REGIONAL TOURISM QUEENSLAND

Liz Savage
Chair, Tourism Industry Reference Panel
Queensland Government

21 October 2021

Dear Liz,

Re: Regional Queensland Tourism Network submission

The following submission to the Reference Panel encompasses the collective viewpoints of the Queensland Regional Tourism Network. The Network is made of 13 Regional Tourism Organisations (RTOs) which make a vital contribution to the tourism industry where it counts – at the coal face.

The submission has been developed with the assistance of Stewart Moore (CEO, EarthCheck), who canvassed the opinions of individual CEOs and worked with a subcommittee providing feedback on the approach. It captures the wide range of perspectives across the RTOs of Queensland, including regional nuances which bear close consideration in the implementation of the Reference Panel's proposed Action Plan.

Network members are united on four key requirements to deliver industry growth post COVID-19:

- Increased destination marketing funds (in addition to current monies spent on 'Brand Queensland') to enable Queensland to grow its share of domestic tourism expenditure, and international when borders reopen.
- Greater consistency and certainty in the regional distribution of tourism marketing funds.
- More investment in strategic destination development and investment support, including greater commercial access to national parks.
- Clear roles and responsibilities, including transparent performance measures, improving the co-ordination of Queensland tourism industry organisations.

A sub-committee of Network partners is available at any time to meet with yourself and Panel members to discuss our views. The Network's direct relationships with thousands of tourism operators across the State will be of great assistance in implementing Action Plan outcomes and we suggest the formation of an RTO panel to work with your team to help ensure the best results are delivered.

Best regards,

Martin Simons
RTO Network Chair and
CEO of Fraser Coast Tourism & Events
msimons@fcte.com.au

CC: John Lee, Director-General, Department of Tourism, Innovation and Sport
Leanne Coddington, Chief Executive Officer, Tourism and Events Queensland
Daniel Gschwind, Chief Executive Officer, Queensland Tourism Industry Council

Queensland Regional Tourism Network Submission to **Queensland Tourism Action Plan**

6 October 2021

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September 2021

Disclaimer

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Executive summary

Introduction

The Queensland Regional Tourism Network (QRTN), representing the 13 Destination Management Organisations (DMOs) of Queensland, welcomes the opportunity to respond to the Queensland Government's discussion paper 'Action Plan for Tourism Recovery'.

The themes and issues outlined in this paper identify what we believe are the key drivers for tourism growth in post COVID-19 recovery. It is most important that the State has an effective and efficient structure to deliver marketing, product development and tourism investment across Queensland's regional destinations.

This submission underlines the vital contribution of the Queensland Regional Tourism Network and its member DMOs, and makes the case for further investment in the QRTN structure. The QRTN is the glue which binds the Queensland industry together, working alongside operators and providing leadership in responding to market needs and expectations. Collaboration between the QRTN regions has become stronger during the Covid-19 period and the Network is well positioned to deliver on the actions of the new State plan. No other tourism organization in Queensland has more trust and greater industry connections to industry, enabling it to mobilise regions and harness collective resources to rebuild tourism and accelerate economic recovery. The Network makes the following key points:

1. At a time when competition to re-establish tourism as a key economic driver is at its fiercest in many decades, Queensland must increase its investment in tourism marketing and development, by providing an improved, rolling four-year funding plan. A greater level of consistency and certainty is required on how these collective funds and resources from the regions and the state are best allocated to strategically drive marketing, product development and capacity building.
2. As the most decentralised of the Australian states, Queensland tourism must showcase both its house of brands (regions) as well as its branded house (Queensland), if it is to successfully compete. Adequate funding is needed to support both outcomes.
3. More investment in strategic destination development is urgently required to enhance Queensland's tourism offering. Market-led proposals need investment and support at the feasibility stage to speed post-COVID development. Greater commercial access to national parks is a vital component of this development opportunity.
4. To accelerate growth and development, the roles and responsibilities within the tourism industry operating model (industry structure and partnerships) need to be clear and key performance measures transparent, across both government and industry organisations.

The role of the DMO has never been more vital to assist the dispersal of visitors, the circulation of visitor expenditure and the creation of regional jobs. Moves to reduce funding and to centralise marketing, capacity building and product development to government agencies have not worked effectively overseas or more recently in other states and territories across Australia.

QTRN role vital in rebuilding tourism and Queensland becoming more competitive in meeting new market challenges and opportunities

The relationships with industry in each QRTN region are the keys to rebuilding Queensland tourism from the ground up, fostering and leveraging the extensive collaboration and partnerships across the entire tourism sector. We believe:

- **A new approach is needed to address Covid-19, recognising the needs and opportunities of tourism regions.** The world health pandemic has dramatically changed tourism distribution and recovery continues to vary dramatically between regions. Different types of support and policy levers are now needed for emerging and mature destinations. The QRTN engages with more than **5,000 members**, **partners and associates** across the State and a strong, well-funded network is vital to the ongoing health of Queensland's regional communities and the recovery of the State's visitor economy.

- **The QRTN is the first point of contact for Local Government, operators and visitors on the ground**. As the trusted connection point for tourism operators, an industry incubator and a collection and dissemination place for market intelligence, the QRTN represents 77 Local Government Authorities across the State. The QTRN is focused on building stronger relations with Local Government and strong wins have been achieved in the last year. Annually, the QRTN attracts in excess of **$40 million** for destination marketing from Local Government and a further **$5 million** in funds for cooperative marketing. . The QRTN also plays a critical role in destination development, providing on the ground support to investors and new product, but also undertaking capacity building work to enhance the experience offering.

- **Economic significance of visitor dispersal and the circulation of visitor spending.** The largest QTRN regions – Gold Coast, Sunshine Coast, Brisbane and Tropical North Queensland – dominate annual visitor numbers and overnight visitor expenditure. However, the Network's whole of State approach is underlined by the fact that more than two-thirds of international holiday visitor nights in 2019 were spent in regional Queensland (outside of Brisbane). For domestic holiday visitors, this number was over four in five[1]. More than 70% of tourism expenditure in destinations represents new money into their region[1]. The continued circulation of domestic expenditure in the State will remain critical for regional Queensland communities over the next three years. A greater investment in aviation (domestic and international) is needed to boost recovery ($100 million contestable fund over three years). It is vital that Queensland offers a breadth of experiences across all destinations by increasing support and focus on emerging tourism destinations. This will support a greater dispersal strategy for tourists, especially as we lead into the Olympics

Tourism Research Australia (TRA), National Visitor Survey (IVS) & International Visitor Survey (IVS), 2021 Canberra

What is needed to rebuild tourism and become more competitive in meeting new market challenges and opportunities?

Recovery will be driven by building even stronger regional brands, by pooling marketing resources and through refreshed destination management plans which address regenerative tourism, climate change and social license. The Network is working more effectively and strategically than ever before and it is continually looking at how it can improve as a collective.

- **Queensland needs to be a house of brands not just a branded house.** Tourism & Events Queensland creates the space in market, but visitors travel to destinations, which can offer and deliver transformational products and experiences. The state plan needs to assess if Queensland has the right balance in place and whether sufficient funds are available for marketing our destinations. Greater investment in destination marketing and events is now required. We advocate that this becomes a 70/30 split (region v brand Queensland). Responsibility for regional marketing requires a closer working relationship between TEQ and QRTN. Previous work by QTIC[1] has identified that new, sustainable funding models are needed if we are to drive transformational change. The state plan needs to address independent funding models.

