

About Tourism and Events Queensland

Tourism and Events Queensland is Queensland’s lead marketing, destination and experience development and major events agency. In partnership with Government, 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.

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 the State by growing the tourism and events industry.

Our mission

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, Tourism and Events Queensland (TEQ) is a statutory body under the *Tourism and Events Queensland Act 2012 (the Act)* and part of the portfolio of Tourism, Major Events 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; and
2. to identify, attract, develop and promote major events for the State that -
 - a) contribute to the Queensland economy; and
 - b) attract visitors to Queensland; and
 - c) enhance the profile of Queensland; and
 - d) foster community pride in Queensland; and
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.

Executive management

In 2016-17 TEQ's senior executive team comprised five Group Executives, led by the Chief Executive Officer, Leanne Coddington. Responsibilities of the Chief Executive Officer include:

- 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 the Queensland tourism industry operators and assist them to grow through cooperative and collaborative partnerships;
- 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.

The key areas of focus for each Group Executive are as follows.

Global Marketing (Group Executive - position vacant as at 30 June 2017; Michael Branagh commenced 3 July 2017)

- Lead the implementation of TEQ's global *Marketing Strategy 2025*;

- Identify, showcase and support the development of the Best of Queensland Experiences; and
- Develop consumer driven activity that delivers increased overnight visitor expenditure for industry.

Destinations and Global Partnerships (Group Executive - Rick Hamilton)

- Work in partnership with RTOs and industry to deliver their Destination Tourism Plans, with a particular focus on maximising the opportunity that each destination's hero experiences 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 multi-year strategic trade partnerships to deliver increased visitor expenditure to Queensland's experiences and products; and
- Manage cross-Government projects in partnership with DTESB, State, Local and relevant Federal Government agencies.

Events (Group Executive - John Drummond Montgomery)

- Deliver a world-class calendar of events for Queensland, guided by the *Events Strategy 2025*; and

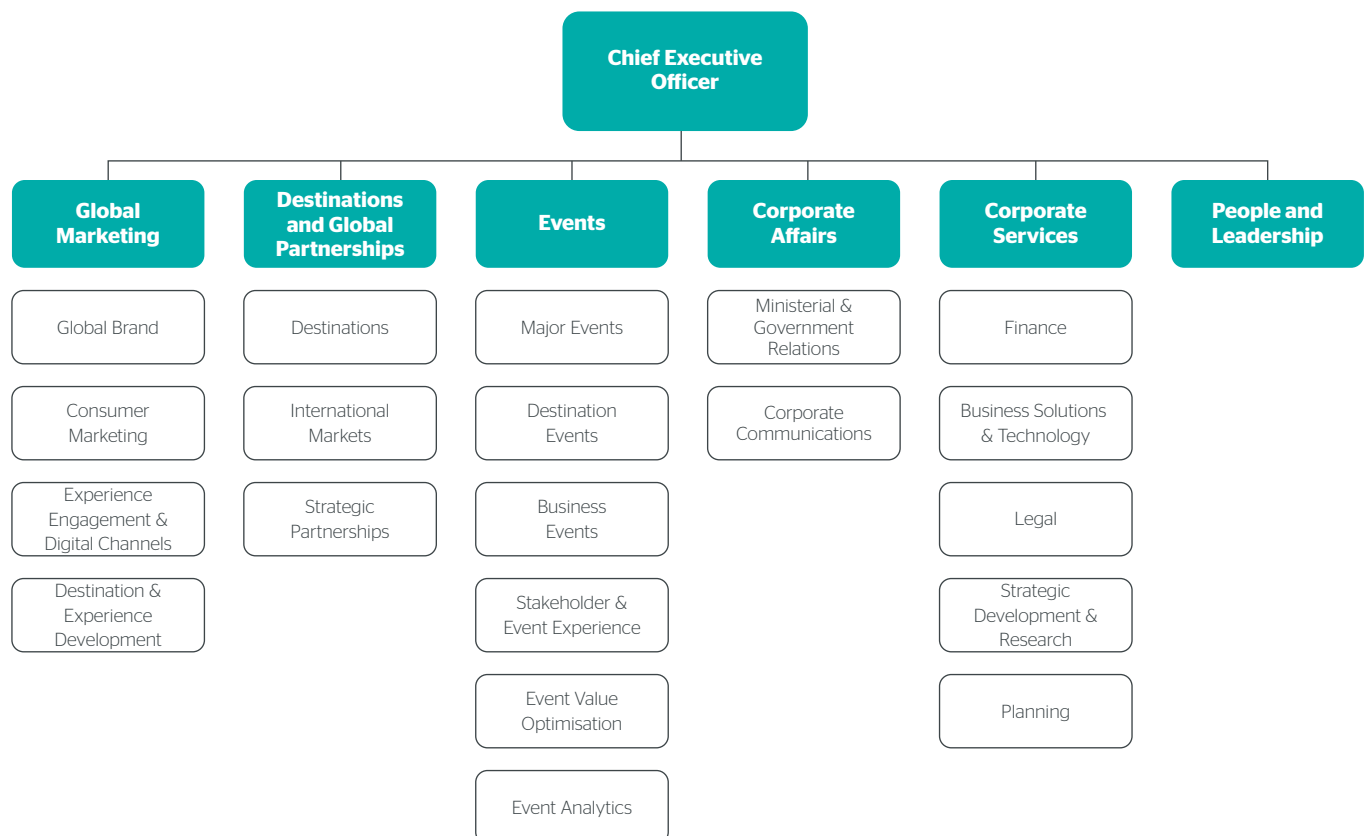
- Attract people to experience the best address on earth through optimising the value of Queensland's event calendar and leveraging the competitive advantage provided by Queensland's unique event experiences.

