

About Tourism and Events Queensland

Established by the Queensland Government in December 2012, Tourism and Events Queensland (TEQ) is a statutory body under the *Tourism and Events Queensland Act 2012* and part of the portfolio of Tourism, Innovation and Sport¹.

TEQ is the State's lead tourism marketing, destination and experience development and major events agency.

In partnership with government, regional tourism organisations (RTOs), industry and commercial stakeholders, we aim to build Queensland's tourism and events industry to foster innovation, drive industry growth and boost visitor expenditure.

This annual report outlines TEQ's progress to deliver objectives and outcomes for the tourism and events industry (refer *Our performance 2020-21* on page 17 and *Key achievements 2020-21* on page 19).

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.

Our role and functions

The primary functions of TEQ are²:

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 of Tourism, Innovation and Sport (DTIS) 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.

¹ As a result of Machinery of Government changes that came into effect on 12 November 2020, the Department of Tourism, Innovation and Sport was formed. Prior to this, TEQ was part of the portfolio of State Development, Tourism and Innovation.

² The full list of functions is outlined in the [Tourism and Events Queensland Act 2012](#).

Objectives

TEQ's objectives are to:

- Contribute to the Queensland economy
- Attract visitors to Queensland, generating overnight visitor expenditure (OVE)
- Enhance the profile of Queensland, and
- Foster community pride in Queensland.

These objectives are being achieved through implementation of TEQ's Strategic Plan, the *TEQ Marketing Strategy 2025* and *TEQ Events Strategy 2025*.

Strategic Plan 2020-24

[TEQ Strategic Plan 2020-24](#)

Performance indicators

A range of performance indicators measure the extent to which TEQ is achieving its objectives. *Service delivery measures* are those which TEQ has a high degree of influence over, with *industry outcome measures* reflecting collective efforts across the tourism network.

TEQ's seven service delivery measures are included in the Annual Performance Statement 2020-21 on page 18. Industry outcome measures include OVE in Queensland, Queensland's market share of Australian OVE, brand performance, economic impact and jobs supported.

Locations

TEQ operates from a head office located in Fortitude Valley, Brisbane, with some staff based throughout Queensland and internationally. Queensland's experiences and destinations are promoted in fourteen key source markets, managed by five global hubs:

- Australia and New Zealand
- Americas, United Kingdom and Europe
- Japan and Korea
- Mainland China, Hong Kong and Taiwan, and
- South-East Asia and India.

A list of key contacts for each global hub is available on TEQ's [corporate website](#).

Values

- **Lead together** – guided by the Minister and the TEQ 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.

Landscape and operating environment

Overview of COVID-19 impacts

Australia's international border was closed for the entirety of the 2020-21 financial year, with the exception of the New Zealand travel bubble which commenced with one-way travel to Australia in October 2020, and two-way travel in mid-April 2021. Continued travel restrictions due to COVID-19 hampered consumer confidence and the performance of the tourism and events industry. Ongoing lockdowns and domestic travel restrictions, as well as New Zealand travel bubble restrictions, are expected to continue into the 2021-22 financial year.

Value of tourism

Prior to the COVID-19 pandemic, the economic contribution of the tourism industry in Queensland was \$28.4 billion, or 7.7 per cent of Gross State Product (GSP)³. More Queenslanders were employed in tourism than the State's fisheries, agriculture, mining and forestry industries combined. In the most recent State Tourism Satellite Accounts for the year ended June 2020, the initial impacts of the pandemic (March to June 2020) saw the economic contribution of tourism decrease by 20 per cent to \$22.7 billion, or 5.6 per cent of Queensland's GSP. Tourism employment decreased at a slower rate, down 11.8 per cent to 207,000 jobs in total, likely due to support measures put in place such as Job Keeper⁴.

The majority of tourism businesses in Queensland are small businesses, with more than nine in 10 of Queensland's 59,600 tourism businesses employing fewer than 20 people. Around half (52 per cent) are located outside of the Brisbane region⁵.

Prior to the pandemic, forecasting indicated that Queensland's tourism and events industry could potentially generate \$33 billion in OVE by 2025⁶. At the time, much of the growth was expected to come from international markets however COVID-19 has dramatically changed the landscape. For the year ended March 2021, total OVE in Queensland was \$12.2 billion, 50.6 per cent lower than in the year ended March 2020. With international borders closed from 20 March 2020, domestic visitors contributed 99.3 per cent of Queensland's OVE over the year ended March 2021⁷.

