



Policy costing

Restoring the Australian Federal Police's (AFP's) presence at Hobart Airport	
Party:	Australian Labor Party
Summary of proposal: The proposal would restore an Australian Federal Police (AFP) presence of 16 AFP officers at Hobart Airport from 1 July 2020. The AFP would undertake responsibility for security and policing activities at the Airport.	

Costing overview

The proposal would be expected to decrease both the fiscal and underlying cash balances by \$16.1 million over the 2019-20 Budget forward estimates period. This impact is entirely due to an increase in departmental expenses.

The proposal would be expected to have an ongoing impact beyond the 2019-20 Budget forward estimates period.

The financial implications of the proposal are sensitive to assumed start-up costs, and to AFP salaries and their indexation.

Table 1: Financial implications (\$m)^(a)

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-	-10.3	-2.9	-2.9	-16.1
Underlying cash balance	-	-10.3	-2.9	-2.9	-16.1

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

- Indicates nil.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing the proposal.

- Capital expenditure, equal to that removed under the 2014-15 Budget measure *Hobart Airport*, would be required.
- New capital purchases would be made in the first year and the eleventh year of operation and depreciated over a ten-year period.

Methodology

The Attorney-General's Department provided details on the 2014-15 Budget measure *Hobart Airport*. The costs associated with restoring an AFP presence at Hobart Airport were derived from this measure.

Departmental expenses were grown by the appropriate wage cost index, net of the efficiency dividend, and applied to the proposed staff numbers. The capital acquisition costs were grown by the consumer price index.

Data sources

The Attorney-General's Department provided details on the 2014-15 Budget measure *Hobart Airport*.

The Department of Finance provided the wage cost index, the efficiency dividend and consumer price index data as at the 2019 Pre-election Economic and Fiscal Outlook.