Request for Costing an Election Commitment

Name of proposal:	Housing – Community Housing
Person requesting costing:	Elizabeth Lee MLA
Date of request:	11 October 2024
Summary of proposal:	A Canberra Liberals government will offer land to community housing providers on a 25-year peppercorn lease, to allow them to develop more affordable properties.
Issue the proposal will address:	Increase the accessibility of affordable housing.
Proposal's public announcement details (media release or policy statement published on a party website)[1]:	Media release (23/9/24)

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.

This policy assumes the land made available to CHPs is owned by the ACT Government and has no current, alternative use. According to AASB 16, a right-of-use asset can be valued at cost where the lessee is a not-for-profit entity. Given the nominal fees, even for a total of 200 properties, the revenue and lease costs are rounded to zero for each year.

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)?

	2024-25	**2025-26**	**2026-27**	**2027-28**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue[(a)]	0	0	0	0	0
Expenses[(a)]	0	0	0	0	0
Capital[(a)]	0	0	0	0	0
Depreciation[(a)]	0	0	0	0	0
Offset - Expenses[(a)]	0	0	0	0	0
Offset - Capital[(a)]	0	0	0	0	0
Full-time equivalent employees	0	0	0	0	0

(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.

[1] As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.
Yes, AASB 16.
Where relevant, is funding for the proposal to be demand driven or a capped amount?
N/a
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?
Yes, community housing providers will be responsible for delivery of housing projects.
Will funding/the cost require indexation?
N/a.
Who will administer the proposal?
CMTEDD
How will the proposal be administered?
The Coordinator-General for Housing will work with community housing providers and other agencies to identify appropriate sites and to develop guidelines for the program.
Is the proposal part of a broader package? If so, please identify the other elements of the package.
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal? – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.
Any administrative expenses will be absorbed by CMTEDD.
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.
No.
Has the proposal been previously costed by an external (third) party? If so, 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?
This program will improve housing affordability and accessibility.
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?
N/a
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.

It is hoped that the first leases will be signed in the second half of 2025.
Will the proposal cease, and if so, when?
The program is intended to run for four years.
Is there any additional information relevant to this proposal?
No.