Budgetary impact of timely specialist disability accommodation payment approvals

Discussion Paper

August 2022

SUMMER FOUNDATION

PREPARED BY

Summer Foundation, ABN 90 117 719 516
PO Box 208, Blackburn 3180, Vic Australia

Telephone: +613 9894 7006
Fax: +613 8456 6325
info@summerfoundation.org.au
www.summerfoundation.org.au

CITATION GUIDE

Winkler, D., & Rathbone, A. (2022)*. Budgetary impact of timely specialist disability accommodation payment approvals: Discussion paper*. Summer Foundation.

DISCLAIMERS

The Summer Foundation has contributed information towards this report and believes it to be accurate and reliable. The Summer Foundation does not make any warranty, expressed or implied, regarding any information, including warranties to accuracy, validity or completeness of information. This guide is for educational purposes and the Summer Foundation cannot be held responsible for any actions taken on the basis of information outlined in this guide.

This report has been prepared with the support of EY Port Jackson Partners.

Please note that these are preliminary findings and are correct at the time of publication. Full findings will be published following completion of the project.

Contents

Executive summary

Under the National Disability Insurance Scheme (NDIS), people with disability who have an 'extreme functional impairment and/or very high support needs' may be eligible for funding for specialist disability accommodation (SDA). SDA housing is specially designed to help people with disability maximise their independence and allow for the more efficient delivery of supports. SDA properties might include wider doorways and corridors, a hoist in the bedroom or bathroom, reinforced walls and windows, or integrated assistive technology.[1] SDA funding is allocated in the NDIS plans of eligible participants. SDA enables people with disability to transition away from a range of less suitable housing types, including group homes, hospital, residential aged care (RAC) and living with ageing parents.

By 2025, the National Disability Insurance Agency (NDIA) estimates that 30,000 participants will have SDA in their plans.[2] However, as of March 2022, only 17,693 had SDA in their plans.[3] There is a perception amongst stakeholders in the SDA market that the NDIA is deliberately creating friction to delay the allocation of SDA to minimise costs SDA providers are reporting rising vacancies and low confidence in the SDA market,[4] while many participants are experiencing long delays when requesting SDA funding.[5] The investors financing SDA providers also point to a lack of effective market stewardship by the NDIA, which is contributing to a supply and demand imbalance as the number of vacant SDA dwellings is rising quicker than the number of participants receiving SDA funding through the NDIS.[6]

As a result of delayed eligibility approvals for SDA funding, many NDIS participants are living for longer in housing ill-designed for their needs. As a consequence, they are less self-reliant, less able to work, and their wellbeing is lower. In some cases, their accommodation costs and support costs are higher. In effect, delays in SDA funding are restricting the continued flow of participants into SDA, which is increasing vacancies and undermining investor confidence. As a result, this may discourage additional investment in building the new SDA dwellings that are required to meet the expected demand of 30,000 people.

More than 1,000 NDIS participants stuck in hospital beds are a significant burden on the health system, especially during a pandemic. These long stay patients choke up the hospital system, taking up significant resources. Hospital beds are a very expensive form of housing for people with disability and the current situation is unsustainable.

---

[1] NDIA (2022). *SDA design standard*. National Disability Insurance Agency. **https://www.ndis.gov.au/providers/housing-and-living-supports-and-services/specialist-disability-accommodation/sda-design-standard**

[2] Commonwealth (2021). *Senate Community Affairs Legislation Committee: Answers to Questions on Notice*. Social Services Portfolio, Estimates. Question No: NDIA SQ21-000118.

[3] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency. Figure P. 1. **https://www.ndis.gov.au/about-us/publications/quarterly-reports**

[4] Wellecke, C., Robertson, J., Mulherin, P., Winkler, D., & Rathbone, A. (2022). S*pecialist Disability Accommodation provider experience survey*. Housing Hub and Summer Foundation. **https://assets.ctfassets.net/blhxs4s3wp2f/1XsqimRqlv9fS6lcJJlgGW/f0cce59a2ae8e7c4dd303669a028d72b/SDA-Provider-Experience-Survey-2022_Updated_.pdf**

[5] Skipsey, M., Winkler, D., Cohen, M., Mulherin, P., Rathbone, A., & Efstathiou, M. (2022). *Housing delayed and denied: NDIA decision-making on Specialist Disability Accommodation*. Public Interest Advocacy Centre and Housing Hub. **https://apo.org.au/node/317588**

[6] Madhavan, D., Mulherin, P., & Winkler, D, (2021). *Specialist Disability Accommodation (SDA) investor think tank: Findings and recommendations*. Summer Foundation. **https://apo.org.au/node/313679**

While the NDIA has budgeted $700m per annum for SDA payments,[7] in March 2022 only $248m was allocated for SDA.[8] In contrast, annualised committed support for participants with supported independent living (SIL) funding was $9.26 billion.[9] Therefore, SIL costs for less than 6% of all NDIS participants accounts for over 20% of total Scheme costs for the 2020-21 year.

Well designed SDA that increases independence presents an opportunity to reduce SIL costs over time supporting the NDIS to remain sustainable. However, this opportunity cannot be realised in the context of slow SDA eligibility and funding approvals. In response to these issues, the Summer Foundation – supported by EY Port Jackson Partners – is examining the potential budgetary impacts of accelerating the approval of SDA payments. This discussion paper presents findings from the initial analysis, and invites comment from interested parties.

Key findings

Existing research shows that when people with complex needs move from unsuitable housing into well-designed and located SDA, it can result in improved health, wellbeing, and community integration.[10] Therefore, accelerating the approval of SDA payments has the potential to substantially improve the quality of life of people with disability.

The analysis underpinning this paper suggests that:

- The net budgetary costs of accelerating the approval of SDA payments would be small relative to overall NDIS payments.
- If SDA dwellings are well designed to reduce the cost of delivering support, it could *reduce* net Scheme costs in the long term. The possibility of cost savings requires further work to understand the long-term support costs of those moving into SDA housing, and the impact of different housing designs. It also requires reconsideration of SDA policy so that it creates incentives for housing specifically designed to reduce support costs without reducing quality of life for people with disability.
- The accelerated approval of SDA payments is projected to increase budgetary costs by $338m in 2026 and reduce costs by $121m in 2031. Budgetary costs decline over time as support payments are expected to be highest in the first year that a person moves into SDA, and then decline.
- Even at its peak the total annual cost to government is less than the underspend on the $700m allocated to SDA per annum i.e currently $452m.
- Budgetary outcomes are much more sensitive to support costs than accommodation costs. The budgetary feasibility of enabling more people to move into SDA depends on designing SDA so that it results in long-term efficiencies in support costs, simultaneously helping people with complex needs to enjoy more independent living and social and economic participation.

[7] NDIA (2018). *SDA investor and provider brief*. National Disability Insurance Agency. **https://blcw.dss.gov.au/media/1099/ndia-specialist-disability-provider-update.pdf**

[8] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 777. **https://www.ndis.gov.au/about-us/publications/quarterly-reports**

[9] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 777.

[10] Douglas, J., Winkler, D., Oliver, S., Liddicoat, S., & D'Cruz, K. (2022). Moving into new housing designed for people with disability: Preliminary evaluation of outcomes. *Disability and Rehabilitation*. **https://www.tandfonline.com/doi/full/10.1080/09638288.2022.2060343**

Discussion questions

Stakeholder perspectives and suggestions are invited on the methodology, assumptions, and analysis of this discussion paper. The following questions may serve to guide feedback on this paper, but more general comments are also welcome.

Please provide feedback to research@summerfoundation.org.au

1. Do you have any feedback or suggestions regarding the methodology, assumptions or findings in this discussion paper?
2. Do you have any additional data or insights that might be able to inform the next iteration of this analysis?

Introduction

Thousands of SDA dwellings are required to meet the housing needs of Australians with complex needs. Private capital plays a significant role in funding the build and refurbishment of housing stock that is needed. This investment supports the government's vision for a market-based system and reduces the pressure on public funds. Payments for SDA through the NDIS are expected to total approximately $700 million per year at full scheme,[11] for approximately 30,000 NDIS participants with the highest support needs.[12] SDA payments are made to landlords by the NDIA, and create incentives for them to incur the additional costs of designing properties specifically to the needs of people with significant disabilities. The average SDA allocation in NDIS plans is $14,040.[13] However, SDA is also higher risk, relative to the private rental market because there are only 17,693 people with SDA in their plans.[14] Finding potential SDA tenants that have the right level of SDA funding in their plan that want to live in a specific location is also much more challenging than SDA stakeholders ever envisaged. SDA payments vary depending on a variety of attributes as shown in the table below.