- **The QRTN helps to multiply marketing effort and impact**. The ASPIRE survey[2] demonstrates that for every dollar invested by Government towards marketing each region a further $5 is raised by the destinations. The ASPIRE benchmarking survey for regional tourism needs enhancement to include agreed measures to help track marketing performance. The DMOs generate millions of dollars of investment in media value (AVE). On average, $8 of benefit is derived from every dollar invested in PR and campaigns[3]. In addition, more than 11.1 million website visitors generated 3 million leads to operators in a year[2]. Extra focus and support is needed for emerging destinations to ensure that all Queensland tourism destinations have the ability to grow.

- **Regional *Destination Management Plans* need to be updated and refreshed.** Managing regional recovery will require destination coordination and collaboration at a level not seen before in the State. *Destination Management Plans* need to be urgently refreshed to respond to new market challenges including climate change, decarbonisation and the need for aviation attraction and enhanced products and experiences that meet changing consumer needs. Funds and support need to be set aside to assist this process. A better alignment of Trade Investment Queensland and TEQ is needed to support economic growth and recovery through updated DMPs.

1QTIC,1995 & 2015 "Enabling the Queensland Tourism Industry to fulfil its potential through industry led structural and funding transformation"

2ASPIRE – Queensland Regional Tourism Organisations' Benchmarking Health Check. FY21

[3] TTNQ 2021

What is needed to both rebuild tourism in Queensland and become more competitive in meeting new market challenges and opportunities?

Post-COVID-19, it is even more critical that there is a clear understanding of the roles and responsibilities of each stakeholder group in driving Queenland's tourism industry. The QRTN agrees that marketing and product development need to be:

- Consumer led;
- Experience focused;
- Destination delivered.

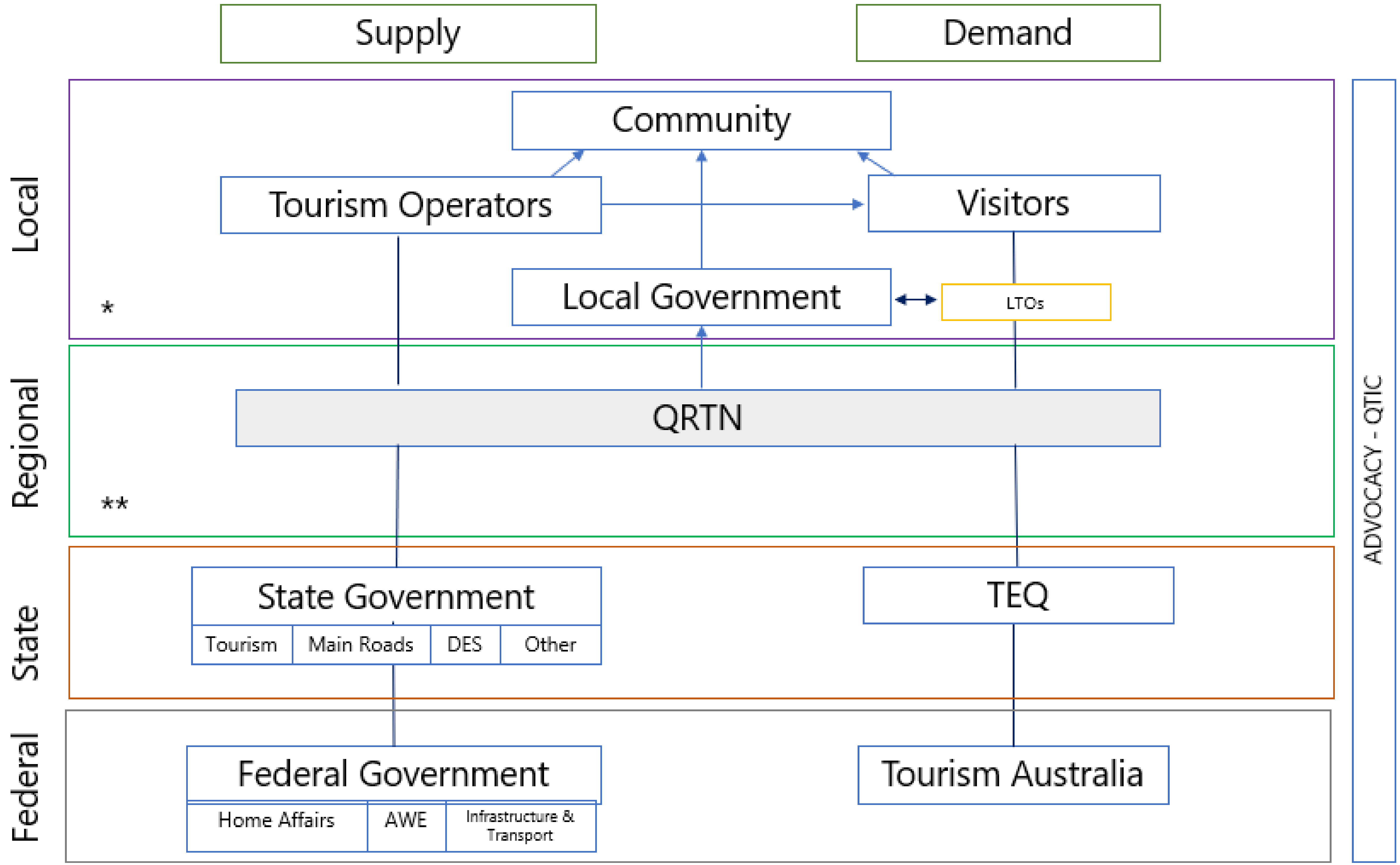
- **Role clarity** for all stakeholders within the tourism industry framework (including DMOs, LTOs, LGAs, Industry Associations, TEQ, QTIC etc) has never been more important. A review is required to ensure roles and responsibilities of each stakeholder and their respective Key Performance Indicators (KPIs) are fit for purpose in the new environment. The QRTN supports a well funded TEQ managed by an industry-led board, supported by both industry and Government, with a commercial and industry-driven approach to marketing the State.

- **The QRTN is not a one size fits all model,** it is a network of destinations with distinctive characteristics, goals and needs reflective of their respective regions. Government support needs to reflect where funds are best needed for product and experience development and marketing between emerging and mature regions. Branding needs to be consistent and coordinated across the state and the 13 regions, using the opportunity and strength of major tourism destinations as strategic gateways to encourage dispersal across the state.

- While the responsibility for the QRTN / Local Government partnerships rests with individual Network members and their LGAs, **greater consistency and certainty** is required in how funds are allocated to regional tourism for marketing, product development and capacity building. This includes a four-year rolling program to provide greater certainty and allow the network to leverage greater strategic investment from Local Government.

- **Consumer focused,**the network accepts that the collective focus should be on marketing destinations and not organizations. Collaborative marketing campaigns are supported by all parties.

Queensland tourism industry framework



** The foundation stone for all tourism sits with the host community working with Local Government and operators to service the needs of visitors.*
*** The QRTN is the eyes and ears on the ground in regional communities and provides the bridge between industry, the community and government.*

Destination Stewardship

Destination stewardship and leadership cannot be effectively delivered from a government department, it needs bottom up and top down leadership at a regional level. A strong QRTN has the key role in supporting Queensland's regions to both recover from COVID-19 and to build the industry back to 2019 levels. *Destination Management Plans* need to address:

- How to transition to a green travel and decarbonised tourism economy (resilience, sustainability and social license);
- Product and experience development;
- Domestic and international market recovery.

Queensland has an opportunity to take the lead and build the industry back in a safe, sustainable and climate friendly manner. Regional Tourism Organisations have already transitioned to become Destination Management Organisations (DMOs) and are ready to play the key role. However, the QRTN needs resources to help manage this at the local and regional level.

