

At a glance: SDA Provider Experience Survey June 2022

A new survey of SDA providers reveals issues in the Specialist Disability Accommodation (SDA) market that are limiting its great potential.

Slow decisions, opaque eligibility criteria, and poor administration by the National Disability Insurance Agency (NDIA) are negatively impacting provider confidence and destabilising the wider market.

SDA is life-changing housing funded through the National Disability Insurance Scheme (NDIS).

- There are **6,858 SDA dwellings** equating to more than **19,000** places for participants
- Over **30,000** NDIS participants are eligible for SDA - only **17,693** have SDA funding
- The SDA market is valued at more than **\$3 billion**, and could grow to **\$12 billion**
- There are **2,543 new build SDA**, and a further **2,612** being built
- **3,435** younger people are in residential aged care, but in 2021 only **30** moved into SDA
- **1,140** NDIS participants are stuck in hospital waiting for funding to move out

Emerging challenges

SDA providers and investors are reporting rising vacancies and low confidence in the SDA market.

In the last 12 months, a growing body of evidence indicates that administrative issues at the NDIA may be contributing to challenges in the market.

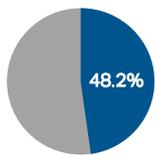
According to the NDIA's own figures, only 4% of Home and Living determinations were completed in less than 14 days, and 45% were completed in over 60 days. [A recent industry report by PIAC and the Housing Hub](#) presents further evidence of NDIA delays for funding and identifies systemic issues with decision-making processes.

Survey findings

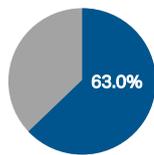
In April 2022, the Housing Hub conducted its second annual SDA Provider Experience Survey. In total, 28 providers completed the survey. These providers have a total of 1,281 places for tenants in their 671 SDA dwellings. At the time of the survey, they had committed over \$1.5 billion to build SDA, accounting for nearly half of the total value of the market.

Key findings of the survey were:

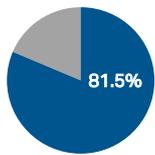
- **48.2%** of providers said it takes **at least 6 months** to fill a single vacancy (up from **29.7%** of providers in the 2021 survey)
- **63.0%** said it takes **at least 6 months** to fill all vacancies in a project/development (compared to **56.8%** in 2021)
- **77.8%** said the time taken by the NDIA to make SDA decisions is **extremely challenging** (compared to **73.0%** in 2021)
- **81.5%** were receiving less than anticipated income for some of their SDA (compared to **83.8%** in 2021)
- 9 providers reported they were owed over **\$2.1 million** in SDA payments from the NDIA for more than **90 days** (9 providers reported that they were owed over **\$3.7 million** for more than 90 days in 2021)



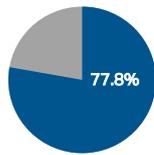
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3,435 younger people are in residential aged care, but **in 2021** only **30** moved out.

over **30,000** NDIS participants are eligible for SDA

Only 17,000 have SDA funding

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in SDA payments from the NDIA

the SDA market is valued at **\$3 billion** with potential to grow to **\$12 billion**

Recommendations

Based on the findings of the survey, a series of recommendations for the NDIA have been made:

- 1. Improve clarity on the demand side of the SDA market** – Providers and investors need more transparency on current and anticipated demand for SDA. To this end, the NDIA should provide more detailed information on demand profiles, such as publishing the required building type and design category alongside desired location for participants currently seeking SDA. This should also include Agency expectations of future demand.
- 2. Use the available supply of SDA** – NDIA to prioritise the approval of funding for NDIS participants whose needs are well supported by the hundreds of vacant SDA properties currently on the market.
- 3. Enhance the quality of SDA funding decisions** – SDA approvals should align with participants' needs and preferences to prevent lengthy appeals and prolonged vacancies.
- 4. Enhance the transparency of SDA funding decisions** – The Home and Living Panel should provide explanations for funding decisions made, as well as clear criteria around the eligibility for different funding types and the evidence required.
- 5. Improve communication of SDA funding requests and approval processes** – Providers should have access to officers in the NDIA that act as a point of contact for an NDIS participants' SDA application. Whilst maintaining the privacy of the NDIS participant, providers can work with this contact person to help progress SDA applications and resolve any issues as they emerge.
- 6. Reduce decision-making times for housing and support funding** – The Home and Living Panel should commit to clear timeframes for making funding decisions, including a target of 10 days for requests from priority cohorts, such as participants in hospital, or residential aged care in a high risk situation. It should track and regularly publish data on the time taken to make these decisions – from the date the SDA request is made to when it is communicated to the participant.
- 7. Clarify the process of requesting housing and support funding** – The Home and Living Panel should publish the steps in the process of requesting funding, from the participant's perspective.
- 8. Ensure SDA payments are accurate and paid on time** – SDA providers should receive the correct payments in a timely manner to help reduce financial risks. This could partly be achieved by the NDIA enhancing the efficiency and reducing the processing times for ongoing administrative tasks, such as plan reviews and service bookings.
- 9. Release vacancy data** – To alleviate investor and provider concerns about escalating vacancy rates, the NDIA should release detailed vacancy data in SDA Quarterly Reports. This should include breakdowns by building type, design categories, occupancy, and location. Agency observations on vacancy trends and expectations of future vacancies should be provided to help inform supply and increase market stability.

Sources

For a complete list of references, please see the final report: Wellecke et al. (2022). Specialist Disability Accommodation provider experience survey. Housing Hub and the Summer Foundation. <https://www.housinghub.org.au/resources/article/sda-provider-experience-survey-2022>