

2015-16 South Australian Budget Analysis

18 June 2015

BACKING OUR STRENGTHS – TTF'S SA POLICY AGENDA

The visitor economy is an important contributor to South Australia, with tourism expenditure in 2013/14 coming to \$6.66 billion. Tourism was also responsible for 32,100 jobs in the state.

In its [tourism and transport pre-election agenda](#), TTF advocated for the SA government to:

- Grow demand for travel by continuing to invest in marketing, major events and business events
- Boost visitor infrastructure, by:
 - Committing to the Riverbank precinct redevelopment
 - Improving trail and visitor facilities at Granite Island, Flinders Ranges and Kangaroo Island
 - Improving capacity of electricity supply to Kangaroo Island
 - Upgrading Victor Harbor town precinct
 - Completing the upgrade of the Penneshaw ferry terminal on Kangaroo Island
 - Funding infrastructure to further develop SA's cruise ship capability
 - Funding further infrastructure as identified in the region-by-region Destination Action Plans
- Rule out any new tourism taxes
- Support aviation attraction and airport privatisation
- Invest in transport, including:
 - Linking the O-Bahn to the CBD
 - Completing the electrification of the rail network
 - Extending light rail to Adelaide Airport
 - Adopting a 20-year transport master plan, guided by an independent infrastructure advisory body
 - Encouraging transit-oriented development

BUDGET HIGHLIGHTS

The initiatives announced as part of the 2015/16 Budget place South Australia's visitor economy in a strong position for growth.

An additional \$64.7 million over four years for tourism, major events and international education, brings the total spend for the tourism sector in the State to more than \$266 million over four years.

The Weatherill Government has also announced a range of tax reform measures, which will provide support for businesses. This includes the abolition of stamp duty on non-quoted marketable securities, non-real property transfers and non-residential real property transfers.

KEY BUDGET FACTS AT A GLANCE

	2013-14 Actual	2014-15 Estimate	2015-16 Forecast	2016-17 Projections	2017-18 Projections	2018-19 Projections
Surplus (deficit) (\$ million)	(1,071)	(279)	43	654	727	961
Gross State Product (GSP)	1.3	1.75	2	2	2	2.25
Employment (%)	-1.2	0.5	1	1	1	1.25
Net debt (\$ million)	7,071	4,108	4,238	6,533	6,227	5,761

BUDGET MEASURES

BUDGET MEASURE	ANALYSIS
GROWING DEMAND FOR TRAVEL	
Tourism marketing	<p><i>\$35 million over two years</i></p> <p>Funding package to promote key international and domestic markets, including:</p> <ul style="list-style-type: none"> • \$14 million for growing tourism marketing opportunities in China, India and South East Asia as well traditional markets of the United Kingdom, Europe, the United States and New Zealand. • \$6 million for marketing campaigns to promote Adelaide and regional tourism experiences to the Australian market. • \$15 million for the State Government's bid fund, with \$5 million allocated to secure conventions and \$10 million to secure new events. <p>In terms of regional tourism, each of South Australia's 11 regions is eligible to apply for up to \$20,000 and the funding must be matched and committed to marketing activities</p>
Art events	<p><i>\$16 million over four years</i></p> <p>This will go towards maintaining the scope and quality of key art events</p>
Santos Tour Down Under	<p><i>\$6 million over four years</i></p> <p>To further promote and grow the Santos Tour Down Under</p>

Destination Adelaide	<p><i>\$5.7 million over four years</i></p> <p>The Destination Adelaide program will support the development and growth of the state's education industry through a coordinated suite of measures to market education opportunities in South Australia</p>
Creative industries	<p><i>\$2 million over four years</i></p> <p>To engage with the local fashion and creative industries, and grow the existing Adelaide Fashion Festival to a festival of significance for the state with a focus on Asia</p>
Industry Attraction Fund	<p><i>\$15 million over two years</i></p> <p>This will go towards the creation of an Industry Attraction Fund to secure new investment in the state through the provision of targeted assistance to support the attraction of business to SA and development of key industries</p>
South-east Asia Engagement Strategy	<p><i>\$4 million over four years</i></p>

BOOST INVESTMENT IN VISITOR INFRASTRUCTURE

Nature-based tourism	<p><i>\$112 million in 2015/16</i></p> <p>Ongoing funding for Parks South Australia</p>
Cultural tourism	<p><i>\$4.3 million in 2015/16</i></p> <p>Funding for regional art gallery upgrades</p>
Adelaide Festival Centre	<p><i>\$207 million over four years</i></p> <p>While this funding was announced in last year's budget, it has been reconfirmed in 2015/16</p>

INVEST IN TRANSPORT

Public transport investment	<p><i>\$353 million over four years</i></p> <p>Capital funding will support the \$160 million O-Bahn extension to the CBD via new dedicated road and tunnel works, the electrification of the Gawler rail line and new rail rolling stock and buses.</p>
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Roads Program	<p><i>\$1.4 billion over four years for major projects</i></p> <p>This includes new spending of \$165 million on:</p> <ul style="list-style-type: none"> • \$70 million to improve critical road infrastructure • \$40 million to improve the safety of roads • \$55 million for a new 2.8 km road in Gawler East
Rail signalling upgrades	<p><i>\$12 million over two years</i></p> <p>This will go towards rail signalling and communication upgrades</p>
Cycling infrastructure	<p><i>\$6.5 million over four years</i></p> <p>This funding will be provided for bike boulevards and greenways</p>