



STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY SUB-COMMITTEE

Members present:

Mr GE Malone MP (Chair)
Mr MJ Hart MP
Ms KN Millard MP

Staff present:

Dr K Munro (Research Director)
Ms M Telford (Principal Research Officer)
Ms M Westcott (Principal Research Officer)

PRIVATE BRIEFING—INQUIRY INTO THE TOURISM AND EVENTS QUEENSLAND BILL 2012

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 2 NOVEMBER 2012

Brisbane

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Committee met at 2.31 pm

EDEN, Dr Richard, Director-General, Department of Tourism, Major Events, Small Business and the Commonwealth Games

MORGAN, Ms Filly, Executive Director, Office of Commonwealth Games Coordination

CHAIR: Good afternoon. The private briefing for the committee's inquiry into the Tourism and Events Queensland Bill 2012 is now open. Thank you for accepting the committee's invitation to appear before the committee this afternoon, and we appreciate the short time frame. We really do appreciate that. The State Development, Infrastructure and Industry Committee has appointed a subcommittee to conduct the examination of the bill this afternoon. My name is Ted Malone. I am the member for Mirani and chair of the committee. I want to introduce the other subcommittee members present today: Ms Kerry Millard, the member for Sandgate and deputy chair; and Mr Michael Hart, the member for Burleigh.

The State Development, Infrastructure and Industry Committee is a committee of the Queensland parliament and as such represents the parliament. It is an all-party committee which adopts a nonpartisan approach to its proceedings. The committee's responsibility under the Parliament of Queensland Act is to examine the policy to be given effect by the Tourism and Events Queensland Bill 2012 and the application of fundamental legislative principles. Although the committee is not swearing in witnesses, I remind all that this briefing is a formal process of the parliament and as such any person intentionally misleading the committee is committing a serious offence. Hansard will be making a transcript of today's briefing. It is the committee's intention that the transcript of the briefing be published. Before we commence, may I ask that mobile phones be switched off or put on silent mode. Richard or Filly, would you like to make an opening statement?

Dr Eden: I would, thank you. Ms Morgan is one of my executive directors and is the officer who has been working on the drafting for this bill, so she is fully knowledgeable of the contents of the bill. I would like to just make an opening statement, if I could. The department welcomes the opportunity to support the committee's consideration of the bill. In April 2012 the government chose to put Tourism Queensland and Events Queensland into the same portfolio under the one minister. This had not previously been the case. Tourism Queensland is a statutory body under the Tourism Queensland Act 1979 and Events Queensland is a proprietary limited under the Commonwealth's Corporations Law and was established in 1989. Tourism and events are intrinsically linked, so it makes sense that we actually combine them now into a streamlined entity. Both have been successful. However, a combined entity will bring an even more unified approach to using the marketing and the promotion and the event attraction into the tourism experience and destination development to grow our Queensland visitor economy. The objective of the bill is to merge the two entities into a single Tourism and Events Queensland corporation and it deals with the governance and structural arrangements to do so.

CHAIR: Ms Morgan, do you have a statement at all?

Ms Morgan: No, nothing further.

CHAIR: I guess you almost covered it, Dr Eden, in relation to the advantages, but could you just expand on some of the advantages that you see in the longer term of combining the two organisations together?

Dr Eden: Yes, certainly. It is quite important for the growth of tourism and the growth of the visitor economy that destinations are marketed and promoted with a combination of things for a visitor to do, and the securing and managing of major events is an important component of that. So in terms of major events, that can be sporting things of a huge nature, whether that be V8 car racing or State of Origin matches or football matches—and you can imagine the visitor attraction that that brings—but we also do a lot of regional events for festivals and local promotion and development. The coordination of those with tourism means that you can often put them on the shoulder of a peak season to extend the amount of time visitors will go to a particular region. You can often coordinate a few together instead of one being at the beginning of the year and one being at the other end of the year to actually make it a bigger event. So our desire is that the two entities work closely on destination marketing and then use their respective skills for promotion to increase visitors. The government has a very clear goal of doubling the annual overnight visitation from 15 billion in 2010 to 30 billion in 2020.

CHAIR: In terms of how you organise that—and I am thinking of professional conferences such as those for dentists, psychiatrists or doctors—can you actually be proactive in attracting those types of conferences to places like Mackay or wherever facilities are available?

Dr Eden: Yes. The current Events Queensland entity is quite skilled at chasing business events. A business visitor spends more and often gets an insight into a location and then comes back for a more leisure tourism activity. So they have got quite a track record of working with convention bureaux and working with convention centres for bidding for and securing a wide range of events. There is a large part of the portfolio with sporting, but there is also a large part of the portfolio with lifestyle and business events as well.

CHAIR: So that is where the tourism part will come into it very neatly on top of that professional package or whatever it is that you would be able to add on to the tourism aspects as well?

