



# TOURISM INFRASTRUCTURE POLICY & PRIORITIES



> ACCESS > INFLUENCE > VALUE

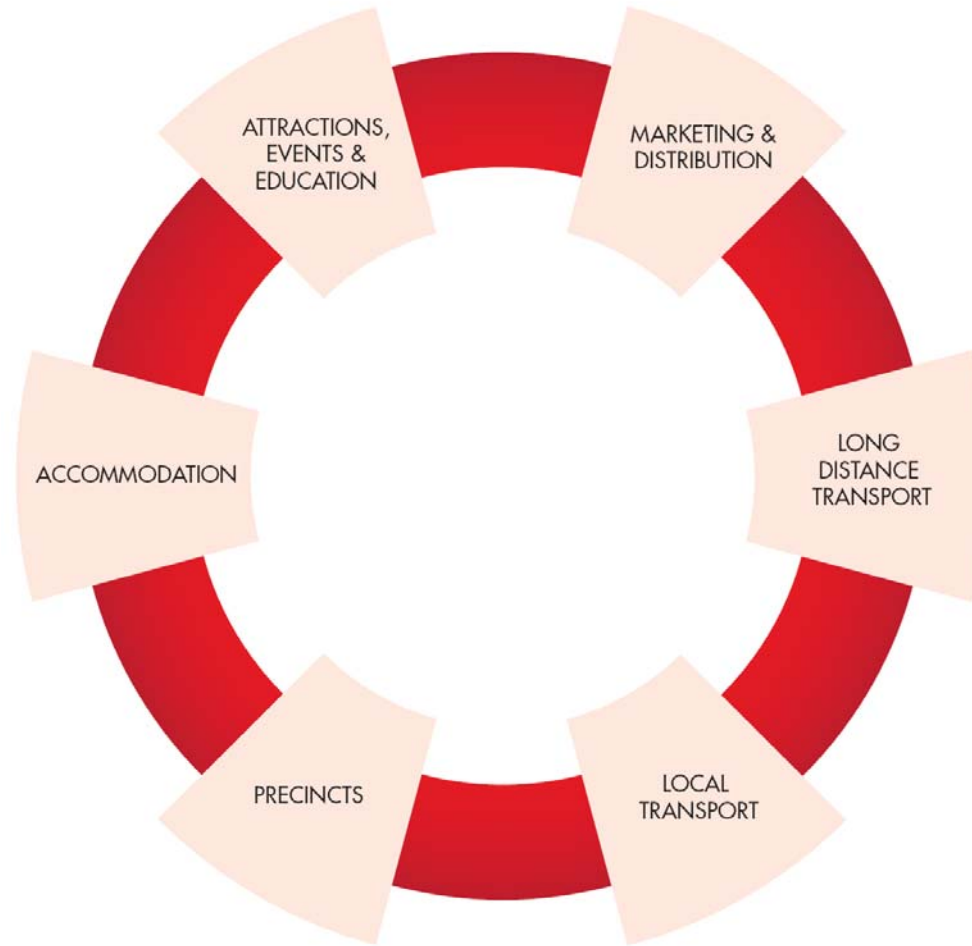
# Economics of Tourism

Tourism is a significant industry:

- Generating 3.7% of national GDP
- Representing 4.7% of total employment
- Totaling 10.4% of Australia's exports
- 78% of tourism investment is funded by private capital



