

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015 - 2016 Additional Estimates Hearings

Outcome: National Disability Insurance Agency

Question No: NDIA SQ16-000004

Topic: 'User cost of capital' (UCC) funding

Hansard Page: Written

Senator Siewert asked:

If the National Disability Insurance Agency (NDIA) had allocated 'user cost of capital' (UCC) funding in line with the Productivity Commission's estimate of how much UCC would be required in high-cost participant packages, how much UCC funding would the NDIA have allocated over the trial period (2013-14, 2014-15, 2015-16)? What is the NDIA's intention of how this funding will be used given the delay in releasing UCC funds?

Answer:

The phrase 'user cost of capital' (UCC) was adopted by the Productivity Commission (PC) in their estimation of the costs of the National Disability Insurance Scheme (NDIS). The PC acknowledged that the NDIS would need to supply capital funding for specialist disability accommodation not normally provided by social housing, and hence referred to this funding as UCC.

User cost of capital was not specified in the trial site bilateral agreements and hence it is not possible to quantify the amount – especially as the existing stock of accommodation in each area would need to be quantified and considered.

Arrangements for Specialist Disability Housing is included in the transition bilateral agreements.

The NDIA is of the view that for current accommodation the transitional price included an element of UCC. For full Scheme this will be disaggregated.