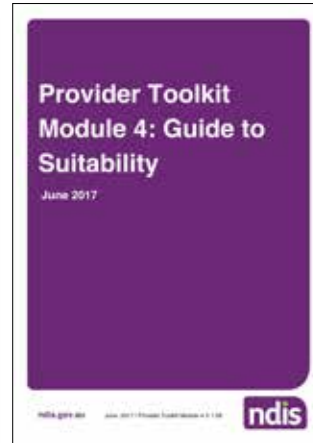
SDA is housing that has been specially designed to meet the needs of people who have very high support needs resulting from their disability. The requirements for an SDA property are described in the SDA Rule and SDA Pricing and Payments documents (see below).

The NDIS makes payments available to a provider of an SDA property when someone who has been approved for SDA funding is living in it.

The SDA model of funding creates a user-driven market that enables people with disability to decide where they live and who they live with. The SDA model will deliver better housing outcomes for people with very high and complex disability support needs.

The SDA policy was initially outlined in the 'Specialist Disability Accommodation: Decision Paper on Pricing and Payments' released on 1 June 2016 and the more practical application of SDA is defined within the National Disability Insurance Scheme (Specialist Disability Accommodation) Rule ("the SDA Rule") that was first published in March 2017 and updated July 2018. The current set of documents that inform the SDA context are:

- The SDA Rule, Updated 1 July 2018
www.legislation.gov.au/Details/F2017L00209
- SDA Guide to Suitability, March 2017
www.ndis.gov.au/medias/documents/hc1/h8d/8800514244638/SDA-Guide-to-Suitability.pdf
- NDIS, Module 4, Guide to Suitability, June 2017 (Includes updated SDA Requirements)
www.ndis.gov.au/medias/documents/h46/h91/8802541797406/NDIA-Module-4-Guide-to-Suitability.pdf
- SDA Price Guide, 1 July 2017
www.ndis.gov.au/medias/documents/ha6/h19/8800438648862/SDA-Price-Guide.pdf
- Terms of Business for Registered Providers, SDA
www.providertoolkit.ndis.gov.au/sites/g/files/net3066/f/ndis_terms_of_business.pdf
- SDA Provider and Investor Brief, April 2018
www.ndis.gov.au/medias/documents/sda-provider-investor-brief-pdf/SDA-provider-investor-brief.pdf
- SDA Quality and Safeguards, July 2018
www.ndiscommission.gov.au/



Within the NDIS' budget, an estimated \$700 million per annum is to be spent creating and maintaining housing for 28,000 participants with the highest needs. This equates to approximately 6% of the participants within the NDIS at full roll out. The NDIS will provide SDA funding to participants through their individual plans. Participants can then select the housing provider and style of their choice within the budget of the SDA amount.

The NDIA estimates that of the 28,000 participants that will have housing funding, around 10,500 participants do not currently have an appropriate home. These may include people living at home with aging informal supports or young people living in residential aged care facilities or hospital. Many of the 10,500 participants may be on accommodation waiting lists, some for many years, which demonstrates the historical under-supply of housing for people with a disability. To meet this demand, it has been estimated that between 500 and 900 new properties will need to be constructed each year for the next 10 years.

1.1 SDA Type

SDA properties, or dwellings, and SDA payments are referred to using a particular set of words and language. They are described by the SDA type, which always includes the building type and the design category.

For example:

Tony has SDA funding for a 2 bedroom, 1 resident villa, fully accessible.

This means Tony’s building type is 2 bedroom, 1 resident villa; and his design category is fully accessible.

1.2 SDA Building Types

The NDIS SDA payments can only be claimed by an organisation or individual that is both a registered SDA provider and provides housing which meets the NDIS’ SDA building type requirements.

