

Queensland’s natural assets are a major drawcard for tourism attraction and investment, nationally, yet are particularly vulnerable to the physical impacts of climate change. The tourism sector can mitigate climate change risk through diversifying tourism services and focusing on building the resilience and sustainability of the industry.

Megatrends are influencing the products and services offered by the Queensland tourism sector. Growing consumer preference for sustainable tourism is creating opportunities for new attractions and regional development. The Great Barrier Reef and other leading tourist destinations are experiencing physical impacts of climate change, including higher water temperatures and more extreme weather events. Technological advancement will assist in the transition to a zero net emissions economy, including through low carbon transport modes and adaptation solutions. Queensland’s tourism sector provides key revenue for the economy and these megatrends will directly influence jobs and revenue in tourism-dependant areas.

The Great Barrier Reef has been estimated to be worth almost \$6 billion each year to the Australian economy, and is an important feature of the Queensland ‘brand’. Increasing the resilience of infrastructure in coastal areas will be important to maintain tourism revenues in the Great Barrier Reef catchment. Regional areas also provide the opportunity to develop new tourism experiences based on natural assets and cultural experiences.

### Megatrends

- Growing global demand for resource and energy efficiency, including more sustainable travel and tourism options
- Population growth, rapid urbanisation and the growing middle class in Asia changing tourism demographics
- Growing demand for accountability for social and environmental impacts, including ecotourism, carbon neutrality and stewardship of natural assets

“The transition to a low carbon economy is underway and moving quickly. The weight of money, pushed by commercial imperatives such as investment, innovation and reputational factors, is increasingly driving that shift, rather than scientists or policymakers.”  
Geoff Summerhayes (APRA)

Resilient infrastructure and environmental adaptation strategies are required to mitigate the physical risks of climate change. However, the tourism sector may also face reputational and policy risks during the transition to zero net emissions. These risks can be reduced through promoting a clean and green tourism brand and prioritising environmental protection.

## Sector overview

Gross Value Added (GVA) by sub-sector in Queensland’s tourism sector in 2015-16

- 63% Accommodation and food services
- 33% Transport
- 6% Arts and recreation services

\$7bn

7% of the state’s employment

54,000 tourism related business in Queensland

90% of tourism related businesses have less than 20 employees

Over 60% tourism-related GVA is generated in South East Queensland

4% contributor to total GVA in Queensland

Sources: REMPLAN (2015-16), Tourism Research Australia (2017)

EY analysis shows that the transition to zero net emissions presents significant opportunities. There are investment opportunities to realise these benefits and to effectively manage transitional risks.

### Key risks in a zero net emissions economy

- ▶ Biodiversity loss in the GBR due to ocean acidification and increased water temperature.
- ▶ Direct and indirect job losses related to reduced tourism demand due to the decline of the Great Barrier Reef.
- ▶ Damage from extreme weather events to natural assets and built infrastructure.

### Key opportunities in a zero net emissions economy

- ▶ Developing diversified and sustainably-managed tourist attractions, based on an improved understanding of changing tourism demographics
- ▶ Developing and promoting a ‘clean and green’ tourism brand, through a focus on ecotourism, and sustainability accreditation standards.
- ▶ Building resilience of the industry to physical and transitional climate risks.

## The current Queensland context

### South East Queensland region

- ▶ Over 60% of total employment within tourism is from South East Queensland.

### Inland region

- ▶ The inland region contributed 6% of total GVA associated with tourism activities.
- ▶ Government funding such as the Outback Tourism Infrastructure Fund is focusing on attracting visitors to outback regions through new attractions and improved tourism services and infrastructure.

### Great Barrier Reef

- ▶ The reef contributed to approximately 30% of total GVA associated with tourism activities in Queensland.
- ▶ The reef faces climate change impacts including mass coral bleaching and destructive weather events such as cyclones.
- ▶ Under current business-as-usual predictions, sea levels could rise by about half a metre by the end of the century in Queensland



## Queensland in a zero net emissions economy

### South East Queensland Region

- ▶ Increased demand from Asian economies for tourism, entertainment, healthcare and education.
- ▶ Changing consumer preferences towards clean and green products and services is predicted to provide opportunities in sustainable tourism, including ecotourism.

### Inland region

- ▶ Low-carbon transport options and technologies, such as electric vehicles, could improve the connectivity and accessibility of inland regions should infrastructure be improved.

### Great Barrier Reef

- ▶ Biodiversity in the GBR is predicted to be significantly reduced if temperatures increase 1.5°C or more from pre-industrial levels.
- ▶ Under a 2-degree scenario a 0.22m sea level rise is expected by 2050 in the GBR region.

## How can Queensland position itself for the transition?

### Attract investment

### Facilitate growth

Government

To attract investment in the tourism sector, the Queensland government can:

- ▶ Invest in infrastructure for outdoor and water activities in national parks. This could include camping facilities or co-investment with the transport sector to improve accessibility.
- ▶ Explore co-investment opportunities with other industry sectors. This could involve the construction sector through enhancing infrastructure or the agriculture sector with food-oriented tourism.
- ▶ Invest in climate-resilient tourism infrastructure, including heat resistant building materials and water infrastructure to reduce drought risks.
- ▶ Invest in sustainable on-water and on-land activities and attractions in the Great Barrier Reef region such as boating and eco-tourism.
- ▶ Support further research in intervention methods such as bioengineering and seeding new coral species.

To facilitate growth of the tourism sector, the Queensland government can:

- ▶ Explore new opportunities to provide financial support including green bonds, fiscal incentives and discounted debt financing to ecotourism and cultural activities.
- ▶ Understand tourist expectations of tourism products and services, including arts and recreation, cultural attractions, water activities and education.
- ▶ Provide cultural and heritage activities that promote cultural experiences and Indigenous tourism. This could also support remote communities and local economies.
- ▶ Increase resilience of the tourism industry to physical and transition risks through further investments, embedding resilience into businesses, vocational education, sector growth strategies and events.

Industry

To attract investment in the tourism sector, industry can:

- ▶ Invest in labour force training, to build the capacity of existing and future tourism operators to grow low impact businesses.
- ▶ Develop a reputation as a global leader in the tourism sector through innovation, skilled workforce, sustainable offerings and reliable supply chains.
- ▶ Ensure there is appropriate risk management and adaptation strategies in place.

To facilitate growth of the tourism sector, industry can:

- ▶ Encourage brand development to increase growth in tourism through celebrating industry initiatives and developing a 'green' brand and products.
- ▶ Provide education and training to the emerging labour force to ensure that they are equipped with the skills and knowledge required to work in a zero net emissions economy.
- ▶ Seek domestic or international funding through different financial instruments such as grants, Green Bonds, venture philanthropy and venture capital. Potential investors may include state and federal government, philanthropists, development banks and NGOs.

Proactive action by industry and government will support the resilience of the Queensland tourism sector in the face of climate change. Reef protection, 'clean and green' tourism offerings, and resilient infrastructure will contribute to Queensland's transition to a zero net emissions future.