

## Transitional National Partnership Agreement on Homelessness 2013-14 Development Fund Guidelines

### **1. Program Overview**

The Australian Government White Paper, *The Road Home*, emphasised the need to reorient service delivery away from crisis-based modes of response to responses that would prevent homelessness and help achieve sustainable housing over time.

A Place to Call Home (APTCH) proved to be a successful capital project under the 2008-13 National Partnership Agreement on Homelessness (NPAH), which provided long-term supported housing for people experiencing homelessness. A number of Foyers and Common Ground facilities have been built under APTCH as well as individual dwellings. As of 30 September 2012, 515 dwellings have been completed.

The Transitional NPAH is an important investment by the Commonwealth, states and territories to maintain effort in service delivery to continue to provide support and assistance to some of the most vulnerable individuals and families in Australia.

As part of the Transitional NPAH, a Development Fund of up to \$38 million, to be matched by states and territories, is being established to provide funding specifically to address the housing needs of people experiencing homelessness.

Under the Development Fund, states and territories who wish to seek Commonwealth funding for capital and development projects, will be given the opportunity to bid for a portion of the total funding pool. Funding bids will be assessed on a competitive basis and as such there will be no proportional or pro-rata funding allocations.

The Development Fund aims to support capital and development projects to provide long-term housing options for people experiencing homelessness, particularly rough sleepers, Indigenous Australians, young people leaving care or custody and women and children experiencing domestic violence. While preference will be given to capital and development projects that can be delivered within the life of the agreement, projects with longer timeframes will also be considered provided that adequate milestones can be set.

States and territories are required to match Commonwealth funding. One payment will be made in advance early in life of the Transitional NPAH and the final payment will be made in arrears upon the completion of agreed milestones. Further detail is provided in the timeline at **7.3** of these Guidelines. Bids are required to be submitted by 14 May 2013 and will be assessed by a Selection Committee against the outlined selection criteria.

States and territories must also commit to supporting homelessness services appropriate to the capital project proposed, which could include the ongoing provision of onsite wrap-around support for clients once the capital project has been delivered.

## 2. Objectives

As part of the Transitional NPAH, the Development Fund is intended to specifically address the housing needs of people experiencing homelessness by providing long-term, supported and sustainable housing through capital and development projects.

Projects should be designed to provide the necessary support to help individuals 'exit' homelessness into long-term and sustainable housing.

## 3. Responsibilities and accountabilities

### 3.1 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) responsibilities and accountabilities

FaHCSIA is responsible for:

- acting as the lead Commonwealth Department on the operation and administration of the Development Fund under the Transitional NPAH;
- meeting the terms and agreements of the Transitional NPAH including those that relate specifically to the Development Fund;
- ensuring that states and territories have clear information regarding selection criteria, process of selection, critical dates and outcomes;
- reviewing the applications for funding against the selection criteria and notifying the states and territories in a timely manner;
- monitoring the reporting of milestones, stipulated in individual state and territory Implementation Plans;
- supporting the process of payment to states and territories for projects that have been approved, through an upfront payment at the beginning of the Agreement and a payment in arrears upon the completion of an agreed milestone;
- where applicable, in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring the financial contributions to a building project or projects as defined under the Fair Work (Building Industry - Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
- where applicable, ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Plan Guidelines for the National Code of Practice for the Construction Industry is a condition of Australian Government funding.

### 3.2 State and territory responsibilities and accountabilities

States and territories are responsible for:

- meeting the terms and agreements of the Transitional NPAH including those that relate specifically to the Development Fund;
- submitting applications using the template provided which adequately address the selection criteria and aims of the Development Fund;
- completing and submitting an attachment to the Implementation Plan for the Transitional NPAH, detailing Development Fund project(s) including milestones for the processing of payment;
- administering and delivering the project(s) that have been approved within the agreed timeframes;
- planning and managing risk associated with the project(s), including strategies for managing potential delays and notifying the Commonwealth of timetable changes;
- formally reporting on two occasions to the Commonwealth on progress of project(s) under the Development Fund, the first as part of the 6 monthly report under the Transitional NPAH and the second against the milestones set out in the Implementation Plan;
- committing to support sustainable service provision on the sites where the Development Fund has contributed to capital development;
- where applicable, ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and provide the necessary assurances to the Commonwealth; and
- where applicable, ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

### 3.3 Selection Committee

A committee will be established comprised of Commonwealth officials, with FaHCSIA as the lead Department, with expertise in the homelessness area to assess bids.

