

2016-17  
QUEENSLAND  
BUDGET  
SUBMISSION

# Future Economy Future Jobs





# Future Economy | Future Jobs

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## Executive Summary

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With the continuing decline of sectors like manufacturing and the mining investment boom effectively run its course, Australians are looking to the sectors that can deliver sustainable growth and jobs into the future. Against the backdrop of an economy in transition, tourism continues to emerge as one of the foundations of Australia's future prosperity.

Tourism has been identified as one of five super-growth sectors that have the potential to collectively add \$250 billion to the Australian economy over the next 20 years<sup>1</sup>. Positioned well to capture the demand of the emerging Asian middle class, tourism is an economic development strategy for Australia. Australian Governments have recognised this potential and are working to boost the capacity of the sector. State and Federal tourism ministers have endorsed the *2020 Tourism Industry Potential* goal for Australian tourism to increase overnight visitor expenditure by up to \$140 billion in 2020 and are putting in place strategies to meet this target.

The Queensland Government has named tourism as one of the four pillars of the State economy. Queensland's State-based target of doubling overnight visitor expenditure to \$30 billion by 2020 is underpinned by its *DestinationQ* blueprint and *Destination Success* long-term strategy.

Despite this, Queensland's performance has slipped behind that of other States – falling from the second most popular State for international visitors in 2014 to the third most popular in 2015.<sup>2</sup> Queensland should devote more resources to increasing its share of international visitors, particularly from key Asian markets where it trails the market share of New South Wales (NSW) and Victoria.<sup>3</sup> At the same time, it must maintain its popularity among domestic visitors and not lose momentum.

The Tourism & Transport Forum Australia (TTF) is calling on the Queensland Government to make serious investments in the future of the tourism and transport sector to support more jobs and stimulate growth. The Queensland Government should ensure adequate funding is provided for destination promotion, facilitate visitor infrastructure investment, continue its investment in transport infrastructure and also ensure a competitive business environment. The Government has an ambitious visitor expenditure target that should be matched by policy and funding commitments and a partnership approach between Government and industry.

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<sup>1</sup> Deloitte (2013) *'Positioning for prosperity? Catching the next wave'*.

<sup>2</sup> Tourism Research Australia (2016), *International Visitor Survey Results to December Quarter 2015*.

<sup>3</sup> Tourism Research Australia (2016), *International Visitor Survey Results to December Quarter 2015*. Analysis of stopovers in each state and territory by top 10 Asian source markets.



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In pursuit of this, TTF recommends the Queensland Government ensure Tourism and Events Queensland funding is subject to CPI increases at minimum. Furthermore, while the \$400 million funding certainty over four years is welcome, TTF urges the Government to ensure Queensland remains competitive with other States by reviewing funding levels. Queensland cannot afford to fall behind while its competitors gain traction and market share in the visitor economy. Queensland's visitor economy needs to sustain recent improvements in overnight visitor expenditure growth to achieve its 2020 objectives.



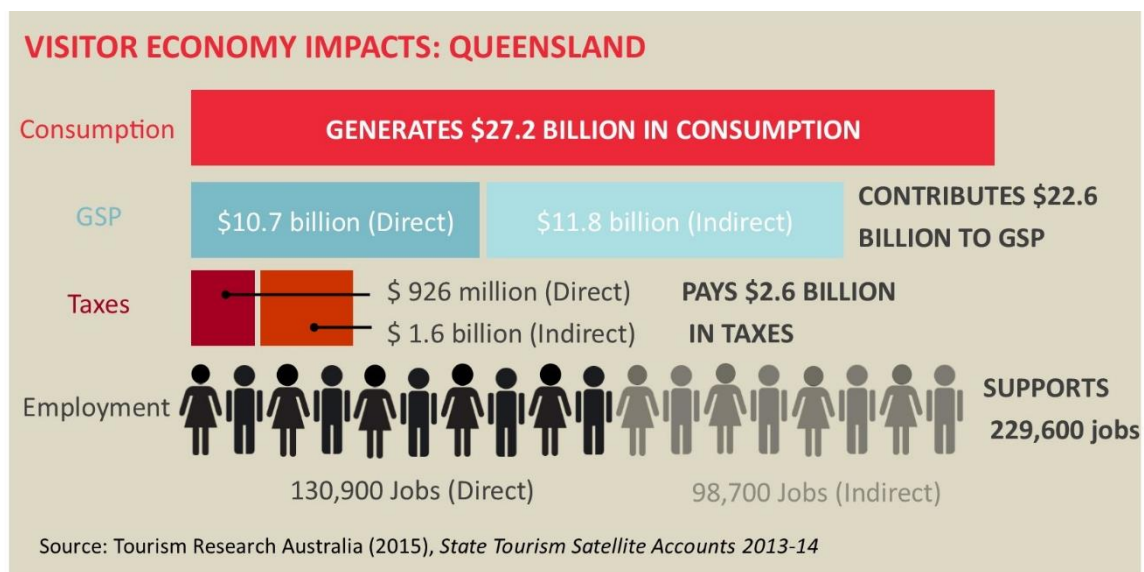
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## Importance of the Queensland visitor economy

### Generating jobs and growth

Tourism is one of our future economy industries that has the potential to collectively add hundreds of billions of dollars to the Australian economy over the next 20 years.<sup>4</sup> Tourism has the capacity to be more than a mere backfill for the jobs vacuum left by declining mining investment and the slowdown in manufacturing, by contributing hundreds of millions of dollars in taxation revenue.

Like other future economy industries such as agribusiness, funds management, international education and technology-based services, tourism is well-positioned to take advantage of the incredible growth in demand from Asia's burgeoning upper to middle-class.



However, tourism is an extremely competitive industry and Queensland is up against every other destination in the world for the hearts, minds and wallets of travellers from Australia and around the world. This means that continuing Government investment in marketing, events and demand-driving tourism infrastructure is critical to maintain Queensland's attractiveness as a destination.

<sup>4</sup> Deloitte (2013) 'Positioning for prosperity? Catching the next wave'.



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This will in turn foster private investment in complementary attractions, accommodation and experiences that will leverage the value of Queensland's natural assets and climate to help the State reach its goal of doubling overnight visitor expenditure by 2020.

Already a substantial contributor to the Queensland economy, the visitor economy has the potential to make an even greater contribution to the State's future prosperity, driving growth and creating jobs across the State. The Queensland visitor economy contributes 24% of Australia's total (international and domestic) tourism consumption, or \$27.2 billion<sup>5</sup>, and supports more than 51,400 businesses.<sup>6</sup> In fact, the majority of these tourism related businesses (58%) are located in regional areas.

Tourism supports more than 229,600 Queensland jobs - 130,900 of these directly, and accounts for nearly 1 in every 23 jobs State-wide.<sup>7</sup> The industry also generated around \$2.6 billion in taxation revenues on products sold in 2013–14.

Regional tourism is a key contributor to the State's overall visitor economy, accounting for half (exactly 50.0%) of all visitor expenditure across the State in 2015 – this places Queensland second only to the Northern Territory (54.4%) and Tasmania (50.5%) in this respect and well ahead of the national average of 43.4%.<sup>8</sup> Regional tourism also accounts for half (49.9%) of all jobs supported by the tourism industry.<sup>9</sup>

## Opportunities and challenges for Queensland

The Queensland Government has made investment in infrastructure projects, namely stadia, the Bruce Highway, Commonwealth Games facilities including Stage 2 of the Gold Coast Light rail, and rail network upgrades. However, the State is lacking in funding for critical infrastructure projects like Brisbane's Cross River Rail. The \$400 million over four years for tourism marketing, and the \$40 million over four years for major events announced in the 2015-16 Budget has been applauded by industry as a clear sign from the Queensland Government that it understands the economic development potential of tourism and events.