Aviation

The aviation industry continues to face significant challenges from the impacts of the COVID-19 pandemic. Across Queensland, international seat capacity for the year ended June 2021 declined by 90.9 per cent compared to pre-COVID levels (year ended June 2019), a loss of 4.87 million seats⁸. Australia's international border remains closed, with the Federal government predicting this will likely continue until at least June 2022⁹.

In April 2021 a quarantine-free travel bubble opened between Australia and New Zealand, with capacity between Queensland and New Zealand reaching 54.2 per cent of pre-COVID levels by May 2021. New Zealand first paused the bubble with Queensland during June 2021 due to COVID-19 infections in Queensland, highlighting the likelihood of ongoing disruptions as both countries continue vaccination programs.

Domestic capacity for the year ended June 2021 fell by 42.1 per cent compared to the year ended June 2019 (pre COVID-19), a decline of 9.41 million seats. Following the easing of domestic travel restrictions from June 2020, airlines began to restart suspended services and restore capacity across their domestic networks. Driven by the appetite for domestic travel, aviation funding programs and airline industry competition, by May 2021 domestic capacity in Queensland briefly exceeded 90 per cent of pre-COVID levels, before falling in response to emerging lockdowns.

Lockdowns in New South Wales, Victoria, Queensland, Western Australia and Northern Territory across May and June 2021 and the slower than expected start to Australia's vaccine roll-out has underlined the ongoing risks to further recovery.

Queensland's long-term aviation outlook remains positive, with four international airports, strong airline partnerships, aviation attraction initiatives and infrastructure investments including recent runway expansions for the Brisbane and Sunshine Coast airports, the planned integrated international and domestic terminal for Brisbane Airport and the Gold Coast Airport's Southern Terminal Expansion project, currently under construction.

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

⁴ Source: *Tourism Research Australia, State Tourism Satellite Accounts 2019-20. Tourism directly contributed \$11.4 billion of GSP, and directly supported 135,900 jobs. State Tourism Satellite Accounts 2020-21 are expected to be available in 2022.*

⁵ *Tourism Research Australia, Tourism Businesses in Australia, June 2015 to June 2020.*

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

⁷ Source: *Tourism Research Australia, National Visitor Survey and International Visitor Survey, year ended March 2021.*

⁸ *Cirium SRS Analyser, accessed July 2021.*

⁹ *Federal Government Treasury 2021/22 Budget Papers.*

Events

The rapid cancellation of events from March 2020 had a significant impact on TEQ's *It's Live! in Queensland* events calendar - a key marketing platform which was due to deliver \$880 million in economic benefit to Queensland in 2020. The impact of COVID-19 also significantly interrupted the value growth momentum gained from the \$36 million funding boost over the three years to June 2021. Of the 226 events supported by TEQ in 2020-21, 111 were staged, 11 were staged virtually, 74 were cancelled and 30 were postponed.

The Queensland Government was one of the first states to implement a COVID Safe Events Framework in July 2020, paving the way for events to return and be staged in a COVID Safe manner, as well as to reconnect communities, friends and families, create community pride and drive visitors to host destinations, generating economic benefits.

The Queensland events industry is now embarking on its path to recovery, operating in an uncertain environment where COVID-19 restrictions can change quickly and at short notice, insurance is challenging and consumer confidence is still being rebuilt. Intrastate tourism remains a strong driver of visitation and dispersal to spread the economic benefit across Queensland, however many successful events that have previously relied on interstate and international talent or participants to build the strength of their event face ongoing, longer-term challenges.

Following delivery of the September to December 2020 'Good to Go' Queensland events calendar, TEQ launched the January to June 2021 *It's Live! in Queensland* events calendar in December 2020, expected to deliver \$215 million in economic benefit for Queensland. These events calendars provided a solid first step in the industry's recovery.

Consumer

A variety of changes to domestic consumer travel behaviour have been observed during the COVID-19 pandemic¹⁰. Booking lead times have shortened and there is a preference to book directly with accommodation, airline and experience product providers rather than indirectly, for example, through travel agents.

Safety and security are now front of mind for many in the midst of the pandemic. This applies not only to cleanliness but also the risk of travellers being caught away from home and unable to return home due to snap lockdowns or border closures.

