

## **Specialist Disability Accommodation Pricing and Payments Framework**

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## **Specialist Disability Accommodation**

### **Pricing and Payments Framework**

#### **Part 1 – Preliminaries**

##### **Purpose of this paper**

1. This paper sets out the long-term pricing and payments framework for the funding of the land and built elements of specialist disability accommodation under the National Disability Insurance Scheme (NDIS).
2. This paper is not intended to cover broader aspects of policy in respect of specialist disability accommodation including a charging model of an individual rental contribution; other tenancy arrangements; quality standards relating to the building; or asset management by housing providers.
3. Nor does the paper cover the support arrangements delivered to participants within specialist disability accommodation. These arrangements are covered through broader policy on individual supports funded through the Scheme.
4. This pricing and payments Framework (the Framework) will apply from 1 January 2019. The framework is designed in the context of the transition into the NDIS of participants receiving, and providers of, specialist disability accommodation.
5. The Framework recognises there may be uncertainty in the market for specialist disability accommodation as it is initially and progressively established, and as accommodation support services transition from block grant funding into the market.
6. The Framework is also intended to ensure there is scope for growth, replacement, change and innovation in the supply of specialist disability accommodation over time.
7. The Framework is intended to provide long term certainty for participants, providers and infrastructure investors about the enduring nature of specialist disability accommodation under the NDIS.
8. Any future changes to this framework by the Commonwealth, states and territories, and the National Disability Insurance NDIA (NDIA), through the Disability Reform Council (DRC) of the Council of Australian Governments (COAG) will only occur following significant and broad consultation with participants, providers, governments and investors.

##### **The vision for specialist disability accommodation under the NDIS**

9. The NDIS will support the availability of specialist disability accommodation for participants who are assessed as requiring such specialist accommodation.

10. The NDIS will support a sustainable specialist disability accommodation market that fosters choice and control, encourages innovation, provides options for participants, continuity of supply and financial sustainability for governments, participants and providers.
11. The framework is designed to give effect to the objects of the *NDIS Act 2013*, in particular, to promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community.
12. The Framework should be read alongside the principles related to plans in the *NDIS Act 2013 (s.31)*, which establish the centrality of a participant's choice and independence, and right to exercise control over their life.
13. This Framework will play a key role in moving, over time, towards a market that achieves this vision.

#### **Operating context**

14. NDIS funding for specialist disability accommodation is attached to participants' plan and it is portable. That is, participants will have the ability to move between accommodation providers and their funding will also move. Participants will not be penalised for changes to their accommodation (such as provider, location and/or configuration). However, their accommodation choices will be constrained by market supply and an assessment by the NDIA of their reasonable and necessary needs. There may be adjustments to participants' funding as a result of their choices due to the factors/weightings outlined in this Framework.
15. While funding is attached to a participant's plan, it may be paid directly to providers.
16. The funding provided by the NDIS for specialist disability accommodation will not be on an individual dwelling or provider basis. It will be on the basis of an efficient cost structure for a representative provider (noting there may be different classes of accommodation and weightings/factors applied as outlined in this Framework). When combined with resident contributions and land price inflation, the NDIS funding should be sufficient to cover the efficient cost of providing accommodation over its full lifecycle (that is, establishing, operating and replacing the accommodation), and therefore should allow providers to attain finance (debt and equity) in the private market to meet these lifecycle costs.
17. It is also recognised that the elements of the Framework need to work together. The capacity for providers to access and utilise the value captured in land price inflation may be limited in some circumstances. It is recognised that variables considered when determining the benchmark price will need to be balanced to ensure the funding is on an efficient and sustainable, basis.

## Part 2 – Benchmark prices

### Policy intent

18. The NDIA will set funding amounts for specialist disability accommodation at a level sufficient to cover the full lifecycle costs of appropriate accommodation, after accounting for a reasonable rent contribution from the participant and land price inflation.
19. The pricing and payment arrangements adopted by the NDIA should provide certainty on the payment amount and the period for which this is specified, such that a specialist disability accommodation provider could raise finance for the development and/or redevelopment of appropriate dwelling stock.

