

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 the State by growing the tourism and events industry.

Our mission

We are a consumer-led, experience-focussed 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.

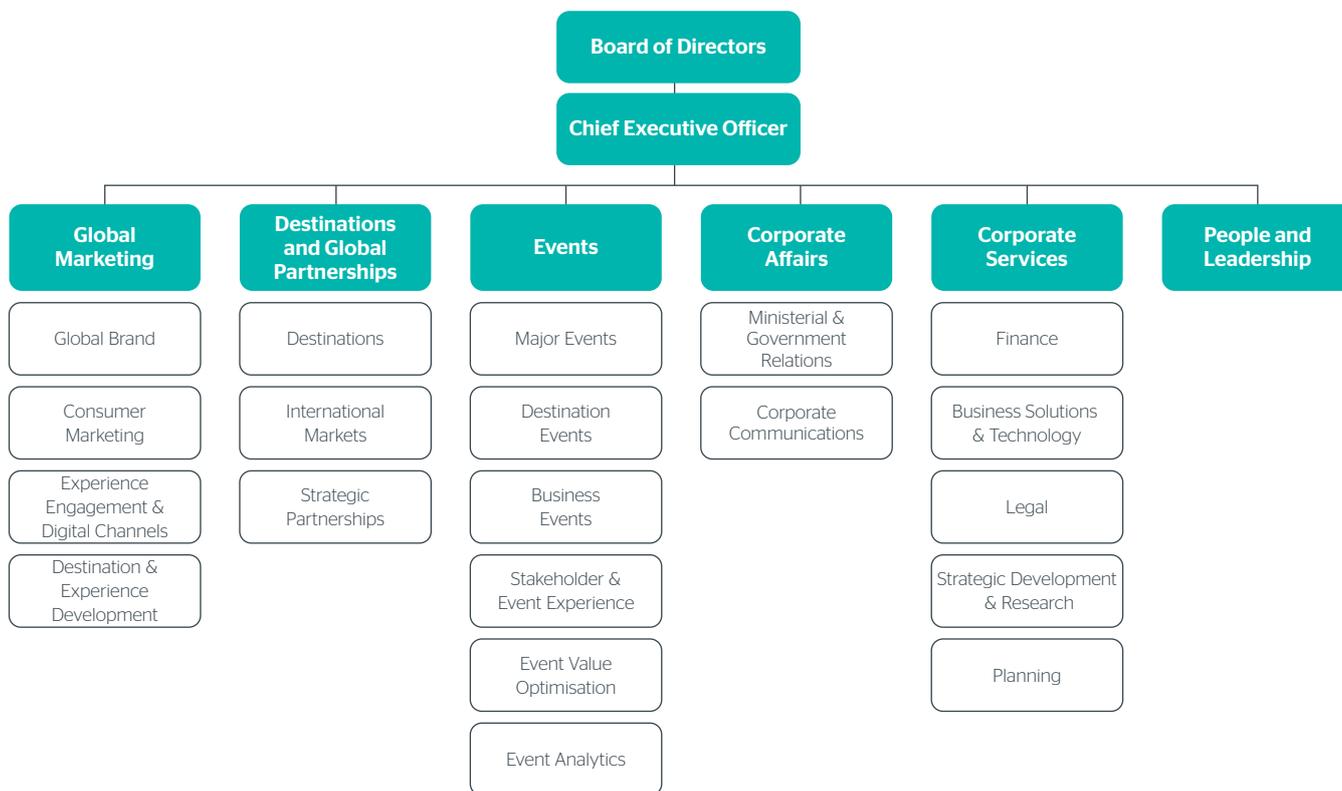


Figure 1: Organisational chart for 2017-18

Executive management

In 2017-18 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 – Michael Branagh. Position vacant as at 1 July 2017; Michael Branagh commenced 3 July 2017)

- 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-focussed consumer marketing activity that delivers increased OVE for industry.

Destinations and Global Partnerships (Group Executive – Rick Hamilton)

- Work in partnership with RTOs and industry to deliver their destination priorities, 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 the Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID), 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 events calendar and leveraging the competitive advantage provided by Queensland's unique event experiences.

Corporate Affairs (Group Executive – Megan Saunders; on secondment from 31 July 2017. Nick Elliott acting from 31 July 2017)

- 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.

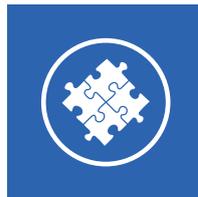
Our values

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.



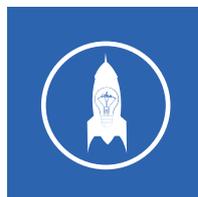
LEAD TOGETHER

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



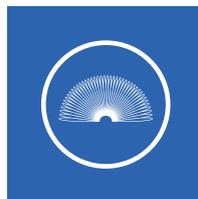
OUR TEAM

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 AND RESPONSIVE

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

Locations

TEQ's Head Office is located at 515 St Paul's Terrace, Fortitude Valley¹ 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

In order to deliver on organisational outcomes, TEQ works in key strategic markets around the world. During 2017-18, TEQ operated from the following 13 international markets: the Americas; 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 89. In addition, where markets have been identified as having growth potential TEQ delivers activity in conjunction with partners.

