



Inquiry into Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Ms Jo Clay MLA

Addressed to: Ms Elizabeth Hall, Executive Branch Manager, Homes and Land Supply, City and Environment Directorate

In relation to: Cost benefit analyses of public housing

Hearing: 19 May 2026

Proof Transcript p 139

Transcript provided: 27 May 2026

Answer Due: 4 June 2026

THE CHAIR: I thank you for being clear and direct that the work has not been done. We have figures like every \$1 spent on preventative health saves \$14 down the track, for instance. The government did an analysis like this for the Drug and Alcohol Sentencing Court and found that the way that sentencing circle proceeds is it saves far more than its operating costs in its benefit. So it is possible to do this analysis. With rising public housing wait lists and rising homelessness, has the government considered whether we should be doing that kind of financial analysis so we can actually see on a page that, if we do not invest here, here is what we are going to be up for in five years and 10 years?

Ms Hall: There has been similar stuff done in the past. When we, for example, did the growth and renewal business case as a government, one of the standard things that happens in business cases is an economic CBA—a cost-benefit analysis—which attempts to quantify the benefits of investment. So those sort of things do exist and they do happen. But they also need to be considered with the other side of the equation, which is the cost element and then the relative ways of delivering things as well. Certainly, the government has over the years has had that sort of analysis at hand and has helped inform that. I would also say that that underpins the government's targets we are delivering on.

THE CHAIR: Can you provide the recent analysis? I do not want to be too prescriptive here but, if government has done this kind of analysis, I think it would benefit our committee to see it. Has that been done in the last five or 10 years?

Ms Hall: I would need to talk to some of my colleagues, because that particular example is outside my current area.

Ms Berry: We will take it on notice and see what is available.

Yvette Berry MLA: The answer to the Member's question is as follows:

In 2025, the ACT Government commissioned external analysis of the economic benefits and costs of additional public housing properties. Key estimated benefits to government and the community outlined in this analysis include:

- An annual reduction in health care costs of \$10,638 per tenant.
- Avoided annual costs of judicial interactions (costs relating to police, the courts and the corrections system) of \$10,697 per tenant.
- Avoided annual costs of specialist homelessness services and other higher need housing assistance programs of \$20,064 per high risk/priority tenant supported into stable housing.

In addition to the above, further benefits are realised in the form of increase workforce productivity, enhanced training and educational outcomes, and general increases in client wellbeing and community participation.

It is important to note that these assumptions are economic benefits. Economic benefits are materially different from financial benefits / savings opportunities. For example, it would not be possible to reduce health system funding by \$10,638 per additional public housing tenant.

They are also 'gross benefits' and for use in policy analysis should not be considered in isolation of related economic costs. Further, as with all economic benefit assessments, the estimates rely on a range of assumptions.

The approach to the calculation of this benefit is consistent with the methodology detailed in the 'Social and affordable housing in Australia: a social cost-benefit analysis' report by A/Prof Christian Nygaard and Dr Trevor Kollmann, Swinburne University of Technology, October 2023.

In addition, the analysis drew on the following sources:

- Return on investment for social housing in the ACT, AHURI, August 2021;
- Assessing the costs and benefits of the Future Directions for Housing in NSW Strategy, Prepared by Rosanna Scutella, RMIT University, July 2024;
- Counting the Cost of Homelessness: A Systematic Review of Cost Effectiveness and Cost Benefit Studies of Homelessness, AHURI, 2003; and
- The case for investing in last resort housing, Melbourne Sustainable Society Institute, E Witte, University of Melbourne, 2017.
- Social and Affordable Housing as Social Infrastructure: A literature review for the Community Housing Industry Association, A/Prof Christian Nygaard, Swinburne University of Technology, 2019;
- Give me shelter, Leave No Young Australian Behind, Cost-benefit analysis report, Authored by SGS Economics and Planning, for Housing All Australians, April 2024; and

OFFICIAL

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature:

A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a horizontal line and a loop.

Date:

By the Minister for Homes, Homelessness and New Suburbs, Yvette Berry MLA