

About Tourism and Events Queensland

Tourism and Events Queensland (TEQ) is the state’s lead tourism marketing, destination and experience development, and major events agency. Our goal is to grow Queensland’s tourism and events industry to foster innovation, drive industry growth and boost visitor expenditure.

Partnerships are central to how we deliver outcomes, collaborating with government, Tourism Australia (TA), Regional Tourism Organisations (RTOs), industry and commercial stakeholders.

This annual report outlines TEQ’s progress to deliver objectives and outcomes for the tourism and events industry (refer *Our performance 2019-20* on page 24 and *Strategic priority highlights 2019-20* on page 26).

Focus in the second half of the financial year shifted to the COVID-19 pandemic response and recovery, with activity across TEQ and government departments supporting the tourism and events industry and rebuilding consumer demand, aviation capacity and the value of Queensland’s events calendar in line with easing restrictions. An overview of TEQ’s response and recovery activities is provided in the *Crisis impacts, response and recovery* section of this report on page 14.

Vision	Inspiring the world to experience the best address on Earth			
Purpose	Achieving economic and social benefits for Queensland by growing the tourism and events industry in partnership with industry and Government We are a consumer-led, experience-focused, destination-delivered organisation that connects people and places like never before through innovation and collaboration with the tourism and events industry			
Government objectives for the community <i>Our Future State: Advancing Queensland's Priorities</i>	Create jobs in a strong economy		Be a responsive government	
	TEQ contributes to this objective by: <ul style="list-style-type: none"> Attracting visitors to Queensland through marketing and promotion; Tourism experience and destination development; Working to identify, attract and promote major events; and Providing support and leadership to Queensland’s tourism industry. 		TEQ contributes to this objective by: <ul style="list-style-type: none"> Working in partnership with other Queensland Government agencies to progress portfolio priorities; and Undertaking research and analysis of the Queensland tourism industry to inform strategic decision making. 	
TEQ objectives	Contribute to the Queensland economy	Attract visitors to Queensland, generating OVE	Enhance the profile of Queensland	Foster community pride in Queensland
Performance indicators	Service delivery measures: <ul style="list-style-type: none"> Overnight visitor expenditure, direct and incremental spending, visitors to Queensland and direct visitor nights generated by events within the portfolio Publicity and promotional value generated by activities Value of collaborative support Efficient leverage of regional and strategic partnership investment 		Industry outcome measures: <ul style="list-style-type: none"> Economic impact and job creation Total overnight visitor expenditure Market share of Australian overnight visitor expenditure (total, leisure and holiday visitors) 	
Values	Lead Together Guided by the Minister and the board, we are clear on our purpose, direction and priorities, and our team is empowered to implement	One Team We work in partnership with our teammates and always act for the good of the whole	Go Beyond We are creative, innovative and solutions driven. We strive for continuous improvement and make a difference where it really counts for Queensland.	Agile and Responsive We embrace emerging trends and opportunities. To thrive in a competitive industry environment we are proactive, flexible and adaptable.

Figure 1: Overview of TEQ vision, purpose, values, objectives and performance indicators

Our role and functions

Established by the Queensland Government in December 2012, TEQ is a statutory body under the *Tourism and Events Queensland Act 2012* (the Act) and part of the portfolio of State Development, Tourism and Innovation¹.

The primary functions of TEQ are:

1. to attract international and domestic travellers to travel to and within Queensland through -
 - a. the promotion and marketing of Queensland; and
 - b. tourism experience and destination development.
2. to identify, attract, develop and promote major events for the state that -
 - a. contribute to the Queensland economy;
 - b. attract visitors to Queensland;
 - c. enhance the profile of Queensland; and
 - d. foster community pride in Queensland.
3. to work collaboratively with the department and other public sector units and Queensland tourism industry participants to identify opportunities to increase tourism and travel to and within Queensland; and
4. to conduct research into, and analysis of, tourism in Queensland.