Despite this investment, Queensland's performance has slipped in recent years and is only just starting to recover. Queensland is currently third (after being second in 2014) in terms of international visitor numbers, behind NSW and Victoria.

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<sup>5</sup> State Tourism Satellite Accounts, 2013-2014, Tourism Research Australia.

<sup>6</sup> Tourism Businesses in Australia (June 2010-June 2013), Tourism Research Australia.

<sup>7</sup> State Tourism Satellite Accounts, 2013-2014, Tourism Research Australia.

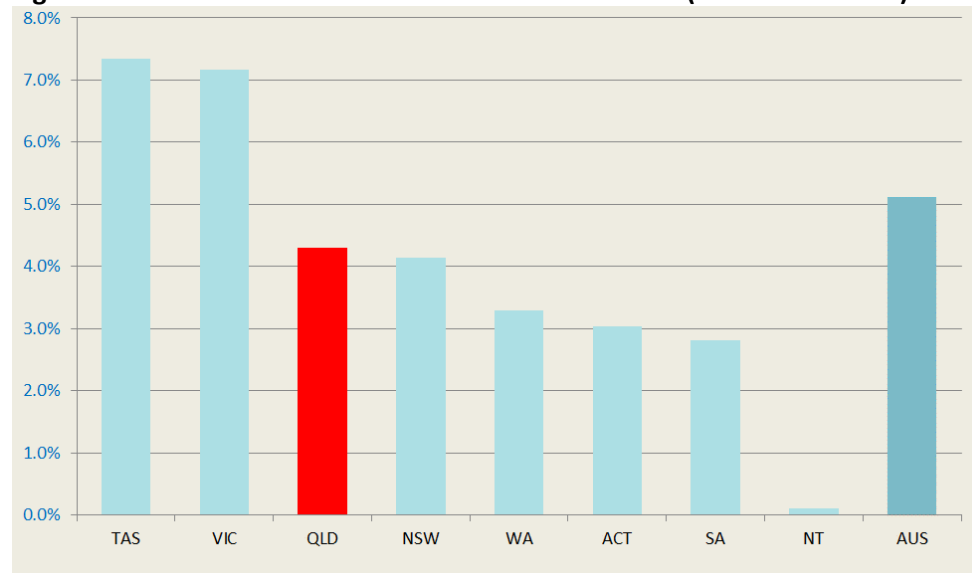
<sup>8</sup> TTF analysis Tourism Research Australia (2016), *International and National Visitor Survey Results to December Quarter 2015*.

<sup>9</sup> Deloitte Access Economics (2015), *Queensland Regional Tourism Satellite Account*.

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While Queensland has increased its focus on the tourism sector, the 4.3% average annual growth in international visitors over 2010 - 2015 also lags the national average growth rate of 5.1%. This outcome also falls well short of the performance of Victoria (7.2%) and is only marginally better than the much bigger NSW market (4.1%).<sup>10</sup>

**Figure 1: International visitors to States and Territories (FY2010 – FY2015)**



Source: Tourism Research Australia (2016), International Visitor survey results to December quarter 2015

Queensland also currently ranks third behind NSW and Victoria in terms of domestic overnight visitation; but grew faster (8.5%) than both NSW (4.4%) and Victoria (6.5%) over the past 12 months. On a more positive note, Queensland ranked second nationally on a visitor nights and regional expenditure basis in 2015.<sup>11</sup>

<sup>10</sup> Tourism Research Australia (2016), *International Visitor Survey Results to December Quarter 2015*.

<sup>11</sup> Tourism Research Australia (2016), *National Visitor Survey Results to December Quarter 2015*.



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## Liveable and Productive Cities, Accessible Regions

Efficient, affordable and sustainable public transport networks underpin the productivity of cities and urban environments. They also provide vital connections to regional areas, complementing our road networks.

TTF has three key transport policy goals:

1. Promoting investment by Government in transport infrastructure
2. Increasing the involvement of private operators in the delivery of public transport services
3. Improving the customer experience, particularly through the use of new technology.

Investing in public transport reduces the economic costs of congestion, increases social inclusion and delivers improved environmental outcomes.<sup>12</sup> Public transport also delivers an economic dividend in jobs growth. In research conducted for TTF by PwC, a case study analysis of the impact of a rail line to Macquarie Park in Sydney's north indicated that improved public transport access generated an additional \$1.49 billion in economic activity and an increase in the area's workforce of 32.5%.<sup>13</sup>

Public transport investment not only enhances the liveability of cities for its residents, it also makes cities more appealing to visitors. Efficient public transport systems with clear signage and simple fare structures are particularly important to attract visitors and to ensure they leave with a positive impression. Public transport services that can also connect with regions beyond urban centres can help disperse visitors more widely, spreading the benefits of the visitor economy beyond metropolitan destinations. TTF is therefore very supportive of the Queensland Government finalising a Tourism and Transport Strategy for Queensland.

Industry has welcomed the change in the Federal Government's approach to modal neutrality, reversing the previous administration's bias towards roads funding and announcing its intention to become more involved in the planning of cities and the funding of public transport services. This has manifested itself initially in a \$90 million funding commitment towards stage two of the Gold Coast Light Rail. TTF would again encourage the Queensland Government to take advantage of the Federal Government's propensity to jointly fund public transport projects by highlighting vital transport projects such as the Cross River Rail.

Given the importance of public transport, the Queensland Government should also ensure it continues to deliver on timetable commitments on key infrastructure projects.

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<sup>12</sup> TTF and L.E.K Consulting (2010), *Meeting the Funding Challenges of Public Transport*.

<sup>13</sup> TTF and PwC (2014), *Better Public Transport, Better Productivity*.



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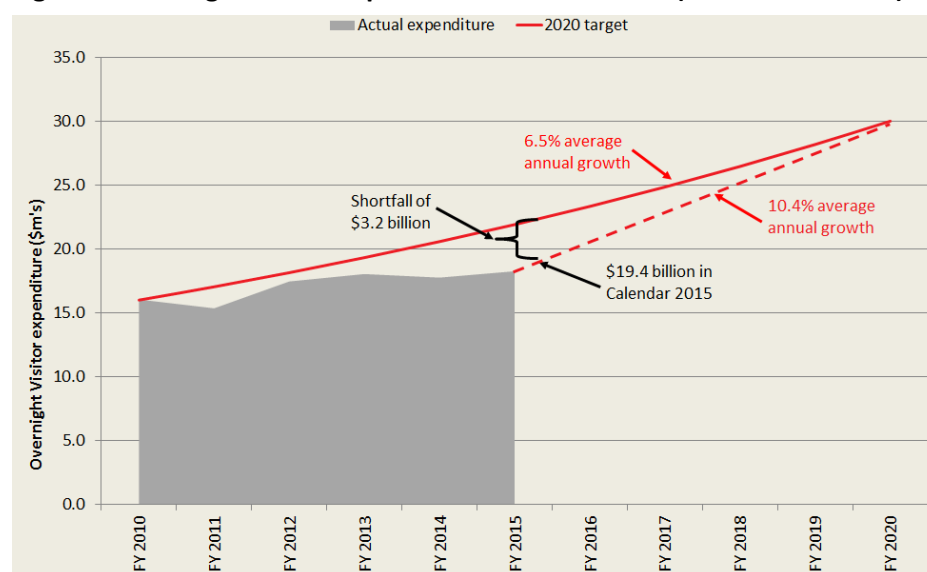
## Towards 2020 and Beyond

In 2009, Governments at the Federal, State and Territory levels saw the potential to grow Australia's tourism industry and signed up to ambitious targets to double overnight expenditure. While each State and Territory has its own corresponding target, the Queensland target is to double overnight visitor expenditure to \$30 billion by 2020.

