



QUEENSLAND
TOURISM INDUSTRY
COUNCIL

The Voice of Tourism



QTIC & CCIQ joint
submission to the
**Infrastructure,
Planning and Natural
Resources Committee**
on the
**QUEEN'S WHARF
BRISBANE BILL 2015**

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1.0 INTRODUCTION

The Chamber of Commerce and Industry Queensland (CCIQ) and the Queensland Tourism Industry Council (QTIC) welcome the development of the Queen's Wharf Brisbane precinct. The \$2 billion project will be the city's largest single private development ever undertaken and will deliver a transformative urban tourism precinct on the northern river bank of the Brisbane CBD.

CCIQ and QTIC support the objectives of the Queen's Wharf Brisbane Bill 2015, amendments which will facilitate a smooth and timely development process and ensure the development delivers a well-planned and market competitive precinct.

2.0 TOURISM IN QUEENSLAND

In the year ending June 2015, the Queensland tourism industry contributed \$23 billion, or 7.6 percent, to the total Gross State Product (GSP) and generated \$5.8 billion in exports making it the state's second largest export earner behind coal.

In the year ending June 2015, Brisbane hosted over 40 million visitor nights, a daily average of 17,800 visitors. A key economic driver in Brisbane, tourism supports 65,000 jobs (directly and indirectly) and accounts for 26.5 percent of all tourism jobs in Queensland¹. New statistics have revealed that international visitors to Australia are spending a massive \$91 million a day; this amount is greater than the daily visitor spend in 2000 during the Sydney Olympic Games².

Tourism Research Australia report international arrivals from China is expected to contribute 29 per cent of total growth from 2014–15 to 2024–25, overtaking New Zealand as our largest international market by 2019–20. The China market is also high yielding, with a contribution in total visitor expenditure growth expected to be 44 percent over the forecast period³.

Brisbane is presented with a challenge and certainly an opportunity to gain a greater share of the growing international market, including the intensifying Chinese tourist market.

3.0 TOURISM AS A KEY ECONOMIC GROWTH SECTOR

In December 2011, the Federal Government announced its national strategy **Tourism 2020** with a goal of doubling the value of tourism to \$140 billion by 2020. One of the key factors that will dictate the success or failure of Australia's tourism industry in achieving its global potential is to meet the expected surge in demand with **sufficient increases from the supply side** of the tourism industry, such as tourism, aviation capacity and transport infrastructure.

1 Tourism and Events Queensland, Economic Key Facts to September 2015.

2 Year ending June 2015 - <http://www.dailytelegraph.com.au/travel/travel-news/tourisms-biggest-year-since-the-sydney-olympics-is-now-worth-91m-a-day-to-australia/story-fni0bien-1227508082126?sv=62a65de83defd8b9457891dc3ec89ca6>

3 Tourism Research Australia, Tourism Forecasts, November 2015.

In the recently released report by Deloitte⁴ titled *Positioning for prosperity? Catching the next wave*, global growth trends and Australia's areas of advantage were examined. Results showed that our **next waves of prosperity** are likely to come from five sectors: tourism, gas, agribusiness, international education and wealth management. The report states:

...“there is a lot more potential growth in the pipeline [for Australia], with tourism projected to be among the world’s fastest growing industries. Our forecasts have it growing 4% a year from now to 2033 – that is, more than doubling in size over the next two decades. Even better, many of those new travellers will depart from Asia”.

The Queensland Tourism Industry Outlook Potential to 2020 sets the state industry target of \$30 billion in visitor expenditure by 2020. The growth of the tourism sector and visitor expenditure in Brisbane will be a large contributor in achieving this state industry potential.

More recent forecasts from Deloitte assert Queensland's tourism sector has “particularly bright prospects for growth” with international visitors to Queensland to “grow by 4.9 percent each year over the next three years”⁵. Tourism will continue to make a significant contribution to the future growth of the Queensland economy.

Tourism is also identified as a key growth sector for achieving Queensland's future economic prosperity potential in the **Queensland Plan** (2014):

“Our strong economy fuels growth across our regions and is responsive to global shifts and opportunities, particularly in the Asian market.”

“We will keep pace with demand by planning for the future. We will create green spaces and social infrastructure, manage urban expansion and provide essential services. Our world-class infrastructure will connect us globally.”

Destination Success, the 20 year plan for Queensland tourism (2014) provides strategic direction for the development of the industry, including themes of offering iconic experiences and building strong partnerships:

“Develop new and existing products to deliver experiences of quality and value that consistently delight the customer.”

“Work together with governments to ensure effective planning, policies and investment for the life of the 20-year plan.”

⁴ Deloitte, *Positioning for Prosperity?: Catching the next wave*. 2014.

⁵ Deloitte Access Economics, *Queensland Business Outlook*, September 2015.

The Queensland Government's commitment to tourism as a key economic growth sector is also echoed in the **State Planning Policy**:

"Encouraging growth in Queensland's traditional strengths of resources, agriculture, construction and tourism these sectors will provide benefits to the economy and to the people of Queensland⁶."