### Establishing and publishing benchmark prices

20. Benchmark prices will be set according to the methodology defined in sections 27 to 65 below. The NDIA will provide further guidance relating to the price methodology defined in sections 27 to 65 below. This will consolidate existing information and material into a single document, and will be developed in consultation with the SDA Reference Group to support market understanding of the price methodology.
21. Benchmark prices will be determined on the basis that prices will provide appropriate long-term risk weighted returns to investors over the life of the asset given their long term nature, the need to encourage supply and the associated risks of investing in SDA.
22. The underlying methodology will be underpinned by a set of assumptions which will be made transparent to all stakeholders and will be separately and immediately published by the NDIA as an attachment to the Price Guide.
23. The specific underlying assumptions within the methodology will be reviewed every five years, starting in 2023, and published as an attachment to the Price Guide after each review. Each five yearly review will take place in the first half of the calendar year, with updated prices to take effect from 1 July of the review year. Within the five year period, each year benchmark prices will be adjusted for inflation.
24. The five year review of the underlying assumptions that underpin the methodology will be undertaken with the assistance of independent experts.
  - A panel of independent experts with relevant skills and expertise in pricing will work with the NDIA to oversee this work. The criteria for the selection of skilled independent experts will be developed in consultation with the SDA Reference Group.
  - The results of their work will be published in draft for comment, along with the NDIA decision in relation to any change in the specific assumptions underpinning the methodology, before a decision being finalised and taking effect.

25. Within the five year period, the NDIA may also trigger a special price review to respond to systemic cost increases for providers that are due to factors beyond the control of individual providers, or amend pricing assumptions where intended outcomes are not being achieved. Any such review will not lead to a downward movement in prices.
26. The special price review work would also be undertaken with the assistance of independent experts. The criteria for the selection of independent experts will be developed in consultation with the SDA Reference Group. The results of their work would be published, along with the NDIA decision in relation to any changes in the specific assumptions underpinning the methodology.

### **The form of the benchmark prices**

27. Benchmark prices for all specialist disability accommodation will be based on an efficient representative provider, representative configurations of dwelling stock, and will include the following components:
  - Dwelling price =
    - Consumption costs
    - + Opportunity costs of capital
    - + Costs of ownership
    - Land price inflation
    - Resident rent contributions (from all participants in dwelling)
  - Benchmark price = Dwelling price / Anticipated number of dwelling residents
28. Prices will not assume the provider is a charity or not-for-profit, and so will not be discounted to assume any related tax concessions or access to reduced capital costs.
29. The benchmark prices would be expressed as a price per participant.
30. The benchmark prices will have additive and/or multiplicative factors or weights for classes of dwellings (determined by the NDIA) that can be applied by the NDIA as necessary including for:
  - Geographical location<sup>1</sup> (recognising – for example – that land costs, building costs and maintenance costs can be higher or lower in various locations);
  - Number of bedrooms (recognising that the size of a dwelling affects costs);
  - Specific building/dwelling features requiring additional build costs to address disability requirements;
  - Price inflation in the second and subsequent years of an established benchmark price; and/or
  - Any other factor the NDIA determines to be necessary.

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<sup>1</sup> This would include weights or factors for remoteness.

### **Consumption costs**

31. The consumption cost equates with depreciation of the dwelling to the end of its useful life. This price component will be set to cover the capital cost over the useful life of the building (that is, the cost is amortised over the useful life of the building). This would provide the accommodation owner with funds to replace the building as new at the end of its life. The price component would be adjusted for the investment interest on those payments over time, and the inflation impact on construction/replacement costs.
32. The NDIA will determine the period for a reasonable useful life of buildings. The NDIA may determine different periods for a reasonable useful life of building classes based on geography, type of building, quality and standards or other factors relevant to building life.

### **Opportunity costs of capital**

33. The opportunity cost of capital component would recognise the typical sources of capital (debt or equity) and associated costs (at an efficient price), across all aspects of the capital investment in the accommodation (land, buildings, plant and equipment).

34. In formulaic terms:

Opportunity cost component = value of asset-base \* weighted average cost of capital

35. This weighted average cost of capital will be determined by reference to appropriate market indices for similar investments and set by the NDIA at a single national rate.

