

# About Tourism and Events Queensland

Tourism and Events Queensland (TEQ) is a statutory body of the Queensland Government and the state's lead marketing, destination and experience development and major events agency. Our goal is to continue growing 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.

## Our vision

Inspiring the world to experience the best address on Earth.

INSPIRING	through brand, integrated marketing and events
THE WORLD	in priority domestic and international source markets
TO EXPERIENCE	Queensland's signature experiences and events
THE BEST	through quality and innovation
ADDRESS ON EARTH	showcasing the best of Queensland

## Our 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 and destination-delivered organisation that connects people and places like never before through innovation and collaboration with the tourism and events industry.

## 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 Innovation, Tourism Industry Development and the Commonwealth Games.

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.

## Our values

TEQ's organisational values support the company's strategic framework, culture and purpose. The values guide employee behaviour and interactions with internal and external stakeholders and provide a framework for achieving TEQ's objectives.



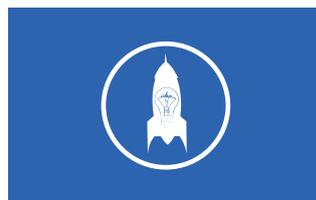
### LEAD TOGETHER

Guided by the Minister and the board, we are clear on our purpose, direction and priorities, and our team is empowered to implement.



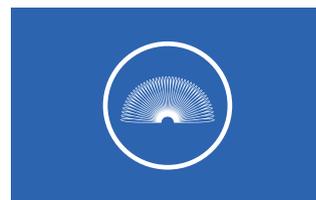
### OUR TEAM

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 & RESPONSIVE

We embrace emerging trends and opportunities. To thrive in a competitive industry environment we are proactive, flexible and adaptable.

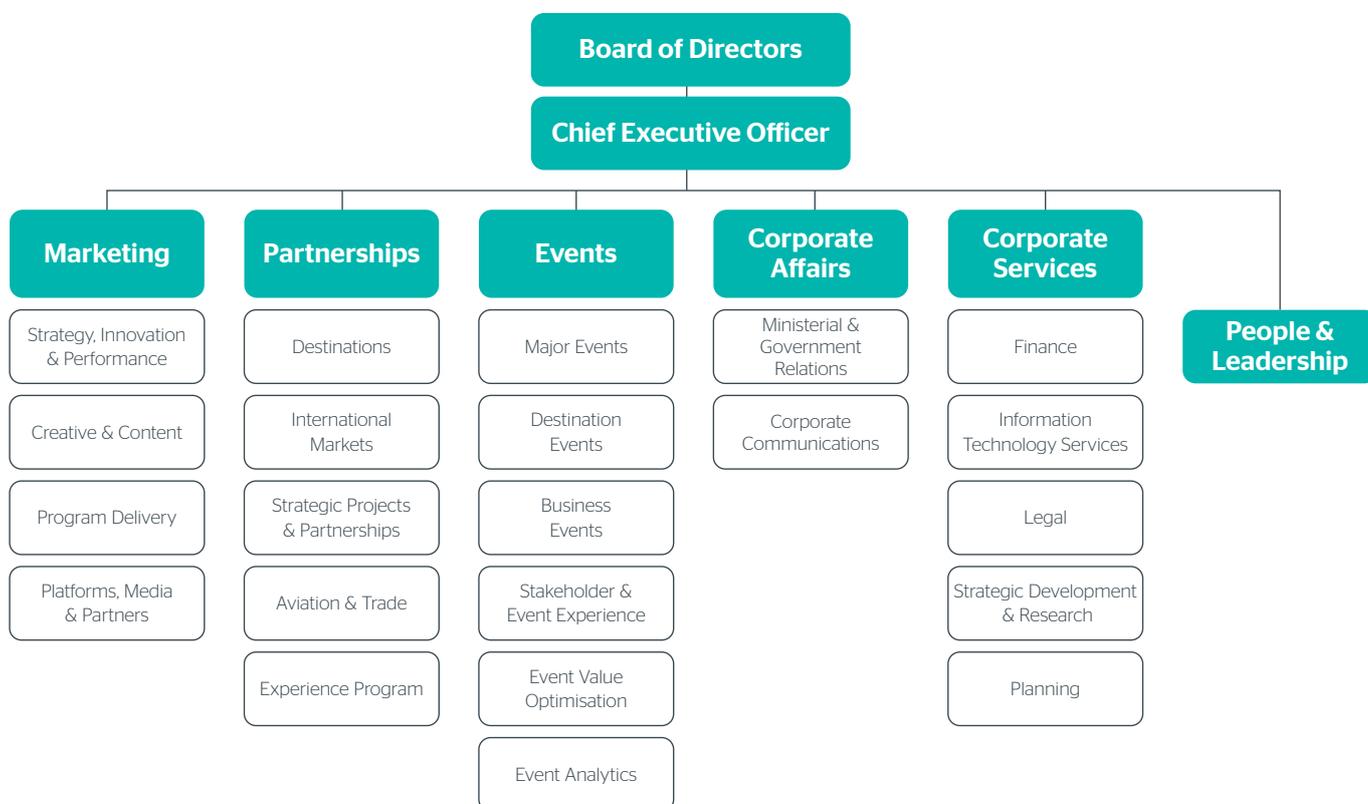


Figure 1: Organisational chart for 2018-19

## Executive management

In 2018-19, TEQ's senior executive team comprised five Group Executives, led by the Chief Executive Officer, Leanne Coddington. Responsibilities of the Executive management team include:

