QUEENSLAND TOURISM INDUSTRY COUNCIL

*The Voice of Tourism*

# Submission to the Senate Standing Committees on Environment and Communications

on the

# Current and future impacts of climate change on housing, buildings and infrastructure

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## OVERVIEW

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to provide a submission to the Senate Standing Committees on Environment and Communications on the current and future impacts of climate change on housing, buildings and infrastructure.

It is evident from existing research that current forecasts for climate change in Queensland will have significant and adverse implications for tourism infrastructure, natural assets that tourism relies on and visitors' movements. There are currently inconsistencies in the national, state and local government approaches to climate change and a relative lack of inclusion of mitigation and adaptation strategies in tourism plans and frameworks.

QTIC recommends the following actions:

- Coordinated approach to climate change mitigation and adaptation strategies across industries and levels of government
- Expedite the development of climate change mitigation and adaptation sector plans
- Integrate climate change mitigation and adaptation sectoral plans into existing strategies.

Climate change is a considerable threat to the tourism industry and it is critical that governments take a leading role in responding likely future scenarios.

## QUEENSLAND TOURISM INDUSTRY COUNCIL

The Queensland Tourism Industry Council (QTIC) is the state peak body for tourism in Queensland. The voice of tourism, QTIC represents the interests of the tourism industry, including business operators, Regional Tourism Organisations (RTOs) and sector associations.

QTIC is an independent private sector, membership-based tourism industry organisation; all of Queensland's 13 RTOs are members of QTIC as are 20 of the industry sector associations and in excess of 3,000 regional members, operating across all sectors of the tourism industry. QTIC works in partnership with government agencies and industry bodies at a local, state and national level, to strengthen the voice of tourism in all relevant policy forums.

## TOURISM IN QUEENSLAND

The tourism industry in Queensland contributed $25.0 billion to Queensland's Gross State Product (GSP), representing 7.9% of total GSP[1] and generated $6.6 billion in exports in the year ending June 2015[2], making it one of the state's largest export industries .

In recent years, government and business communities have recognised tourism is contributing significantly to economic growth in Queensland and generating significant numbers of new jobs. Due to a slowdown in the resource industry, tourism has experienced resurgence and is flourishing against a

[1] Tourism Research Australia, *State Tourism Satellite Accounts 2015-2016*
[2] Tourism Research Australia, *State Tourism Satellite Accounts 2014-2015*

relatively soft economic backdrop. In Deloitte's *Tourism and Hotel Market Outlook*[3], it is reported that international arrivals to Australia grew at twice the rate of global outbound travel and international visitation "continues to outshine broader economic performance". Forecasts to 2020 indicate tourism will continue to grow faster than the wider economy.

Income growth in China and other source markets, coupled with a favourable Australian dollar, has seen visitor expenditure in Queensland grow to an all-time high of $20.4 billion, a $56.0 million daily spend in the Queensland economy (year ending March 2017)[4]. The broader impact of tourism expenditure is large; every tourism dollar earns an additional 87 cents the economy. Tourism continues to play an important role in regional Queensland as well as in urban centres. Benefits of tourism are widespread, with almost half of all expenditure going into regional Australia[1.]

Tourism is a key economic driver in regional Queensland, supporting employment and community growth, employing more than 225,000 people directly and indirectly, or 9.5% of all people employed in Queensland[1]. This is substantially more than mining (2.5% of employment) or agriculture, forestry and fishing combined (2.5% of employment). There is a diversity of jobs within the tourism industry with 11 occupations representing the majority of workers in the industry[5]. On average around 79% of tourism employees are sourced from the local region, of the remaining, 11% are from interstate or intrastate and 4% are working holiday makers[6]. Furthermore, of those directly employed in tourism, two thirds are employed outside of Brisbane, highlighting the value of tourism in regional Queensland[7].

The World Travel and Tourism Council[8] (WTTC) project travel and tourism employment will grow 5.8% (compound annual growth) over the next decade in the Asia Pacific region. In contrast, total economy growth is projected at 4.1% per annum and other industries such as mining and agriculture are forecast to grow at 1.8% and 2.2% per annum respectively.