### **Costs of ownership**

36. The costs of ownership component would make provision for costs that are legally required, that extend the operating life of the accommodation, or that are otherwise necessary. An efficient accommodation-related operational cost of specialist disability accommodation could include: facilities management, rates, insurance, utilities not met by the tenants, repairs and maintenance, and tenancy management (noting resident rent contributions will offset these costs).

37. The NDIA will determine how occupancy rates will be factored into the benchmark prices.

### **Land price inflation**

38. The land price inflation component recognises the gain or loss the accommodation owner incurs over time due to changes in the value of land. To minimise short-run volatility in pricing arrangements, the NDIA would adopt a long-run, multi-year approach to establishing this component of the benchmark prices.

39. Land that is procured through a leasing arrangement by the provider will also be funded consistent with the formula outlined above. That is, the benchmark price will not be adjusted for land ownership arrangements (own versus lease). This recognises that while the provider is leasing the land, if they are paying a market price, then the owner of the land will be incurring costs and inflation consistent with the formula above, and this will, in theory, be reflected in the market rental price for the land.
40. Where other gains and losses from the revaluation or inflation of assets can be identified these may be taken into account by the NDIA in setting the dwelling price.

### **Resident rent contributions**

41. In formulating a resident contribution in the benchmark prices, the NDIA should assume residents are in receipt of the Disability Support Pension, and that the rent contribution is 25 per cent of the base rate of this payment and that rent excludes board. The contribution should be adjusted in respect of dwellings in which the tenants would be eligible for Commonwealth Rent Assistance (CRA).
42. The resident rent contribution component of the benchmark prices will be automatically adjusted when Disability Support Pension payment rates are changed.<sup>2</sup>
43. The rent contribution of 25 per cent of the base rate of the Disability Support Pension will be considered as the maximum rent that may be charged to residents by accommodation providers. It is recognised that this pricing and payments framework will be a major change for a number of providers who currently use the 'rent and board' model for determining rents. However, while this will be a major change for many providers, it will make the price of accommodation for residents more transparent. It is also recognised that this approach assumes that most participants will be reliant on the Disability Support Pension. While this is likely to be true, at least in the medium term, this means that this setting should be kept under review.

### **Treatment of publicly owned land in setting the benchmark prices**

44. Land that is owned outright by providers could include land that has been purchased and funded solely by a provider, land that has been provided at nil cost or below market cost from a State Government (or other sources), or land which has been partially funded by State Governments (or other parties).
45. Regardless of historical funding or ownership arrangements, land for which title resides with the non-government provider will be treated consistent with the benchmark price and not adjusted for historical procurement arrangements.
46. Land that is owned by State Governments and leased/occupied by non-government providers could include lease arrangements (including 50 or 99 year leases) that are for nil cost, below market value (including peppercorn rent arrangements) or full market rental value.

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<sup>2</sup> This happens twice a year in March and September.

47. In determining the value of the benchmark price, the funding methodology adopted by the NDIA should not subsidise providers operating on publicly owned land if they are not paying a market rent for that land. This essentially removes any windfall gains arising from existing ownership arrangements that are not fully priced. This largely relates to providers that are delivering accommodation supports on publicly owned land at nil or peppercorn rental cost. To this effect, a “pass-through” mechanism will be set up between jurisdictions, providers and the NDIA to reflect the need to adjust the benchmark prices for affected providers operating on publicly owned land at below market cost.
48. From the perspective of providers and participants, their funding arrangements should not be influenced by land ownership arrangements. To this end, the funding associated with participants resident in specialist disability accommodation would be consistent with the benchmark prices.
49. Providers not paying market rental costs for land should not receive a windfall gain. State Governments will be expected to charge and recover from these providers a cost of capital equivalent to the land component in the benchmark price. This would be revenue neutral for providers, but ensure there is transparency in pricing/cost.
50. The pass-through mechanism will require jurisdictions to then refund this cost of the land component to the NDIA. This would be equal to the difference between the benchmark funding for land and the current (below market) rental cost charged by the state or territory government.
51. This mechanism will ensure transparency and consistency in applying benchmark prices; it will account for the true cost of service delivery by providers and be cost and revenue neutral for the NDIA.
52. Where the cost of leasing/occupying State Government land by a non-government provider is on a basis that is below market cost, then the cost is being met by a state or territory government. The land component may therefore form part of that government’s in-kind contribution to the NDIS (net of any land price inflation). This would be calculated on the same efficient price basis as established by the NDIA for other owners in accordance with this Framework and would be transparently accounted for in state or territory government in-kind funding contributions. If below market rents are charged to providers, the in-kind contribution would be equal to the difference between the benchmark funding for land and the current (below market) rental cost charged by the State Government.
53. State Government land may also be leased/occupied by non-government providers on a basis that is equivalent to the market rental cost. In this scenario, the provider will be funded the full benchmark price (plus any weightings/loadings as appropriate), and State Governments will recoup their market rent from the provider. This can be used by State Governments to fund their cash contribution to the NDIS. In these circumstances the land component would not form part of that government’s in-kind contribution to the NDIS.



