



Tourism delivering for Queensland's economy, its regions and its community

In 2019 the tourism industry in Queensland contributed **\$28.3 billion** to Queensland's Gross State Product (GSP), representing **7.7% of total GSP1** and generated **\$7.9 billion** in exports in the year ending June 2019, making it one of the state's largest export industries.

Importantly, tourism is also one of the **largest private-sector employers with 236,000** Queenslanders directly and indirectly employed in the sector in 2019.

In recent years, government and business communities have recognised that tourism is contributing significantly to economic growth in Queensland and **generating significant numbers of new jobs**. Tourism has become more prominent and recognised for the powerful contribution it makes to regional economies and employment.

The COVID crisis has placed the tourism industry in the front line of one of the biggest challenges the world has faced in decades. While Queensland had done very well in managing its health situation, the state's tourism sectors was not spared from the economic devastation that has played out over this year. The damage will be measured in the billions of dollars and the impact on jobs has been significant. The importance of tourism to regional economies in Queensland has been dramatically exposed during the COVID-crisis. Nevertheless, with the recent easing of restrictions and the prospect of state borders re-opening, there are some very strong indications that tourism operators are well-placed to become significant contributors to the state's recovery. Tens of thousands of tourism businesses, right across regional Queensland, have drawn on their determination and strength to plan for the future to ensure that Queensland continues to make the most of its tourism competitive advantage.

The impact of the crisis on tourism reverberated throughout the community. The role of the sector in contributing to the post-COVID recovery will be essential to every community and region in Queensland. It will be critical the next Queensland Government partners with the industry to drive the best possible tourism recovery for the betterment of the community and the state.

The UN World Tourism Organisation's 2020 theme is 'Tourism and Rural Development', celebrating *'the unique role that tourism plays in providing opportunities outside of big cities and preserving cultural and natural heritage all around the world. This year's international day of observation (World Tourism Day) comes at a critical moment, as countries around the world look to tourism to drive recovery, including in rural communities where the sector is a leading employer and economic pillar providing jobs and opportunity, most notably for women and youth.'*

A coordinated and adequately resourced tourism partnership between the next Queensland Government and the industry is integral to the path to recovery and will contribute substantially to a prosperous state.



The Voice of Tourism

QTIC is the peak body for tourism in Queensland and represents the interests of the tourism industry across the state. Our membership comprises almost **1,000 tourism businesses** throughout Queensland, alongside 13 Regional Tourism Organisation (RTOs) representing more than **3,000 regional businesses**, as well as 15 industry sector associations.

QTIC's vision is to be the "voice for tourism" and we have been raising the industry's voice for 20 years.

To achieve our vision, we work in collaboration with our members, government agencies and industry bodies at a local, state and national level to **influence and shape the business environment** in Queensland through innovative thinking and strategic decision making.

Through business commitment and with bi-partisan support for the tourism industry, Queensland has established itself as a globally competitive destination for leisure, events and trade. The focus should now turn to ensuring our industry can strengthen competitiveness in the post-COVID recovery and create **high-value visitor services and experiences** that provide the greatest benefits to Queensland's community. QTIC is seeking a strong partnership and a firm commitment from the state government to drive tourism growth across the state and its regions.

Our expectations for the government-industry partnership for the next term of government are focused on the following priorities:

1. **The tourism portfolio allocated to a senior cabinet Minister**
2. **Improved business regulation**
3. **Public infrastructure investment**
4. **Targeted relief for COVID-crisis-affected businesses**
5. **Draft a strategic directions plan for tourism**
6. **Renewed tourism infrastructure grant program**
7. **A continued industry capacity building program**
8. **Encourage visitation to Queensland through marketing and events**
9. **A continued First Nations tourism program**
10. **Assist the tourism industry respond and adapt to climate change**



Tourism priorities for the next four years

1. The tourism portfolio allocated to a senior cabinet Minister

For tourism priorities to get the attention they need within the complex and broad responsibilities of the state government, we believe it is imperative that the tourism portfolio is allocated to a **senior Minister within the Queensland Cabinet**. Recent years have demonstrated that a Tourism Minister in Cabinet is essential to generate the best outcomes for the economy and for the regional communities that depend on a strong tourism sector.