# Tourism Supply Chain



# Tourism Infrastructure & Product

TOURISM INFRASTRUCTURE AND PRODUCT		
INFRASTRUCTURE	TOURISM PRODUCT	EXPORTS
<b>ATTRACTIONS AND EVENTS</b>		
<ul style="list-style-type: none"> <li>• Convention, exhibition, entertainment and meeting space</li> <li>• National Parks and visitor facilities</li> <li>• Stadiums, sporting venues and recreation facilities</li> <li>• Museums, galleries, zoos and cultural facilities</li> <li>• Casinos, racetracks and gaming facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Business events, major events, exhibits, rides, recreation, theatrical shows, leisure, entertainment, tour operators and gambling services</li> </ul>	\$797 M
<b>EDUCATION</b>		
<ul style="list-style-type: none"> <li>• Education facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Short course (less than 12 months) for international visitors/students</li> </ul>	\$2,818 M
<b>ACCOMMODATION</b>		
<ul style="list-style-type: none"> <li>• Accommodation property (room stock)</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels, apartments, motels, hostels, holiday homes and resorts</li> </ul>	\$3,608 M
<b>PRECINCTS</b>		
<ul style="list-style-type: none"> <li>• Retail property</li> <li>• Hospitality property</li> </ul>	<ul style="list-style-type: none"> <li>• Shopping (including gifts and souvenirs)</li> <li>• Takeaway meals and restaurants</li> </ul>	\$4,437 M
<b>LOCAL TRANSPORT</b>		
<ul style="list-style-type: none"> <li>• Water transport wharves and capacity</li> <li>• Railways and passenger rolling stock</li> <li>• Roads</li> </ul>	<ul style="list-style-type: none"> <li>• Ferries, water taxis</li> <li>• Urban rail services</li> <li>• Bus and taxi services</li> </ul>	\$561 M
<b>LONG DISTANCE TRANSPORT</b>		
<ul style="list-style-type: none"> <li>• Airports and aviation capacity</li> <li>• Passenger shipping ports and capacity</li> <li>• Railways and passenger rolling stock</li> <li>• Roads</li> </ul>	<ul style="list-style-type: none"> <li>• International and domestic services</li> <li>• Trans-oceanic, coastal cruises and passenger transport</li> <li>• Rail services</li> <li>• Coach services, vehicle rental, fuel, repair and sale</li> </ul>	\$6,610 M
<b>OTHER</b>		
<ul style="list-style-type: none"> <li>• Various manufacturing and other infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Food production</li> <li>• Alcoholic and other beverages</li> <li>• Other tourism characteristic / connected product</li> </ul>	\$3,519 M
<b>TOTAL TOURISM PRODUCT EXPORTS</b>		<b>\$22,350 M</b>

