



The Treasury

Langton Crescent

PARKES ACT 2600

[prebudgetsubs@treasury.gov.au](mailto:prebudgetsubs@treasury.gov.au)

28 January 2022

To whom it may concern,

**Re: 2022-23 Australian Government Pre-Budget Submissions**

The Queensland Tourism Industry Council (QTIC) offers a submission to the Australian Government and the Treasury for the 2022-23 Federal Budget, on behalf of the Queensland tourism industry.

QTIC is a not-for-profit, private sector, membership-based organisation acting as the 'voice of tourism' and peak advocacy body for tourism, hospitality, and events businesses and employees across the state. QTIC works in partnership with government agencies and industry bodies at local, state, and national levels to strengthen and support these industries in all relevant policy forums. Membership comprises about 1,000 tourism businesses throughout the state, in addition to working closely alongside 18 industry sector associations and 13 Regional Tourism Organisations (RTOs), which collectively represent more than 3,000 regional businesses. QTIC is closely connected to its members and very supportive of the work they do to provide exceptional visitor experiences. QTIC is also a member of the Australian Tourism Industry Council (ATIC) and works collaboratively with its state and territory partner organisations.

QTIC's efforts are aimed squarely at helping the tourism industry to drive sustainable business and product development, stimulate business attraction and investment, develop workforce skills, and support tourism jobs and business. QTIC provides an independent conduit to bring key stakeholders (including investors, employers, employees, and all levels of government) together to clearly identify challenges and opportunities and provide recommendations for consideration.

When considering this budget, QTIC recommends that sufficient budget is allocated to the tourism industry and the tourism portfolio to ensure taxes raised from tourism related activities are also invested appropriately in the further growth of the industry now and into the future. In line with ATIC's Pre-Budget submission, QTIC raises the following key funding priorities to support the growth of the Queensland tourism industry.

**1. COVID-19 financial support**

The ongoing challenges faced by the tourism, hospitality, and events sectors over the past two years, ranging from natural disasters, COVID-19, and associated international and national border closures have been complex. They have overshadowed some of the longer-standing issues experienced by the tourism industry. As the world emerges from COVID-19 restrictions and Australia looks to re-build its economy, these challenges need to be addressed swiftly and effectively to enable recovery, develop resilience, and facilitate sustainable growth.

While domestic visitors to Queensland took up the mantle to 'holiday here this year' and contributed 40% to national overnight spend (YE October 2021), that does not mitigate losses felt from a 97.9%

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decrease in overseas visitors (comparing YE September 2019 to YE September 2021)<sup>1</sup>. In their Pre-Budget submission, the Australian Chamber of Commerce and Industry (ACCI) notes that “unpredictability of State and Territory Government decisions on borders made it difficult for many tourism businesses to successfully pivot to domestic travel. It is not possible to replace all of the \$63 billion spend of international tourists with domestic spend as the spending and travel patterns differ significantly”.

Aligned with ATIC, QTIC makes the following recommendations:

- **Match funding to secure major and business events – activating critical venues in each state.**
- **Provide Fringe Benefits Tax waivers for domestic interstate business travel in 2022-23.**
- **Provide income support for small businesses affected by COVID-related trading conditions or international border restrictions, based on ATO-verified declines in revenue from relevant comparative period.**

## 2. Workforce and skills

- **Attract more international working visitors, students, skilled migrants, and backpackers.** Migrant workers comprise a substantial part of tourism and hospitality workforce in Queensland. Reducing visa fees, taxes, and charges would simultaneously support the workforce and increase visitor numbers. QTIC also supports the Pre-Budget recommendation made by ACCI to accelerate visa reform, including a “thorough review of visa processing and pricing, with a view to enhancing Australia’s competitiveness as a tourist destination”.
- **Fund unaccredited training and delivery of a micro credentials program for small businesses in each state via ATIC.** Pre-existing ATIC short-skilling programs comprises training specifically for lower-level jobs, including housekeeping, cleaning, front-of-house and building programs to assist with business development (including yield management). QTIC recommends building on the micro-credentialling program with a capacity for upscaling to support national vocational recognition programs. A *Tourism Business Capability Program* has been funded by the Queensland Government and delivered by QTIC over the last three years<sup>2</sup>. It has been very successful by responding in a timely and flexibly to the skill needs of hundreds of tourism operators. Consideration should be given to scaling such a tried-and-proven skill delivery model for all states and territories.
- **Provide \$8 million to expand small business capacity and skills via the ATIC Quality Tourism Framework.** The tourism industry needs a genuine national commitment from the Australian Government to an industry-driven program to develop quality tourism. A strong quality tourism approach assists businesses become more sustainable from a community, commercial and environmental perspective, driving competitiveness and building resilience via effective management practices. A funding package to train, mentor and support tourism operators as the industry continues to grow would demonstrate a partnership with an industry that is driving jobs and growth across the country.
- **Reinstatement of the Austrade Tourism Labour Force Survey** would also provide crucial data on labour and skills, and enable the tourism and hospitality industry to respond to future challenges.