- **Regenerative tourism** needs to underpin Queensland's brand and positioning in market. Sustainability (low carbon, circular principles, social and community license etc.) need to be a core value underpinning everything that the sector stands for.
- **Sustainable tourism is not an add-on marketing strategy,** it needs to sit central to our brand and business values. It also needs to be underpinned by scientific metrics and agreed performance indicators that are transparent to market and consumers. These indicators (CO_2 emissions, water, waste, consumer and community sentiment and energy etc.) need to sit beside supply and demand trends and performance tracking.
- **Destination Management Plans** need to now balance demand and supply with natural and social resource management. Climate change, climate adaptation and understanding how to build resilience need to be factored into traditional plans.

The diagram on the following page explains regenerative and sustainable tourism considerations that need to be factored into destination management plans.

Regenerative and sustainable tourism considerations

Environment

- Low-carbon
- Reducing waste and pollution
- Restoring nature and biodiversity
- Protecting and saving water
- Respecting wilderness

Social

- Nurturing and empowering community
- Activity does not exploit people
- Offering inclusive experience
- Designing fulfilling experiences
- Enhancing safety and resilience
- Providing quality employment

POTENTIAL INDICATORS
FOR REGIONAL TOURISM

Cultural

- Providing knowledge-sharing opportunities
- Providing health benefits
- Connecting visitors to place
- Stimulating knowledge and creativity
- Delivering high quality and authenticity

Economic

- Generating meaningful local employment
- Providing income
- Enhancing local/regional economy
- Providing affordable visitor experience

Professor David Simmons .EarthCheck Research Institute- Indicators of Regenerative Tourism

Tourism network considerations

1
Status Quo

2
Reset and Refresh
State Collaboration
Regional Partnerships
Response to Marketing and Destination Management

3
Centralised Response
to Marketing and Destination Management

The Existing QRTN Structure
The status quo option does not address the need for recovery and growth post COVID- 19.

The Preferred Position
Reflects the need for a reset and refresh of the tourism industry working relationships and a well-resourced QRTN Network to deliver the outcomes required.

Sub-Optimal Option
Reflects a centralisation of marketing and destination management resources back to government.

Recommendations summary

Action	Commentary
The role played by the QRTN in visitor dispersal, the circulation of visitor expenditure and job creation needs to be supported	
The QRTN needs to be better supported and resourced in the state plan.	The Queensland Regional Tourism Network provides the glue that holds the connection of industry and Government together at a regional level, this includes: - Bringing over **$40M in Local Government and industry funding per annum to the table** for destination marketing: - Engaging with in excess of **5000 members, partners and associates** across the State, in addition to rate paying businesses and non-paying operators, to work towards supporting the states visitor economy: - Generating **millions of investment in media value (AVE)** – an average of $8 is leveraged from every dollar invested in the RTOs from PR and campaigns; - More than **11.1M website visitors**, referring over **3M leads** to operators[1]. **A decentralized and regional 'bottom up' approach to the delivery of tourism is now recognised to be 'best global practice'[2]. State and centralized models have been found to impede innovation and isolate operator and community ownership.** [1]ASPIRE Regional Tourism Benchmark Report FY21 [2]Earthcheck review of European tourism models together with recent policy responses in New Zealand -August 2021
A well funded regional response is needed to rebuild the industry from COVID-19. Destination Management Plans need to be updated and refreshed. Agreed performance measures need to be established to track growth.	**Funds and support is needed to facilitate the updates of Destination Management Plans that address regenerative and sustainable tourism outcomes and to respond to climate change adaptation and evolving consumer expectations.** **A greater investment in aviation (domestic and international) is needed to boost recovery ($100 million contestable fund over three years.)** The ASPIRE survey tracking regional performance needs to be updated and maintained to include performance measures for regional marketing.

Recommendations

Action	Commentary
The Queensland Tourism Industry operating model (industry structure and partnerships) needs role clarity to all stakeholders work effectively together, delivering transparent key performance measures.	
The tourism industry structure needs clearly defined roles and responsibilities in order to achieve its full potential	The tourism industry framework (including LTOs, DMOs, LGA's, Industry Associations, TEQ, QTIC etc) needs clear roles and responsibilities with transparent and accountable KPIs. The framework is not broken but needs realignment for maximum effectiveness in the post-COVID era. The QRTN recognises the need to improve its own coordination and communication with Government. It is working harder on its own internal collaboration, joining cross-region marketing campaigns to drive efficiency. Back off synergies need to be investigated. The QRTN will appoint an independent chair and find additional resources to help with research and administration. It also requires funds to invest in the QRTN leadership group. **A well funded TEQ managed by an industry-led board, supported by industry and Government with a commercial and industry-driven approach to marketing the state is needed.**
Greater consistency and certainty is required in how funds are allocated to regional tourism for marketing, product development and capacity building. This includes the need for secured four-year rolling programs for funding.	The QRTN is not a one size fits all model – it is a network of destinations with distinctive characteristics, goals and needs reflective of their respective regions. Government support needs to reflect where funds are best needed to deliver the best economic outcomes for product development and marketing, taking into account emerging and mature regions. **Greater consistency and certainty is required in how funds are allocated to each Destination Management Organisation within the Network for marketing, product development and capacity building.** **This includes a four-year rolling program to provide greater certainty and allow the network to build and leverage greater strategic investment from Local Government.**

Recommendations

Action	Commentary
Queensland needs to be a house of brands and not just a branded house if it is to successfully compete in what will become a very crowded, hyper competitive market place post COVID. Adequate funding is needed to support both outcomes.	
The QRTN agree that marketing and product development need to be: • Consumer led; • Experience focused; • Destination delivered at both the state and regional level.	**Greater investment in destination marketing and events is now required representing a 70/30 split in destination vs state marketing (managed collaboratively by TEQ and the QRTN). Previous work by QTIC[1] has shown that new, sustainable funding models are needed if we are to drive transformational change. The state plan needs to address independent funding models.** Previous research by QTIC[1] has shown that new funding models are needed if we are to drive transformational change. The state plan needs to address how current funding models can be improved inline with the recommendations put forward by QTIC. This included: • Differential rates • Industry levies • Visitor levies.
The QRTN will continue to leverage industry funds and resources to support marketing and product development. It is recognised that additional funds for destination marketing will be needed.	The ASPIRE survey[2] demonstrates that for every dollar invested by Government towards marketing each region a further five dollars are raised by the destinations. Some destinations have already introduced visitor levies and some are advanced in their discussions with Local Government. **A state- wide funding strategy needs to be developed to bring together QRTN and government resources to market and develop Queensland's destinations.**

2.0 Queensland's economic recovery plan – The role played by regional tourism in dispersing visitors and visitor spending to regional communities

'Unite and Recover' the Queensland Government Economic Recovery Plan, and the more recent Budget Update paint a clear picture that a strong and vibrant Queensland tourism industry is vital to the ongoing health and vitality of Queensland's regional communities. Both documents together with the *Designing our Future Tourism* consultation paper recognise the opportunity to foster improved collaboration at a regional level between government and industry and the need for a whole-of-government approach to supporting regional tourism growth and development.

Prior to COVID-19 tourism was a driving force in the state's economy with an economic value in excess of $27 billion[1], employing more people than agriculture, forestry, fishing and mining combined. The sector in 2019 contained over 58,000 businesses and the majority of those businesses were located in regional Queensland[2].

COVID-19 has placed extreme pressure on every aspect of tourism and travel in the state. Even before the pandemic the tourism industry in Queensland was facing a number of key challenges. This included shifts in visitor expectations and preferences, a gradual loss of market share in some international markets and increased pressure and competition from both domestic and international destinations. When the domestic and international visitor market does open up again the competition from destinations across the world will be extensive and fuelled by large marketing budgets.