While the aftermath of the GFC slowed progress towards the targets in the early phase, global travel has since more than rebounded and Australia is now reporting stronger growth. The latest data shows that over the year to December 2015, overnight visitor expenditure within Australia increased to \$82.1 billion - this includes domestic overnight expenditure increasing by 6.4% and international visitor expenditure increasing by 18.9%.<sup>14</sup>

In comparison, however, Queensland's overnight visitor expenditure growth (9.0%) lagged behind the Australian average (9.8%) and on both the domestic (6.0% vs 6.4%) and international fronts (albeit marginally, 18.8% vs 18.9%). Queensland's total overnight visitor expenditure of \$19.4 billion for 2015 is some \$3.2 billion below where it needs to be (around \$22.6 billion) for the State to be back on track to meet its 2020 target of reaching \$30 billion in overnight expenditure. Indeed, Queensland needs to continue to achieve strong growth in overnight visitor expenditure (of 10.4% per annum) for five years to have a chance of meeting its 2020 target.

**Figure 2: Overnight Visitor Expenditure in Queensland (FY 2010 – FY2020)**



Source: TTF Analysis of Tourism Research Australia (2016), *International and National Visitor Survey Results to December 2015*.

<sup>14</sup> Tourism Research Australia (2016), *International and National Visitor Survey Results to December 2015*.

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## Recommendations

### TTF Recommendations – Queensland Budget 2016-17

#### Grow demand for travel

##### Tourism marketing and events funding

- Ensure TEQ funding is subject to CPI increases at minimum and review funding levels to ensure Queensland remains competitive
- Increase funding for Queensland's convention bureaux and improve flexibility of the conventions bid fund to maximise Queensland's share of international convention bid wins
- Allocate funds to maximise the marketing potential in the lead up to the 2018 Commonwealth Games

##### Invest in attracting aviation

- Continue to fund the Attracting Aviation Investment Fund to attract and maintain targeted airlines, routes and services

##### Continue funding the South Bank cultural precinct

- Maintain funding in real terms over the forward estimates for institutions within the Brisbane South Bank cultural precinct

#### Boost visitor investment

##### Support active tourist precincts

- Continue to support the redevelopment of Queen's Wharf by prioritising and investing in the activation of the Queen's Wharf precinct to deliver a vibrant visitor experience
- Construct an underground station at George Street as part of the Cross River Rail to allow both tourists and residents to access Queen's Wharf
- Support the Kurilpa riverfront renewal project at South Bank and improve the connectivity of South Bank to the cultural precinct
- Support the Gold Coast Cultural precinct as cultural and tourism activity hub for the City
- Develop a strategy that supports upcoming and future precincts, such as City Reach in Brisbane
- Continue to work with Townsville City Council to support the Townsville City Waterfront renewal as a priority project for the region

##### Invest in eco-tourism in priority destinations

- Maintain funding for visitor infrastructure and park rangers in priority National Landscape destinations including the Great Barrier Reef, the Wet Tropics and Australia's Green Cauldron
- Work with private operators to deliver sensitive development in and around national parks
- Improve signage and visitor infrastructure around national parks, including Springbrook and the Gold Coast hinterland

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## Grow cruise shipping

- Develop new cruise ship facilities in Brisbane that will meet the future demands of the sector
- Plan for stopover cruise ship facilities on the Gold Coast
- Introduce cruise key performance indicators for regional tourism organisations
- Invest in developing the expedition and adventure cruise market and support expedition cruise attraction

## Plan for Northern Australia's tourism future

- Work closely with the Federal Government on its northern Australia policy development process to ensure that tourism is given high priority and to examine opportunities for support for the industry

## Improve the visitor transport experience

### Connect transport with the visitor economy

- Complete and implement the Queensland Tourism and Transport Strategy and ensure it is reviewed every three years
- Lower the cost of the *seeQ* card and provide for the *go explore* card to be purchased from fare machines at major tram and bus stops
- Redevelop the Brisbane Transit Centre on Roma Street

### Improve transport access

- Ensure construction timelines for Stage 2 of the Gold Coast Light Rail are upheld
- Plan for the extension of the Gold Coast Light Rail to the airport
- Increase frequency of heavy rail services to the Gold Coast to coordinate with light rail and ensure construction timeframes for the duplication of heavy rail tracks between Coomera and Helensvale are maintained
- Support the work of the fare review taskforce in delivering a fairer, more affordable and efficient fare structure
- Secure Federal funding for Brisbane's Cross River Rail and ensure the ready-to-proceed status of the project is reinstated
- Duplicate the Beerburum-Nambour heavy rail line to improve passenger and freight capacity
- Work with Sunshine Coast Council to develop a multimodal transport strategy

### Improve access to Brisbane Airport

- Improve the frequency and lower the cost of Airtrain services

### Maintain the drivability of the regional road network

- Maintain long-term funding for roads
- Ensure that the construction timeframes and commitment to fund 20% of the Bruce Highway, the Cunningham Highway, the Warrego Highway, the Gateway North and the Toowoomba bypass projects are maintained

### Rental car regulation harmonisation



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- Engage the Federal Government to harmonise State and Territory taxes and regulation for the rental vehicle sector



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## Grow demand for travel

### Tourism marketing and events funding

#### Recommendation

- Ensure TEQ funding is subject to CPI increases at minimum and review funding levels to ensure Queensland remains competitive
- Increase funding for Queensland's convention bureaux and improve flexibility of the conventions bid fund to maximise Queensland's share of international convention bid wins
- Allocate funds to maximise the marketing potential in the lead up to the 2018 Commonwealth Games

Queensland is one of the country's most tourism-dependent States – with tourism providing around one in 10 jobs and just 7.2% of gross value add (slightly more than healthcare & social assistance)<sup>15</sup> – with a highly decentralised approach to destination management. While it has a wealth of world-class natural assets, theme park attractions and cultural offerings, Queensland has been lagging behind other States in both domestic and international expenditure growth for some time.

Queensland's overnight visitor expenditure is only just starting to grow at a strong enough rate (9.0% in 2015) for the State to overcome the current \$3.2 billion gap between its performance and where it should be; to reach its 2020 target of doubling overnight expenditure to \$30 billion. Increasing marketing funding is key to supporting this outcome, with research indicating a return on investment of up to \$15 for every \$1 allocated to destination marketing.<sup>16</sup>

Tourism and Events Queensland (TEQ) plays a critical role as the State's chief marketing agency in generating visitation to the State. TTF welcomes the \$400 million in funding certainty over four years in addition to the \$40 million over four years for major events as per the 2015-16 Budget, however, more needs to be done if the State is to be competitive. TEQ plays a critical role in generating visitation to the State through tourism marketing. To achieve the State's target of doubling overnight visitor expenditure to \$30 billion by 2020, funding should, at a minimum, be subject to CPI increases.

Funding must be reviewed in order for the State to build greater exposure in emerging Asian markets in particular. TEQ must be sufficiently resourced so it can deliver compelling destination brand work and compete with interstate and international destinations. In 2015-16, NSW allocated \$176 million

<sup>15</sup> Tourism Research Australia (2015), *State Tourism Satellite Accounts for 2013-14*.

<sup>16</sup> Tourism Australia (2014), Submission to the Productivity Commission Research Paper on Australia's International Tourism Industry.



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and Victoria allocated \$120.8 million for their respective tourism marketing agencies, putting Queensland behind its competitors. Increased investment in a destination's brand will also have flow on effects in attracting major events, stimulating tourism investment and aviation capacity to the State.