Dr Eden: Yes, and the destination marketing plans for each region will shoehorn in nicely as well—that is, how we actually attract what things you can do before the event and after the event.

CHAIR: That is right.

Mr HART: Ms Morgan, your title is Executive Director of the Office of Commonwealth Games Coordination. You are the expert in the merger of these two things. Why the Office of Commonwealth Games Coordination? Is that just a coincidence?

Dr Eden: No, if I could explain. That unit within my department is the liaison point for Events Queensland into the department.

Mr HART: Will the Commonwealth Games be a part of this? Will the promotion of the Commonwealth Games be a part of this new entity or will it be separate?

Dr Eden: It will stay as its own separate entity. It has its own act and it has its own statutory body, but it is under the same portfolio as the minister and my department and we will bring all of those synergies together.

Mr HART: The government recently held DestinationQ. Was this merger canvassed there at all or did it come out of there or was there any consultation at DestinationQ about the possibility of this happening?

Dr Eden: We ran six themes at DestinationQ. Two of those were specific to this topic, and that was marketing and promotion and destination promotion. There were a wide range of views that came out of that. We ended up with 372 action items that have been agreed with both the industry and government as a partnership going forward and at that conference the Premier announced that it was his intention to have a more streamlined and efficient Events Queensland and Tourism Queensland.

Mr HART: Was merging the two directly discussed?

Dr Eden: No, I do not think the word 'merged' was used. That was back in June, so that was 29 June or close to that.

Mr HART: Has this concept been teased out of all of that?

Dr Eden: Yes.

Ms MILLARD: Do you think that one of the entities will be a brighter light than the other entity and then one may fall by the wayside?

Dr Eden: No. There are 130 employees in Tourism Queensland and there are 18 in Events Queensland, so I can understand the question of one might subsume the other. Recently the government has refreshed the boards of both separate entities in preparation for a merged entity and I am confident that those boards will still see the high significance of Events Queensland and the professionalism and skill set that is required for that. So I see it as quite complementary, not as subservient at all.

Mr HART: What happens to those two boards in this merger?

Dr Eden: They will become one board under this head of power.

Mr HART: Will there still be the same numbers of people?

Dr Eden: There is a high degree of commonality at the moment on the two boards, but once this bill is passed then we will go through a significant appointment process to put in place the single board.

Mr HART: Will the same people be involved or will it start all over again?

Dr Eden: No. The intention is that the refresh has already occurred, but it will be up to the chair and the minister at the time to go through the significant appointment process under this new entity.

Mr HART: What about the staffing levels? Did you say 130?

Dr Eden: Yes, 130 in TQ.

Mr HART: Yes, 130 and 18.

Dr Eden: Both have just recently gone through an administrative efficiency process, so Tourism Queensland have come from, I think, 156 down to 130 in the last month or two and Events Queensland went from 23 down to 18. So they have both already, as all government agencies have, looked at how they can do business more efficiently. There will be some synergy and efficiency in bringing the 18 into the new TEQ corporation.

Ms MILLARD: So you have had a look at the skill sets of both knowing that there would possibly be this merger and sort of kept the best of both?

Dr Eden: Correct.

Ms MILLARD: So you are not expecting any more redundancies at this stage?

Dr Eden: There might be in minor administrative positions, but nothing major.

Mr HART: What about funding?

Dr Eden: They both have a separate budget at the moment that flows through my organisation and if they are amalgamated then the budget will amalgamate and continue.

Mr HART: Do they both have real estate anywhere?

Dr Eden: They each lease a premises in the CBD of Brisbane.

Mr HART: So they will amalgamate into the one premises?

Dr Eden: It depends on those leasing arrangements, but the chair and the new organisation would obviously look at where they most efficiently can operate from.

Mr HART: What about consultation then with industry in general? Who has been consulted on the merger of these two entities?

Dr Eden: Both the entities themselves for a start and the chair of the Queensland Tourism Industry Council has been aware and supportive of this.

Mr HART: How long has this process taken?

Dr Eden: Probably July to now. So the first thing the government did was look at the membership of both boards and went through some significant appointment processes. It was facilitated by the fact that both previous chairs resigned—they were at the end of their term—and one CEO resigned for a position elsewhere. That was from Events Queensland. With the new board, the Tourism Queensland CEO also resigned after a five-year stint in the position.

Mr HART: Does this flow through to regions then? I am not really au fait with the structure, but there is the Gold Coast tourism, the Gold Coast events—

Dr Eden: Tourism Queensland currently works with 13 regional tourism organisations that get government funding and there is a partnership agreement between Tourism Queensland and what we call the RTO, the regional tourism organisation. Some of those are almost reliant on the government grant and others leverage significantly money from elsewhere, like the Gold Coast and so on.

Mr HART: The council and the events companies.