Table 1 – SDA pricing considerations

Variable	**Typical cost variance[15]**
Design category (Improved Liveability to High Physical Support)	+100%
Building type (apartment, villa/duplex/townhouse, house, or group home)	+20% to +40%
Number of residents (1 to 5 for new build and existing stock; 6+ for legacy stock)	-20% to +50%
On-site overnight assistance	+5% to +15%
Location factor	Mostly -10% to +10%, except for inner ring Sydney +20% to 150%
Existing stock (i.e. built before 2016 and not extensively refurbished)	-20% to -60%

[11] NDIA (2018). *SDA investor and provider brief*. National Disability Insurance Agency. **https://blcw.dss.gov.au/media/1099/ndia-specialist-disability-provider-update.pdf**

[12] Australian Government (2021). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ21-000118. **https://www.aph.gov.au/api/qon/downloadattachment?attachmentId=be23f5a1-fbba-41f9-a389-e3cb97737563a**

[13] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, pp. 776-777. This means that the average participant receiving SDA funding cannot afford to move into any New Build SDA, other than an Improved Liveability (no OOA), group home, 5 residents: $13,862 per participant. NDIA (2021). *NDIS pricing arrangements for Specialist Disability Accommodation 2021-22*. National Disability Insurance Agency. **https://www.ndis.gov.au/providers/housing-and-living-supports-and-services/specialist-disability-accommodation/sda-pricing-and-payments**

[14] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency. Figure P. 1. **https://www.ndis.gov.au/about-us/publications/quarterly-reports**

[15] Relative to newly built Improved Liveability apartment with two bedrooms and two occupants: $17,112 per occupant. NDIA (2021). 'NDIS pricing arrangements for Specialist Disability Accommodation 2021-22.' National Disability Insurance Agency. **https://www.ndis.gov.au/providers/housing-and-living-supports-and-services/specialist-disability-accommodation/sda-pricing-and-payments** Also see Appendix A.5

The modifications needed to meet SDA specifications require additional investment compared to other rental properties. SDA payments are designed to cover the 'user cost of capital' - the difference between a new dwelling designed for the general population and the additional capital costs associated with meeting the specific design category. In some properties the capital value of the property is also impacted (e.g. turning a 2 bedroom apartment into a 1 bedroom apartment with an accessible bedroom, bathroom and living areas). Other dwellings such as group homes or dwellings with robust design features may not have an alternate purpose. However, some SDA apartments are designed so that they could be sold on the open market as a last resort.

Existing disability accommodation built before 2016 (typically built and owned by state and territory governments) which meets minimum standards is eligible for SDA, typically at a 20 to 60% discount to a new build or an extensive refurbishment. The majority of SDA payments are for people living in such pre-2016 existing accommodation.[16]

SDA payments are in addition to rent paid for the dwelling. They are material: typical rents for a bottom quintile income household are around $17,000 per year[17] although rent in SDA is capped at $10,119 for singles, and $13,112 for couples.[18] From the landlord's perspective, SDA payments can double or triple the annual income on a property relative to the private rental market. For those receiving SDA support, overall NDIS committed support costs average $356,000 per year, more than 20 times greater than their average SDA support costs.[19]

As of March 2022, 17,693 people had SDA support in their plans, 3.4% of all NDIS participants.[20] This is only 39% of the 30,000 people who are likely to be eligible for SDA.[21]

Of those assessed by the NDIA as eligible for SDA funding, a third do not live in SDA accommodation. Recent analysis of line item payments, shows that only 11,752 NDIS participants received SDA payments in the previous 12 months and the average payment was $13,575.[22] People may not live in SDA accommodation, even though they have an approval to do so, for a variety of reasons. Some may be approved to live in SDA shared accommodation but want to live in a sole-occupant dwelling. Some may have a supported independent living (SIL) provider which provides accommodation and services in a building which does not qualify as SDA accommodation.

SIL is paid personal support through the NDIS for people with disability who need a significant amount of help throughout the day. It is typically (but not always) for people living in shared accommodation.

---

16 Pre-2016 accommodation (which the NDIA classifies as "existing" or "legacy" accommodation makes up 4,243 out of 6,858 SDA buildings: NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 783.

17 ABS (2019). *Housing occupancy and costs*. Australian Bureau of Statistics. **https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release**

18 NDIA (2022). *NDIS pricing arrangements for Specialist Disability Accommodation 2021-22*. p.9.

19 Commonwealth of Australia (2022). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ22-000021. **https://www.aph.gov.au/api/qon/downloadattachment?attachmentId=487df45c-68fc-4fd3-85ad-f11818859531**. This is close to average annualised SIL support costs of $348,000 (NDIS, Quarterly Report to Disability Ministers (Q3 2022), p. 776-777), which is not surprising as almost all recipients of SDA receive SIL support; and it is also consistent with analysis of the support costs of participants living in SDA accommodation analysed by Summer Foundation.

20 NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 780.

21 Commonwealth of Australia (2021). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ21-000118. **https://www.aph.gov.au/api/qon/downloadattachment?attachmentId=be23f5a1-fbba-41f9-a389-e3cb9737563a**

22 NDIA (2022). *Average support line item payments: March 2022*. National Disability Insurance Agency.

As of March 2022, 26,623 people had SIL funding in their plans, equating to 5.1% of all NDIS participants.[23] Participants receiving SIL payments tend to have much higher needs than other NDIS participants: average annualised committed support is $349,000 and average payments are $342,000 per participant; compared to $53,100 and $39,700 respectively per participant who does not receive SIL.[24] Thirty-two percent of all NDIS payments go to those receiving SIL.

Because both SIL and SDA are designed for people with the highest disability support needs, there is significant overlap in recipients. About 16,533 people receive both SIL and SDA funding.[25] As this implies, about 2,240 people receive SDA but not SIL, and about 11,170 people receive SIL but not SDA.

The cost of disability housing should be considered in conjunction with NDIS support costs. The cost of better-designed housing is relatively small compared to ongoing support costs. If disability accommodation is designed specifically to reduce support costs it will pay for itself.

However, the experience of many NDIS participants and the Summer Foundation is that a combination of policy and practice make it hard for eligible recipients to gain approval for SDA in their NDIS plan.[26] These delays are reflected in the large under allocation of SDA in NDIS plans ($248m per year)[27] relative to budgetary projections ($700m per year).[28] An analysis of the SDA line item payments for the 12 months to March 2022 shows that the NDIA only spent $160m on SDA, which is 23% of the budgeted $700m.[29]

This report aims to quantify the potential budgetary impacts of faster approval of SDA payments, considering the impacts on both housing and support costs.

[23] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 780.

[24] Based on subtracting all NDIS participants from NDIS participants not in SIL, as per NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 767, 769. However, NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency p.83 and p.196 indicate that average payments to SIL participants are $327,000

[25] NDIA (2020). *Improving outcomes for participants who required Supported Independent Living (SIL): Provider and sector consultation paper*. National Disability Insurance Agency, p. 3. **https://www.ndis.gov.au/news/5318-improving-outcomes-participants-who-require-supported-independent-living-sil-provider-and-sector-consultation**. In June 2020, the overlap was 14,000 people; we have inflated this proportionate to the growth in recipients of SDA through to March 2022.

[26] Skipsey, M., Winkler, D., Cohen, M., Mulherin, P., Rathbone, A., Efstathiou, M. (2022). *Housing delayed and denied: NDIA decision-making on Specialist Disability Accommodation*. Public Interest Advocacy Centre and Housing Hub. **https://apo.org.au/node/317588**

[27] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 777.

[28] NDIA (2018). *SDA provider and investor brief*. National Disability Insurance Agency, p.5. **https://blcw.dss.gov.au/media/1099/ndia-specialist-disability-provider-update.pdf**

[29] NDIA (2022). *Average support line item payments: March 2022* National Disability Insurance Agency. **https://data.ndis.gov.au/media/3426/download?attachment**

Method

The budgetary impacts of a change in SDA policy and practice are primarily driven by the change in housing costs, and the change in support costs. People moving into newly built SDA will move from a variety of previous housing types, including hospital, RAC, the justice system, family homes, SIL arrangements without SDA (largely group homes) and old largely state-owned SDA built before 2016 that is not designed as well as newly built SDA.

