



QUEENSLAND TOURISM: BACKING OUR STRENGTHS

An Agenda for the Queensland Government

January 2015

www.ttf.org.au

TOURISM & TRANSPORT
FORUM (TTF) IS A
NATIONAL, MEMBER-
FUNDED CEO FORUM,
ADVOCATING THE PUBLIC
POLICY INTERESTS OF
LEADING CORPORATIONS
AND INSTITUTIONS
IN THE AUSTRALIAN
TOURISM, TRANSPORT
AND AVIATION SECTORS.

Tourism & Transport Forum (TTF)

Level 8

8-10 Loftus Street

Sydney NSW 2000

T: +61 2 9240 2000

www.ttf.org.au

Cover image: © Tourism Australia | Photographer: Jamie MacFadyen

INTRODUCTION

MESSAGE FROM THE CEO

With the winding down of the mining construction boom, tourism is an economic development strategy for Queensland that can deliver growth and jobs across the state. While Queensland is well positioned to capitalise on the growing demand for travel from the burgeoning Asian middle classes, maximising the benefits of this potential requires a commitment to increase investment in tourism marketing, support business events bids and the major events calendar, and invest in key visitor economy infrastructure.

In an important step, tourism has been nominated by the government as one of the four pillars of Queensland's economy, reflecting its contribution to jobs and growth. As a key economic driver, tourism requires not only recognition but continued and increased investment and an ongoing commitment from policy-makers to ensure the settings are right.

This document sets out the key industry priorities to take Queensland's visitor economy forward. The challenge for future Queensland governments is to resist the calls to cut funding for tourism and instead invest in an industry that will deliver economic growth and jobs across the state.



Margy Osmond
Chief Executive Officer
Tourism & Transport Forum

TTF'S 7-POINT PLAN FOR QUEENSLAND TOURISM

IMPROVE COMPETITIVENESS

- 1** Rule out any new tourism taxes
- 2** Commit to developing a tourism and transport strategy within the first year of the next parliament

ENHANCE THE VISITOR TRANSPORT EXPERIENCE

- 3** Commit to the expansion and connection of the Gold Coast light rail to the heavy rail

GROW DEMAND FOR TRAVEL TO QUEENSLAND

- 4** Increase marketing, events and business events funding and deliver funding over four years to Tourism and Events Queensland

BOOST INVESTMENT IN TOURISM INFRASTRUCTURE

- 5** Commit to a funding model for the South Bank cultural precinct
- 6** Reinvest revenue from regional integrated resort developments in regional Queensland visitor economy infrastructure
- 7** Invest in cruise ship facilities in Brisbane to accommodate the sector's rapid growth

IMPORTANCE OF QUEENSLAND'S VISITOR ECONOMY

Tourism has been identified as one of five 'super-growth' sectors that can drive Australia's future economic growth and collectively add \$250 billion to the Australian economy over the next 20 years.

While traditional manufacturing has continued its long-term decline and the mining construction boom winds down, tourism provides an ongoing path to prosperity. Tourism plays a significant role in the Queensland economy, driving growth and creating jobs. The visitor economy contributes \$23 billion to gross state product¹ and supports more than 53,000 businesses.²

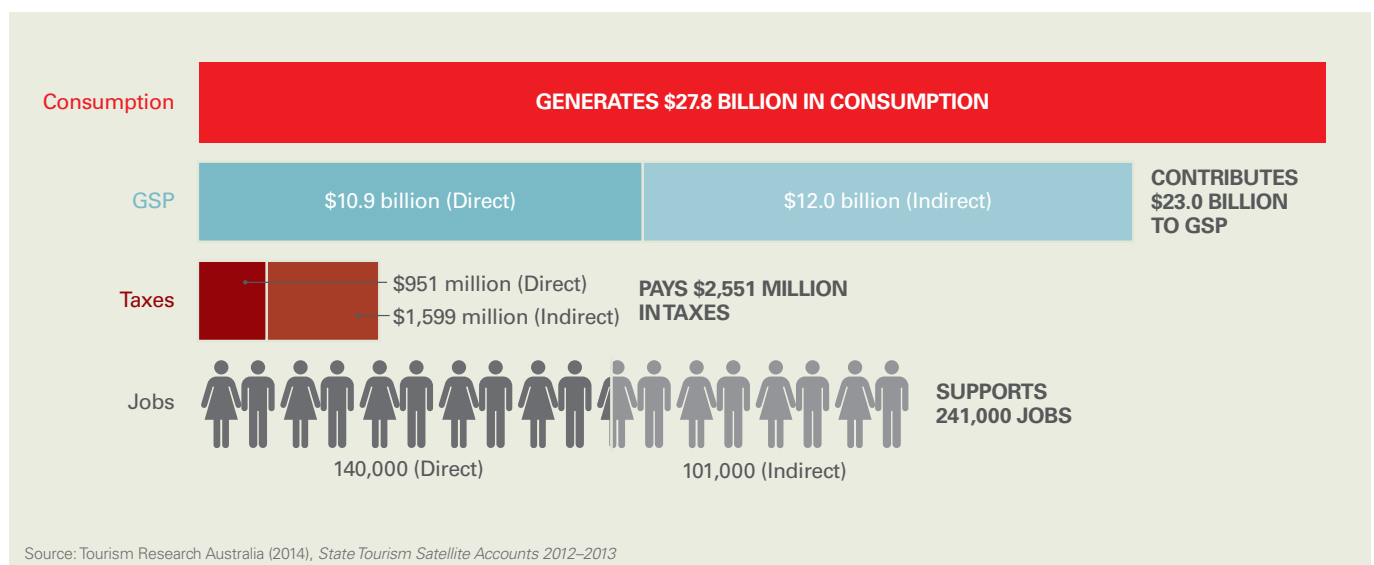
Tourism supports more than 241,000 Queensland jobs, 140,000 of these directly, and accounts for nearly one in every 10 jobs across the state. The industry also delivers significant revenues for the state government, with the visitor economy generating almost \$2.6 billion in taxation revenue in 2012-13.