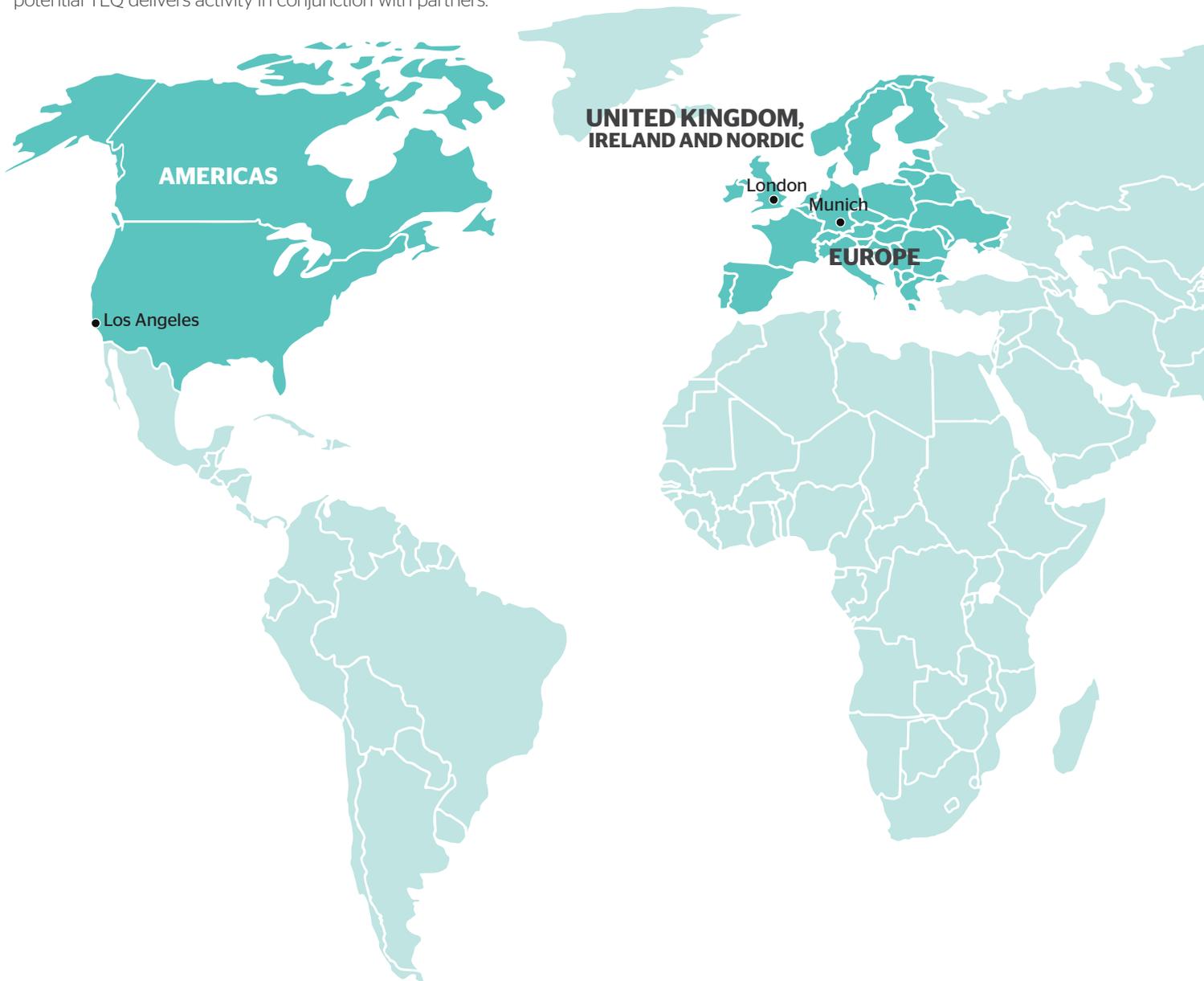
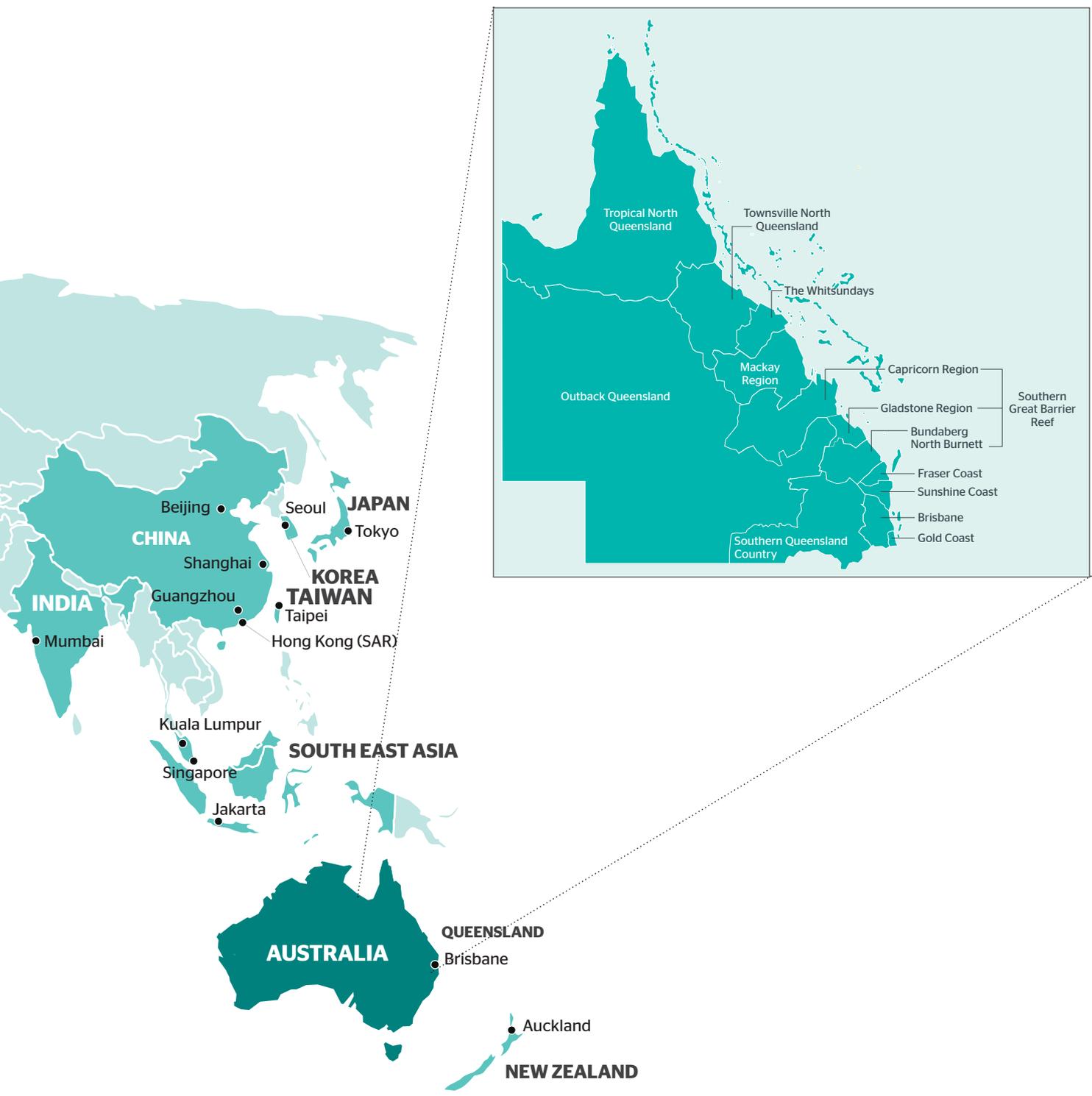


