

Request for Costing an Election Commitment

Name of proposal:	Choose CBR
Person requesting costing:	Andrew Barr MLA
Date of request:	13 October 2020
Summary of proposal:	<p>We announced that we would deliver a Digital Discount Program as part of Canberra’s Jobs and Economic Recovery Plan and August and Economic Fiscal Update</p> <p>Choose CBR provides an additional \$2 million to the pilot program to support more businesses.</p> <p>The Program will open before the end of 2020.</p> <p>Eligible businesses will register with government that they want to participate.</p> <p>Businesses must be eligible for Jobkeeper to be eligible for Choose CBR.</p> <p>Consumers will then use a web-based platform to generate unique discount codes that can be redeemed at point of sale by the eligible businesses.</p> <p>Businesses will then be reimbursed for the value of these vouchers on a regular basis.</p> <p>The program is scalable and can be tailored to target certain industries or sectors.</p> <p>Choose CBR is part of a broader package of ACT Labor commitments to assist the recovery of our local economy, support businesses and rebuild our tourism industry.</p>
Issue the proposal will address:	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 and industries like tourism, hospitality, events, retail, and the businesses that support these sectors.

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. This is the best part of a billion dollars that has not flown into our local hotels, bars, restaurants, and retail businesses.

We are doing this to help our local economy recover, support local businesses that need it most and keep Canberrans in jobs.

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.

Assumptions:

This is in addition to the \$623,000 provided in the August Economic and Fiscal Update.

The additional \$2 million will expand the amount of vouchers that will be able to be offered under the scheme.

It is expected that local businesses will be able to participate if they:

- Have a physical shopfront the ACT
- Are receiving Jobkeeper (noting that as jobkeeper eligibility changes this eligibility criteria may be adjusted)
- Are in the retail, tourism, arts and recreation and hospitality sectors (per ANZIC codes)
- Have been operational for at least six months.

If ACT Labor is re-elected, we will work to finalise the scheme before launching the first set release of vouchers in time for Christmas 2020.

Vouchers will be capped at a maximum value per day, and will cover a percentage of the sale similar to the myDarwin program. For example the caps in Darwin are \$40 a day and cover 25% of the sale. Final caps and percentages will be determined as part of finalizing the scheme in consultation with affected industries and the community.

Key differences from myDarwin program

- Slightly different ANZSIC codes (ACT includes arts businesses)
- ACT allows franchises of large companies (in Darwin they may be eligible). This is in recognition that many franchise owners are small businesspeople.

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
Revenue^(a)					
Expenses^(a)	-1,500.0	-500.0			-2,000.0
Capital					
Depreciation					

(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?

Information provided by Darwin City Council

Where relevant, is funding for the proposal to be demand driven or a capped amount?

Capped – the total available vouchers will be capped to the allocated amounts.

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?

Economic Development Directorate

How will the proposal be administered?

By Economic Development within CMTEDD.

Is the proposal part of a broader package?
Yes - Choose CBR 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"> - If no, will the government agency be expected to absorb expenses associated with this proposal? - If yes, please specify the key assumptions.
No – costs will be absorbed by CMTEEDD as initial implementation costs have already been funded by Government.
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?
<p>Choose CBR will benefit our local small and medium businesses who need it most – it will also incentivise Canberrans to shop locally and bring more visitors to Canberra.</p> <p>A similar program which was run in the City of Darwin demonstrated that for every \$1 of Government spending, businesses will benefit by an additional \$4-\$6 in revenue.</p>
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?
Before Christmas 2020
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.
Before Christmas 2020, with targeted rollout of the voucher scheme to promote particular events or industries at times that will maximise the stimulatory benefit.

Will the proposal cease, and if so, when?

2021-22.

Is there any additional information relevant to this proposal?

No