Corporate Affairs (Group Executive - Megan Saunders)

- 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.

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.



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.



Agile and responsive

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



One team

We work in partnership with our teammates and always act for the good of the whole.



Go beyond

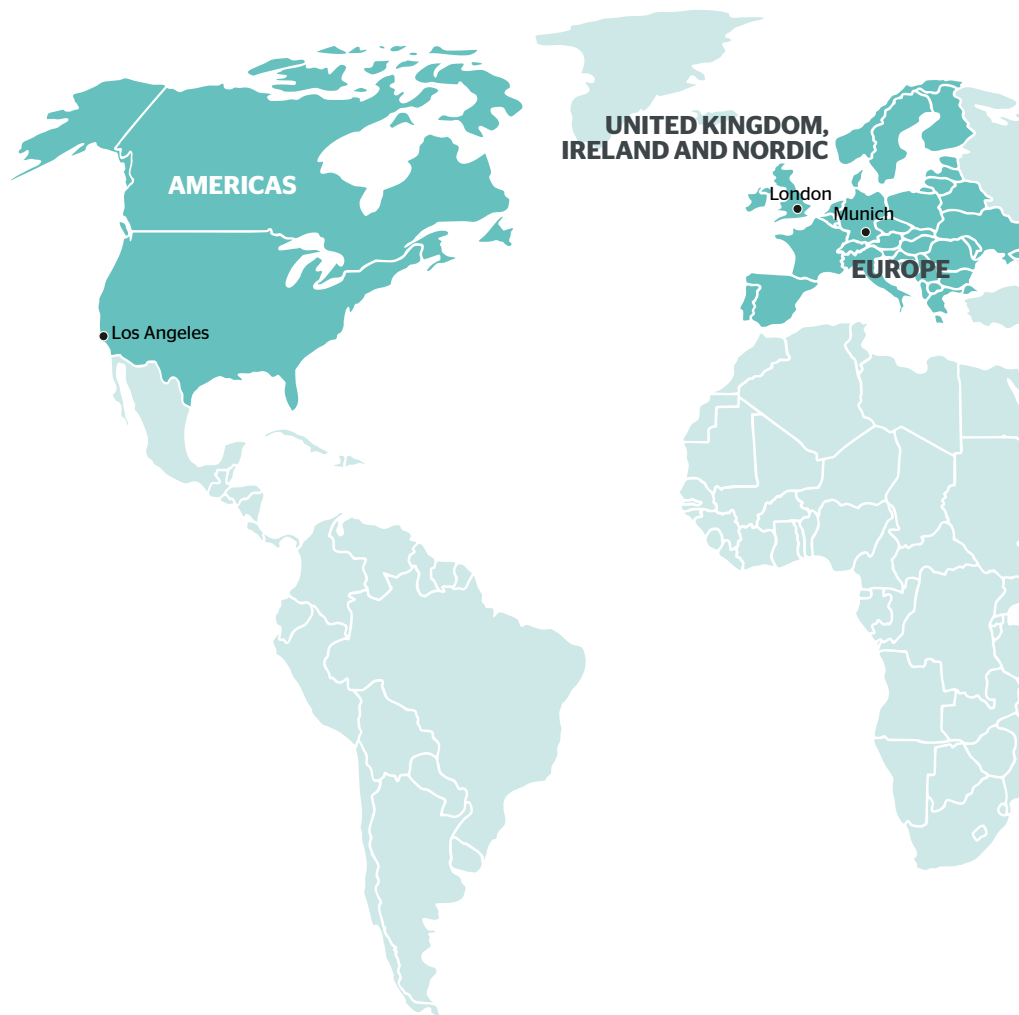
We are creative, innovative and solutions-driven. We strive for continuous improvement, and make a difference where it really counts for Queensland.

