

## Request for Costing an Election Commitment

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| <b>Name of proposal:</b>         | A home for all  |
| Person requesting costing:       | Shane Rattenbury MLA  |
| Date of request:                 | 9 October 2020  |
| Summary of proposal:             | <p>Everyone has the right to a secure home. This proposal is for a major investment in social and community housing, and a suite of measures to improve homelessness services and make housing more secure and affordable.</p> <p>It includes:</p> <ul style="list-style-type: none"> <li>- Investing \$200 million in new social housing dwellings</li> <li>- Investing \$200 million in new community housing dwellings including through: <ul style="list-style-type: none"> <li>o Providing funding for direct purchase or development of new and existing properties</li> <li>o Increased incentives for landlords who rent their property affordably through community housing providers</li> <li>o Debt forgiveness</li> <li>o Making low cost land available at book value for the provision of community housing</li> <li>o Stock transfers of properties currently managed by community housing providers</li> <li>o Rates exemption for Community Housing Providers managing social housing properties</li> </ul> </li> <li>- Establishing an Aboriginal-controlled housing organisation</li> <li>- Increasing funding for homelessness services and expanding bed capacity.</li> </ul> <p>More information is available at <a href="https://greens.org.au/act/a-home-for-all">https://greens.org.au/act/a-home-for-all</a>.</p> |
| Issue the proposal will address: | Many Canberrans are unable to afford to buy or rent the home they need. This proposal is designed to build a better, affordable housing system.   |

### What are the key assumptions that have been made in the proposal?

**Note:** The costing will be developed on the basis of information and assumptions provided in the costing request. The professional judgment of the Under Treasurer will determine whether these assumptions are adopted in the costing of the proposal.

- Average cost of \$500,000 per dwelling for social housing is based on the public housing renewal program. This includes land costs and administration costs. The split of land/building costs is unknown at this stage as it will depend on selection locations and land cost.
- Community housing costs are capped at \$200 million and will include a range of measures including debt forgiveness, stock transfers, direct funding and rates

exemptions.

- Depreciation assumes a 40-year building life. In the case of social housing, it is assumed that 60% of spending is on buildings.

|  | 2020-21       | 2021-22        | 2022-23        | 2023-24        | Total          |
|--|---------------|----------------|----------------|----------------|----------------|
| Deliver new social housing stock (total 400 dwellings)   | 20,000        | 40,000         | 60,000         | 80,000         | 200,000        |
| Depreciation of social housing   |               | 300            | 896            | 1,787          | 2,982          |
| Invest in community housing to deliver an estimated 600 dwellings  | 20,000        | 60,000         | 60,000         | 60,000         | 200,000        |
| Commission work to determine the housing needs of Indigenous Canberrans and establish a model for a new Aboriginal controlled housing organisation | 300           |                |                |                | 300            |
| Increase funding by 20% for existing specialist homelessness services  | 2,600         | 5,340          | 5,340          | 5,340          | 18,620         |
| Deliver MyHome in Curtin to provide long term supported housing for 20 people enduring mental health issues  | 2,000         | 2,500          | 2,000          | 2,000          | 8,500          |
| Expand Common Ground in Gungahlin to provide an additional 20 apartments   |               | 5,000          | 3,000          |                | 8,000          |
| Depreciation of Common Ground asset  |               |                | 125            | 197            | 322            |
| Fund a 7 day per week service at the Early Morning Centre  | 200           | 400            | 400            | 400            | 1,400          |
| Fund new beds in specialist homelessness services as needs emerge  |               | 3,000          | 2,000          |                | 5,000          |
| Fund embedding specialist workers in existing homelessness services  | 500           | 1,000          | 1,500          | 1,000          | 4,000          |
| Conduct a needs assessment, consult with stakeholders, and develop a model for a youth-specific social housing service                             | 300           |                |                |                | 300            |
| Increase funds for a dedicated emergency accommodation brokerage fund to be administered by OneLink  | 150           | 300            | 300            | 300            | 1,050          |
| Fund tenancy advocacy services   | 100           | 100            | 100            | 100            | 400            |
| Restore funding to ACT Shelter   | 100           | 200            | 200            | 200            | 700            |
| <b>Total</b>   | <b>46,250</b> | <b>118,140</b> | <b>135,861</b> | <b>151,323</b> | <b>451,574</b> |

| What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this proposal and estimated costs each year (if available)? |         |         |         |         |          |
|---|---------|---------|---------|---------|----------|
|   | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Total    |
|   | \$'000  | \$'000  | \$'000  | \$'000  | \$'000   |
| <b>Revenue<sup>(a)</sup></b>  |         |         |         |         |          |
| <b>Expenses<sup>(a)</sup></b>   | -24,250 | -70,340 | -69,840 | -67,340 | -231,770 |
| <b>Capital</b>  | -22,000 | -47,500 | -65,000 | -82,000 | -216,500 |
| <b>Depreciation</b>   |         | -300    | -1,021  | -1,983  | -3,304   |

(a) A negative number indicates a decrease in revenue or an increase in expenses. The expenses row does not include depreciation costs.

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| Has any specific information or data been utilised in generating the proposal?  |
| No  |
| Where relevant, is funding for the proposal to be demand driven or a capped amount?   |
| Capped  |
| Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the proposal? Does the proposal provide additional funding to, or redirect, any existing Commonwealth/State or Territory funding arrangements? |
| Some elements will fund community organisations to deliver housing and services.  |
| Will funding/the cost require indexation?   |
| No  |
| Who will administer the proposal?   |
| Housing ACT, Community Services Directorate, community services sector and community housing sector.  |
| How will the proposal be administered?  |
| Staffing costs for social housing upgrades are included in the capital costs. Staffing for community housing work is included in the \$200 million. Staffing for implementing homelessness measures will be absorbed by agencies.                                 |
| Is the proposal part of a broader package?  |
| Yes, A Home for All. Elements not included in this costing either have no cost, will be done with existing resources or are costed elsewhere.   |
| Has an allowance been made for expenses necessary to support the implementation of this proposal?   |
| <ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>  |
| Staffing costs for social housing upgrades are included in the capital costs. Staffing for community housing work is included in the \$200 million. Staffing for implementing   |

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| homelessness measures will be absorbed by agencies.  |
| Will the proposal generate savings or offsets?   |
| No   |
| Has the proposal been previously costed by an external (third) party? Will a copy of this material, including any assumptions, be made available to Treasury?  |
| No   |
| What are the community impacts associated with the proposal? Who and how many people will be affected?   |
| The proposal will result in major improvements in public and community housing. This will deliver higher quality, more secure and more affordable housing for residents. Homeless services will be expanded to cater for more people and provide additional support. |
| Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?   |
| No   |
| What is the intended implementation date of the proposal?  |
| Early 2021   |
| When is the proposal expected to be fully operational? Please provide details such as the start and end dates, the level of commitment during each period etc.   |
| Mid 2021   |
| Will the proposal cease, and if so, when?  |
| It is anticipated that new dwellings will be built by June 2024, however some construction may continue to the end of 2024 calendar year. Ongoing investment will be required to maintain homelessness and support services.   |
| Is there any additional information relevant to this proposal?   |
| No   |