Queensland has arguably the most decentralised tourism industry of any state or territory, with major destinations dotted up and down its entire coastline and the benefits of the tourism industry spread widely. Cairns in the far north and the Gold Coast in the south are complemented by the capital city appeal of Brisbane and a host of other regional destinations.



© Tourism Australia | Photographer: Adrian Brown

QUEENSLAND VISITOR ECONOMY IMPACT



¹ Tourism Research Australia (2014) – State Tourism Satellite Accounts 2012-13

² Tourism Research Australia (2013) – Tourism Businesses in Australia, June 2012

BACKING QUEENSLAND'S STRENGTHS – A 7-POINT PLAN FOR GROWING QUEENSLAND'S VISITOR ECONOMY

IMPROVING COMPETITIVENESS

1 RULE OUT NEW TOURISM TAXES

The tourism industry already makes an enormous contribution to taxation revenue, with some \$2.6 billion generated by visitor expenditure alone in Queensland. Without the tax revenue paid by the tourism industry, each Queensland household would pay more than \$1,420 in additional taxes.

Tourism is also subject to a range of taxes that do not impact on other like-industries. These include the Passenger Movement Charge and high visa fees for visitors from key Asian markets like China, as well as the fact that tourism is the only export industry subject to the GST.

TTF calls on all parties to rule out the imposition of any new tourism taxes. New bed taxes or levies, which have been previously flagged for discussion, would simply drive up costs for visitors, make Queensland less competitive and threaten investment.

2 COMMIT TO DEVELOPING A TOURISM AND TRANSPORT STRATEGY WITHIN THE FIRST YEAR OF THE NEXT PARLIAMENT

The success of the visitor economy is underpinned by well-coordinated interaction between the transport and tourism sectors. Connected, integrated and active cities and regions are key to improving liveability for residents and creating destinations that are attractive to visitors.

TTF is calling for a commitment to develop a tourism and transport strategy within the first term of the next parliament.

While transport authorities understandably focus on the needs of domestic commuters, the role of public transport in our cities and regions for visitors must also be a core part of their operations. In many jurisdictions, transport operators can do better and learn from world's best practice. TTF therefore believes that state governments should develop specific tourism and transport policies that outline mechanisms to improve the experience of visitors on public transport networks. Such policies should consider the customer experience through the lens of international or interstate visitors who may face language barriers and have no familiarity with a particular transport system.

ENHANCE THE VISITOR TRANSPORT EXPERIENCE

3 COMMIT TO THE EXTENSION AND CONNECTION OF THE GOLD COAST LIGHT RAIL TO HEAVY RAIL

The visitor experience on the Gold Coast will be enhanced by the opening of the first stage of G:link light rail network. Light rail will transform public transport services for both residents and visitors and will become a new icon for the Gold Coast.

TTF is calling for the further expansion of the light rail network. As its next stage, the line should be extended from the Gold Coast University Hospital to connect with heavy rail at Helensvale in time for the 2018 Gold Coast Commonwealth Games. This would provide a rail/light rail link between Brisbane and Surfers Paradise and dramatically improve travel between the two cities.

Investing in this key piece of infrastructure would also ensure the Games leave a lasting legacy for the Queensland visitor economy.