2. Improved business regulation

During the COVID disruption governments have demonstrated that regulatory administration can be made more business-friendly with the right approach. Supporting the recovery with more efficient regulation across all levels of government is critical.

It is important to foster an environment which allows business and entrepreneurship to thrive and for Queensland's businesses, investors and local governments to have certainty over their operations and obligations. We call on the next Queensland Government to:

- Develop a 100-day action plan to set out a new approach of collaborating with industry in reviewing and implementing regulation.
- Commit to adopting the Office of Best Practice Regulation (OBPR) guidelines for reviewing, updating and initiating regulation to ensure Queensland's local government and business have certainty over their obligations.
- Establish an ongoing intergovernmental task force led by the Department of Premier and Cabinet to oversee the implementation of the regulation action plan to ensure all agencies are required to undertake regulatory impact statements for all regulatory proposals.

3. Public infrastructure investment

Targeted public investment in public infrastructure is essential for tourism growth. Access to destinations with safe roads, public amenities, national park facilities and marine infrastructure benefit communities and supports business. Industry collaboration across sectors for public catalytic infrastructure is imperative to maximise economic and social returns. For example, airports that service agriculture, tourism and community needs.

We call on the next Queensland Government to promote infrastructure development to strengthen regional communities and harness industry growth potential by:

- Incentivising private sector investment through tax, fee and charges relief and co-investment.
- Targeting public infrastructure investment with catalytic potential.

4. Targeted relief of fees and charges for COVID-crisis-affected businesses

For as long as both internal and international border closures are in place, affected businesses should be supported through the current provisions for relief from State Government fees and charges. The response to date has been effective and timely, making a material difference to businesses across the state.



5. Draft a strategic directions plan for tourism with considerations of potential future scenarios

Given the current global disruption to the economy and to tourism, it is important to map out a simple plan for the long-term recovery of tourism within Queensland. It is suggested that a set of scenarios be developed for the next 12-18 months, based on immediate priorities and then strategic goals for the next 3-5 (5- 10 years inclusive of the Olympics).

6. Renewed tourism infrastructure grant program based on the Growing Tourism Infrastructure Fund (GTIF) and the Attracting Aviation Investment Fund (AAIF)

- Extend programs' horizon for four years.
- Set funding at \$50 million per annum for GTIF.
- Maintain funding for AAIF at \$12 million per annum (including the investment in the previous Attracting Tourism Fund) over four years.

Stimulating private investment is an essential component of crafting a recovery in tourism, especially as domestic consumers will be looking for new and refreshed products in a very competitive, local and global marketplace.

The GTIF has demonstrated that it can deliver strong returns for the Queensland Government's economic development agenda and contribute materially to building resilient businesses, regions and communities, creating sustainable new jobs and increasing visitor expenditure. The interest from industry in the GTIF program, and the oversubscription, demonstrates a strong demand to rejuvenate tired infrastructure and develop exciting new experiences across Queensland.

Research into destination competitiveness indicates that core infrastructure and attractions, such as contemporary activities and visitor infrastructure, are the foundations of a competitive destination, now more than ever. Without these comparative and competitive advantages, the tourism potential of a destination like Queensland cannot be realised.

The AAIF should also be maintained into the future, with the funding from ATF included, based on the success of initiatives supported by the programs. The AAIF also supports the facilitation of regional dispersal of visitors and to addresses issues associated with domestic connectivity in Queensland. The Regional Tourism Organisations (RTOs) have fully embraced the program, working collaboratively to bring strong outcomes for tourism across the state. The successful collaborations and regional enhancements are a testament to the value of the program. The future implementation of the programs must be based on an approach that balances the international market mix and opportunities. Specifically, consideration should be given to both new and current markets.

