

2016-17 Tasmanian Budget

Thursday, 26 May 2016

TTF'S TASMANIAN BUDGET AGENDA

In the lead up to the Tasmanian Budget, TTF released a comprehensive [submission](#) outlining key budgetary and policy recommendations related to tourism, transport and aviation. The submission focused on the potential to grow on Tasmania's growth momentum even further. Our key advocacy asks included:

- Attract growth in visitation from key international markets and new direct international flights into Hobart
- Growth in business events
- Support for upgrades and completion of nature-based tourism infrastructure
- Support for cultural tourism
- Improved visitor access

BUDGET HIGHLIGHTS

The Hodgman Government has committed to additional funding for key demand drivers to the State including an additional \$18 million in funding for Tourism Tasmania – with a renewed focus on destination marketing, content, brand advocacy and strategic partnerships.

The completion of critical visitor infrastructure projects, which is critical for Tasmania's ability to draw on its natural advantages, has attracted strong funding commitment.

The arts and cultural sector has also received strong support, with the Tasmanian Museum and Art Gallery and the arts sector receiving over \$70 million in funding.

The Tasmanian Government has created an \$80 million Vessel Replacement Fund for the *Spirit of Tasmania* – a vital part of Tasmania's tourism infrastructure.

The Government is also investing significantly in roads and public transport, with \$656.3 million being spent over four years on new and established roads infrastructure, and \$18 million over four years to deliver 100 new buses for the Metro Tasmania fleet.

KEY BUDGET FACTS AT A GLANCE

	2014-15 Actual	2015-16 Budget	2016-17 Budget	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
Surplus (deficit) (\$ billion)	(285.6) ¹	(157.1)	(160.6)	(196.9)	(165.0)	17.4
Real Gross State Product (%)	1.6	2.5	2.25	2.0	2.0	2.0
Unemployment (%)	6.8	6.75	6.75	6.75	6.75	6.75

VISITOR ECONOMY AND TRANSPORT BUDGET MEASURES

BUDGET MEASURE	ANALYSIS
GROWING DEMAND FOR TRAVEL	
<i>Tourism marketing</i>	<p><i>Additional funding of \$5 million in 2016-17</i></p> <p>The Government has continued its commitment to tourism marketing funding with an additional \$18 million over four years, bringing total funding over the forward estimates to \$106.9 million.</p> <p>This additional investment comes on top of the \$3 million in additional funding over four years confirmed in last year's budget.</p>
<i>Attract domestic and international air services</i>	<p><i>Additional funding of \$1.3 million for the Aviation Market Development Fund</i></p> <p>The Government has allocated additional funding of \$625,000 for 2016-17 and \$625,000 for 2017-18 for the Aviation Market Development Fund, for dedicated cooperative international airline marketing partnerships through the establishment of specific airline codeshare arrangements and cooperative marketing agreements.</p>
<i>Major Events</i>	<p><i>\$10.8 million in 2016-17</i></p> <p>The Government has allocated \$43.2 million over four years for the following initiatives: V8 Supercars, World Cup Cricket and Hawthorn Football Club.</p>
<i>Business Events</i>	<p><i>\$150,000 for business events in 2016-17</i></p> <p>Business Events Tasmania will be provided with an additional \$600,000 over forward estimates to support business events in Launceston.</p>

The Government's Business and Jobs Attraction and Population Program, which will continue to support a range of investment opportunities including business events, has been included in the Industry and Business Development budget, which has a total budget allocation of \$161.3 million over four years (\$55.4 million in 2016-17).

BOOSTING INVESTMENT IN VISITOR INFRASTRUCTURE

<i>Upgrades to Crown Land Services</i>	<i>\$600,000 in 2016-17</i> Funding will go towards Structural Asset Upgrades of Crown Land Services, totalling \$2.4 million over four years.
<i>Parks High Priority Maintenance and Infrastructure</i>	<i>\$5.7 million in 2016-17</i> Projects include: <ul style="list-style-type: none"> • Upgrade of campground and facilities at Fortescue Bay; • Upgrades to the amenities at Pirates Bay; • Replacement of the Mt Mawson day shelter; • Carpark expansion and new amenities at Pirates Bay and the Gardens near St Helens; • Amenities and infrastructure improvements at Cape Bruny; • Construction of new amenities at the northern end of Wineglass Bay; and • Construction of a new track linking the Freycinet Visitor Centre to the Wineglass Bay car park.
<i>World Heritage Area Management Plan</i>	A new Tasmanian Wilderness World Heritage Area Management Plan will be completed by the end of the calendar year and will reflect Tasmania's approach to conservation and land management.
<i>Three Capes Track</i>	<i>\$4 million in 2016-17</i> The Government has made an investment of \$7.9 million over three years for Stage 3 of the Three Capes Track due for completion in 2018.
<i>South Coast Track</i>	<i>\$2 million in 2016-17</i> The Government has committed to \$2.6 million over three years for the upgrade of the South Coast Track (from Melaleuca to Cockle Creek). Works include: <ul style="list-style-type: none"> • upgrading existing infrastructure • completing minor rerouting • providing safe access to beach areas This is due for completion in 2018.