54. Governments may also directly provide accommodation services, and this may form part of their in-kind contribution to the NDIS. In this scenario, the land component (net of any land price inflation) would be calculated on the same efficient price basis as established by the NDIA for other owners in accordance with this Framework, and would be transparently accounted for in state or territory government in-kind funding contributions. If Government directly provided accommodation services are paid for by the NDIA, the same 'pass-through' arrangements will apply.
55. State Government land may continue to be owned by the relevant jurisdiction or transfer to another provider at the jurisdiction's discretion.
56. If state or territory governments do not wish to participate in the pass back mechanism other arrangements will be agreed bilaterally to ensure the same net effect on scheme funding.

#### **Other price setting considerations**

57. When the NDIA develops or reviews its benchmark prices, it will factor into those prices the costs of meeting any quality or safeguarding requirements that apply to specialist disability accommodation. Further national policy work is required to identify and implement quality assurance mechanisms and safeguards that will apply to supported accommodated related services in the NDIS.

#### **Payment arrangements**

58. The value of the contribution that the NDIA makes in respect of the accommodation costs for a participant residing in specialist disability accommodation will be the relevant benchmark price determined by the NDIA, with the application of appropriate weights and factors.
59. While the benchmark prices might be an annual amount, the NDIA would have flexibility in determining the payment schedule for instalments through the year. The NDIA (in consultation with the participant) would decide whether payments are made directly to the accommodation provider, or to the participant who would then pay the accommodation provider. The NDIA contribution for specialist disability accommodation will flow for as long as the participant lives in the specialist disability accommodation.

#### **Payment of the consumption costs component of the benchmark price**

60. The payment of the consumption costs component of the benchmark price would cease after the initial life of the building, recognising that replacement costs have been provided over the life of the building.
61. The NDIA will reset the period for the reasonable initial life in respect of a specific dwelling that is replaced or which the NDIA determines as having been substantially upgraded or which is of a form that warrants ongoing funding for consumption costs.

The NDIA will create a mechanism whereby accommodation providers can advise the NDIA of, and the NDIA can confirm substantial upgrades and replacements.

62. The NDIA will determine the remaining dwelling life of state or territory managed or funded supported accommodation dwellings in a location rolled into the NDIS.

63. The NDIA will develop a framework for assessing the useful life of a building. This will include reference to quality and standards, and other factors as deemed appropriate by the NDIA.

For example, consider the case of a 20 year old dwelling that transitioned to the scheme, in the situation where the NDIA had determined that a reasonable dwelling life was 40 years. In this case, the NDIA would pay one fortieth of the consumption component of the benchmark price for the next 20 years.

If at the end of those 20 years, the accommodation provider replaced or substantially upgraded the dwelling, with the NDIA's agreement, it would receive the consumption component of the benchmark price for a further 40 years.

**NDIA has the capacity to pay more in exceptional circumstances**

64. The NDIA has the capacity to pay more than the benchmark price where it determines that compelling and exceptional circumstances exist that substantially affect the costs to the accommodation provider, in respect of a particular participant.

