

2015-16 Western Australian Budget Analysis

Thursday, 14 May 2015

BACKING OUR STRENGTHS – TTF'S WA POLICY AGENDA

In the lead up to the West Australian budget, TTF released a [comprehensive pre-budget submission](#). Our key advocacy asks included:

TOURISM

- Increase funding for Tourism Western Australia
- Attract major and business events
- Retain and attract domestic and international air services
- Enhancing the visitor retail experience

TRANSPORT

- Invest in regional aviation and dispersal
- Improve transport infrastructure
- Improve rental car regulation harmonisation
- Build cruise tourism capacity

BUDGET KEY MEASURES

The government has committed an additional \$11 million over two years for regional tourism marketing and \$20 million over four years for events, fulfilling its 2013 election promise to deliver an additional \$24 million to marketing over four years.

However, the budget papers show a sharp decline in funding for Tourism WA, dropping more than \$20 million by 2018-19.

The supplementary funding provided to Tourism WA for the Perth Convention Bureau decreases over the period of the forward estimates. TTF has advocated for the government to provide ongoing funding certainty to the Bureau to ensure that Perth and Western Australia continue to attract business events in a highly competitive regional market.

The government has committed \$5 million in 2015-16 for the planning of the purchase of 300 new 'C-Series' carriages, to be delivered over a 10 year period commencing in 2019.

An estimated \$45.4 million in 2015-16 will go towards the project planning and procurement activities and land acquisitions for the \$2 billion Forrestfield-Airport Link.

KEY BUDGET FACTS AT A GLANCE

	2013-14 Actual	2014-15 Estimated	2015-16 Budget	2016-17 Estimate	2017-18 Projection	2018-19 Projection
Surplus (deficit) (\$ million)	719	(1,287)	(2,708)	(1,148)	874	2,209
Real Gross State Product (%)	5.5	3.25	2.0	3.5	2.75	2.75
Unemployment (%)	4.8	5.5	6.25	6.0	5.75	5.25
Net debt to revenue (%)	55.2	67.9	80.5	83.3	81.8	75.4

VISITOR ECONOMY AND TRANSPORT BUDGET MEASURES

BUDGET MEASURE	ANALYSIS
DEMAND DRIVERS	
Tourism marketing	<p><i>\$89.1 million in 2015-16</i></p> <p>While this represents an increase of almost \$2 million in 2015-16, destination marketing funding for Tourism WA is forecast to decline over the forward estimates and reach below 2013-14 levels by 2017-18.</p> <p>The government has provided an additional \$11 million over two years for marketing - \$4.3 million in 2015-16 and \$6.7 million in 2016-17. This is an allocation from the Royalties for Regions program and will go towards a regional marketing campaign run by Tourism WA.</p>
Major events	<p><i>\$129.93 million over four years</i></p> <p>This includes an allocation to Tourism WA of \$20.5 million over four years for Major Events and the Royalties for Regions funding for the Regional Events Program, which has been confirmed for a further two years, to the end of 2018-19.</p>
Tourism Investment and Infrastructure	<p><i>\$48.46 million over four years</i></p> <p>There is a \$1.67 million increase in 2015-16 and a considerable increase in funding for Tourism WA over the forward estimates in comparison to last year's budget.</p> <p>There are three new programs to be delivered by the Infrastructure and Investment division of Tourism WA:</p> <ul style="list-style-type: none"> • The Royalties for Regions-funded Regional Visitor Centre Sustainability Grant Program, which will provide grants to centres for projects that will help them become financially viable.

	<ul style="list-style-type: none"> • The Federally-funded Tourism Demand-Driver Infrastructure Program will provide funding for infrastructure projects that will help improve the visitor experience to a region. • The \$4.6 million Aboriginal Tourism Development Program, which was announced in the 2014-15 Budget and will commence in 2015-16.
Perth Convention Bureau	<p><i>\$6.18 million over three years starting 2016-17</i></p> <p>The supplementary funding provided to Tourism WA for the Perth Convention Bureau decreases over the period of the forward estimates.</p>

VISITOR INFRASTRUCTURE

Nature-based tourism	<p><i>\$297.3 million in 2015-16</i></p> <p>This represents an almost \$2 million decrease in funding for the Department of Parks and Wildlife in 2015-16.</p> <p>The government has allocated \$18 million for a new Parks and Wildlife headquarters in Bunbury that is aimed at providing regional employment and tourism opportunities.</p>
Art Gallery of Western Australia	<p><i>\$8.8 million in 2015-16</i></p> <p>While this represents a small funding increase for the Art Gallery, it is a reduction in the \$9 million originally earmarked in last year's budget. There is also a reduction in funding over the forward estimates.</p>
Western Australian Museum	<p><i>\$22.3 million in 2015-16</i></p> <p>This represents a \$1 million reduction in funding for the Museum and a \$2.18 million downgrade from the amount earmarked in last year's budget. There is also a reduction in funding over the forward estimates.</p>
New State Museum	<p><i>\$32 million in 2015-16</i></p> <p>The government is providing funding to continue the delivery of the New Museum Project at an estimated total cost of \$428.3 million.</p>

TRANSPORT INFRASTRUCTURE

Forrestfield-Airport Link	<p><i>Estimated \$45.4 million in 2015-16</i></p> <p>This funding will go towards the project planning and procurement activities and land acquisitions for the \$2 billion project. In January 2015, expressions of interest were invited and construction is expected to begin in 2016.</p>
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'C-Series' rolling stock

\$5 million in 2015-16 for the planning of the purchase of 300 new 'C-Series' carriages, to be delivered over a 10 year period commencing in 2019. This will double the current rolling stock count and is estimated to cost \$1.9 billion from 2019.