### 3.4 Role of the Minister

The Federal Minister for Housing and Homelessness has responsibility for approving the projects to be funded under the Development Fund. The final decision about projects to be funded will be made by the Minister on advice provided by the Selection Committee.

### **3.5 Promotion and publicity**

States and territories will be required to acknowledge the Commonwealth's funding in any publications, promotional materials and promotional activities relating to projects that are funded under the Development Fund, including the use of plaques or logos on building sites.

Where it is appropriate to deliver a public statement or hold a public event in relation to a project funded under the Development Fund, this should be done as a joint announcement/event between the Commonwealth and the relevant State Minister and/or portfolio Department.

## **4. Funding**

A Commonwealth funding pool of up to \$38 million will be available to the states and territories for capital and development that suitably meet the eligibility criteria, including the provision that states and territories are required to match funding.

Payment will be made in two instalments: one at the start of the agreement upon agreement of the Implementation Plans, subject to projects having been approved by the Minister for Housing and Homelessness (40 per cent of the total Commonwealth payment); and one at the completion of a milestone set at the end of the agreement (60 per cent of the total Commonwealth payment).

### **4.1 Milestones**

States and territories are required to identify and report on milestones for the project which will be used to assess whether the associated Commonwealth payments can be authorised, and monitor implementation of the project. The milestones will be determined as part of the Implementation Plans.

Although preference will be given to projects that can be delivered within the life of the NPAH (July 2013 – June 2014), consideration will also be given to capital projects that cannot be fully completed and delivered in this timeframe providing that adequate milestones which indicate significant progress can be set within this period.

### **4.2 Expenditure of funds**

Funding identified may only be used to meet capital and development costs for the projects that have been approved for funding by the Commonwealth minister with an approved Implementation Plan. Commonwealth funding must be spent or committed by 30 June 2014.

Projects are required to meet the final milestone agreed in Implementation Plans in order to receive the final payment from the Commonwealth.

If milestone reporting does not show progress or ability to meet the final project milestone, the Commonwealth may re-allocate funds. How this funding will be re-allocated will be determined through negotiations with states and territories.

If there is a dispute between the Commonwealth and a state about ability to meet the final project milestone, the dispute will be resolved in accordance with the dispute resolution provisions of the Transitional NPAH.

### 4.3 Scalable funding

States and territories are encouraged to submit applications that contain scalable funding proposals to be adjusted depending on funds available in the Development Fund.

When determining which proposals will be funded under this Agreement, the Commonwealth may also take into account the broader housing needs and circumstances in individual jurisdictions

### 4.4 Matched Funding Contribution

States and territories can match funding in the Development Fund through a mixture of cash and/or capital contributions. Capital contributions can include land and existing assets and construction. Contributions from the non-government sector are also suitable.

Details on how the Commonwealth contribution will be matched is required as part of submitting a bid. This includes detail on the nature of the matched contribution such as capital (land, existing building, etc), cash or non-government sector contribution. If the nature of contributions varies (eg. partial cash and capital), this detail also needs to be included.

### 4.5 Development Fund and other Australian Government funding programs, including the National Rental Affordability Scheme

States and territories will need to identify whether a dwelling will be built on any development site that has been funded through other Australian Government funding programs, such as the Housing Affordability Fund or Building Better Regional Cities, or where the owners of the dwelling will seek an incentive under the National Rental Affordability Scheme.

