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Basic Specialist Disability Accommodation (SDA): Drivers, Barriers and Opportunities for Renewal

The Community Housing Disability Network

THE UNIVERSITY OF MELBOURNE

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Contents

Declaration

This report was authored by Ilan Wiesel (University of Melbourne), Adam Crowe (Curtin University), and Raelene West (University of Melbourne) for the Community Housing Disability Network (CHDN).

CHDN is a network of people with an interest in creating better housing solutions for people with disability. It was initiated by the Community Housing Industry Association (CHIA), and includes over 40 members, the majority from community housing organisations across Australia. The research team are academics from the University of Melbourne and Curtin University, who are also members of the CHDN.

No funding was provided for this work. The findings, analysis, and recommendations contained within are based on interviews, document analysis, and the authors' independent interpretation of the evidence. The authors and CHDN are deeply grateful to the individuals and organisations who generously contributed their time, expertise, and insights to this project. We would especially like to thank Joseph Connellan and Geoff Slack for their constructive feedback and comments on earlier drafts of this report. However, the views expressed in this report are those of the named authors and do not necessarily reflect the views of participating organisations, or any government or funding body. The authors take full responsibility for the content of the report, including any errors, omissions, or interpretations.

Executive summary

This report investigates the current status and future prospects of Specialist Disability Accommodation (SDA) housing stock categorised as Basic SDA. The analysis focuses particularly on older Basic SDA properties owned or managed by state governments and community housing providers (CHPs). *Basic SDA* refers to 'Existing' and 'Legacy' building types enrolled in the SDA program but constructed prior to the introduction of the National Disability Insurance Scheme (NDIS). In a policy context, the 'Existing' building type largely refers to group homes housing up to five residents, while 'Legacy' reflects congregate housing with six residents or more. Throughout this report the term *Basic SDA* is used to collectively describe both Existing and Legacy building types enrolled in the program under the Basic design category.

A large proportion of Basic SDA dwellings are increasingly recognised as outdated, often inaccessible, in poor condition, not fit-for-purpose, costly to maintain, and often failing to meet contemporary standards of community-based and more individualised housing for people with disabilities. Despite this, many people with disability continue to live in such housing due to a lack of suitable alternatives and systemic barriers to upgrading or relocating. Although the number of New Build SDA dwellings continues to grow, Basic properties still account for two out of every five dwellings enrolled in the SDA program.

Drawing on interviews with government and community sector stakeholders, and available quantitative data (albeit limited), this research highlights the physical and financial challenges associated with Basic SDA housing. A key finding is that SDA payments attached to Basic housing are insufficient to support the significant capital investment required for dwelling upgrades or replacements. Community housing providers face additional constraints, such as limited capacity to borrow, insufficient access to affordable land, and funding rules that exclude or limit SDA dwellings from accessing grants and concessional finance through non-SDA government programs such as the Housing Australia Future Fund (HAFF) or the Affordable Housing Bond Aggregator (AHBA). At the same time, high vacancy rates in these dwellings and high maintenance costs reduce rental income and undermine the financial sustainability of housing and support providers.

The report identifies several promising practices and strategies. These include cross-subsidisation from New Build SDA, creative redevelopment of well-located sites, partnerships with social impact investors, and resident co-design processes that support meaningful choice and control. However, such approaches remain rare, underfunded, and unevenly implemented. Systemic solutions such as improved access to funding, streamlined SDA reassessment processes, and better data transparency are needed to support more widespread and equitable renewal of Basic SDA.

The report calls for urgent coordinated action across government and community sectors to facilitate the transition away from outdated housing models within the SDA program and towards contemporary, accessible housing that aligns with residents' preferences and needs. The findings and recommendations aim to support practice and policy pathways for improving the quality and sustainability of housing for people with disability.

Implications for Policy and Practice

1. **SDA renewal strategy**
   Responsibility for Basic SDA housing is fragmented across multiple levels of government, SDA providers, and the National Disability Insurance Agency (NDIA). Clearer stewardship is

required to coordinate planning, funding, and data collection, and to support SDA providers through a managed process of upgrading or redeveloping Basic SDA. An intergovernmental strategy for upgrading and repurposing Basic SDA stock owned by states and territories, including those managed by CHPs, is critical. (See NDIS Review, recommendation 9.8)

2. **SDA Funding and Pricing Structures**
   SDA payment rates for Basic stock are inadequate to support upgrading or redeveloping of tenancies while maintaining secure tenancies for existing residents. A pricing review is needed to consider how temporary funding mechanisms or uplift payments could support redevelopment of underperforming Basic housing from the SDA program.

3. **SDA Design Categories**
   The current SDA design categories may be too rigid to accommodate innovative or transitional models to support current residents of Basic SDA. Consideration should be given to more flexible or transitional categories that recognise modest upgrades and allow funding to reflect incremental improvement. This could potentially align with the Disability Royal Commission's (DRC) Recommendation 7.42 to improve access to alternative housing options and 7.43 to phase out group homes within 15 years.

4. **NDIS Plan Assessments and Eligibility Reviews**
   People living in Basic SDA should be assessed according to their level of need and be funded for an alternative category of SDA, as recommended by the NDIS Review. Many residents of Basic SDA have not undergone recent NDIS plan reassessments or remain funded only at the Basic level despite clear need for higher design categories. Current assessment processes are too slow, opaque, and inconsistent to support timely transitions. Some residents living in Basic SDA have never received a NDIS plan assessment and lack both the funding and support needed to navigate the process. Reforms should ensure more responsive, accurate, and equitable assessments, including streamlined reassessments during planned redevelopment or relocation initiatives, as well as consistency in funding approvals to support long term housing security.

5. **Supported Independent Living (SIL) Funding Models**
   The support component is critical to successful housing outcomes for both residents and CHPs. Issues such as the 1:3 staff ratio—as recommended in the NDIS Review (Australian Government, 2023, p. 144)—restrict more individualised housing solutions for residents transitioning out of Basic SDA. Reforms to SIL funding and rostering models should support residents to live in more inclusive, fit-for-purpose housing arrangements that foster independence.

6. **Non-SDA Government Funding**
   Current SDA rules preclude CHPs from accessing non-SDA government funding schemes (e.g. HAFF) for SDA dwellings. These exclusions should be reviewed explicitly in relation to Basic SDA to allow blended financing models that align with broader affordable and inclusive housing goals.

7. **Residents' choice and control**
   Plans for redevelopment or upgrading of Basic SDA properties should reflect the preferences of existing residents. High-quality co-design and consultation practices are resource intensive and should be adequately funded. These approaches not only uphold residents' rights to

choice and control, but also improve the commercial viability and long-term success of housing solutions.

8. **Phasing out of Basic SDA group housing**

   As recommended by the NDIS review (Australian Government, 2023, p. 154), NDIS policies should be amended such that when a participant exits Basic SDA that houses more than three participants, the dwelling can be re-enrolled at a lower resident count—down to three residents—and funding for remaining participants is adjusted to ensure continuation of support and security of occupancy.

9. **Addressing Data Gaps**
   The lack of detailed, transparent data on the condition of Basic SDA dwellings, resident needs, and funding eligibility is a critical barrier. Governments and the NDIA must improve the availability of high-quality data and share it with housing providers and sector stakeholders to enable informed, evidence-based decision-making.

1. Introduction

1.1 Background

Specialist Disability Accommodation (SDA) is a National Disability Insurance Scheme (NDIS) program designed to deliver specialist housing options for Australians with extreme functional impairment, including physical or cognitive impairments, and very high support needs (Australian Government 2020). SDA dwellings have accessible features to help residents live more independently and allow other supports to be delivered better or more safely.

Prior to the NDIS rollout, in 2012-13, 19,373 people with disabilities were housed in supported accommodation across Australia, including 16,433 in group homes, 2,210 in large residential institutions, and 730 in smaller residential institutions (AIHW, 2013, p. 51). The SDA program was intended to both diversify the types of supported accommodation provided, and increase the supply of housing to support an estimated 30,000 residents. As at December 2024, less than half of this figure have successfully transitioned into SDA housing since program commencement in 2016. A further 9,834 NDIS participants have been identified as eligible for the program, but not yet residing in SDA (see Table 1).

Table 1. Number of NDIS Participants with identified SDA needs by status, December 2024

State / Territory	Participants with SDA funding in use	Participants SDA eligible, not yet using SDA funding	Total Participants with SDA in use or SDA eligible (not yet using SDA funding)	Proportion of Participants SDA eligible, not yet using SDA funding
NSW	4,922	2,900	7,822	37%
VIC	5,090	2,054	7,144	29%
QLD	2,363	1,832	4,195	44%
WA	501	1,307	1,808	72%
SA	1,430	980	2,410	41%
TAS	99	410	509	81%
NT	85	215	300	72%
ACT	198	136	334	41%
AUSTRALIA	**14,688**	**9,834**	**24,522**	**40%**

Source: NDIA 2024-25 Q2 Report, Table P.9 Number of Participants with identified SDA needs by status and SA4 Region as at 31 December 2024

The NDIS provides funding for SDA through a participant's plan. Eligible participants pay a maximum reasonable rent contribution, typically 25% of income support, and other day to day living costs such as electricity bills (see Table 2). Most Basic SDA dwellings are owned and/or managed by state governments, community housing providers (CHPs), and disability services providers, also referred to as Supported Independent Living (SIL) providers.