Locations

TEQ's Head Office is located at 515 St Pauls Terrace, Fortitude Valley with some staff based throughout Queensland and internationally. TEQ delivers a range of initiatives in partnership with Queensland's 13 RTOs through the structure outlined on page 41.

Global reach

In order to deliver on organisational outcomes, TEQ works in key strategic markets around the world. During 2019-20, TEQ actively promoted Queensland within Australia and in 13 international markets: North America; mainland China; Hong Kong SAR; Taiwan region; Europe including the Nordic; India; Indonesia; Japan; Korea; Malaysia; New Zealand; Singapore; and the United Kingdom. TEQ also delivered activity in conjunction with partners in additional markets identified as having growth potential. A full list of TEQ's current international offices can be found in the directory on page 97.

¹ As a result of Machinery of Government changes that came into effect on 11 May 2020, the Department of State Development, Tourism and Innovation was formed. Prior to this, TEQ was part of the portfolio of Innovation, Tourism Industry Development and the Commonwealth Games.

Our operating environment

Tourism is Queensland’s third largest export industry and is vital to the state’s overall economic prosperity². Prior to the COVID-19 pandemic, the economic contribution of the tourism industry in Queensland was \$28 billion, or 7.7 per cent of Gross State Product (GSP)³. The industry supported 234,000 jobs directly and indirectly⁴ and 59,000 businesses (one in eight Queensland businesses), of which 53 per cent were located in regional Queensland⁵.

Prior to the pandemic, forecasting indicated that Queensland’s tourism and events industry could potentially generate \$33 billion in overnight visitor expenditure (OVE) by 2025⁶. At the time, much of the growth was expected to come from international markets, however, COVID-19 has dramatically changed this landscape. TEQ will review and publish revised forecasts once the impacts of COVID-19 are better understood.

For the year ended March 2020, total OVE in Queensland was \$24.6 billion, with domestic visitors contributing more than three quarters of the result.

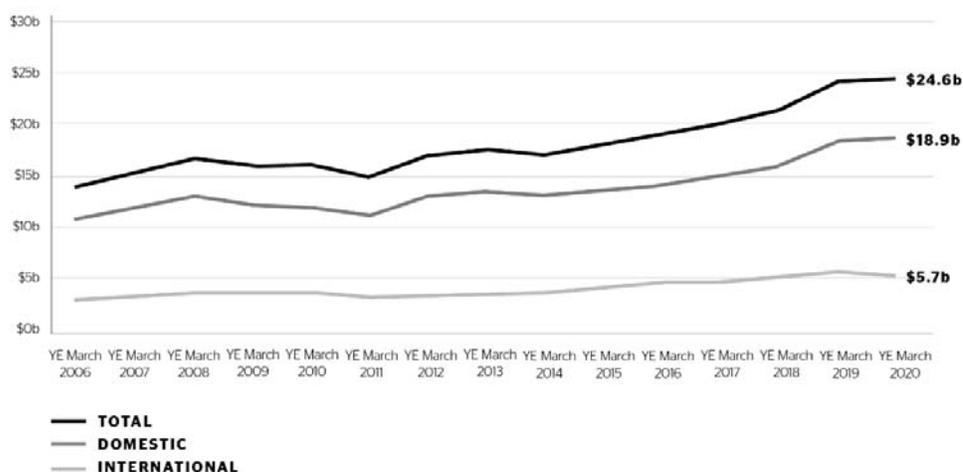


Figure 2: OVE in Queensland

Strategic risks

The tourism and events industry has always operated in a highly competitive environment where the visitor economy is regularly impacted by large-scale social, economic, political, environmental and technological changes, bringing new and often unseen challenges, threats and opportunities. The potential risk of significant uncontrollable external events has long been identified within TEQ’s strategic risk framework, and as such TEQ was prepared to respond to the impacts of COVID-19.

