

Funding Models and Financing for Housing support under the NDIS

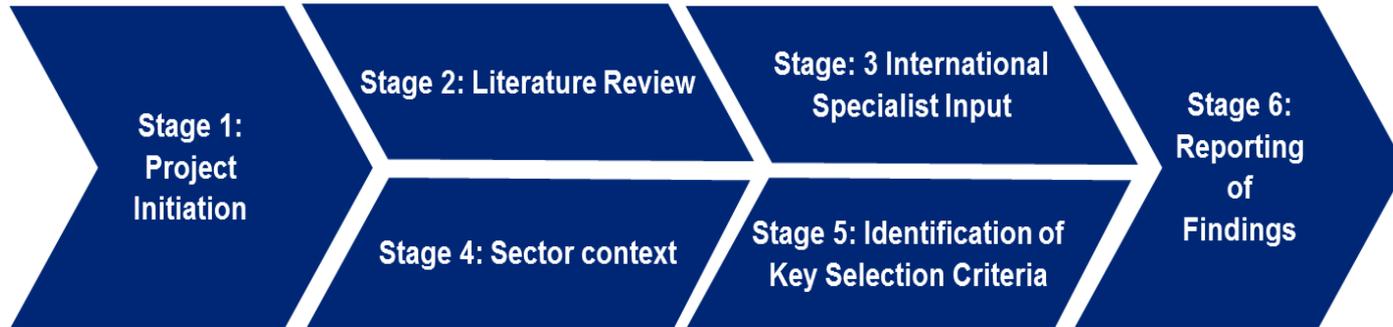
26 August 2014



Project overview

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- In the context of NDIS the Commonwealth has committed to fund \$700 million for the user cost of capital component of the NDIS. In this context it is important to examine option for the use of these funds
- Deloitte Access Economics has develop a paper exploring various funding models and developing criteria for the selection of models

