

National Disability Insurance Scheme

**Specialist Disability Accommodation
Pricing Review 2022-23**

Demand Projections

June 2023



Delivered by the
National Disability
Insurance Agency

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Introduction

The National Disability Insurance Agency (NDIA) is committed to providing the Specialist Disability Accommodation (SDA) market with the information it needs to foster continued growth for a thriving market that delivers quality, innovative SDA for participants in the National Disability Insurance Scheme (NDIS).

The NDIA is responsible for the stewardship of a market of NDIS providers who deliver SDA to eligible participants. Over recent years, the NDIA has implemented a number of initiatives to support growth, innovation and sustainability in the SDA market, including:

- SDA Design Standards.
- SDA Limited Cost Assumption Review and following changes to the SDA Rules in March 2020.
- Full responsibility for enrolling SDA dwellings.
- Introducing the SDA Finder, an interactive tool available on the NDIS website to help participants find suitable SDA vacancies across Australia.
- 2022-23 Five-Yearly Review of SDA Pricing Arrangements.

These initiatives have helped drive growth in the SDA market. The NDIA will continue to develop the release of information to the market on key features of expected SDA supply and demand.

The NDIA understands that accurate demand data on participants looking for SDA is important for decision making in the market. Since October 2020, data on the number of participants with SDA included in their plan has been published at the SA3 level in the NDIS Quarterly Report as well as being available on the NDIS data.ndis.gov.au webpages. A downloadable function allows further interrogation of this known demand data.

The NDIA has now developed a 20-year projection model to estimate the expected number of SDA participants at an SA4 Region and Design Category level. This projection is based on the observed propensities for NDIS participants to need SDA, and the Scheme Actuary's November 2022 interim projections of the future participant numbers and mix.

Note, there is inherent uncertainty in all long-term projections. The projections in this document provide an estimate of SDA demand based on the data and information available. Due to the inherent uncertainty in the assumptions, a range of alternative assumptions could be adopted which would also produce a projection which would not be unreasonable. The projections in this document are limited in time and scope; other more detailed reviews or investigations may identify additional issues or considerations. The results of this work are limited by the availability and quality of data. In particular, the conclusions are based, in part, on assumptions based on NDIS experience. The modelled outcomes are contingent on these assumptions and

no consideration of other market events, announcements or other changing circumstances are reflected in these projections.

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Methodology

The SDA demand projections in this document are underpinned by the Scheme Actuary’s projections that were used to inform the 2023-24 Budget. The relevant results from the projection are the likely participant numbers and profile, at a national level, from June 2023 to June 2042.

The high-level steps of the methodology are outlined in Exhibit 1 below.

EXHIBIT 1: OVERVIEW OF SDA DEMAND MODEL METHODOLOGY

<p>Step 1: Project Australian population by SA4</p> <ul style="list-style-type: none">• Using existing Australian Bureau of Statistics and Centre for Population estimates and projections, a projection of the Australian population by Age Band, Gender and SA4 to June 2042 was developed.
<p>Step 2: Project NDIS Participants by SA4</p> <ul style="list-style-type: none">• Allocate the national NDIS participant projection to each SA4 based on the:<ul style="list-style-type: none">- age and gender mix of the SA4- current distribution of participants
<p>Step 3: Project SDA Demand by Design Category and SA4</p> <ul style="list-style-type: none">• Calculate the SDA demand for each design category (including latent demand) in each SA4 based on the:<ul style="list-style-type: none">- long-term propensity for NDIS participants to be in a SDA Design Category- projected disability and demographic profile of NDIS participants in the SA4- current distribution of SDA demand by SA4

END OF EXHIBIT 1

The critical assumptions underlying the projections are:

- A reliance upon the Scheme Actuary’s projections of future participant numbers.
- The long-term propensity for an existing NDIS participant with a given demographic and disability profile to be in SDA is aligned to the modelled propensities.
- The long-term propensities to be in the NDIS and for SDA demand in any given SA4 will reflect the projected age and gender profile of the SA4 by 2062 (that is, 20 years post the projection period). To achieve this, the observed FY22 propensities are blended with the long-term propensities over time, enabling a smooth progression from current levels.
- No other explicit allowances have been made for changes in policy or Scheme operations from the current settings.