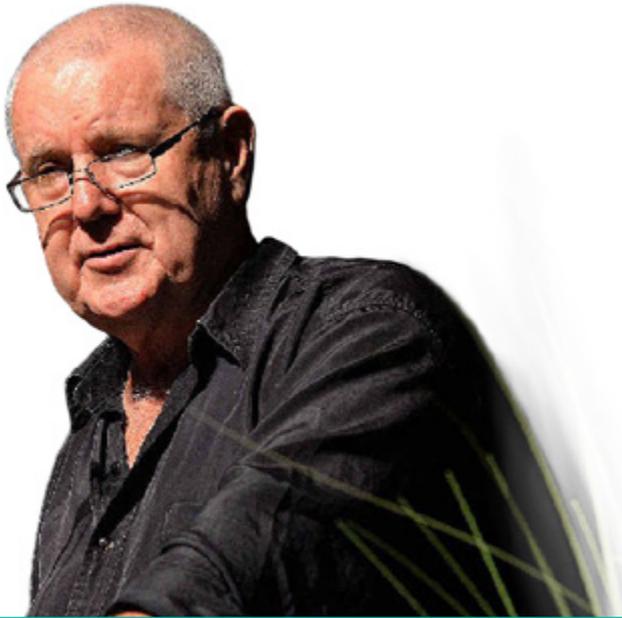


### Chief Executive Officer (Leanne Coddington)

- Provide leadership and direction to TEQ staff to deliver on TEQ's objectives;
- Establish strong relationships with key industry partners, Government and business representatives and deliver strategic benefits to Queensland;
- Work with Queensland event and tourism industry operators and assist them to grow through cooperative and collaborative partnerships, as well as attract national and international tourism and event industry operators and trade partners to leverage Queensland's unique experiences and destinations;
- Manage the development and implementation of current and long-term plans and objectives in accordance with the board's directions to grow Queensland's visitor economy; and
- Manage the operations of TEQ in compliance with the Act, board policies, strategic plan and budget.

### Corporate Affairs (Group Executive - Megan Saunders; returned from secondment on 16 July 2018; commenced secondment from 29 April 2019. Nick Elliott acting until 15 July 2018 and from 29 April 2019)

- Lead media, corporate communications, ministerial and government relations activities across all areas of TEQ; and
- Manage effective relationships with key stakeholders, providing effective and timely liaison to support TEQ business activities and raise the profile of Queensland's tourism industry through communications and advocacy.



#### **Events (Group Executive - John Drummond Montgomery)**

- Deliver a world-class calendar of events for Queensland, guided by the *Events Strategy 2025*;
- Identify, attract, develop and promote events that contribute to the Queensland economy, profile the state and foster community pride; and
- Attract people to experience the best address on Earth through optimising the value of Queensland's events calendar and leveraging the competitive advantage provided by Queensland's unique event experiences.

#### **Corporate Services (Group Executive - Nick Elliott)**

- Support TEQ's senior management and Board in the delivery of the organisation's operational, strategic, people, research and financial activities;
- Provide tourism research and insights to TEQ's senior management and Board to monitor industry performance and to identify emerging opportunities and trends; and
- As the Chief Financial Officer and Board Secretary, manage the organisation's financial activities including reporting and financial planning.



#### **Marketing (Group Executive - Michael Branagh)**

- Lead the ongoing development and implementation of the *Marketing Strategy 2025*;
- Identify, showcase and support the development of the Queensland Experience Framework, Hero Experiences and Best of Queensland Experiences program; and
- Develop conversion-focused consumer marketing activity that delivers increased overnight visitor expenditure (OVE) for industry.

#### **Partnerships (Group Executive - Rick Hamilton)**

- Work in partnership with RTOs and industry to deliver their destination priorities, with a particular focus on maximising the opportunities that 'Best of Queensland' experiences and products offer consumers;
- Lead international source market engagement with trade and industry;
- Partner with airports, airlines and industry to support aviation route development and increase route capacity;
- Focus on strategic trade partnerships to deliver increased visitor expenditure to Queensland's experiences and products; and
- Manage cross-government projects in partnership with the Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID), state, local and relevant federal government agencies.

## Locations

TEQ's Head Office is located at 515 St Pauls Terrace, Fortitude Valley<sup>1</sup> 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 8.

### Global reach

In order to deliver on organisational outcomes, TEQ works in key strategic markets around the world. During 2018-19, TEQ actively promoted Queensland in the following 13 international markets: North America; Mainland China; Hong Kong SAR; Taiwan Region; Europe; India; Indonesia; Japan; Korea; Malaysia; New Zealand; Singapore; and the United Kingdom, Ireland and Nordic. A full list of TEQ's current international offices can be found in the directory on page 96. In addition, where markets have been identified as having growth potential, TEQ delivers activity in conjunction with partners.