Individual dwellings funded under the Development Fund may also be eligible for the National Rental Affordability Scheme (NRAS). Projects can utilise funding from both sources where dwellings meet the eligibility requirements for both programs. NRAS incentives cannot be counted as part of the 'matching' contribution. For more information on eligibility requirements for NRAS please see the NRAS Factsheet published online, [www.fahcsia.gov.au/nras](http://www.fahcsia.gov.au/nras) or call the NRAS hotline on 1800 334 505.

States and territories are encouraged to discuss complex applications with the Commonwealth prior to submitting.

## 5. Risk Management

States and territories are required to adequately manage risk associated with the implementation of the project. The management of risk forms part of the selection criteria.

In addition, states and territories will be required to complete a risk assessment template as part of the process of bidding for funding. The risk assessment template is at **Attachment C**.

## 6. Making bids

States and territories will use the attached template when making project bids (**Attachment B**).

Project bids are due on 14 May 2013 and can be emailed to [npah@fahcsia.gov.au](mailto:npah@fahcsia.gov.au). As is reflected in the compulsory selection criteria, it is expected that bids would reference specific capital project/s.

### 6.1 Selection Criteria

The following criteria will be considered when assessing state and territory project bids. Some criteria are weighted to reflect a higher level of importance, outlined in **Attachment C**:

1. States must match the Commonwealth contribution.
2. Higher weighting will be given to those bids which demonstrate that a project is already in development and/or substantial progress is able to be achieved within the life of this Agreement.
3. Projects that help support individuals 'exit' homelessness into long-term and sustainable housing with necessary support.
4. Supportive housing programs targeted to highly vulnerable groups particularly rough sleepers, Indigenous Australians, young people leaving care or detention, or women and children experiencing domestic violence.
5. Demonstrated capacity to deliver, and ability to effectively manage implementation risks.
6. Commitment to support ongoing service delivery once the capital project has been delivered.
7. Cost effectiveness/value for money.
8. Timely implementation.

### 6.2 Eligible and ineligible projects

The Development Fund is aimed at providing funding for capital and development projects designed to increase housing supply, with necessary support, for people experiencing homelessness. Capital funding must result in the development of an asset, as such programs similar to head-leasing or lead-tenancies are not eligible.

Additionally, projects are required to support long-term housing solutions for people who are experiencing homelessness particularly rough sleepers, Indigenous Australians, young people leaving care or custody and women and children experiencing domestic violence. As such the following programs would not be eligible:

- crisis accommodation facilities;
- caravans or forms of marginal housing;
- other forms of accommodation that do not provide adequate housing; and
- general funding toward public, community or social housing that is not targeted at a particular group and does not have a supportive tenancy model to meet the needs of a specific group.

Although capital development is preferred, spot purchases and refurbishments that meet the selection criteria are eligible for funding.

Initiatives such as Common Ground, Youth Foyer and Housing First programs are viewed as best practice approaches.

## 7. Delivery

### 7.1 Implementation Plans

States and territories are required to develop an attachment to the Implementation Plan for the Transitional NPAH, for the delivery of projects that have been approved under the Development Fund. As part of the broader Transitional NPAH, Implementation Plans will be sent to states and territories to complete and will include specific information on bids that are successful in the Development Fund.

Because of the short timeframe, the attachment to the Implementation Plan will be drafted in collaboration between the state and Commonwealth, using information received in the bidding process.

### 7.2 Reporting

States and territories will be required to report on progress against milestones, including those relating to projects funded from the Development Fund, that have been set in the Implementation Plans.

Reporting will follow the requirement set out in the Transitional NPAH. The first milestone report will be included with the 6 month Transitional NPAH report (31 January 2014), and the final milestone report due no later than 31 May 2014.

### 7.3 Timeline

<b>Date</b>	<b>Activity</b>
26 April 2013	Final guidelines provided to states and territories.
14 May 2013	Applications submitted to the Commonwealth.
31 May 2013	Service delivery Implementation Plans submitted by states and territories.
By 14 June 2013	States and territories are notified of successful bids.
14 June 2013	States and territories with project/s approved for funding through the Development Fund will be required to submit an attachment to their Implementation Plans with details of the successfully funded project/s.
1 July 2013	Projects commence.
31 January 2014	First milestone report due as part of reporting processes of service delivery under the Transitional NPAH.
31 May 2014	Second milestone report due to determine whether project has been completed and payment can be processed.