Additional tourism marketing funding will enable TEQ to invest in a larger number of the key tourism growth markets, either through its own cooperative marketing efforts or being able to better leverage activities being undertaken by Tourism Australia. Given the growth of both domestic and international competition for the leisure, business and event traveller, ensuring that TEQ has a marketing presence across the top 20 tourism source markets will continue to be important.

Along with marketing activity, which also successfully leverages cooperative marketing funding from industry, part of the focus of competitive TEQ funding must be on developing and maintaining an annual calendar of major events that create reasons for people to travel. A strong, consistent events calendar provides tourism operators with increased certainty of patronage throughout the year, acting as an incentive for private investment. Major events are particularly useful in generating visitation during periods of traditionally low demand, filling airline seats, hotel beds and restaurant tables.

TEQ also delivers core funding each year to the State's six convention bureaux as well as an international bid fund. International business events visitors spend more than the average visitor, despite staying fewer nights, and attracting more of them can help Queensland reach its 2020 target. Competitive funding levels for TEQ, as well as an increase in the amount of funding available and flexibility of the bid fund, will greatly benefit Queensland's business events sector.

In the face of ICC Sydney opening at the end of the year and the expansion of the Melbourne Convention and Exhibition Centre, it is vital Queensland remains competitive and continues to attract valuable international business events. Industry calls for the expansion of the Brisbane Convention & Exhibition Centre to accommodate the growing number of large-scale international conventions that now require exhibition space. Funding should also be secured for the stage three extension of the Gold Coast Convention and Exhibition Centre (GCCEC). Capacity is restricted at the GCCEC and is a hindrance to securing larger international business events.

Major events are also an important way for North Queensland to mitigate the seasonality of demand associated with leisure travel. Convention centres in Townsville, Cairns and Mackay are well positioned to capitalise on increased business event activity from the Asia Pacific region, including the lucrative conference and incentive markets. North Queensland should seek to attract niche international and domestic events from key source markets.



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Furthermore, Queensland will host the Gold Coast 2018 Commonwealth Games and it is the first time a regional city in Australia has hosted the Games. More than \$13.5 billion of major infrastructure projects are planned or currently underway to change the face of the city for an event that is expected to attract more than 100,000 domestic and international visitors to the city. The Games will showcase Queensland as one of Australia's premier tourism destinations. It is vital the Government allocates funds to maximise the marketing potential in the lead up to, as well as after, the 2018 Commonwealth Games, to ensure this opportunity to showcase Queensland is not wasted.

## Invest in attracting aviation

### Recommendation

- Continue to fund the Attracting Aviation Investment Fund to attract and maintain targeted airlines, routes and services

As an island continent, Australia is more reliant on aviation access than almost any other destination. State and Territory Governments have promoted their destinations to overseas airlines, often alongside their major airports, to encourage additional airline capacity to major tourism destinations. Queensland has made considerable progress in attracting additional air services and supporting existing routes from key source markets. The recent announcement of direct flights from Brisbane Airport to Christchurch, which will provide access for up to 28,000 more visitors, the growth of low cost services to the Gold Coast and the extension of new airline routes to the Sunshine Coast and Cairns are all examples of this progress.

TTF welcomed the funding allocation of \$10 million to the Attracting Aviation Investment fund over three years in the 2015-16 budget. The tourism industry fully supports airline attraction efforts undertaken by TEQ, including innovative and creative marketing campaigns in cooperation with new and existing carriers. It is important that Queensland continues to ensure airline attraction funds are allocated based on return on investment, including rewarding committed carriers for their ongoing support to established routes and incentivising the development and retention of new carriers.

It is important that Queensland's aviation industry continues to remain sustainable and viable. Any campaigns or strategies employed to attract new routes and carriers should be balanced equally with an overall focus on maintaining existing capacity and expanding routes of existing carriers. International aviation access is critical to growing Queensland's market share of growing source markets. However, this should not be at the cost of the commercial viability of international airports across the State.



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Government should focus on developing an appropriate and sustainable use of Queensland's aviation network by ensuring that future aviation planning strikes a careful balance between supply and demand. Part of this assessment should be a consideration of a supplementary transportation system that has the potential to disperse visitors throughout the State.

TTF is seeking a commitment from the Queensland Government to work with its Federal counterparts to expedite resolving regulatory issues, such as the need for increased customs and immigration staff.

Moreover, Government should ensure that it provides the regulatory framework for the development of new infrastructure to make Queensland a competitive destination that has the capacity to service future growth in visitation. The construction of the new parallel runway at Brisbane Airport for example, will equip the State with the potential to generate healthy returns if the Government undertakes serious efforts in stimulating and supporting demand in growth markets. It is important that construction timelines for the new parallel runway are met.

## Continue funding the South Bank cultural precinct

### Recommendation

- Maintain funding in real terms over the forward estimates for institutions within the Brisbane South Bank cultural precinct

The Brisbane South Bank cultural precinct is key to the State's cultural tourism offering. The Queensland Performing Arts Centre (QPAC), Queensland Art Gallery and Gallery of Modern Art (QAGOMA) and the Queensland Museum attract hundreds of thousands of visitors to Brisbane each year. In addition to high visitation figures, cultural tourism also attracts high-yielding visitors who spend more and stay longer than the average traveller.

Cultural events and exhibitions held at these institutions are critical demand drivers for the visitor economy. They not only contribute to the local economy through the expenditure of visiting patrons, but also support the work of TEQ and Brisbane Marketing in positioning Brisbane as a 'New World City'. The successful QPAC International Series has attracted high profile performing arts companies, including the Hamburg Opera and Ballet and Bolshoi Ballet for exclusive Brisbane seasons. QPAC's International Series hosted the Bolshoi Ballet, while GOMA's recent 'Falling Back to Earth' exhibition drew 230,000 visitors and contributed \$14 million to the State economy.

Furthermore, the Government's master plan for the South Bank cultural precinct has identified future development and investment opportunities over the next 20 years, including a new lyric theatre and





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hotel development at QPAC. The master plan, if realised, would consolidate South Bank's reputation as a world-class cultural precinct and attract more high-yielding visitors to Queensland. Currently, however, there is no identified funding mechanism to deliver the plan. TTF is calling for a commitment to a funding pathway that will deliver the master plan over a specified timeframe to ensure this opportunity is not lost.



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## Boost visitor economy investment

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### Support active tourist precincts

#### Recommendation

- Continue to support the redevelopment of Queen's Wharf by prioritising and investing in the activation of the Queen's Wharf precinct to deliver a vibrant visitor experience
- Construct an underground station at George Street as part of the Cross River Rail to allow both tourists and residents to access Queen's Wharf
- Support the Kurilpa riverfront renewal project at South Bank and improve the connectivity of South Bank to the cultural precinct
- Support the Gold Coast Cultural precinct as cultural and tourism activity hub for the City
- Develop a strategy that supports upcoming and future precincts, such as City Reach in Brisbane
- Continue to work with Townsville City Council to support the Townsville City Waterfront renewal as a priority project for the region

TTF welcomes the Queensland Government's decision to redevelop Brisbane's Government precinct, to be known as Queen's Wharf. The proposed mix of new uses in the precinct, including an integrated resort development, luxury hotels, retail, restaurant and entertainment zones, theatre and convention facilities, and new open spaces, will be the most significant new precinct in the Brisbane CBD since the redevelopment of South Bank.

The tourism and leisure offering at this new precinct promises to drive large numbers of people into the CBD and boost the local visitor economy. The development will attract new investment and an additional 1.39 million visitors per annum to Brisbane and Queensland.

