

Request for Costing an Election Commitment

Name of policy proposal:	Airline partnership fund
Person requesting costing:	Andrew Barr, ACT Labor
Date of request:	04/10/2016
Summary of proposal:	To provide funding for partnerships with airlines to market and promote flights to Canberra.
Issue the proposal will address:	This proposal will help to bring more international and domestic routes and carriers to Canberra.

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.

Funding will be available to airlines that start new flights to Canberra, or expand routes.

This funding will be used by the airline (through an agreement between the ACT Government and the airline) to market/promote the flights, and hence encourage business and leisure tourists to fly to Canberra.

Such agreement(s) will be similar to the agreement that has already been reached with existing airlines.

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)					
Expenses^(a)		-370	-400		
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?

No.

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 (for example, does an education proposal add to or redirect NERA funding)?

Yes – funding will be provided to airline(s) for marketing/promotion of flights.

Will funding/the cost require indexation?
No.
Who will administer the proposal?
CMTEDD/Visit Canberra
How will the proposal be administered?
Through CMTEDD/Visit Canberra.
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.
The agreement between the ACT Government and airlines can be met within existing resources.
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?
The community will benefit from a greater range of flights, and the local tourism and hospitality sector will benefit from more leisure and business tourists coming to Canberra.
Are there any transitional considerations associated with implementation of the proposal? If so, how will they be managed?
N/A
What is the intended implementation date of the proposal?
1 July 2017.
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?
1 July 2017.
Will the proposal cease, and if so, when?
The proposal is time limited over two years: 2017-18 and 2018-19.
Is there any additional information relevant to this proposal?
N/A