The building blocks for tourism growth in a post COVID-19 recovery environment will likely be focussed on four core pillars:

- **Destination stewardship** (governance, social license and sustainability)
- **Queensland's brand and market positioning** (driving demand)
- **Investment in product and experience development** (building supply)
- **Enablers** of service delivery and growth:
    - Workforce skills and career pathways;
    - Investment in strategic Infrastructure;
    - Digital technology & innovation;
    - Improved data and insights;
    - Advocacy.

Destination management and product and experience development will need to be delivered at a regional level while brand, market positioning and enablers will require a coordinated and integrated approach with the State Government. If the new tourism plan for the state is to be implemented with any success it will need a strong and revitalised partnership to be in place with the regional tourism network, operators and Local Government.

[1]*Australian Bureau of Statistics, Tourism Satellite Account, 2020 Canberra*
[2]*TRA, Tourism Businesses in Australia, 2020 Canberra*

3.0 Understanding the size and significance of the visitor economy in Qld

Contributes $28.3 billion to the Queensland economy (7.8% of GSP) [1]

58,700 tourism related businesses, with over 9 in 10 being small businesses[5]

Five World Heritage sites protecting outstanding natural and cultural heritage

Economic Impact Multiplier 1.83

Employs 1 in 10 Queenslanders supporting 234,000 jobs[3]

Growing positive attitudes towards the impact of tourism on the community (now 45%) [6]

Third largest export earner industry worth $7.5 billion[2]

The figures above provide a snapshot of the size and economic significance of the visitor economy in Queensland. The following slides explain the significance of the regional tourism visitor flows and expenditure.

1. Tourism Research Australia – State Tourism Satellite Accounts 2018/19
2. Queensland Government Office of Economic and Statistical Research – Overseas exports of goods by industry 2017/18
3. Tourism Research Australia – State Tourism Satellite Accounts 2018/19
4. Tourism Research Australia – Tourism businesses in Australia, June 2013 to June 2019, Australian Bureau of Statistics
5. Tourism and Events Queensland – Social Indicators 2019 Queensland
6. TIQ, International Education Strategy

3.1 Understanding the strength of the regional visitor economy in Queensland and the opportunities for growth and recovery.

Queensland is Australia's most decentralized state with 51% of the population living outside the capital city, compared to 32% in other states. The size of the state and the dispersed nature of towns and regional communities means that regionalism plays a key role in economic development and planning. This creates challenges in providing a top-down approach to market, manage and fund tourism and significant opportunities for the spread and diversity of tourism product. Queensland’s 13 regions offer a wide variety of experiences, diverse natural landscapes and visitor attractions with a unique character and offering.

Prior to Covid-19, there has been an increase in the number of domestic and international nights in regional Queensland over the past decade and this has supported growth in regional visitation expenditure. More than two-thirds of international holiday visitor nights were spent in regional Queensland, while for domestic holiday visitors, this number was over four and five. Pre-pandemic, international and domestic holiday visitor nights spent in regional destinations grew 27% and 22% respectively in just five year.

The table below shows regional Queensland’s share of visitors, visitor nights and expenditure for the year ending December 2019, where regional Queensland is defined as 12 of the 13 Queensland tourism regions (excluding Brisbane).

The strength and importance of regional tourism performance is highlighted when considering the rate of growth of the metropolitan and larger coastal regions (Brisbane, Gold Coast, Sunshine Coast, Whitsundays and TNQ) with the growth rate of the rest of regional Queensland.

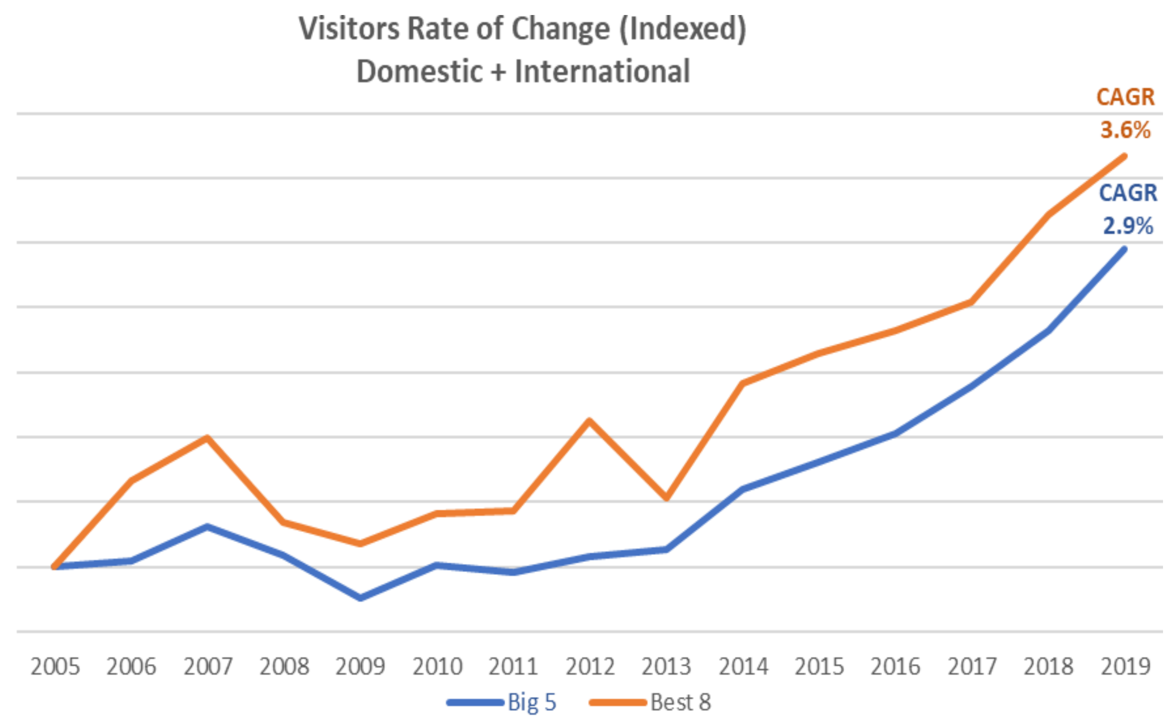
The graphs included in the following slide show the consistently stronger growth rate of regional tourism in expenditure, visitor numbers and visitor nights across combined overnight domestic and international visits. The compound annual growth rate (CAGAR) also highlights the relative performance over time (please refer the rate of change graphs on the following pages).

