

Request for Costing an Election Commitment

Name of proposal:	Aviation Fund
Person requesting costing:	Andrew Barr MLA 
Date of request:	11 October 2024
Summary of proposal:	Continue and grow our aviation stimulus fund to enable partnering with Tourism Australia, Canberra Airport and airlines to connect Canberra with new domestic and international destinations, to drive tourism growth
Issue the proposal will address:	Support the continued attraction of carriers in to the Canberra market.
Proposal's public announcement details (media release or policy statement published on a party website) ¹ :	act-labor-policy-position-statement-2024-7-october-2024.pdf (actlabor.org.au) page 102

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.

- \$1 million per annum for four years from 2025-26 to continue and grow the Aviation Stimulus Fund.

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)?

	2024-25	2025-26	2026-27	2027-28	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)					
Expenses ^(a)		-1,000	-1,000	-1,000	-3,000
Capital ^(a)					
Depreciation ^(a)					
Offset - Expenses ^(a)					
Offset - Capital ^(a)					

¹ As per Part 2, section 5 of the *Election Commitments Costing Act 2012*

Full-time equivalent employees					
(a) A negative number indicates a decrease in revenue or an increase in expenses, depreciation or capital outflows. A positive number indicates an increase in revenue or decrease in expenses, depreciation or capital inflows. The expenses row is not to include depreciation costs.					
Has any specific information or data been utilised in generating the proposal? Please provide links or attach information/data sources referenced.					
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?					
Yes we will partner with third parties to connect Canberra to new destinations or expand existing routes to additional carriers.					
Will funding/the cost require indexation?					
No					
Who will administer the proposal?					
CMTEDD (Economic Development)					
How will the proposal be administered?					
Through existing resources as this is a part of core business.					
Is the proposal part of a broader package? If so, please identify the other elements of the package.					
Yes, Labor's 2030 Tourism Growth Fund. It is not dependant on other initiatives as part of that package, however they have complementary benefits.					
Has an allowance been made for expenses necessary to support the implementation of this proposal? – If no, will the government agency be expected to absorb expenses associated with this proposal? – If yes, please specify the key assumptions.					
No – this will be delivered using existing resources as it is a part of core business.					
Will the proposal generate savings or offsets? If so, please quantify any savings or offsets.					
No.					

Has the proposal been previously costed by an external (third) party? If so, 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?
Canberrans will benefit from more competition on existing routes and access to new domestic and international aviation markets. Tourism operators and hospitality businesses will benefit from increased visitation to Canberra.
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?
This is a continuation and expansion of an existing program.
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 already fully operational
Will the proposal cease, and if so, when?
The proposal is funded to the 2028-29 financial year.
Is there any additional information relevant to this proposal?
No.