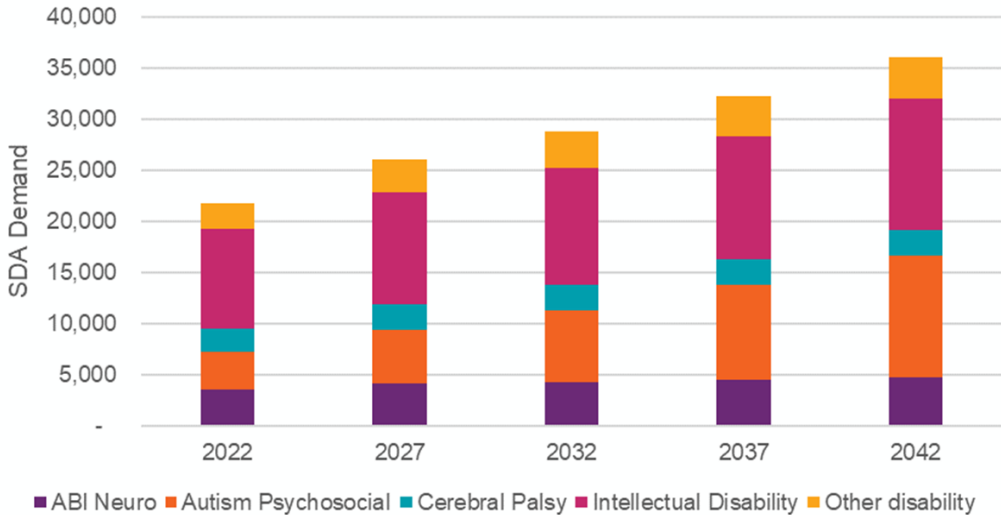
Findings

The NDIA projects that SDA demand will increase from about 22,900 participants in June 2022 to about 36,700 in June 2042, at an average growth rate of 2.4% per annum.¹ This compares to annual growth in the Australian population of 1.2% per annum; growth in the number of NDIS participants of 5.7% per annum and growth in the number of NDIS participants with Supported Independent Living supports of 5.6% per annum.

Projected Demand for SDA by Primary Disability

Illustrates the projected distribution of demand for SDA by (grouped) primary disability. Note, the Other Disability category in this chart consists of participants with a primary disability of Multiple Sclerosis, Other Physical Disability, Spinal Cord Injury or Stroke.

EXHIBIT 2: PROJECTED SDA DEMAND BY PRIMARY DISABILITY



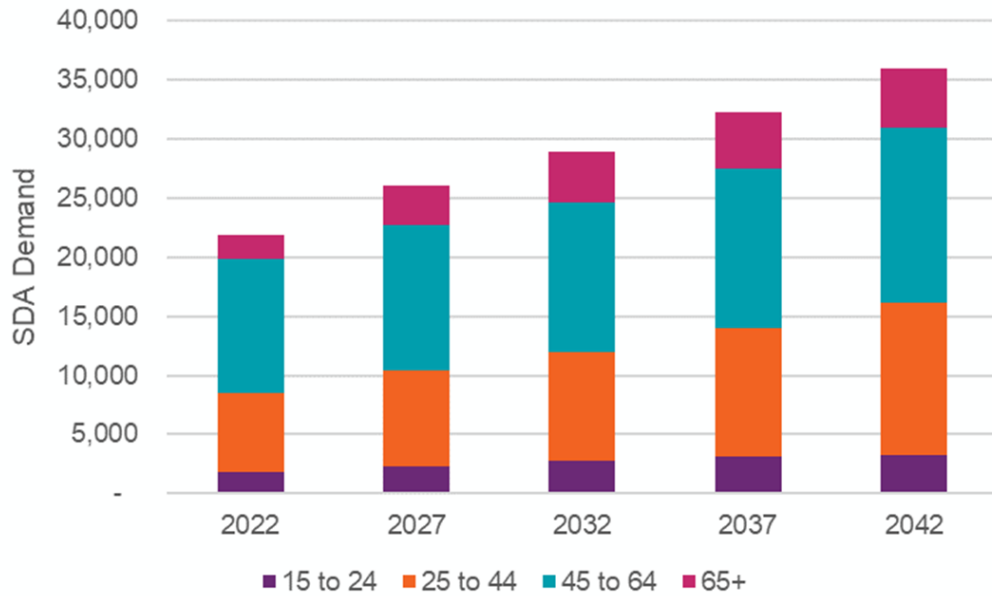
END OF EXHIBIT 2

Projected Demand for SDA by Age Group

Illustrates the projected distribution of demand for SDA by age group. The 45 to 64 year old cohort is consistently the largest cohort. The 25 to 44 cohort has the fastest increase over the projection period as the increasing number of younger participants age through the Scheme.