65. The NDIA will determine what payments are made in excess of the benchmark price, and for how long.

**Part 3 – For whom in what circumstances**

**Participants with an extreme functional impairment and/or very high support needs for whom specialist disability accommodation is reasonable and necessary**

66. The NDIS will support specialist disability accommodation, including for:

- participants<sup>3</sup> in existing supported accommodation, such as group homes, large residential centres, cluster or village based accommodation;
- participants who currently reside in a residential aged care facility; and
- participants who access alternative or innovative accommodation that is appropriate for people who require specialist disability accommodation to live independently, as determined by NDIA.

67. Funding to support participants who require specialist disability accommodation will be available, if it is reasonable and necessary, for:

- participants who are currently in specialist disability accommodation and wish to stay there;

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<sup>3</sup> Including participants with psycho-social disability.

- participants who are currently in specialist disability accommodation who wish to explore options to change their accommodation arrangements; and
  - over time, participants with an extreme functional impairment and/or very high support needs who are not currently in specialist disability accommodation, but for whom specialist disability housing would be reasonable and necessary, including participants whose circumstances change or who represent new or unmet demand
68. People currently residing in supported accommodation have already established, through State processes, a need for reasonable and necessary housing based supports, but this requires confirmation by the NDIA. It is envisaged that at a minimum, funding for specialist disability accommodation will fund current clients in the existing stock of supported accommodation.
69. Young people in residential aged care and participants deemed eligible from existing waiting lists for which support would be reasonable and necessary would be given priority for funding.
70. The NDIA will determine the participants for whom specialist disability accommodation is reasonable and necessary. This will be done by reference two sets of criteria (noting that both sets might apply to the same participant):
- Whether participants require a specialist built-form – this criteria will identify participants who need specialist disability accommodation because the physical, cognitive or psychosocial features of their disability requires housing with specific design, specialist features or amenity to enable them to live safely; and/or
  - Whether participants' support needs can only be met cost effectively by specialist disability accommodation – this criteria will identify participants who need specialist disability accommodation arrangements because the nature of their disability, and limitations of their informal support network, mean that their housing needs cannot currently be met in the community, or it would not be cost effective to provide support for them to live independently in the community.
71. Given participants will be found eligible for SDA if they cannot live in mainstream housing because of an extreme functional impairment or very high support needs, or because their needs are most appropriately met by an SDA response, it is not envisaged that a participant, once found eligible for SDA, would lose that eligibility.

**Participants who require a specialist built-form**

72. The accommodation needs for some participants are not currently met by the housing market because their extreme functional impairment and impact of their disability requires accommodation with specific design features or amenity which is not readily supplied through mainstream housing and which involves a significant cost beyond what would be funded as home modifications.

73. These participants need accommodation in properties which are either physically accessible (for example, have ramps and rails) or are designed to minimise the effects of the features of their disability (for example, have a floor plan which facilitates a greater level of independence or building materials and features which minimise sensory stimulation).
74. Participants meeting these criteria are those with extreme functional impairment and/or very high support needs, including:
- Those with significant physical limitations; and/or
  - Those who have significant sensory, psychosocial or cognitive impairments.
75. This will include participants with the diagnoses of:
- Spinal cord injury (SCI)
  - Cerebral Palsy
  - Multiple Sclerosis
  - Stroke
  - Intellectual disability (ID) with limited mobility
  - Global developmental delay
  - Acquired Brain Injury (ABI) with limited mobility
  - Autism Spectrum Disorders (ASD)
  - Psychosocial conditions which may have physical sequelae due to long term medication use, such as schizophrenia
76. Noting that not all participants with the diagnosis above will require specialist disability accommodation, the NDIA will further develop the criteria it will apply when determining whether a participant requires accommodation of a specialist built form in consultation with jurisdictions. This will include consideration of those who will definitely need accessible accommodation and those, who may, depending on their disability and an inability to live independently in the community.

**Participants with very high support needs that can only be met cost effectively by specialist disability accommodation**

77. Any participant could live independently if unlimited funds are available to support them in their home. Enabling every NDIS participant to live independently with their required levels of supports would be prohibitively expensive for the NDIS.
78. The factors which best indicate the need for specialist disability accommodation are:
- Level of complexity of the available support required;
  - Need to minimise risk to the participant, and in some situations, to the community;
  - Capacity of informal supports to maintain these participants in the community;
  - Cost of keeping the participant in independent community living; and
  - Capacity or capability of the person to live outside of a specialist disability accommodation arrangements

79. These factors are linked and a combination must be present together in a participant for whom specialist disability accommodation funds are reasonable and necessary.