For an iconic entertainment precinct of this size, it is critical both visitors and residents can access the Queen's Wharf precinct more easily. According to current plans, the development will only be directly accessible by ferry and pedestrian access from the CBD and South Bank via a proposed bridge. Visitors accessing the development by rail will have to walk over one kilometre or change to a bus from South Brisbane or Roma Street train stations. Such an indirect transport connection is not optimal for passengers with luggage and will likely to lead to further road congestion as visitors to the precinct seek alternative transport.

Consequently, TTF calls for an underground station at George Street as part of the city's second rail crossing to allow both tourists and residents to easily access Queen's Wharf, the CBD and South Bank as well as the airport and suburban rail network. As Queen's Wharf is a major development,



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TTF encourages the Government to integrate the underground station with the redevelopment to ensure seamless access for visitors to the precinct. The second rail crossing needs to be a priority for the Government to alleviate capacity constraints and serve parts of the city not proximate to existing rail services.

TTF also encourages the Government to use the redevelopment as an opportunity to strategically plan the activation of the precinct. Night-time and weekend activity within the Brisbane CBD is currently limited, particularly for families. As part of the redevelopment process, the Government has an opportunity to prioritise and invest in activation of public spaces and events on weekends and at night at the Queen's Wharf precinct to deliver a vibrant visitor experience.

South Bank continues to develop as a key cultural and entertainment precinct that supports the Brisbane visitor economy. Further expansion of the South Bank precinct through the Kurilpa Riverfront Renewal has the potential to increase activity in the area and enhance connectivity to the cultural precinct, providing opportunities for accommodation, a new entertainment venue and other attraction development. Further redevelopment of South Bank would better align usage of the precinct with the cultural and recreational spaces already present, and allow for this prime location to be fully utilised for recreation and tourism. TTF encourages the Government to continue to work with stakeholders to progress planning for the further development of the area to expand the already impressive visitor offering.

In addition to these precincts, the Gold Coast Cultural Precinct in Evandale has the potential create significant tourism benefits to the City. The Precinct involves progressive stages encompassing adaptive reuse of existing assets as well as the construction of new facilities, including an Arts Museum, Artscape, Arts Centre and Art walk to Surfers Paradise. The Gold Coast is already attracting a growing number of domestic overnight visitors that visit museums, art galleries and attend the theatre, concerts, festivals and events. The development of appropriate cultural infrastructure would see this number increase. With sufficient support and funding for this project, the Gold Coast can continue to diversify its cultural offerings. The Government should also support the activation of the Gold Coast Waterways as a transport mode connecting hubs and tourist precincts, particularly in time for the Commonwealth Games in 2018.

TTF also encourages the Queensland Government to create a strategy to develop upcoming and future precincts, such as City Reach. City Reach is Brisbane's urban riverfront promenade, with the potential to be one of Brisbane's leading dining and recreation precincts, drawing residents, workers and tourists to the river's edge. The Queensland Government should encourage investment in partnership with landowners to enhance the area as a dining and entertainment precinct. Further developing these visitor precincts and enhancing existing precincts and open spaces will improve the impression of the city and ensure Brisbane remains a great place to live and visit.



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The Queensland Government should continue to work with Townsville City Council to support the Townsville City Waterfront renewal as a priority project for the region. The development aims to support the wider Townsville CBD functions and create a vibrant mixed-use place where people live, work and play in a high-density environment that is active day and night. The precinct will also include a multi-purpose maritime gateway that provides ferry services and facilities to popular destinations such as Magnetic and Palm Islands, and will be key in attracting more visitors to the area.

## Invest in eco-tourism in priority destinations

### Recommendation

- Maintain funding for visitor infrastructure and park rangers in priority National Landscape destinations including the Great Barrier Reef, the Wet Tropics and Australia's Green Cauldron
- Work with private operators to deliver sensitive development in and around national parks
- Improve signage and visitor infrastructure around national parks, including Springbrook and the Gold Coast hinterland

Queensland's destination brand is greatly enhanced by the State's natural estate. Nature-based visitors tend to generate higher yield than average, staying longer and spending more. International visitors spend around 15% more and stay 20% longer, while domestic visitors tend to spend around 40% more and also stay 40% longer.<sup>17</sup> With three of Australia's iconic National Landscapes situated within Queensland, the State is well-positioned to capitalise on the economic benefits of nature-based tourism.

Beyond this, tourism can also contribute to broader environmental and social outcomes, providing funding sources and points of engagement for Queensland's natural assets. A recent study by Tourism Australia found consumers from some of Australia's key inbound markets viewed Australia's world-class beauty and natural environment as the third most important factor in selecting a holiday destination, behind only safety and value for money.

However, appropriate and consistent resourcing for national parks is required, in particular funding for visitor infrastructure and park management. Resourcing should be prioritised for areas most frequented by visitors to maximise return on investment – these include the three iconic National Landscapes destinations of the Great Barrier Reef, the Wet Tropics and Australia's Green Cauldron region of Mount Warning, the Gold Coast hinterland and Byron Bay. A framework needs to be

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<sup>17</sup> TTF (2015), *Nature-based Tourism in Australia*.





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developed to allow for greater access and commercial sustainability while at the same time supporting conservation.

Five of the 19 World Heritage Listed sites in Australia are in Queensland. National parks alone are a significant contributor to the Queensland economy with research indicating that the total spend by visitors who include a visit to a national park contribute \$4.43 billion to the State's economy. Direct spending by visitors that can be attributed exclusively to the existence of the national parks amounts to over \$749 million per annum, adding around \$345 million to GSP per annum.<sup>18</sup>

TTF strongly supports the legislative reforms to encourage environmentally sensitive tourism investment in national parks, as well as efforts to streamline licences for ecotourism operators. These changes, along with the development of Queensland's Ecotourism Plan 2015-2020, will make it easier for domestic and international visitors to enjoy Queensland's natural estate, while providing industry with confidence to develop innovative ecotourism experiences. Investment is also needed to further develop natural assets and marine infrastructure in North Queensland to attract a greater share of Chinese visitors dispersing from Cairns.

Furthermore, visitor access to Queensland's national parks and other natural assets needs to be improved. Tourist signage and associated visitor infrastructure needs to be improved on roads in and out of Queensland's national parks, including Springbrook and the Gold Coast hinterland, to ensure they are clear, simple and understandable.

TTF commends the Queensland Government for introducing iBeacon technology across the State. The beacons will automatically deliver users of the *This is Queensland* tourism app with information about the top things to see and do in the area. The iBeacon technology has been installed at airports, visitor information centres, national parks and other popular tourist attractions. TTF encourages the Government to continue the roll-out of this technology at all national parks and tourist destinations in Queensland.

## Grow cruise shipping

### Recommendation

- Develop new cruise ship facilities in Brisbane that will meet the future demands of the sector
- Plan for stopover cruise ship facilities on the Gold Coast
- Introduce cruise key performance indicators for regional tourism organisations
- Invest in developing the expedition and adventure cruise market and support expedition cruise attraction

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<sup>18</sup> *Queensland Ecotourism Plan 2015-2020 Draft for consultation*, October 2015.



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The cruise shipping sector has expanded considerably in Queensland, mirroring its phenomenal growth across Australia. It is a sector delivering benefits to both Brisbane and regional ports, particularly in Far North Queensland. In 2013-14, Queensland ports received 238 cruise ship visits and over 500,000 passenger visit days.<sup>19</sup> TTF is, however, concerned that future growth of the industry could be impeded by inadequate facilities in Brisbane.

TTF welcomes the Queensland Government's announcement of the planned Brisbane Cruise Ship Terminal for the mouth of the Brisbane River entering the detailed assessment phase. The existing Portside terminal is limited in its capacity to cater for large cruise ships and overflow facilities at Fishermen's Island are inadequate, particularly for international guests. TTF recommends the Queensland Government classify this project as a high priority project, and continue to work with the industry to develop a proposal as soon as possible.