The SDA demand projections include NDIS participants who are not receiving SDA supports, because they have not sought to have those supports included in their plan.

EXHIBIT 3: PROJECTED SDA DEMAND BY AGE GROUP



END OF EXHIBIT 3

Projected Demand for SDA by Design Category

The SDA demand by Design Category is show in

Exhibit 4 below. Over the projection period:

- The proportion of SDA demand for Improved Liveability is projected to decline slowly across the projection period to 36% in 2042. However, the absolute demand for Improved Liveability is projected to increase by 3,200 participants over the projection period.
- The SDA demand for High Physical Support is projected to grow over the projection period by 4,800 participants, becoming 31% of total SDA demand in 2042.
- The SDA demand for Fully Accessible is projected to grow by 3,400 participants over the projection period, becoming 21% of total SDA demand in 2042.

EXHIBIT 4: PROJECTED SDA DEMAND BY DESIGN CATEGORY

Design Category	2022	2027	2032	2037	2042
Demand for SDA					
Improved Liveability	10,026	10,987	11,543	12,325	13,256
Fully Accessible	4,350	5,304	5,983	6,776	7,715
Robust	1,866	2,420	2,911	3,534	4,239
High Physical Support	6,631	8,311	9,305	10,341	11,474
Total	22,873	27,002	29,742	32,976	36,684
Proportion					
Improved Liveability	44%	41%	39%	37%	36%
Fully Accessible	19%	20%	20%	21%	21%
Robust	8%	9%	10%	11%	12%
High Physical Support	29%	31%	31%	31%	31%

END OF EXHIBIT 4

The growth in demand for each Design Category is driven by the projected growth in the number of Scheme participants and the relative propensities for each participant to have SDA of a given Design Category.

Projected Demand for SDA by Geography**Total SDA Demand by state**

Projected SDA demand by State/Territory is shown in Exhibit 5. NSW and Victoria have the highest proportion of total demand, however demand in Queensland and Western Australia increases the fastest over the projection period. This reflects low SDA participation rates for these states (see Exhibit 5) which are projected to normalise towards the national average over the projection period. Differences in geographical variation not explained by the age and gender mix of the area, such as the impact of the phased roll-out of the Scheme and current SDA supply, are assumed to reduce over the projection period.

EXHIBIT 5: PROJECTED SDA DEMAND BY STATE/TERRITORY

State/Territory	2022	2027	2032	2037	2042
New South Wales	7,333	8,688	9,497	10,416	11,410
Victoria	6,632	7,642	8,335	9,217	10,285
Queensland	3,461	4,274	4,900	5,628	6,477
Western Australia	1,825	2,225	2,539	2,939	3,418
South Australia	2,399	2,699	2,808	2,927	3,047
Tasmania	606	717	779	852	922
Australian Capital Territory	349	445	517	595	687
Northern Territory	268	332	367	402	438
Australia	22,873	27,022	29,742	32,976	36,684

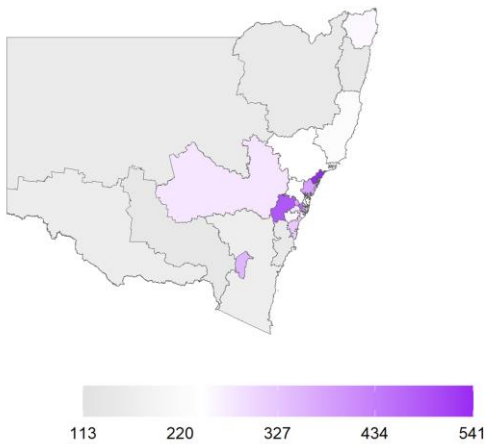
END OF EXHIBIT 5

Projected SDA Demand by SA4 Region (number of participants)