As well as a global health pandemic, other significant uncontrollable external events planned for by TEQ include natural disasters, global shocks, environmental changes and geopolitical events - all of which can affect consumer perceptions and their ability to travel. This risk was evidenced in 2019-20, with several regions of Queensland experiencing bushfires and the COVID-19 pandemic presenting one of the greatest ever challenges for global tourism. Widespread economic downturn has impacted consumer demand for discretionary travel and will continue to do so in the foreseeable future.

Continued supply of best-in-class product, experiences and services are required to generate targeted OVE outcomes. Tourism and event product and experience availability and delivery are currently impacted by public health directions resulting from COVID-19, including social distancing requirements. In addition, unprecedented impacts on the supply of air

² Source: Queensland Government Office of Economic and Statistical Research, Overseas exports of goods by industry 2018-19.

³ Source: Tourism Research Australia, State Tourism Satellite Accounts 2018-19.

⁴ Source: Tourism Research Australia, State Tourism Satellite Accounts 2018-19. Tourism directly contributed \$13.8 billion of GSP, and directly supported 145,000 jobs.

⁵ Source: Tourism Research Australia, Tourism Businesses in Australia, June 2014 to June 2019.

⁶ Source: Tourism Research Australia, forecasts year ended June 2019.

services globally have impacted visitor economy growth and demand for Queensland experiences. The diminished supply of air services has materially impacted aviation support programs designed to grow aviation access and capacity.

Changing consumer expectations and competition from other tourism and events destinations can affect demand for Queensland's products, experiences and destinations. More than ever, it is essential for the Queensland tourism industry to respond to rapidly changing consumer sentiment and behaviour.

TEQ has worked closely with the Queensland tourism and events industry to help the state respond to, and plan for recovery from the COVID-19 pandemic. An overview of the crisis impacts of 2019-20 and TEQ's response and recovery activities is provided in the *Crisis impacts, response and recovery* section of this report on page 14.

In addition to the strategic risks identified above, TEQ also faces risk relating to legal and regulatory requirements; brand and reputation; stakeholder engagement; financial; operational, project and process; people; workplace health and safety; and information, systems and security.

TEQ is committed to pursuing its business objectives while managing the impact of significant risks that can be meaningfully and realistically controlled. The organisation works in partnership with industry, government and RTOs to leverage opportunities to grow the visitor economy and minimise the adverse impacts of issues as they arise. TEQ also seeks to continuously improve the identification and management of all strategic risks and takes a balanced portfolio approach to global market investment.

Strategic challenges and opportunities

Challenges

Queensland's tourism industry has demonstrated its resilience and ability to recover, adapt and grow following significant external events and disasters in the past. However 2019-20 has been particularly challenging with industry facing drought, bushfires, the COVID-19 pandemic and the resulting global recession and other challenges bringing negative impacts to the tourism industry.

Queensland communities were severely affected by bushfires in late 2019, following an already devastating drought. Australia's bushfire crisis peaked in December 2019/early 2020 and extensive global media coverage resulted in misperceptions in key international source markets of the geographic spread of the fires, impacting travel intentions.

The Great Barrier Reef continues to be Australia's greatest natural attraction, recognised as an iconic experience locally, nationally and internationally. Tourism is acknowledged as low risk and well-managed, and has an important role to play in connecting visitors to the reef and presenting the values of the World Heritage Area to the millions that visit annually. Like all coral reefs around the world, the Great Barrier Reef faces a variety of challenges including heat stress. Although coral bleaching occurred in early 2020 there was much variability across the marine park. Large parts of the reef were unaffected and continue to offer outstanding visitor experiences

The COVID-19 pandemic saw Australia's international and domestic borders closed for non-essential travel, and public health directions and social distancing measures restrict business operation. The postponement or cancellation of events due to the restrictions on mass gatherings, restrictions on non-essential travel, the suspension of aviation services and subsequent global recession have severely impacted Queensland's tourism and events industry.

For the year ended March 2020, China was the largest source market for international visitor spending in Queensland, representing 22.5 per cent of total international expenditure. Rising geopolitical tensions with China could prove challenging when Australia's borders reopen and potentially affect both the education and leisure travel segments to Queensland.