There is a strong preference for intrastate travel, when looking at both travel intention and travel behaviour, and as travel restrictions have eased, many consumers have opted for drive trips rather than using shared forms of transport. Similarly, many consumers continue to indicate they feel uncomfortable taking part in experiences or tours with larger groups of people.

In terms of experiences, consumers are looking for their post-COVID holidays to deliver 'simple joys', reconnecting with loved ones, getting back to basics like beach and relaxing holidays, and experiencing nature while local product takes centre stage.

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.

¹⁰ A range of sources including YouGov, Consumer travel sentiment tracker (Tourism Australia), Consumer Demand Project (Tourism Australia), regular consumer travel intentions pulse survey and brand research (Tourism and Events Queensland).

Strategic risks, challenges and opportunities

Risks

The tourism and events industry operates in a highly competitive environment and is regularly impacted by social, economic, political, environmental and technological changes, bringing new and often unseen challenges, threats and opportunities, which can impact economic and social outcomes and the achievement of TEQ's objectives.

The COVID-19 pandemic continues to present one of the greatest ever challenges for global tourism and has resulted in the postponement or cancellation of events, travel restrictions and the suspension of aviation services, severely impacting the tourism and events industry since early 2020.

As part of TEQ's strategic risk framework, TEQ plans for the potential risk of significant uncontrollable external events such as natural disasters, global shocks, pandemics, environmental changes and geopolitical events - all of which can affect consumer perceptions and their ability to travel. Additional key risks faced by the agency and tourism industry include variable economic conditions across source markets, changing consumer preferences, supply challenges and capacity constraints, climate change impacts and cyber security challenges.

Challenges

Queensland's tourism industry has demonstrated its resilience and ability to adapt following significant external events and disasters in the past. The past two years have been particularly challenging though, with industry facing drought, bushfires and the ongoing impacts of the COVID-19 pandemic. Current key challenges include:

- changing public health directions resulting from COVID-19 impacting both the operators' ability to offer tourism and event experiences, and consumers' ability to travel;
- an uncertain outlook for the recovery of international travel, which is dependent on the global success of vaccination programs, controlling COVID-19 and consumer confidence;
- labour shortages driven by the absence of international backpackers and students to fill casual roles, impacting sustainable service standards and profitable product delivery for many businesses;
- financial impediments causing some tourism and event businesses to streamline their operations, reducing the products and services offered;
- the diminished supply of international air services impacting aviation support programs designed to grow aviation access and capacity;
- variable capacity constraints and the lack of cancellation insurance making it a difficult operating environment for both consumers and tourism operators, and staging events;
- changes to domestic consumer travel behaviour resulting from COVID-19 including shorter booking lead times, an increased importance on safety and security, greater preference for travelling in their home state and unease with taking part in tours and experiences with larger groups of people;
- fierce competition from other domestic tourism destinations, making it difficult to cut through in a cluttered market; and
- many Australians are looking forward to international travel once borders re-open and may prioritise overseas holidays over domestic travel, impacting the Queensland visitor economy.

Opportunities

Although there are many challenges to face, opportunities exist to strengthen the Queensland visitor economy through innovation and to rebuild consumer demand, aviation capacity and the value of Queensland's events calendar to protect and increase market share, including to:

- grow market share by driving awareness and converting consumers who can travel now:
 - While Australian borders are closed, opportunity exists to increase travel from Australians who would usually have travelled overseas;
 - Since the lifting of initial COVID-19 restrictions, both interstate and intrastate travellers tended to stay for longer and spend more per trip than during the pre-COVID period. As a result, the average spend per leisure visitor in Queensland was higher in the year ended March 2021 than it was pre-COVID-19;
- engage and collaborate with key stakeholders across the tourism network to effectively deliver state and federal recovery plans;
- implement Queensland's 'Travel for Good' purpose-led brand positioning to cater to changing consumer values and needs including:
 - reinforcing Queensland's perception as a safe and secure destination;
 - leveraging Queensland's nature-based tourism offerings; and
 - showcasing the diversity of experiences across Queensland's regions;
- maximise international bubble opportunities as borders reopen;
- showcase the diversity and quality of COVID Safe event experiences to build consumer confidence and event attendance;
- foster innovation in visitor experience delivery aligned to identified consumer trends and priority areas to meet consumer demand;
- harness data and technology capability in order to better meet expectations for increasingly personalised services;
- showcase Aboriginal and Torres Strait Islander tourism offerings and experiences in Queensland through Year of Indigenous Tourism (YOIT) activity;
- leverage the Brisbane 2032 Olympic and Paralympic Games opportunity to maximise benefits to improve tourism outcomes, tourism infrastructure and enhance destination image;
- rebuild aviation access and capacity with global partners; and
- utilise insights, research and analysis into global economic impacts, market trends and consumer behaviour to inform decision making.

