

2016 Policy Commitment – ACT Labor

Name of Commitment:	Aboriginal and Torres Strait Islander older persons housing
	Reference Number: LAB048
Request Submitted by:	Andrew Barr MLA, ACT Labor
Date Request Received:	12-Oct-16
Additional Information Requested (details and date)	N/A
Additional Information Received (details and date)	N/A

Financial Implications					
Impact On:	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	27.9	27.9
- Other Revenue	0.0	0.0	0.0	27.9	27.9
- Revenue Forgone	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	0.0	0.0	-99.4	-169.2	-268.6
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	-66.9	-66.9
- Cost of Financing	0.0	0.0	-99.4	-102.4	-201.7
Expenses - Depreciation	0.0	0.0	0.0	-16.3	-16.3
Net Operating Balance	0.0	0.0	-99.4	-157.6	-257.0
Capital Requirement	0.0	0.0	-3,974.0	-21.7	-3,995.7
Cash Surplus/Deficit	0.0	0.0	-4,073.4	-163.0	-4,236.4

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

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed this commitment based on similar work undertaken by the ACT Government.
- Proposal Parameters:
Design, construction and land for a five-dwelling development. The cost of financing is calculated at 2.5 per cent. Maintenance and cyclical refurbishment costs are included in the costing. Rental revenue is calculated at 25 per cent of Centrelink benefit payments (Disability Support and/or Age Pensions). Rental revenue has been indexed by 2.5 per cent, consistent with the Commonwealth's indexation of these payments by the Consumer Price Index (CPI). Depreciation is calculated on a straight-line basis over 80 years, with a 40 per cent residual value.
Caveats or qualifications to the costing:
Capital costs are indicative only and would be fully informed by feasibility and design work. Project management costs have not been included; it is assumed that these costs would be met by ACT Housing.
Other Comments:
N/A
- Statistical Data Used:
CPI estimates are as per the 2016 Pre-Election Budget Update. ACT Housing expense and revenue data.



David Nicol
Under Treasurer
13 October 2016