Regional Queensland (Non Brisbane) share of expenditure/visitors/nights

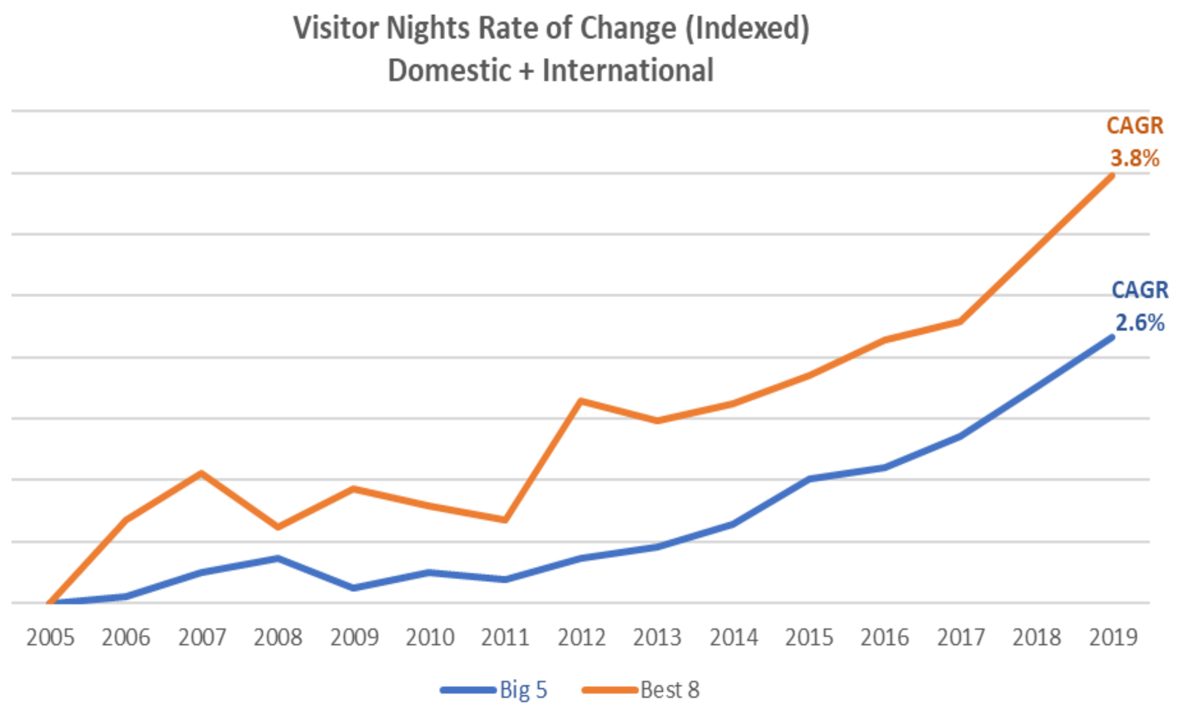
	Expenditure			Visitors			Nights		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Holiday	85.7%	77.3%	83.6%	77.8%	60.4%	75.1%	85.7%	69.4%	80.1%
VFR	66.8%	44.2%	62.1%	64.1%	39.7%	62.2%	66.7%	40.8%	58.5%
Business	67.9%	36.1%		68.6%	32.2%	67.4%	79.5%	38.6%	77.0%
Education		29.3%	29.3%		36.1%	36.1%		30.9%	30.9%
Other	52.7%	37.3%	51.0%	60.1%	32.1%	57.6%	65.1%	47.0%	57.7%
Total	74.2%	54.9%	69.5%	69.8%	48.5%	67.7%	77.6%	50.9%	68.1%

Regional Queensland: All of Queensland excluding the Brisbane Tourism Region, YE Dec 20
Source: Tourism Research Australia, IVS and NVS, Canberra 2021

QRTN destinations (mature & emerging)
Rate of change – visitors, visitor nights & expenditure



Big 5 - Brisbane, Gold Coast, Sunshine Coast, Whitsundays, TNQ
Best 8 - SQC, Fraser Coast, Bundaberg, Gladstone, Capricorn, Mackay, Outback, Townsville



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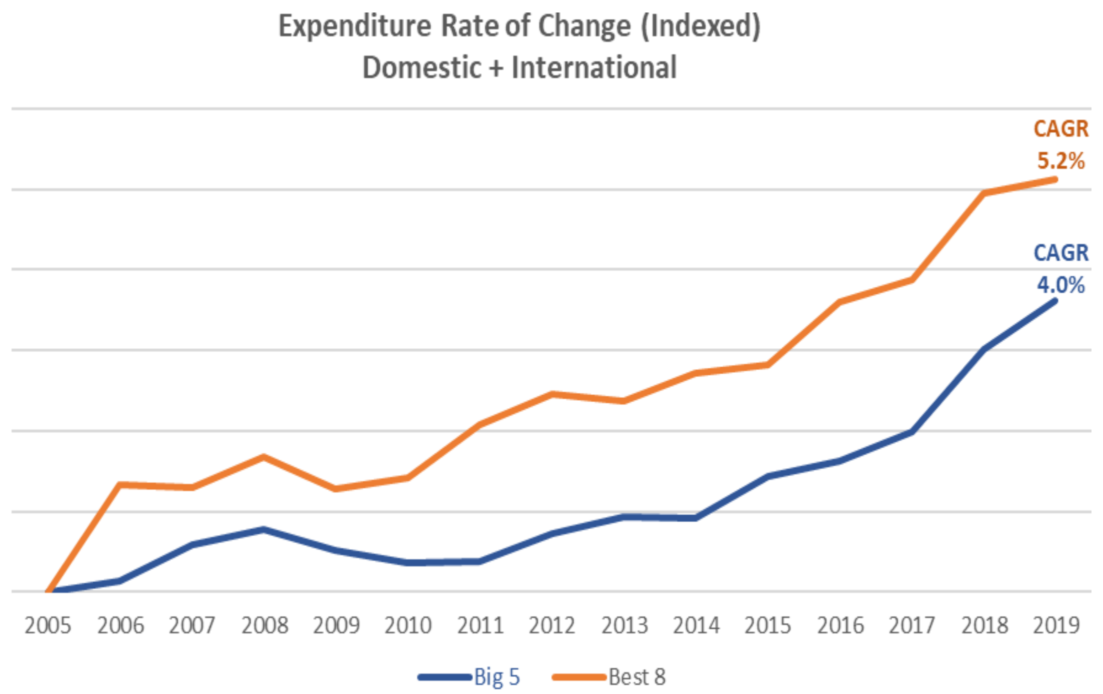


Big 5 - Brisbane, Gold Coast, Sunshine Coast, Whitsundays, TNQ
Best 8 - SQC, Fraser Coast, Bundaberg, Gladstone, Capricorn, Mackay, Outback, Townsville

- The above analysis illustrates the clear difference in life-stage and rates of growth between mature and emerging destinations.
- The rates of growth gap across three metrics are reasonably consistent over time.
- The data helps to highlight that growth is being achieved across the state regions and that smaller regions have performed well and have the potential for further growth.

NVS and IVS, Year Ending December 2019 data used to avoid pandemic influence on long term trends

3.2 Understanding the role played by DMOs in growing and supporting visitor expenditure to the regional economy

QRTN (Sum of Regions)

