

# *What the proposal would mean to the Island and the Bailiwick*

The detailed Outline Business Case (OBC) for the airport rehabilitation shows that Option C+ represents the best value for money in the mid- to long-term. This conclusion is reached even though the estimated £24m capital costs of this option are significantly higher than the amount of £12.2 million voted for the Alderney runway rehabilitation in January 2019.

### ***A much-needed confidence boost***

The long-term stability this project provides for Alderney's air services will give much-needed confidence to existing and future residents of the island, boosting the Island's attractiveness for residency, economic activity and inward investment.

### ***It negates operator risk***

The proposal avoids the risk that if a private commercial operator without a proven track record took on one or both PSO routes but then ceased operating for whatever reason, it may be considered doubtful that the States of Guernsey would be able to step back in to support Alderney's air links at their current levels. Alderney's air links are too vital to the community to take significant risks of such service failures.

### ***It would reduce the PSO subsidy***

Aurigny, the current Public Service Obligation operator, calculates a significant reduction on the annual PSO subsidy costs if the airline can operate its ATR 72-600 fleet into Alderney. The OBC considers this reduction to be in the region of £800,000 a year from 2025. Such a saving in the long run could be the difference between Alderney gaining or losing long-term secure sustainable air links both northwards to the UK and southwards to Guernsey.

### ***More visitors, more business***

The availability of a large number of "bonus" seats, thought to be in the region of 20,000 extra passengers a year, would be a significant economic enabler for Alderney's fragile economy and enhance growth in fiscal revenues for the Bailiwick through further business expansion.

### ***More tourism***

In addition to increased tourism from the UK, including the flexibility to ramp up seat capacity in peak periods such as Alderney Week, it would enhance 'island hopping' and provide resilient services for multicentre holidays from the UK with start points in either Guernsey or Alderney. It would also enable the Island's tourist industry and population to grow, with increased employment opportunities and significant positive impacts on Alderney's economy, which would help to contribute further revenues to the Bailiwick Exchequer.