TEQ is committed to pursuing its business objectives while managing the impact of significant risks and challenges that can be meaningfully controlled. TEQ manages strategic challenges and optimises opportunities by:

- working in partnership with government, RTOs, the Queensland Tourism Industry Council (QTIC) and industry;
- taking a balanced portfolio approach to global market investment;
- monitoring and responding to economic and consumer insights to understand positive and negative impacts on consumer demand;
- supporting the supply and development of tourism experiences and aviation capacity that are aligned to identified consumer trends and priority areas;
- maintaining effective legal, regulatory, business continuity, financial, technology and cyber security controls to ensure strong governance; and
- implementing a robust crisis response framework to enable business continuity when issues arise.

Industry performance overview 2020-21

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.

The latest OVE data available is for the year ended March 2021. Queensland's performance against key measures is detailed below.

Overnight visitor expenditure ¹¹

The tourism and events industry had a very difficult 2020-21. According to Tourism Research Australia's International and National Visitor Surveys, total OVE in Queensland was \$12.2 billion for the year ended March 2021, a decline of 50.6 per cent over the year (down by \$12.5 billion). In comparison, total OVE in New South Wales declined by 54.7 per cent to \$14.8 billion and total OVE in Victoria declined by 73.7 per cent to \$6.6 billion over the year.

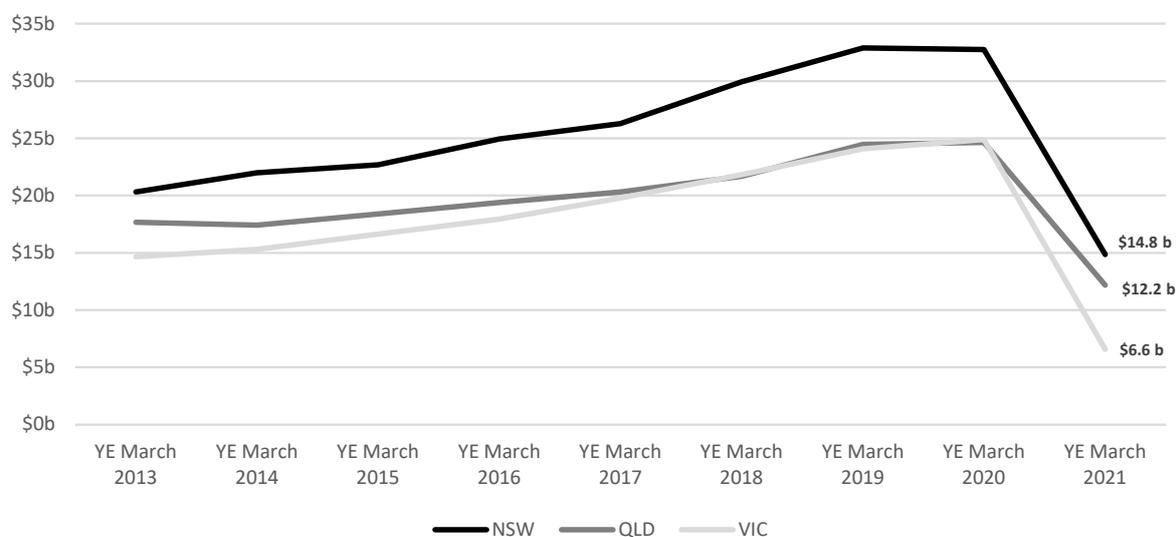


Figure 1: Total OVE in Queensland, New South Wales and Victoria

¹¹ Source: Tourism Research Australia, International and National Visitor Surveys, year ended March 2021. Further information on tourism research and insights, including a breakdown of Queensland visitation and OVE results by purpose of visit, can be located at www.teq.queensland.com. Please note 'YE' denotes Year Ended.

Queensland's decline in total OVE over the year was driven by a 98.4 per cent decrease in international OVE (down by \$5.6 billion) and a 36.2 per cent decrease in domestic OVE (down \$6.9 billion). Due to the lack of international travel, domestic travel accounted for 99.3 per cent of the total OVE in Queensland in the year ended March 2021, up from 76.2 per cent in the year ended December 2019. Correspondingly, the share of OVE attributable to international visitors fell from 23.8 per cent to 0.7 per cent.