7. A continued industry capacity building program

- Renew the Queensland Tourism Capacity Building program with an allocation of \$5 million over four years.

Most of the government support for industry tends to be focused on hard infrastructure. However, soft infrastructure like business skills and entrepreneurship are critical for our global competitiveness. The Capacity Building program funded over the last three years is a unique resource, accessed by thousands of businesses. A future four-year program would continue to address potential gaps in business capability to meet increased consumer expectations.



Since the Federal Government halted the Tourism Demand Driving Infrastructure Funding, a gap was left in the funding of such programs. The State Government responded in 2017 with the allocation of \$3million over three years to programs to support the skill development of the industry. To ensure that Queensland continues to be able to deliver world-class experiences to a global audience and to meet evolving consumer expectations. Now in its final year of the three-year term, the QTIC-administered program has delivered thousands of training and mentoring sessions to **more than 1,000 businesses** in all regions. All the Regional Tourism Organisations support the program and are involved in its programming.

8. Encourage visitation to Queensland through marketing and events

- \$25 million additional funding annually to Tourism and Events Queensland (TEQ) for marketing.
- Out of this additional funding, \$5 million to be directed to Regional Tourism Organisations (RTOs) to support destination capacity.
- \$20 million additional funding annually for TEQ for events.

In real terms, the marketing budget of Tourism and Events Queensland has not increased in about a decade, while global and domestic competition has intensified. This competition will be intense as destinations both in Australia and overseas will strive to reactivate consumer markets.

We urge the next Queensland Government to restore TEQ purchasing power to appropriate levels to ensure Queensland can maintain and improve our state's global market positioning.

Destination marketing research highlights the value of the work that State Tourism Organisations (STOs) and RTOs do as providers of a public good. Strong marketing coordination and collaboration between regional destinations benefits not just tourism but flows across all industries. Successful and sustainable destination marketing requires a synergy between public and private sectors to maximise impact, achieve buy-in and effectively leverage the opportunities created. The World Travel and Tourism Council highlights case studies of successful investment in tourism marketing, with Visit Denmark reporting that for every dollar spent on tourism marketing, 16 dollars were returned in tourism revenue. Scotland reports a 20% ROI for investment in tourism marketing. Investment in the core organisations that support and lead our destinations is critical to promoting Queensland as the aspirational state to live, work and play.

The role of the RTOs in delivering destination-specific, industry-based services is critical and must be enhanced. Regional tourism diversity is one of the state's competitive advantages and must be reflected in the approach to marketing and product development.

Funding for events has been a strong focus of the Queensland Government in recent years and has led to much-publicised success in both major events and regional events. The positive impact of sporting, cultural and business has been demonstrated in all regions of Queensland both in terms of the immediate economic benefits and in terms of the exposure to a domestic and global audience. To maintain the momentum and to protect Queensland's competitive position and an additional annual investment of \$20 million would replace additional ad hoc funding, provided in the past, to boost the current \$40 million events budget.

Events create an additional opportunity for regional and seasonal dispersal of visitors. Events can attract visitors who otherwise may not have been interested in a region or a town and stimulate expenditure and bring economic benefits that otherwise would not eventuate.



Events can also assist in strengthening destination perceptions of visitors and potential visitors and stimulating a sense of community pride and engagement among residents. Consideration should also be given to the legacy of events in regional communities. The legacy of events can enhance local infrastructure, improve the accessibility of destinations diversifying regional economies and stimulating strong, prosperous, liveable regions.

By investing additional funds into events, the Queensland Government should also consider implementing additional requirements to ensure the minimisation of event footprints on the natural environment. This mechanism can help drive consideration of environmental management and risk reduction principles as a business-as-usual approach strengthening the resilience of businesses and communities. Through funding levers, there is the opportunity to drive real change across the industry to ensure the sustainable future of the sector in Queensland. Not only will this have a long-term environmental benefit, but also will demonstrate leadership and bring social and community benefits.