The five-year average growth rate for total visitor nights in Queensland is projected to be 4.0% over 2014–15 to 2019–20, or 3.9% over 10 years. This compares to 4.4% total five-year average annual growth for Australia, or 3.8% over 10 years.

## FEDERAL TOURISM INITIATIVES

### *United Nations – Sustainable Development Goals*

Australia is a signatory to the Sustainable Development Goals developed by the United Nations. 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". Goal 13 specifically focuses on Climate Change:

[3] Deloitte, *Tourism and Hotel Market Outlook*, Edition 1, 2017

[4] Tourism Queensland, *Tourism Economic Key Facts*, April 2017

[5] Queensland Government Department of Tourism Education and Small Business (DETESB) identified occupations: Tourism Workforce profiling: Accommodation and hospitality managers; Housekeepers and Cleaners; Fast Food Cooks and Kitchen Hands; Receptionists; Waiters; Bar attendants and Baristas; Chefs; Cooks; Café workers; Travel and Tourism Advisers; Air Transport professionals

[6] Jobs Skills, 2015, Queensland Tourism Workforce Plan 2017-20

[7] Tourism Research Australia, 2015-16, Queensland Tourism Satellite Account

[8] World Travel and Tourism Council. 2017. Travel & Tourism Economic Impact 2017 Asia Pacific

**Goal 13. Take urgent action to combat climate change and its impacts***

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
13.2 Integrate climate change measures into national policies, strategies and planning
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
13.a Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly $100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible.
13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

By signing up to the *Paris Agreement*, the government has reaffirmed its commitment to reducing emissions and toward low-carbon, climate resilient future.

## *National Climate Change Adaptation Framework*

In 2008, The Council of Australian Governments' (COAG) National Climate Change Adaptation Framework, identified tourism as one of many sectors and areas vulnerable to climate change. Tourism was considered an integral industry to support as a failure to act was considered to "leave an industry which currently contributes $38.9 billion to Australia's annual GDP exposed, and undermine industry's capacity to contribute to the economy". The Tourism Action Plan on Climate Change was developed to assist the tourism industry to build its resilience and capacity to adapt to climate change impacts and to prepare for a carbon constrained future. The majority of actions outlined in the framework were due for completion in 2010.

## *Climate Change Strategic Overview 2009-2014 - Parks Australia*

The Parks Australia Climate Change Strategic Overview 2009-2014 identified the principles and objectives that guided Parks Australia's response to managing the consequences of climate change in Parks Australia's terrestrial reserves over the five years to 2014.

## *Tourism 2020*

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 to meet 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.

Action items outlined *Tourism 2020* include the engagement of tourism business in climate change adaptation through CSIRO Climate Change Adaptation project (resilience working group) and the development of an industry resilience tool kit. In May 2012, the *Responding to Climate Change: Programs and Resources for the Tourism Industry* was launched offering support and links to state and territory climate change programs.

## STATE TOURISM INITIATIVES

The Queensland Government and the Queensland tourism industry share an ambition to restore Queensland's leadership position as Australia's premier tourism state. The former government supported a **goal of doubling visitor expenditure, to $30 billion by 2020**, in line with Commonwealth ambitions**.** The current Queensland Government has committed to maintaining these goals and to continue working with industry leaders to develop a prosperous and sustainable tourism industry. QTIC remains committed to working with government and industry to achieve training and employment outcomes through the following strategies:

### *Destination Success*

*Destination Success*, the 20-year tourism plan of the Queensland Government for tourism, prioritises six key themes that will grow the tourism industry. Themes are based around seven megatrends identified by CRISO. One of the megatrends – a natural advantage – identifies "globally, climate change, poor management and urbanisation will continue to threaten biodiversity", however the *Destination Success* plan fails to identify strategies that can be implemented to mitigate this threat.

### *Advancing Tourism*

*Advancing Tourism 2016–20* is the Queensland government's plan to capitalise on the significant tourism growth in Queensland. It targets key areas, identified by industry, to increase market share and boost tourism jobs. There is no mention of climate change in this plan.