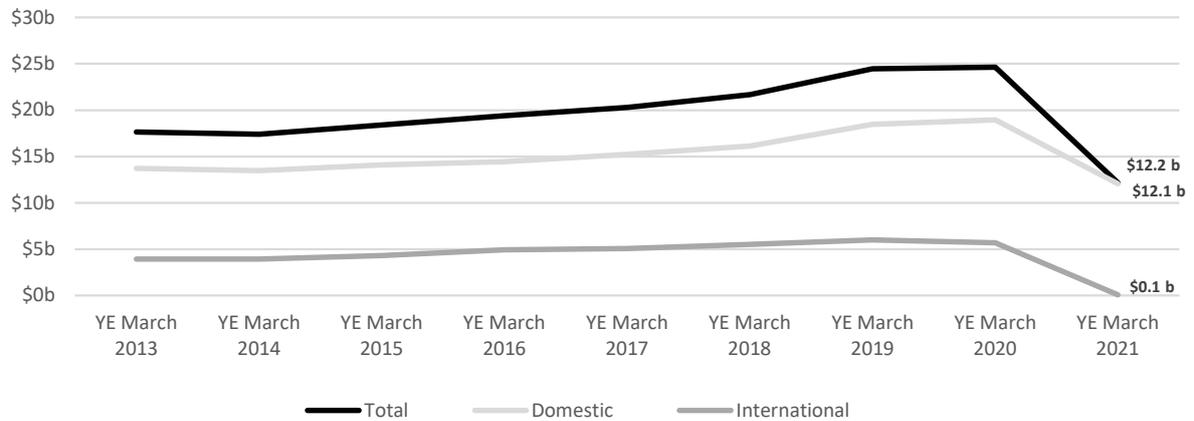


Figure 2: OVE in Queensland

As COVID-19 restrictions eased, the Queensland public responded with a surge in domestic travel, particularly intrastate travel. As a result, the proportion of domestic OVE from intrastate visitors increased from 53 per cent in the year ended December 2019 to 77 per cent in the year ended March 2021. While intrastate visitation was down overall (down 13.7 per cent in the year ended March 2021), intrastate holiday travellers spent a record \$4.8 billion in Queensland in the year ended March 2021, up 19.6 per cent year on year.

The strong uptake in intrastate travel by Queenslanders, combined with extended lockdowns in other states, saw Queensland's market share of all OVE in Australia increase by 3.4 percentage points year on year to 26.4 per cent in the year ended March 2021.

Regional performance¹²

Total OVE and visitation performance in each of Queensland's tourism regions for the year ended March 2021 is highlighted in the table below.

A multi-speed recovery has been observed across the state with some destinations benefitting from an increase in domestic travel while other regions are still heavily impacted by international travel restrictions and reduced business travel. Across a range of sources¹³, the data points to several regions leading the recovery in Queensland including the Southern Great Barrier Reef, Southern Queensland Country and Sunshine Coast regions. At the other end of the scale, the Brisbane, Tropical North Queensland and Gold Coast regions face the largest recovery challenges.

Table 1: Total OVE and visitation in Queensland regions, year ended March 2021

	OVE			Overnight visitation		
	Total OVE (\$m)	Annual change (%)	Change since 2019 (%)	Total visitors ('000)	Annual change (%)	Change since 2019 (%)
Brisbane	\$2,591.1m	-66.8%	-68.7%	4,644	-49.6%	-51.9%
Sunshine Coast	\$2,041.4m	-31.0%	-32.6%	3,137	-24.0%	-28.4%
Gold Coast	\$1,890.9m	-61.2%	-62.4%	2,445	-50.2%	-53.7%
Tropical North Queensland	\$1,563.1m	-55.5%	-55.8%	1,488	-48.9%	-50.8%
Southern Great Barrier Reef	\$1,037.8m	-15.8%	-19.9%	1,830	-23.4%	-25.5%
Whitsundays*	\$631.9m	-3.5%*	-9.1%	528	-10.6%*	-37.9%
Southern Queensland Country*	\$631.6m	-5.1%*	-25.0%	1,773	-5.0%*	-22.7%
Outback Queensland*	\$517.2m	-7.2%*	-35.3%	855	-3.7%*	-27.4%
Townsville	\$486.8m	-45.0%	-45.0%	731	-45.7%	-48.7%
Mackay*	\$400.4m	1.1%*	-24.7%	874	-2.4%*	-21.4%
Fraser Coast*	\$330.2m	-10.0%*	-27.9%	579	-10.8%*	-35.5%

* All percentages in the 'Annual change (%)' columns refer to annual growth except for the Whitsundays, Southern Queensland Country, Outback Queensland, Mackay and Fraser Coast regions which refer to the trend change over three years. Trend changes are used to analyse changes for regions with small sample sizes.