9. A continued First Nations tourism program

- \$10 million for experience development
- \$2 million for language library project

Australia's First Nations peoples are the oldest living cultures on earth, connecting with country for tens of thousands of years. With the launch of the Queensland's First Nations Tourism Plan (QFNTTP) in late 2019, the state now has its first framework to leverage First Nations tourism. The plan promotes the development of a thriving First Nations' tourism sector that offers diverse, authentic and engaging, sustainable tourism experiences and promotes greater engagement of First Nations peoples' in tourism.

We acknowledge the Queensland Government's declaration of the Year of Indigenous Tourism and the one-off funding of \$10 million to support related initiatives during the year. We suggest that the QFNTTP offers a framework to implement key recommendations from Indigenous stakeholders, as articulated in the Plan. Specifically:

- Traditional Owners are supported to develop tourism products and experiences as a vehicle to practice and revitalise cultural traditions and languages and derive economic benefits from their traditional lands.
- Government agencies provide sustainable support and reduce barriers to investment for First Nation business development.
- First Nations tourism businesses are supported to invest in education, training and skill development for their employees.

Given the significance of languages to Indigenous communities and for the retention of cultural heritage, a special focus should be placed on protecting these languages. A dedicated Indigenous language 'library' project would be a first step.

QTIC has provided leadership in First Nations employment and engagement in tourism for the last ten years, leading to the development of the Plan in 2019. We strongly believe the Queensland Government must remain a partner in the further advancement of the shared aspirations of First Nations Queenslanders and the tourism industry and make the necessary investment. It is, however, critical that practical initiatives are led by Indigenous stakeholders and industry, not government departments.



10. Assist the tourism industry respond and adapt to climate change:

- \$25 million over four years for climate change adaption for reef-dependent tourism
- \$25 million over four years for adaption and mitigation measures across tourism, based on the Queensland Tourism Sector Adaptation Plan actions

Previous commitments have seen an investment of \$25 million in Great Barrier Reef Island Renewal and a \$25 million allocation to Great Keppel Island essential infrastructure. We recommend a similar investment in the forward budget period for dedicated climate change response actions for other islands across the reef.

For tourism businesses, climate change is both a risk and an opportunity too big to ignore. The Queensland Government has demonstrated leadership in its response to the impact that the climate is having on our infrastructure, communities and our future. QTIC supports this path and urges the government to make the necessary investment in strengthening community resilience and adapting to a future that will continue to be affected by increasingly severe weather impacts.

In January 2020, the World Economic Forum's Global Risks Report highlights the most likely risks to be environmental. The top risk in terms of impact is 'climate action failure'. Looking to the predicted likelihood of events, extreme weather, climate action failure, natural disasters, biodiversity loss and human-made environmental disasters make up the top five. All of these will have a catastrophic impact on Queensland tourism's competitiveness if action is not taken to mitigate these risks.

The recently released report, 'The expected impacts of climate change on the ocean economy', assesses different climate change scenarios and their impacts on fisheries and reef tourism. It suggests potential economic losses by the end of the century of over 90% for reef tourism around the world. Queensland's Great Barrier Reef – with an industry that sustains 64,000 jobs and generates \$6 billion for the economy - despite its best management practices, will not be insulated from any losses due to likely global climate impacts.

The Queensland tourism industry continues to innovate, adapt and mitigate in response to the changing environmental conditions. As an industry inherently reliant on its natural environment, the tourism industry and its visitors play a critical role as nature's stewards, citizen scientists and as advocates. As the industry continues to evolve and adopt more sustainable business practices, the continued support from the Queensland Government is essential. Opportunities such as embedding environmental criteria into the Best of Queensland program should be utilised to further galvanise industry action.