Table 2. Maximum Reasonable Rent Contributions for SDA participants

Income support type (per fortnight)	Maximum contribution (%)	Maximum Pension Single	Maximum Pension Member of a Couple	MRRC Single	MRRC Member of a Couple
Disability Support Pension (DSP)	25%	$1,047	$789	$262	$197
Pension Supplement (PS)	25%	$83	$63	$21	$16
Commonwealth Rent Assistance (CRA)	100%	$211	$100	$211	$100
Energy Supplement (i)	100%	$14	$11	-	-
Maximum Reasonable Rent Contribution (per fortnight)				**$494**	**$313**
Maximum Reasonable Rent Contribution (per annum)				**$12,838**	**$8,125**

(i) only applicable for board payments
Source: NDIS Price Calculator 2024-25 v.2.0: Benchmark Amounts & MMRC

Newly built SDA dwellings are required to meet the Minimum Design Standards set out in the SDA Rules (Australian Government 2020), which defines four contemporary 'New Build' design categories: Improved Liveability; Robust; Fully Accessible; and, High Physical Support. However, a significant proportion of dwellings currently enrolled in the SDA program were constructed before the rollout of the NDIS, and do not meet the minimum requirements of these four design standard categories. These older dwellings are classified within the SDA program under the Basic design category and encompass both Existing and Legacy building types.

In an SDA context, Existing dwellings refer to any accommodation built before 1 April 2016 that was used for disability-related supported accommodation under previous state, territory, or federal programs. These dwellings are limited to a maximum of five residents (Australian Government, 2020).

Legacy dwellings, also built prior to 1 April 2016, accommodate more than five residents. These dwellings often follow a congregate care accommodation model, which was once a dominant form of housing for people with disability in Australia (see Bostock, Gleeson et al., 2001). Legacy dwellings are scheduled to exit the SDA program according to their size and date of enrolment:

- Dwellings with **11 or more residents** will cease to receive SDA payments five years after their date of enrolment.
- Dwellings with **6 to 10 residents** will cease to receive SDA payments ten years after their date of enrolment (Australian Government, 2020).

Both Existing and Legacy building types were initially enrolled in the SDA program during the NDIS rollout to provide continuity for residents already living in them and to ensure those with urgent housing needs could access appropriate accommodation while the market for new, purpose-build SDA dwellings was still developing. In turn, the Basic design category applies only to Existing or Legacy stock and cannot ordinarily be included in a participant's plan except where the participant already lives in a Basic dwelling, or expressly chooses to do so (NDIA, 2025, p.16).

Importantly, while some Basic dwellings contain elements consistent with contemporary SDA design categories, most do not meet minimal accessibility standards and requirements as set out in the SDA Rules (Australian Government, 2020). In particular, Legacy dwellings largely reflect outdated institutional and group-home models that fall short of current expectations for smaller, community-based housing. For this reason, the NDIS does not fund the construction of new Basic dwellings and will progressively withdraw SDA funding for Basic dwellings classified as Legacy. Providers in ownership and/or management of such Basic dwellings are therefore expected to upgrade or replace them in line with contemporary SDA standards.

For the sake of clarity, throughout this report the term 'Basic SDA' refers exclusively to Existing and Legacy building types enrolled in the SDA program under the Basic design category.

1.2 Research aims and questions

The NDIS Review (Australian Government, 2023, p. 154) recommended that all Australian governments should agree and implement an intergovernmental strategy for upgrading or repurposing Basic SDA owned by states and territories, with clear targets and timeframes. The strategy should support "transitioning participants to appropriate housing in line with their needs and preferences …and should be designed in collaboration with residents and their supporters and advocates."

This study aims to inform the development of such a strategy, providing information about opportunities and challenges to upgrade or replace Basic (Existing and Legacy) housing stock. Our research questions include:

- How many Basic SDA dwellings are owned or managed by state government and CHPs?
- What issues and challenges do Basic SDA operators confront, including physical conditions, maintenance, finances, management, and resident satisfaction?
- What role do and can CHPs play in SDA renewal? What can be learned from case studies of Basic SDA housing stock already upgraded or replaced about issues such as planning, designing, consulting, financing, building and managing such upgrades?

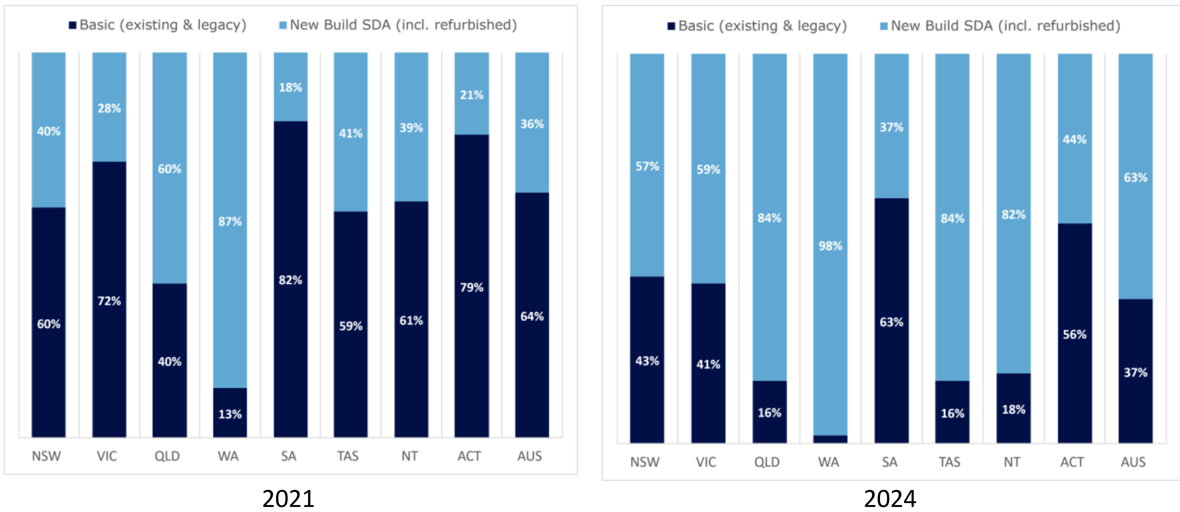
To inform successful strategies to facilitate the upgrading of Basic housing stock, this project will help understand the current state of play in the community housing sector, plans for upgrading of Basic SDA stock, barriers and enablers to upgrading/replacement projects, and learnings from case studies. Sharing the knowledge from this study through the CHDN network will have direct and significant impact on the practices of many CHPs, and can help improve housing and living conditions for people with disabilities.

2. Basic SDA: stock, distribution and conditions

2.1 Basic SDA stock

According to the NDIS Quarterly Report data, there were 14,688 NDIS participants residing in an SDA dwelling as of December 2024. A further 9,834 participants have been identified as SDA eligible, but not yet using SDA funding in their plan (see Table 1). In 2021, Basic SDA made up the majority of all SDA dwellings at 64%. By 2024, this proportion had declined to 37%, reflecting the anticipated growth in New Build SDA supply as the scheme matured. Figure 1 presents the national proportion of Basic and New Build SDA dwellings between 2021 and 2024, based on data from the NDIS Quarterly Reports.

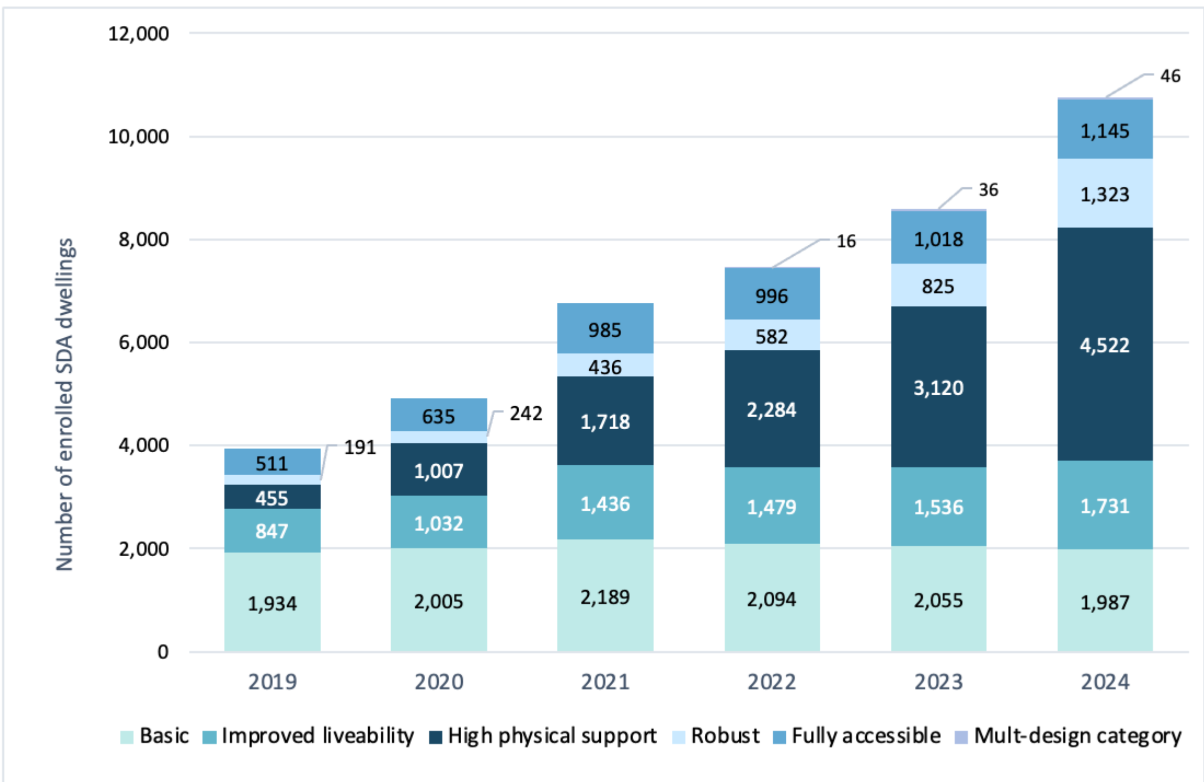
Figure 1: National proportion of Basic and New Build SDA 2021-2024



Source: NDIA Quarterly Report Table P.5 (2019–2024), excluding in-kind arrangements

To provide a clearer picture of this shift, Figure 2 illustrates the total number of enrolled SDA dwellings by design category from 2019 to 2024. As at December 2024, a total of 10,708 dwellings were enrolled in the SDA program across all design categories. As expected, the number of dwellings in the four New Build design categories—Improved Liveability, Fully Accessible, Robust, and High Physical Support—has steadily increased. However, while the number of dwellings enrolled as Basic SDA peaked in 2021, it has since begun to trend downward, albeit marginally. This is likely due to Legacy dwellings exiting the program.

