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Accessibility statement: use of plain language

We are committed to making our website and documents accessible and inclusive for all users, including people with disability. Wherever possible, we aim to write content in plain English to ensure information is easy to understand and use.

Some information on this website may not meet plain English or Web Content Accessibility Guidelines (WCAG) due to the use of technical, regulatory, or legal terminology.

This information is written to align with specific legislative or policy frameworks and must retain certain language to ensure legal accuracy and compliance.

We acknowledge that this may make some information more difficult to understand. If you need help interpreting or understanding any content on our website, please contact us.

We are happy to provide support or offer alternative formats upon request.

Overview

Specialist disability accommodation (SDA) is housing designed for people with an extreme functional impairment or very high support needs.

SDA funding is only provided for NDIS participants who meet strict eligibility criteria.

The NDIA does not build, own, commission or lease SDA. The upfront cost to build or buy an SDA dwelling comes from an owner or investor in the dwelling.

Investment in SDA, like any other type of investment, carries risks. Prospective investors should carefully assess the information and investment proposals provided to them, complete due diligence and seek independent legal and financial advice when deciding whether to invest in SDA.

The NDIA is not legally responsible for the construction, maintenance or tenancy of SDA dwellings. For example, the NDIA is not responsible for ensuring that SDA dwellings meet State and Territory building codes, planning or other regulations. This is the owner or investor's responsibility.

An owner or investor may enter into a commercial arrangement with third parties (e.g. builders, developers and SDA providers) for the construction, maintenance or tenancy of SDA dwellings.

The NDIA is not a party to these arrangements and cannot resolve disputes arising under these agreements.

The NDIA does not guarantee investment returns for SDA dwellings.

SDA investment considerations

Prospective investors should conduct their own due diligence and seek independent legal and financial advice when deciding whether to invest in SDA. This includes, but is not limited to:

Understanding SDA market dynamics

SDA is a niche market. Information about local demand, supply, vacancy rates, and drivers for SDA may be relevant considerations when deciding whether to invest in SDA.

Find out more about our SDA data .

Being aware of claims regarding exaggerated or guaranteed investment returns

The NDIA and the Australian Government do not guarantee, back or assure investment returns for SDA. Prospective investors carry the risks of their investment. This includes vacancy risk.

The NDIS Pricing Arrangements for Specialist Disability Accommodation set out the maximum amount that the NDIA will pay for the SDA. The rates are set through a legislative framework to generate appropriate returns for risk in investing in SDA. Further detail is available in the SDA Price Review Final Report.

Owners and investors may wish to exercise caution with any investment opportunity claiming guaranteed or excessively high returns.

Identifying a quality SDA provider

Owners or investors will enter into a commercial agreement with an SDA provider to provide SDA to a participant/s at the owner or investor's dwelling. Among other things, the agreement should set how much the SDA provider will pay the owner or investor for the use of their dwelling.

The SDA provider has a range of obligations under the National Disability Insurance Scheme Act 2013 (NDIS Act), including applying to enrol the dwelling as SDA with the NDIA, meeting the conditions of enrolment of the dwelling, and entering into a written SDA service agreement with the participant, or participants, who live in the dwelling and receive SDA support from the SDA provider.

SDA providers must be registered through the NDIS Quality and Safeguards Commission with the SDA registration group approved and maintain this registration to provide SDA supports to participants.

Understanding specific design and build requirements

The NDIA has detailed design requirements for all newly built SDA, set out in the SDA Design Standard.

Dwellings intended for use as SDA are also required to meet local, state and national construction codes and planning regulations.

Understanding the SDA enrolment process and requirements

A dwelling is not SDA until it is enrolled by the NDIA. We decide whether to enrol a dwelling as SDA, when an SDA provider submits a completed application to enrol the dwelling with the NDIA, after the dwelling is built.

The NDIA will not enrol a dwelling if the provider and the dwelling don't meet the requirements for enrolment under the SDA Rules at the time of the dwelling enrolment decision. For example, we won't enrol a dwelling if it doesn't:

- meet the SDA Design Standard

- have the features of an SDA building type
- meet density restrictions, or other requirements in the SDA Rules.

An SDA provider can't claim payments for support they provide to a participant in a dwelling if the dwelling is not enrolled as SDA.

Further information on SDA dwelling enrolment requirements can be found via our website: SDA dwelling enrolment and vacancies.

Understanding how and when you will receive SDA income

SDA providers make claims to the NDIA for SDA support provided to participants. Participants pay for SDA support from their NDIS plan funding.