### *Next Generation Tourism Planning*

The *Next Generation Tourism Planning* is a framework for local government planning in Queensland. The framework takes a 'triple bottom line' approach to tourism planning measuring economic, environment and social inputs to sustainable development. Whilst there is not explicit mention of Climate Change, the planning framework urges consideration of "a broad range of environmental factors and issues (climate, aspect, topography, flora, fauna, amenity, context—historic, scenic)". The plan also states: "The protection of environmental values and opportunities for enhancement are as important to tourism as to the environment itself".

### *State Infrastructure Plan*

The *State Infrastructure Plan* identifies climate change as one of the major challenges facing Queensland. The plan acknowledges well-coordinated planning as critical to addressing the challenges brought by climate change, to ensure that investment in infrastructure in Queensland is sustainable and creates a lasting benefit for future generations. The plan states: "Climate change requires significant, immediate and long-term action with smarter infrastructure solutions. Restricting average temperature rises to no more than 2°C will require Daintree Rainforest Queensland overview global emissions to approach zero by the second half of the century. This challenge requires Queensland and its infrastructure to boldly transition to a cleaner, more resilient and sustainable future".

### *Reef 2050*

The *Reef 2050 Long-Term Sustainability Plan* provides an overarching strategy for management of the Great Barrier Reef. It coordinates actions and guides adaptive management to 2050. The Plan responds to the challenges facing the Reef and presents actions to protect its values, health and resilience while allowing ecologically sustainable development and use.

### *In development: Climate Change Adaptation and Mitigation Plan*

The Queensland Government, in collaboration with industry sectors, is currently involved in the Climate Adaptation and Mitigation Plan. QTIC alongside key partners will take a leading role in the development of these integral plans.

## RESPONSE TO TERMS OF REFERENCE

### *The impact of these changes on public recreation and tourism facilities;*

As an industry, tourism is identified as being highly exposed to both direct and indirect impacts of climate change[9]. Tourism's dependence on core natural attractors places it at high risk due to the strain climate change is placing on natural resources[10]. Research indicates that climate change will have both economic and non-economic impacts on destinations[10]. Forecasts suggests a profound impact will be seen on tourism flows with some destinations likely to become significantly less appealing to tourism, shifting the visitation patterns of tourists and potentially leading to a decline in visitor numbers[11]. This is due to climate directly affecting a variety of resources tourism relies on including, water levels and quality, bio-diversity and wildlife among others. Furthermore, climate change is also influencing deterrents to tourists including extreme events such as tropical cyclones and background conditions such as infectious disease vectors and fire risk[12]. Tourists are more likely to react to sudden or extreme weather events as opposed to average weather[13]. Australia's vulnerability to the impacts of climate change is therefore likely to be exacerbated by the potential increase of frequency and intensity of a range of extreme weather events, including heat waves, fires, floods, landslides, droughts and storm surges influenced by climate change[13].

### *Coastal areas*

Coastal assets are fundamental to the attractiveness and competitiveness of a large number of destinations across Queensland. Threats to coastal regions brought on, or exacerbated, by climate change such as erosion, inundation and storm tides create significant concern for tourism operators and destination management organisations across the state.

Researchers suggest undertaking risk assessments to consider overall consequences of climate change; these should include costs for defending buildings and infrastructure, environmental issues, and associated socio-economic benefits14. When assessing the threat to coastal regions and adaption and

[9] Nicholls, G. *Climate change: Implications for tourism - key findings from the intergovernmental panel on climate change.* 2014. University of Cambridge. www.cisi.cam.ac.uk/ipcc
[10] Turton, S et al. "Developing an approach for tourism climate change assessment: evidence from four contrasting Australian case studies" Journal of Sustainable Tourism. 18. (2010): 429-447.
[11] Amelung, B., Nicholls, S and Viner, D. "Implications of Global Climate Change for Tourism Flows and Seasonality." Journal of Travel Research, 45 (2007): 285-296.
[12] Pham, TD et al. "Climate change-induced economic impacts on tourism destinations: the case of Australia". Journal of Sustainable Tourism. 18. (2010). 449-473.
[13] Amelung, B,. and Nicholls, S. "Implications of climate change for tourism in Australia". Tourism Management. 41 (2014). 228-244

mitigation strategies, there is a need to think with long-term vision, alongside medium term and immediate local planning strategies[14].