GROW DEMAND FOR TRAVEL TO QUEENSLAND

4 INCREASE MARKETING, EVENTS AND BUSINESS EVENTS FUNDING AND DELIVER FUNDING OVER FOUR YEARS TO TOURISM AND EVENTS QUEENSLAND

Queensland is one of the country's most tourism-dependent states, 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 is lagging behind other states in visitation and expenditure growth. As at June 2014, Queensland's overnight visitor expenditure had actually decreased by 1.7 per cent compared to the previous year, and it has steadily lost market share of international visitors since 2009.³ Queensland's overnight expenditure is currently growing at around only half the rate it needs to reach the 2020 target of doubling overnight expenditure to \$30 billion, with the latest data showing it has the slowest growth in expenditure from international visitors of all the states and territories. If this trend is allowed to continue, it will fail to reach its 2020 target.

Increasing marketing funding is key to reversing this trend, with research indicating a return on investment of up to \$16. Tourism and Events Queensland (TEQ) is the state's chief marketing agency but its budget has been under pressure. TEQ's funding allocation is currently provided on a one-year basis, rather than across the forward estimates. This creates uncertainty for industry about the ongoing resource allocation for TEQ at a time when Queensland's visitation and expenditure growth is stagnant. In 2014-15, New South Wales allocated \$124.8 million and Victoria allocated \$96.6 million (excluding major events expenditure) for their respective tourism marketing agencies, putting Queensland behind its competitors.

TEQ must be given a funding increase to allow it to compete with not only other Australian states and territories but international destinations. This funding should also be delivered over four years, instead of the current one-year allocation, to give the organisation and industry certainty and allow for longer-term planning.

Along with marketing activity, which also successfully leverages cooperative marketing funding from industry, part of the focus of an increase in TEQ funding should be on developing and maintaining an annual calendar of major events that create reasons for people to travel. Original and regular events are proven drivers of demand and can include one-off sporting events, music festivals or longer-run cultural exhibitions. 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 are high-yielding, spending 20 per cent more than the average international visitor, and attracting more of them can help Queensland reach its 2020 target. Planning for business events requires long lead times – in some cases up to 10 years – however the current uncertainty around TEQ's budget has made this planning more difficult for convention bureaux. Greater funding certainty for TEQ, as well as an increase in the amount of funding available, will greatly benefit Queensland's business events sector.

³ Tourism Research Australia, 'National and International Visitor Surveys', year ended June 2014

BOOST INVESTMENT IN TOURISM INFRASTRUCTURE

5 COMMIT TO A FUNDING MODEL FOR THE SOUTH BANK CULTURAL PRECINCT MASTER PLAN

Brisbane's South Bank precinct is home to the city's principal cultural assets, including the Queensland Performing Arts Centre (QPAC), the Queensland Art Gallery and Gallery of Modern Art (QAGOMA) and Queensland Museum. These institutions provide a platform for Brisbane on the international stage: 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.

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 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.

6 REINVEST REVENUE FROM REGIONAL RESORT LICENCES IN QUEENSLAND REGIONAL VISITOR ECONOMY INFRASTRUCTURE

Integrated resorts are enormous drivers of demand and have the potential to attract more international visitors and increase overnight expenditure, particularly from key Asian source markets.

Along with the licence for the Queen's Wharf Brisbane precinct, two integrated resort licenses are currently under consideration for regional Queensland, with the leading proponents in Cairns and on the Gold Coast.

Investment in the integrated resorts themselves is likely to be substantial, with potentially more than \$15 billion worth of development across the two regional resorts alone. These developments will not only create enormous ongoing job and economic growth potential but will deliver substantial revenue streams to government. TTF is calling for a commitment that the revenue generated from these developments in regional Queensland is reinvested in regional visitor economy infrastructure to further support the competitiveness of the visitor economy.

7 IMPROVE CRUISE SHIP FACILITIES IN BRISBANE TO ACCOMMODATE THE SECTOR'S RAPID GROWTH

Cruise shipping is the fastest growing sector of the tourism industry in Australia.

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, Queensland ports received 241 cruise ship visit days and 417,734 passenger visit days, generating \$269 million in direct cruise tourism expenditure in Queensland and 16 per cent of total direct cruise expenditure throughout Australia.⁴

To remain competitive, however, Queensland must ensure that cruise ship facilities keep up with demand from the sector.

Brisbane is currently limited by the existing Portside terminal, which struggles to cater for large cruise ships, and overflow facilities at Fisherman Islands are inadequate. TTF is calling for cruise facilities in Brisbane to be facilitated and fast-tracked to cater for the future demands of the sector.

TTF is also calling for additional dredging at Trinity Inlet to increase the capacity of the port to accept large cruise ships. These enhancements will position Far North Queensland to take advantage of the growth in neighbouring markets like Papua New Guinea and South East Asia.



⁴ The Contribution of Cruise Tourism to the Australian Economy in 2013 – Cruise Lines International Association

Tourism & Transport Forum (TTF)

Level 8

8-10 Loftus Street

Sydney NSW 2000

T: +61 2 9240 2000

www.ttf.org.au

www.ttf.org.au