A more detailed overview of the challenges and TEQ's response to the COVID-19 pandemic is included in the *Crisis impacts, response and recovery* section of this report on page 14.

Opportunities

Prior to the onset of COVID-19, tourism in Queensland generated \$25.5 billion in OVE⁷ and contributed 7.7 per cent of GSP, supporting 234,000 jobs⁸. Queensland had achieved 18 consecutive quarters of record total OVE as at December 2019 and the visitor economy represented an area of significant growth potential for the Queensland economy. Post COVID-19, TEQ will focus on rebuilding consumer demand, aviation capacity and the value of Queensland's events calendar in order to maximise opportunities for visitor economy growth and to protect market share as economic conditions stabilise in key source markets. Visitor economy growth opportunities will be pursued in line with TEQ's marketing and events strategies and the easing of travel restrictions.

The COVID-19 pandemic has highlighted many regional communities heavily dependent on the tourism and events sector. Australians love to travel and have a rich history of travelling internationally – there were 8.0 million outbound leisure trips taken in the year ended December 2019, with Australians spending \$53.8 billion on travel internationally⁹. The closed international borders present an opportunity to encourage Australian residents who would have otherwise travelled overseas to travel domestically (taking into account state border closures).

Changing consumer expectations and the perception of safety while travelling will impact business operations and marketing. Australia's response to COVID-19, coupled with Queensland's nature-based offering, reinforces the state's proposition as a safe and secure destination which may be a point of difference that encourages increased international visitation once borders reopen.

Nearly two-thirds of global consumers have a preference for purpose-led brands that reflect their own values and beliefs¹⁰. Queensland's new 'travel for good' purpose-led brand positioning has been intentionally designed to address this trend and deliver transformational travel experiences by responding to changing consumer needs and values. The brand positioning is also well suited to cater to changing consumer values and needs post COVID-19.

Mobile technology developments continue to influence the way tourists plan and experience travel. TEQ continues to develop data and technology capability, through its Digital Transformation Program, in order to better meet expectations for increasingly personalised services.

Queensland is home to two distinct Indigenous cultures, Aboriginal and Torres Strait Islander cultures, presenting a significant opportunity and point of difference over competitor destinations. TEQ is committed to reconciliation and will develop a Reconciliation Action Plan guided by the TEQ Board Aboriginal and Torres Strait Islander Committee. An increase in Indigenous participation in tourism and events will be celebrated through the Year of Indigenous Tourism in 2020 and 2021. The Queensland Government is investing to grow the Indigenous tourism offering, increasing the range and diversity of experiences available to travellers.

To maximise recovery opportunities, TEQ will continue to monitor consumer sentiment and demand, and prioritise investment based on market trends, insights and changing travel restrictions. The Queensland Government continues its focus on innovation through the Advance Queensland initiative. The tourism and events industry must continue to innovate and is well placed to take advantage of these opportunities, delivering on jobs and advancing tourism.

⁷ Source: *Tourism Research Australia, International and National Visitor Surveys, year ended December 2019.*

⁸ Source: *Tourism Research Australia, State Tourism Satellite Accounts 2018-19. Tourism directly contributed \$13.8 billion of GSP supporting 145,000 jobs.*

⁹ Source: *Tourism Research Australia, National Visitor Survey, year ended December 2019.*

¹⁰ Source: *Accenture Strategy, From Me to We: The Rise of the Purpose-led Brand, 2018.*

Industry performance overview 2019-20

TEQ provides tourism and events research and insights to industry and government to identify opportunities and inform strategic decision making for tourism growth in Queensland. The key performance metrics for the visitor economy are OVE and market share of OVE.

It should be noted the latest OVE data available is for the year ended March 2020. As such, full impacts of the COVID-19 pandemic are not yet evident in the results.

Total OVE in Queensland¹¹ was stable in the 12 months to March 2020. Queensland's performance against key measures is detailed below.