Figure 2: Number of enrolled SDA dwellings nationally by design category 2019-2024



Source: NDIA Quarterly Report, Number of enrolled SDA dwellings by design category, 2019–2024 (excluding in-kind arrangements)

However, the data derived from these reports is limited in several ways. For example, they do not provide any indication into the quality of these dwellings or the current resident composition. The latter is critical in the context of this report, as Basic SDA constitute a greater proportion of larger dwellings (in terms of resident capacity) compared to New Build SDA. Nor do the Quarterly Reports include information on dwellings transferred into the SDA program via state-government in-kind arrangements. As far as the research team is aware, publicly available data on in-kind housing transfers is limited. Further, we know that some state governments did not transfer their supported accommodation housing stock into the SDA program. For instance, the Western Australian Government own approximately 2,000 properties either self-managed or headleased to CHPs and support providers as disability accommodation. The absence of granular, transparent, and comprehensive data hampers the ability of housing providers and governments to plan upgrades, support appropriate resident transitions, and make evidence-based decisions about the future of Basic SDA.

2.2 Geographic composition of Basic SDA

Table 3 shows the number of SDA-enrolled dwellings by building type and state/territory as of December 2024. Notably, the number of Legacy SDA dwellings (housing six or more residents) has declined over time, with only 173 remaining nationally. However, as Legacy dwellings exit the SDA scheme, the NDIA data does not indicate whether these properties have ceased operating as disability accommodation, making it challenging to assess the future use of these dwellings as they exit the program, and importantly, the housing outcomes of residents.

Also notable is the minimal number of Basic SDA dwellings in Western Australia (2%), attributed to the State Government's decision not to enrol their holding of approximately 2,000 pre-NDIS group homes into the SDA scheme.

Table 3. Number of enrolled SDA dwellings by building type, September 2024

State / Territory	Existing	Legacy	New build	New build (refurbished)	Total	Proportion of Basic (Existing + Legacy)
NSW	1224	53	1678	33	2988	43%
VIC	1159	90	1724	75	3048	41%
QLD	354	22	1936	20	2332	16%
WA	10	1	525	0	536	2%
SA	911	4	536	4	1455	63%
TAS	13	3	80	4	100	16%
NT	17	0	76	2	95	18%
ACT	110	0	85	0	195	56%
Australia	**3798**	**173**	**6640**	**138**	**10749**	**37%**

Source: NDIA 2024-25 Q1 Report, Table P.4 Number of enrolled SDA dwellings and building type, 31 September 2024 (excluding in-kind arrangements)

2.3 Individualised, group and congregate housing within SDA: Enrolment and resident capacity

When a dwelling is enrolled in the SDA program, the NDIA assigns a maximum number of residents based on its configuration, design features, among other factors. While this categorisation offers an indicative measure of potential resident capacity, it should be interpreted with caution, as maximum capacity does not necessarily reflect the actual number of residents currently living in the dwelling. As shown in Table 4, nationally, nearly 40% of SDA homes are designed for a single person, 21% for two people, 34% for between three to five people (group homes[1]), and less than 2% are for six or more people (Legacy) as at December 2024. Despite the prevalence of group homes within the program, the NDIS datasets do not distinguish whether these dwellings are enrolled as Existing, Legacy or New Build dwelling types—limiting insights into quality, accessibility, funding structures and the future plans for these dwellings.

Table 4. SDA enrolled dwellings by maximum number of residents, December 2024

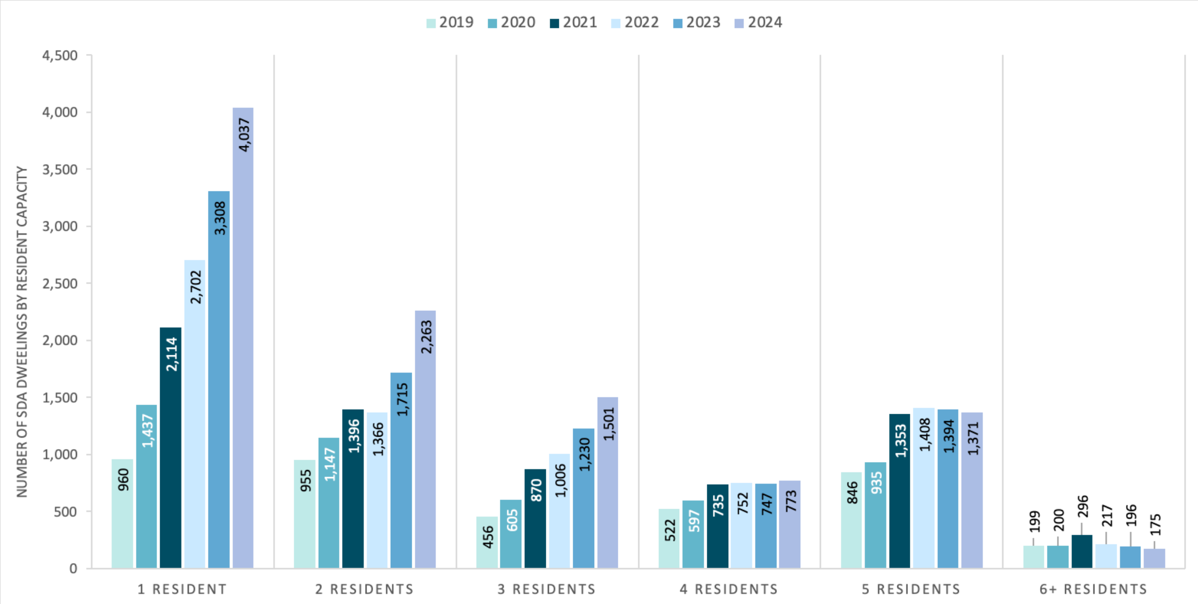
State / Territory	1 resident	2 residents	3 residents	4 residents	5 residents	6+ residents	Total enrolled SDA
New South Wales	1,337	423	265	300	610	53	2,988
Victoria	1,094	647	430	174	613	90	3,048
Queensland	1,083	589	492	110	36	22	2,332
South Australia	436	573	237	125	80	4	1,455
Western Australia	227	141	145	16	6	1	536
Tasmania	45	34	5	13	0	3	100
Northern Territory	10	58	17	3	7	0	95
ACT	73	56	34	24	8	0	195
AUSTRALIA	**4,037**	**2,263**	**1,501**	**773**	**1,371**	**175**	**10,749**

Source: NDIA 2024-25 Q2 Report, Number of Enrolled SDA Dwellings by SA4 Region and Maximum number of residents as at 31 December 2024 (excluding in-kind arrangements)

Figure 3 depicts the shifting composition of all enrolled SDA dwellings by resident capacity between 2019 and 2024. While there has been a notable increase in dwellings designed for one to three residents over this period, the number of four-bedroom dwellings have marginally increased, while dwellings with capacity to house five or more residents have gradually decreased since 2021-22.

[1] Definitions for 'group home' vary in the sector

Figure 3. Maximum number of residents in each enrolled SDA dwelling nationally, 2019 - 2024



Source NDIA Quarterly Reports: Number of Enrolled SDA Dwellings by SA4 Region and Maximum number of residents 2019-2024 (excluding in-kind arrangements)

Across interviews, there was widespread concern about the ongoing reliance on group homes and larger congregate living arrangements within the SDA program and broader disability housing system. Many stakeholders described them as outdated and inconsistent with current principles of choice, control, and community inclusion (Australian Government 2024; DSS 2025). The design of group homes, coupled with the service model, were often seen as contributing to high vacancy rates, particularly among prospective residents with some SDA funding who seek more independent living arrangements. Stakeholders identified that the operational and financial unsustainability of group homes, combined with falling demand, is helping drive the case for renewal or replacement of Basic SDA stock.

2.4 Legacy Housing

Legacy SDA properties, defined by the NDIS as pre-2016 dwellings housing six or more residents, are now relatively rare. The NDIS plans to cease funding of SDA Legacy housing of 6 or more tenants in staged phases given the model is no longer fit-for-purpose in the current disability housing landscape. Funding for properties with 11 or more residents have ceased and for properties with 6 to 10 residents, payments will cease after the end of the immediate ten-year period after the property's enrolment into the SDA program (NDIA, 2025, p. 19). There are currently 173 legacy SDA dwellings enrolled (Figure 5), down from 219 in 2021-22 (NDIA, 2022).

Only a few interviewees in our study from CHPs or state government reported having Legacy SDA homes under their management. Some interviewees raised concerns about Legacy housing reproducing institutional forms of housing, which are not aligned with contemporary standards of choice and control, and community-based housing.