In analysing how a change in SDA policy and practice would affect budgets, we:

- Calculate the number of additional people (up to the anticipated 6% of all NDIS participants) who would move into SDA as a result of policy and practice change by:
  - Calculating the available number of SDA places
  - Calculating the additional number of people in each starting housing type who would qualify for SDA as a result of policy or practice change
  - If the supply of new SDA places is insufficient in a given year, we assume the available places will be allocated first to those in hospital, and then between each other form of starting housing type, proportionate to the initial unmet demand
- Calculate the distribution of additional people in SDA between SDA design categories (which have different costs) – High Physical Support, Fully Accessible, Robust, Improved Liveability
- Calculate where the additional people in SDA would live if there were no change in SDA approval and practice (their 'alternative housing')
- Calculate the change in cost

  For:

  - Each form of starting housing type
  - Each category of SDA
  - Each form of alternative housing

  By calculating the change in housing cost

  - SDA payments
  - Less cost of alternative housing if no policy change
  - Plus the budgetary impact if the person would not qualify for Commonwealth Rent Assistance payments in their alternative housing, but would do so if they moved into SDA housing

  And by calculating the change in support cost

  - Disability support cost in SDA
  - Less disability support cost in alternative housing if no policy change

Assumptions

Budgetary impacts are based on a range of sources, supplemented by the experience of the Summer Foundation.

Key assumptions on supply of SDA, the additional demand for SDA due to a change in approval policy and practice, the distribution of places between different starting SDA categories, and the consequent changes in accommodation and support costs are explained further in this section. Appendix A provides a more complete description of assumptions.

SDA supply constraints

The analysis assumes that supply may lag demand for SDA places, reflecting the time required to commission and construct custom-designed SDA housing. We have assumed that investors constrain building additional supply for the next 2 years to meet expected demand given *current* SDA approval policy and practice. The 2-year time lag from a change in regulatory stance to available housing – essentially the time required to make an investment decision and to construct – is based on the consensus of investors involved in the SDA Investor Think Tank convened by the Summer Foundation in 2021.[30] As a result, we have assumed that a change in SDA approval policy and practice will not result in any change to the current rate of SDA construction for 2 years. We have also assumed, given realistic constraints in the potential to accelerate investment and construction, that SDA housing construction will take 2 years to respond to a regulatory change to ramp up from the current level of approximately 1,600 places per year to 4,000 places per year.[31]

Estimates of the current pipeline of SDA places are based on Housing Hub analysis and NDIA data. On this basis, there are approximately 1,500 SDA vacancies nationally that are surplus to normal tenancy turnover.[32] In addition, there are 4,618 new build SDA places in the development pipeline.[33] We have assumed that the SDA construction market will respond promptly to a clear change in SDA approval policy and practice – in practice the ramp up in SDA construction may be slower if investors wait for evidence of continued change before investing.

---

[30] Madhavan, D., Mulherin, P., Winkler, D, (2021). *Specialist Disability Accommodation (SDA) investor think tank: Findings and recommendations*. Summer Foundation, p.21. **https://apo.org.au/node/313679**

[31] See Appendix A.1.

[32] Housing Hub, Published Listings of Number of Vacancies as at March 2022 on file with authors, and see Appendix A.1.

[33] NDIA (2022). *NDIS specialist disability accommodation 2021-22 quarter 3 report*. National Disability Insurance Agency, Table 6. **https://data.ndis.gov.au/media/3430/download?attachment**

SDA latent demand

Previous work by the Summer Foundation established that many people with a disability are eligible for SDA, but are unable to access it as their applications are delayed for an extensive period.[34] Approximately 11,500 people are eligible for SDA but do not have SDA payments in their NDIS plan.[35]

- More than 1,000 people are eligible for SDA, but are living with carers aged over 65 in their family homes.[36]
- More than 10,000 NDIS participants receive SIL funding but do not receive SDA, which means they are likely to be living in a group home with shared support. Typically their housing provider also provides support services, and has few incentives to redesign the housing since improved design would lower support costs.
- More than 1,000 NDIS participants are in hospital,[37] and many of them should be discharged more quickly into SDA rather than remaining for longer in hospital, which is a very expensive form of housing.
- Approximately 3,500 people with a disability aged under 65 are in RAC,[38] despite government policy that they should be in alternate housing, which is likely to provide a more age appropriate care.
- An estimated 2,000 people are in corrections facilities subject to forensic orders, although housing in prisons is far more costly than appropriately designed SDA.[39]

We have assumed that half of those currently in RAC and correction facilities would move into SDA if approvals were made in a timely way.

---

[34] Skipsey, M., Winkler, D., Cohen, M., Mulherin, P., Rathbone, A., Efstathiou, M. (2022). *Housing delayed and denied: NDIA decision-making on Specialist Disability Accommodation*.

[35] See Appendix A.2. Backlog of approximately 11,500 people across hospitals, RAC, and other housing. Calculated by addition of number of people in each starting housing type multiplied by proportion moving as a result of policy change.

[36] ABS (2018). Disability, Ageing and Carers, Australia: Summary of Findings. Australian Bureau of Statistics, Carers Tables, Table 34.1. **https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release#data-download**; see also Appendix A.2.

[37] Commonwealth of Australia (2021). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ21-000226. **https://www.aph.gov.au/api/qon/downloadestimatesquestions/EstimatesQuestion-CommitteeId2-EstimatesRoundId12-PortfolioId16-QuestionNumber50**, and see Appendix A.2.

[38] AIHW (2022). *GEN Aged Care Data: Younger people in residential aged care*. Australian Institute for Health and Welfare. **https://gen-agedcaredata.gov.au/Resources/Younger-people-in-residential-aged-care**

[39] NSW Mental Health Review Tribunal (2020). *Annual report*, p. 49. **https://www.mhrt.nsw.gov.au/files/mhrt/pdf/MHRT-AnnualReport-2020.pdf**; see Appendix A.2.

Movement from old state-owned to new build SDA accommodation

Many NDIS participants receiving SDA funding live in housing that could be better designed to increase participant wellbeing and independence. Of buildings enrolled as SDA, about 62% were built before 2016 under previous government disability accommodation schemes, and have not been refurbished since.[40] Much of it is owned by state and territory governments. While this accommodation must 'substantially comply' with the requirements of a new build,[41] in Summer Foundation's experience, many of these buildings are old and not fit for purpose. If they were replaced by contemporary well-designed accommodation, support costs for participants living in them might be materially lower. Approximately 10,700 NDIS participants are in SDA accommodation built before 2016.[42] Based on Summer Foundation's experience, about two-thirds of these could be much better designed to both meet the needs of people with disability and to reduce NDIS support costs.

However, such a move also requires approval in each individual's NDIS plan. A landlord cannot claim more than the SDA in a person's plan. If a participant has a funding amount sufficient to live in old SDA, it is highly unlikely that they will have enough funding in their plans to move into new build SDA, which is normally considerably more expensive. For those sharing accommodation with up to 5 other people, SDA costs will typically increase (depending on the kind of accommodation) by around $15,000 per year if they move into new build SDA.[43] For those in larger group homes, SDA costs will increase by around $25,000 a year if they move into new build SDA, which will have fewer residents per dwelling.

Despite these increased accommodation expenses, if the new SDA is well designed it may well reduce other NDIS support costs by 10% (consistently with the assumptions elsewhere in this report), which would typically more than offset the SDA increase from the Commonwealth's perspective. State and territory governments that own old SDA accommodation would no longer receive SDA payments, but buildings and land would be freed up for redevelopment as new build SDA accommodation, or for other purposes such as social housing, so this report has assumed that these effects cancel each other out. From the private sector's perspective, it would add to long-term demand to build new SDA housing: a further 6,659 new SDA places might be required if two-thirds of the 10,700 current occupants of old accommodation move into new build SDA. This would be a material addition to the 10,000 people moving into new build SDA who currently are not receiving any SDA funding.

---

[40] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 783. 60% of all SDA accommodation houses 5 or fewer people and is eligible for ongoing SDA funding. 5% of all SDA accommodation houses more than 5 people, and its SDA funding will be phased out.

[41] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 781.

[42] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 783; see Appendix A.2.

[43] NDIA (2021). *NDIS pricing arrangements for Specialist Disability Accommodation 2021-22*. National Disability Insurance Agency, pp. 21-22.