The Building Code of Australia classifications are used to define the physical characteristics of each category. These codes are as follows:

BUILDING TYPE	BUILDING CLASS	BEDROOM REQUIREMENTS	RESIDENTS
House	Class 1a - Single dwelling, (e.g. detached house) or one of min. 2 dwellings, separated by a fire-resisting wall, (e.g. a terrace or townhouse)	2 or 3 bedroom	2 or 3 residents
Villa, duplex, townhouse	Class 1a - Single dwelling, (e.g. detached house) or one of min. 2 dwellings, separated by a fire-resisting wall, (e.g. a terrace or townhouse)	1, 2 and 3 bedroom	1, 2 or 3 residents
Apartment	Class 2 - A building containing min. 2 sole-occupancy units, each being a separate dwelling Class 4 – Singular dwelling in a commercial, retail or industrial building.	1, 2 and 3 bedroom	1 or 2 residents
Group Home	Class 1b - A boarding house or guesthouse etc. with max. 300mm2 total floor area and max. 12 occupants, or single dwellings on one allotment (min. 4) used for short-term holidays Class 3 - Common place of long term or transient living for a number of unrelated persons, (e.g. guest house or accommodation for people with disabilities)	4 or 5 bedroom	4 or 5 residents

For more information on building classes please refer to the National Construction Code www.abcb.gov.au/ncc-online/NCC. Typically a building certifier or surveyor would be able to provide advise around building classes.

1.3 SDA Design Categories

Each building type of SDA dwelling can be completed at a number of accessibility levels. This is described as the design category for that dwelling. The design categories are aligned to the Livable Housing Australia (LHA) design guidelines and to the additional requirements outlined in the SDA Rule. Typically properties need to be LHA level silver (for Improved livability or Robust) or platinum (Fully Accessible or High Physical Support) plus there are additional NDIS requirements for each.

An accredited LHA assessor is able to provide advice and reviews around SDA design category accessibility level requirements. It is important to note that a LHA assessor must also take into account the NDIS additional requirements as well as the LHA requirements.

Find LHA assessors: www.livablehousingaustralia.org.au/assessment/findassessor.aspx

1.4 Existing and Legacy Stock Disability Accommodation

Existing disability housing may also be registered as SDA provided it meets certain requirements. Existing stock and legacy stock will need an LHA assessment to determine what, if any, design category the housing meets.

If existing and legacy stock properties do not meet any of the LHA categories, then they can still be registered but it will be within the Basic design category, which is only available for existing and/or legacy stock. It is important to note that in addition to these requirements as outlined within the SDA Rule, State based requirements are also relevant with regards to what existing stock may or may not be registered as SDA. Requirements usually include that the prior use of the dwelling must have been for disability accommodation.

An LHA assessor is typically required to audit the dwelling to determine what accessibility level it complies with. In some cases if the dwelling does not meet the LHA criteria the dwelling may still be registered within the Basic category.

1.5 SDA Payments

SDA payments begin once the registered SDA dwelling is occupied by an NDIS participant with SDA payments or an in-kind funding arrangement in their plan. No payments occur until the person occupies the dwelling. Once a tenant moves out of the property the NDIA will continue payments for up to 90 days for dwellings designed for 4 or 5 people and for 60 days for dwellings designed for 2 or 3 people. Single person settings do not receive any vacancy payments.

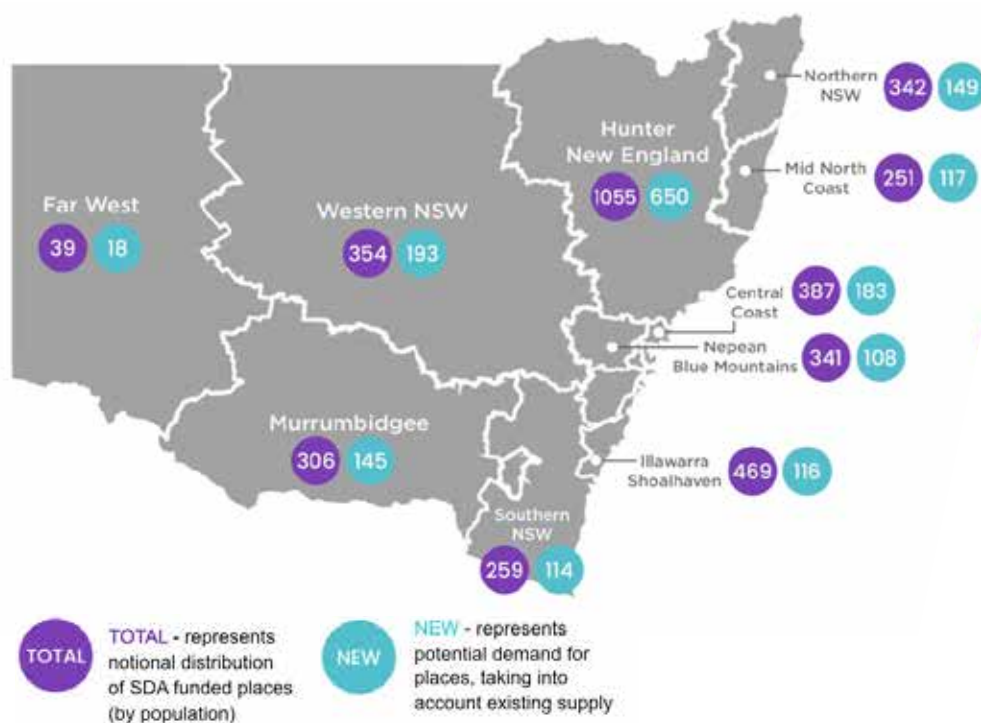
The prices paid by the NDIS for SDA housing are set by the NDIA via the SDA Framework and reviewed periodically. The SDA Rule states that the prices can be reviewed annually. This occurred with the release of the SDA Price Guide 1 July 2017 that increased previous SDA prices by CPI (2.1%) for both New and Existing SDA categories and is expected to occur regularly.