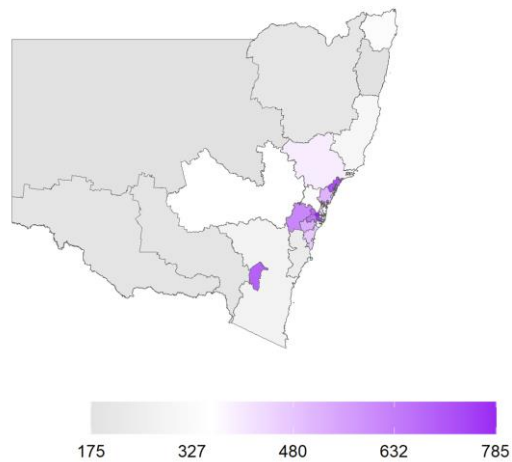
Exhibit 6 shows projected SDA demand by SA4 within each State/Territory. Across Australia, SDA demand is currently also projected to remain concentrated in metropolitan areas.

EXHIBIT 6: PROJECTED SDA DEMAND BY SA4 REGION (NUMBER OF PARTICIPANTS, FY2022 AND FY2042)

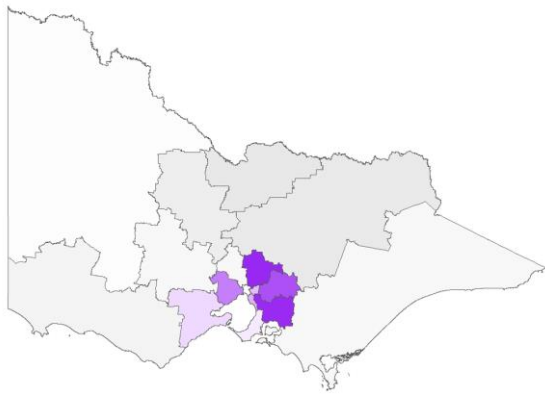
SDA demand - NSW & ACT by SA4 (FY2022)



SDA demand - NSW & ACT by SA4 (FY2042)



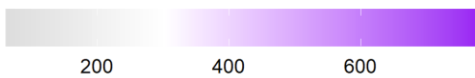
SDA demand - VIC by SA4 (FY2022)



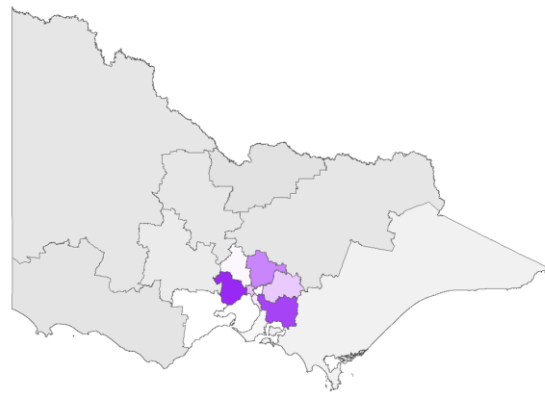
SDA demand - QLD by SA4 (FY2022)



SDA demand - SA by SA4 (FY2022)



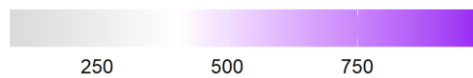
SDA demand - VIC by SA4 (FY2042)



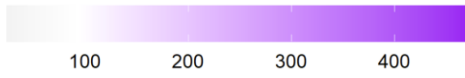
SDA demand - QLD by SA4 (FY2042)



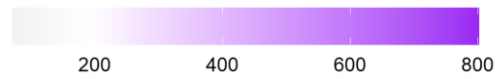
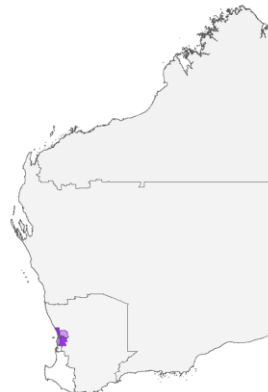
SDA demand - SA by SA4 (FY2042)



SDA demand - WA by SA4 (FY2022)



SDA demand - WA by SA4 (FY2042)



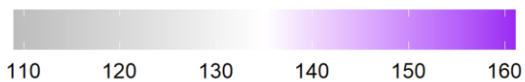
SDA demand - TAS by SA4 (FY2022)