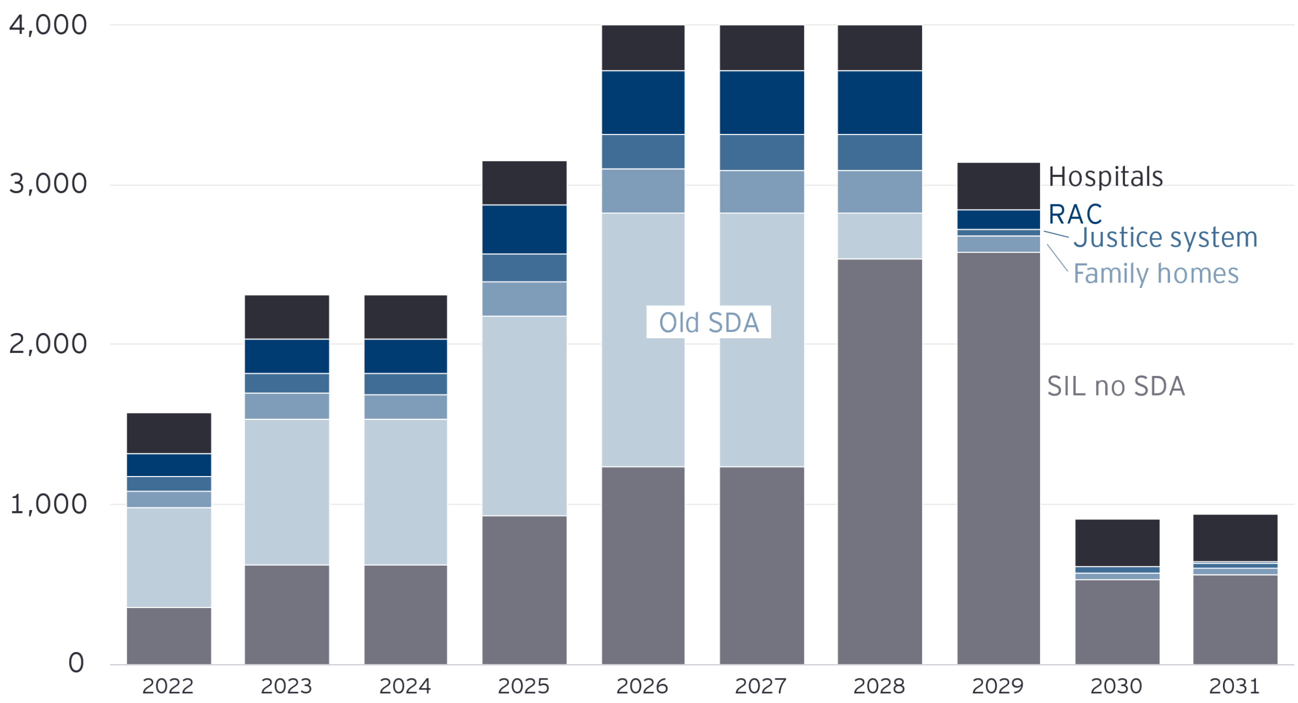
Movement into new SDA

On the basis of these assumptions about demand and supply for SDA places, a change in SDA approval policy and practice would lead to a peak of 4,000 people per year moving into new SDA between 2026 and 2028, as shown in Figure 1. The existing backlog of people who qualify for SDA, but whose places have not been approved would largely clear by 2029, and we project that less than 1,000 new SDA places per year will be required from 2030. In the longer term, the majority of additional SDA places approved per year will be occupied by people receiving SIL funding but not currently receiving SDA funding.

If SDA supply responds to a demand faster or slower than assumed, this changes when the budgetary costs peak, but would have little impact on the overall long-term budgetary outcomes.

Figure 1 – Projected distribution of additional SDA places by prior housing

Number of additional places



Housing costs

SDA payments are based on the weighted average price per participant of the NDIS for the various forms of SDA and number of residents per dwelling, as described in Appendix A.5. Alternative housing costs are based on a variety of sources analysing the cost of government services, as shown in Appendix A.5.

We have not attempted to allocate budgetary impacts between different levels of government. State governments will realise some of the housing cost savings as people move out of hospitals, RAC and the justice system, whereas the Commonwealth will pay most of the additional costs of the SDA that they move into. State governments will cease to receive some SDA payments for old state-owned accommodation, but these assets will be freed up for redevelopment of either for new build SDA, or for alternative uses.

Support costs

For people moving to SDA from hospitals, RAC, and the justice system, we have assumed that their support costs in their prior housing and in their first year of SDA match the experience of approximately 300 people who moved into SDA apartments, as documented in a study conducted by the NDIA.[44] In general, this study found that support costs in the first year of living in SDA were around 10% *higher* than their previous support costs. This increase may reflect the one-off costs as new housing and support is customised to the particular needs of the individual resident, and as NDIS participants adapt to new appliances and technology, learn how to complete household tasks that others have previously performed for them, and engage with the new local community.

For those moving from family homes, SIL without SDA, and old state-owned SDA, we have assumed that support costs in their prior housing match average SIL costs across the NDIS,[45] and that they increase by 10% in the first year of SDA to match increases in support costs recorded for those previously in other types of housing.

We have also assumed that support costs for people moving to SDA from all types of prior housing *decline* by 20% from the first year over the following 2 years (so that support costs are typically 10% lower in the long run for people moving into new build SDA). This triangulates with a study by La Trobe University and Summer Foundation, which found that for 15 people living in single-resident SDA apartments, 2.4 hours less support per day was required compared to their previous housing arrangements.[46]

Our analysis has not relied on the cost of SDA support for all NDIS participants as disclosed in February 2022.[47] The average committed support costs for all SDA recipients is $352,000 per year, materially lower than the average support cost we have assumed (see Appendix A.6). The average for *all* participants in SDA may not reflect a typical cost for those who would be affected by the suggested change in policy and practice. The crucial issue for budgetary analysis is the *change* in support costs. Consequently, we have put more weight on the NDIA analysis of the change in costs for ~300 participants moving into SDA housing, even though this study only provides data for the first year of moving to SDA.

It would be very helpful to extend this NDIA study to document support costs after a person has been living in SDA housing for longer. Changes in support costs are potentially a significant source of savings from moving into SDA, and are important to the overall budgetary impacts, because they are typically 20 times larger than SDA costs. But the existing evidence base is relatively weak.

---

[44] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation), p. 23.

[45] NDIA (2021). *NDIS pricing arrangements for Specialist Disability Accommodation 2021-22*. National Disability Insurance Agency, p. 614.

[46] Douglas, J., Winkler, D., Oliver, S., Liddicoat, S., & D'Cruz, K. (2022). Moving into new housing designed for people with disability: Preliminary evaluation of outcomes. *Disability and Rehabilitation*. **https://www.tandfonline.com/doi/full/10.1080/09638288.2022.2060343.** A 20% decline in support costs triangulates with a decrease in 2.4 hours/day of support assuming fully loaded cost per carer of $80/hour.

[47] Commonwealth of Australia (2022). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ22-000021. **https://www.aph.gov.au/api/qon/downloadattachment?attachmentId=487df45c-68fc-4fd3-85ad-f11818859531**

Distribution between SDA design categories

The analysis assumes that relative to historical trends, a greater proportion of people moving into SDA will live in Fully Accessible and Robust housing, which is lower cost than High Physical Support housing (see Appendix A.5). This assumption is based on the hypothesis that historical approvals for SDA have been weighted towards people with more complex needs, because the value of SDA to them was more manifest. As a result, the remaining pool of people who qualify for SDA, but have not yet been approved, are likely to have on average, less complex needs. This hypothesis is supported by previous approvals and moves into SDA provided by Summer Foundation, which were skewed towards the High Physical Support design category.[48]

The analysis has modelled the future distribution of funding approvals between SDA design categories on the distribution of participants seeking an SDA dwelling, according to NDIA reports.[49] We have supplemented this analysis by using the distribution of funding approvals between SDA design categories for each type of prior housing, based on Summer Foundation experience, as documented in Appendix A.3.

[48] Based on analysis of Summer Foundation applicant data as at December 2021.

[49] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, pp. 797-800.