*Level of complexity of the available support*

80. Participants with high levels of complex or specialised needs can find it difficult to source the support that they need (particularly for example some rural and remote regions). Setting up and maintaining very high intensity support programs for participants requiring 1:1 or more support for long periods (for example 24 hour care) are particularly difficult to reliably source and staff, even in some metropolitan areas. Providing support for participants in a shared living arrangement, where staff and other resources can support more than one participant is often an effective strategy in these situations.

*Level of risk*

81. This relates to a number of issues, including:

- the way a participant responds to safety risks, alarms and the like and are able to remove themselves from the hazard or get assistance quickly enough to help them do so;
- the minimisation of risks to a participant's safety or functional performance due to the diagnosis which may be minimised by design features (for example walkways which channel residents into living areas); and
- any risks that a participant may present to the community or others in the household due to challenging behaviours if living independently or with families or carers in the community.

82. The presence of these risks is not generally something that could be identified reliably from the participant's diagnosis or severity but requires some knowledge of the participant.

*Informal support*

83. This relates to the participant's support network and the capacity and capability it has to maintain the person in the community outside a specialist disability accommodation arrangement. The sustainability of these supports is an important feature here as many people with very severe levels of disability remain at home because families or other carers are willing and able to continue to support them.

*Cost effectiveness of maintaining the participant in the community*

84. Participants requiring very high levels of support, especially 1:1 support, are very expensive to maintain individually in the community. This is particularly so for participants who require 24 hours care per day or who require more than one carer to be in attendance at any one time. Supporting all NDIS participants to live independently would not be sustainable for the NDIS. The economies of scale of having very high need participants supported in shared living arrangements, where staff and other resources can be brought together to support more than one participant, means that specialist disability accommodation is often the most cost effective option for supporting these participants.

*Capacity or capability of the participant*

85. An individual's circumstance may be such that they have resided in supported accommodation for a significant period time, such that their capacity to live outside of a specialist disability accommodation arrangement is limited. The individual may require ongoing supported accommodation for a period of time as they transition to alternative accommodation arrangements that are appropriate for their circumstances.
86. Building on the above, the NDIA will develop and publish the criteria it will apply when determining whether specialist disability accommodation is reasonable and necessary for a participant on the basis of their high support needs and other circumstances. This will include consideration of those who will definitely need accessible accommodation and those, who may, depending on the supports available to them.

## **Part 4 – Registration, approved dwellings, security of tenure**

### **A modified market**

87. It is recognised that the existing stock of supported accommodation (such as group homes, large residential centres) is essential to ensuring the ongoing supply of appropriate specialist accommodation. A key priority is to facilitate the transition of the existing stock of supported accommodation into the NDIS. Funding will allow for the continuity of supply of the existing stock of supported accommodation (State owned or non-government owned) and also ensure there is scope for replacement, change and innovation over time.
88. The design of the NDIS has sought to embed a market based approach where feasible, by putting funds into the hands of participants (to the extent possible). There are market constraints on the feasibility of this, including that:
  - Housing involves substantial capital investments that create returns over the long term. It is not responsive to short-run changes in market dynamics.
  - It is an area where the market may not respond fully or quickly to demand, especially in respect of required built forms that are not typically available in the broader housing market; thereby requiring some market incentive.
  - In a number of locations, there are serious shortages of affordable accommodation for low income earners; which may impact disproportionately on NDIS participants with complex needs and reliant on income support.
  - There is a need to ensure that the scheme does not replace existing effort in the social and community housing sectors which are primarily responsible for addressing the housing needs of people on low incomes.
89. Consequently, the NDIA will need the flexibility to target funding in respect of approved dwellings, to ensure the best accommodation outcomes can be secured for participants who have a reasonable and necessary need for specialist disability accommodation, while ensuring the sustainability of the NDIS.

