


Request for Costing an Election Commitment

Name of election commitment:	CommonGround Homelessness Project					
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader					
Date of public release of election commitment, including source:	17 th September 2012 http://act.greens.org.au/content/social-housing-and-homelessness-0					
Summary of election commitment:	Funding for the CommonGround Homelessness Project to be constructed, as well as an annual contribution to its running costs.					
Intention of election commitment:	To ease homelessness in the ACT by assisting the CommonGround project, to provide units for a mix of people who are homeless or on low incomes.					
Signature of person requesting costing:						
Date of request for costing:	10/10/12					
What are the key assumptions that have been made in the election commitment?						
<p>Note: that where the request to cost an election commitment differs from the public announcement, the costing will be on the basis of information provided in the costing request.</p> <p>Note: it will be up to the professional judgment of the Director-General as to whether these assumptions are adopted in the costing of the election commitment.</p>						
Where relevant, is the funding for the policy to be demand driven or a capped amount?						
The funding is a capped amount.						
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?						
The project will be delivered in collaboration with CommonGround.						
Will funding/the cost require indexation?						
<ul style="list-style-type: none"> • Recurrent funding is indexed at CPI of 2.5% per annum. 						
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?						
	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)						
Expenses ^(a)		-498	-585	-603	-622	-2,308
Capital		-7,000				-7,000
(a) A negative number indicates a decrease in revenue or an increase in expenses.						
What is the likely take up?						
N/A.						
Any other assumptions?						

<ul style="list-style-type: none"> • There are a range of different models that could be implemented to deliver the Common Ground project. • The commitment is to provide \$7 million in capital to build a facility for CommonGround. • Additional funding from the Commonwealth and the private sector will be sought. • A \$200 000 (indexed at 2.5%) per annum grant will be provided to Common Ground. • The cost of capital is provided for at 4.25% per annum (\$298,000 in the first year). • Depreciation is assumed to be over 100 years, and is assumed to commence at the start of the 2014/15 financial year when the asset is likely to be commence operation.
<p>Administration of the election commitment</p>
<p>How will the election commitment be administered? Housing ACT will provide a grant to CommonGround.</p>
<p>Who will administer the election commitment? Housing ACT.</p>
<p>Has an allowance been made for expenses necessary to support the implementation of this election commitment?</p> <ul style="list-style-type: none"> – If no, will the government agency be expected to absorb expenses associated with this election commitment? – If yes, please specify the key assumptions. <p>No, Housing ACT will administer the grant from within existing resources.</p>
<p>What is the intended implementation date of the election commitment? 2013-14.</p>
<p>Are there transitional arrangements associated with election commitment implementation? No.</p>
<p>Are there any other assumptions that need to be considered? No.</p>
<p>When is the election commitment expected to be fully operational? <i>Please provide further details i.e. start and end dates, the level of commitment during each period etc?</i></p> <p>One-off capital funding will be provided in 2013-14. Recurrent funding will commence in 2013-14.</p>
<p>Will the election commitment cease and if so when? N/A.</p>