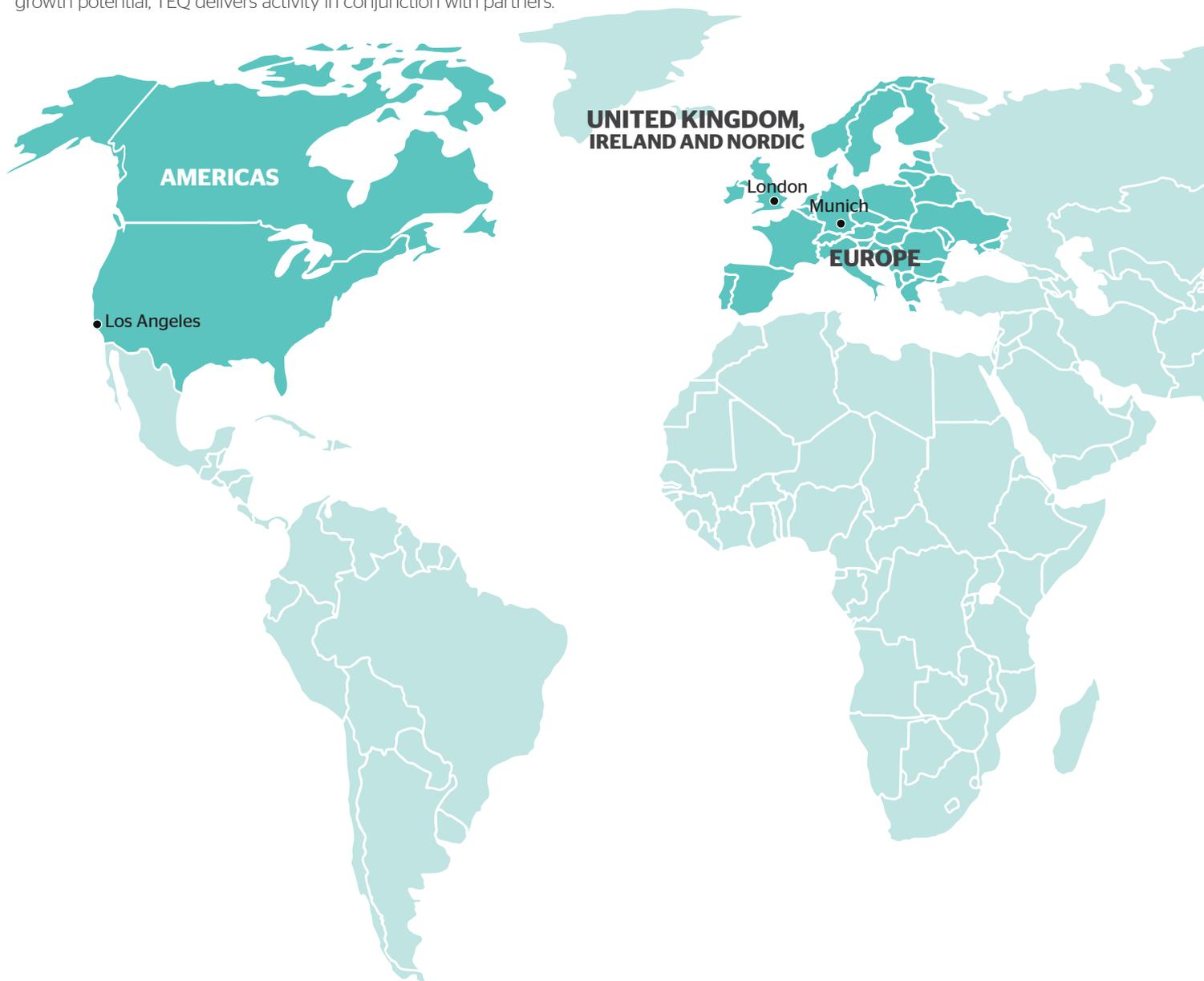
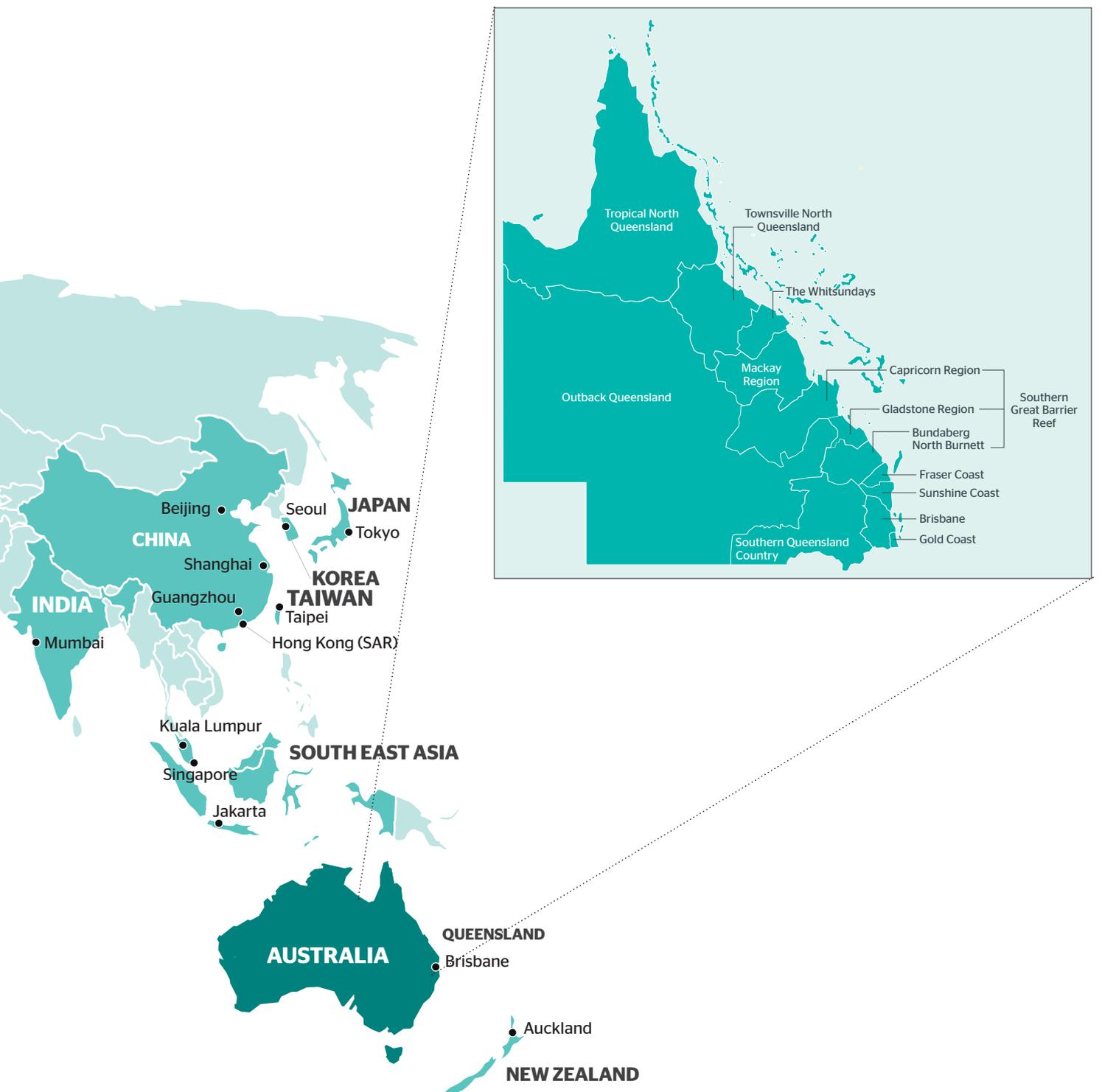


Figure 2: TEQ's reach in strategic markets around the world

<sup>1</sup> Between 1 July and 21 September 2018, TEQ's Head Office was based at Level 10, 30 Makerston Street, Brisbane QLD 4000



## Our operating environment

Tourism remains a cornerstone of Queensland's economy. As Queensland's third largest export industry, it is vital to the state's overall economic prosperity. The tourism industry in Queensland generates \$27 billion, or 7.8 per cent of Gross State Product (GSP). The industry currently supports 236,000 jobs directly and indirectly<sup>2</sup> and 54,000 businesses (one in eight Queensland businesses), of which 54 per cent are located in regional Queensland<sup>3</sup>.