There is also the provision for a review of the SDA Framework through the Disability Reform Council (DRC) of Commonwealth and State and Territory Disability Ministers (COAG). This is currently underway for the first time and is expected to be completed by November 2018. The Framework then is reviewed each 5 years so the next review would be 2023.

The current Framework review is expected to assist addressing the current issues that the early adopters of SDA have encountered and smooth the way for greater investment in SDA in the near future.

1.6 SDA Demand in NSW

The demand across each NDIS region in NSW has been forecast using a number of datasets. The results are illustrated below:



Actual demand will be determined by funding decisions for individuals by the NDIA

SDA Market Data

The NDIA has released the first set of market data that provides some insight into the development of the SDA market to date. The data is available here: www.ndis.gov.au/specialist-disability-accommodation/market-data. The data includes the number of participants with SDA in their active plans by state/territory and also provides more detailed geographic data on SDA registered dwellings across Australia.

2. How can a participant be funded for SDA in their Plan?

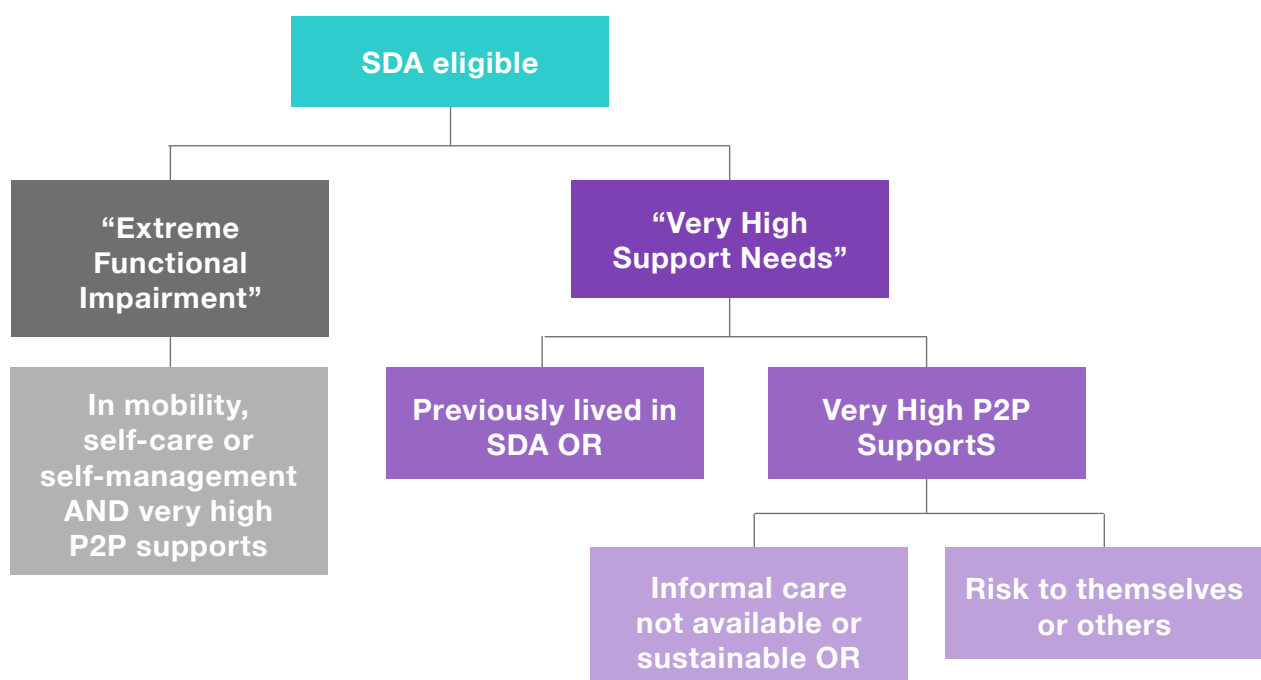
The NDIS has been established to provide reasonable and necessary supports to people with a permanent and significant disability. This means the NDIS can pay for supports that are related to a person's disability including, where necessary, support related to their housing needs.