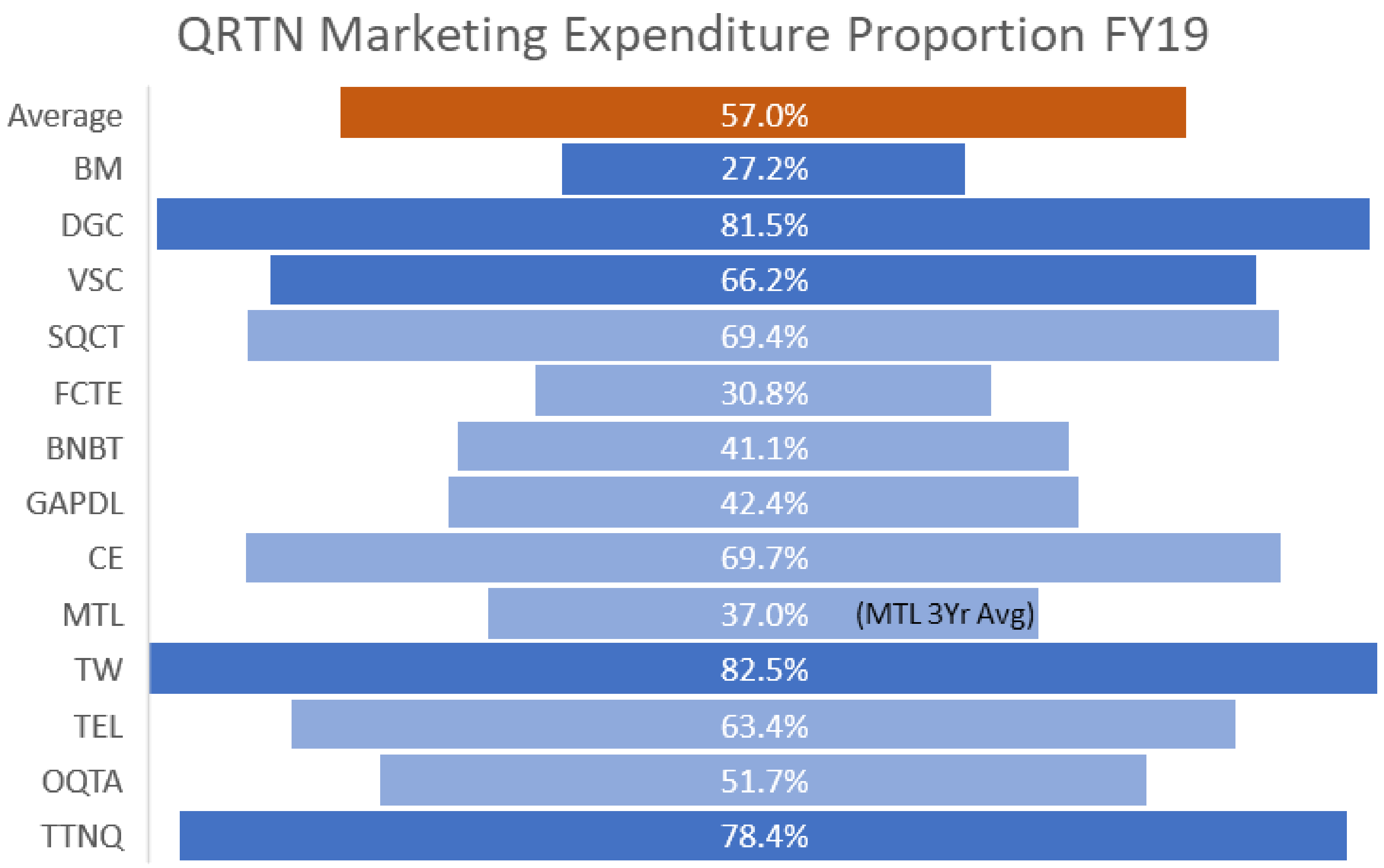
		2019	Growth	Share	YE Mar 21	Share
Expenditure	Total (Dom+DT+Int)	$31,358m	5.3%		$16,232.0m	
Contribution	Regional Growth	$26,274m	5.3%	83.8%	$12,776.0m	78.7%
	State Growth	$15,853m	5.1%	50.6%	$3,106.0m	19.1%
Funding	Local Government	$30,820.5k	8.6%	60.1%		
	State Government	$11,224.1k	8.4%	21.9%		
	Internal	$9,266.0k	-2.4%	18.1%		

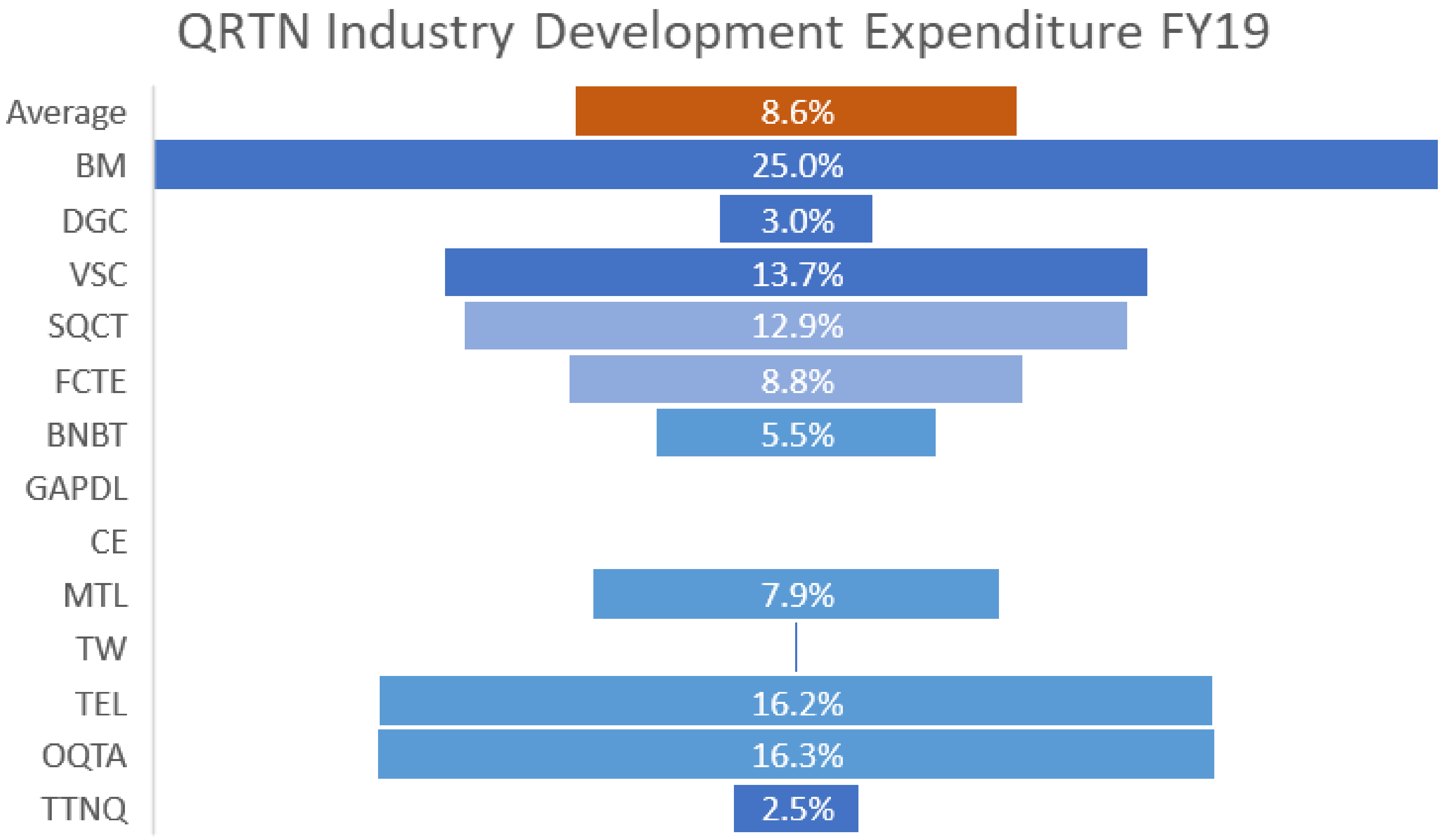
- In terms of growing their economies, in 2019 a total of **$26.3 billion** from **outside** the QRTN regions or **84% of tourism expenditure**, has **added** to the respective regions economic growth.
- Within this amount, $15.9 billion or 51% of tourism expenditure in the regions was from outside the state and has contributed to the state economic growth.
- Internal funding within the QRTN has declined over the last ten years and dependence on state and local funding has increased by more than 8% in both cases, with Local Government now providing more than 60% of the regional funding.
- Though visitor numbers have declined sharply due to the pandemic, regional tourism has essentially maintained its share of regional economic contribution.

ASPIRE – Queensland Regional Tourism Organisations' Benchmarking Health Check.
Tourism Research Australia, NVS & IVS, 2021 Canberra

Tourism Visitor Expenditure Contribution to Economic Growth ("New Money")

How QRTN expenditure is allocated





- Mature destinations generally have a significantly higher proportion of funds in marketing expenditure.
- On average 57% of funds are allocated to marketing.
- There is a broad approach to investing in industry development with regions supporting emerging destinations tending to spend more on industry development.

ASPIRE – Queensland Regional Tourism Organisations' Benchmarking Health Check.

4.0 What does recovery look like and what role should be played by the QRTN ?

- Reopening tourism businesses and managing their recovery will require coordination and collaboration at level not seen before across the state. The QRTN is in the best position to oversee and guide this recovery.