Forecasts indicate Queensland's tourism and events industry has the potential to generate more than \$33 billion in OVE by 2025<sup>4</sup>, supporting more than 85,000 additional jobs for the state's economy. Much of this growth will come from our international markets, which by 2025 will represent approximately one third (33 per cent) of total OVE (up from 25 per cent in the year ending March 2019).



**\$27 billion**  
economic contribution

**7.8% GSP**

**1 in 10 jobs**



**1 in 8 businesses**



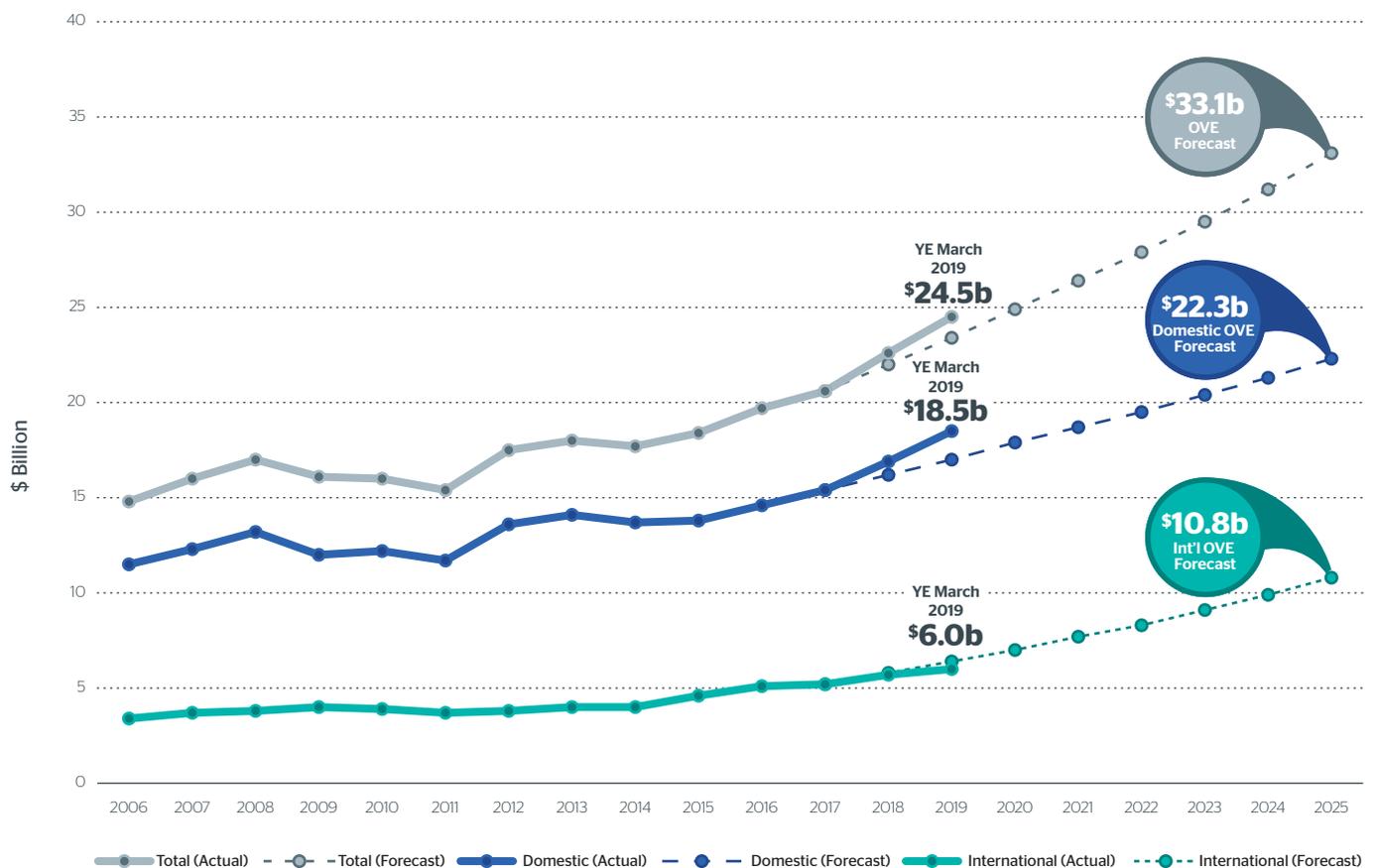


Figure 3: Forecast OVE in Queensland (Year ending June); Actual OVE in Queensland (Year ending March 2019)

2 Source: TRA, State Tourism Satellite Accounts 2017-18. Tourism directly contributed \$13.4b of GSP supporting 151,000 jobs

3 Sources: Tourism Businesses in Australia, June 2012 to June 2017; Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, June 2012 to June 2018 (ABS Cat. No. 8165.0).

4 Source: TRA, forecasts year ending June 2017

## Strategic risks

Strategic risks are those risks that can significantly impact TEQ's ability to achieve overarching organisational strategies and objectives. At any time, variable economic conditions within Australia and in key source markets can impact visitor economy growth, as can changing consumer expectations and competition from other destinations that affect the appeal of Queensland's tourism and events products, experiences and destinations. Similarly, competition from other national and international event destinations can impact TEQ's ability to secure and develop events which deliver overnight visitor expenditure outcomes.

External events can also affect visitor numbers and impact consumer perceptions (e.g. natural disasters, pandemics, global financial crises and global shock events). Often these risks are beyond TEQ's control, however, monitoring such risks will enable TEQ to either manage them or to initiate an appropriate response.

TEQ can also be impacted by strategic level risk related 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. As such, the organisation is committed to pursuing its business objectives while managing the impact of significant risks that can be meaningfully and realistically controlled.