Outcomes

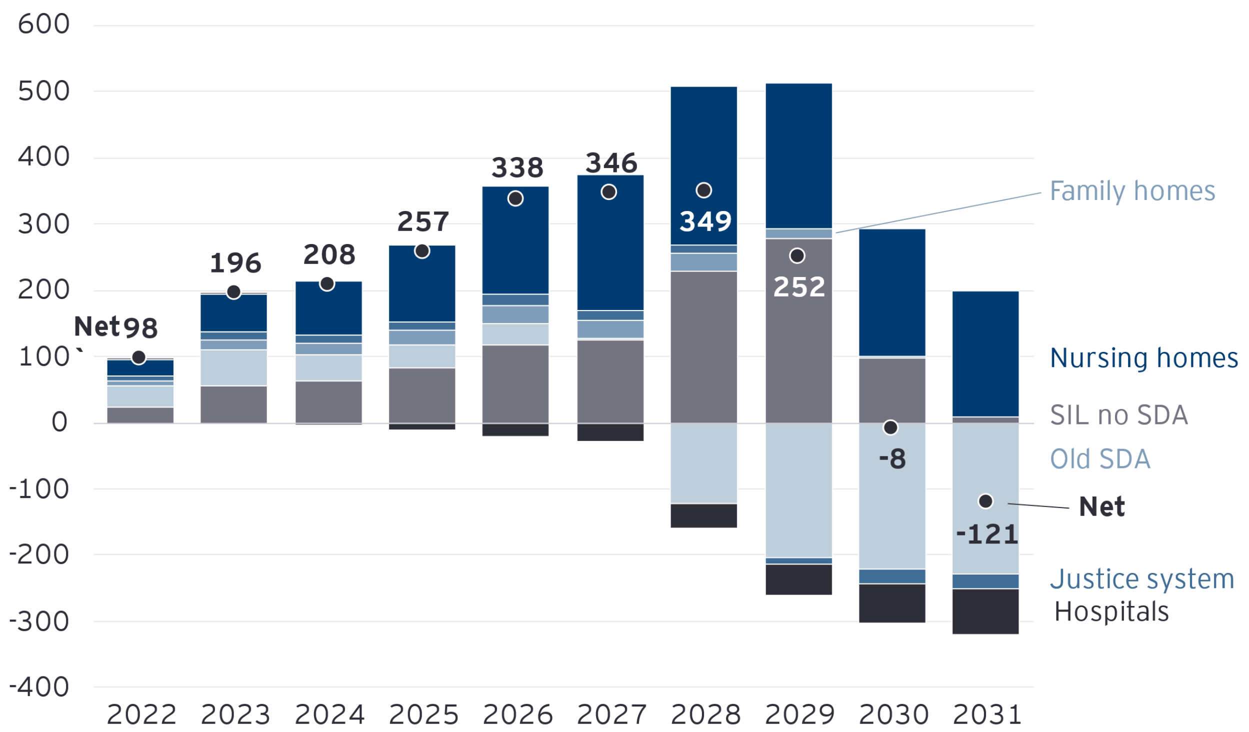
Accelerating SDA approvals would improve quality of life and social outcomes for many people with a disability.[50]

Overall budgetary costs

The budgetary cost for SDA payments would be relatively modest. We project that it would cost government budgets an additional $338m in 2026 and reduce costs by $121m in 2031, as shown in Figure 2.

Figure 2 – Projected change in expenditure by prior housing

A$ Millions budget cost

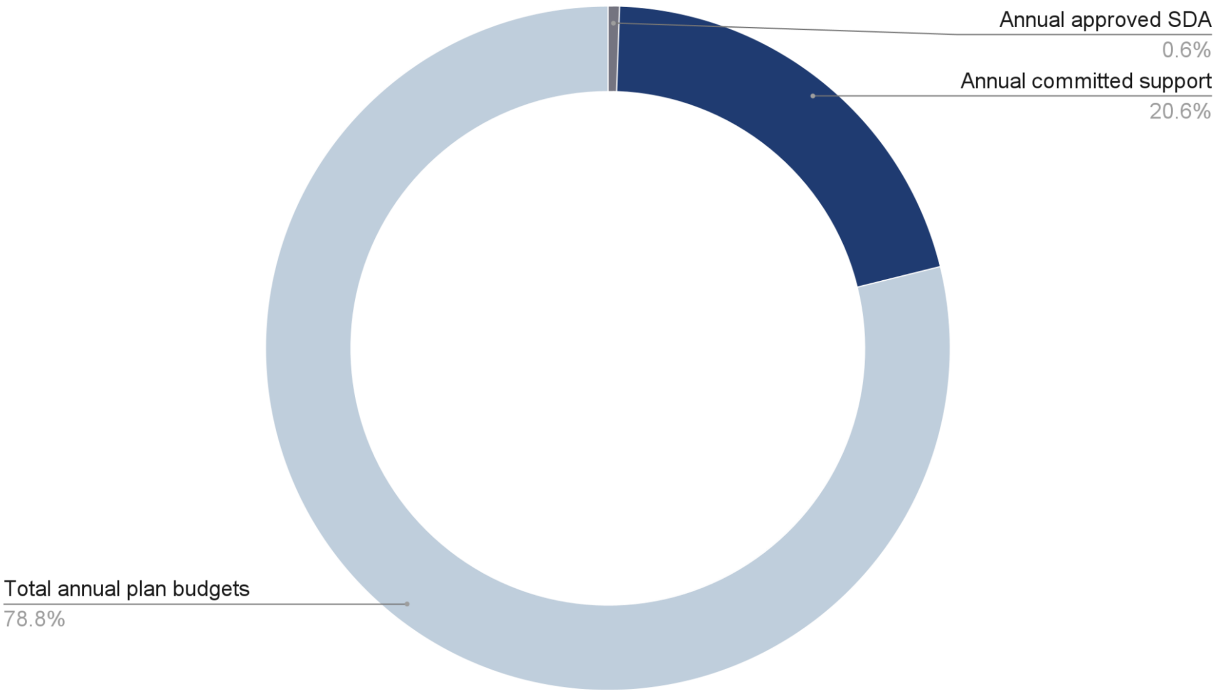


---

[50] Oliver, S., Gosden-Kaye, E., Winkler, D., & Douglas, J. (2020). The outcomes of individualized housing for people with disability and complex needs: A scoping review. *Disability and Rehabilitation*. **https://www.tandfonline.com/doi/full/10.1080/09638288.2020.1785023**; Douglas, et al. (2022). Moving into new housing designed for people with disability: Preliminary evaluation of outcomes. *Disability and Rehabilitation*. Note the sample size of 15.

For context, in June 2022 the NDIA reported that annualised committed support for participants with SIL funding was $9.26 billion.[51] In the 2020-21 financial year total scheme costs were $25 billion.[52] Annualised SIL costs at March 2022 are running at 37% of scheme costs for the 2020-21 year total. SIL costs are a significant driver of scheme costs. Well designed SDA properties that increase independence present an opportunity to reduce SIL costs over time supporting the scheme to remain sustainable.

Figure 3 – Annual approved SDA payments vs SIL payments and the total amount in NDIS participant plans



[51] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 777.