While Brisbane remains Queensland's cruise gateway and turnaround port for the area, the construction of a cruise terminal on the Gold Coast would bring the benefits of the high-growth sector to one of Queensland's biggest tourist destinations. Without a stopover port catering for transit calls, the Gold Coast is missing out on a vital economic boost to tourism. A sustainable plan for a stopover cruise ship terminal should be developed in conjunction with local authorities and the community.

Additionally, regional and Tropical North Queensland boast many unique, natural attractions, including the Great Barrier Reef, Magnetic Island and Townsville's northern beaches. The cruise industry already provides significant economic benefit to North Queensland, and in particular, regional towns such as Gladstone.

The cruise industry can shift Gladstone's image from a construction and mining town to a gateway to a Southern Great Barrier Reef experience. TTF recommends the Government consider setting cruise key performance indicators (KPIs) for regional tourism organisations (RTOs) to ensure they maximise benefits from the expanding cruise industry. The KPIs should be specifically tailored for each RTO, and could include, for example, attracting a minimum number of cruise ships to the port.

Furthermore, smaller and expedition cruise shipping is an important and high-value segment of the market. Queensland Government policies should recognise and support this diversity, which ensures that the State can offer domestic and international visitors a full range of product choices. The growth of expedition and smaller cruise ships has the potential to expand the reach of those economic benefits, particularly in regional areas, as these ships visit a wider range of ports than those that are

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<sup>19</sup> *Economic Impact Assessment of the Cruise Shipping Industry in Australia, 2013-14*, AEC Group.



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restricted to major ports. TTF encourages the Queensland Government to develop an expedition and adventure cruise shipping strategy to support expedition cruise attraction.

## Northern Australia Policy

### Recommendation

- Work closely with the Federal Government on its northern Australia policy development process to ensure that tourism is given high priority and to examine opportunities for support for the industry

The White Paper on Developing Northern Australia was released in June 2015 and sets out a plan to unlock the vast economic potential of the region. It provides one of the best opportunities to allow Northern Australia to vigorously compete with the southern States and includes over \$1.2 billion in investment commitments, spread across 50 policy initiatives and 15 Commonwealth agencies.

The Northern Australia Forum held in November 2015 as well as the opening of the new Office of Northern Australia headquarters in Darwin are all positive steps in engaging stakeholders and investors with an interest in the development of Northern Australia. The Northern Australia partnership should also be utilised to help address issues and challenges being faced in Australian tourism destinations above the Tropic of Capricorn. Tourism is a major employer in North Queensland. Eight of Queensland's 13 regional tourism organisations (RTOs) lie either wholly or partially within the northern Australia region.

Looking specifically at Tropical North Queensland, the visitor economy is the single largest employer. Tourism is a vital industry for the region, generating one tenth of all economic activity. The \$3.6 billion spent each year by visitors directly supports 14,600 jobs in Tropical North Queensland. In 2015, tourism directly represented 9.1% of the total Tropical North Queensland economy, compared to 4.9% for regional Queensland. In the Whitsundays, further to the south, some 16.9% of the economy is directly generated by tourism.<sup>20</sup>

The industry has, however, expressed concern at the impact of the Federal Government's removal of the tax-free threshold for Working Holiday Makers, due to Far North Queensland's reliance on backpackers as a source of tourism labour. The concern is that the removal of the tax-free threshold and increase in visa costs will result in backpackers visiting other destinations rather than Australia.

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<sup>20</sup> Deloitte Access Economics (2015), *Queensland Regional Tourism Satellite Account*.



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TTF recommends that the Queensland Government continues to work cooperatively with the Federal Government to implement the recommendations from the White Paper and identify ways to overcome the barriers to doubling visitation to Northern Australia by 2030.





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## Improve the visitor transport experience

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### Connect transport with the visitor economy

#### Recommendation

- Complete and implement the Queensland Tourism and Transport Strategy and ensure it is reviewed every three years
- Lower the cost of the *seeQ* card and provide for the *go explore* card to be purchased from fare machines at major tram and bus stops
- Redevelop the Brisbane Transit Centre on Roma Street

Tourism depends on accessibility, and good transport systems have never been so vital to the visitor economy. As the tourism sector continues to become a larger contributor to the Australian economy, and Australia strives to enhance tourism business from Asia, transport systems should ensure visitors can move around quickly, cheaply and efficiently. While the visitor market is not the primary target of transport services, the relationship between the visitor economy and passenger transport cannot be underestimated. The visitors' experience of the overall public transport network is an important factor contributing to their satisfaction of a destination. Research conducted in Western Australia found that transportation was the second most important, yet the most poorly perceived, in terms of attributes measured.

There are also opportunities to use public transport to drive visitation outside of Brisbane and into regional Queensland. Visitors from countries like Hong Kong, Singapore and the UK live in cities better connected than Brisbane and so instinctively turn to buses, ferries and trains to get around. With the right products and the right marketing, many more can be encouraged to visit the northern and southern beaches, discover Queensland's hinterland and experience Tropical North Queensland.

Good public transport needs investment. Increased patronage leads to higher fare box recovery, allowing for greater investment, which leads to greater connectivity and improves the quality of life for residents. Well planned public transport systems, with clear signage, simple fares and convenient ticketing, are particularly important to attract visitors, and to ensure they leave with a better impression and recommend the city to their social and professional networks.

The Queensland Government is to be commended for committing to the development of a tourism and transport strategy, with the aim of improving the visitor experience. This was one of TTF's key asks in the lead up to the 2015 State election and we welcome the Government's decision to proceed



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with the development of a policy. The strategy will be aligned with the DestinationQ partnership between the tourism industry and Government, and will outline priorities to ensure connected, integrated and active destinations. TTF urges the Government to complete and implement the strategy by the end of the year and ensure it is reviewed every three years.

As part of our Queensland Tourism & Transport Strategy due to be released next month, TTF calls on the Queensland Government to lower the cost of the *seeQ* card and provide for the Gold Coast *go explore* card to be purchased from fare machines at major tram and bus stops. TTF is supportive of the Queensland Government's decision to develop a visitor product; however, the *seeQ* card's relatively high price, due to the inclusion of the cost of a return Airtrain ticket in the price, is depressing demand for the product. Visitors should have the option of a more competitively priced *seeQ* card that does not include a return ticket on the Airtrain. TTF also recommends the Queensland Government allow the *seeQ* cards to be purchased at tourism information centres, major hotels and hostels or at visitor attractions in addition to convenience stores and online. The Gold Coast *go explore* card is available for purchase at hotels across the Gold Coast, but travel agents could also be provided with these cards to sell to customers before their trip to Australia. In addition, TTF recommends the *go explore* card be available for purchase from fare machines at major tram and bus stops.

Ensuring that the tourism and transport policy considers the impact of a range of overlapping decisions by various Government agencies, providing whole-of-Government oversight, is particularly important. This includes the redevelopment of Brisbane Transit Centre (BTC) on Roma Street which can have a significant impact on the visitor economy.

BTC provides an all-weather transport interchange where visitors congregate to be picked up by day and overnight bus tour operators as well as express coaches. Roma Street Station is also the terminus station for long distance services travelling between destinations such as Longreach, Townsville and Cairns. BTC is not only the northern entry to the city, but is also in the heart of one of the city's visitor accommodation precincts.

There is an opportunity for the creative redevelopment of BTC to address the amenity needs of tour and transport operators, and their customers, improving the overall visitor experience. This is particularly important given the accessibility changes that will result from the Cross River Rail project delivering services to Roma Street Station, and the centre's redevelopment should coincide with the construction of this vital project. The Queensland Government should look at examples of other transport interchanges, for example Spencer Street in Melbourne and Wellington Street in Perth, as well as consult with industry in considering BTC's redevelopment.