Other interviewees did not dispute the rationale for phasing out Legacy housing, but some interviewees believed that in some instances, residents may be satisfied with their current living arrangements and may not wish to leave despite not meeting contemporary standards. One state government official interviewed commented that they still run one Legacy SDA home with six residents:

> Those six residents are quite happy to continue living there. (State government)

Importantly, suitable alternative housing options are not readily available for residents currently living in Legacy SDA, in part due to the failure of the SDA program to deliver on the targets for new supply. Some of the Legacy SDA properties were described as relatively new and were built as 6-8 bedroom units for older people with disabilities, where such models are considered aligned with contemporary standards of aged-care.

In contrast, another participant pointed out that while some existing residents might be satisfied, many have never been informed or had to opportunity to experience other ways of living. Furthermore, Legacy homes were considered unsuitable for new residents coming in:

> But is that going to be the housing that the next generation will want? What's it like as a 30-year-old to move into a house with 80-year-olds? (Research and advocacy)

2.5 Accessibility and physical conditions of Basic SDA

Quantitative data is not provided by the NDIA, state governments or community housing providers on the physical conditions and design features of Basic SDA stock. Qualitative data from our interviews suggests much of the stock is not fit-for-purpose, does not meet expected accessibility standards for disability housing, and is in poor condition and repair.

Stock not fit-for-purpose

The primary drivers for renewal and replacement of Basic housing are their inaccessibility and generally poor physical condition. Interviewees acknowledged some diversity in the quality of their Basic housing stock, with units that were purpose built for shared supported accommodation in more recent years (but prior to the NDIS) being of more reasonable quality. It was also noted that many dwellings of Basic standard were well located in high amenity areas. However, interviewees reported that most of the Basic stock they managed falls below the expected standard.

Interviewees noted that most Basic dwellings were never 'fit for purpose' in the first place. Not only were they built before the SDA dwelling standards were introduced, but many of them were also never designed for people with disabilities. For instance, many Basic dwellings were not purpose-built as supported accommodation, rather were conventional family homes spot purchased for people moving out of congregate institutions. Since many of the residents were people with intellectual rather than physical disabilities, little attention was paid to physical accessibility standards. These homes were described as being inadequate to support aging in place for people whose mobility has become more restricted over time.

Over the years, accessibility issues in those dwellings were often addressed through minimal and ad-hoc modifications, such as installation of ramps over the entrance stairs. Meanwhile, many other parts of the dwelling remained inaccessible. Improvements to the dwellings were constrained by lack of funding. Structural barriers, such as narrow doorways and corridors, limited space for ramps and lifts, small bathrooms, and structures that are not strong enough to support hoists also prevent significant improvements to accessibility. Meeting contemporary fire compliance standards – which vary within and across jurisdictions – is also difficult without substantial investment. One provider noted it was more cost efficient to rebuild rather than refurb to meet new fire compliance standards. Another community housing provider noted that attempts to modify bathrooms to meet accessibility standards can create other problems such as poor drainage as well as being high-cost.

Many of the Basic homes – particularly those spot-purchased rather than purpose built – are older dwellings, in some cases built over 100 years ago. These homes were not built to meet contemporary accessibility standards of housing, and their conditions have also deteriorated over the years due to accelerated wear and tear, and poor maintenance.

> The homes are typically … quite old and dated. They're just not nice homes. You wouldn't feel good living in that home yourself, put it that way. (CHP)

> And those properties, the feel of them is horrible. You walk in them, they're dated. There's no modern approach to resolving an issue. You know, you resolve an issue by scoring plywood over the walls and things like that. It's not set properly, and it just declines in how it looks and feels over the years, because that's how they've historically resolved those issues. (CHP)

Wear and tear in older properties was enhanced by inaccessible design, leading for example to damage to walls, doors and door frames by wheelchairs. The impact of poor energy efficiency in some of these older houses was magnified for people with disabilities who needed to pay electricity not only for their own usage, but also for support staff working in the property. This included for example having the air conditioner turned on 24 hours to meet Occupational Health and Safety requirements for staff. Small dwellings built on very large blocks – reflecting older approaches to home building – create additional challenges, such as higher costs for gardening and lawn mowing, while often there is no accessible pathway for residents to even utilise their backyard.

Purpose built supported accommodation enrolled as Basic SDA, while generally described by Interviewees as being in less dire condition, also had problems. One example mentioned by a CHP was a house where, in order for the support workers to get to the kitchen, they have to walk through one of the two bedrooms. To avoid that, the providers are only renting one of the bedrooms, leaving the other vacant for staff access into the kitchen without disturbing the privacy of the resident.

High Maintenance Costs

One interviewee working in state government described their Basic SDA housing portfolio as 'very well-maintained'. In contrast, a state government staffer from another jurisdiction commented that maintenance is 'really poorly resourced. I think there was some reference to maybe having a budget of something like $1,500 per property [per annum] to do any repairs or modifications. And $1,500 it's probably not going to stretch very far.' (State Government).

Community housing providers managing Basic SDA homes owned by state government were highly critical of the conditions of the homes transferred to their management, and the state government's poor response to maintenance requests despite capital works being their responsibility:

> We've got responsibilities to maintain the property. So, if the door falls off, or there's something going wrong, we have to maintain the properties. The state government are responsible for doing any capital works to the properties. They really push—and I'm not afraid

> to tell this to anybody—they really push hard back on anything like that. (CHP)

Without adequate funding, the costs of relocating residents during the renovation period also prohibited larger renovations.

We had not interviewed residents living in Basic SDA about their housing experiences. However, community housing providers reported that many were dissatisfied with the design and condition of their homes, and frustrated when requests for significant modifications or any rebuild were declined or ignored by some state governments (noting it was state government's responsibility to upgrade these dwellings).

Community housing providers also acknowledged that despite the age, design and maintenance issues of these old, Basic SDA, some people with disability already living in these houses preferred to remain living there rather than moving. This was because of attachment to housemates, neighbours, familiarity with and the area and/or preferred location, or not being aware of what the alternatives are. However, it was difficult for CHPs to attract new residents to live in these dwellings, where newer and better alternatives were becoming available. This has contributed to vacancies in group accommodation (primarily vacant rooms within group housing, rather than full dwellings left vacant).

> …we end up having quite a high vacancy rate because the houses aren't attractive. People aren't going to want to move in. (CHP)

In turn, as we elaborate in the following section, high vacancies impact on rental income for CHPs, and consequentially their resourcing available for reinvestment in property maintenance and improvement. For many CHPs, the high maintenance costs of older dwellings, combined with high vacancies, meant the costs of managing the units exceeded the income they received from rent and other funding:

> And essentially, the operational costs we spend on keeping these dwellings going outweigh the revenue…. they're [the houses] are essentially losing more money than they're making … largely because of the maintenance liabilities. (CHP)

3. Challenges, barriers and opportunities to upgrading Basic SDA

CHPs motivation to replace or upgrade Basic SDA—due to their poor quality and high operational costs—met significant challenges, including issues relating to finance, governance and ownership arrangement, NDIS processes and data limitations. In the following subsections we discuss these barriers, and the learnings from cases where CHPs were able to upgrade Basic housing despite the challenges, including lessons relating to tenant consultation and engagement.

3.1 Funding and finance

Inability to fund upgrades or replacements with Basic SDA payments

Access to funding and finance was consistently identified as a major barrier to upgrading or replacing Basic SDA dwellings. Interviewees explained that the annual SDA payments allocated to these dwellings are insufficient to support the level of capital investment required to meet contemporary standards – particularly in light of the substantial minimum refurbishment costs set by the NDIA to convert existing dwellings into one of the four New Build SDA design categories, as shown in Table 5. Uplift to a newer SDA standard and funding levels can be lucrative, however, as discussed in section 3.2, challenges in getting existing residents' SDA plans reviewed and updated has been a challenge.

Table 5. Minimum Refurbishment Costs for New Build SDA without Onsite Overnight Accommodation (2023-24)

Building Type / Design Category	Improved Liveability	Fully Accessible	Robust	High Physical Support
Apartment, 1 bedroom, 1 resident	$317,669	$330,699	-	$360,233
Apartment, 2 bedrooms, 1 resident	$337,415	$346,725	-	$377,170
Apartment, 2 bedrooms, 2 residents	$338,425	$347,235	-	$378,107
Apartment, 3 bedrooms, 2 residents	$372,765	$386,212	-	$419,720
Villa/Duplex/Townhouse, 1 resident	$169,225	$183,800	$185,566	$212,342
Villa/Duplex/Townhouse, 2 residents	$195,559	$216,275	$233,412	$244,265
Villa/Duplex/Townhouse, 3 residents	$246,124	$280,837	$297,720	$316,599
House, 2 residents	$397,923	$408,415	$458,680	$506,523
House, 3 residents	$442,909	$451,136	$486,374	$554,927
Group home, 4 residents	$507,291	$521,632	$564,407	$625,230
Group home, 5 residents	$556,771	$579,609	$631,005	$687,022

Source: NDIS Pricing Arrangements for SDA 2023-24

As illustrated in Table 6 the annual SDA base payments per participant in Basic SDA—particularly for larger dwellings—are markedly low. To some extent, the lower rates for Basic SDA reflect the fact that the construction or purchase of Basic SDA has already been funded by government prior to the NDIS rollout. In Legacy SDA homes registered to house up to ten residents, the maximum payment is $1,052 per participant per annum, with four-to-nine-bedroom group homes generating between $1,645 and $6,967 per participant, respectively:

> because it's a Legacy house, I think we receive less than $2 a day in SDA for the people who live there, and that will pretty much just stop by 2027 (CHP).

Moreover, funding for Legacy SDA is scheduled to cease (after the end of the immediate ten-year period after the property's location transitioned into the NDIS), without funding allocated to elevate existing dwellings to higher standards.