Figure 2: TEQ's reach in strategic markets around the world

¹ During the 2017-18 financial year, TEQ's Head Office was based at Level 10, 30 Makerston Street, Brisbane QLD 4000



Our operating environment

Tourism is a cornerstone of Queensland's economy. The tourism industry in Queensland generates \$25 billion, or 7.8 per cent of Gross State Product (GSP). The industry currently supports 217,000 jobs directly and indirectly². Forecasts indicate Queensland's tourism and events industry has the potential to generate over \$33 billion in OVE by 2025³, 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 2018).

Industry Performance Targets

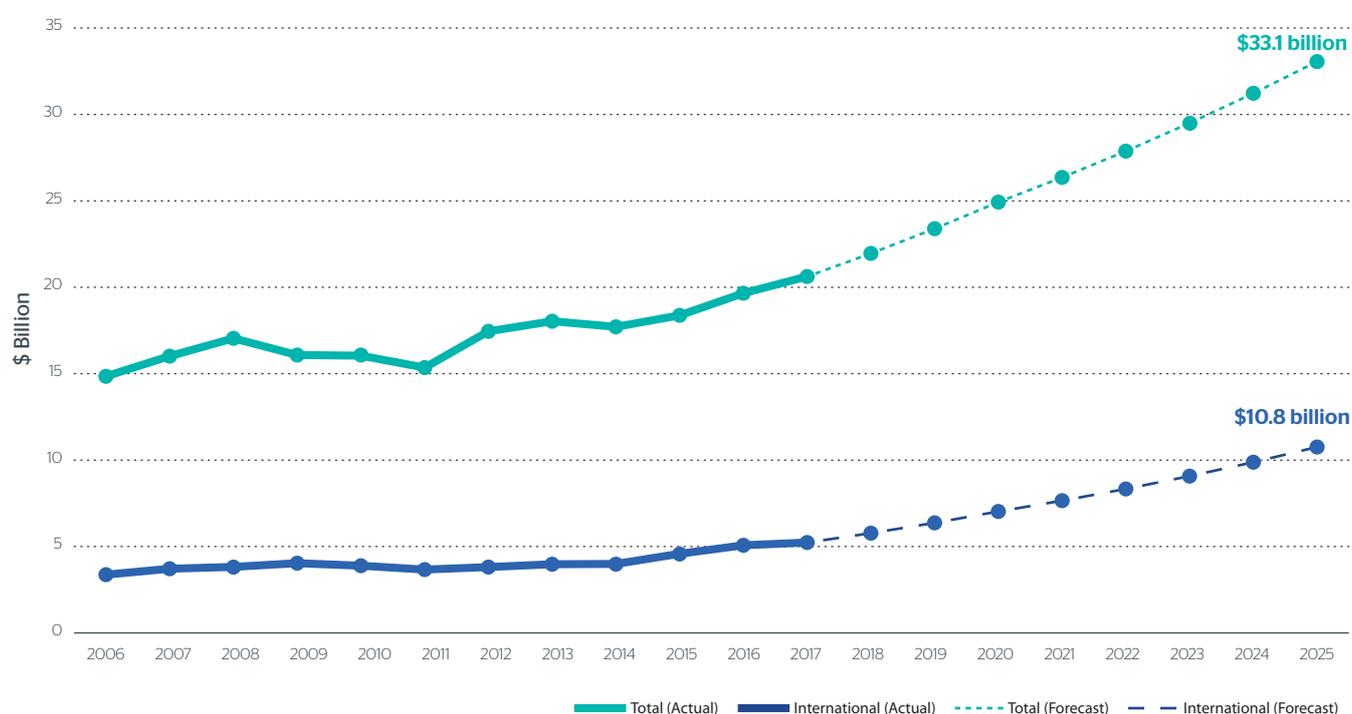


Figure 3: Forecast OVE – Domestic vs International (Year Ending June)

Asian tourism to Australia is growing at an unprecedented rate, up 12.5 per cent over the three years ending March 2018, assisted by increasing wealth and favourable economic conditions. 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 2030⁴. By 2025, outbound tourism from the Asia-Pacific region will generate an additional 150 million international arrivals per year⁵. Strong growth has also been experienced in key western markets, with visitation to Australia up 4.9 per cent over the three years ending March 2018. For Queensland, this has been led by visitation growth from the United States of America, New Zealand, Germany and Canada, underlining the importance of a balanced approach to global markets⁶. The anticipated growth in Queensland's source markets through to 2025 is highlighted in the following diagram.

² Source: Tourism Research Australia, State Tourism Satellite Accounts 2016-17

³ Source: Tourism Research Australia, year ending June 2017.

⁴ Source: Australia's Jobs Future, 2015, ANZ PwC Asialink Business Services Report