- The QRTN provides a unified voice for regional tourism and is the first point of contact for operators and visitors on the ground – the trusted connection point. As the lead tourism body in each region QRTN Destination Management Organisations are in a position to galvanise and focus regional support and provide a consistent brand and communication message to market.

- Coordination and collaboration on the ground is now critical. For some this may mean though marketing, in other regions through product, experience development and capacity building.

- It is timely to reassess the support and resources needed to rebuild regional tourism. To secure the long-term health of the visitor economy, industry needs an acceleration of state funding support for product development and marketing with funding certainty similar to the recent rolling four-year arrangements at the state level. Dedicated funding separated from political whims will provide the certainty required to achieve strategic outcomes and enabling with network to earmark funding for specific outcomes.

- There is no one-size-fits-all solution. Recovery and rebuilding need to be customised to meet the specific needs of each destination. Well informed and engaged communities will play a critical role in guiding and driving tourism recovery. The COVID-19 lockdowns have heightened a focus on localism, wellness and community values. As the regional economy opens back up the community need to be firmly centred in the values of the destination and in the Queensland brand. Reinvestment needs to be made in communities as recovery starts to increase, this may be in marketing, infrastructure or management to ensure better managed tourism in the rebuild.

Appendix

Appendix 1

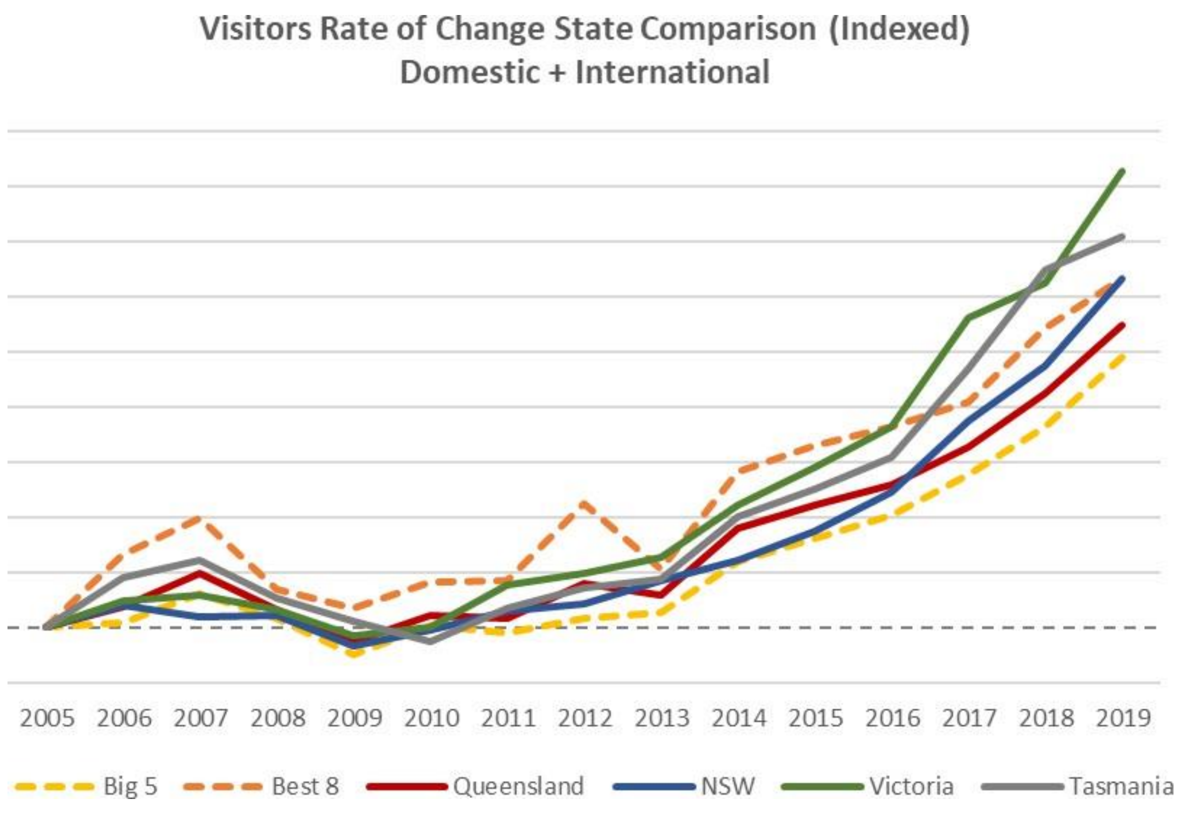
QRTN health check

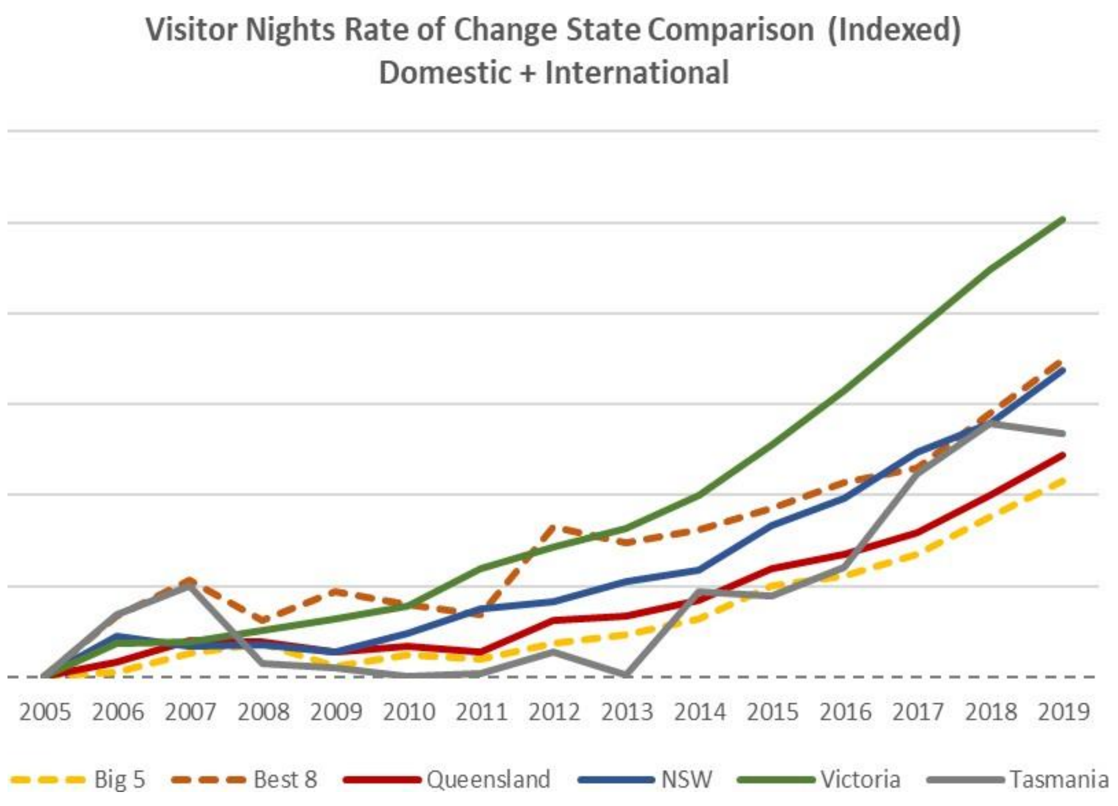
Following some initial consultation and discussions with the key stakeholders at a regional and state level the following issues have been identified:

