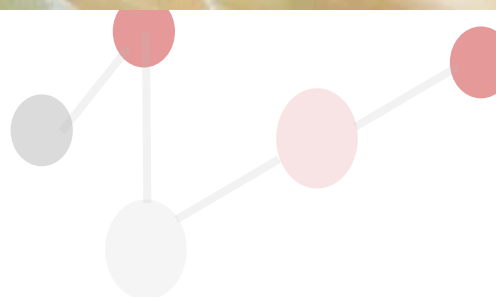


2017-18
QUEENSLAND
PRE-BUDGET
STATEMENT

FUTURE ECONOMY
FUTURE JOBS



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Executive Summary

The 2017-18 Queensland State Budget presents an opportunity for the Queensland Government to future-proof the tourism and transport sectors. Targeted investment in tourism and transport infrastructure will ensure that Queensland remains a great place to live and to visit into the future.

The Tourism & Transport Forum Australia (TTF) will work with the Queensland Government to support this goal into the future and encourages the Government to give consideration to the following tourism and transport priorities as part of the 2017-18 State Budget:

1. Increase business events funding

2. Increase funding for destination marketing

3. Enhance nature-based tourism experiences

4. Maintain funding for the South Bank cultural precinct

5. Continue funding for the Attracting Aviation Investment Fund

6. Support the growth of Queensland cruise shipping

7. Invest in critical public transport infrastructure projects across South East Queensland

8. Secure funding to upgrade critical road corridors

9. Implement the Queensland Tourism and Transport Strategy

10. Support transport innovation

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Tourism:

Tourism is crucial to the growth of the Queensland economy, generating \$27.7 billion in consumption as well as directly contributing around \$11.2 billion to total Gross State Product and employing more than 135,000 people across the state.

It is acknowledged that the Queensland tourism industry has taken a financial hit following Tropical Cyclone Debbie in March this year. While the Queensland tourism industry remains resilient and robust, it is estimated that Tropical Cyclone Debbie caused more than \$2 billion in total economic loss, including up to \$180 million in the Whitsundays alone. TTF welcomes the support of the Queensland and Australian Governments to assist affected areas, and encourages the Queensland Government to continue to support tourism-reliant areas across Northern Queensland to recover by allocating additional specific-purpose funding for destination marketing for the region.

Continued investment by the Queensland Government in destination marketing, as well as support for major sporting, cultural and business events, has led to significant growth of Queensland's tourism industry. To ensure that Queensland remains in a position to capitalise on domestic and international tourism, and harness the potential of tourism as a super-growth industry, TTF encourages the Queensland Government to continue to prioritise tourism and the visitor economy by considering the following recommendations:

1. Increase business events funding

Business events are critical to Australia's visitor economy. Targeted government funding that supports bids to secure high-yield business and major events is a sound investment decision that helps to grow local jobs and encourages domestic and international visitation and tourism opportunities. As noted by the Business Events Council of Australia 2015 Report, *The Value of Business Events to Australia*, business events held in Queensland during 2014-15 generated \$4.3 billion in direct expenditure, \$2 billion in direct value add and supported more than 28,000 jobs. To continue to grow the business events sector, TTF urges the Queensland Government to increase funding for business events in real terms over the forward estimates to ensure that Queensland remains competitive in bidding for domestic and international conventions and conferences.

2. Increase funding for destination marketing

TTF acknowledges the Queensland Government's commitment to providing long-term funding certainty for Tourism and Events Queensland. In the 2016-17 Budget, the Queensland Government extended its commitment to guarantee Tourism and Events Queensland funding at \$400 million over four years. This funding is supported, however TTF believes more can be done by the Queensland



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Government to increase its share of international visitors. While Queensland has experienced growth in international visitor numbers of 7 per cent and international expenditure of 3 per cent for the year ending March 2017, Queensland still trails NSW (10 per cent and 9 per cent) and Victoria (8 per cent and 8 per cent). To improve Queensland's share of visitors, TTF recommends that funding for Tourism and Events Queensland be increased in line with CPI at a minimum.

3. Enhance nature-based tourism experiences

Queensland's destination brand is greatly enhanced by its natural beauty and incredible destinations such as the Great Barrier Reef, the Wet Tropics, and the Gold Coast and Sunshine Coast hinterlands and Western Queensland. TTF research shows that nature-based visitors stay longer and spend more. International visitors spend around 15 per cent more and stay 20 per cent longer, while domestic visitors tend to spend around 40 per cent more and also stay 40 per cent longer. On this basis, it is important that the Queensland Government maintains funding for visitor infrastructure and park rangers. Additionally, TTF recommends that the Queensland Government work with the private sector to deliver sensitive tourism infrastructure and developments in and around national parks such as Springbrook.

