

## Request for Costing an Election Commitment

Name of proposal:	COVID-Safe Tourism Investment Program
Person requesting costing:	Andrew Barr MLA
Date of request:	13 October 2020
Summary of proposal:	<p>An ACT Labor Government will invest \$1.5 million over this financial year and next financial year to establish the ACT COVID-Safe Tourism Demand Program for the development of COVID-safe tourism products and infrastructure.</p> <p>The fund will provide \$1.5M over 2 years for projects that align with one or more of the priority areas in the ACT Government’s Framework for recovery of the visitor economy. Projects must also:</p> <ul style="list-style-type: none"> <li>• be able to show that projects will demonstrate a return on the Territory Government’s investment across the tourism supply chain and</li> <li>• have funding that matches the Territory Government’s contribution - noting that funding may be sourced from either the private or Commonwealth Government funding, or a combination of both. In-kind contributions are not considered to be matching funds.</li> </ul>
Issue the proposal will address:	<p>ACT Labor is committed to keeping Canberrans employed and growing jobs to reach a target of more than 250,000 jobs by 2025.</p> <p>The bushfires, hail and COVID-19 pandemic have had a devastating and immediate impact on most sectors of our economy, but particularly small businesses that rely on visitors in industries like tourism, hospitality, events, retail.</p> <p>As one example, overnight visitor expenditure in Canberra for the year ending June 2020 has fallen by around \$800 million since its peak in September 2019.</p>

	<p>This is money that has not flown into our local hotels, bars, restaurants, and retail businesses.</p> <p>This initiative will help our local economy recover, support local businesses that need it most and keep Canberrans in jobs.</p>
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**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.

\$750,000 will be allocated to the fund in 2020-21 and 2021-22.

The funding available is up to \$1.5 million. Funding of between \$5,000 and \$50,000 (excluding GST), with at least 50% matched funding to be provided by the applicant, is available for projects that are to be finalised by 30 June 2022. Projects of greater or lesser value will be considered subject to merit.

This will be partially offset by remaining funding in the Singapore Airlines payments, after the Flight Fund has been offset. It is anticipated that the available offset is \$100,000 over two financial years.

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)?

	2020-21	2021-22	2022-23	2023-24	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue<sup>(a)</sup></b>					
<b>Expenses<sup>(a)</sup></b>	-750.0	-750.0			-1,500.0
<b>Capital</b>					
<b>Depreciation</b>					

(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?

Capped – the COVID-Safe Tourism Investment Program is capped at the allocated amount each year.

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?
No
Will funding/the cost require indexation?
N/A
Who will administer the proposal?
Visit Canberra
How will the proposal be administered?
By Visit Canberra and the Economic Development Directorate within CMTEDD.
Is the proposal part of a broader package?
Yes – the COVID-Safe Tourism Investment Program is part of a broader package of commitments to support the Business and the Tourism sectors. The proposal is independent of other commitments.
Has an allowance been made for expenses necessary to support the implementation of this proposal? <ul style="list-style-type: none"> <li>– If no, will the government agency be expected to absorb expenses associated with this proposal?</li> <li>– If yes, please specify the key assumptions.</li> </ul>
No – costs will be absorbed by CMTEDD.
Will the proposal generate savings or offsets?
Partial offsets have been identified as indicated above.
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?
ACT Labor is committed to keeping Canberrans employed and growing jobs to reach a target of more than 250,000 jobs by 2025.

The bushfires, hail and COVID-19 pandemic have had a devastating and immediate impact on most sectors of our economy, but particularly small businesses that rely on visitors in industries like tourism, hospitality, events, retail.

ACT Labor Government will support cooperative destination marketing activities with matched funding - attracting visitors to Canberra and supporting local businesses.

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?

2020-21

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.

2020-21

Will the proposal cease, and if so, when?

The proposal will be funded to 2021-22

Is there any additional information relevant to this proposal?

No