

Request for Costing an Election Commitment

Name of policy proposal:	<i>Building MyHOME Canberra</i>
Person requesting costing:	Shane Rattenbury MLA
Date of request:	5 October 2016
Summary of proposal:	The ACT Greens will commit to building MyHOME Canberra –
Issue the proposal will address:	MyHome in Canberra aims to provide a safe, supportive and caring home and high quality care to people with enduring mental illness. On Census night in 2011, there were 1,785 ACT residents who recorded as experiencing homelessness. The most recent data indicates that up to 85 per cent of homeless people suffer from at least one mental disorder.

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.

MyHome in Canberra will be a functional, purpose built building designed to meet the long-term accommodation needs of people with enduring mental illness. It will provide domestic style accommodation with appropriately designed 20, one bedroom units with en-suite and catering facilities.

Construction costs are capped, and are expected to be similar in price to the Common Ground Canberra project (approximately \$17 million total). Construction is expected to take up to two years to complete, with the first year of depreciation in 2019-20 at 1%, assuming straight line depreciation over a 100 year period. Maintenance costs are 0% in the first year after construction (2019-20), 1% in the second year, and 2% every year after that.

The facility would also be supported by staff from the non-government sector (mental health) from 1 July 2019. Costs for staffing have been factored as 1 x Health Professional Level 6, 2 x Health Professional Level 2s, and 1 x Administrative Officer, equivalent to a Health Professional Level 1 (plus on costs).

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	-250	-500	-684	-684
Capital	-0	-10,000	-10,000	-0	-20,000
Depreciation	-0	-0	-0	-200	-200

(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?
Yes. Information about the facility: http://myhomeincanberra.org.au/ , and other facilities previously supported by the ACT Government, such as the Common Ground project. Existing Enterprise Bargaining Agreements relating to Health Professionals have also been assessed.
Where relevant, is funding for the proposal to be demand driven or a capped amount?
The capital commitment is capped, though costs for staffing would be ongoing.
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 would manage construction and project management, with ongoing mental health services funding, as required, to be managed by the ACT Health Directorate.
How will the proposal be administered?
The ACT Health Directorate would provide funding to a non-government provider, in close consultation with the Community Services Directorate, for mental health personal. The Community Services Directorate would manage the construction of MyHOME.
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 the managing the construction of MyHOME Canberra will need to be absorbed by the Directorate.
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?
Reducing homelessness, and improving mental health service provision for homeless people in Canberra.

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 (Construction only)

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?

Construction to be completed by 2018-19, with MyHOME Canberra to begin operation from 1 July 2019 (2019-20)

Will the proposal cease, and if so, when?

Ongoing operation of MyHOME Canberra from 2019-20, ongoing.

Is there any additional information relevant to this proposal?

No.