SDA providers can't submit a claim for SDA support to the NDIA until the relevant dwelling is enrolled as SDA and is occupied by an eligible participant who has a service agreement in place with the SDA provider.

How owners and investors receive income from the SDA provider is a commercial agreement between these parties. The NDIA is not a party to these agreements and cannot resolve disputes arising under these agreements.

Owners and investors (unless they are also the SDA provider) can't make SDA claims to the NDIA.

The NDIS Act and Privacy Act 1988 dictate when the NDIA can disclose participant information and other information held in the records of the Agency. SDA providers will also need to comply with the requirements in the NDIS Act and Privacy Act 1988 when disclosing this information to owners and investors.

Understanding the difference between rent and SDA payments

There is a difference between rental payments and payments for SDA.

The NDIS funds NDIS supports. SDA is a NDIS support that can be funded through the NDIS. Certain day-to-day living costs, including rent, are not a NDIS support that can be funded through the NDIS. Further information about NDIS supports can be found on the 'What is a NDIS support' landing page of the NDIS website.

In addition to SDA payments, participants pay a reasonable rent contribution to the SDA provider and other day to day living costs such as electricity bills for the SDA dwelling.

The amount of the reasonable rent contribution should be included in the service agreement between the participant and the SDA provider, or in a separate tenancy agreement between the participant and the SDA provider. Tenancy agreements must meet the requirements of relevant state and territory tenancy legislation. The NDIA is not a party to these agreements and cannot resolve disputes arising under these arrangements. You may wish to familiarise yourself with tenancy legislation applicable in the state or territory the dwelling is located in and seek independent advice if required.

The amount of rent a SDA provider can charge a participant who lives in SDA must not exceed the maximum reasonable rent contribution (MRRC) published in the NDIS Specialist Disability Accommodation Pricing Arrangements.

Understanding participant choice and needs

The NDIA does not “place” or “match” participants to an SDA dwelling. This includes where a vacancy is created in a dwelling when a participant leaves. It is the choice of the participant where they live.

Remember, you won’t receive income from an SDA dwelling if an eligible participant is not living in the dwelling.

The location and quality of your property plays a significant role in its attractiveness to potential tenants. SDA should be located on well sited blocks, which provide access to outdoor areas and promote inclusion in the neighbourhood and local community.

The proximity to essential services has a significant influence on the property’s desirability and long-term tenancy. These include:

- accessible public transport
- healthcare
- education
- shopping
- recreational facilities
- the availability of other supports.

The decision to accept a participant as a tenant in the SDA dwelling is a matter between the SDA provider and owner and investor.

Tenant selection should always consider how the attributes of the SDA dwelling in combination with the other supports a person has (if known) will achieve the best possible outcomes for the tenant.

The compatibility of tenants in shared living environments is also an important consideration.

Misleading information in the SDA market

The NDIA is aware of misleading and deceptive advertising in the SDA market.

Some examples of problematic advertising include:

- Guaranteed return on investment or profitability
- Guaranteed occupancy
- SDA properties are more secure investments than other types of investments (i.e. recession proof investment, guaranteed income, etc.)
- SDA properties having secure government funding or are ‘government-backed’.

These types of claims may be false or misleading. Investment in SDA carries risk like any other investment and profitability depends on many factors including:

- Income from an SDA dwelling is not guaranteed as the property may be unoccupied or partially occupied for periods of time. Funding for SDA applies to the participant(s) NDIS Plan and not the dwelling and as such cannot be guaranteed.
- The NDIA is not involved with day-to-day management of SDA dwellings. Investors enter an arrangement with an SDA provider to find occupants and manage operations and transactions relating to the property.
- Enrolment of the dwelling as SDA can only happen once the enrolment requirements have been met and on completion of building.
- Whether a participant’s plan includes SDA, and how much SDA funding is included in the plan will depend on the participant’s individual circumstances and disability support needs.
- NDIS participants have choice and control over their housing and occupancy of a property depends on individual requirements. It is important to be aware that:
    - the dwelling type may not meet individual NDIS participant requirements given its location, design and the quality of the dwelling
    - a dwelling with multiple rooms may not attract multiple NDIS participants to reach full occupancy
    - demand will vary in different geographic locations.

We continue to work collaboratively with the Australian Competition and Consumer Commission (ACCC), Australian Securities and Investments Commission (ASIC) and the NDIS Quality and Safeguards Commission (NQSC), as required to address any concerning market behaviours and act against those advertisers.