SDA demand - TAS by SA4 (FY2042)



SDA demand - NT by SA4 (FY2022)



SDA demand - NT by SA4 (FY2042)



END OF EXHIBIT 6

EXHIBIT 7: PROJECTED SDA DEMAND BY SA4 REGION

SA4 Region	2022	2027	2032	2037	2042
New South Wales	n/a	n/a	n/a	n/a	n/a
Capital Region	172	203	226	251	279
Central Coast	381	442	467	493	513
Central West	280	316	334	349	357
Coffs Harbour - Grafton	150	160	167	171	179
Far West and Orana	155	168	172	176	177
Hunter Valley excluding Newcastle	241	294	326	359	393
Illawarra	322	376	405	437	467
Mid North Coast	228	258	272	289	306
Murray	165	181	186	194	197
New England and North West	155	176	185	194	205
Newcastle and Lake Macquarie	540	633	670	703	723
Richmond - Tweed	254	290	309	327	340
Riverina	143	164	171	183	195
Southern Highlands and Shoalhaven	155	186	206	225	241
Sydney - Baulkham Hills and Hawkesbury	244	278	293	315	347
Sydney - Blacktown	384	474	530	595	677
Sydney - City and Inner South	142	201	257	328	413
Sydney - Eastern Suburbs	113	155	192	238	289
Sydney - Inner South West	418	506	570	645	734
Sydney - Inner West	155	191	222	263	312
Sydney - North Sydney and Hornsby	230	295	341	394	454
Sydney - Northern Beaches	243	280	289	303	322
Sydney - Outer South West	254	325	385	450	526
Sydney - Outer West and Blue Mountains	488	550	572	593	610
Sydney - Parramatta	457	556	622	698	786
Sydney - Ryde	341	380	390	401	409
Sydney - South West	281	375	450	543	650
Sydney - Sutherland	242	275	288	299	309
Victoria	n/a	n/a	n/a	n/a	n/a
Ballarat	271	287	293	298	307
Bendigo	210	227	236	247	262
Geelong	392	449	488	528	570
Hume	187	202	213	223	240

SA4 Region	2022	2027	2032	2037	2042
Latrobe - Gippsland	269	300	316	342	375
Melbourne - Inner	311	413	521	660	829
Melbourne - Inner East	450	493	510	537	574
Melbourne - Inner South	470	540	573	614	662
Melbourne - North East	738	857	922	1004	1107
Melbourne - North West	270	347	417	503	606
Melbourne - Outer East	673	730	748	776	806
Melbourne - South East	737	898	1031	1191	1378
Melbourne - West	581	776	962	1191	1464
Mornington Peninsula	355	395	411	434	458
North West	302	298	276	258	243
Shepparton	175	187	188	193	194
Warrnambool and South West	241	243	230	218	210
Queensland	n/a	n/a	n/a	n/a	n/a
Brisbane - East	135	170	197	228	261
Brisbane - North	163	193	220	250	288
Brisbane - South	166	216	269	331	410
Brisbane - West	118	145	160	180	202
Brisbane Inner City	112	155	199	258	329
Cairns	144	178	206	240	282
Central Queensland	163	190	205	223	243
Darling Downs - Maranoa	61	74	85	96	109
Gold Coast	340	440	528	637	772
Ipswich	414	508	561	627	701
Logan - Beaudesert	238	294	343	397	461
Mackay - Isaac - Whitsunday	74	95	112	133	155
Moreton Bay - North	238	285	316	349	380
Moreton Bay - South	122	158	187	221	264
Queensland - Outback	5	6	13	20	30
Sunshine Coast	224	298	365	444	536
Toowoomba	251	287	300	312	324
Townsville	185	220	247	274	301
Wide Bay	308	362	387	408	429
Western Australia	n/a	n/a	n/a	n/a	n/a
Bunbury	84	107	128	154	186
Mandurah	76	94	108	126	144
Perth - Inner	101	123	143	167	196