4.0 BRISBANE: AUSTRALIA'S NEW WORLD CITY

The Brisbane City Centre Master Plan (2014), towards building Brisbane's status as Australia's 'new world city', outlines the development required to achieve greater economic potential of the river city:

"Strategic investment in the spaces, promenades and facilities that line the banks of our river will unlock our greatest geographical and amenity asset⁷."

The Brisbane⁸ economy is estimated at \$146 billion (June 2014) with potential to reach economic output of \$217 billion by 2031⁹. Tourism positions itself as one of the major export industries to the Brisbane economy, contributing \$4.75 billion, equal to 10 percent of overall export value⁹. Brisbane Marketing, Brisbane's economic development board, has set a goal to increase this performance by 75 percent to \$8.4 billion by 2020.

Brisbane holds an advantage particularly in at a locational sense and has the potential to play an economic leadership role in the Asia Pacific region. The city's ability to successfully host the 2014 G20 Leaders' Summit is a prime example.

The tourism boom will not strike without substantial demand being placed on our city's services, infrastructure and physical environment. It is predicted that by 2020, an additional 2,043 hotel rooms will be required above and beyond the current planned supply¹⁰.

Further, the 2020 goal of \$8.4 billion in overnight tourism expenditure will bring labour demand figures to over 80,000 persons with an expected skilled labour shortage of almost 8,500 individuals¹⁰.

Looking on a global scale, Brisbane will be facing stiff competition from other countries including developing Asian regions who are heavily investing in tourism. China itself is expected to make the largest increase in capital investment in tourism between 2012 and 2023¹¹.

6 Queensland Government, State Planning Policy, July 2014.

7 Brisbane City Council, Brisbane City Centre Master Plan 2014.

8 Greater Brisbane Area: Brisbane LGA, Logan LGA, Ipswich LGA, Redland Bay LGA and Moreton Bay LGA

9 Brisbane Economic Plan 2012-2031

10 Brisbane Destination Tourism Plan 2014

11 Hajkowicz SA, Cook H, Boughen N (2013) The Future of Tourism in Queensland. Megatrends creating opportunities and challenges over the coming twenty years. CSIRO, Australia.

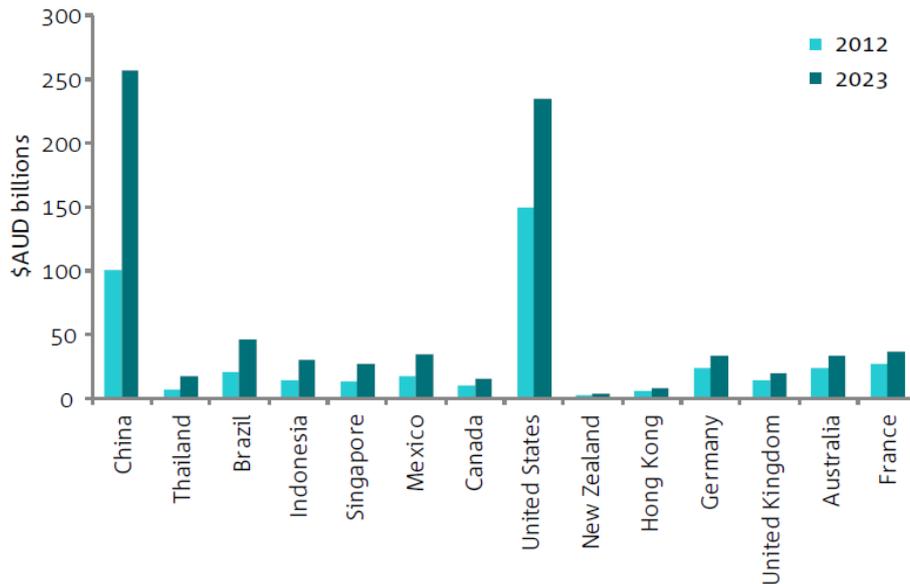


Figure 6. Actual capital investment in travel and tourism, 2012 and 2023, by country
 Data source: World Travel and Tourism Council (WTTC, 2013); Reserve Bank of Australia (RBA, 2013)

Over the next six years, Brisbane is projected to experience above national average economic growth with the visitor economy benefitting from public and private capital investment currently in the pipeline, to the tune of \$25 billion¹². Accelerating further investment and capitalising on the tourism strengths of Brisbane will be key to cementing the industry’s title as one of the economy’s five future ‘super-growth sectors’ (Deloitte, 2013).

In order to maximise the economic development potential and attraction of further investment to our state, it is important that the development assessment of significant city-building projects such as the Queen’s Wharf Brisbane precinct are considered consistent with Brisbane’s New World City strategic direction.

5.0 THE QUEEN’S WHARF BRISBANE PRECINCT AND THE LOCAL ECONOMY

The Queen’s Wharf Brisbane (QWB) Precinct will undoubtedly provide a boost to the Brisbane economy through greater job and business opportunities, better lifestyle choices for residents and enhanced tourism offerings. The urban regeneration of the QWB Precinct is a game changer for not only the State’s capital city but for wider South East Queensland.