The NDIS participant undertakes a planning process with an NDIA Planner to have a conversation about their current situation and supports. This will include a conversation about their housing needs and SDA if required.

The SDA eligibility criteria states that the participant must either:

- a) have an extreme functional impairment due to disability in one or more of the following areas - mobility, self-care or self-management and requires an SDA response
- or**
- b) have very high support needs - have either previously lived in SDA, or they need constant or immediately available person to person support for a significant part of the day - that are met by an SDA response

SDA Eligibility Criteria Summary



In deciding whether to provide SDA funding to a participant, the NDIA will consider whether suitable alternative supports and pathways have been explored and tried, including capacity building, mobilising social capital, support coordination and home modifications.

The NDIS has introduced **Investigating Housing Solutions** (sometimes also seen in people's plans as exploring housing options) funding within participants plans to give NDIS participants an opportunity to explore their future housing options.

The funding often is made up of:

- Support coordination to develop a Housing Plan
- Allied health assessments to understand the person's functional impairment and housing and support needs

The funding is a 'capacity building support'. The allied health assessments help to inform the NDIA's decision about the most suitable housing options for the participant. Depending on the situation, this may mean increased personal support, capacity building supports, assistive technology and/or home modifications that would allow the participant to return to their own home, or to live with parents or informal supports.

Ultimately, the NDIS will use the information to decide whether a participant requires SDA and only around 6% of all NDIS participants will be eligible for SDA payments. With this in mind, it's important that the information collected by the Support Coordinator provides relevant evidence of the participant's housing needs and preferences, so that the NDIS can decide about whether SDA is 'reasonable and necessary' for the participant. It is emerging that the NDIA is placing a significant focus upon the "value for money" part of 'reasonable and necessary'. This means that the information given to the NDIA needs to include an analysis of how providing the participant with SDA funding for the participant will be more cost effective than any other housing or support option over the longer term.