Table 6. Annual Base Price per SDA Participant for Basic (Existing & Legacy) Stock

Existing dwellings	**Base price per Participant p/a**
Apartment, 1 bedroom, 1 resident	$23,898
Apartment, 2 bedrooms, 1 resident	$31,563
Apartment, 2 bedrooms, 2 residents	$10,168
Apartment, 3 bedrooms, 2 residents	$15,822
Villa/Duplex/Townhouse, 1 resident	$12,083
Villa/Duplex/Townhouse, 2 residents	$6,391
Villa/Duplex/Townhouse, 3 residents	$5,172

House, 2 residents	$7,359
House, 3 residents	$5,647
Group home, 4 residents	$6,967
Group home, 5 residents	$5,595
Legacy dwellings	**Base price per Participant p/a**
Legacy dwelling, 6 residents	$4,280
Legacy dwelling, 7 residents	$3,219
Legacy dwelling, 8 residents	$2,357
Legacy dwelling, 9 residents	$1,645
Legacy dwelling, 10 residents	$1,052

Source: NDIS Pricing Arrangements for SDA 2024-25; Appendix C & D; Table 13–16 Annual Base Price per Participant for Existing & Legacy Stock

As previously noted, larger group homes are rarely tenanted at maximum capacity. Therefore, a dwelling registered as a 10-person Legacy SDA dwelling, for instance may only house four residents with the intent to improve resident experience. However, this significantly reduces the total SDA income received for the dwelling, further limiting CHP capacity to maintain, let alone upgrade these dwellings.

Funding redevelopment and land

Given the inadequacy of annual Basic SDA payments to support the upgrades required to bring these dwelling to contemporary standards, interviewees described a range of alternative funding approaches under consideration. For CHPs who own and manage Basic SDA, interviewees described the potential of cross-subsidisation models, whereby income from developing a portfolio of New Build and higher-funded SDA dwellings could offset the cost of upgrading or replacing older Basic stock. Yet, self-financing remains challenging among many CHPs, with limited cash-flows coupled with constrained access to up-front capital and well-located land identified as key barriers:

> The biggest issue for us is we don't run a heavy surplus. So borrowing money to do redevelopment on specialised housing is challenging […] as long as the SDA payments are calibrated right, I think it's true that you can actually afford to maintain the property once it's built. The biggest problem is the funding upfront (CHP).

While income from New Build SDA could potentially help cross-subsidise Basic SDA upgrades, the significant ongoing costs required to maintain Basic dwellings at their current standard only compounds funding constraints faced by CHPs:

> SDA does offer us an avenue to renew, because there's a new revenue stream, where once we can start to deliver new properties, we can then start to see increased revenue which can support the financial sustainability of those [Basic SDA] portfolios. But in their current state, they're essentially losing more money than they're making largely because of the maintenance liabilities (CHP).

While redevelopment of Basic stock was generally preferred over refurbishment (see section 3.6), it was only considered viable in cases where some form of capital uplift was achievable. Interviewees explained that many Basic SDA properties are located on well-sized lots in high-amenity areas, creating the potential to redevelop these dwellings in accordance with contemporary inclusive design standards:

> Quite a lot of the properties that we actually manage are on very large blocks of land in locations where people want to live, because that's where they have always lived. And on quite a lot of those blocks of land, you could actually build 3x three-bedroom villas in a cluster. So an environment that would be ideal (CHP).

However, interviewees reported challenges where planning permissions impede feasible redevelopment, or when redevelopment results in overcapitalisation. This was described as particularly difficult when government ownership is involved:

> if you knock them down and redevelop them, you can't get uplift. Many of them aren't on large enough blocks of land. So you have to take effectively an existing property and replace it with a new one. And that puts us in a bit of a tricky position, because the government has a financial interest in the current property which is land and property. And then, if you build something new on top of that. you're effectively overcapitalising. So you're creating an asset that costs you more than it's worth (CHP).

Further, acquiring new sites for development that meets contemporary design standards, was cited as an additional financial obstacle for CHPs, particularly in high-cost urban areas:

> There is no land in New South Wales or in Sydney, where the numbers actually work. We need the land to be given to us pretty much (CHP).

The consensus among interviewees was that land concessions are a critical component to the CHP delivery of new dwellings.

Vacancies and financial sustainability

Vacancies in Basic SDA were viewed as both a symptom and a driver of funding shortfalls for upgrades and replacements. SDA vacancy issues are well-documented, particularly among speculatively developed new-build SDA that do not meet the location or dwelling needs for which NDIS participants receive funding (see Crowe, James et al. 2024; Skipsey, Winkler et al. 2022). In the context of this study, interviewees described a cycle in which the poor quality and inaccessibility of many Basic dwellings deter tenant demand, which then reduces SDA income and rental revenue—undermining the financial viability of the asset, and the funding required to improve the quality of these dwellings:

> Where there is no SDA income, those assets are just losing money (CHP).

For CHPs headleasing government-owned Basic SDA, vacancies create a dual burden: providers lose tenant rental income while also owing a letting fee to the respective state agency, even when units remain unoccupied:

> I think we're currently at 17% [vacancy rate] so that means that we're losing a bit of money (CHP).

Vacancies also pose implications to the relationship between housing and support providers:

> The other issue that we have there is that we end up having quite a high vacancy rate because the houses aren't attractive […] People understandably, don't want to live in group homes, so we do end up having to run houses that have got a number of vacancies, which is a financial strain on us, and is also a huge financial strain on the SIL provider. And you run the risk of having your SIL provider pull out because they're running a house with two people, and it's not viable any longer, because those people are not being funded at that ratio. So, it's quite complicated (CHP).

Sourcing non-NDIS government finance and funding

In order for CHPs to undertake the scope of work required to refurbish or redevelop Basic SDA stock, sourcing low-cost debt finance is crucial. Given the cost of capital in the current interest rate environment, market rate lending was largely viewed as an unviable option for CHPs. Interviewees explained the need for alternative low-cost or concessional funding sources from the likes of government or social impact investors. However, attaining state or federal government funding to refurbish Basic SDA was viewed as challenging, with interviewees citing the SDA Rules which deem SDA providers as largely ineligible from accessing non-SDA Government funding streams (Australian Government 2020). This was recognised as a significant barrier as it excludes CHPs from accessing the likes of the Housing Australia Future Fund (HAFF), which was viewed as an ideal funding mechanism for improving Basic SDA:

> you can't build SDA with that HAFF funding. So we're a community housing provider. We do community, social, affordable. And the problem with the NDIS and the SDA is that the NDIS think it's everybody else's problem, and the state government thinks it's the NDIS's problem (CHP).

> the way the SDA rules are written means that SDA dwellings aren't eligible for enrolment if they've received a grant via another state or federal scheme. So, [major refurbishments] need to be funded up front by the SDA provider (CHP).

Without access to an appropriate funding mechanism, CHPs have limited capacity to upgrade Basic SDA within their portfolio:

> the fact that there is no opportunity to get any seeding grant from anywhere to actually commence this work, and that it's all upfront from the organisation's perspective, creates a really big issue (CHP).

Interviews with state government representatives painted a similar picture regarding their Basic SDA stock. Given the complex arrangement between state owned properties enrolled into the federally governed SDA program, state government representatives explained that under the current policy settings, there is no funding mechanism to support the upgrade of Basic SDA stock within their holdings:

> there's no funding source necessarily, to dedicate back into maintaining, improving or developing the SDA portfolio that [the Department] have (State Government).

Given the challenges to attain funding for upgrades through non-SDA government streams or via self-financing, some interviewees described engaging third-party social-impact investors to source low-cost debt finance:

> if we could find a way to finance this ourselves, it would be a much better option than going to a third party who we have to, you know, promise eight and a half percent returns to. So, we're kind of working through that at the moment to determine exactly how we structure the deal with this third-party investor. But at the moment, the way it's structured is that ideally, at year 20 the debt would be completely repaid (CHP).

Some smaller CHPs spoke of their nervousness about taking on debt to undertake rebuilds, worrying if long term they could land in a precarious financial situation. They described being only small in size in terms of revenue and business capacity. They noted that as CHPs, they were perceived by lenders as high risk, and that as such, this meant that debt finance could only be obtained with higher interest unless they had a high amount of upfront capital. Concerns were also raised about meeting investor expectations and in particular, if vacancies were higher than expected, they could fall into arears in investor repayments. They noted that third party investors usually expect a minimum return of 8-10% per annum.

3.2 NDIS plan assessment barriers

A further limitation to financing Basic SDA upgrades stems from inadequate or outdated NDIS participant plan assessments. Many long-term residents of Basic SDA—particularly those 'grandfathered' into SDA under a continuum of care arrangement—have not been assessed for SDA eligibility, or are receiving funding at the Basic level despite clear needs for higher design categories:

> The majority of participants in our Basic dwellings will have SDA [in their NDIS plan], but it's certainly not 100% probably not even 90%. A number of them are just long-term residents that have been in those dwellings for many years, that just haven't had a NDIS plan put together and just continue to reside in the properties for reasons of convenience (State Government).

Interviewees also discussed issues relating to the fact that many Basic SDA dwellings are tenanted by a blend of residents with and without SDA in their NDIS plans. Such scenarios amplify the already limited funding resources available to upgrade these dwellings:

> we have maybe 14 registered SDA dwellings. Of those I think we only have five or six SDA-eligible participants. So, we're not getting an SDA payment for the balance (CHP).
>
> It varies from property to property. We'll have some dwellings, so that Legacy property I mentioned with the six residents, I think three of them have got SDA eligibility at the Basic level, but they're kind of considered as Legacy clients, so we do get some funding for them.

> The other three, I think, are not. So we won't get any direct funding from the NDIA for those clients (State Government).

