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Ms Liz Savage
Chair
Tourism Industry Reference Panel
tourismrecovery@dtis.qld.gov.au

Dear Ms Savage

Designing our Tourism Future – Discussion Paper | Townsville Enterprise Submission

On behalf of the Townsville North Queensland tourism, hospitality, and events industry we acknowledge and support the establishment of the Tourism Industry Reference Panel to understand and re-shape the future of the visitor economy in Queensland. The current pandemic has been one of the greatest challenges our industry has ever faced, but it has also provided a unique opportunity to reset and redefine our state's tourism experience. The key opportunities and challenges we believe the industry faces are highlighted below.

Tourism Product and Experience Development

As acknowledged in the discussion paper, the 1980s and 1990s were the golden years for tourism and hospitality in Queensland. It was during this period when we saw significant investment into product and experience development which in turn saw an unprecedented growth in our visitor economy and introduced our state to new markets across the globe. Our sector requires a refocus toward tourism product and experience development, through both private and public investment. It will be through encouraging entrepreneurial thinking, access to capital, removing, and reducing red and green tape, and addressing fundamental structural challenges in the industry to again create a remarkable tourism experience which is more resilient and drives greater economic benefits for the state.

Tourism product and experience development must support projects beyond just those that are shovel ready, there must also be focus and funding to support strategic destination development. Allowing market led proposals to progress without red tape, providing greater commercial access to national parks, ensuring common user infrastructure is maintained in line with tourism development, and providing investment and support into feasibility and business cases to de-risk projects and better enable investment.

Aviation Attraction and Retention

Access via aviation is critical to the future growth potential of our visitor economy. The aviation sector has been one of the hardest hit as a result of COVID-19, and as we emerge from the pandemic, support for this sector to rebuild and grow will be essential to ensure we can leverage opportunities within the visitor economy.

A strategic approach to aviation attraction, but also aviation retention, across the state is required to ensure we are driving increased visitor numbers but also enabling dispersion across Queensland. Through this we can effectively increase length of stay and visitor expenditure.

Strategy to Better Disperse Visitors

For decades we have seen the major tourism destinations such as Cairns, Gold Coast and Whitsundays as the focal point for investment from the State Government for tourism development, marketing, and industry support. When these destinations are thriving, we understand that the entire state's visitor economy benefits. However, to achieve increased overnight visitor expenditure and drive further economic benefits from our visitor economy, increased focus and support needs to be provided to emerging destinations. Currently there is a significant disparity between destination funding across the state, with Regional Tourism Organisations operational budgets ranging from just \$1M annually to more than \$20M.

As we work towards a 10-year runway to a potential Queensland Olympics we need to ensure that Queensland offers a breadth of experiences across destinations, but also that each destination is provided adequate resources to create appeal and a strong brand. By investing in our emerging destinations like Townsville North Queensland to deliver a stronger tourism offering and tourism brand we can ensure the visitation derived from the Olympics (and indeed all major events) stays within the state, generating the most economic return possible.

Built Events

Events are a key driver of visitation for Queensland, and in Townsville North Queensland we have built a reputation as one of the nation's best regional destinations for event delivery. Whilst we have had some great success in securing major events, our destination-built events have experienced limited growth. Resource and capability limitations restrict these events from becoming major economic drivers of visitation. Whilst major bought events provide a significant and welcomed sugar-hit for the destination, built events provide a unique opportunity for longevity, community connection and furthered destination development. Investment into destination-built events is significantly lower than buying one-off major events and are less likely to move from destination to destination. A strategy to not just attract new events, but also build capability and adequately resource our locally grown events will provide the most resilient and economically sound opportunities for our visitor economy across the state.

Insurance

Within the discussion paper, adventure tourism is highlighted as a growth sector that has strong appeal with future visitors. We have seen how the development of adventure tourism experiences across the globe and nation can redefine a destination and be a catalyst for visitor demand and growth. The challenges in this sector around insurance, particularly Public Liability insurance, are becoming ever more apparent. In Townsville North Queensland we have seen long running and professional tourism businesses in the adventure and eco-tourism space on the verge of closure due to challenges in obtaining and affording public liability insurance. According to a report recently published by the Queensland Tourism Industry Council, approximately 3.3% of tourism businesses do not have Public Liability, either because they cannot access it, or they cannot afford the premiums. There has also been

an average rise in PL insurance costs of around 35%. To ensure we can become an adventure tourism hub, we need to find real solutions to the insurance crisis.

Workforce

Labour shortages and challenges in recruiting within the tourism sector are currently hampering the industry's ability to operate at full capacity and are also impacting the visitor experience. According to AusTrade's 2030 Opportunities for Tourism, almost half of the workers in the visitor economy are part-time, they are six times more likely to be seasonal than in the rest of the economy, and two-thirds are on wages 33 percent lower than the average wage. Modelling predicts that the visitor economy will need 120 percent more people with cognitive, social and technological skills over the next 10 years, but Australia will have a shortage of about 750,000 people with such skills.

The current workforce shortages facing the industry due to the structural changes caused by COVID-19 are unlikely to be resolved quickly. The industry has always faced perception challenges, with many viewing the industry as limited for opportunities and a sector to get a job, not a career. The pandemic has further challenged the industry's workforce perceptions, seeing it as a high-risk, low-return industry. These challenges and perceptions, as well as the skill shortage reality, will continue to restrict the growth potential of our visitor economy.

The visitors of the future are looking for green, clean, safe, and immersive experiences. We strongly believe that Queensland is well positioned to not just rebuild our visitor economy but also sustainably grow our sector. We appreciate the opportunity to review and provide feedback into the Tourism Industry Reference Paper and request continued involvement in the development of the Action Plan for Tourism Recovery.

Yours sincerely



Claudia Brumme-Smith
Chief Executive Officer



Michael Jones
Townsville Enterprise Tourism & Events Strategic Advisory Committee - Chair



Lisa Woolfe
Townsville Enterprise Director Visitor Economy & Marketing