⁵ Source: Oxford Economics, Global Tourism Services 2018

⁶ Source: Tourism Research Australia, 3-year trend to year ending March 2018

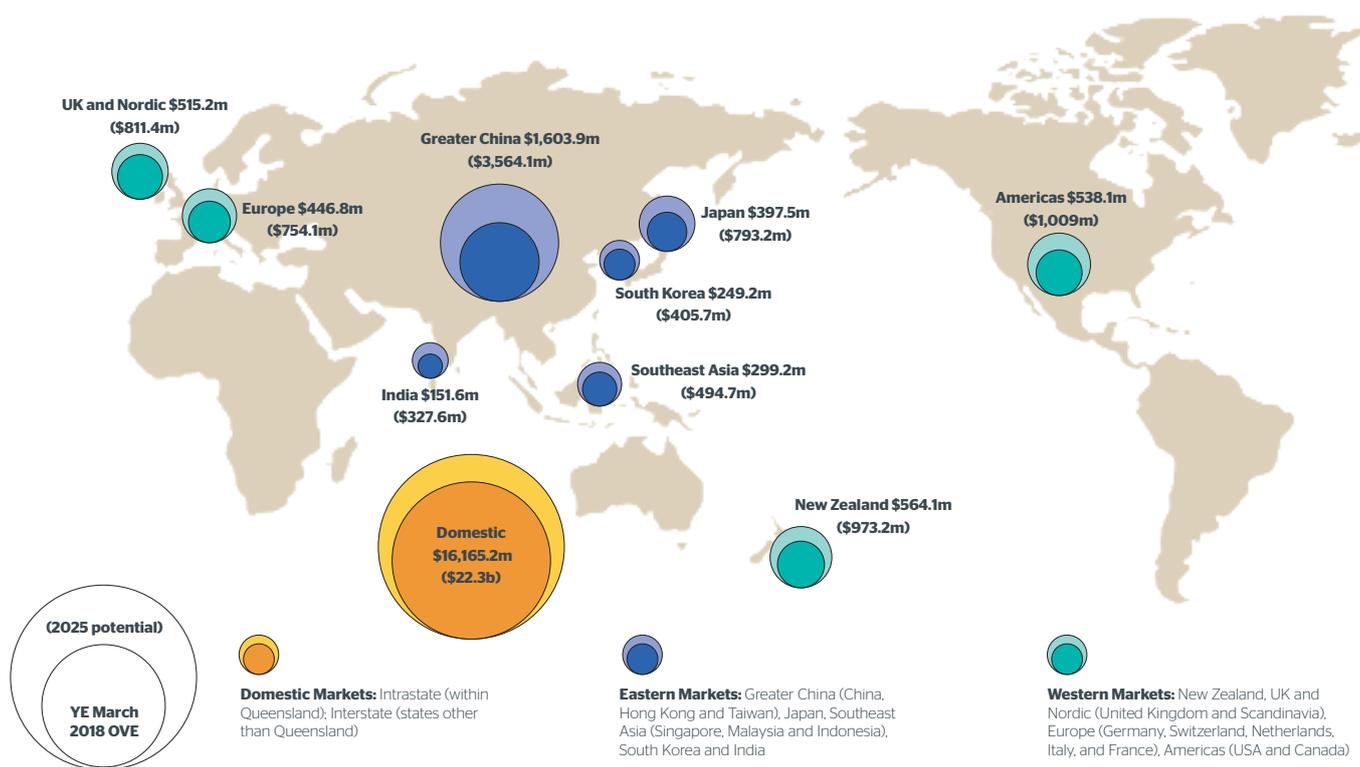


Figure 4: Overview of Queensland key source markets⁷

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.

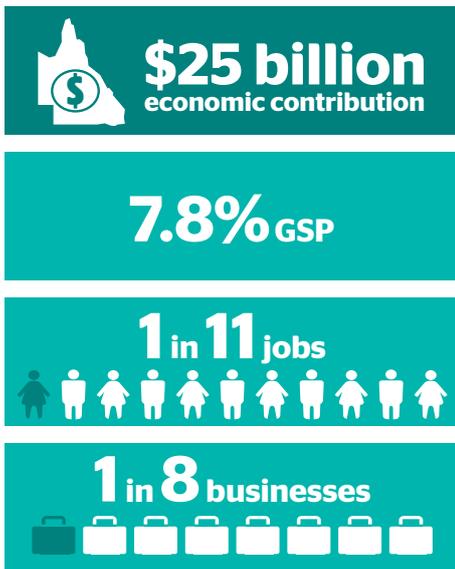
Additional funding announced in 2018 to continue TEQ’s four-year funding guarantee through to 2021-22 provides added certainty and strengthens TEQ’s negotiating capacity with commercial partners over the longer term and boosts its ability to acquire and retain high value events with longer planning cycles that will deliver visitation growth.

Through the *Advance Queensland: Connecting with Asia 2016–20 Strategy*, TEQ will continue to target key Asian source markets to drive visitor growth and dispersal throughout the state. Additionally, through the *Tourism Network Funding Program 2016–19*, TEQ provides multi-year support to the state’s RTOs.

⁷ Source: *Tourism Research Australia, year ending March 2018*. 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.

Tourism landscape

Tourism is Queensland's third largest export industry and is vital to Queensland's overall economic prosperity. Tourism in Queensland supports 217,000 jobs and 54,000 businesses (one in eight Queensland businesses) of which 56 per cent are located in regional Queensland.⁸



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.

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

Overnight visitor expenditure⁹

Total OVE in Queensland reached \$21.7 billion for the year ending March 2018 according to Tourism Research Australia's (TRA) international and national visitor surveys. This was a six per cent increase compared with the same period in the year prior.

The market share of OVE across Australian states remained relatively stable during the year. Queensland and Victoria achieved 23 per cent of all OVE in Australia, behind New South Wales with 31.5 per cent.

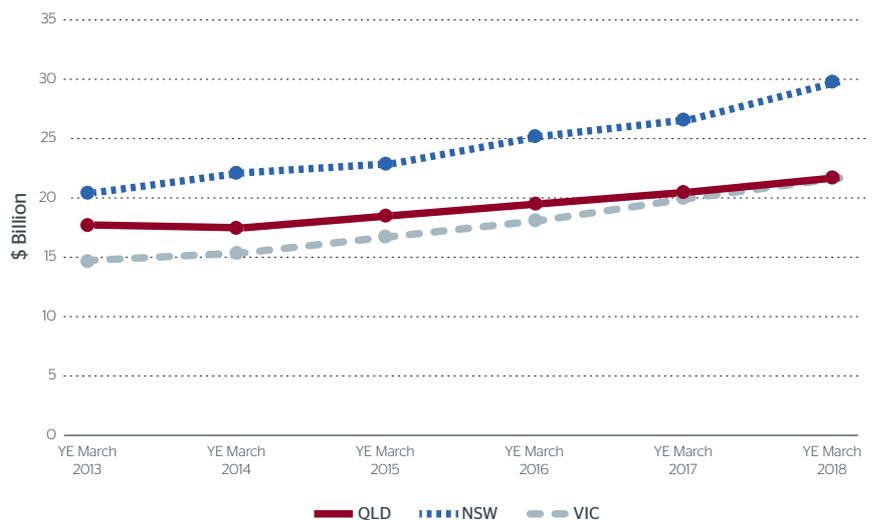


Figure 5: Total OVE in Queensland, Victoria and New South Wales

A quarter of this spending came from international visitors to Queensland (25.4 per cent share of total OVE), with three quarters (74.6 per cent) coming from domestic overnight visitors. Over half of domestic spending in Queensland came from Queenslanders (53.3 per cent share of total OVE).

