

Request for Costing an Election Commitment

Name of policy proposal:	<i>Start-up funds to showcase affordable housing concepts</i>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	Over two years, the ACT Greens allocate \$1 million towards the showcasing of more affordable compact, adaptable, energy efficient homes and apartments.
Issue the proposal will address:	Housing affordability (purchase)

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.

Dollar limited (capped) commitment of \$1 million in start-up funding, over two years, to work with participating builders and designers to create a demonstration showcasing precinct. This funding would represent the ACT Government's contribution to support the introduction of a precinct that featured adaptable, affordable and energy efficient homes. Funding is capped and would likely be spent liaising with suitable designers and builders, covering immediate land-rent costs and undertaking marketing.

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	-500	-500	-0	-1,000
Capital	-0	-0	-0	-0	-0
Depreciation	-0	-0	-0	-0	-0

(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?

Dollar limited (capped), over two years, with a view for the precinct to be self-funding over time with sales revenue.

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?
Land Development Agency
How will the proposal be administered?
Directorate to manage the funding, including working with the appropriate suppliers, and undertaking marketing.
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.
Yes – a small proportion of the funding allocated could go towards covering staffing costs if the Directorate is not in a position to absorb the expenses.
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?
Improving the take-up of more innovative, cost-effective housing models to improve housing affordability.
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?
2018-19
Is there any additional information relevant to this proposal?
There is currently a gap in the market for the showcasing of affordable housing concepts. While the private market could already showcase these concepts, this commitment represents a helping hand for those to enter the market and not necessarily operate at a loss – allowing the government to support new, innovative housing options.