2024 Election Commitment – Canberra Liberals

Name of Commitment:	**Housing – Key worker pilot (purchase)**
	Reference Number: LIB070
Request Submitted by:	Elizabeth Lee MLA, Canberra Liberals
Date Request Received:	11-Oct-24
Additional Information Requested (details and date)	N/A
Additional Information Received (details and date)	N/A

Financial Implications

Impact On:	**2024-25 $'000**	**2025-26 $'000**	**2026-27 $'000**	**2027-28 $'000**	**TOTAL $'000**
Revenues [(a)]	0.0	-1,278.9	-1,310.9	-1,343.6	**-3,933.4**
- Other Revenue	0.0	0.0	0.0	0.0	**0.0**
- Revenue Forgone	0.0	-1,278.9	-1,310.9	-1,343.6	**-3,933.4**
Expenses [(a)(b)]	0.0	0.0	0.0	0.0	**0.0**
- Employee Expenses	0.0	0.0	0.0	0.0	**0.0**
- Other Expenses	0.0	0.0	0.0	0.0	**0.0**
- Cost of Financing	0.0	0.0	0.0	0.0	**0.0**
Depreciation	0.0	0.0	0.0	0.0	**0.0**
Net Operating Balance	**0.0**	**-1,278.9**	**-1,310.9**	**-1,343.6**	**-3,933.4**
Capital Requirement	0.0	0.0	0.0	0.0	**0.0**
Cash Surplus/Deficit	0.0	-1,278.9	-1,310.9	-1,343.6	**-3,933.4**

(a) A negative number indicates a decrease in revenue or an increase in expenses.
(b) Excludes depreciation

Other Information

Costing Methodology Used:

- Costing Technique:

The costing to waive duty for eligible applicants has been completed using a price by quantity methodology, based on the number of dwellings multiplied by current median prices (assuming an even split of houses and apartments), multiplied by the applicable stamp duty rate and indexed by the Consumer Price Index (CPI).

- Proposal Parameters:

- The number of property purchases to be facilitated is capped at 50 per year.
- Existing stamp duty thresholds and marginal rates have been applied.
- Indexation is based on forecast CPI as published in the 2024 Pre-Election Budget Update.
- Current median property prices for houses and units have been used, of $1,041,432 and $595,951 respectively.
- The costing assumes that administrative expenses would be met entirely by the Chief Minister, Treasury and Economic Development Directorate

Caveats or qualifications to the costing:

The final revenue forgone would depend on property price growth over the four years and whether there are changes to stamp duty rates in that time.

Other Comments:

• Treasury has been provided no indication that Hope Housing would agree to participate in this proposal. Treasury considers that the agency may have to reduce or reprioritise existing services to cover the associated administration costs.
• Treasury's costing differs from that submitted due to indexation by CPI as published in the 2024 Pre-Election Budget Update, and the median house price of $1,041,432 as published in Domain's June 2024 House Price Report.
• The cost over the Budget and forward estimate years is $3.933 million, and $5.311 million over the four years from 2025-26 to 2028-29.

- Statistical Data Used:

Treasury estimates based on data from *June 2024 House Price Report* produced by Domain, and the ACT Revenue Office duty calculator.
Consumer Price Index estimates are as per the 2024 Pre-Election Budget Update.

Stuart Hocking PSM
Under Treasurer
16 October 2024