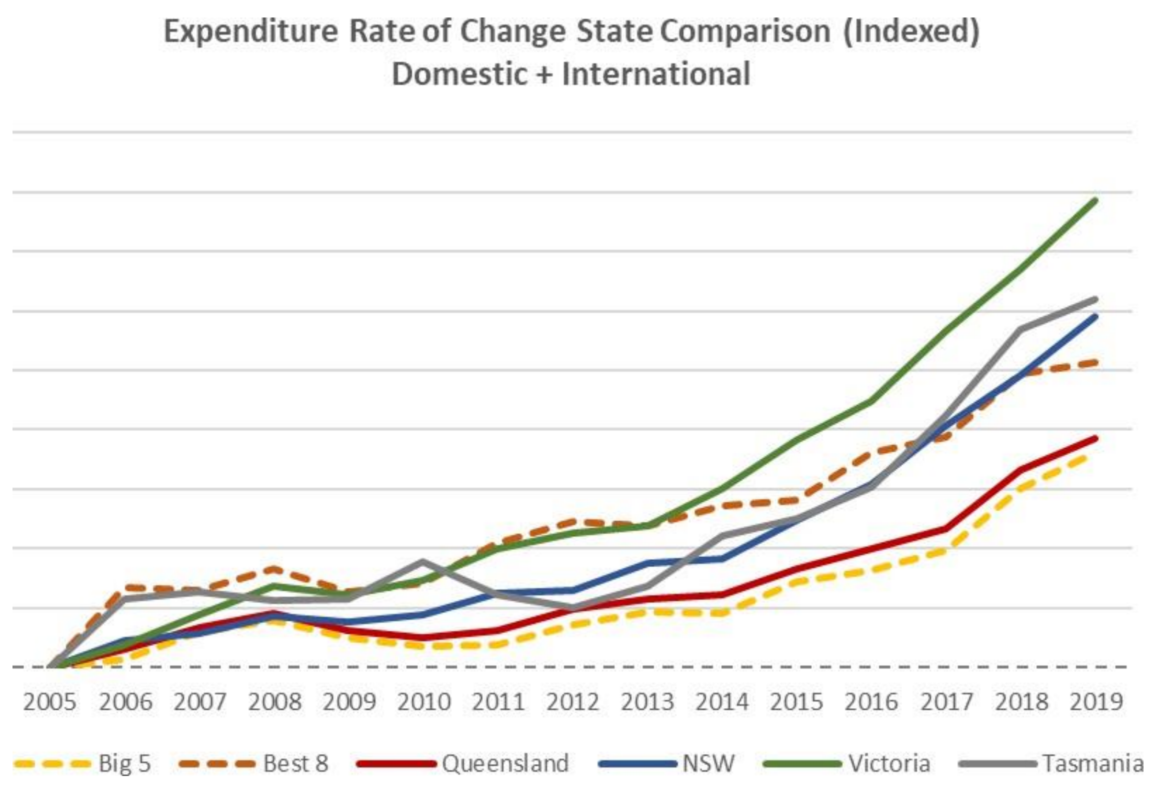
- COVID-19 has dramatically changed the tourism landscape across the state. Recovery will vary dramatically between regions and be hard to predict with any level of certainty.
- The industry is in a reset mode and this provides an opportunity to question existing industry structures and to identify new ways of doing business previously not canvassed.
- There are too many layers in the current tourism network and this causes considerable confusion, duplication of resource usage and inefficiencies at a variety of levels.
- There is a need for both role clarity and some agreement on realistic key performance indicators that allow for consistent measurement – potentially on two levels (e.g. mature and emerging regions).
- Greater transparency, consistency and certainty are needed in how funds are allocated to regional tourism for marketing and product development.
- There is a current lack of a whole of government approach to how tourism is managed across the state. Coordination has become fragmented in recent years.
- The QRTN believe that it has lost a voice and needs an independent chair to effectively represent the needs of the network and those it represents .
- The role, size and funding of regional tourism organizations differ through out the state as well the stage of destination development .
- A number of regions could be considered mature destinations. The majority of regions are still emerging destinations with limited tourism infrastructure and services.
- To remain competitive Queensland needs to increase destination funding and find funding for product development.
- Current regional funding models are under review across the state including visitor levies.
- Destination management is now critical to both guide recovery and position the regions to meet the changing needs and expectations of domestic and international markets.
- Climate change is now a reality – and a significant risk - and needs to be factored into destination management plans and the design and operation of tourism infrastructure.
- Respect needs to be earned through leadership and consistent messaging and communication.
- There are a number of discussions already underway to rationalise some regional boundaries and to share administrative overheads and resources. These discussions need to be supported and broadcast. They signal a recognition from the QRTN of the need for improved efficiency and they help to demonstrate leadership.
- Current global experience in Europe is that tourism structures are now being decentralized and driven by industry and the community rather than government.
- The Olympics provide a significant opportunity to galvanise planning and coordination for the games across the state.

A number of the above observations have been made before in previous reports and studies including the Queensland Tourism Industry Council business case in 2015. The key difference is that the tourism industry is now recovering from a pandemic and this provides an opportunity for a paradigm shift in the role played by the network. The timing for this discussion is critical

QRTN destinations (mature & emerging) with state comparison
Rate of change – visitors, visitor nights & expenditure







- The above state comparison shows that Queensland has achieved a slower level of growth against Victoria, NSW and Tasmania. The level of performance is consistent across all three metrics.
- Emerging regional destinations in Queensland do show good growth in visitors and nights.
- Lower expenditure growth in some regions can be possibly explained by limited high end products and experiences.

NVS and IVS, Year Ending December 2019 data used to avoid pandemic influence on long term trend

Queensland regional tourism performance

Regional Queensland (Non Gateway) Share of Expenditure/ Visitors/ Nights

	Expenditure			Visitors			Nights		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Holiday	40%	17%	35%	48%	24%	44%	48%	26%	40%
VFR	40%	15%	35%	45%	20%	43%	44%	19%	37%
Business	44%	13%	42%	53%	14%	52%	62%	18%	60%
Education		6%	6%		12%	12%		8%	8%
Other	31%	22%	30%	49%	18%	46%	38%	32%	35%
Total	40%	13%	34%	48%	23%	46%	50%	20%	39%

Regional Queensland: Non – Gateway Regions (excl Brisbane, Gold Coast, TNQ) 2019

Another lens to use in understanding visitor growth is to look at the performance of the non-gateway regions compared to Brisbane, Gold Coast and TNQ. The data demonstrates that 34% of expenditure, 46% of visitors and 39% of nights in 2019 were delivered in regional destinations outside the gateways.

Tourism Research Australia, NVS & IVS, 2021 Canberra

Tourism income and growth

State & Federal Taxes Generated by Tourism in Queensland

FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	10 Yr CAGR
$2,260.3m	$2,230.4m	$2,407.1m	$2,437.4m	$2,424.6m	$2,462.4m	$2,595.9m	$2,669.9m	$2,971.7m	$2,968.8m	3.1%

TRA 2020, State Tourism Satellite Account 2006-07 to 2018-19

FY19 Marketing Budgets
QRTN - $33.0m
TEQ - $50.3m

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	10 Yr CAGR
Queensland Total GSP	287,659	289,605	305,645	314,029	320,742	323,849	331,726	339,652	352,248	357,044	2.2%
Annual Growth		0.7%	5.5%	2.7%	2.1%	1.0%	2.4%	2.4%	3.7%	1.4%	
Queensland Tourism GSP	19,135	18,900	21,586	22,874	22,434	22,341	24,163	24,691	27,404	28,287	4.0%
Annual Growth		-1.2%	14.2%	6.0%	-1.9%	-0.4%	8.2%	2.2%	11.0%	3.2%	
Share	6.7%	6.5%	7.1%	7.3%	7.0%	6.9%	7.3%	7.3%	7.8%	7.9%	

ABS 2020, 5220.0 Australian National Accounts: State Accounts, Gross State Product, Chain volume measures and current prices

TRA 2020, State Tourism Satellite Account, GSP