SA4 Region	2022	2027	2032	2037	2042
Perth - North East	336	392	422	463	510
Perth - North West	417	511	588	684	801
Perth - South East	468	563	622	697	785
Perth - South West	244	312	375	454	551
Western Australia - Outback (North)	23	29	39	52	71
Western Australia - Outback (South)	36	46	56	71	86
Western Australia - Wheat Belt	40	48	58	71	88
South Australia	n/a	n/a	n/a	n/a	n/a
Adelaide - Central and Hills	311	358	382	409	437
Adelaide - North	774	876	909	946	979
Adelaide - South	683	752	766	771	774
Adelaide - West	301	339	357	379	404
Barossa - Yorke - Mid North	65	76	84	94	106
South Australia - Outback	61	69	71	78	83
South Australia - South East	204	229	239	250	264
Tasmania	n/a	n/a	n/a	n/a	n/a
Hobart	298	356	391	435	477
Launceston and North East	147	179	196	213	228
South East	10	11	14	18	26
West and North West	151	171	178	186	191
Australian Capital Territory	n/a	n/a	n/a	n/a	n/a
Australian Capital Territory	349	445	517	595	687
Northern Territory	n/a	n/a	n/a	n/a	n/a
Darwin	160	205	229	255	282
Northern Territory - Outback	108	127	138	147	156
Australia	22,873	27,022	29,742	32,976	36,684

END OF EXHIBIT 7

As Exhibit 8 illustrates, it is projected that ten (10) SA4 Regions will account for one-third of all the growth in SDA demand over the next two decades:

- 2 SA4 Regions in New South Wales: Sydney - South West and Sydney - Parramatta
- 5 SA4 Regions in Victoria: Melbourne - West, Melbourne - South East, Melbourne - Inner, Melbourne - North East, and Melbourne - North West
- 1 SA4 Region in Queensland: Gold Coast
- 1 SA4 Region in Western Australia: Perth - North West
- 1 SA4 Region in the Australian Capital Territory

EXHIBIT 8: TOP 10 SA4 REGIONS BY LARGEST ABSOLUTE GROWTH IN SDA DEMAND

State	SA4 Region	Growth in Demand 2022 to 2042 (Number)	Growth in Demand 2022 to 2042 (%)
VIC	Melbourne - West	883	152%
VIC	Melbourne - South East	641	87%
VIC	Melbourne - Inner	518	167%
QLD	Gold Coast	432	127%
WA	Perth - North West	384	92%
NSW	Sydney - South West	369	131%
VIC	Melbourne - North East	369	50%
ACT	Australian Capital Territory	338	97%
VIC	Melbourne - North West	336	124%
NSW	Sydney - Parramatta	329	72%

END OF EXHIBIT 8

Demand is projected to grow fastest (in terms of percentage increase) over the next two decades in the following five SA4 regions (excludes regions with growth of less than 50):

- Brisbane Inner City, where demand is projected to grow by 194%.
- Sydney - City and Inner South, where demand is projected to grow by 191%.
- Melbourne - Inner, where demand is projected to grow by 167%.
- Sydney - Eastern Suburbs, where demand is projected to grow by 156%.
- Melbourne - West, where demand is projected to grow by 152%.

2042 Projections by Region and Design Category

Exhibit 9 sets out the projected demand for SDA in 2042 for each SA4 Region by Design Category.

EXHIBIT 9: PROJECTED SDA DEMAND IN 2042 BY SA4 REGION AND BY DESIGN CATEGORY

SA4 Region	Improved Liveability	Fully Accessible	Robust	High Physical Support	Total
New South Wales	n/a	n/a	n/a	n/a	n/a
Capital Region	92	56	34	97	279
Central Coast	173	101	65	174	513
Central West	126	69	66	96	357
Coffs Harbour - Grafton	57	38	22	62	179
Far West and Orana	61	36	27	53	177
Hunter Valley exc Newcastle	124	82	52	135	393
Illawarra	173	85	55	154	467
Mid North Coast	117	59	35	95	306
Murray	81	35	23	58	197
New England and North West	73	47	21	64	205
Newcastle and Lake Macquarie	228	135	76	284	723
Richmond - Tweed	124	63	36	117	340
Riverina	71	36	22	66	195
Southern Highlands and Shoalhaven	93	42	34	72	241
Sydney - Baulkham Hills and Hawkesbury	137	72	40	98	347
Sydney - Blacktown	228	149	81	219	677
Sydney - City and Inner South	152	77	59	125	413
Sydney - Eastern Suburbs	109	54	38	88	289
Sydney - Inner South West	253	143	84	254	734
Sydney - Inner West	113	60	39	100	312