⁸ Sources: TRA, State Tourism Satellite Accounts 2016-17 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. 8165.0). Queensland Government Office of Economic and Statistical Research – Overseas exports of goods by industry 2015-16.

⁹ Source: TRA, National and International Visitor Surveys, year ended March 2018. Further information on tourism research and insights in Queensland can be located at www.teq.queensland.com. Please note 'YE' denotes Year Ending.

Domestic overnight visitor expenditure

Domestic overnight visitors spent \$65.1 billion in Australia during the year ending March 2018, of which a record \$16.2 billion was spent in Queensland.



Figure 6: Domestic OVE in Queensland, Victoria and New South Wales⁹

International overnight visitor expenditure

Preliminary International Visitor Survey results indicate international OVE in Australia reached \$29.1 billion, including \$5.5 billion spent in Queensland.¹⁰



Figure 7: International OVE in Queensland, Victoria and New South Wales^{9,10}

International OVE in Queensland reached a record \$5.5 billion in the year ending March 2018, with one third of all international travellers to Australia visiting Queensland. China had the highest expenditure at just over \$1.2 billion, followed by New Zealand at \$564.1 million, Japan at \$397.5 million, the United Kingdom at \$394.1 million and the United States at \$380.3 million.

¹⁰ Please note that the International Visitor Survey (IVS) results for the March quarter 2018 are preliminary and do not include any data relating to purpose of visit. This is because the quality of the main purpose of visit component of the passenger data supplied to TRA by the Department of Home Affairs has been identified as a concern. There are no issues with the IVS survey collection methodology. The Australian Government is working to resolve these issues and it is likely that a back cast of TRA data will be required. TRA will release revised estimates once a solution has been implemented.

Regional performance

Total OVE and visitation performance in each of Queensland's 11 tourism regions for the year ending March 2018 is highlighted below.