Forecasts

While there are encouraging signs around tourism industry recovery, there are still challenges ahead as the industry adapts to new trends and preferences in travel in response to the pandemic. Latest forecasts by Tourism Economics indicate that recovery in the aviation sector back to 2019 passenger levels will occur earlier for the domestic leisure and business segments than for the international segment¹⁴.

It may take until 2024 for international leisure travel to return to 2019 levels. These forecasts suggest a faster recovery for international leisure than international business. Recovery will vary by country and region, and market mix and policies will affect growth and timing. Under the current forecast, the Asia Pacific region will perform best in the recovery phase leading to 2024 among the key source market regions for Queensland (compared to the 2019 baseline).

The outlook for recovery in international travel is a great source of uncertainty and is dependent on many factors.

¹² Source: Tourism Research Australia, International and National Visitor Surveys, year ended March 2021. Southern Great Barrier Reef incorporates the Capricorn, Gladstone and Bundaberg regions.

¹³ Including the International Visitor Survey, National Visitor Survey, STR and Tourism Business Sentiment data.

¹⁴ Tourism Economics, Travel in 2021: The recovery starts here, June 2021.

Business sentiment

Businesses have faced many challenges since the start of the pandemic including the industry being required to adapt to the new operating environment and comply with COVID Safe requirements. TEQ regularly tracks business sentiment and the issues affecting the industry. Over the past year, both supply and demand issues have affected business performance with border closures (international and domestic) and COVID Safe density restrictions the most commonly cited issues. More recently, labour shortages and the difficulty of attracting staff has risen in prominence.

In adapting to the new environment, some businesses have strategically shifted their focus to the domestic market, tailoring their products and services to cater for domestic consumers. Others have adapted by improving their online digital presence including website, social media and digital advertising.

Social impacts of tourism

TEQ's 2021 Social Indicators Study¹⁵ surveyed more than 3,000 residents across Queensland to measure the impact of tourism on Queensland communities.

The study showed that Queensland residents continue to have a positive attitude towards tourism. Nearly one in three Queenslanders (31 per cent) want more tourists in their local areas. This was particularly evident in the regions outside of South-East Queensland, i.e. outside of Brisbane, the Gold Coast and Sunshine Coast. Regional residents overwhelmingly want more tourists, say they 'really like' tourists, and seek continued tourism development.

Queenslanders continue to agree that because of tourism there is greater cultural diversity (89 per cent), economic benefits (89 per cent), greater awareness due to festivals and events (88 per cent), an increased regional profile (83 per cent), increased local pride (71 per cent) and new infrastructure (67 per cent).

It should be noted fieldwork took place throughout June and July 2021 while various COVID-19 outbreaks were occurring in New South Wales, Queensland and Victoria, which may have influenced more residents to have a neutral view of tourism. The proportion of residents that think tourism has a neutral (rather than positive) effect on the community increased from 54 per cent in 2019 to 57 per cent in 2021, and the share that 'really like tourists' declined from 50 per cent in 2019 to 42 per cent in 2021. In addition, the number of Queensland residents that want continued tourism development growth decreased from 59 per cent in 2019 to 55 per cent in 2021.

Queensland brand performance

Growing equity in the Queensland brand is part of the long-term marketing strategy for Queensland and TEQ's goal is to maintain its brand leader position amongst competitor destinations such as New South Wales, Victoria, New Zealand, Bali and Japan. In 2019-20, a new brand performance measurement was implemented, developed by Kantar¹⁶, with Queensland scoring the highest out of the 16 domestic and international destination brands included in the study.

Despite the challenges of the pandemic, Queensland maintained the category leader position in 2020-21 and increased its Power Score - a representation of the brand's ability to drive predisposition based on perceptions - from 9.9 per cent in 2019-20 to 10.9 per cent in 2020-21.

¹⁵ Source: TEQ, Social Indicators 2021, July 2021.

¹⁶ 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](#).