Dr Eden: Events has three discrete companies underneath it and Filly can tell you what they are for. They were originally set up as a risk mitigation strategy. So one of them is racing.

Ms Morgan: Yes, that is the Gold Coast Events Company and then there is Gold Coast Events Management and Asia Pacific Screen Awards and they will also be transferred to Tourism and Events Queensland.

Dr Eden: And where instruments set up under Events Queensland to limit risk of those events—

Mr HART: And their funding will be centralised back into—

Dr Eden: It will all transition into the new entity.

Mr HART: What is your time frame for this all pulling back? I am concerned about the Gold Coast 600 the year after next, which obviously needs some consideration. This is probably outside the scope of this inquiry, but I am just asking out of interest for the Gold Coast.

CHAIR: South-East Queensland.

Dr Eden: I do not think these arrangements—because they are both functioning now and they are both functioning with boards over them now and they have the same chair on those boards—will distract from the current stable of events that Events Queensland has or their processes for renegotiation.

Mr HART: Their particular boards will disappear, though?

Dr Eden: There will be a new board and there will probably be a subboard for events, because it is so specific and unique. But that will be up to the chair.

Mr HART: Hang on. So we are going to form one company but have a board for events inside all of that?

Dr Eden: It is up to the chair how they wish to organise their board.

Mr HART: A sub-board, or something.

Dr Eden: Yes, or a subcommittee.

Ms Morgan: There is provision in the legislation for the board to establish subcommittees. So it is up to the board, but they could establish a subcommittee under the bill.

Dr Eden: But there will only be a single board for TEQ.

Ms Morgan: That is right.

Mr HART: Those people who are on the racing board, for instance, will vanish or they will move up into Tourism and Events Queensland?

Dr Eden: What racing?

Mr HART: Sorry, are there people on the board of this racing entity that you were talking about?

Dr Eden: No, it is a company.

Ms Morgan: The Gold Coast—

Mr HART: The Gold Coast—

Ms Morgan: The Gold Coast Events Company will pretty much remain the same, but ownership of it will be transferred to Events Queensland.

Mr HART: Sorry—

Ms Morgan: Do you see what I mean? Yes.

Dr Eden: All the assets of Events Queensland will transition across to the new entity.

Ms MILLARD: With the transition of the two and the funding coming into the one pool, do you have any sort of indication of what savings may be made?

Dr Eden: The objective is not about savings; the objective is about leveraging each other's skill sets and the complementarity that goes with that. So there is not an objective for them to reduce funding. There is an objective for them to be more efficient and to drive the visitor economy more strongly. So there is not a target other than as I mentioned before. There may be very minor administrative efficiencies in a few positions, which would be—

Mr HART: What interaction do they have at the moment—the two entities?

Dr Eden: The two CEOs used to sit on each board and they have for certain events cross-promoted and been involved together. That has been successful for that time. We actually want to do that a bit more rigorously, a bit more focused.

CHAIR: In terms of events, the big issue is sometimes things can go wrong and it all hits the fan. Will risk mitigation continue to happen the same way as it has always happened or is there some further strategy to risk manage those events?

Dr Eden: It would be the same as what occurs now. I am a board member of EQ, so I will just comment from that perspective. EQ tries to and insists in their contractual obligations that they are not responsible for the running of an event. Their involvement is in helping to secure the state in hosting the event.

CHAIR: So you are not a promoter as such.

Dr Eden: No.

CHAIR: Okay. In terms of bringing this together, has there been any criticism at all that you are aware of of doing this amalgamation?

Dr Eden: I have not heard—other than the two original boards and the two original CEOs right at the beginning when this was first talked about, who perhaps did not see the same desire to pull them together, there has not been anyone raise with me any idea that it is not a good idea.

CHAIR: You could assume that that was coming from protecting their environment.

Dr Eden: Vested interests.

CHAIR: In terms of the project, do you see any negatives or any downside to combining the two organisations?

Dr Eden: No, we do not. We think this will bring clarity of direction and focus for both entities. So we do not see any negatives with it.

CHAIR: Do you see any challenges ahead in terms of putting this together?

Dr Eden: There will clearly be some cultural issues to work through with the organisation and the new direction and refocus that the government might want. But that is no different from any other organisation at a point in time of such change.

CHAIR: I really appreciate you coming in at such short notice.

Dr Eden: Thank you.

CHAIR: We have a very heavy legislative program. The committee is trying to get across the bills and we really appreciate you making the time available this afternoon to allow us to do the interview. So thank you very much. I move—

Pursuant to section 50(2)(a) of the Parliament of Queensland Act 2001, the committee authorise for the publication of evidence given before it today.

Mr HART: Seconded.

CHAIR: Kerry? All three of us in favour. I now declare the meeting closed. We really appreciate you making your time available. Thank you very much.

Committee adjourned at 2.51 pm.