Overnight visitor expenditure¹²

Total OVE in Queensland reached \$24.6 billion for the year ended March 2020 according to Tourism Research Australia's international and national visitor surveys. This was a similar result compared to the same period in the year prior.

A quarter of Queensland's total spending came from international visitors to Queensland (23.2 per cent share of total OVE), with three quarters (76.8 per cent) coming from domestic overnight visitors. More than half of domestic spending in Queensland came from Queenslanders (52.7 per cent).

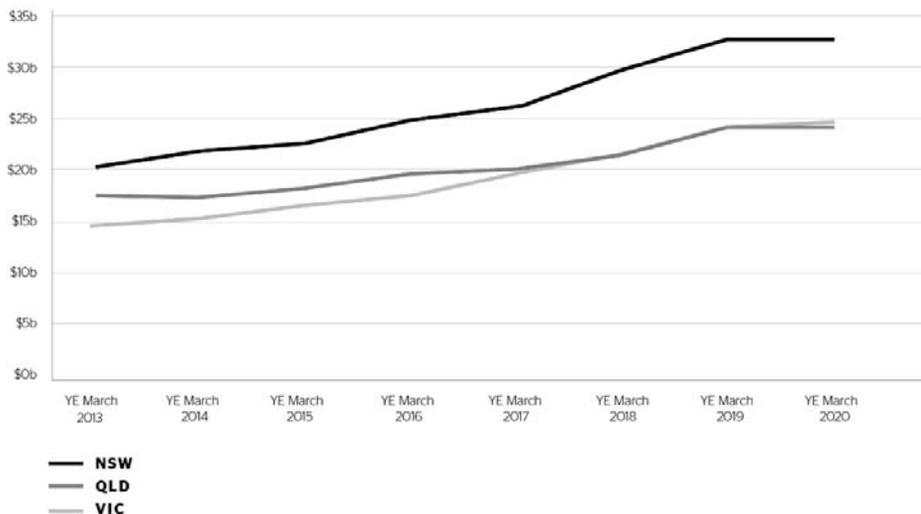


Figure 3: Total OVE in Queensland, New South Wales and Victoria

¹¹ Total OVE comprises OVE from domestic and international markets.

¹² Source: Tourism Research Australia, International and National Visitor Surveys, year ended March 2020.

Further information on tourism research and insights in Queensland can be located at www.teq.queensland.com.

Please note 'YE' denotes Year Ended.

There were small shifts in the market share of OVE across Australian states during the year. Queensland’s market share decreased by 0.3 percentage points year-on-year to 23.0 per cent of all OVE in Australia, while Victoria increased market share by the same amount over the period (up 0.3 percentage points to 23.2 per cent).

New South Wales decreased in market share, down 0.8 percentage points to 30.5 per cent of all OVE in Australia.

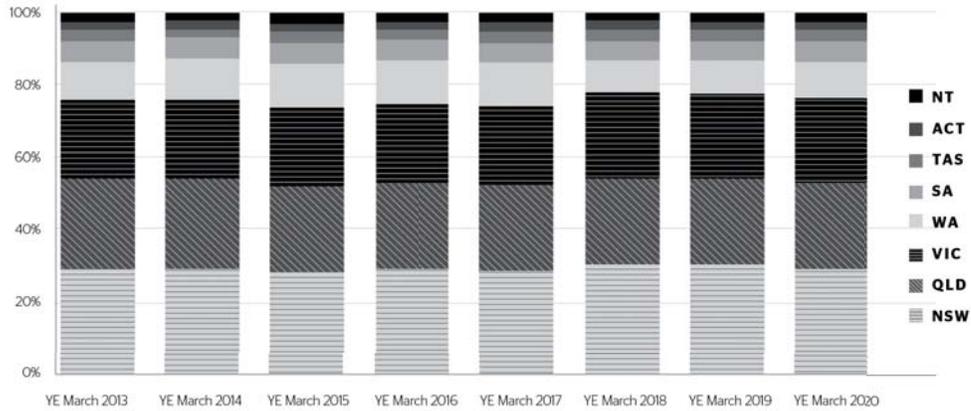


Figure 4: Market share of Total OVE, 2013-2020

Domestic overnight visitor expenditure¹³

Domestic overnight visitors spent \$78.8 billion in Australia during the year ended March 2020, of which \$18.9 billion was spent in Queensland.