## **Application template**

### **Transitional National Partnership Agreement on Homelessness – Development Fund bids**

#### **OVERVIEW OF PROPOSAL**

- 1) TITLE
- 2) SUMMARY OF PROPOSAL – including target groups and intended outcomes.
- 3) FUNDING SOUGHT – including capacity to match funding.

#### **STRATEGIC DIRECTIONS**

- 4) How is the proposal consistent with the NPAH objective, outcomes and outputs of the NPAH.
- 5) How would the proposal deliver the intended outcomes of the NPAH, particularly clause 14(c).
- 6) How are you seeking to make the project sustainable, providing the necessary support to help individuals 'exit' homelessness into long-term and sustainable housing?
- 7) Are you partnering with a Community Housing Provider, or similar organisation, intending to apply for NRAS funding for this development site? Please provide further detail.

#### **DETAILED COSTINGS**

- 8) Clear financial information on the Commonwealth contribution, state/territory contribution and total cost of the project.
- 9) Is the funding amount requested scalable? Options for adjusted funding based on funds available.
- 10) Detailed information concerning construction costs, administration and any other expenses.
- 11) Cost effectiveness – demonstrate how the proposal is value for money based on the clients that can be supported.



## **KEY DESIGN ELEMENTS**

- 12) How does the proposal show commitment to a service delivery strategy to provide long-term, supported and sustainable housing for individuals experiencing homelessness?
- 13) How does the proposal address the needs of one or more of the following target groups
  - Indigenous people, particularly those sleeping rough or in crowded conditions
  - Young people, particularly those exiting care and detention;
  - Chronic rough sleepers; and/or
  - Women and children experiencing domestic violence.

## **IMPLEMENTATION**

- 14) Commitment to deliver and ability to effectively manage implementation risks.
- 15) Commitment to support ongoing service delivery once the capital project has been delivered.
- 16) Where applicable, ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and provide the necessary assurances to the Commonwealth.
- 17) Where applicable, ensuring that compliance with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry, is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

## **MILESTONES**

- 18) Initial identification of milestones within the Transitional NPAH (31 January 2014 and 31 May 2014).
- 19) Commitment to meet milestones.

**Assessment template**

**National Partnership Agreement on Homelessness – Development Fund bids**

State: \_\_\_\_\_

Project Title: \_\_\_\_\_

**Compulsory assessment criteria**

		<b>Does not meet requirement</b>	<b>Meets requirement</b>
<b>Commitment to support ongoing service delivery once the capital project has been delivered.</b>			
Additional Information	A clearly identified service delivery model that stipulates exactly what the facility is intended to be used for.		
	An indication of how the facility will be managed and what service or agency will be responsible, including funds for staffing, maintenance and other ongoing needs.		
<b>States must at least match the Commonwealth contribution.</b>			
Additional Information	Clear financial information on the Commonwealth contribution, state/territory contribution and total cost of the project.		
	Detailed information concerning land costs, construction costs, administration and other expenses.		
<b>Projects that help support individuals 'exit' homelessness into long-term and sustainable housing with necessary support.</b>			
Additional Information	Projects that help individuals prepare for and manage a transition to independent living.		
	Identification of support systems and services that will enable clients to maintain tenancies.		
	Projects that use client centred approaches and follow best practice models of service delivery.		
	Projects are seeking to strengthen sustainability through other funding sources such as NRAS.		