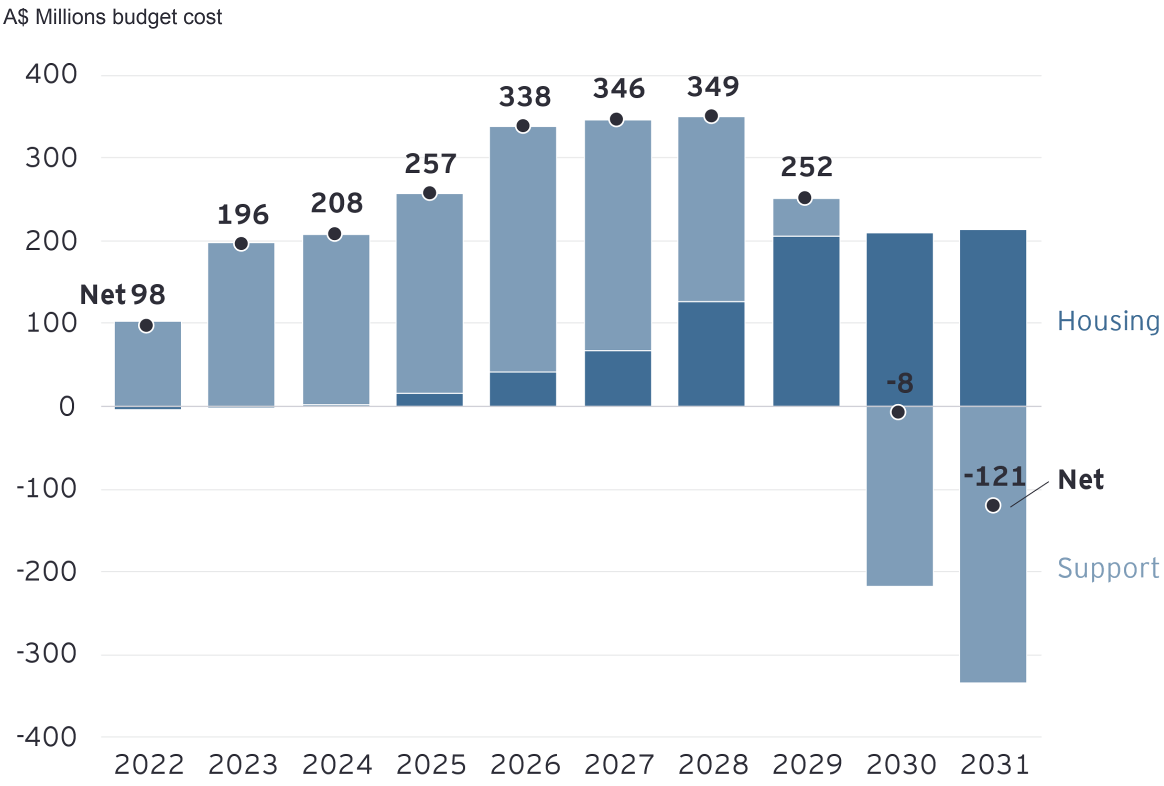
[52] NDIA (2022). *National Disability Insurance Agency Annual Report 2020–2021*. National Disability Insurance Agency, p. 64.

Budgetary impact by cost type

As shown in Figure 4, between 2022 and 2028, support costs are projected to increase significantly relative to no change in SDA approval policy and practice. This increase would be a result of the accelerated number of people moving into SDA as the rate of SDA funding approvals increases to fill vacant properties, and then new SDA are enrolled in response to the shifted rate of funding approvals. In effect, supply would be catching up with demand. Their support costs are likely to be higher in their first year in SDA (see Appendix A.6). As the system approaches steady-state, fewer people will move into SDA each year, more people will have been in SDA for 2 years or more, and their support costs will be lower, assuming that the design of SDA provides more efficient support for people with disability and enables more independent living.

Between 2022 and 2027, we do not project a significant net increase in government expenditure on housing costs as a result of policy change. A backlog of those in hospitals, RAC and the justice system will move into SDA, likely to result in significant savings in housing costs. These savings will largely offset the higher housing costs of those with SIL who move into SDA. From 2028, most of those moving into SDA as a result of changed policy and practice will already qualify for SIL, but either do not have SDA, or receive SDA for old state-owned housing, and such moves will typically increase housing cost payments. One thing that is not shown in Figure 4 is that savings on support costs are ongoing beyond 2031.

Figure 4 – Projected change in expenditure by cost type



Budgetary impact by prior housing type

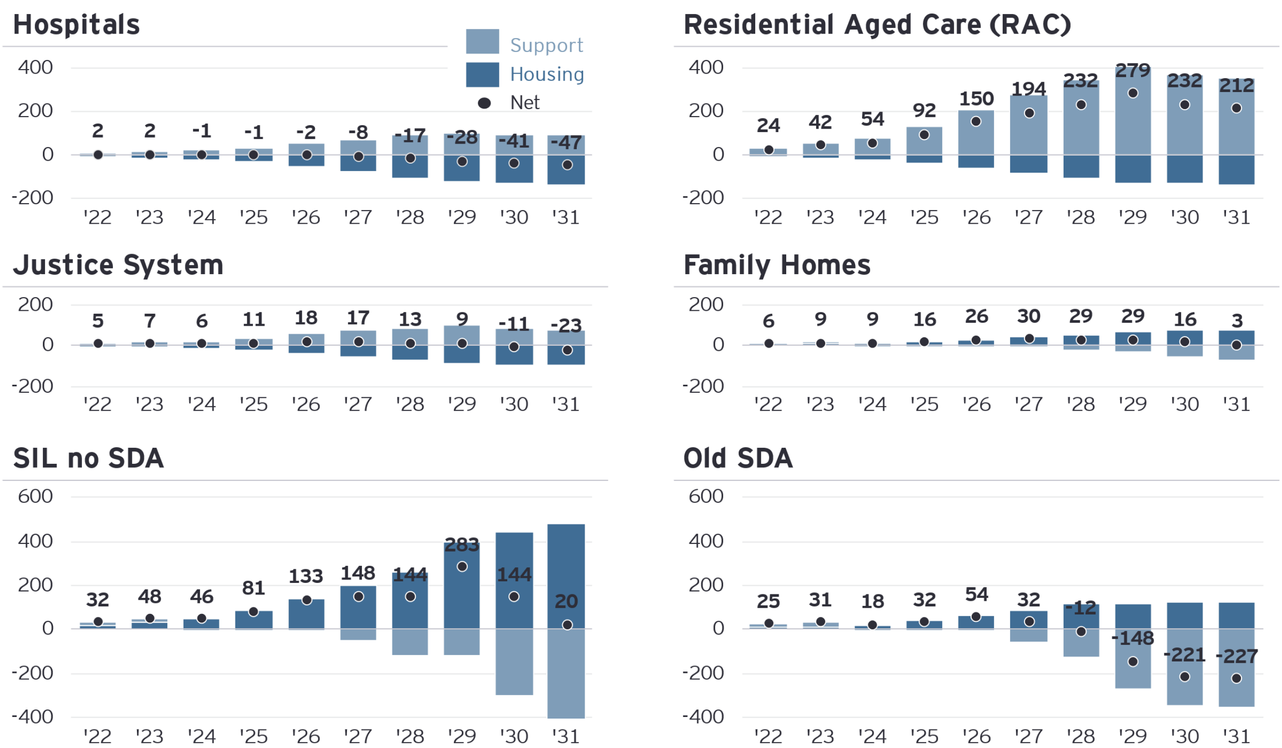
The greatest net budgetary cost is likely to be for people moving from RAC into SDA, as part of the Younger People in Residential Aged Care (YPIRAC) initiative.[53] For this group, support costs typically increase by 66% in the first year of moving to SDA.[54] Despite these higher costs, reducing the number of YPIRAC remains an important challenge for the Federal Government because the health, wellbeing and social participation of YPIRAC are particularly poor,[55] and moving into alternative housing and support services markedly improves their quality of life.[56]

Moving from old SDA into newly built SDA is projected to deliver considerable savings. The additional housing costs are relatively small because some SDA is already being paid for these people. But the savings in support costs are expected to be significant as they move into accommodation better designed for their needs.

We project long-term budgetary savings for people who move to SDA from hospitals and the justice system, as savings in housing costs outweigh additional support costs, as shown in Figure 5.

Figure 5 – Projected net support and housing costs by prior housing

A$ Millions budget cost



[53] Department of Social Services (2022). Younger People in Residential Aged Care. **https://www.dss.gov.au/disability-and-carers/programmes-services/for-people-with-disability/younger-people-with-disability-in-residential-aged-care-initiative**

[54] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation).

[55] Oliver et al. (2020). The outcomes of individualized housing for people with disability and complex needs: A scoping review. *Disability and Rehabilitation*, p. 1446.

[56] Winkler, D., Holgate, N., Sloan, S., & Callaway, L. (2012). *Evaluation of quality of life outcomes of the Younger People in Residential Aged Care Initiative in Victoria*. Summer Foundation. **https://www.summerfoundation.org.au/wp-content/uploads/2020/12/2012_Winkler_The-Victorian-Younger-People-in-Residential-Aged-Care-Initiative_Evaluation-of-quality-of-life-outcomes-for-participants.pdf**

Sensitivity analysis

We have modelled how projected budgetary impacts might be different where there is significant uncertainty.

The projected budgetary impacts are highly sensitive to our assumptions about the *difference* in support costs before and after moving into SDA. For example, if in the long-term support costs do not decline relative to costs before moving into newly built SDA (rather than a long-term decline of 10% as we have assumed in our base case model assumption), then budgetary costs will be more than $2 billion a year higher than projected in 2031, as shown in Table 2.