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## Improve transport access

### Recommendation

- Ensure construction timelines for Stage 2 of the Gold Coast Light Rail are upheld
- Plan for the extension of the Gold Coast Light Rail to the airport
- Increase frequency of heavy rail services to the Gold Coast to coordinate with light rail and ensure construction timeframes for the duplication of heavy rail tracks between Coomera and Helensvale are maintained
- Support the work of the fare review taskforce in delivering a fairer, more affordable and efficient fare structure
- Secure Federal funding for Brisbane's Cross River Rail and ensure the ready-to-proceed status of the project is reinstated
- Duplicate the Beerburrum-Nambour heavy rail line to improve passenger and freight capacity
- Work with Sunshine Coast Council to develop a multimodal transport strategy

### Gold Coast

TTF supports the construction of Stage 2 of the Gold Coast Light Rail and commends the Federal and Queensland Governments for working together to secure funding for this vital extension. Extending the light rail from the Gold Coast University Hospital to connect with heavy rail at Helensvale will provide a rail/light rail link between Brisbane and Surfers Paradise. This will make it easier to get between the two cities, and deliver an enhanced experience for locals and visitors who are in town for the Commonwealth Games. As this is such an important project, it is essential timelines for the construction are upheld. Moreover, TTF urges both the Queensland and Federal Governments to make a commitment to extend the light rail line to Gold Coast Airport in the medium term. This would connect the airport and other major activity centres in the south, such as Coolangatta, to the high demand tourist centres in the north. Planning for the extension should commence immediately.

Additionally, an efficient heavy rail network connecting Brisbane and the Gold Coast should be a priority. Infrastructure Australia found that, in 2011, the Pacific Motorway City to Beenleigh road corridor was at 76% capacity. By 2031, this is expected to increase to 88%. Similarly, the Beenleigh to Helensvale corridor is projected to be at 98% in 2031.<sup>21</sup> Existing public transport access to the Gold Coast is long and convoluted. For a visitor to travel approximately 80 kilometres from Brisbane CBD to Surfers Paradise the total journey time takes approximately two hours. TTF commends the Queensland Government for duplicating the heavy rail track between Coomera and Helensvale. However, the frequency of heavy rail services to the Gold Coast should be increased and timetables

<sup>21</sup> Australian Infrastructure Audit Report, 2011, Infrastructure Australia.



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aligned with light rail services so that wait times are minimised. The rail service to the Gold Coast leaves approximately every 20 to 30 minutes from Brisbane CBD. On weekends, the Gold Coast line departs every 30 minutes from Brisbane CBD. However, the light rail service runs every eight to 15 minutes during the week and 10 to 15 minutes on weekends. Increased frequency and timetable integration is particularly important in the context of the Commonwealth Games, when unprecedented numbers of tourists will be using the Gold Coast rail line.

To further enhance the Gold Coast transport network, fare zones should be reviewed. TTF applauds the Government for establishing an expert taskforce to review TransLink's fare structure in South East Queensland. The Fare Review will form the basis of a new fare strategy to increase public transport patronage while ensuring a sustainable fare revenue stream. TTF was represented on the taskforce and recommends the fare zones be restructured to be simplified, more intuitive and easy to understand for visitors. The Queensland Government should support the work of the fare review taskforce in delivering a fairer, more affordable and efficient fare structure.

## *Brisbane*

Brisbane's train network is nearing capacity as it is constrained by having only one river crossing to the city. Infrastructure Australia's 2011 Australian Infrastructure Audit report noted the cost of congestion across Brisbane, the Gold Coast and Sunshine Coast could increase from \$1.9 billion in 2011 to \$9.2 billion in 2031.<sup>22</sup> A second rail crossing is needed to alleviate pressure on existing infrastructure and address rapid population growth, increased road congestion and constrained CBD rail capacity.

TTF commends the Queensland Government for establishing an authority to deliver Cross River Rail. The project has also been classified as a high priority project by Infrastructure Australia in their 2016 Australian Infrastructure Plan. The ready-to-proceed status previously applied to the project must be reinstated and TTF urges the Queensland Government to present a business case to Infrastructure Australia immediately. However, such a project would not be feasible without both Federal Government assistance and private sector participation.

## *Sunshine Coast*

The Sunshine Coast is one of Queensland's most rapidly changing regions. Between 2013 and 2031, the Sunshine Coast's population is expected to grow by 51%, from 280,000 residents to 424,000.<sup>23</sup> Sunshine Coast Airport has been experiencing strong demand, with more than 250,000 passengers

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<sup>22</sup> Infrastructure Australia, *Australian Infrastructure Audit Report*, 2011.

<sup>23</sup> *Sunshine Coast Light Rail: Shaping Our Future*, Sunshine Coast Council, 2014.



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travelling through the airport in the first quarter of 2015 – a 12% increase on the previous quarter.<sup>24</sup> The region has also seen a 10.6% rise in international overnight visitors together with a 2.8% increase in domestic visitors in 2014-15.<sup>25</sup>

Efficient transport systems need to be developed to cater for such high population growth and visitor numbers. Currently, the Sunshine Coast is serviced by a single heavy rail line from Beerburrum to Nambour. Capacity along this line is severely restricted, resulting in lower speeds and reduced operational efficiencies.<sup>26</sup> TTF commends the Queensland Government for identifying the Beerburrum to Nambour rail upgrade as a priority project. It is vital this project remains a priority and is progressed to ready-to-proceed status. Duplication of the Beerburrum-Nambour section of the track is needed to increase services and support the growing population and visitor economy.

Furthermore, investment in the transport network is needed on the Sunshine Coast to manage growing congestion. Multimodal transport systems – networks that integrate multiple forms of public transport – offer a high degree of accessibility for both commuters and tourists. Accessibility of public transport is a key factor in determining the attractiveness and liveability of a city. Multimodal transport systems also offer the opportunity to minimise transit time, therefore creating a more enjoyable experience for the commuter or tourist and enhancing their door-to-door experience. London, for example, has a well-established rail network that is complemented by a bus and ferry network. Purpose built bus interchanges have been developed at high-traffic stations to be within walking distance of the railway and underground stations. The physical integration of transport networks needs to be supported by timetable and fares and ticket integration.

Improved transport links will be essential in making sure people can move between popular tourist destinations, major centres and employment hubs such as Mooloolaba, Maroochydore, Kawana Town Centre and Caloundra. Transit interchanges in these areas could facilitate interchange between high frequency and priority bus routes, as well as local feeder bus routes. Furthermore, if a proposed Maroochydore heavy rail line is constructed, an integrated transport plan will be needed to facilitate passenger movement from the heavy rail line from Brisbane to the coast.

An effective integrated system can be achieved by offering multimodal contracts, with one operator having operational control of multiple transport modes. Multimodal integration in France has resulted in greater network renewal and increases in patronage. A system fully integrated with an extensive bus network, as well as the heavy rail network, would greatly enhance regional dispersal and provide

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<sup>24</sup> *Sunshine Coast Airport going from strength to strength* – Media release 15/10/15, Sunshine Coast Council.

<sup>25</sup> Tourism Research Australia, year ending June 2015.

<sup>26</sup> *Landsborough to Nambour Rail Project Environmental Impact Statement*, Department of Transport and Main Roads, 2009.





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for an easy and enjoyable experience for tourists travelling to the Sunshine Coast, and will also increase accessibility for Sunshine Coast residents. TTF recommends the Queensland Government works with Sunshine Coast Council and private operators to develop a multimodal transport system for the region.