SA4 Region	Improved Liveability	Fully Accessible	Robust	High Physical Support	Total
Sydney - North Sydney and Hornsby	174	84	51	145	454
Sydney - Northern Beaches	105	73	33	111	322
Sydney - Outer South West	174	106	69	177	526
Sydney - Outer West and Blue Mountains	196	138	90	186	610
Sydney - Parramatta	295	158	82	251	786
Sydney - Ryde	155	82	46	126	409
Sydney - South West	228	126	78	218	650
Sydney - Sutherland	119	58	35	97	309
Victoria	n/a	n/a	n/a	n/a	n/a
Ballarat	138	59	40	70	307
Bendigo	90	41	37	94	262
Geelong	213	89	66	202	570
Hume	81	55	26	78	240
Latrobe - Gippsland	152	71	58	94	375
Melbourne - Inner	343	145	76	265	829
Melbourne - Inner East	181	147	84	162	574
Melbourne - Inner South	206	185	72	199	662
Melbourne - North East	385	290	111	321	1107
Melbourne - North West	192	172	74	168	606
Melbourne - Outer East	241	269	104	192	806
Melbourne - South East	501	288	173	416	1378
Melbourne - West	500	350	154	460	1464
Mornington Peninsula	167	88	75	128	458
North West	76	65	38	64	243
Shepparton	69	44	23	58	194
Warrnambool and South West	69	39	25	77	210
Queensland	n/a	n/a	n/a	n/a	n/a
Brisbane - East	96	53	29	83	261
Brisbane - North	102	60	28	98	288
Brisbane - South	160	78	43	129	410
Brisbane - West	84	29	16	73	202
Brisbane Inner City	128	65	28	108	329

SA4 Region	Improved Liveability	Fully Accessible	Robust	High Physical Support	Total
Cairns	89	71	27	95	282
Central Queensland	87	67	22	67	243
Darling Downs - Maranoa	48	21	9	31	109
Gold Coast	257	160	80	275	772
Ipswich	269	133	87	212	701
Logan - Beaudesert	153	90	61	157	461
Mackay - Isaac - Whitsunday	60	31	16	48	155
Moreton Bay - North	128	77	46	129	380
Moreton Bay - South	90	54	28	92	264
Queensland - Outback	9	7	3	11	30
Sunshine Coast	179	111	63	183	536
Toowoomba	131	63	31	99	324
Townsville	100	73	37	91	301
Wide Bay	150	107	47	125	429
Western Australia	n/a	n/a	n/a	n/a	n/a
Bunbury	72	37	19	58	186
Mandurah	45	44	14	41	144
Perth - Inner	71	37	18	70	196
Perth - North East	215	100	54	141	510
Perth - North West	350	142	82	227	801
Perth - South East	335	147	77	226	785
Perth - South West	222	109	57	163	551
Western Australia - Outback (North)	23	16	8	24	71
Western Australia - Outback (South)	26	28	8	24	86
Western Australia - Wheat Belt	32	18	9	29	88
South Australia	n/a	n/a	n/a	n/a	n/a
Adelaide - Central and Hills	157	80	49	151	437
Adelaide - North	362	173	111	333	979
Adelaide - South	274	181	76	243	774
Adelaide - West	144	80	48	132	404

SA4 Region	Improved Liveability	Fully Accessible	Robust	High Physical Support	Total
Barossa - Yorke - Mid North	40	20	14	32	106
South Australia - Outback	32	16	9	26	83
South Australia - South East	105	53	33	73	264
Tasmania	n/a	n/a	n/a	n/a	n/a
Hobart	203	95	55	124	477
Launceston and North East	72	50	25	81	228
South East	10	5	3	8	26
West and North West	70	44	21	56	191
Australian Capital Territory	n/a	n/a	n/a	n/a	
Australian Capital Territory	288	121	76	202	687
Northern Territory	n/a	n/a	n/a	n/a	n/a
Darwin	98	75	28	81	282
Northern Territory - Outback	55	33	15	53	156
Australia	13,256	7,715	4,239	11,474	36,684

END OF EXHIBIT 9