¹² Brisbane Destination Tourism Plan 2014

The QWB project is anticipated to provide 8,000 jobs leading to substantial economic advantages to the CBD with spill over patronage to surrounding businesses. More than just a casino, the project offers Brisbane a never-seen-before integrated attraction of huge magnitude that will include five hotels (three of which are six-star hotels), 2,500 new apartments, 50 restaurants and bars and public spaces including a new River Arena and moonlight cinema.

Media commentary is stating that upon completion of the \$2 billion development, Brisbane will become an “irresistible lure” for the growing Asian tourist market when the doors open in 2022. It is estimated the project will see an increase of 1.39 million tourists to Queensland each year - resulting in a \$1.69 billion boost in tourism and an additional \$4 billion to Gross State Product - and collectively with the lower Australian dollar it is predicted that tourism will be Queensland’s “next economic bonanza”¹³.

A recent report on the Casinos industry by IBIS world¹⁴ found the Casinos industry is in the mature stage of its economic life cycle. Despite steady Australian domestic demand for casino gaming services, local firms have faced increasing competition from international and online casinos.

In the Asia Pacific casino travel market, Macau has established itself as the leading gambling destination. Singapore has also recently opened two new casino establishments. These casinos compete fiercely for international high rollers and VIP gamblers.

It is expected casino revenues around the country will reach \$6.2 billion by 2020. However with increasingly crowded markets for both gaming and entertainment dollars, a serious challenge is to be distinctive from competitors and in the customer experience.

Once construction phase for this major project commences, it is expected to bolster business confidence and provide the certainty urgently needed by the Brisbane business community. The latest CCIQ Pulse Survey of Business Conditions points to concerns about the State’s economic growth prospects as business confidence slips in the Queensland economy.

The Survey results found that business confidence in the Queensland economy fell, and confidence in the Australian economy (47.2) is now considerably higher than the State economy (41.1)¹⁵. Some 44 percent of businesses expect the State’s economy to weaken, with the majority of Queensland businesses expecting weaker or similar growth over the coming twelve months.

However, it is anticipated that once construction for the QWB project commences and other infrastructure projects receive Local and State Government commitment, it is expected that business confidence will rise and a wave of investment decisions and employment opportunities are likely to eventuate.

13 <http://www.theguardian.com/business/2015/jul/21/tourism-could-be-the-new-mining-boom-for-australia-says-casino-boss>

14 Casinos Market Research Report, ANZSIC R9201, Aug 2015

15 CCIQ Pulse General Business Conditions Index

The \$2 billion building and construction of the precinct will also prove transformative for not only the construction industry but for the huge opportunity to alleviate the high rate of youth unemployment by engaging apprentices and trainees.

6.0 RECOMMENDATIONS

6.1 Support for exclusion of certain planning provisions

CCIQ and QTIC recognise that the declaration of the Priority Development Areas (PDA), the establishment of the Economic Development Queensland (EDQ) unit and legislative considerations such as this Inquiry are valuable in fast-tracking and effective assessment of significant economic projects.

CCIQ and QTIC support the objective of the Bill to exclude the application of certain property and planning legislative provisions which are not intended to apply to large scale developments. Streamlining the approvals process will preclude delays in delivering the significant benefits the Queen's Wharf Brisbane (QWB) development will have on tourism, employment and the Queensland economy.

6.2 Support for amendment of the Economic Development Act 2012

CCIQ and QTIC support the amendments to the *Economic Development Act 2012*, the *South Bank Corporation Act* and the *South-East Queensland Water Act* allowing for the Minister for Economic Development Queensland (MEDQ) to approve and condition the portion of the bridge outside the Priority Development Area (PDA). Avoiding a project-specific provision and instead using the definition of 'PDA-associated development' is a logical outcome-focused approach to the legislation amendment.

The proposed pedestrian bridge, to span the Brisbane River and connect the Queen's Wharf Brisbane precinct to the South Bank Parklands, will be vital infrastructure underpinning the success of the project. The South Bank Parklands is celebrated as Brisbane's top lifestyle and cultural destination with a number of thriving businesses, popular with visitors and locals alike. The complementary precincts will provide exposure and easy access to more of Brisbane's tourism offerings.

6.3 Support for amendment to the Casino Control Act

In order to capture the competitive market share from the anticipated growth of international tourists, Queensland's legislation must accommodate for the market expectations for tourism product.

In the interest of ensuring the new casino development offers a competitive product in the Asia Pacific casinos market, CCIQ and QTIC support legislative changes to the Casino Control Act, including extending credit to non-Queensland resident participants for gaming and allowing deposits to player accounts by credit card.

7.0 FURTHER ENQUIRIES

We thank the Committee for the opportunity to provide comment and welcome any feedback. Please contact Daniel Gschwind, Chief Executive (QTIC) at policy@qtic.com.au or Nick Behrens, Director – Advocacy (CCIQ), at nbehrens@cciq.com.au for matters relating to this submission.