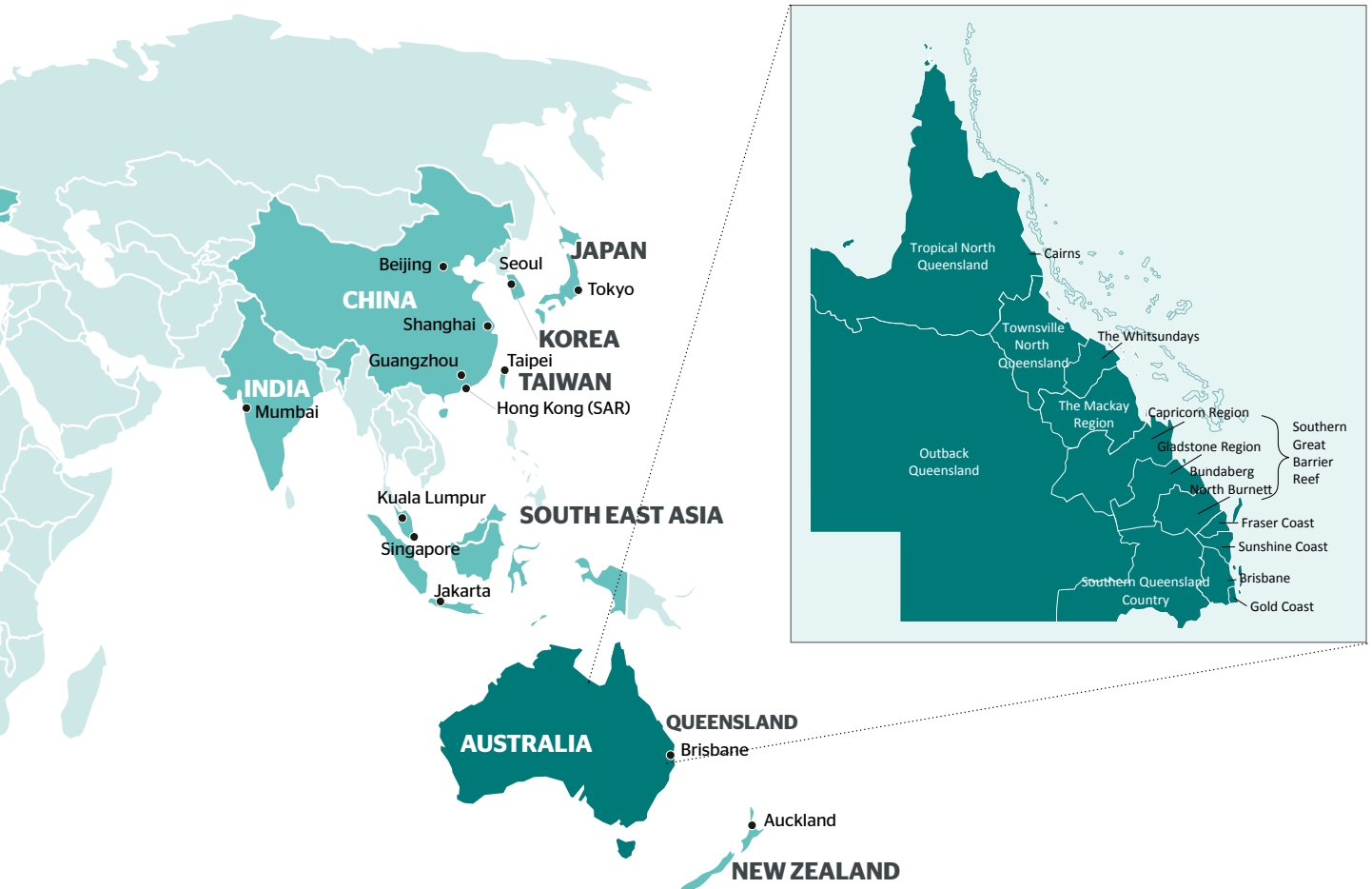
Locations

TEQ's Head Office is located at 30 Makerston Street, Brisbane, 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 7.

Global reach

TEQ has a presence in 13 strategically important international markets: the Americas; China; Europe; Hong Kong; India; Indonesia; Japan; Korea; Malaysia; New Zealand; Singapore; Taiwan; and the United Kingdom, Ireland and Nordic. TEQ's international offices are detailed in the directory on page 80 of this report. In addition, TEQ partners on activity in key emerging markets that have been identified to offer growth opportunities for Queensland in the medium to long-term.