# Government Portfolios

## GOVERNMENT PORTFOLIOS AND TOURISM INFRASTRUCTURE

### TYPICAL FEDERAL / STATE PORTFOLIOS

Plan, build, manage or regulate infrastructure

### TOURISM INFRASTRUCTURE

Fundamental infrastructure for tourism access and product

Aviation

Airports and aviation capacity

Education

Tertiary education facilities

Environment

National Parks and visitor facilities

Gaming and Racing

Casinos, racetracks and gaming facilities

Heritage and Arts

Museums, art galleries and cultural facilities

Indigenous Affairs

Indigenous tourism facilities

Planning, Lands and Local Government

Accommodation and precinct development

Regional Development

Infrastructure in regional tourism destinations

Sport and Recreation

Stadiums, sporting venues and recreation facilities

State Development

Convention, exhibition and entertainment venues

Tourism

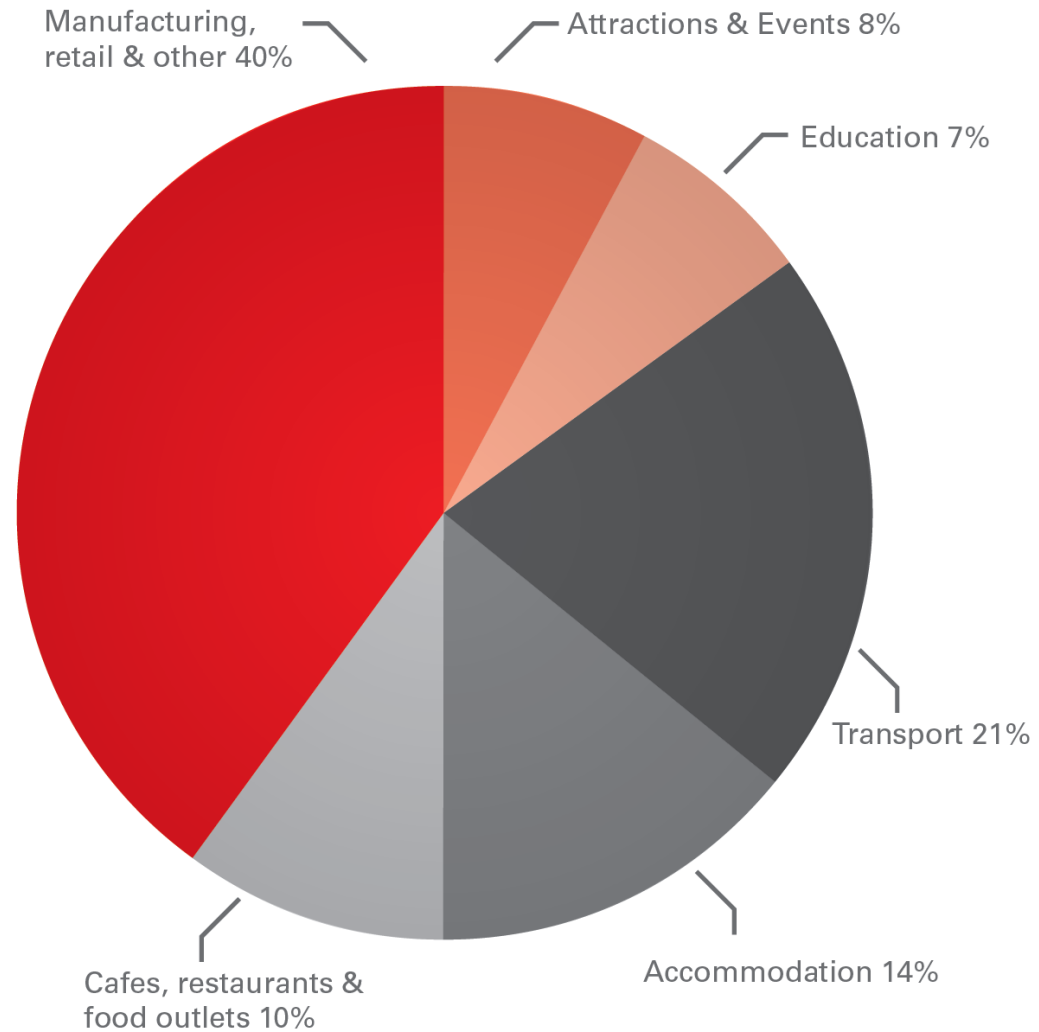
Minor infrastructure for product development

Transport and Infrastructure

Roads, passenger rail and cruise shipping ports

# Share of total tourism GVA by industry

- 40% of tourism's GVA is in manufacturing & retail
- Consumption by visitors "spills over" to other industries, generating economic benefits to external sectors



# Tourism Infrastructure and Supply Issues

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1. International gateways are national tourism infrastructure.
2. Tourism supply chain operates at the destination level.
3. Investment in tourism is dependent on infrastructure in the destination.
4. Destination infrastructure is a mix of public and private investment.
5. Public assets are Federal, State and Local.
6. Public assets are managed outside the Tourism Ministries.
7. Private assets are spread across multiple industries.
8. There is significant “spill over” externality in tourism leading to market failure, particularly investment in tourism attractions.

# Under-investment in tourism

- Under-investment in tourism infrastructure due to market failure
- Capacity constraints on tourism growth
- Infrastructure gaps differ at each destination
- These gaps include:
  - Airport & transport linkages
  - Convention & Exhibition centres
  - Capital city accommodation
  - Cruise shipping facilities
  - Park & reserve facilities
  - Public precincts, attractions & recreation assets

## CASE STUDY – SYDNEY CONVENTION & EXHIBITION CENTRE



The URS Australia report on the *Economic Impact of Expanded Convention and Exhibition Facilities* in Sydney found that under-provision of facilities has led to an annual loss of \$477 million in economic activity, \$218 in GSP and 3,037 jobs.