## Influences and opportunities

Rapid economic growth in Asian countries, especially China and India, means the Asian middle class is expected to grow from about 500 million to 3.2 billion people by 2030<sup>5</sup>. By 2026, outbound tourism from the Asia-Pacific region is projected to increase by an additional 160 million international arrivals per year<sup>6</sup>. Asian tourism to Australia continues to grow strongly, up 8.8 per cent over the three years ending March 2019. Asian travellers are predicted to generate about \$6.1 billion in OVE annually for Queensland by 2025<sup>7</sup>.

Solid growth has also been experienced in key western markets, with visitation to Australia up 3.4 per cent over the three years ending March 2019. For Queensland, this has been led by visitation growth from New Zealand, the United States of America, Canada and France<sup>8</sup>. Forecasts indicate western markets will generate about \$3.8 billion in OVE in Queensland by 2025<sup>7</sup>.

Domestically, overnight visitation to Queensland continues to grow, up 6.7 per cent over the three years ending March 2019. Queensland has enjoyed visitation growth in both the interstate and intrastate markets, up 7.1 per cent and 6.5 per cent respectively in the three years ending March 2019<sup>8</sup>, which may be a reflection of recent softer outbound travel by Australian residents. Domestic visitors are projected to generate \$22.3 billion in OVE for Queensland by 2025<sup>7</sup>. Growing holiday expenditure continues to be a key focus for TEQ, with Queensland enjoying a 26.2 per cent share of all domestic holiday spend in Australia in the year ending March 2019<sup>9</sup>.

Conditions in the business sector have improved during the year to March 2019. Company profits have reached record highs, increasing 10.4 per cent during this period<sup>10</sup>. The lower Australian dollar continues to assist with the competitiveness of domestic industries.

Despite improving business conditions, domestic consumer confidence is uncertain. A key index declined by 4.1 per cent month-over-month to 96.5 in July 2019 (from 100.7 in the previous month)<sup>11</sup>. It was the lowest reading since August 2017. Households should receive a boost in disposable incomes through recently legislated tax cuts and the Reserve Bank of Australia reducing the cash rate.

The growth in international outbound travel by Australian residents slowed to 2.7 per cent in the year ending March 2019, compared to 5.9 per cent growth in the year ending March 2018<sup>12</sup>. This may have been influenced by a corresponding decrease in the value of the Australian dollar relative to other currencies, and presents an opportunity for increased domestic visitation.

Trade tensions between the United States and China, ongoing since 2018, may impact on visitation from China and other Asian source markets. A prolonged trade dispute and the uncertainty generated may lead to slower global economic growth, especially among the trade dependent East Asian economies, potentially slowing the growth in outbound travel from these key source markets.

To maximise these opportunities and grow OVE, TEQ takes a balanced approach to global markets and prioritising investment based on forecast market growth and share.

Changes in technology and consumer preferences will continue to influence Queensland's tourism and events industry. The Queensland Government has renewed 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.

5 Source: *Australia's Jobs Future, 2015, ANZ PwC Asialink Business Services Report*

6 Source: *Oxford Economics, Global Tourism Services 2019*

7 Source: *TRA, forecasts year ending June 2017*

8 Source: *TRA, 3-year trend to year ending March 2019*

9 Source: *TRA, year ending March 2019*

10 Source: *Australian Bureau of Statistics, Business Indicators, Australia, March 2019 (ABS Cat. No. 5676.0)*

11 Source: *Melbourne Institute and Westpac Bank Consumer Sentiment Index for Australia, July 2019*

12 Source: *Australian Bureau of Statistics, Overseas Arrivals and Departures, March 2019*

## Industry performance overview

TEQ provides tourism and events research and insights to industry and government to inform strategic decision-making for tourism growth in Queensland. The key performance metric for the visitor economy is overnight visitor expenditure (OVE).

OVE in Queensland from both domestic and international markets rose in the past 12 months to record levels. Queensland's performance on key measures is detailed below.

### Overnight visitor expenditure<sup>13</sup>

Total OVE in Queensland reached \$24.5 billion for the year ending March 2019 according to Tourism Research Australia's (TRA) international and national visitor surveys. This was a 13 per cent increase compared with the same period in the year prior and is a record high.

A quarter of Queensland's total spending came from international visitors to Queensland (24.5 per cent share of total OVE), with three quarters (75.5 per cent) coming from domestic overnight visitors. More than half of domestic spending in Queensland came from Queenslanders (54.1 per cent).

The market share of OVE across Australian states remained relatively stable during the year. Queensland was one of only three Australian states (along with Western Australia and the Australian Capital Territory) to increase market share year-on-year, achieving 23.3 per cent of all OVE in Australia, just ahead of Victoria at 22.9 per cent and behind New South Wales with 31.3 per cent.