Reassessment was widely regarded as essential both for improving residents' access to appropriate housing and enabling financial viability of Basic SDA upgrading or redevelopment projects. Community housing providers noted that, if NDIS plan assessments confirmed participant eligibility for New Build SDA categories, they would be better positioned to finance new, fit-for-purpose housing through a mix of debt finance and internal capital:

> If there's three or four people living in a poor quality home, and most of those people have SDA or should be assessed for what category of SDA - it's probably going to be Improve Liveability or Fully Accessible - we're confident we can get that model to stack up using a combination of our cash reserves, debt finance, and potentially some capital raising as well, to do something with most of the 112 properties (CHP).

However, interviewees highlighted that current processes in the NDIS prevent or slow down reassessment of tenants and present a barrier to renewal of Basic SDA housing:

> Probably one of the other barriers … [is] trying to get those reassessments done at speed, getting those reassessments done for a group of people who are all about to move into other housing, whether it be together or separately. We have tried to engage with the Agency [NDIA] who are really interested that there's going to be some renewal, but there has not been any work from the Agency on either fast tracking the process or identifying people that are in the stage of renewal, and how we can get that moving early in the piece so that we understand exactly what is going to be in their SDA going into the new world (CHP).

Several CHPs also highlighted that NDIS assessment outcomes, especially the preferred 1:3 support staffing ratio (see Australian Government, 2023, p. 143), limited opportunities for renewal of Basic homes into more individualised housing models:

> The NDIA try and impose 1-to-3 ratios... you try to match those two bits together. (CHP)

Importantly, not all current Basic SDA residents will be eligible for the higher design categories (reserved for individuals with extreme functional impairment). This is a concern in the case where Basic SDA properties are redeveloped, and their existing residents cannot access SDA funding. It is critical to ensure that alternative funding is made available to allow these residents to continue to live in an upgraded home, if that is their preference, or that alternative accessible and affordable (non-SDA) housing is made available them.

Other concerns about the NDIS assessment process and outcomes included: where participants experienced a change of circumstances and a plan review is needed immediately but can take up to 6 months (see Skipsey, Winkler et al. 2022). Some interviewees questioned whether participants without the skills and adequate support to navigate the NDIS assessment process were being disadvantaged with poorer assessment outcomes.

Taken together, timely and accurate assessment of the housing eligibility of all Basic SDA residents was highlighted as critical to ensure individuals have access to housing that meets their actual needs and aligns with their Home and Living Goals. A higher level of SDA funding for residents would enable housing providers to deliver the type of housing required. This might be through the refurbishment or replacement of Basic SDA stock by CHPs, as well as transitioning residents out of state-owned Basic SDA into New Builds meeting contemporary SDA design standards.

3.3 Governance - conflicting interests between asset owner, tenancy manager, support provider, NDIS participant

The conflicting interests of different stakeholders in the SDA landscape represented further barriers to upgrading of Basic housing. Stakeholders include the asset owners, tenancy managers, support providers, the NDIA and the NDIS participants themselves. Previous research (Crowe, James et al. 2024) revealed how the transition of specialist accommodation provision from the state to the federal level under the SDA program has triggered ambiguous cross-governmental responsibilities in the context of disability housing provision and renewal.

Many asset owners, particularly many state governments, are reluctant or unable to upgrade underperforming Basic SDA housing. Further, many CHPs are too small or risk-averse to take on large financial loans to purchase or upgrade housing to fit-for-purpose standards and consequently, many NDIS participants lack choice and control over where, and with whom they live.

These conflicting interests are amplified by the multiple state government departments involved in Basic SDA and non-SDA disability housing. This includes varying departments overseeing disability, health, housing and property asset management, with each department holding different, and often siloed, levels of experience, skills, knowledge and data.

The topic of who is responsible for upgrading state-owned Basic SDA properties is further complicated when one state government department owns the property (i.e., asset management division), and another manages the tenancies and support components (i.e., health division):

> there is a discussion around modification needs and new standards and expectations and everything. So, I don't have a full answer, because it's a question we're trying to tackle. Our position has been: This is a Mental Health Commission program. They receive the funding. They should be securing funding to do that work. However, modifications are a very convoluted or complicated area (State Government, asset management division).

State governments' inability to improve their own Basic SDA properties has created tensions when these dwellings are headleased to CHPs for day-to-day tenancy management and operations:

> They [the state] just don't have the budget to spend money. So, they will try to pin that back onto us. So, it's hard to improve the properties, but we spend more than we should, and we've doubled our expenditure on repairs and maintenance over the last four

> years, and particularly around those older properties to try to improve them (CHP).

The interviewee continued, describing a situation where the CHP ended up paying out of pocket to ensure an occupied dwelling remained habitable for residents:

> They [state government] reject replacing an air conditioner, if the air conditioner breaks down where that falls under their schedule. And the people living in these homes live with a disability, some of them need air conditioning going 24/7 because they need their air temperature constant, and they will reject that. So, we've taken that on our own back at different times and paid for the cost of a new air conditioning, which as an organisation leasing the property, that's clearly not our responsibility (CHP).

3.4 Data and information limitations

Inadequate visibility of dwelling condition and resident need

A contributing factor to lack of progress on the upgrading or replacement of Basic SDA relates to data and information limitations. Interviewees across both CHP and state government agencies highlighted key knowledge gaps concerning the physical condition of existing Basic SDA stock, as well as limited insight into resident profiles and their housing needs and aspirations:

> we have lost all visibility of demand for housing in this space. We don't have it. We don't have access to that data. And that makes it really challenging. And it makes it really challenging as you go down every single level of that, because we now have a whole heap of people housed in this, arguably disability stock as we classify, and legacy stock that is classified in one way, with no way of us readily knowing or having quality assurance and oversight of what the needs of that client, customer, tenant, individual is, and so it's fostered a real disconnect in the system (State Government Representative).

This disconnect extends to uncertainty around the level of SDA funding that long-standing Basic SDA may be eligible for following an accurate NDIS plan reassessment. For CHPs seeking to upgrade or replace Basic SDA to meet contemporary design standards, this poses a critical financial risk. Without reliable projections of eligibility for each resident, redevelopments may be mismatched to residents' approved level of SDA funding resulting in lower-than-expected cashflows:

> If you're trying to build something that's High Physical Support, but you've got three residents moving into this new dwelling that are only eligible for Improved Liveability, and one that's eligible for Fully Accessible it's difficult to because the pricing is structured in a way that the SDA repayments are supposed to recover your capital costs. But if we're getting SDA payments that are below the design category we've built, commercially it then starts to become a challenge (CHP).

Interviewees noted that there has never been a universally recognised and coordinated process to support the transition of Basic SDA dwellings and residents into upgraded or newly constructed homes aligned to contemporary SDA design standards. The absence of such a framework was described as contributing to a policy ‘stalemate’, where the need for change is clear but future planning is hindered by insufficient data on resident housing needs and eligibility as well as inadequate stewardship from all levels of government to support the transition.

Fragmented governance and management arrangements create information silos

Data limitations are further compounded by fragmented governance and management arrangements (see section 3.3). In many cases, Basic SDA properties are often state-owned, headleased to CHPs, with day-to-day support services provided by SIL providers. This multi-actor environment makes it difficult to develop a unified, clear picture of dwelling condition and tenant needs:

> we don't know the dwelling conditions because we don't have a good sense of the stock across the board, because each provider operates differently, shares information differently, captures information differently (State Government Representative).

This fragmentation also affects the level of oversight required to appropriately support residents through NDIS reassessment processes to achieve SDA funding in a higher support category, which are required for transitions to higher-quality housing. It is often support coordinators who undertake this navigation role, but these vary in relation to knowledge of housing need and their availability:

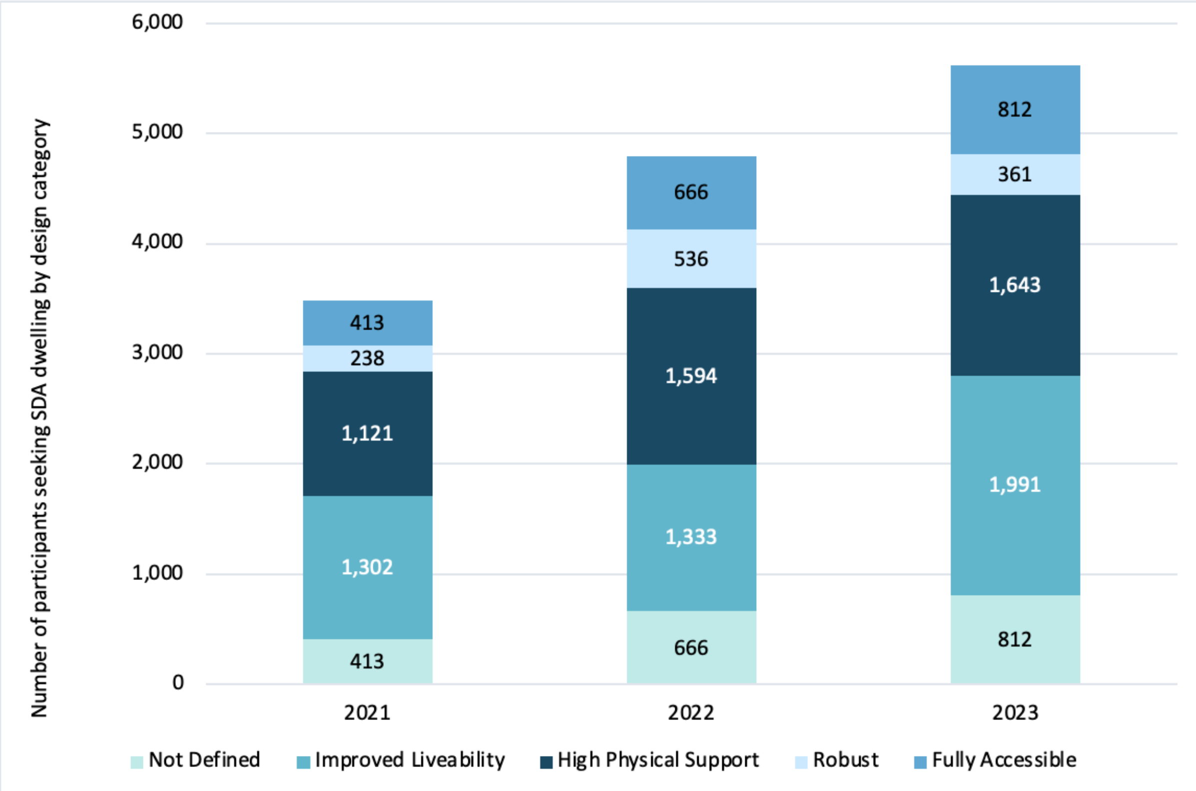
> Not all support coordinators are set up to help clients reassess their plans, and to get SDA into their plans when they haven't had it in the past. And not all clients have support coordinators even. And then obviously, we all know that the challenges that we face with the NDIA, even with the best prepared plans and presentation, etc., is still quite difficult for them to do that [reassessment] in a timely manner (State Government Representative).