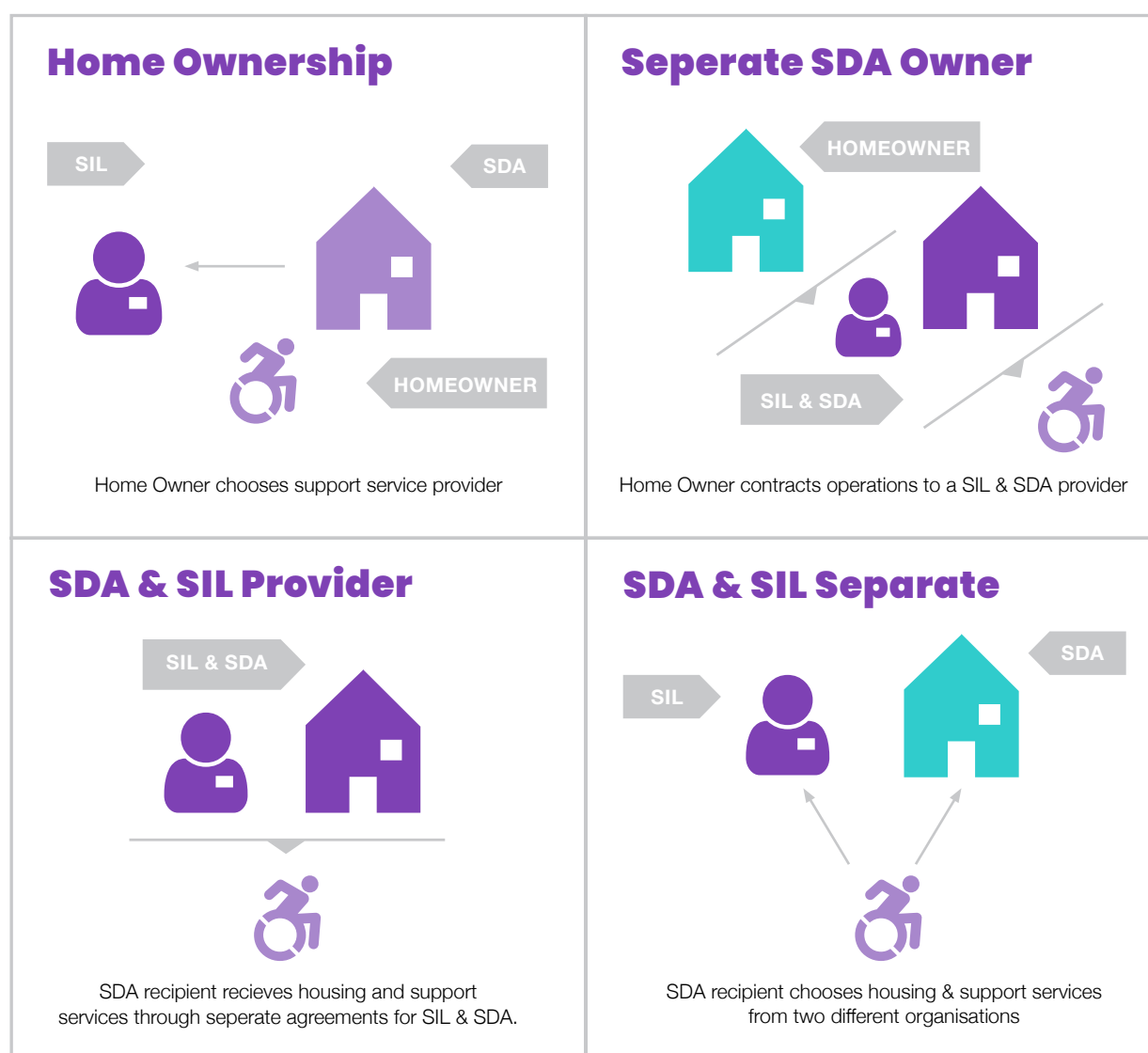
The Summer Foundation has released a useful and in-depth guides into the housing investigation process. This can be accessed at the Summer Foundation website here:

www.summerfoundation.org.au/ndis-housing-resources/

3. Owning or managing SDA

There are many different approaches to owning and/or managing SDA properties. These range from the owner also being the operator of the property which is a model typical to housing providers and support organisations that also own property.

Other options include a more passive investment model where the owner contracts operations to a SDA provider through to options where the SDA recipient purchases the property and self provides SDA.



Each approach has its own advantages and disadvantages but there is a model to suit just about every scenario and circumstances.

Get Building SDA will release more information on these models in the coming months.

4. Who should consider building or investing in SDA?

SDA can be an appealing investment opportunity for those interested in residential property. SDA payments from the NDIS are intended to provide returns that stimulate the development of new, innovative and high quality housing for people with high and complex support needs.

Families of a person with disability who is eligible for SDA funding may want to consider building their own SDA. In some situations, SDA payments can be used to finance a mortgage on an SDA property.

An example of the income from one of the many possible SDA scenarios is outlined below.