### **Registration of providers and enrolment of dwellings**

90. The NDIS Quality and Safeguards Commission (the NDIS Commission) was established on 1 July 2018 to regulate the NDIS market.
91. During the transition period to full scheme in 2020, both the NDIS Commission and the NDIA share responsibility for the registration and regulation of providers. The NDIS Commission will be responsible for the registration of providers as each participating jurisdiction reaches full scheme.
92. Registration of providers and enrolment of dwellings is described in the National Disability Insurance Scheme Act 2013 (Cth), National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2016 and the National Disability Insurance Scheme (Specialist Disability Accommodation Conditions) Rules 2018.
93. Registration requirements include:
- quality and standards that must be met by accommodation providers, noting this may leverage existing mechanisms, such as the national community housing regulatory system, State-based building codes and other mechanisms as deemed appropriate;
  - the rights and responsibilities of accommodation providers, residents and support providers, and how this will be implemented;
  - security of tenure and safeguarding arrangements for residents; and
  - how providers will calculate and apply resident contributions.
94. During 2019, the NDIA will introduce a pre-certification option for dwellings off the plan or under construction to provide greater certainty to providers and investors that prospective dwellings meet SDA Design Category standards. Final enrolment will still be required once the dwelling has a certificate of occupancy (or equivalent). Final enrolment would occur if the dwelling is built in accordance with SDA Design Category Standards specified at the time of pre-certification.
95. The NDIA will retain responsibility for the enrolment of SDA dwellings. At full scheme, the NDIS Commission will register SDA providers and the NDIA will continue to enrol SDA dwellings.

## **Part 5 – Miscellaneous**

### **Flexibility**

96. Nothing in this Framework prevents the NDIA from making other payments in respect of housing or accommodation arrangements that are consistent with the NDIS Act.
97. This includes any funding arrangements the NDIA may need to facilitate the supply of specialist disability accommodation, where the market is not responding appropriately to the demand for places, and/or where innovative built forms or financing arrangements are needed.

98. The NDIA can also enter into voluntary agreements with existing or prospective accommodation providers to reduce payments below the benchmark price in recognition that families, carers, faith groups, philanthropic bodies, local government bodies and others may wish to make an ongoing contribution to the provision of specialist disability accommodation.

#### **Transition of residents in supported accommodation and aged residential care**

99. Some people living in existing specialist disability accommodation may not be assessed as:

- qualifying as an NDIS participant; or
- having a reasonable and necessary need for specialist disability accommodation on entry to the NDIS.

100. Continuity of support arrangements will be developed for people living in existing specialist disability accommodation who are in these situations. These arrangements will either retain the person in their current accommodation or find new accommodation or other arrangements appropriate to their needs.

101. Continuity of support arrangements will apply to people who are ineligible for the NDIS and are/were resident in state or territory managed or funded supported accommodation and residential aged care facilities at the time the scheme was/is rolled out in their location.<sup>4</sup>

#### **Notification**

102. The NDIA will need to adjust its cost structures when a state or territory government wishes to sell or transfer ownership of publicly owned land on which there is an approved dwelling. To give the NDIA better capacity to manage these pressures, States and Territories will give the NDIA 6 months' notice of any intention to change the ownership arrangements for publicly owned land.

103. The Australian Capital Territory does not need to notify the NDIA in respect of ownership changes for leasehold land, where the lease is held by a non-government body.

#### **Governance and reviews**

104. The Framework is endorsed and monitored by the Commonwealth, states and territories through the Disability Reform Council (DRC) of the Council of Australian Governments (COAG).

105. The NDIA will establish and regularly consult with a SDA Reference Group to support the development of the SDA market, choice and control for participants, and the long-term viability of SDA investments. This reference group must comprise

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<sup>4</sup> Continuity of support arrangements may be further addressed in bilateral agreements between the Commonwealth and the states and territories.



participants, their representatives, providers, investors and other relevant stakeholders.

### **Reporting on SDA Supply and Demand**

106. The NDIA will publish data on SDA supply and demand quarterly. This reporting is intended to support the development of the SDA market and to assist providers and investors to make informed investment decisions.
107. Initially, enhanced SDA supply and demand data will be based on existing data holdings, which will mature over time. Detailed supply and demand data will be available from the first quarter of the 2018-19 financial year.
108. The NDIA may also, from time to time, provide qualitative reporting about SDA dwelling development trends, including innovative designs.