## Improve access to Brisbane Airport

### Recommendation

- Improve the frequency and lower the cost of Airtrain services

Brisbane Airport has been linked to the CBD and the Gold Coast by an airport rail service since 2011. While Airtrain provides a convenient service for tourists and residents, there are two barriers to improving the appeal of Airtrain: the frequency of the service and high fares.

According to Brisbane Airport Corporation, the Airtrain service has an average mode share of around 8%. Private vehicles had the largest mode share at approximately 60% and 72% at domestic and international terminals respectively, followed by taxis, and mini-bus and coaches at approximately 20% and 10% respectively.<sup>27</sup> While Airtrain patronage figures are now on the rise, growing at approximately 4% per annum, total public transport mode share is low compared to other international airports such as London Heathrow, Paris CDG, Zurich, Copenhagen or Hong Kong (which all have a public transport mode share between 30% and 60%, excluding taxis). In order for Airtrain patronage figures to further increase, the service needs to be more frequent and less costly.

TTF urges the Queensland Government to consider subsidising part of the fare to ensure its fares are in-line with the broader train network. Airtrain services are managed through the Brisbane Airport Rail Link agreement, a contract between Airtrain and the Queensland Government. The contract is in place until 2036 and includes conditions that restrict introducing Brisbane Transport bus services that would compete with Airtrain services. The contract does not allow bus services to operate within one kilometre of Airtrain stations. With low Airtrain patronage levels and inadequate public bus services to the airport, both tourists and residents often choose to travel to the airport by road by way of taxi, hire car or private vehicle.

Currently, Airtrain operates 50 services on a weekday between 5:04am and 10:04pm, with services running every 15 minutes during peak periods, and every 30 minutes at off-peak times. On weekends,

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<sup>27</sup> Brisbane Airport 2014 Master Plan.



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services run every 30 minutes between 6am and 10pm. Passengers, however, who arrive at the airport after the last Airtrain service has departed are unable to access public transport. In contrast, Sydney Airport is served by a frequent and relatively fast rail link, with the Airport Link service operating every eight minutes in peak periods, and services depart well after the last flight has arrived. The frequency of Airtrain services should be increased to levels similar to Sydney and trains should at least run until the last domestic flight has arrived at the airport in order to better service visitors and residents.

Additionally, users of the international and domestic stations pay a standard fare totalling \$17.50 one-way to or from the CBD. Passengers are able to obtain a discount by buying the ticket online and a larger discount when buying the ticket in advance. Reducing Airtrain fares to bring them in-line with the Brisbane train network is an important initiative for reducing road congestion as well as improving the visitor experience for airport users. It is important to note that reducing the fare would not only support the visitor economy but also the large workforce at Brisbane Airport. Up to 21,000 full-time equivalent jobs are supported by Brisbane Airport, with this figure expected to increase to around 51,000 jobs by 2034.<sup>28</sup> Workers within the Brisbane Airport Precinct, however, can purchase a weekly ticket at a reduced price of \$35 that allows for unlimited travel between the airport and Brisbane City stations.

## Maintain the drivability of the regional road network

### Recommendation

- Maintain long-term funding for roads
- Ensure that the construction timeframes and commitment to fund 20% of the Bruce Highway, the Cunningham Highway, the Warrego Highway, the Gateway North and the Toowoomba bypass projects are maintained

The drive tourism market is very important for Queensland's tourism industry, accounting for approximately 70% of the overnight leisure market in Queensland.<sup>29</sup> Drive tourism, particularly domestic drive tourism, is important in regional areas, facilitating regional dispersal and access to Queensland's diverse tourism experiences. Businesses in rural and regional communities rely on income from drive visitors who stop and purchase local products and services. Drive tourism is often the only way to get to some Queensland destinations. The introduction of new regional airline routes has seen an increase in fly-drive tourists to the State, with the trend likely to continue.

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<sup>28</sup> *Brisbane Airport 2014 Master Plan.*

<sup>29</sup> *Queensland Tourism Drive Strategy 2013-2015*, Queensland Government.



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According to Tourism Research Australia's National and International Visitor Surveys, approximately 32% of all international visitors to Queensland are international overnight drive tourism visitors.<sup>30</sup> Additionally, domestic overnight drive tourism visitors make up approximately 60% of all domestic visitors to Queensland.<sup>31</sup> Of these drive tourists, one-third stay solely within the south-east corner of the State; being the Sunshine Coast, Brisbane and Gold Coast.

The drivability of road networks is critical to coach operators, rental vehicles customers and travellers using their private vehicles. Around 80% of the State's road network is under the jurisdiction of local councils<sup>32</sup>, many of which simply do not have the resources to maintain or upgrade vital tourist routes to a satisfactory standard. Commuters and tourists travelling to and from the Sunshine Coast are subject to increasing congestion on the largely two-lane Bruce Highway. A combination of weather impacts, increased traffic volumes and under-investment in maintenance and renewals has resulted in progressive deterioration of conditions on this highway.<sup>33</sup>

Tourism is particularly vulnerable to major disruptions on the road network which can affect visitors' ability to access destinations. Brisbane's 2011 floods emphasised tourism's reliance on the road network and the importance of building more resilient infrastructure. TTF supports the Federal and Queensland Governments in developing the Bruce Highway Action Plan and funding a study to look at congestion and bottleneck issues along the Bruce Highway to Caloundra. TTF urges the Government to widen the Bruce Highway between Caboolture and Caloundra to reduce congestion and improve the drivability of regional roads.

Upgrading sections of the Bruce Highway, the Cunningham Highway, the Warrego Highway, the Gateway North and the Toowoomba bypass are key elements in increasing access to regional destinations, and are paramount in providing a more enjoyable drive visitor experience. The Hann Highway in North Queensland also requires long-term funding to maintain the road's driveability and support economic development in the region. According to the Australian Road Assessment Program's (AusRAP) rating of Australia's national highways, 29% of roads surveyed in Queensland are rated as 2-star, 63% of roads are rated as 3-star, and only 6% carry a 4-star rating.<sup>34</sup> The Bruce Highway has been classified as one of Australia's deadliest highways and the Royal Automobile Club of Queensland (RACQ) estimate that 60% of road deaths in Queensland occur on the Bruce Highway. The Queensland and Federal Governments are to be commended for their commitment to the upgrade of

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<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> *Queensland Infrastructure Report Card 2010*, Engineers Australia.

<sup>33</sup> *2015-2018 Motoring Matters To Every Queenslander*, RACQ.

<sup>34</sup> *AusRAP Star Ratings Report*, 2013.



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these major tourism routes. However, the Queensland Government should ensure that the construction timeframes and commitment to fund 20% of these critical projects are maintained.

While the short to medium term funding environment is promising, long-term funding for roads should be maintained to further improve road infrastructure and integrated land-use and transport planning outcomes need to be delivered to improve the sustainability of local roads.

## Rental car regulation harmonisation

### Recommendation

- Engage the Federal Government to harmonise State and Territory taxes and regulation for the rental vehicle sector

The rental vehicle industry abides by eight different State and Territory regulatory and tax regimes – with only Tasmania recognising rental vehicles within their own regulatory framework. Regulatory guidance and legislative instruments have been created without a clear national policy objective and lack the simplicity and flexibility required for a healthy operating environment.

For operators, this has stymied industry growth, hindered innovation, reduced workforce efficiency, made it difficult to determine the compliance task, created a significant administrative burden, and led to cost inefficiencies. For regulatory agencies, it has fashioned a significant knowledge gap, limited national data on the size, value and economic contribution of the industry, and created cost inefficiencies.

TTF calls for regulation and tax reform to ensure the industry has a framework that allows it to invest in the innovation required to drive the sector forward.