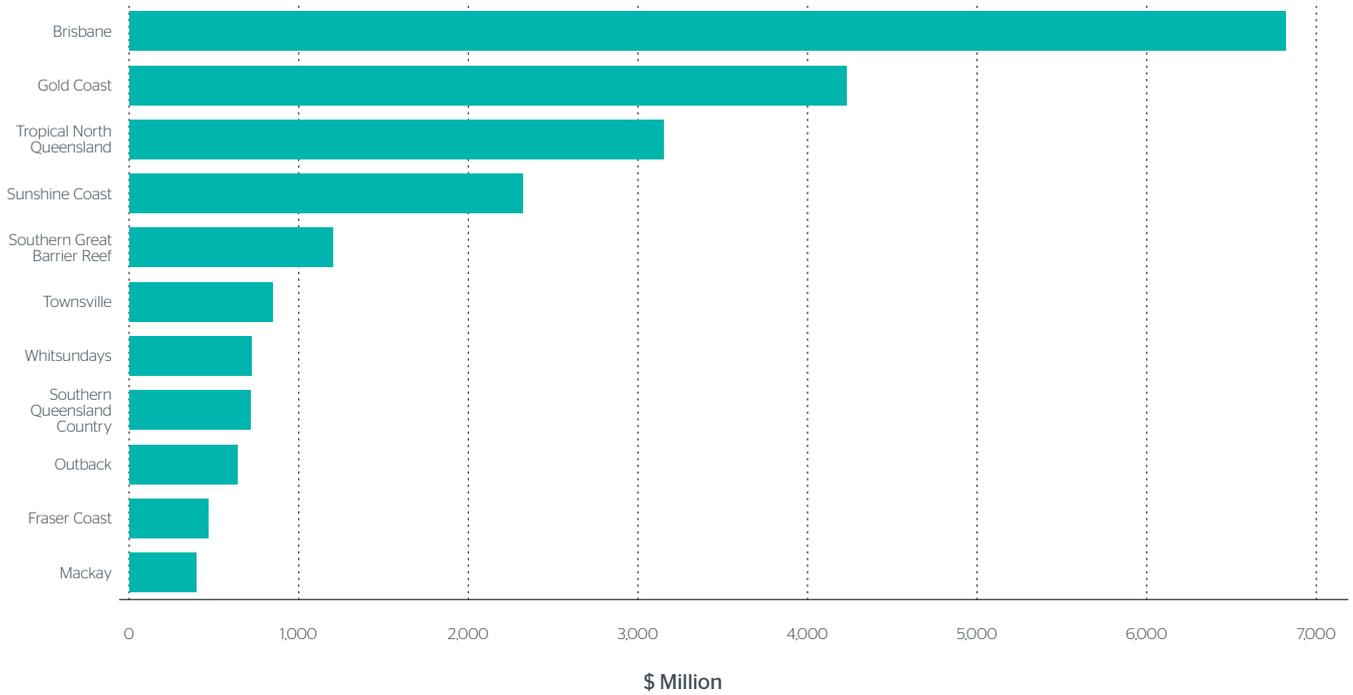


Figure 8: Total OVE in Queensland regions, year ending March 2018^{9,11}

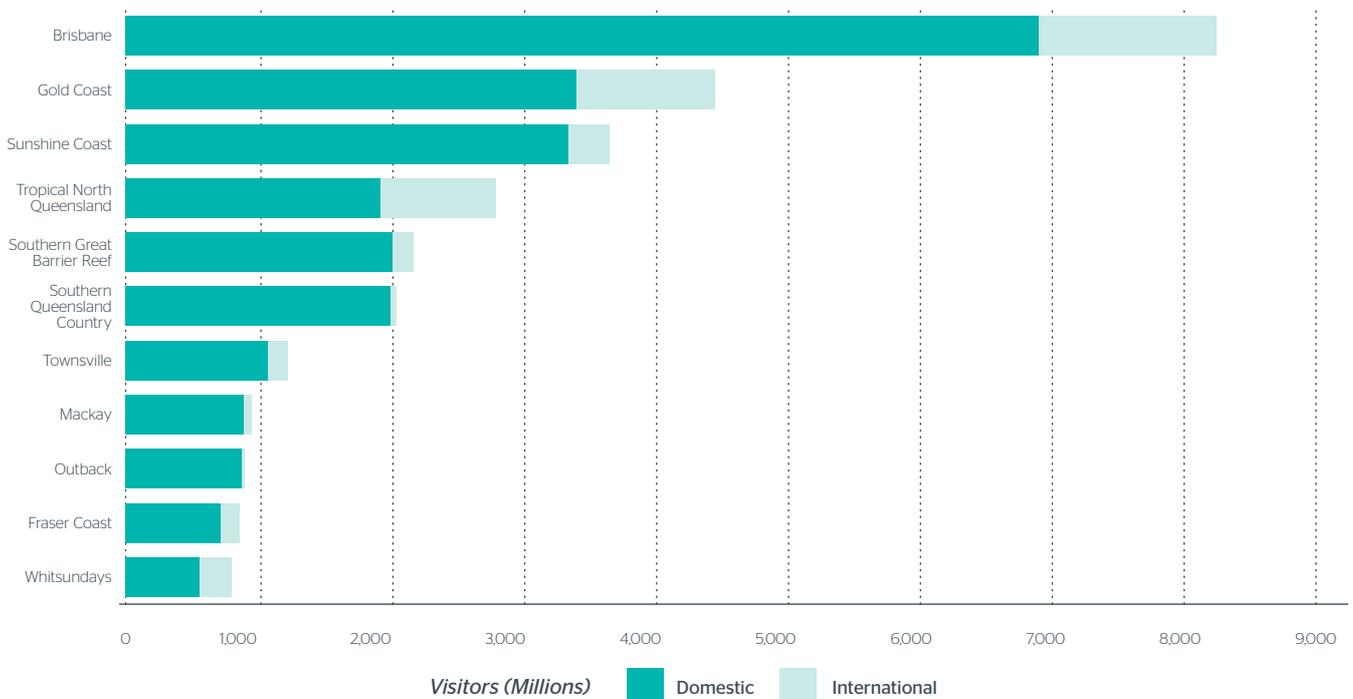


Figure 9: International and domestic overnight visitors to Queensland regions, year ending March 2018^{9,10,11}

11 Southern Great Barrier Reef (SGBR) incorporates the Capricorn, Gladstone and Bundaberg North Burnett regions.

Queensland brand health

The 2017-18 annual Nielsen brand health results¹² 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 its 2016-17 result of 2.5, also putting it ahead of key destinations such as Europe and New Zealand. Approximately 20 per cent of the world's brands achieve a brand equity score¹³ of more than three out of a ten-point index. Brand health is an indicator TEQ continues to monitor.

Strategic risks

Queensland's tourism industry continues to operate in a highly competitive environment that is impacted by the following key strategic risks:

- variable economic conditions within Australia and in key source markets that can impact visitor economy growth;
- competition from other national and international event destinations that impacts TEQ's ability to secure and develop events;
- changing consumer expectations and competition from other destinations that affect the appeal of Queensland's tourism and events products, experiences and destinations; and
- significant uncontrollable external events that may have an effect on visitor numbers and impact consumer perceptions (e.g. natural disasters, pandemics, global financial crises and global shock events).

TEQ's senior leadership team seek to continuously improve identification and management of all strategic and operational risks to minimise adverse impacts on visitor economy growth and the organisation's ability to deliver on corporate objectives.

¹² The Nielsen Company, Brand Health, July 2018 - Australian residents in Queensland, Sydney and Melbourne

¹³ Queensland's BEI score in 2016-17 was 2.5.

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 2018.

Looking forward 2018-19

TEQ has identified the following strategic priorities to deliver our objectives in 2018-19 and beyond:

1. market the best address on earth;
2. maximise the value of Queensland's events calendar;
3. deliver the experience framework;
4. convert high value travellers from priority markets;
5. grow aviation access;
6. optimise strategic partnerships; and
7. be a high performing organisation.