## *National parks*

Queensland is in a unique position with multiple natural world heritage sites. As a whole destination, the World Economic Forum (WEF) ranks Australia as the sixth most competitive destination globally in terms of natural resources, number one in the world for the number of world heritage natural sites[15]. Each natural world heritage site is unique and highly valued by society, if there is a delay in action on climate change adaption sites research indicates a risk of permanent loss or serious change[16] specifically to habitats and the abundance, distribution and composition of native species. Furthermore, additional implications are likely to be felt across traditional uses of national park (such as fishing and gathering) due to changes in flora and fauna distributions, this can influence tourism experiences within national parks. There is also an increased likelihood of increased park closures in response to increases in temperature, fire risk and extreme events; this generates implications for visitor safety, satisfaction and park revenue. However, because each natural park site is unique, adaptive actions are expensive, contentious, and often one-off experiments that come with the risk of losing the very asset that is trying to be protected[16].

Cyclone Debbie is a recent example of the significant damages that may be felt after unexpected weather events. The damage to natural park infrastructure across the Whitsunday Islands was in excess of $10million, not including catastrophic damage to fringing reefs. Further impact has been felt across the Whitsunday with the temporary closure of a number of tourism businesses and a reduction in visitor numbers directly following the event.

Impacts of climate change on recreational and tourism infrastructure are not just physical in nature; the damage can have much wider consequences. Damage can be reputational, harming consumer perceptions of destinations, impacting the desirability of specific tourism regions and causing flow-on effects to the wider economy undermining the growth potential of destinations. Extensive and 'high-drama' disaster coverage by the media is exacerbating these impacts.

## *Tourism specific infrastructure*

Climate change may also have significant damaging impacts on the built environment. Tourism specific infrastructure along coastlines is recognised at high risk. Other damaging impacts may be caused by rising temperatures, which can create heat islands - highly populated metropolitan areas that are heating faster than their rural surroundings due to human activity - that will adversely impact local residents and visitors if there is not adequate share or air-conditioning throughout the regions[17].

Extreme weather can render resorts, hotels of facilities unusable, creating stranded assets and causing financial losses to investors thereby making Queensland a less attractive investment state. Further consequences of extreme weather events on tourism infrastructure are additional costs associated with

[14] Phillips, M.R., and Jones, A.l. "Erosion and tourism infrastructure in the coastal zone: problems, consequences and management". Tourism Management. 27(2006).:517-524
[15] World Economic Forum. (2017) Travel and Tourism Competitiveness Index, 2017 Edition. http://www3.weforum.org/docs/WEF_TTCR_2017_web_0401.pdf
[16] Perry, J. "Climate change adaptation in the world's best places: A wicked problem in need of immediate attention". Landscape and urban planning. 133(2015). 1-11.
[17] Susskind, Lawrence. "Policy & Practice: Responding to the risks posed by climate change: Cities have no choice but to adapt." Town Planning Review 81.3 (2010): 217-235.

protecting assets. A large proportion of Queensland is now deemed at flood and/or cyclone risk resulting in high insurance premiums and creating a more challenging business environment for operators.

## *Cross-sector impacts*

The impacts of climate change have ramifications across multiple sectors and industries; these should be taken into consideration during city and emergency planning. For example, flooding and cyclones impact on transport security and infrastructure alongside natural asset and direct industry damage. Impacts include the disruption of visitor flows, negative influence on destination perception and high costs to restore the destination.

The *State Infrastructure Plan* identifies the significant impact of extreme weather events of Queensland and the impact on communities and public assets. For example, recent natural disasters have seen the loss of life, destruction of thousands of homes and reconstruction costs of billions of dollars. Transport network reconstruction costs between 2010 and 2013 totalled $6.4 billion to repair 8,741 kilometres of state-controlled roads (more than 25 percent of the total) and 1,733 bridges and culverts[18].

## *The adequacy of current state and Commonwealth policies to assess, plan and implement adaptation plans and improved resilience of infrastructure*

Governments are required to play a number of roles in responding to the threat posed by climate change. These roles include the need to regulate to reduce community vulnerability and to build the adaptive capacity of communities to facilitate adaptive responses. Working collaboratively is an important step in ensuring effective measures are in place[19].