**Additional criteria for assessment**

		<b>Rating</b>	<b>Weighting</b>
<b>Higher weighting will be given to those bids which demonstrate that either a project is already in development and/or substantial progress is able to be achieved within the life of this Agreement.</b>		<b>/10</b>	<b>40%</b>
Additional Information	If the project is not able to be completed in the life of the agreement it is essential to nominate milestones that can be reasonably achieved within the life of the agreement.		
<b>Supportive housing programs targeted to highly vulnerable groups particularly rough sleepers, Indigenous Australians, young people leaving care or custody and women and children experiencing domestic violence.</b>		<b>/10</b>	<b>20%</b>
Additional Information	A clearly identified target group(s) for program.		
	A defined process for choosing clients/occupants based on high levels of vulnerability, including defined eligibility criteria.		
	Service delivery responses and program designs that meet the needs of the target group initially and in the long-term.		
<b>Cost effectiveness/value for money.</b>		<b>/10</b>	<b>20%</b>
Additional Information	Clear information relating to how many beds and how many tenants the facility can support.		
	Financial viability of the project.		
<b>Commitment to deliver and ability to effectively manage implementation risks.</b>		<b>/10</b>	<b>10%</b>
Additional Information	Initial identification of threats to project implementation including resources, planning, potential for client harm and activity size and complexity.		
	Initial identified mitigation strategies that link to risks that have been identified.		
<b>Timing (ability for timely implementation).</b>		<b>/10</b>	<b>10%</b>
Additional Information	Timeframes for completing construction and tenanting the facility.		

**Development Fund Risk Assessment (State and Territory)**

State: \_\_\_\_\_

Project name: \_\_\_\_\_

Contributing Risks	Consequence Areas		Initial Risk	Mitigation strategies	Residual Risk
		Y/N			
	Financial				
	Reputation				
	Stakeholders				
	Service Delivery/Continuity				
	Integrity and Compliance				
	People/WHS				
	Financial				
	Reputation				
	Stakeholders				
	Service Delivery/Continuity				
	Integrity and Compliance				
	People/WHS				
	Financial				
	Reputation				
	Stakeholders				
	Service Delivery/Continuity				
	Integrity and Compliance				
	People/WHS				
	Financial				
	Reputation				
	Stakeholders				
	Service Delivery/Continuity				
	Integrity and Compliance				
	People/WHS				

\*Contributing risks may include resource constraints, activity complexity and potential for client harm.

## Risk Matrix

Consequence Areas	Low	Minor	Moderate	Major	Extreme
Financial	Less than marginal chance of material effect on value of financial assets	Limited reduction in value of small proportion of financial assets	Loss of financial assets/temporary reduction in value of significant proportion of financial assets.	Loss of significant proportion of financial assets/significant reduction in value of financial assets	Total loss of financial assets/permanent reduction in value of financial assets.
Reputation	Internal dissent/criticism	Criticism from minor community segment. Adverse press coverage.	Criticism from the Government and Public Service	Local public outrage/condemnation and high level political criticism.	State wide/National public outrage/condemnation and high level political criticism.
Stakeholders	Very low straightforward stakeholder arrangement or no opposition of stakeholders expected	Some stakeholder opposition expected with limited complexity	Multiple stakeholders or some stakeholder opposition expected.	Multiple stakeholders with strong opposition	Complex stakeholder arrangements or significant stakeholder opposition expected.
Service Delivery/Continuity	Insignificant changes to deliverables, fitness for purpose and schedule	Number of minor deliverables: not achieved; not fit for purpose; delayed	Number of key deliverables: not achieved; not fit for purpose; delayed	Majority of deliverables not realised and/or delayed. Major reduction in acceptability of fitness for purpose.	Project objective not achieved. All project deliverables are not fit for purpose, or of acceptable quality. Project delivery date not met, project cannot be completed in acceptable time.
Integrity and Compliance	Insignificant impact on integrity. Little or no issues with compliance.	Small impact on integrity and compliance	Considerable impact on integrity and compliance	Major impact on integrity and compliance	Threatens the integrity of the overall state government
People/WHS	Minor skills impact.	Minor impact to capability	Unavailability of core skills affecting services	Unavailability of critical skills of personnel	Protected lack of critical skills/people
	Minor Injury	Medical Treatment	Major Injury	Death	Multiple Deaths