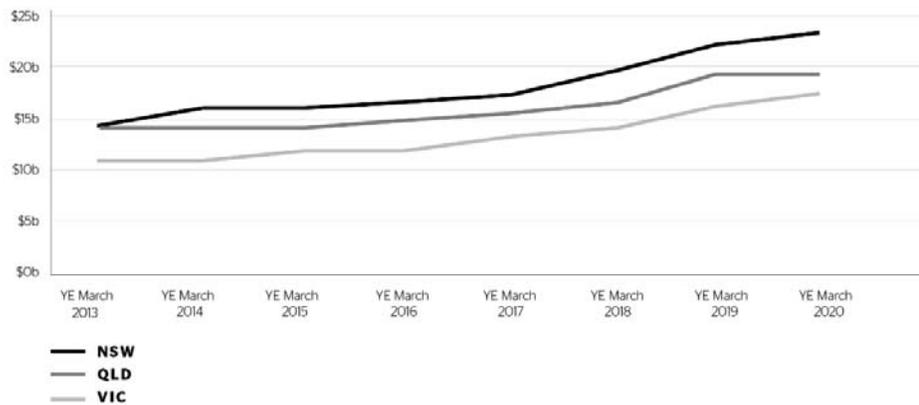


Figure 5: Domestic OVE in Queensland, New South Wales and Victoria

¹³ Source: Tourism Research Australia, National Visitor Survey, year ended March 2020.

International overnight visitor expenditure¹⁴

International OVE in Australia decreased by 6.7 per cent to \$28.5 billion for the year ended March 2020, a result of the Australian bushfires and early impacts of COVID-19 in important international source markets.

Of the international travellers to Australia in the year ended March 2020, one in five visited Queensland, and they spent \$5.7 billion. China contributed the highest expenditure for Queensland at \$1.3 billion, followed by New Zealand at a record \$619.3 million, the United States of America (USA) with a record \$450.6 million, Japan at \$426.1 million and the United Kingdom (UK) at \$329.9 million.

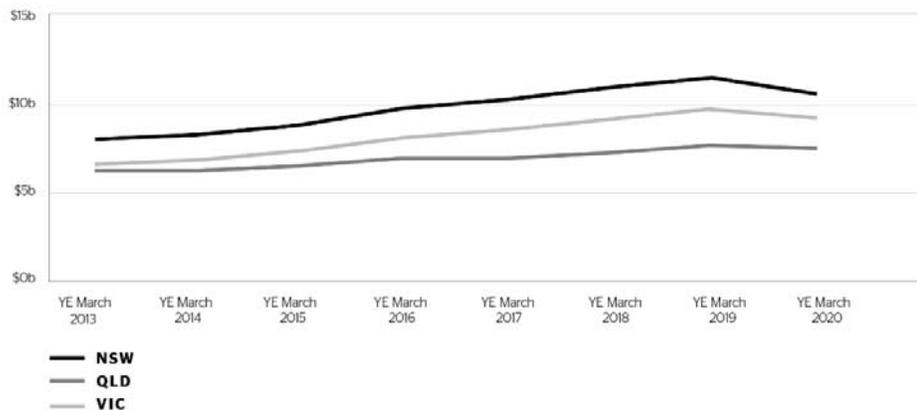


Figure 6: International OVE in Queensland, New South Wales and Victoria

Regional performance¹⁵

Total OVE and visitation performance in each of Queensland's tourism regions for the year ended March 2020 is highlighted in the table below.