Worked example of SDA income:

3 resident house, located in Newcastle, Fully Accessible with Onsite Overnight Assistance (OOA)

SDA Base Price: \$24,097 (per person)

Fire Sprinklers: 1.9%

Location factor: 1.04 (Newcastle Lake Macquarie)
(Tweed 1, Coffs 0.97, Port Macquarie 0.98)

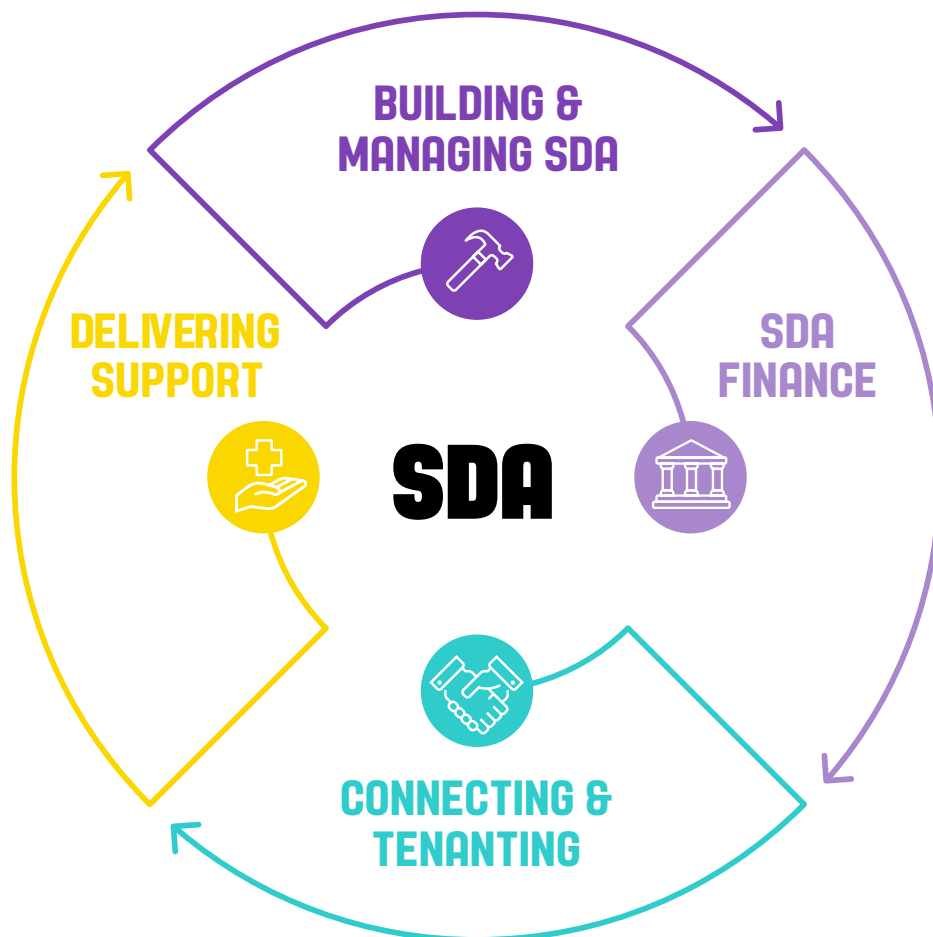
SDA Income: $(24,097 \times 1.019 \times 1.04) \times 3 = \$76,611$

Reasonable Rent
Contribution: $\$8,300 \times 3 = \$24,900$

TOTAL: \$101,511 per year (for 20 years)

5. Elements of a successful SDA Project

SDA projects can be complicated - There is no escaping this point. However, the Get Building SDA initiative has a goal to map out a pathway for the successful delivery of SDA projects. One of the keys to a successful project is the partnership approach that combines the SDA element along with the Supported Independent Living (SIL) and participant approval processes as there are many inter-relationships between these three elements.



A dedicated resource that outlines the stages and activities across these three key elements of a SDA project is under development and will be released as part of the initiative in the coming months. Make sure you register to receive an update!!

Ready to Start Your SDA Journey?

Who's behind 'Get Building SDA'?

The Summer Foundation and Disability Services Consulting have teamed up to deliver 'Get Building SDA' in regional NSW, with funding support from the NSW Government under the 'Smart, Skilled and Hired: Disability Sector Scale Up' program.

How do I get involved?

For more info, go to www.GetBuildingSDA.org.au

Facebook  facebook.com/GetBuildingSDA

Twitter  [@GetBuildingSDA](https://twitter.com/GetBuildingSDA)

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