

# TREASURY EXECUTIVE MINUTE

Minute No.

20 January 2011

Deputy Prime Minister and Treasurer

## IMPACT OF FLOODS ON TOURISM IN QUEENSLAND, VICTORIA AND TASMANIA

**Timing:** At your convenience

### Recommendation/Issue:

- That you note the following Treasury Minute.

**Noted**

Signature: .....

...../...../2011

### KEY POINTS

- Recent flooding in Queensland, Victoria and Tasmania is expected to impact their respective tourism industries, with the Queensland tourism industry likely to be the worst affected.
  - Tourism represents roughly 4 per cent of Queensland's Gross State Product (GSP), around 3 per cent of Victoria's GSP and around 5 per cent of Tasmania's GSP.
- For Queensland, our early estimate of the impact on tourism is likely to be around \$300 million to \$400 million.
  - The largest impact is likely to be in Brisbane. The Brisbane CBD had been shut down for almost a week as a result of flooding from the Brisbane River. Flood waters have receded, revealing considerable damage across the city. Brisbane is Queensland's largest source of tourism income, generating \$2.8 billion in 2007-08.
  - The impact on tourism in flood-affected regional areas (such as Fitzroy, the Darling Downs and Bundaberg) is expected to be less than in Brisbane, as they are not major tourist destinations. In total, these regions generated \$0.8 billion in tourism income in 2007-08.
    - : Major tourist destinations, including Mackay, have also been affected by the floods, but to a lesser degree.
    - : While the key tourist destinations of the Sunshine coast and the Gold Coast were not directly impacted by the flooding, road access was impaired at times.
- The Victorian floods have largely been concentrated in regional areas, including the towns of Echuca and Horsham. At this stage, we estimate the impact on tourism in these areas to be around \$20 million. However, the full impact of the floods will not be known for some time, as flood waters remain high in parts of northern Victoria.
- The Tasmanian floods have largely affected the northern and eastern parts of the state. We estimate the impact on tourism to be around \$3 million.
- Estimates of the impact of floods on tourism are being revised as further information is received.

[This content has been redacted under Section 22]

Manager, Domestic Economy Division