The projected budgetary impacts are much less sensitive to other assumptions, such as the proportion of those currently in family homes, SIL but not SDA, or in old SDA accommodation moving into new SDA accommodation. As shown in Table 2, significant shifts in these assumptions lead to budgetary outcomes similar to our base case.

The following table demonstrates the sensitivity to support costs assumptions changing. In the grey area of Table 2, two scenarios are presented. The model assumes that support costs will decline by 10% in years 2 and 3, and the two scenarios show that if costs were to fall by only 5% (scenario1) or do not fall at all (senario 2), there is an impact on total costs in 2026 and 2031, and these impacts on total costs are shown.

Table 2 – Sensitivity analysis

Projected net expenditure, A$ millions

			Impact on total costs if scenario assumption occurs	
	Model assumption	**Scenario assumption Impact**	**2026**	**2031**
Base case			338	-121
Support costs				
Decline in support costs in years 2-3 (scenario 1)	10%	5%	655	1,021
Decline in support costs in years 2-3 (scenario 2)	10%	0%	984	2,223
Support costs for those going from hospital into family homes rather than SDA	Same	20% lower (may well be *higher* in reality)	431	91
Proportion moving to SDA				
from family home	26%	50%	339	-58
From SIL but no SDA	67%	30%	340	-123
From old SDA	67%	30%	423	8
Moving from hospital to SDA				
Proportion of those in hospital eligible for NDIS	10%	20%	251	-82
Implied *additional* number moving from hospital to SDA per year	263	621		

Conclusion

This budgetary analysis shows that additional SDA approvals delivering substantial quality of life improvements may well not impose substantial additional budgetary costs, as savings significantly offset SDA costs.

The analysis also illustrates how important it is to develop integrated models of disability housing and support where these enable delivery of lower cost support. Relatively small improvements in the efficiency of delivering support can have large budgetary impacts. Consequently, it is a high priority to design a range of innovative housing and support options, and evaluate them properly to understand both how much they improve quality of life for people with disabilities, and their budgetary impacts.

Next steps

The analysis in this draft paper reflects the accuracy and availability of data in June 2022. The analysis can be refined with a broader set of perspectives, and as better data becomes available.

This discussion paper invites stakeholders and other knowledgeable parties to offer their perspectives and feedback on the analysis, including its methodology, data sources, and assumptions.

The analysis would benefit from additional data, particularly:

- **Change in support costs pre- and post-move to SDA, over a longer time frame**

  Currently, information on support cost differentials is only available for the first year of moving to an SDA property from an NDIA study with ~300 participants. [57]

- **Support hours saved across all types of SDA dwelling**

  The assumed 20% decline in support costs from first year costs in the model triangulates with 2.4 hours saved per day in support costs.[58] However, this data is based on a study conducted on a small sample size of 15 participants and for single resident SDA apartments only. Data on support costs saved for other types of SDA dwellings are currently not available.

- **Savings from alternative support models**

As integrated accommodation and support models evolve, well-designed evaluation may show that they can deliver significant savings in support costs. For example, preliminary work by the NDIA suggests that the 10+1 concierge model can deliver cost savings, and these tend to be larger for people who need more ad hoc support, shorter interventions, and more scheduled interventions per day.[59]

---

[57] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation).

[58] Douglas, et al. (2022). Moving into new housing designed for people with disability: Preliminary evaluation of outcomes. *Disability and Rehabilitation*.

[59] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation); Winkler, D., Finis, C., D'Cruz, K., Mulherin, P., de Costa, M., Rathbone, A., Condi, A., & Douglas, J. (2022). *Support in Specialist Disability Accommodation (SDA) apartments*. Summer Foundation. **https://www.summerfoundation.org.au/wp-content/uploads/2022/03/Support_in_SDA_Apartments_Full_report-_March_2022.pdf**

Appendix A: Assumptions

A.1: Supply constraints

Metric	Number	Basis
Current vacant places above normal turnover	1,576	Housing Hub administrative data indicates there are 2,164 vacant SDA places. Assuming a 5% natural vacancy rate amongst the 11,752 people receiving SDA payments (588 places),[60] this implies approximately 1,576 vacant places above normal turnover.
SDA places under development	4,618	NDIA.[61]
Current rate of construction of new places	1,689/year	NDIA.[62]
Maximum additional places constructed per year once new regulatory signals kick in	4,000/year	Assume market responds to strong regulatory demand signal to ramp up from 1,689 places per year to 4,000 places per year, which Summer Foundation estimates would be the maximum rate of new building.
Time lag from commitment to build to occupancy	2 years	Summer Foundation estimate based on apartment developments
Years to reach maximum rate of new building (in addition to time lag for places currently in pipeline)	2 years	Conservative estimate to ramp up number of SDA places to maximum supply

[60] NDIA (2022). *Average support line item payments: March 2022*. National Disability Insurance Agency. **https://data.ndis.gov.au/media/3426/download?attachment**

[61] NDIA (2022). *NDIS specialist disability accommodation 2021-22 quarter 3 report*. National Disability Insurance Agency, Table 6.

[62] NDIA (2021). *SDA enrolled dwelling and SDA demand data: March 2021*. National Disability Insurance Agency, Table 7; NDIA (2022). *SDA enrolled dwelling and SDA demand data: March 2022*. National Disability Insurance Agency, Table 7.

A.2: Numbers moving into SDA due to policy change

Starting housing type	Number	Basis	Proportion moving to SDA due to policy change	Basis
Family home	4,700	JB Were and Summer Foundation 2020 publication[63]	26%	NDIS participants eligible for SDA living with parents as per Summer Foundation estimate. We assume that all those with elderly carers (>65) will move into SDA because their arrangements are unsustainable: ABS estimates that 26% of people with disability have primary carers >65y/o.[64] We have assumed that those with younger carers either don't want to move, or will not be affected by policy change – in practice more may move to benefit from greater independence if the opportunity is available.
SIL but no SDA	10,090	Based on NDIS quarterly report,[65] and NDIA consultation paper.[66]	67%	Two-thirds of pre-2016 SDA is not fit for purpose.[67] Assume a similar proportion of those receiving SIL but not SDA are living in unsuitable accommodation. Assume remainder don't want to move or will not be affected by policy change
Old state-owned SDA	10,700	In 'Existing' (pre 2016) and 'Legacy' accommodation based on NDIS quarterly report,[68] assuming number of people proportionate to number of buildings	67%	Two-thirds of old pre-2016 SDA is not fit for purpose.[69]

[63] Winkler, D., McLeod, J., Mulherin, P., Rathbone, A. and Ryan, M. (2020). *Specialist Disability Accommodation (SDA) explainer for investors*. Summer Foundation and JBWere, p. 26.
http://summerfoundation.org.au/wp-content/uploads/2020/12/SDA-Explainer-for-investors-web.pdf

[64] ABS (2018). *Disability, Ageing and Carers, Australia: Summary of Findings*. Australian Bureau of Statistics, Carers Tables, Table 34.1.
https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release#data-download

[65] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 73.

[66] NDIA (2020). *Improving outcomes for participants who required Supported Independent Living (SIL): Provider and sector consultation paper*. National Disability Insurance Agency, p. 3. In June 2020, the overlap was 14,000 people; we have inflated this proportionate to the growth in recipients of SDA through to March 2022.

[67] Winkler et al. (2020). *Specialist Disability Accommodation (SDA) explainer for investors*. Summer Foundation and JBWere, p. 6.

[68] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 783.

[69] Winkler et al. (2020). *Specialist Disability Accommodation (SDA) explainer for investors*. Summer Foundation and JBWere, p. 6.

Starting housing type	Number	Basis	Proportion moving to SDA due to policy change	Basis
Hospital	1,100	Summer Foundation meeting with state health ministers; NDIA estimate.[70]	263 per year	There were 1,140 NDIS participants in hospitals awaiting discharge as of November 2021; their typical length of stay is 112 days, implying a flow of 3,585 people per year. Of these, we estimate that 10% would be eligible for SDA – higher than the 6% overall expected for the NDIS at full implementation,[71] because those with more severe disability are more likely to be hospitalised. This implies about 358 people per year in hospital who should qualify for and use SDA. The typical time from submission of an Access Request Form for NDIS to hospital discharge is typically 82 days, which roughly halved between 2017 and 2020.[72] While many involved in the system still perceive delays, we assume the maximum plausible further reduction would reduce the time for a planning meeting from 24 to 10 days, the time for plan approval from 15 to 10 days and the time from approval to discharge from 35 to 14 days, reducing typical overall discharge times by another 40 days, and implying a saving of 39 bed years across the cohort of 3,585 people per year. Currently about 3% of those in hospital who qualify for NDIS move into SDA. Of the remaining 7% who would qualify for and use SDA with faster approvals, we estimate based on current destination patterns[73] that otherwise 3% would be discharged into RAC, and 4% into family homes.