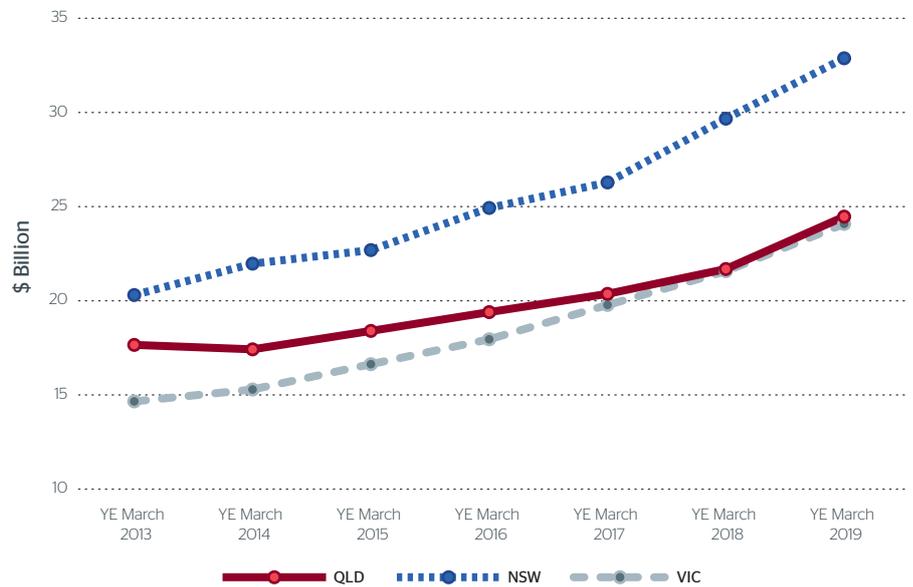


Figure 4: Total OVE in Queensland, Victoria and New South Wales

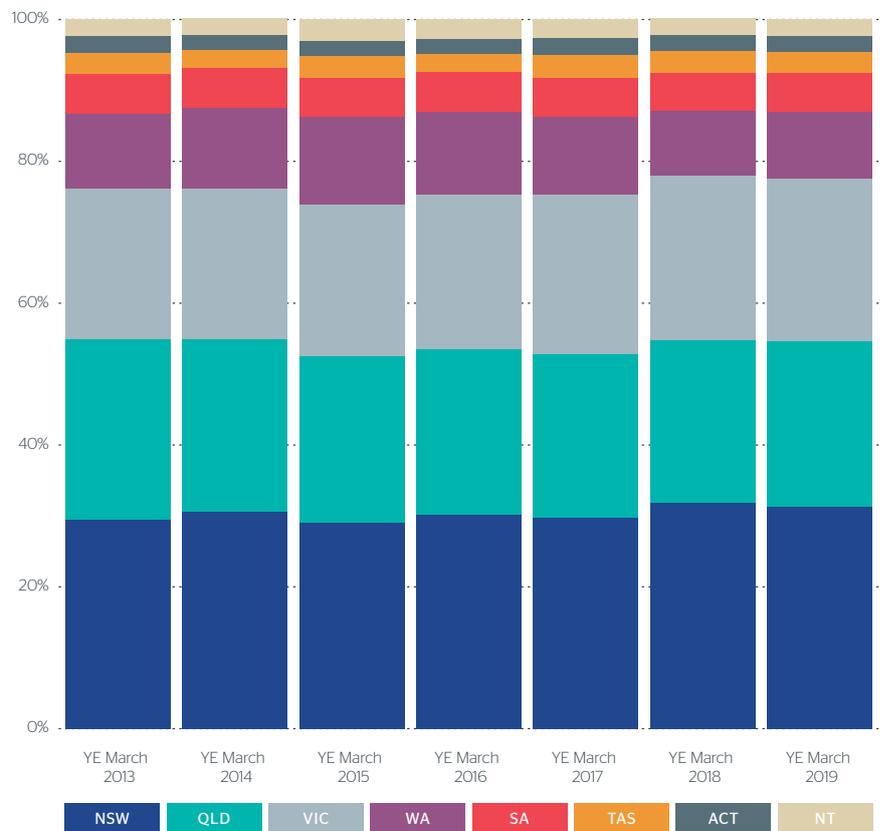


Figure 5: Market share of Total OVE, 2013-2019

<sup>13</sup> Source: TRA, National and International Visitor Surveys, year ending March 2019. Further information on tourism research and insights in Queensland can be located at [teq.queensland.com](http://teq.queensland.com). Please note 'YE' denotes Year Ending

## Domestic overnight visitor expenditure

Domestic overnight visitors spent a record \$74.5 billion in Australia during the year ending March 2019, of which a record \$18.5 billion was spent in Queensland.

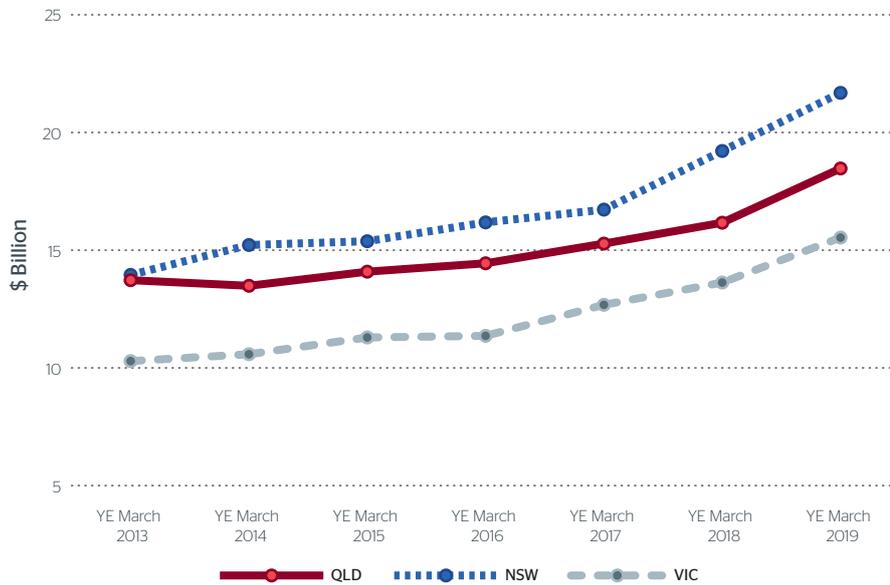


Figure 6: Domestic OVE in Queensland, Victoria and New South Wales

## International overnight visitor expenditure

International OVE in Australia reached a record high of \$30.6 billion for the year ending March 2019, including a record \$6.0 billion spent in Queensland.