Declining data granularity in NDIS reporting

Interviewees also pointed to the declining quality and detail of data released by the NDIA as a key limitation impacting the upgrading or replacement of Basic SDA. Between 2021 and 2023, NDIS Quarterly Reports included data on participant SDA needs by design category and location (SA3/SA4), which enabled CHPs to plan based on actual demand. However, this level of detail has since been removed. To illustrate the point,

Figure 4 and Table 7 show the type of design-category-specific data previously available, which allowed housing providers to assess where demand existed for specific types of SDA, such as High Physical Support or Fully Accessible dwellings. This data was instrumental not only for planning new SDA supply, but for informing decisions regarding the future of Basic SDA stock.

Figure 4: Number of participants seeking SDA dwelling by design category



Source: NDIS Quarterly reports 2020-24: Table P.17 Number of Participants with identified SDA needs by status and SA3 Region; Table P.18 Number of Participants seeking SDA dwelling SA3 Region and Design Category

Table 7. Number of NDIS Participants seeking SDA by required Design Category, September 2021

State/ Territory	Not Defined	Improved Liveability	High Physical Support	Robust	Fully Accessible	Total participants seeking SDA	Participants seeking SDA dwellings (%)
ACT	1	11	18	1	9	40	19%
NSW	140	523	376	71	267	1,377	22%
NT	1	9	14	5	6	35	21%
QLD	52	193	296	51	187	779	34%
SA	49	101	113	22	78	363	19%
TAS	7	19	20	2	12	60	14%
VIC	150	397	236	74	183	1,040	18%
WA	13	49	48	12	41	163	13%
Total	**413**	**1,302**	**1,121**	**238**	**783**	**3,857**	**21%**

Source: NDIS Quarterly report 2021-22 Q1: Table P.12 Number of Participants seeking SDA dwelling SA4 Region and Design Category as at 30 September 2021

As of 2023, these design-specific indicators were removed from the Quarterly Report data, along with the indicator *Participants in SDA seeking alternative*. Further, the indicator *Additional Participants eligible for SDA* was also removed in 2024. So at the time of writing, housing providers can only really differentiate between Participants with *SDA in use*, and those with *SDA not in use*.

As a result, a NDIS participant could currently be residing in an SDA dwelling that does not meet their housing needs (such as a Basic SDA home) yet changes to the data sets no longer inform housing providers about this cohort's actual housing and locational needs. This reduced data granularity presents additional complexity for housing providers seeking to upgrade or replace their Basic SDA stock as without an accurate demonstration of actual SDA need, providers lack the necessary information to make informed decisions about improving housing outcomes for tenants in group homes and legacy SDA:

> [Residents] might be eligible for a higher level of SDA than they're currently receiving, and the community housing provider that's managing that house on our behalf is completely unaware of that, and then we have even less idea. So this disconnect in knowledge now exists that didn't always, and we have really struggled. We probably lost sight of that more and more over time (State Government Representative).

The potential of commercial data platforms

In the absence of publicly available, detailed, and up-to-date data on SDA dwellings, commercial online platforms have emerged as an important, albeit partial, solution to the information challenges facing the SDA sector. A prominent example is the *HousingHub*, which provides a digital marketplace and information service for people with disability, housing providers, and support coordinators. HousingHub, and similar commercial platforms, offer several important benefits:

- *Improved visibility of accessible housing options*: For people with disability and their support networks, HousingHub provides a centralised and user-friendly interface to browse SDA and other accessible housing options. Listings include details on design category, location, features, and availability—information that is otherwise difficult or impossible to obtain through government sources.
- *Market matching and vacancy reduction*: By enabling real-time advertising of available dwellings, HousingHub helps reduce vacancies and supports faster tenant-provider matching, particularly for New Build SDA. This can improve provider revenue and ensure better use of existing housing stock.
- *Sector-facing data and analytics*: For providers and policy-makers, the platform offers analytics and aggregated market insights (for paying users), which can inform planning, investment decisions, and service delivery strategies.
- *Support for tenant decision-making*: The HousingHub also includes educational resources, planning tools, and open days aimed at empowering people with disability to exercise choice and control in housing decisions.

Some commercial platforms offer more granular, and up-to-date data, but the price point can be challenging for smaller SDA operators as well as government agencies facing restrictions on purchasing commercial data subscriptions. Commercial platforms fill critical data gaps, but are not a substitute for robust, publicly funded, and widely available data infrastructure.

3.5 Resident consultation and engagement

CHPs noted that engagement with residents is necessary to facilitate choice and control, and avoid unbased assumptions about Basic SDA residents' preferences and needs, including the assumption that they necessarily want to leave their homes. This shift from asset management to a person-centred co-design approach was also described as making commercial sense by ensuring new housing options meet actual preferences of current residents, as well as future demand. However, implementing co-design is resource-intensive, requiring extensive labour and significant financial investment. Critically, there are currently no dedicated funding sources available to support this essential work.

To date, we have identified only a few examples, all relatively small-scale, of co-design and consultation efforts already undertaken by CHPs and state governments in relation to redevelopment or replacement of Basic SDA housing. These examples reveal challenges in the consultation or co-design process.

One tension concerns the desire to be responsive to residents' housing preferences and 'choice and control', while also communicating the limitations imposed by funding frameworks and other practical constraints. Experienced providers described the challenges of 'managing expectations', and 'educating' various stakeholders about both the opportunities and constraints.

> So it can be a little bit challenging. …you've got to make sure that the build is viable. However also meet the needs of the participant as well — and that is the design category, the house type and the location. It's all very complex. (CHP)

> So it is basically co-design. It's co-design with the participants that will be living in the home long term. So we have a lease for up to 60 years. So by doing the co-design with participants, we give them the opportunity to design and build a house that's suitable for their needs, for them to live there, and even in the location. (CHP)

Another challenge of engaging residents in co-designing the renewal of their homes is that often they have not had a chance to experience alternative forms of housing to make an informed choice:

> how do people make informed choices when all they have experienced is: you spent the first few years of your life in an institution. You've been in legacy housing for the last 30 years. The question about where you live with whom you live, is actually quite complicated. … creating opportunities for people to trial housing solutions is pretty important….to give people a chance to try different things. I mean, people don't know whether... if they are located close to shops, they don't necessarily know what it is to be a kilometre away from the shops if that's what the new housing options going to be. (Research and Advocacy)

Notwithstanding, CHPs who have undertaken such consultations reported that despite initial concerns, residents consulted expressed very clear preferences about their new homes.

Interviewees discussed the need to consider not only residents' current circumstances, but also their future circumstances. In particular, plans that are heavily based on people's available support networks can become unsustainable in the future, for example if a person's parents pass away and no other support is in place to help manage existing housing and support arrangements. Relatedly, interviewees emphasised consultation is never just about housing preferences, but about people's wider life goals, and how their housing can support these:

> I guess the point, to frame it another way, is that having a good, inclusive life in the community has many elements of which your housing is one part. (Research & advocacy)

Balancing the preferences of current residents with the adaptability needed for future residents was another theme mentioned by providers. While designing 'bespoke' solutions for existing residents in Basic SDA, providers must also ensure that the homes are adaptable and would appeal to future residents, to ensure longer term sustainability.

> Who's going to want to move into there when the people who are in there now pass away? And so, I think this issue of adaptability of the housing design requires thinking about future housing need, as well as current housing need. That is a critical ingredient in all of this. (Research and Advocacy)

> When that person leaves, that house has got to be able to function for the next person. So that's why you need conceptual standards about what you build to create for the next client, and they can change the colour of the other pieces. So not many people are building for that sort of context, and that's why there are a lot of issues in the market. (CHP)

One provider addressed this tension by setting up a design panel, with both professional and lived-experience experts, to ensure new homes are designed to address both the preferences of current residents, and those of potential future ones.

Families play a critical but complex role in consultation or co-design with residents. Some people with intellectual disabilities are often supported by family members in decision making, and would need such support to engage in the consultation process meaningfully. The growing literature on supported decision-making highlights the complexities of the process, and the sometimes blurred line between supporting people to make their own decisions and making decisions *for* people. At the same time, many have no unpaid supporters to assist them in decision making, and would require support from volunteers or paid supporters.