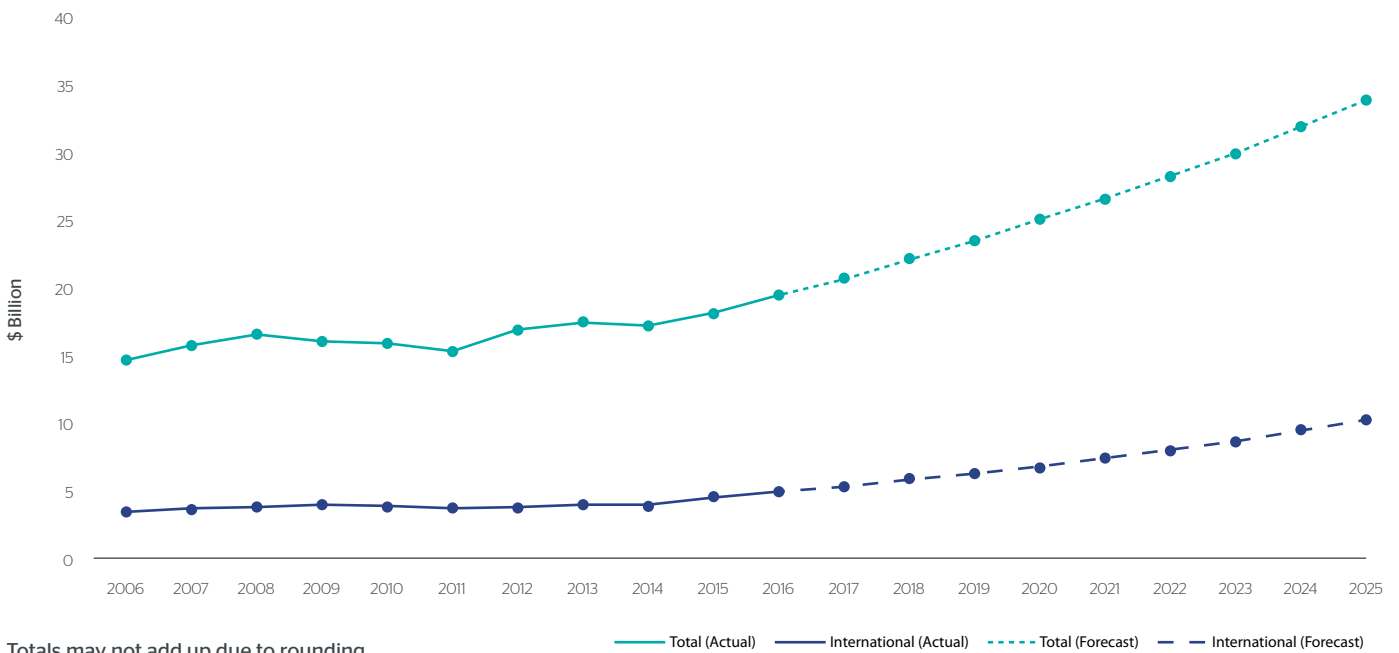


Our operating environment

Tourism is vital to Queensland's economy, generating \$25 billion for the State. Tourism contributes 7.9 per cent of Gross State Product (GSP) and employs 225,000 Queenslanders directly and indirectly. The coming decade will bring enormous opportunities for Queensland's tourism and events industry¹, including the potential to generate over \$33 billion in overnight visitor expenditure (OVE) by 2025², supporting more than 100,000 additional jobs in the State's economy. Much of this growth will come from our international markets which by 2025 will represent approximately 33 per cent of total OVE (up from 25 per cent in 2017).

Industry Performance and Targets

Queensland's Overnight Visitor Expenditure (OVE), 2006–2025 (forecast)



Rapid growth in Asian countries, especially China and India, means the Asian middle class is expected to grow from around 500 million to 3.2 billion by 2030.³ By 2025, outbound tourism from the Asia-Pacific region will generate an additional 190 million international arrivals.⁴ Asian tourism to Australia is growing at an unprecedented rate, assisted by increasing wealth and favourable economic conditions. Strong growth has also been experienced in key western markets, led by the United States of America, New Zealand, Germany and Canada, underlining the importance of a balanced approach to global markets.⁵ The anticipated growth in Queensland's international source markets through to 2025 is highlighted in the following diagram.

¹ Source: Tourism Research Australia, *State Tourism Satellite Accounts 2015-16*

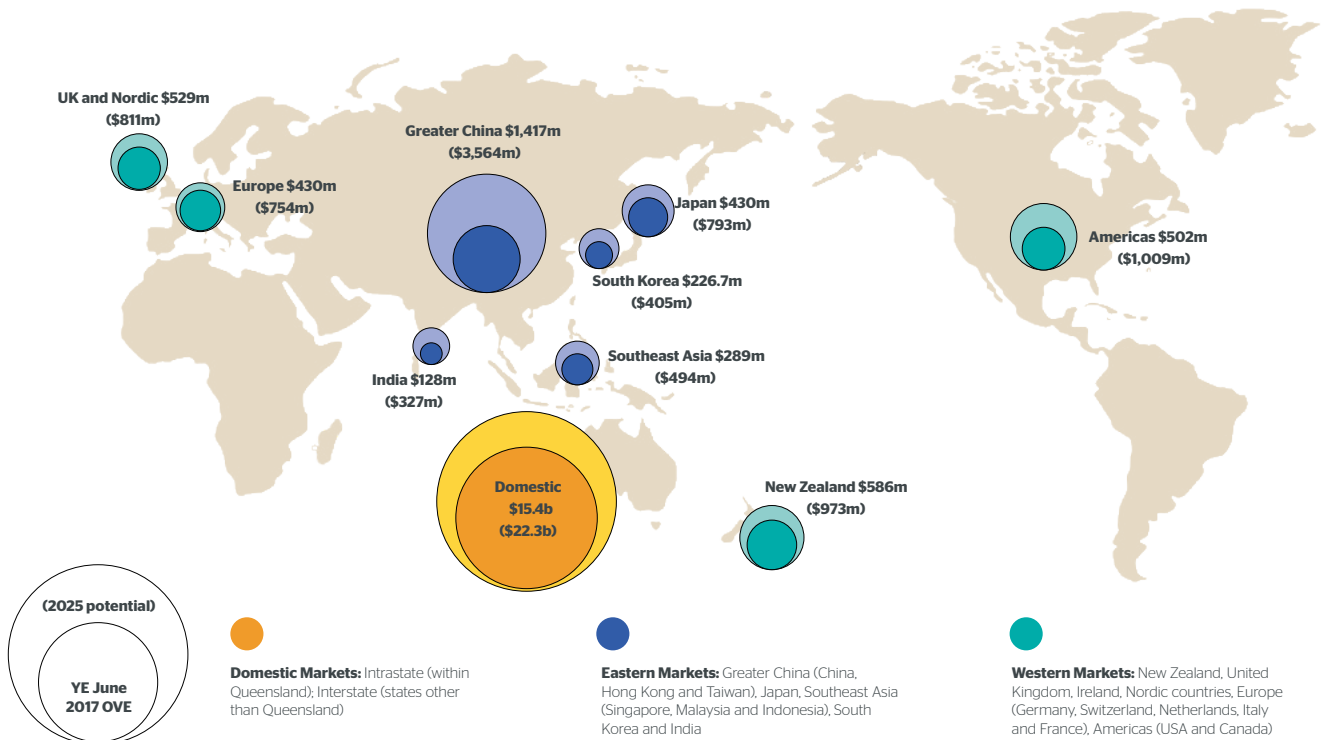
² Source: Tourism Research Australia, year ended June 2017. Note 'p' = projected. 2025 potential based on national-level Tourism forecasts to June 2025. Where forecasts were unavailable, forecast growth for all Western or Eastern markets was used to estimate future potential