4. Maintain funding for the South Bank cultural precinct

The Brisbane South Bank cultural precinct is a key component of Queensland's cultural tourism offering. The Queensland Performing Arts Centre (QPAC), Queensland Art Gallery and Gallery of Modern Art (QAGOMA) and the Queensland Museum attract hundreds of thousands of visitors to Brisbane each year. In addition to high visitation figures, cultural tourism also attracts high-yielding visitors who spend more and stay longer than the average traveller. Cultural events and exhibitions held at these institutions are critical demand drivers for the visitor economy. TTF recommends that the Queensland Government continue to support cultural tourism by maintaining funding in real terms over the forward estimates for institutions within the South Bank precinct.

5. Increase funding for the Attracting Aviation Investment Fund

In 2015-16, the State Government committed \$10 million over three years to the Attracting Aviation Investment Fund to assist the Queensland visitor economy by supporting the introduction of additional air services. With this successful program now entering the third and final year of its current funding, TTF urges the Queensland Government to extend the program by committing at least the same amount in its forward estimates over the next three years to encourage international, domestic and regional airlines to add new routes to or within Queensland, or to increase flight frequencies and seat capacity on existing routes. Attracting new air services, particularly by international airlines, is a lengthy process, which invariably includes significant competition from other markets, and certainty of incentive funding is essential.



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6. Support the growth of Queensland cruise shipping

Cruise travel is one of the fastest-growing markets in Australia. According to the Cruise Lines International Association (CLIA) *Economic Impact Statement* for 2015/16, Queensland benefitted from 361 cruise ship visit days, up 43 per cent over the previous year's 253 days, and 689,150 passenger visit days, 42 per cent more than the previous year's 486,096. It is also estimated that expenditure by passengers, ships' crews and cruise lines contributed a combined \$498 million of direct cruise tourism expenditure in Queensland in 2016, 46 per cent more than the previous year, and 22 per cent of the national total. TTF strongly supports the decision of the Queensland Government to award to the privately-owned Port of Brisbane an exclusive mandate to explore options for a new cruise terminal at Luggage Point. Brisbane is a city with year-round cruise activity and is an important market for cruise lines, which have also expressed their support for the new terminal and their continued commitment to serving the city. This project must be expedited in order to maximise the economic benefits of this fast-growing cruise market.

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Transport:

Targeted investment in road and public transport infrastructure projects is critical to ensuring that Queensland is able to meet the challenge of future population growth and is able to minimise the future costs of congestion, particularly within South East Queensland. Integrated, reliable and efficient public transport services will play an important role in minimising the cost of congestion, reducing travel times, maximising economic productivity, transforming urban environments and supporting the continued growth of Queensland's visitor economy. TTF urges the Queensland Government to increase road and transport investment and to progress the following infrastructure projects as part of the 2017-18 Budget:

1. Invest in critical public transport infrastructure across South East Queensland

As South East Queensland's population grows, greater pressure will be placed on existing road and public transport networks. Infrastructure Australia estimates that the cost of congestion in South East Queensland will increase from \$2 billion in 2011 to \$9 billion by 2031 without greater investment in integrated and higher capacity transport infrastructure projects that address future constraints and meet the demands of population growth. It is critical that the Queensland Government invests in the following projects to ensure commuters and visitors are able to access reliable passenger transport services into the future:

Cross River Rail

Cross River Rail is the number one transport priority for South East Queensland. TTF has long supported the Cross River Rail project on the basis that a second rail crossing of the Brisbane River will alleviate pressure on Brisbane's constrained rail network, address rapid population growth and reduce road congestion in and around the CBD. Infrastructure Australia has estimated that rail connections into the Brisbane CBD will reach capacity by 2020. To ensure that the Brisbane CBD rail network is able to meet future demand and reduce journey times for commuters, TTF urges the Queensland Government to work with the Federal Government to finalise the business case and secure funding for Cross River Rail as a matter of urgency.