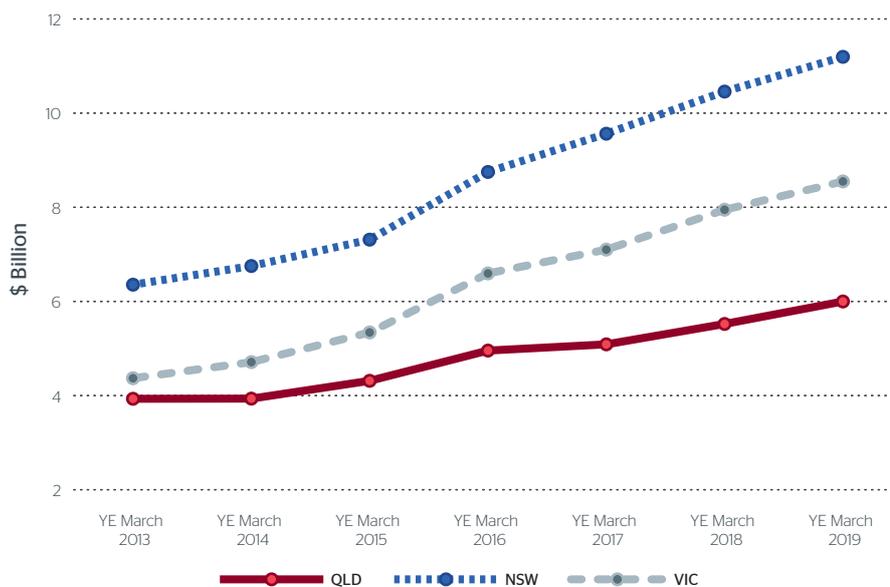


Figure 7: International OVE in Queensland, Victoria and New South Wales

In the year ending March 2019, over one third of all international travellers to Australia visited Queensland. China contributed the highest expenditure with a record \$1.6 billion, followed by New Zealand at \$562.8 million, the United Kingdom at \$436.9 million, Japan at \$426.8 million, and the United States at \$404.9 million.

## Regional performance

Total OVE and visitation performance in each of Queensland's 11 tourism regions for the year ending March 2019 is highlighted below.

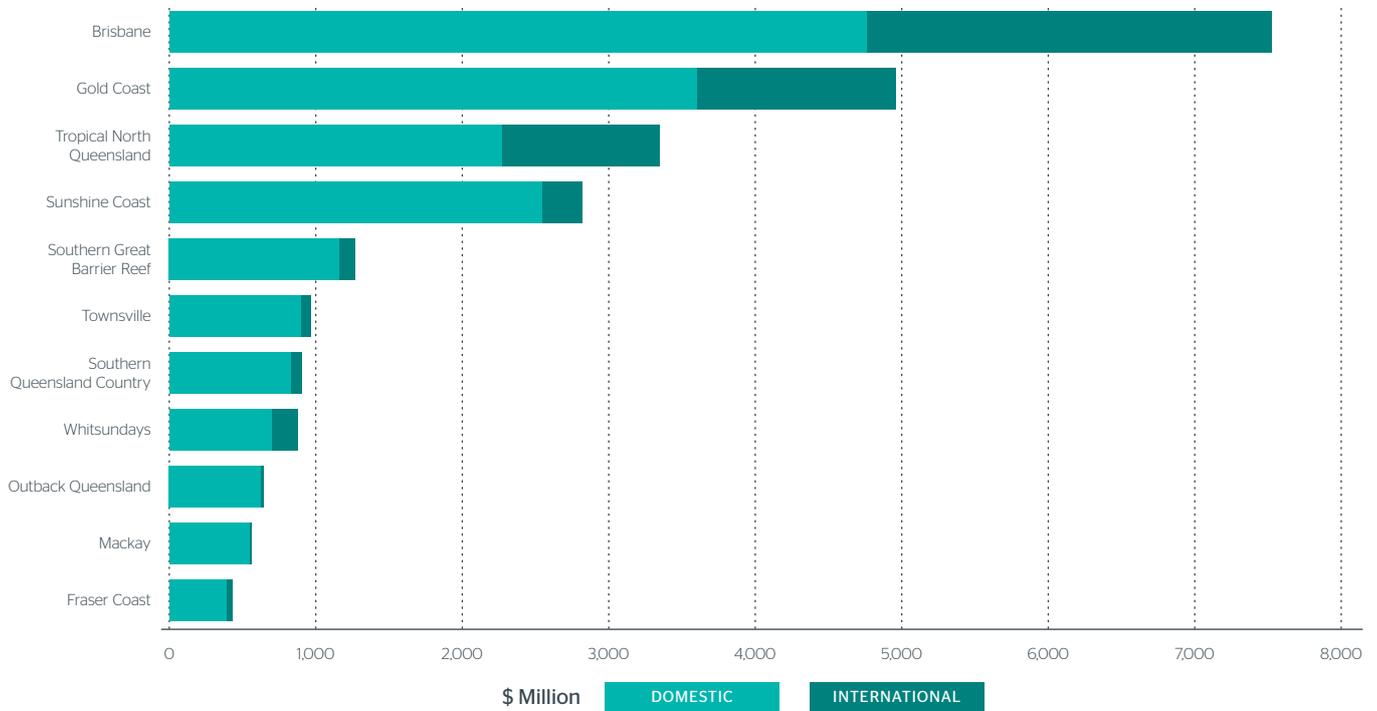


Figure 8: Domestic and international OVE in Queensland regions, year ending March 2019<sup>14</sup>