Table 1: Total OVE and visitation in Queensland regions, year ended March 2020

	OVE		Overnight visitation	
	Total \$m	Annual change %	Total visitors	Annual change %
Brisbane	\$7,789.2m	3.5%	9.3m	3.0%
Gold Coast	\$4,872.7m	-1.7%	4.9m	-2.3%
Tropical North Queensland	\$3,510.4m	4.9%	2.9m	1.5%
Sunshine Coast	\$2,957.8m	4.9%	4.1m	-0.8%
Southern Great Barrier Reef	\$1,232.9m	-2.8%	2.4m	1.2%
Townsville	\$885.7m	-8.6%	1.3m	-13.7%
Southern Queensland Country*	\$806.7m*	-0.7%	2.2m*	4.0%
Whitsundays*	\$751.0m*	0.3%	0.8m*	5.1%
Outback*	\$703.2m*	7.9%	1.1m*	3.9%
Mackay*	\$523.4m*	8.9%	1.1m*	7.7%
Fraser Coast*	\$470.3m*	11.8%	0.9m*	5.3%

* All percentages refer to annual growth except for the Southern Queensland Country, Fraser Coast, Mackay, Outback and Whitsundays regions which refer to the trend change over three years.

¹⁴ Source: Tourism Research Australia, International Visitor Survey, year ended March 2020.

¹⁵ Source: Tourism Research Australia, International and National Visitor Surveys, year ended March 2020. Southern Great Barrier Reef incorporates the Capricorn, Gladstone and Bundaberg regions.

Queensland brand performance

Part of Queensland's long-term marketing strategy is to grow equity in the Queensland brand. In order to stay up to date with contemporary methodologies, TEQ implemented a new brand performance measurement in 2019-20¹⁶.

The first wave of measurement took place in late 2019, prior to the Australian bushfires and COVID-19. At the time, and consistent with prior brand studies, results showed the Queensland brand was strong in key domestic source markets.

Queensland's power score¹⁷ of 9.9 per cent, a representation of the brand's ability to drive predisposition based on perceptions, was the highest of the 16 domestic and international destination brands included in the study. TEQ's goal is to maintain its brand leader position amongst competitor destinations such as New South Wales, Victoria, New Zealand, Bali and Japan.

Results from this study will be used as a baseline for future brand tracking studies and will be particularly important as a lens into how consumers perceive destination brands post COVID-19.

Social impacts of tourism

The 2019 Social Indicators Study¹⁸ surveyed over 3,000 residents across Queensland to measure the impact of tourism on Queensland communities.

The study showed that residents have a positive attitude towards tourism. This was particularly evident in the regions outside of south east Queensland, i.e. outside of Brisbane, Gold Coast, and Sunshine Coast. Regional residents overwhelmingly want more tourists, say they 'really like' tourists, and seek continued tourism development.

Overall, the survey found that Queenslanders have an increasingly positive view about tourism. The proportion of residents that 'really like tourists' increased to 50 per cent in 2019 from 46 per cent in 2017, and the proportion of residents that think tourism has a positive effect on the community increased to 45 per cent from 43 per cent.

Queensland residents overwhelmingly agree that because of tourism there is: greater cultural diversity (91 per cent), economic benefits (89 per cent), an increased regional profile (83 per cent), increased local pride (73 per cent) and new infrastructure (69 per cent).

¹⁶ Kantar Australia is now providing brand performance measurement for TEQ, replacing brand health research previously undertaken with The Nielsen Company.

¹⁷ Kantar's Power Score is based on the Meaningfully Different Framework (MDF), calculated based on three dimensions: meaning, difference and salience. Kantar has found that meaningfully different brands command a 13 per cent price premium and are four times more likely to grow value share during the next 12 months, compared to brands lacking meaningful difference. The power score is a share of predisposition amongst the competitor set, such that all of the power scores sum to 100 per cent. For more information on the MDF, please see [here](#).

¹⁸ Source: TEQ, Social Indicators 2019 Queensland, October 2019.