<i>West Coast Trails Projects</i>	<i>\$570,000 in 2016-17</i> The Government has invested funds for Stage 2 of projects that commenced in 2014-15, which includes the Mountain Bike Project on the Heemskirk loop extension.
<i>Tasmanian Museum and Art Gallery</i>	<i>\$10 million in 2016-17</i> The Government has committed \$40.7 million over four years to increase community understanding of the cultural and natural arts.
<i>Development of the arts</i>	<i>\$7.6 million in 2016-17</i> The Government has committed \$31.2 million over four years to grow the State's arts and cultural sector and build the sustainability of arts businesses, including investment funding and professional assistance to Tasmanian museums (other than TMAG), art galleries and moveable cultural heritage organisations.
<i>Regional Revival Fund</i>	The Regional Revival Fund has been included in the Industry and Business Development, which has a total budget allocation of \$161.3 million over four years (\$55.4 million in 2016-17).

IMPROVING THE VISITOR EXPERIENCE

<i>Spirit of Tasmania</i>	<i>\$80 million over two years</i> A Vessel Replacement Fund will be established for replacing the Spirit of Tasmania I and II. The Fund will be backed by an initial cash injection of \$40 million representing a special dividend from TT-Line Company Pty Ltd in 2016-17 and a second expected \$40 million special dividend in 2017-18. The Fund will be protected by specific legislation to ensure it can only be used for the replacement of these vessels.
<i>Road infrastructure</i>	<i>\$656.3 million over four years</i> Funding of \$247.7 million has been allocated in 2016-17 for roads infrastructure projects, including a State Government allocation of \$110.1 million and an Australian Government allocation of \$137.6 million. Total roads funding over the forward estimates amounts to \$656.3 million. The Roads Program comprises new works projects and the upgrade and maintenance of established roads. Significant roads funding in 2016-17 includes:

	<ul style="list-style-type: none"> • Continuation of significant works on the Brooker Highway, Elwick, Goodwood and Howard Roads intersections; • Continuation of significant works on the Midland Highway; • Continuation of construction works on Esk Main Road; • Commencement of construction on the Highland Lakes Road; • Commencement of construction of the Huon Highway/Summerleas Road intersections; • Commencement of construction on the Murchison Highway; • Ongoing road and bridge maintenance; and • Continued implementation of the Positive Cycling Policy to improve cycling access and safety. <p>The Australian Government's Land Transport Infrastructure Investment Program will contribute \$233.4 million for roads over three years with an estimated provision for future funding of \$60 million included in 2019/20.</p>
<i>Rail infrastructure</i>	<p><i>\$114.8 million over four years</i></p> <p>The Tasmanian Freight Rail Revitalisation Program will continue and funding of \$62.3 million for rail infrastructure has been allocated in 2016/17 for Tasmanian Railway Pty Ltd.</p> <p>Total rail funding over the forward estimates period amounts to \$114.8 million. Funding of \$48.6 million has been provided by the Australian Government over the forward estimates in relation to rail projects.</p>
<i>Great Eastern Drive Tourist route</i>	<p><i>\$6.3 million over four years</i></p> <p>Funding of \$6.3 million has been provided to fund capital works in the form of turn-out bays to enhance the visitor experience on Tasmania's iconic Great Eastern Drive tourist route.</p>
<i>Metro Tasmania</i>	<p><i>\$18 million over four years</i></p> <p>Funding of \$4.5 million per annum over the forward estimates will be provided as equity contribution to Metro Tasmania to implement a Metro Bus Infrastructure capital initiative. This funding, together with the additional \$13 million that will also be provided as an equity contribution in 2015/16, will be used to fund Metro's bus replacement program – 100 new buses will be delivered to the Metro fleet over four years.</p>