³ Source: Australia's Jobs Future, 2015, ANZ PwC AsiaLink Business Services Report

⁴ Source: Oxford Economics, *Tourism Decision Metrics, 2017*

⁵ Source: Tourism Research Australia, 3 year trend to year ending June 2017

Queensland's Key Source Markets



Source: Tourism Research Australia, Year ending June 2017. 2025 potential is based on national-level Tourism forecasts to June 2025. Where forecasts were unavailable five-year historic growth was used to estimate future potential

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.

In 2015, the Queensland Government committed to a four-year funding approach for TEQ. This funding guarantee enables TEQ to enter into multi-year partnerships and take a longer-term view on strategic investment in marketing and events. Through the Tourism Network Funding Program 2016-19, TEQ provides multi-year support to the State's RTOs.

Additional funding announced in 2017 to continue TEQ's four-year funding guarantee through to 2020-21 provides added certainty to strengthen TEQ's negotiating capacity with commercial partners over the longer term and boosts its ability to acquire and retain high value events with longer planning cycles that will deliver visitation growth. Through the Advance Queensland: *Connecting with Asia* strategy, TEQ will continue to target key Asian source markets to drive visitor growth and dispersal throughout the State. On 27 June 2017, TEQ entered into an agreement with China Southern Airlines to operate three flights a week direct from Guangzhou to Cairns. These flights were the first secured under this funding package and are expected to commence in December 2017.

Tourism landscape

Tourism is vital to Queensland's overall economic prosperity and is the State's third largest export industry. Tourism is currently a \$25 billion industry which supports 225,000 Queensland jobs and 54,000 businesses (one in eight Queensland businesses) of which 56 per cent are located in regional Queensland.⁶

\$25 billion
economic contribution

7.9% GSP

1 in 10 jobs

1 in 8 businesses

Industry performance

TEQ provides tourism and events research and insights to industry and Government to inform strategic decision-making for tourism growth in Queensland. Primary research is undertaken to better understand consumers' perceptions and the needs of Queensland's target markets, as well as the experiences that Queensland can offer to meet those needs.

TEQ also leads the analysis and publication of Queensland results from major national tourism surveys including the National Visitor Survey, International Visitor Survey, Overseas Arrivals and Departures and the Tourism Satellite Accounts.

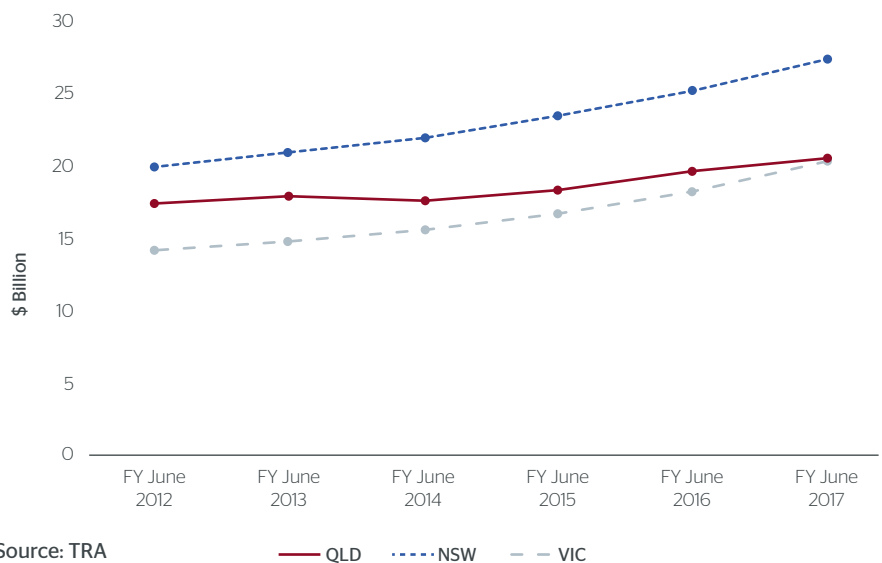
Overnight visitor expenditure⁷

Total overnight visitor expenditure in Queensland reached \$20.6 billion for the year ended June 2017 according to Tourism Research Australia's (TRA) international and national visitor surveys. This was a 4.9 per cent increase compared with the same period in the year prior.