Current government policies lack focus on climate change. Evidence indicates that Australia is still in the early stages of considering climate change adaptation and its relationship to other aspects of public policy[20]. Barriers to engagement in climate strategies across government include a lack of, or, inconsistent leadership, insufficient knowledge of risks and responses, inadequate funding, difficulties in negotiating among competing values and goals, a lack of institutional support, and poor coordination across levels of government[21]. A *lack of clarity on roles and responsibilities of the three levels of Australian government*, and of the private sector versus the public sector, is also a major impediment to the implementation of a strong and consistent framework[22].

As identified, adaptation to climate change in one sector may result in positive or negative outcomes for several other related sectors and illustrates the need for regional climate change policy to be integrated *across frameworks at all levels of government* to avoid potential maladaptation[23]. This currently does not happen. From a tourism perspective, tourism adaptation and mitigation strategies should be integrated into Destination Management Plans and regional plans and be considered across all levels of destination management. This includes in the development of emergency planning whereby the needs of the non-

[18] Queensland Government: Department of Infrastructure, Local Government and Planning. “State Infrastructure Plan- Part A: Strategy” March 2016

[19] National Climate Change Adaptation and Research Facility. “Roles and Responsibilities for Climate Change in Australia” (2012). https://www.nccarf.edu.au/sites/default/files/18-dccee-2012.pdf

[20] Head, L et al., “Climate change and Australia”. Wiley Interdisciplinary Reviews: WIREs Climate Change, (2014). 5. 175-197.

[21] Baker, I et al., “Local government response to the impacts of climate change: An evaluation of local climate adaptation plans”. Landscape and Urban Planning. 107. (2012). 127-136

[22] Barnett, J et al., “From barriers to limits to climate change adaptation: path dependency and the speed of change. 20 (2015).

[23] Jacobs, B et al. “Integrated regional vulnerability assessment of government services to climate change”. International Journal of Climate Change Strategies and Management. 6. (2014): 272-295.

residents should be considered alongside residents including planning for non-English speaking visitors. To develop and advocate tourism focus, lead tourism agencies (state tourism organisations, state tourism industry councils, regional tourism organisations and local tourism organisations) need to be proactive in integrating destination management into the local government's statutory planning processes[23].

From a business perspective, adaptation plans and strategies need to be *accessible* to small and medium sized businesses alongside larger corporations. Across the tourism industry in Queensland, nine out of ten businesses are small to medium sized. These individual businesses should have a single access point to information and strategy advice rather than having to navigate the complexities of multiple-levels of government. In addition, smaller enterprises often operate on small overheads with little or no capital or capacity to implement major adaptation strategies10, government responses must be mindful of the constraints to businesses. Inclusion of local businesses in the development of plans will assist in the development of high quality plans with strong buy-in and therefore a greater chance of implementation and success[21].

## RECOMMENDATIONS

### *Coordinated approach to climate change mitigation and adaptation strategies across industries and levels of government*

It is important that a coordinate approach is established into climate mitigation and adaptation strategies. The tourism industry, tourism infrastructure and tourism assets cross multiple industries (e.g. agriculture, transportation etc.) therefore it is essential that these sectors take a united approach toward mitigation and adaptation strategies. Coordination across all levels of government is also important to ensure that plans support overarching climate change mitigation goals and that the nation works together to achieve the targets outlined in the *Paris Agreement*.

### *Expedite the development and funding of sector plans*

Funding of the development and implementation of sector based adaptation and mitigation plans will assist in creating a coordinated approach to dealing with the impacts of climate change on the tourism industry. Engaging with local businesses and providing clear and timely knowledge to key stakeholders including tourism and hospitality operators will lead to the best opportunity for success. There should be a clear pathway for business owners to be able to access information and implement changes without having to navigate the complexities associated with multiple levels of government.

### *Integrate sectoral plans into existing strategies*

There is a gap in existing plans, strategies and framework in relation to consideration of the impact of climate change on the long term future of the tourism industry. On development of sectoral plans it is important that other government and industry plans, strategies and frameworks are amended to consider climate change.

## FURTHER ENQUIRIES

We welcome the opportunity for further discussion regarding the points raised in this submission. For all enquiries, please contact QTIC Policy Team on