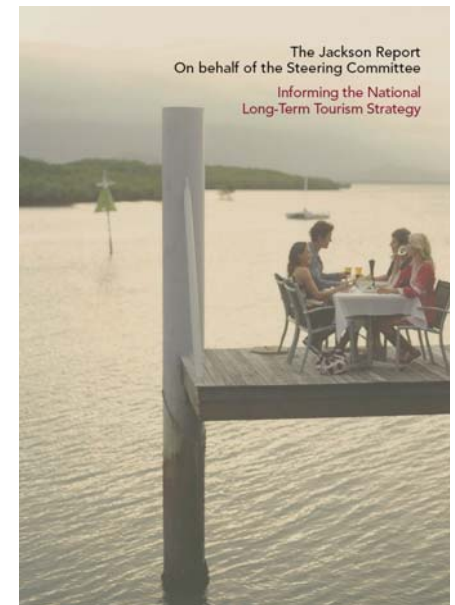
There is no certainty as to when the Darling Harbour facilities will be upgraded with public investment.

Lacking certainty on this crucial demand driver, the private sector is not investing in desperately needed accommodation supply in the city.

# The Way Forward

The National Long-term Tourism Strategy (NLTS) must:

- Prioritise destinations and establish destination development plans
  - Leverage the *National Landscapes* Initiative
  - Create the *National Gateways* Initiative
- Set national tourism objectives and targets
- Initiate Federal-State-Industry coordination and reform
- Create a tourism infrastructure development fund
- Eliminate planning, approval & regulatory barriers to genuine tourism investment




# Priority Tourism Destinations (1-12)

## PRIORITY TOURISM DESTINATIONS

EXPORT RANK	DESTINATION	STATE	TOURISM EXPORTS \$ Millions	SHARE OF NATIONAL EXPORTS	TOURISM GDP \$ Millions	SHARE OF NATIONAL GDP
1 →	Sydney & Surrounds	NSW	\$7,633	3.54%	\$6,678	0.64%
2 →	Melbourne & Surrounds	VIC	\$4,454	2.06%	\$5,475	0.52%
3 →	Perth & Surrounds	WA	\$2,001	0.93%	\$2,448	0.23%
4 →	Brisbane & SEQ	QLD	\$1,618	0.75%	\$2,794	0.27%
5	The Tropics	QLD	\$1,405	0.65%	\$1,858	0.18%
6	Gold Coast	QLD	\$1,223	0.57%	\$2,347	0.22%
7 →	Adelaide & Surrounds	SA	\$650	0.30%	\$1,572	0.15%
8	Sunshine & Fraser Coasts	QLD	\$419	0.19%	\$1,512	0.14%
9 →	Tasmania	TAS	\$359	0.17%	\$1,087	0.10%
10	Hunter & Coastal NSW	NSW	\$307	0.14%	\$2,154	0.21%
11 →	The Capital	ACT & NSW	\$299	0.14%	\$983	0.09%
12	The Red Centre	NT	\$233	0.11%	\$264	0.03%

# Priority Tourism Destinations (13-20)

## PRIORITY TOURISM DESTINATIONS

EXPORT RANK	DESTINATION	STATE	TOURISM EXPORTS \$ Millions	SHARE OF NATIONAL EXPORTS	TOURISM GDP \$ Millions	SHARE OF NATIONAL GDP
13	Whitsundays & Reef Islands	QLD	\$209	0.10%	\$599	0.06%
14	Northern Rivers	NSW	\$201	0.09%	\$616	0.06%
15 	Darwin & Kakadu	NT	\$175	0.08%	\$539	0.05%
16	South East Coast	NSW & VIC	\$161	0.07%	\$1,036	0.10%
17	Australia's South West	WA	\$135	0.06%	\$680	0.06%
18	Australia's Coral Coast	WA	\$97	0.04%	\$303	0.03%
19	Western Victoria	VIC	\$88	0.04%	\$557	0.05%
20	Australian Alps	VIC & NSW	\$28	0.01%	\$533	0.05%
Total Priority Destinations			\$21,696	10.05%	\$34,035	3.25%
Remaining 32 Tourism Regions			\$654	0.30%	\$4,900	0.47%
Total All Destinations			\$22,350	10.35%	\$38,935	3.72%