Like families, SIL providers also play a central but complex role in co-design. On the one hand, they have established relations with residents and their knowledge and expertise is often needed in the consultation process. On the other hand, SIL providers also have vested interests in the design of new homes, since the housing form will also influence their workforce's environment work conditions and hence operational costs. Some interviewees from the community housing sector described the need to build partnerships with 'trusted SILs'.

The time and cost involved in consultation and co-designing housing solutions are substantial. One interviewee suggested costs of $2000-3000 per resident just to gather documentation and consult for the NDIS reassessment process. However, case studies suggest significantly higher costs for the full consultation process. As a pilot project, the South Australia State Government has paid for 110 hours of external consultation to assist with the renewal of one Basic SDA unit with four residents.

> I think that the fact that there is no opportunity to get any seeding grant from anywhere to actually commence this work, and that it's all upfront from the organisation's perspective, creates a really big issue … It's very labour intensive. We're talking about the cost of staff to do the engagement with people, to do the development of the consultation with architects.

> And yet, there is nowhere that we can actually get any seeding grants for that work. And even things like the NDIA grants that come out, they aren't for this. They are very clearly not for the things that are going to be about bricks and mortar, and yet, that's a fairly important part of someone's life. (CHP)

However, interviewees emphasised that despite the high cost, the co-design and consultation process is crucial, and the costs of failing to do it are significantly higher when homes are built without consultations in locations where people with disabilities do not want to live due to poor access to services and distances from their support networks. Investors then lose significant capital if a tenant then leaves and the properties are left vacant.

Case Study: The Singleton Housing renewal co-design process

Housing Choices Australia's (HCA) is a CHP operating across Australia. Its Singleton housing portfolio comprises 38 dwellings established during the deinstitutionalisation movements of the late 1980s and early 1990s. These dwellings were originally built for general community housing, and were not intended or designed to serve as shared supported accommodation. As a mixed-equity model, residents and their families moving into Singlton purchased 'shares' in the portfolio, which accounted for about a third of the cost. Over the years, HCA bought residents' share in the portfolio, while committing to maintain all associated residents' tenancy rights.

The Singleton portfolio exemplifies many of the issues affecting Basic SDA outlined in this report, where the original design was not fit for purpose, and over time the dwellings have accumulated significant maintenance liabilities, affecting liveability and also rendering them financially unsustainable. HCA identified Singletons as its first portfolio of Basic SDA that required a comprehensive renewal project. The buyback of residents' shares in Singleton gave HCA sole ownership of the properties, thereby simplifying plans for renewal. Pilot projects have commenced but achievement of a fully-funded solution for the broader portfolio renewal has been constrained by the issues highlighted in this report, namely access to upfront capital, SDA pricing structures for Basic dwellings, and SDA eligibility reviews.

Consultation with current residents has been extensive. Departing from a traditional asset management mindset, HCA's approached the process as 'co-design' with the residents. The initial work focused on a pilot group of four Singlton homes. The process involved conversations with the residents, their advocates, support coordinators, support networks – including family supporters where they were available – and their SIL providers. Residents could choose to participate in discussions individually or in groups, but an effort was made to enable residents to have some of those conversations individually to allow them to speak more freely without the influence of other residents or the SIL provider.

The main options explored through the process were residents' preferences regarding who to live with, the location of their home, and the design of their home — from the number of bedrooms to the floor coverings. One initial concern was discussing housing options of which the residents had no previous experience. However, as a HCA staff member noted:

> residents have been more imaginative and adventurous than I think people would have given them credit for previously. Residents have been really clear that, "no, I don't want to live with those people anymore", or "I have to have my own bathroom”. That has been a running theme for every single person that we've spoken to. Other people have said they would like to have their own laundry because they don't want to share […] with the other people in the house. Many people have got some really clear ideas of exactly the location that they want that house. (HCA)

Part of the design process involved identifying solutions that allow meeting the preferences of different individual residents. For example:

> Some people have wanted to live close to their existing resident housemates. So, they've wanted to be in a two-bedroom unit, perhaps next to a two-bedroom unit where other people are living. Or be in a one-bedroom unit next to a two-bedroom unit where other people are living. (HCA)

The co-design process meant choices such as whether to redevelop existing dwellings or relocate residents to new homes elsewhere, were not predetermined. Of the four pilot homes, two will be replaced with newly acquired properties and the other two will be redeveloped, as per residents’ preference to stay on site, despite significant challenges of temporary relocation during the redevelopment. Nevertheless, HCA staff acknowledged not all residents’ preferences could be met, and a key challenge was therefore:

> In all of those decisions, to maintain their involvement, but also to manage that expectation. (HCA)

The co-design process has been instrumental in building a sense of comfort and commitment within HCA with respect to the Singleton redevelopment. The pilot provides a prototype for the process of co-design, and a sense of the costs involved, which could be replicated to other parts of the organisation’s portfolio: ‘we've been much more confident in what we want to build and what this renewal program will look like.’ (HCA)

3.6 Relocation or Redevelopment

Most interviewees held the view that extensive renovation or upgrading older Basic properties in line with modern SDA standards is economically inefficient, and building new SDA elsewhere will be more cost effective. However, in some cases, residents’ preference to stay on site tipped the balance in favour of in-situ redevelopment.

Several interviewees noted that renovation of Basic stock to current SDA standards, or contemporary inclusive housing standards more broadly, can be prohibitively expensive (as previously indicated in Table 5):

> Any renovation...is never as good value as starting from scratch and building anew...it's cheaper and better value to build a new home. (CHP)

In addition to financial costs, redevelopment on site required temporary relocation of residents during the construction period, estimated by some interviewees as potentially two years of displacement. Concerns were raised about the disruption of two moves (moving out for reconstruction, and then moving back to the new home), and associated risks to older residents’ cognitive and functional capabilities. It was difficult identifying suitable temporary accommodation – in one case, interviewees reported no suitable available accommodation could be found.

Where Basic SDA houses are replaced with newly built SDA elsewhere, they could be sold in the market, or if they are of reasonable standard they could potentially be repurposed into alternative uses like social housing with relatively minor improvements.

Full replacement of homes creates an opportunity to build more individualised housing solutions. However, this potential is constrained by a tendency for the NDIS to fund 1:3 support staffing ratios. In response, several providers are exploring housing models that preserve some shared elements but provide greater separation and privacy. This includes for example clusters of semi-detached, villa-style living:

> You try to create separation... could almost be like a couple of villas. (CHP)
>
> You could actually build 3x three-bedroom villas in a cluster. (CHP)

Nevertheless, residents, especially older adults, sometimes strongly preferred to remain in the exact site in which their home is located where they had strong attachment, and their advocacy significantly influenced redevelopment decisions. This was the case in the pilot for HCA's Singleton redevelopment, where two of four houses were redeveloped on site (see section 3.6). At a wider scale, replacement rather than redevelopment risks losing SDA stock in more central metropolitan locations, replaced by new SDA in outer-metropolitan areas with lower land prices.

3.7 Design and inter-sector knowledge sharing

Considerable discussion formed around the design approach to transitioning tenants from Basic SDA into housing that meets their home and living goals. It was strongly emphasised that tenants' housing needs, aspirations and place and social attachments require (1) careful consideration when making any decisions to housing upgrades, replacement, relocation and, (2) appropriate consultation required to provide true informed choice. To this end, enhancing sector collaboration and knowledge sharing was viewed as essential to informing design decisions regarding upgrades to improve housing outcomes for Basic SDA residents:

> we should think about how we share best practice in good building design that facilitates support, but also gives people independence. I don't have the solution to that. We're building some stuff. It's probably going to be right or wrong. But ultimately we really need to nail that, and the best way to do that is to have a large cohort of people with lived experience, expertise, and leadership, who can actually feed into that (CHP).

Interviewees strongly emphasised the need for much clearer resident engagement and co-design processes, improved data quality to support decision-making, as well as new forums to facilitate knowledge sharing across the sector:

> From the sector, I think I'd like to see that there are recommendations around that best practice piece around that, you know, lived experience and practical – I'd love to learn how people are doing that, and how it's working and how it's not. ~~(~~CHP).

4. Conclusion

This report has examined the current status and future prospects of Basic SDA (including Existing and Legacy) housing in Australia, focusing on stock owned or managed by state governments and community housing providers (CHPs). These older dwellings—many of which were never purpose-built for people with disability—are typically inaccessible, in poor condition due to high maintenance costs, do not meet contemporary standards of inclusive housing, and increasingly unviable for residents as well as housing and support providers. Despite this, they continue to house a significant number of people with disability, many of whom have lived in these settings for decades.

The financial, governance, and policy constraints preventing the upgrade or replacement of these homes are significant. SDA payments for Basic SDA are insufficient to support adequate refurbishment or redevelopment. Providers face a lack of access to affordable finance, ineligibility for other government housing funding, and high vacancy rates that undermine financial viability. NDIS re-assessment processes are too slow and unresponsive to support timely transitions. In addition, there is no clear stewardship or coordinated framework to support transition planning, resident consultation, or market development.

This report also documented some promising opportunities. Some CHPs have begun to implement co-designed redevelopment plans, and explore opportunities to harness social impact investment or leverage cross-subsidisation models through new SDA development. These efforts illustrate what is possible with the right policy, funding, and support structures in place.

Importantly, we also acknowledge that Basic SDA housing represents only a small segment of a much larger crisis in disability housing. Thousands of Australians with disability continue to live in unsuitable and unaffordable housing, or have no secure housing at all. In this broader context, some may question whether investing in those who are already housed is the most urgent priority. However, we argue that failing to invest in upgrading or replacing this housing has serious long-term consequences: for residents' safety and wellbeing, for housing system sustainability, and for public accountability in the housing and disability sectors.

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