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### 3. Climate change

- **Provide grants or tax rebates for aviation, marine, and land transport to move to low emission battery fleets and vehicles, particularly for small businesses.** The recent \$1 billion Australian Government pledge to the Great Barrier Reef (GBR) over nine years is an encouraging move for the tourism industry and for the future of the GBR. The GBR is a unique part of the natural environment that greatly contributes to the state and national economy. It has an “economic, social, and icon asset value of \$56 billion, supports [approximately] 64,000 jobs, and contributes \$6.4 billion to the Australian economy”<sup>3</sup>. The current and future impacts of climate change on the tourism sector extend beyond reef tourism, however, as increasingly common extreme weather events and other forms of related business disruption demonstrate. In addition, the domestic and international impacts on consumer perceptions on our destinations in relation to climate change are already being felt.
- **The budget must reflect and commit to the delivery of plans and strategies that assist in meeting Australia’s commitment as signatory to multiple international reports and goals relating to the protection of environmental and cultural heritage.** These include the United Nations Sustainable Development Goals (SDGs)<sup>4</sup>. The goals are designed “to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations”.

### 4. Developing demand-driving attractions and visitor experiences

- **Continue matched funding for the next generation of iconic attractions in each state and territory.** Instructive government co-investments in tourism infrastructure (such as the Australian Stockman’s Hall of Fame, QANTAS Founders Museum, Waltzing Matilda Centre, and the Australian Age of Dinosaurs) continue to demonstrate the catalytic benefits and returns from such investments. The returns manifest not just in increased tourism expenditure but also result in jobs growth, community revitalisation and additional investment and activity in other sectors of the economy.
- **Provide a \$70 million competitive grants scheme for Small and Medium Enterprise tourism businesses to develop new or renewed products including digital capability, equipment, infrastructure, or new services.** Renewed infrastructure not only facilitates accessibility of iconic attractions and boosts tourism, but also benefits local communities.
- **Develop new Aboriginal-owned and operated tourism businesses, including attractions, tours, and events.** The *QLD First Nations Tourism Plan*<sup>5</sup>, developed by QTIC following extensive consultation with First Nations peoples, tourism industry stakeholders, and key government departments offers a considered guide for future action. The plan sets a framework to leverage our First Nations cultural heritage and stewardship of country, together with regions’ distinctive mix of tourism product offerings, to inspire the development of a thriving First Nations’ tourism sector that offers diverse, authentic and engaging, sustainable tourism experiences and promotes greater engagement of First Nations peoples in tourism<sup>6</sup>.
- **Extend the EMDG scheme to businesses that were previously deemed ineligible due to reaching the maximum eight grant limit as well as specifically for tourism businesses that will need to rebuild trust and confidence in key as well as new and emerging markets.**

<sup>3</sup> <https://www2.deloitte.com/au/en/pages/economics/articles/great-barrier-reef.html>

<sup>4</sup> <https://sdgs.un.org/goals>

<sup>5</sup> <https://qticazure.blob.core.windows.net/crmblobcontainer/Version%206%20-%20FNTF%20Final%20Version%20-%20High%20res%20Web.pdf>

<sup>6</sup> <https://www.qtic.com.au/industry-development/indigenous-programs/champions-network>





## 5. Internet access and digital connectivity

**Continue to upgrade the NBN nationwide and work constructively with State and Territory Governments to reduce internet and telecommunications blackspot areas in our regional communities.** Connectivity remains a key issue for many Queensland destinations, particularly in regional Queensland. A number of areas still suffer from intermittent, slow or unreliable internet service. This impedes businesses' ability to connect with consumers and complete daily operational requirements. Investment must be prioritised for regional Queensland to ensure rural and remote economies that are transitioning into tourism to diversify are supported and accessible.

## 6. Insurance

**Develop a policy framework to cap public liability insurance risks for Small and Medium Enterprises; and develop a policy framework to ensure affordable insurance for businesses and customers.** As ATIC notes, "insurances companies are increasingly not covering a variety of tourism experiences such as horse riding and zip lines, and rising premiums are making a variety of products uncompetitive". The tourism industry, associated stakeholders, and consultants agree that the evidence strongly indicates market failure in terms of the affordability and accessibility of insurance. QTIC, in collaboration with ATIC, has developed an *Insurance Cover for the Tourism Industry* report<sup>7</sup> on how to best respond to the difficulties faced by tourism operators in securing appropriate insurance, including three key recommendations.

## 7. Aviation attraction and recovery fund

The aviation sector in Australia, including airlines and airports, represent essential infrastructure not just for tourism but for the entire community. An efficient, comprehensive, and competitive market for air services to both capital and regional destinations must be a high priority for both government and industry. A strategic and collaborative approach between service providers, the broader industry, regulators, and other government agencies must be encouraged and appropriately supported.

The following measures are suggested:

- **Restore pre-pandemic international and domestic aviation capacity**
- **Develop new international air routes to diverse markets.**
- **The development of new domestic air routes, particularly to ensure greater regional connectivity.**

QTIC is eager to contribute to a positive, collaborative dialogue on any of the above recommendations. For any further questions or clarification, contact QTIC via email at policy@qtic.com.au or phone on (07) 3236 1445.

Kind regards,

**Brett Kapernick, GM Strategy and Deputy CEO, QTIC**

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