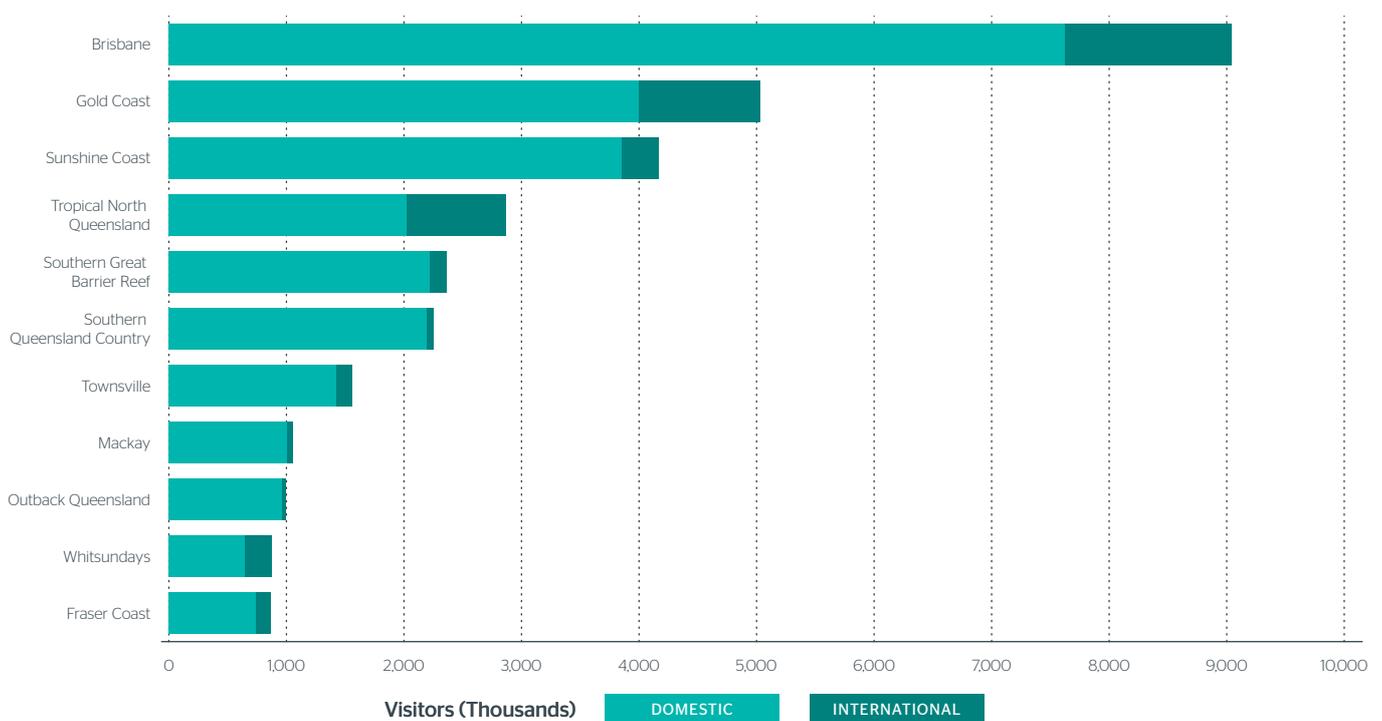


Figure 9: Domestic and international overnight visitors to Queensland regions, year ending March 2019<sup>14</sup>

<sup>14</sup> Southern Great Barrier Reef (SGBR) incorporates the Capricorn, Gladstone and Bundaberg North Burnett regions.

## Queensland brand health

The 2018-19 annual Nielsen brand health results<sup>15</sup> showed that the Queensland brand continues to perform strongly compared to destinations such as Hawaii, Japan, Fiji and Bali, as well as Victoria and New South Wales. Queensland maintained a brand equity index (BEI) score of 2.5 amongst its High Value Traveller segment this year and obtained a score of 2.3 overall<sup>16</sup>. This score continues to place Queensland's brand equity ahead of key destinations in our competitive set including Europe and New Zealand.

The BEI is calculated based on consumers' consideration of:

- Their first and second favourite destination brands: 20 per cent in 2019 (21 per cent in 2018);
- A likelihood to recommend above other destination brands: 12 per cent in 2019 (12 per cent in 2018); and
- A willingness to pay a price premium: 30 per cent in 2019 (28 per cent in 2018).

<sup>15</sup> Source: The Nielsen Company, Brand Health, June 2019 - Australian residents in Queensland, Sydney and Melbourne

<sup>16</sup> Queensland's BEI score in 2017-18 was 2.5. In 2018-19 it was 2.3.

The brand equity index (BEI) is calculated based on consumers' consideration of:

1 Their favourite destination brand i.e. "Which of these holiday/short break destinations would you say is your favourite/second favourite?";

2 Brands they would recommend, i.e. "And, if you had to recommend a holiday/short break destination to somebody, which one from the following list would it be?"; and

3 Willingness to pay higher prices i.e. "Can you please indicate which of these statements best describe how much you would be willing to pay for a holiday / short break to each of the following destinations?"

Source: The Nielsen Company, Brand Health, June 2019.

Around one third (34 per cent) of the international brands that Nielsen measures achieve a brand equity score of more than two out of a ten-point index. Brand health is an indicator TEQ continues to monitor.

## Looking forward 2019–20

TEQ has identified the following strategic priorities to deliver our objectives in 2019–20 and beyond:

1. Convert High Value Travellers from priority markets;
2. Marketing the best address on Earth;
3. Maximise the value of Queensland's events calendar;
4. Connect consumers with meaningful and exceptional experiences;
5. Grow aviation access and capacity;
6. Optimise partnerships; and
7. Be a high performing organisation.

TEQ's focus areas for 2019–20 include:

- Building on the successful *Beautiful One Day, Perfect the Next* platform to deliver a compelling global marketing and brand strategy to meet evolving consumer needs. This includes activities that attract, engage and convert High Value Travellers as the market segment which has potential to deliver a higher yield for the state's tourism economy.
- Working with industry and government partners to deliver exceptional experiences that position Queensland as a destination of choice in a competitive global environment. This includes promoting customer experience best practice through the *Best of Queensland Experiences Program*.
- Maximising the value of the *It's Live! in Queensland* events calendar through attracting, securing and marketing major events, supporting regional tourism through the Queensland Destination Events and Business Events Programs respectively; and continuing to ensure longer term benefits from hosting the Gold Coast 2018 Commonwealth Games and SportAccord 2019.
- Investing resources in the right mix of international and domestic markets through a balanced portfolio approach that capitalises on emerging opportunities while maintaining traditional markets, ensuring longer term growth and a greater market share for Queensland tourism.
- Supporting the Year of Outback Tourism by delivering activities in partnership with the Queensland Government, the Outback Queensland Tourism Association, tourism operators and event proponents to showcase the region's events and experiences and drive visitation and expenditure in local communities.
- Using a collaborative approach with key partners including aviation industry, trade, DITID and RTOs to pursue commercial partnerships that drive growth in the tourism sector. TEQ will also work with DITID to ensure Queensland has a strong tourism network that remains sustainable in the future and delivers positive tourism outcomes for Queensland's diverse regions.
- Working collaboratively with DITID to implement the *Advancing Tourism 2016-2020: Growing Queensland Jobs* strategy and the *Growing Tourism, Growing Tourism Jobs* policy. This will include collaboration with the *Attracting Tourism Fund* and the *Growing Tourism Infrastructure Fund*.