International visitors increased their spending and contributed a 25.4 per cent share in total overnight visitor spending. The balance, 74.6 per cent, was contributed by domestic visitors, of which Queenslanders contributed a 54.2 per cent share.

The total overnight visitor expenditure generated by leisure visitors, the combination of visitors on holiday and those visiting friends and relatives, to Queensland increased 3.6 per cent to \$12.7 billion over the year ended June 2017.

Figure 1: Total overnight visitor expenditure in Queensland, Victoria and New South Wales



The market share of overnight visitor expenditure across Australian states remained relatively stable during the year. Queensland achieved 22.8 per cent of all overnight visitor expenditure in Australia, ranked second in individual states behind New South Wales.

⁶ Sources: TRA, State Tourism Satellite Accounts 2015-2016 and *Tourism Businesses in Australia, June 2012 to June 2016*; Australian Bureau of Statistics, *Counts of Australian Businesses, including Entries and Exits, June 2012 to June 2016* (ABS Cat. No. 81650). Queensland Government Office of Economic and Statistical Research - Overseas exports of goods by industry 2015-16.

⁷ Source: TRA, National and International Visitor Surveys, year ended June 2017 (see 'Note regarding research data' on page 14)

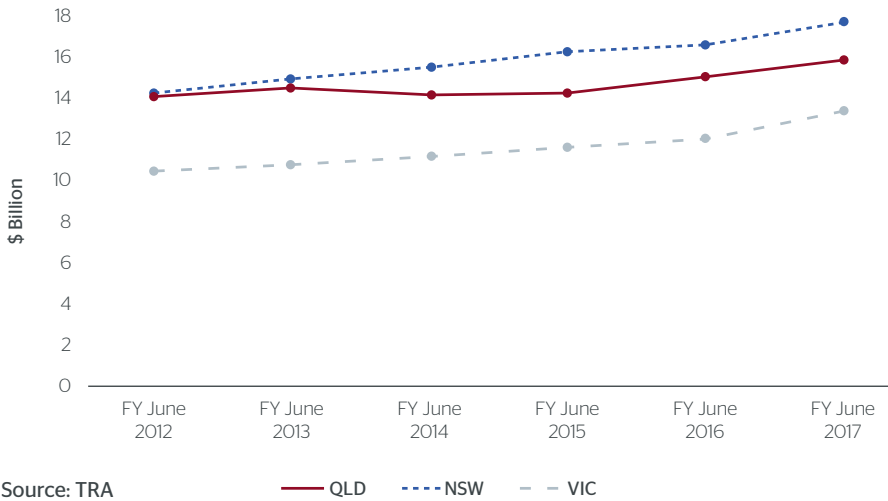
Further information on tourism research and insights in Queensland can be located at www.teq.queensland.com

Please note 'FY' denotes Financial Year

Domestic

Nationally, \$62.6 billion was spent by domestic overnight visitors during the year, of which a record \$15.4 billion was spent in Queensland.

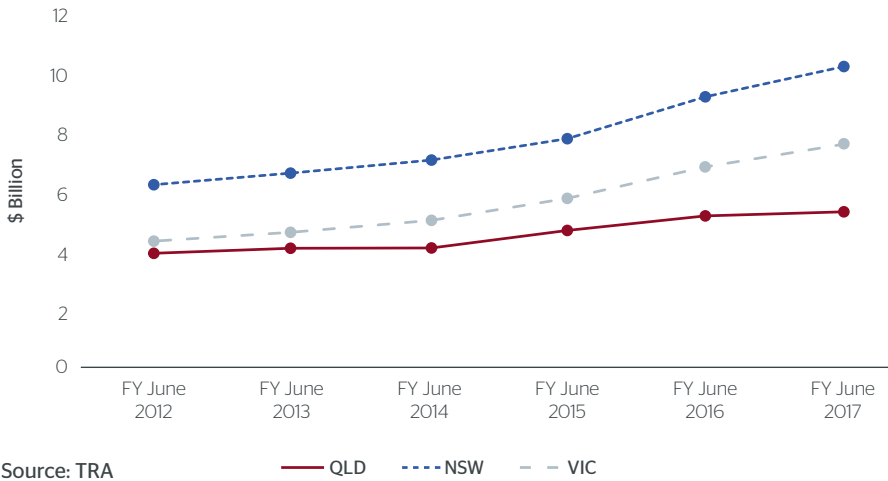
Figure 2: Domestic overnight visitor expenditure in Queensland, Victoria and New South Wales



