

Request for Costing an Election Commitment

Name of policy proposal:	<i>Increasing Canberra's Community housing stock</i>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	The ACT Greens will invest an additional \$21 million in capital funding for new Community housing in Canberra.
Issue the proposal will address:	New social housing for people who are in need of accommodation.

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

Note: The costing will 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.

The proposal factors in capital finance at 2.5% per year.

Depreciation has been calculated at 1% per year, on a straight line basis over a 100 year life span.

Maintenance and repairs have been factored at 0% in the first year after construction, 1% the year after that, and 2% per year for every year onwards.

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)?

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue^(a)	-0	-0	-0	-0	-0
Expenses^(a)	-0	-175	-350	-595	-1,120
Capital	-0	-7,000	-7,000	-7,000	-21,000
Depreciation			-70	-139	-209

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

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?

Funding for this proposal is to be capped at \$21m (capital), over three years.

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 (for example, does an education proposal add to or redirect NERA funding).

No.

Will funding/the cost require indexation?

No.

Who will administer the proposal?
Community Services Directorate.
How will the proposal be administered?
Funding to be allocated by the Directorate to increase Canberra's Community housing stock, by building new dwelling, substantially renovating/building onto existing stock to create new dwellings, or strategic handover of existing Housing ACT to community housing providers.
Is the proposal part of a broader package?
No.
Has an allowance been made for expenses necessary to support the implementation of this proposal?
<ul style="list-style-type: none"> - If no, will the government agency be expected to absorb expenses associated with this proposal? - If yes, please specify the key assumptions.
Costs associated with planning and managing new construction will need to be absorbed by the Directorate, or in partnership with community housing providers.
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?
New affordable housing for targeted groups of vulnerable people who are in need of accommodation.
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?
2017-18
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?
2017-18
Will the proposal cease, and if so, when?
2019-20.
Is there any additional information relevant to this proposal?
No.