

Request for Costing an Election Commitment

Name of proposal:	<i>New tourism strategies for a new world – New Domestic Tourism Strategy</i>
Person requesting costing:	Alistair Coe MLA
Date of request:	30 September 2020
Summary of proposal:	The Canberra Liberals will launch a new Domestic Tourism Strategy.
Issue the proposal will address:	Promote the ACT to domestic tourists and support the local tourism industry.

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.

The new Domestic Tourism Strategy will ensure that Canberra is top of mind for domestic tourists. To back this campaign the ACT Government will partner with local tourism providers and invest \$5 million.

The current COVID-19 crisis has significantly affected the tourism industry, and the timing of the investment will be in part determined or affected by changes in restrictions or active cases.

It is intended that funding is made available as soon as practicable, noting the current health crisis requires public health considerations and a level of flexibility. This costing assumes the funds will begin being used in the immediate future, late 2020 to early 2021. The funding will support our local tourism industry and ensure that the industry is able to be more competitive in the domestic market.

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)	-1,000.0	-1,500.0	-1,500.0	-1,000.0	-5,000.0
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?					
N/A					
Where relevant, is funding for the proposal to be demand driven or a capped amount?					
Capped.					
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?					
N/A					
Will funding/the cost require indexation?					
No.					
Who will administer the proposal?					
The proposal will be administered by the Chief Minister, Treasury and Economic Development Directorate.					
How will the proposal be administered?					
The Chief Minister, Treasury and Economic Development Directorate will work closely with the tourism industry to identify opportunities and determine priorities for spending. Funding under this initiative will include both advertising and promotion, as well as co-investment with the tourism industry.					
Is the proposal part of a broader package?					
This proposal forms part of the Canberra Liberals Policy on Tourism.					
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. 					
The Chief Minister, Treasury and Economic Development Directorate will absorb the administrative and planning costs associated with this proposal.					
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?
N/A
What are the community impacts associated with the proposal? Who and how many people will be affected?
Every dollar spent on tourism marketing can see a return of \$15 to the economy. This investment will provide a boost to the tourism sector, supporting local jobs and economic recovery. It is expected that this funding will increase visitors to the ACT, however an increase in the number of active COVID-19 cases or changes to current public health restrictions will affect the proposal.
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?
The timing of the funding will depend on the current health crisis, this costing has been prepared on the basis that the funding will be needed and made available in the immediate future.
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.
It is intended that funding is made available as soon as practicable, noting the current health crisis requires public health considerations and a level of flexibility.
Will the proposal cease, and if so, when?
The proposal will continue until the funds are exhausted.
Is there any additional information relevant to this proposal?
N/A