Brisbane Metro

To complement Cross River Rail, TTF urges the Queensland Government to support Brisbane City Council's Brisbane Metro project. As noted in the Brisbane Metro business case, critical parts of Brisbane's existing busway infrastructure have reached capacity and cannot accommodate projected growth into the future, impacting on travel times and reliability of the network. To improve future access and connectivity to, from and within the Brisbane CBD, TTF recommends that the Queensland



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Government work with Brisbane City Council to secure Federal Government funding for Brisbane Metro under the *National Rail Program*. An integrated transport network that includes both Cross River Rail and Brisbane Metro will ensure that Brisbane meets the future demands of a growing city and support jobs and economic growth.

Gold Coast Light Rail Extension

The Gold Coast Light Rail has transformed public transport on the Gold Coast for locals and tourists and TTF commends the work of the Queensland Government in extending the light rail network to connect with heavy rail at Helensvale station in time for the 2018 Commonwealth Games. To support the Gold Coast's booming population and to grow demand for travel, it is vital that the Queensland Government commits to extending the light rail network to Coolangatta via the Gold Coast Airport. TTF recommends that the Queensland Government work with the Federal Government and the Gold Coast City Council to fund, plan and build this crucial extension in the medium-term. In the near-term, TTF also recommends that the Queensland Government consider supporting the Gold Coast City Council's proposal to extend the light rail from Broadbeach to Burleigh Heads.

Sunshine Coast Rail Duplication

The Sunshine Coast is one of Queensland's fastest growing regions, with its population estimated to double to 424,000 by 2031. To support this growth, it is critical that the transport infrastructure linking the Sunshine Coast to Brisbane is appropriate. The current rail line between Beerburrum and Nambour is at capacity, and requires passenger trains to compete with freight and long distance passenger trains, resulting in overcrowding and infrequent services. TTF urges the Queensland Government to allocate funding to duplicate the North Coast line between Beerburrum and Landsborough to increase capacity, reliability and improve journey times for commuters.

2. Secure funding to upgrade critical road corridors

High quality roads that are safe and efficient play a vital role in supporting economic growth and enhancing productivity. TTF acknowledges the Queensland Government's continued funding of important road infrastructure projects across the State, particularly in regional areas. However, to address congestion issues, reduce travel times and improve road safety across Queensland, TTF recommends that the Queensland Government consider increasing investment in the road network.

Pacific Highway

TTF welcomes the overdue funding announcement made by the Queensland and Australian Governments in March to widen the Pacific Highway between Mudgeeraba and Varsity Lakes from four lanes to six lanes to cater for increased traffic demand. TTF urges the Queensland Government

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to ensure funding for this vital project is allocated in the 2017-18 Budget. Additionally, TTF recommends that the Queensland Government work with the Federal Government to secure funding to fast-track the widening of the Pacific Highway between Varsity Lakes and Tugun.

Bruce Highway

The Bruce Highway has long been identified as one of Australia's deadliest roads. As noted by the Australian Automobile Association through the *Australian Road Assessment Program (AusRAP)*, between 2010 and 2014 there were 2,559 casualty crashes and 166 deaths on this highway. TTF commends the Queensland Government for its commitment to delivering safety upgrades along the Bruce Highway and urges the Queensland Government to secure funding to fast-track upgrades and safety improvements to high-risk sections of the highway, including Caloundra to Cooroy, Townsville to Ingham, Sarina to Mackay and Childers to Gin Gin.

3. Implement the Queensland Tourism and Transport Strategy

TTF commends the Queensland Government for leading the nation in working with the tourism and transport industry to develop the *Draft Queensland Tourism and Transport Strategy*. Tourism's very existence, particularly in regional areas, depends on accessibility. The integration of tourism and transport policy and planning is critical to ensuring that the transport needs of visitors are met and to ensure that the Queensland visitor economy continues to grow across the state. TTF now urges the Queensland Government to continue delivering the proposed actions contained within the Strategy with the allocation of funding and the provision of a clear timetable for implementation.

4. Support transport innovation

Technology is rapidly transforming every aspect of our daily lives. From the way we commute to the way we interact with each other, new and disruptive technologies have significantly altered our social and economic landscape and the way we commute. Ride-share services such as Uber and the provision of real-time timetable information via smart-phone are real examples of how technology has changed travel in recent years. The inevitable rise of autonomous vehicles, as well as transport-on-demand services will continue to transform how people commute. To ensure that Queensland remains at the forefront of transport innovation, TTF recommends that the Queensland Government establish a 'Smart Innovation Centre' to support the development and trial of innovative transport technologies. Additionally, TTF encourages the Queensland Government to improve ticketing infrastructure to allow for open-loop ticket, providing commuters and visitors with the option of using their credit or debit cards to pay for and access public transport services.