TEQ's focus areas for 2018-19 include:

- showcasing Queensland's tourism and events experiences to key domestic and international markets through TEQ's experience-based marketing strategy. Marketing activity is delivered under the five experience pillars of: Reef, Islands, Beaches; Natural Encounters; Adventure and Discovery; Queensland Lifestyle, Culture and People; and Events. TEQ is working with TA, RTOs and industry to identify and leverage opportunities under this strategy. TEQ prioritises its source markets based on forecast growth and share of OVE. Figure 10 illustrates the current market prioritisation matrix;
- working collaboratively with DITID to achieve the Queensland Government's objectives outlined in the *Advancing Tourism 2016-2020: Growing Queensland Jobs Strategy* and in the new Growing Tourism, Growing Tourism Jobs policy including the Attracting Tourism Fund (ATF) and the Growing Tourism Infrastructure Fund;
- focussing on the conversion of more high value travellers through the continued delivery of Queensland's creative platform and fresh 'Find your perfect next...' marketing campaign. High value travellers engage in domestic leisure travel, spend more than the average traveller on leisure trips, and are aligned to Queensland's competitive offering;

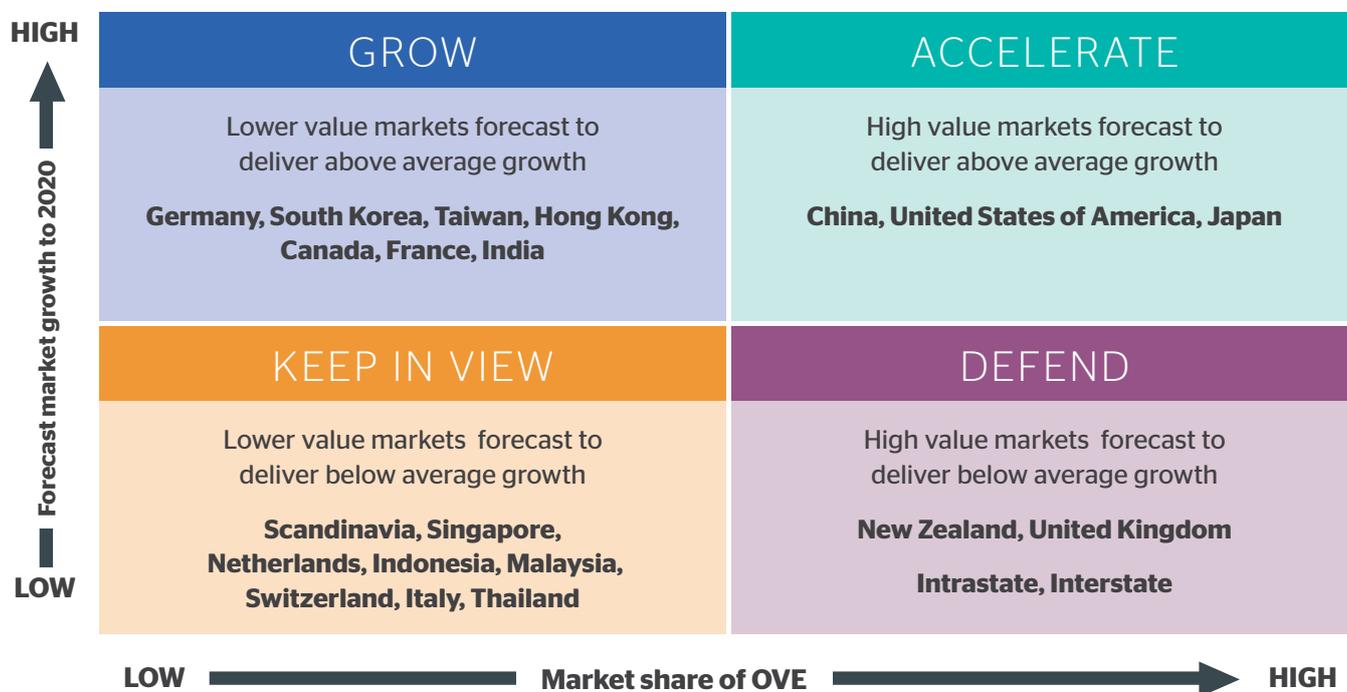


Figure 10: TEQ's market prioritisation approach

- maximising the value of Queensland's events calendar through attracting and securing anchor events for Queensland and strategically investing in events that deliver the greatest benefits across Queensland. Event highlights include: Mount Isa Mines Rotary Rodeo (60th anniversary), the Toowoomba Carnival of Flowers and the TV WEEK Logie Awards; high value business events such as the Amway China Leadership Seminar; and supporting regional tourism through TEQ's Queensland Destination Events Program (QDEP);
- leveraging the legacy of the Gold Coast 2018 Commonwealth Games (GC2018) to drive incremental tourism outcomes and secure future international events for Queensland;
- working in partnership with DITID, TA, RTOs, industry, airports and airlines to successfully implement aviation investment programs. TEQ will focus on supporting airports in the acquisition of new services and growth of existing services into Queensland, with strong experience messaging;
- delivering destination and experience development activities such as 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, seeking opportunities to grow nature-based tourism and Aboriginal and Torres Strait Islander experiences, and supporting Queensland's RTOs; and
- implementing activities to strengthen the tourism potential of the international education market in Queensland. During 2018-19 TEQ will continue to work with Trade and Investment Queensland to assist in implementing its *International Education and Training Strategy to Advance Queensland 2016-2026*.