# Tourism Priorities - Sydney

## PRIORITY 1: SYDNEY AND SURROUNDS (NSW)

### TOURISM REGIONS: BLUE MOUNTAINS, SYDNEY

#### TRANSPORT INFRASTRUCTURE

1. Gateway Airport: Increase airside and landside capacity for Sydney basin airports
2. Major Road Access: Construct M4 East and upgrade the Great Western Highway
3. Cruise Shipping Facilities: Increase capacity east of the Sydney Harbour Bridge to accommodate large superliners
4. Rail Infrastructure: Expand Sydney's Light Rail system. Commence metro network and build very fast train servicing western Sydney

#### DESTINATION INFRASTRUCTURE

1. Convention and Exhibition Space: Upgrade and expand convention and exhibition space at Darling Harbour and Olympic Park
2. City Accommodation: Increase accommodation stock in and around the CBD, The Rocks, Darling Harbour, Barangaroo, Kings Cross and Bondi
3. Parks Facilities: Upgrade island jetties, signage, walking tracks, car parking and road access in Sydney Harbour, Blue Mountains and Yengo National Parks
4. Nature-based Accommodation: Develop sustainable accommodation facilities in and around national parks

# Tourism Priorities - Perth

## PRIORITY 3: PERTH & SURROUNDS (WA)

### TOURISM REGION: EXPERIENCE PERTH

#### TRANSPORT INFRASTRUCTURE

1. Gateway Airport: Expand passenger capacity at Perth Airport and better connect the international and domestic passenger terminals
2. Major Road Access: Upgrade highway connection between airport and the city
3. Major Road Access: Complete the Indian Ocean Drive including section between Lancelin and Cervantes
4. Major Road Access: Construct the New Perth Bunbury Highway

#### DESTINATION INFRASTRUCTURE

1. Precinct Development: Re-develop the Perth western foreshore and Scarborough Beach as tourism precincts
2. Marine Infrastructure: Develop a marina and boat harbour at Port Coogee
3. Public Asset: Complete multi-user sporting stadium

# Tourism Priorities – Gold Coast

## PRIORITY 6: GOLD COAST (QLD)

### TOURISM REGION: GOLD COAST

#### TRANSPORT INFRASTRUCTURE

1. Light Rail Infrastructure: Develop Gold Coast rapid transit system
2. Cruise Shipping facilities: Develop cruise ship facilities on the Spit.

#### DESTINATION INFRASTRUCTURE

1. Convention and Exhibition Space: Upgrade existing convention and exhibition facilities
2. Parks and Reserves Facilities: Build a World Heritage interpretive centre
3. Precinct Development: Develop Spit/Broadwater tourism precinct and upgrade Magic Millions facility. Develop bikeway & bicycle exchange facilities

# Conclusion

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1. **Yield** - Grow tourism expenditure by attracting high yield segments including international, nature-based, business event and education tourism.
2. **Investment** - Create a planning and regulatory environment that facilitates private investment and innovation in competitive high yield product.
3. **Capacity** - Remove capacity constraints on growth, particularly in accommodation, event infrastructure and aviation.
4. **Access** - Improve transport capacity, and travel time, from gateway airports to each of the CBDs and to priority destinations.
5. **Marketing** – Reform tourism marketing to enable promotion of priority destinations to targeted international markets.
6. **Destinations** – Focus investment, capacity, access and marketing efforts into priority destinations that will attract the high yield segments. This strategy should be delivered through the National Landscapes and National Gateways program.

**EVAN HALL**

**National Manager – Tourism**

**(02) 9240 2035**

**[ehall@ttf.org.au](mailto:ehall@ttf.org.au)**

**[www.ttf.org.au](http://www.ttf.org.au)**