International

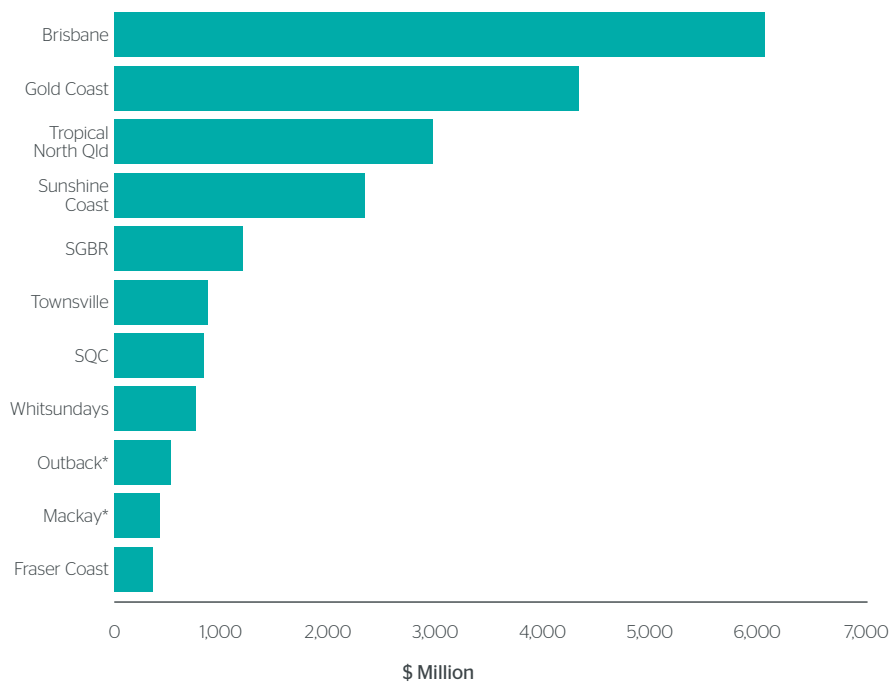
International overnight visitor expenditure in Australia reached \$27.9 billion, including \$5.2 billion spent in Queensland.

Figure 3: International overnight visitor expenditure in Queensland, Victoria and New South Wales



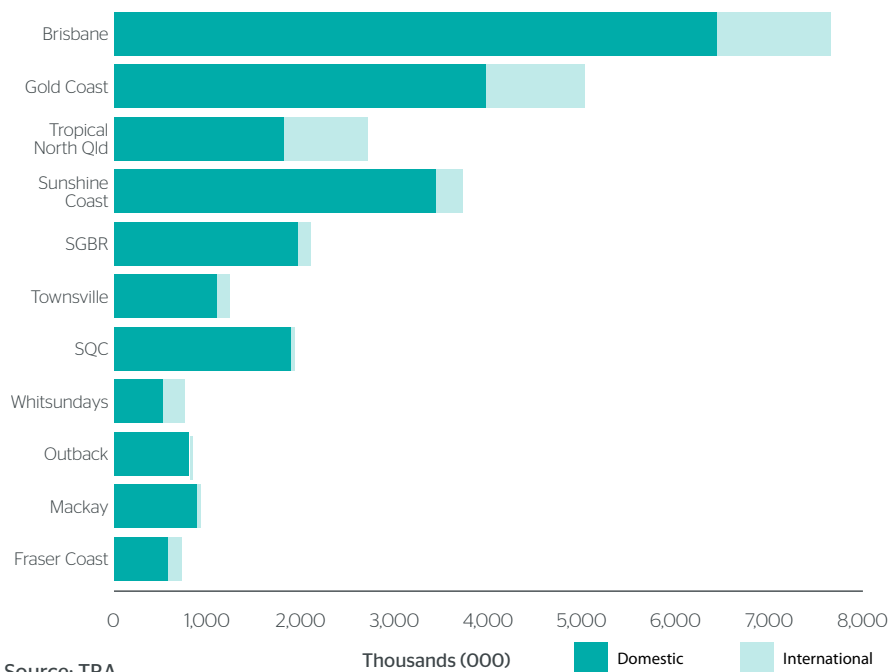
With more than one third of all international travellers to Australia visiting Queensland, international visitation remained strong. International overnight visitor expenditure in Queensland reached a record \$5.2 billion in the year ending June 2017. China had the highest expenditure at just over \$1 billion, followed by New Zealand at \$586.5 million, Japan at \$430.3 million, the United Kingdom at \$421.6 million and the United States at \$365.4 million.

Figure 4: Total overnight visitor expenditure in Queensland regions, year ended June 2017⁷



*Due to sample size, data for the Outback and Mackay regions reflect an average international expenditure over three years.

Figure 5: International and domestic overnight visitors to Queensland regions, year ended June 2017⁷



Source: TRA

Southern Great Barrier Reef (SGBR) incorporates the Capricorn, Gladstone and Bundaberg North Burnett regions. Southern Queensland Country (SQC) incorporates Toowoomba, Southern Downs, Western Downs and the South Burnett.

Note regarding research data

International Visitor Survey (IVS) and National Visitor Survey (NVS)

In 2014, TRA moved to a new methodology for the NVS that included mobile phone interviewing as part of a dual frame overlap survey. This initiative was part of TRA's continuous improvement program. The inclusion of mobile phone users ultimately delivers greater domestic tourism data accuracy. Advancements in the quality of mobile telephone data sets, which were implemented in the NVS build process in late 2015, caused anomalies in the growth rate of some components. This has required back-casting to align the data and allow for the continuation of the time series. Moving forward, the quality of data that the NVS produces will be more accurate as it better reflects the Australian resident population and phone ownership.