Advertising a dwelling as SDA

We have observed increases in advertisements promoting dwellings as SDA before their enrolment by the NDIA.

A dwelling is not considered an ‘enrolled SDA dwelling’ until:

- the dwelling is fully built and complete, and
- the NDIA approves the application to enrol the dwelling as SDA.

Any representation of a dwelling as an ‘enrolled SDA dwelling’ prior to this approval should be approached with care.

NDIS logo guidelines

The NDIA is responsible for maintaining the integrity of the NDIS and its brand.

Refer to the NDIS logo guidelines to ensure correct usage.

Contracts for building and managing SDA dwellings

When considering entering a contract for an SDA dwelling, you should read and understand the terms of the agreement. This includes any terms that may be unfair. Investors should seek independent advice before entering into an agreement.

Under the Australian Consumer Law, unfair contract terms are prohibited in standard form consumer and small business agreements. A term may be considered unfair if:

- it would cause a significant imbalance in the parties' rights and obligations arising under the contract ;
- it is not reasonably necessary in order to protect the legitimate interests of the party who would be advantaged by the term
- it would cause detriment (whether financial or otherwise) to a party if it were to be applied or relied on.

Investors should be cautious of any terms in an agreement that allow:

- for properties to be unoccupied or not occupied to capacity for long periods of time, without a right to terminate the agreement
- the SDA provider has wide discretion to change the terms of the agreement
- SDA providers have wide discretion to charge for goods or services relating to management or limits your ability to dispute charges
- SDA providers are able to acquire goods or services from related companies, without the consent of the investor
- an SDA provider to unnecessarily limit their liability for loss or damage to the property.

Seeking independent advice and resolving issues

When you are considering SDA investment, it is important to seek independent legal and financial advice before entering a commercial contract. Given the commercial nature of these contracts, other Government Agencies may also be able to assist you to resolve disputes arising under the contract.

Australian Competition and Consumer Commission

The Australian Competition and Consumer Commission (ACCC) is Australia’s competition, consumer, fair trading and product safety regulator. The ACCC accepts reports of consumer issues and provides information on the Australian Consumer Law including:

- False or misleading claims
- Unfair contract terms
- Unfair business practices including unconscionable conduct

You can contact the ACCC on 1300 302 502 or make an enquiry .

Australian Securities & Investment Commission

The Australian Securities & Investments Commission (ASIC) is Australia's integrated corporate, markets, financial services, and consumer credit regulator.

Moneysmart is one way to identify any concerning behaviours within the market and is led by ASIC.

As a prospective investor in SDA, it is recommended that you engage with Moneysmart before making major financial decisions.

Moneysmart provides useful information for people considering making investment decisions including:

- Choosing a super fund
- SMSFs and property
- Property schemes
- Investment warnings

You can contact ASIC on 1300 300 630 or lodge a report .

National Disability Insurance Scheme Quality and Safeguards Commission

The NDIS Quality and Safeguards Commission registers and regulates NDIS providers. It was established to help uphold the integrity of the NDIS by ensuring providers adhere to the relevant codes of conduct and National Disability Insurance Scheme Act 2013 provisions.

As an SDA investor, you must either be an SDA registered provider or enter into an agreement with an SDA registered provider. When engaging with an SDA registered provider, it is important to know their obligations.

You can find more information about the NDIS Code of Conduct for NDIS registered providers via the NDIS Quality & Safeguards Commission website.

You can contact the Commission on 1800 035 544 or email.

Fraud

The NDIA and Australian Government are taking stronger measures to find and stop fraud and serious organised crime in the NDIS and other government programs.

Fraud is illegal and we have zero tolerance for anyone attempting to exploit the NDIS. Individuals or organisations found to be engaging in fraudulent activity will be removed from participation in the NDIS and may be referred to law enforcement agencies for investigation.

We are committed to protecting all NDIS participants' safety and wellbeing and safeguarding the integrity of the NDIS.

All suspicious and fraudulent practices in the SDA market should be reported to us.

Disclaimer

This information has been developed jointly by the National Disability Insurance Agency (NDIA), the Australian Competition and Consumer Commission (ACCC), the Australian Securities and Investments Commission (ASIC) and the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission (NQSC) (the Contributing Authors) and released by the NDIA to provide general information only.

While this information has been prepared in good faith based on information currently available, the information may change, is not advice and should not be relied on for any act or failure to act.

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Before making any decision using this information, a person should carefully evaluate the accuracy, currency, completeness and relevance of the information to their particular situation and should obtain appropriate independent professional advice.

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