[70] Commonwealth of Australia (2021). *Senate Community Affairs Legislation Committee: Answers to questions on notice*. Social Services Portfolio. NDIA SQ21-000226. **https://www.aph.gov.au/api/qon/downloadestimatesquestions/EstimatesQuestion-CommitteeId2-EstimatesRoundId12-PortfolioId16-QuestionNumber50**

[71] Ibid, p.6.

[72] Cubis, L., Ramme, R.A., Roseingrave, E., Minter, E., Winkler, D., & Douglas, J. (2022). *Evaluating the discharge planning process: Barriers, challenges, and facilitators of timely and effective discharge for people with disability and complex needs*. Summer Foundation, p. 10. **https://www.summerfoundation.org.au/wp-content/uploads/2022/05/Evaluating-the-discharge-planning-process_May-2022-web.pdf**

[73] Cubis, L., Ramme, R.A., Roseingrave, E., Minter, E., Winkler, D., & Douglas, J. (2022), *Evaluating the discharge planning process: Barriers, challenges, and facilitators of timely and effective discharge for people with disability and complex needs*. Summer Foundation, p.14.

Starting housing type	Number	Basis	Proportion moving to SDA due to policy change	Basis
RAC (<65)	3,435	AIHW, GEN Aged Care Data[74]	50%	50% of YPIRAC stay in RAC in long-run – around half of people who were aged <65 lived longer than 3 years in permanent care and many go on to stay considerably longer in care according to the AIHW[75]
Corrections (forensic orders)	1,987	NSW Mental Health Review Tribunal annual report,[76] grossed up for Australian population	50%	We assume for the remainder that moving is not possible or they are not affected by policy change

A.3: Distribution between SDA design categories

	Hospitals	RAC	Justice system	Family home	SIL but no SDA	Old state-owned SDA
Improved Liveability	-	-	-	10%	10%	72%
Robust	5%	5%	90%	10%	15%	5%
Fully Accessible	50%	50%	5%	45%	35%	13%
High Physical Support	45%	45%	5%	35%	40%	9%

Based on distribution in Legacy and (old build) Existing SDA accommodation.[77]

Assumptions provided by Summer Foundation

Forced assumptions to roughly match proportion of people seeking each type of SDA dwelling.[78]

[74] AIHW (2022). *GEN Aged Care Data: Younger people in residential aged care*. Australian Institute for Health and Welfare. **https://gen-agedcaredata.gov.au/Resources/Younger-people-in-residential-aged-care**

[75] AIHW (2019). *Pathways of younger people entering permanent residential aged care*. Australian Institute of Health and Welfare, p. 20. **https://www.aihw.gov.au/getmedia/c43debe7-cc79-401e-b028-6d0859d9d802/aihw-age-89.pdf.aspx?inline=true**

[76] NSW Mental Health Review Tribunal (2020). *Annual report*, p. 49. **https://www.mhrt.nsw.gov.au/files/mhrt/pdf/MHRT-AnnualReport-2020.pdf**

[77] NDIA, *Specialist Disability Accommodation (SDA) Enrolled Dwellings and NDIS demand - data as at 31 December 2021* (2022), Table P.14

[78] NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, pp. 797-799.

A.4: Alternative housing

Starting housing type	For those now qualifying for SDA, alternative housing if no policy change	Basis
Family home	50% family home; 50% SIL but no SDA	Key assumption
Other housing	100% other housing	No reason to assume otherwise
Hospital	Hospital 11% RAC 27% Private (Family) 36% SDA 26%	See above A.1, converting delayed exit from hospital into proportionate full time hospital accommodation.
RAC (<65)	100% RAC	Assume exit from RAC otherwise very unlikely (wouldn't be there otherwise)
Corrections (forensic orders)	100% Corrections	Assume exit from corrections otherwise very unlikely

A.5: Housing costs

Housing type	Value(s)	Basis
SDA housing	High physical support: $38,598 Fully accessible: $30,698 Robust: $28,006 Improved Liveability: $18,701	Weighted average based on price per participant from NDIS Pricing Arrangements for SDA,[79] and demand by dwelling type from NDIS Specialist Disability Accommodation Position Paper on Draft Pricing and Payments[80]
Family home	$0	No government accommodation support available. Assume not eligible for Commonwealth Rent Assistance (CRA)
Other housing	$3,712 CRA	Assume qualify for maximum amount (most do) Assume qualify for living alone rate, not share house. Note: also eligible for CRA when in SDA housing
Hospital	$467,565	Based on average for subacute patients of $1,281 per day[81]
RAC (<65)	$83,348	Analysis of NDIS plans for participants in RAC[82]
Corrections (forensic orders)	$90,282	Productivity Commission, Report on Government Services[83]

[79] NDIA (2021). *NDIS pricing arrangements for Specialist Disability Accommodation 2021-22*. National Disability Insurance Agency, p. 21

[80] NDIA (2016). *Specialist Disability Accommodation position paper on draft pricing and payments*. National Disability Insurance Agency, p. 27. **https://www.ndis.gov.au/media/1037/download?attachment**

[81] IHPA (2022) *National hospital cost data collection public sector, round 24 (financial year 2019-20)*. Independent Hospital Pricing Authority, Appendix sheet 17. **https://www.ihpa.gov.au/publications/national-hospital-cost-data-collection-public-sector-round-24-financial-year-2019-20**

[82] Summer Foundation analysis of NDIS plans for participants living in RAC prior to moving into SDA.

[83] Commonwealth of Australia (2020). *8A corrective services – Data tables*. Productivity Commission. Table A.20. **https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/justice/corrective-services/rogs-2021-partc-section-8-corrective-services-data-tables.xlsx**

A.6: Support costs

Starting housing type	Pre SDA costs	Basis	Post SDA costs year 1	Post SDA costs year 3+	Basis
Family home	342,000	NDIS Quarterly Report;[84] support costs assumed to equal average SIL expenditure per participant	376,200	302,940	For pre-SDA costs, we used average SIL expenditure rather than the analysis of SDA apartment participants, who are likely to be atypical because they were selected on the basis that they had more severe disabilities. For post-SDA costs, we increased this average SIL expenditure by 10%, to match the increase in support costs (in year 1) observed for all categories moving into SDA apartments. We have deflated these costs by 10% in each of the following 2 years to account for set up costs rolling off, based on Summer Foundation estimate.
Other housing	342,000	NDIS Quarterly Report;[85] support costs assumed to equal average SIL expenditure per participant	376,200	302,940	
Hospital	615,128	Analysis of SDA participants, Table 2.10[86]	689,117	558,185	Analysis of SDA participants, Table 2.10[87] We have also applied this cost for those who would qualify for SDA, but who move back into private accommodation after a stay in hospital. We have deflated hospital support costs by 10% in each of the following 2 years, to account for set up costs rolling off. On this basis, post-SDA care costs are about $65,000 lower than pre-SDA care costs, which triangulates to around 2.4 hours of care per person per day at $80/hour (fully loaded cost per carer), which corresponds to other Summer Foundation analysis.[88] For RAC and corrections, post-SDA costs are higher, presumably reflecting efficiencies of scale in institutional settings.
RAC (<65)	316,150	Analysis of SDA participants, Table 2.10[89]	526,286	426,292	
Corrections (forensic orders)	318,911	Analysis of SDA participants, Table 2.10[90] (values taken from 'vulnerable housing' category)	444,909	360,376	

[84] Based on subtracting all NDIS participants from NDIS participants not in SIL, as per NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency, p. 767, 769. However, NDIA (2022). *NDIS quarterly report to disability ministers: Q3 2021-2022*. National Disability Insurance Agency p.83 and p.196 indicate that average payments to SIL participants are $327,000

[85] Ibid.

[86] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation), p.23.

[87] Ibid.

[88] Douglas, et al. (2022). Moving into new housing designed for people with disability: Preliminary evaluation of outcomes. *Disability and Rehabilitation*.

[89] NDIA (2021). *Analysis of SDA participants.* (Confidential analysis on file with Summer Foundation), p.23.

[90] Ibid.