The back-cast results have seen a change in volume estimates in 2014 and 2015. Results for other years have not been affected. The average growth rate over the five-year trend has not changed. However, due to the volume changes in 2014 and 2015, growth rates previously published will, in most cases, be reduced in line with the long-term trend.

Figures in the market share tables may sum to more than 100 per cent as visitors may have visited more than one state during their trip.

Queensland brand health

The annual Nielsen study into Queensland's brand health⁸ for 2016-17 showed the Queensland brand performed well compared with competitors. Only around one in five of the world's brands achieve a brand equity⁹ score of more than three out of a ten-point index.

In 2016-17 the Queensland brand achieved a score of 2.5 nationally, and was stable year-on-year.¹⁰ By comparison, the next strongest brands in the competitive set were New Zealand and Europe, which scored 1.7 and 1.5 respectively, and both were also stable compared with 2015-16. The Queensland brand also out-scored similar international destinations such as Hawaii, Japan, Fiji, and Bali, as well as domestic destinations such as Melbourne and Sydney.

Strategic risks

Queensland's tourism industry operates in a highly competitive national and international environment. TEQ conducts an ongoing risk identification and assessment process, classifies risks as either strategic or operational, and mitigates accordingly. Significant strategic risks include:

- Variable economic conditions within Australia and in key source markets that can impact visitor numbers, expenditure and average length of stay;
- Competition from other national and international event destinations that impacts TEQ's ability to secure and develop events;
- Changing visitor expectations and social and environmental impacts that affect the appeal of Queensland's tourism and events products, experiences and destinations; and
- Crises and unexpected events, including adverse weather events, that curtail tourism demand and influence consumer perception.

Looking forward 2017-18

TEQ has identified the following strategic priorities to deliver our objectives in 2017-18:

- Deliver and promote a world-class events calendar;

- Market the best address on earth;
- Destination and experience development;
- Optimise the tourism value of the Gold Coast 2018 Commonwealth Games (GC2018);
- Focus on Asia; and
- Aviation access and strategic partnerships.

Key focus areas for 2017-18 will include:

- Showcasing Queensland's tourism and events experiences to key domestic and international markets through TEQ's experience-based *Marketing Strategy 2025*. Marketing activity will be delivered under the five pillars of: Reef, Islands, Beaches; Natural Encounters; Adventure and Discovery; Queensland Lifestyle, Culture and People; and Events. TEQ will work with TA, RTOs and industry to identify leverage opportunities under this strategy;
- Marketing the Great Barrier Reef and its experiences to key domestic and international markets with a focus on the Great Barrier Reef's unique-selling points, such as size and use, diversity of wildlife and conservation. TEQ will also work to strengthen key strategic partnerships with stakeholders to promote best management practices and build Great Barrier Reef resilience;
- Strengthening Queensland's events calendar through attracting and securing major events for Queensland, strategically investing in events that deliver the greatest benefits across Queensland, and maximising tourism opportunities associated with the GC2018. TEQ remains committed to securing and staging high value business events for Queensland such as the Infinitus China 2018 Incentive Tour and supporting regional tourism through the Queensland Destination Events Program (QDEP);
- Maximising opportunities for Queensland under the \$33.5 million Advance Queensland: *Connecting with Asia Strategy* and the AAIF in partnership with DTESB, RTOs, industry, airports and airlines;

- Working with key partners including the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC), TA, the City of Gold Coast and Gold Coast Tourism to optimise the tourism value of GC2018. TEQ's focus will be maximising interstate and international visitation, length of stay and overnight visitor expenditure pre, during and post GC2018. Key activities domestically and internationally will include trade and media engagement, digital marketing and public relations activity, and consumer marketing activities delivered in conjunction with key commercial partners and via the *It's Live! in Queensland* events marketing platform;
- Continuing to grow TEQ's digital footprint which currently includes an engaged audience of more than 3.8 million consumers globally across e-newsletter and social media platforms;
- Strengthening existing and identifying new strategic partnerships with airlines, travel trade and industry and delivering activities under established partnerships;
- Supporting TEQ's partnership with Queensland's 13 RTOs through the Tourism Network Funding Program 2016-2019;
- Delivering destination and experience development activities including reinforcing Queensland's competitive position through the Best of Queensland Experiences Program, encouraging and supporting the tourism industry to innovate and deliver quality visitor experiences, and supporting Queensland's RTOs; and
- Implementing activities to strengthen the tourism potential of the international education market in Queensland. During 2017-18 TEQ will continue to work with Trade and Investment Queensland (TIQ) to assist in implementing its *International Education and Training Strategy to Advance Queensland 2016-2026*.

⁸ The Nielsen Company, *Brand Health*, July 2017 - Australian residents in Queensland, Sydney and Melbourne

⁹ The brand equity index (BEI) is calculated based on consumers' consideration of:

- 1) their favourite destination brand
- 2) brands they would recommend, and
- 3) willingness to pay higher prices.

Source: The Nielsen Company, *Brand Health*, July 2017.

¹⁰ In 2016 the Queensland competitive destination set was updated to include six new competitor destinations. The old and new competitive sets were run in parallel in 2016, and for 2017 the new competitive set has been adopted. As such, there is a break in the series affecting Queensland BEI figures published prior to 2017.