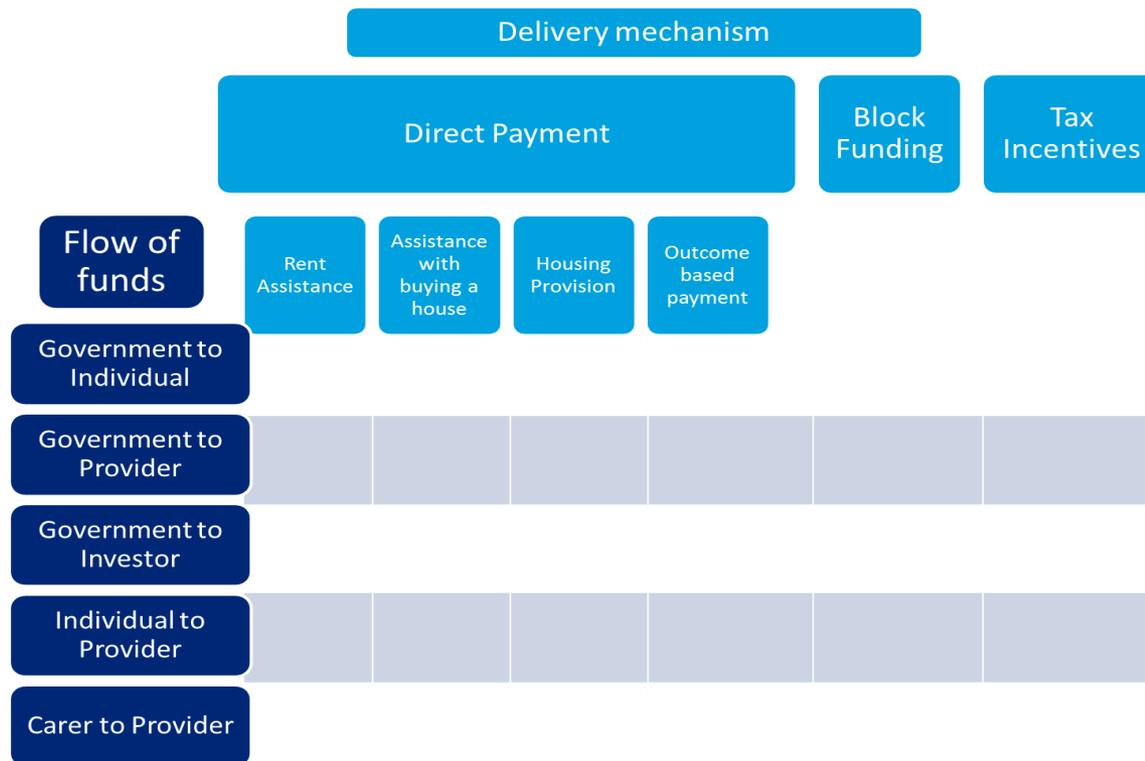


Model identification

Definitions

- 1. Funding allocation** – how funds are transferred from government to another party. There are two parts of this transfer – who the funds are transferred to, and how the transfer occurs
- 2. Financing mechanism** – structures that change the timing of funds or increase investment by incentivising co-contribution. For example, change the timing of funding by selling bonds; incentivise additional funds through tax incentives.

Matrix of options



- **Direct payments** – payments made directly to the payee to assist with meeting the cost of housing;
- **Block funding** – large fixed sum grants typically provided through capital grants – grants to build/modify housing; and
- **Tax incentives** – tax incentives used for housing development and modifications.

Model identification

There are a number of inputs that have been used to identify models:

- Broad scan of peer reviewed and grey literature
- Consultation with stakeholders
- Consultation with international experts

From this process over 50 models have been identified, this includes:

- 15 in Disability
- 16 in Housing and Homelessness
- 10 Conceptual based models

These include models from Australia, US, UK, and Canada, across the areas of Disability, Housing and Homelessness, Aged Care, Indigenous, etc.

Model identification

Some models identified include:

- **Special Disability Trusts (UK)** - Land for development is a model used in the United Kingdom to provide more opportunities for affordable housing development. Local Council's provide the land to developers, who then develop the site into residential or mixed schemes
- **Extra Care Housing Funds (UK)** - Common funding mechanism to increasing housing stock for the elderly. The grant is given directly to local authorities and is then usually transferred to a housing association, depending upon what is agreed upon between the two parties
- **Low Income Tax Credit (US)** - Developers/investors receive a tax credit to construct qualified low income housing projects
- **Rental and Supportive Program (Canada)** - This program promotes construction of new rental units for low-moderate income households. Housing providers charge the tenant 20 years of affordable rent, which is defined as 80% of the average market rent rate

Selection criteria

Inputs to selection criteria

A variety of sources have been used to inform the potential selection criteria, the core elements considered in this process and subsequent documents including:

- Government policy direction
- Rights of a person living with a Disability
- Consideration of Carers and Support Persons
- Quality benchmarks for housing
- Stakeholder input and other considerations

Key themes and alignment with inputs

Theme	Government policy direction	Right of a person living with a Disability	Consideration of Carers and Support persons	Quality benchmarks for housing	Stakeholder input and other considerations
Client-centricity	✓	✓	✓	✓	✓
Portability	✓		✓	✓	✓
Equity of access	✓	✓		✓	✓
Fit for purpose – (suitable to the need)	✓		✓	✓	✓
Financial Sustainability	✓		✓	✓	✓
Flexibility to respond to future need	✓		✓	✓	✓
Effective operational model	✓				✓

Next steps

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The next stage is to further define the application of the criteria in terms of relative weighting of criteria. This could include determination of a gateway criteria and grading scale under each criteria which can be applied to the models.

The process of assessment will involve examining the remaining models this will be informed by:

- Analysis of evidence and reviews where available
- Input from stakeholders, including, where available, consultation with funders or implementers/operators of the models in question.

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Questions



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