



TOURISM INVESTMENT PIPELINE 2017–18

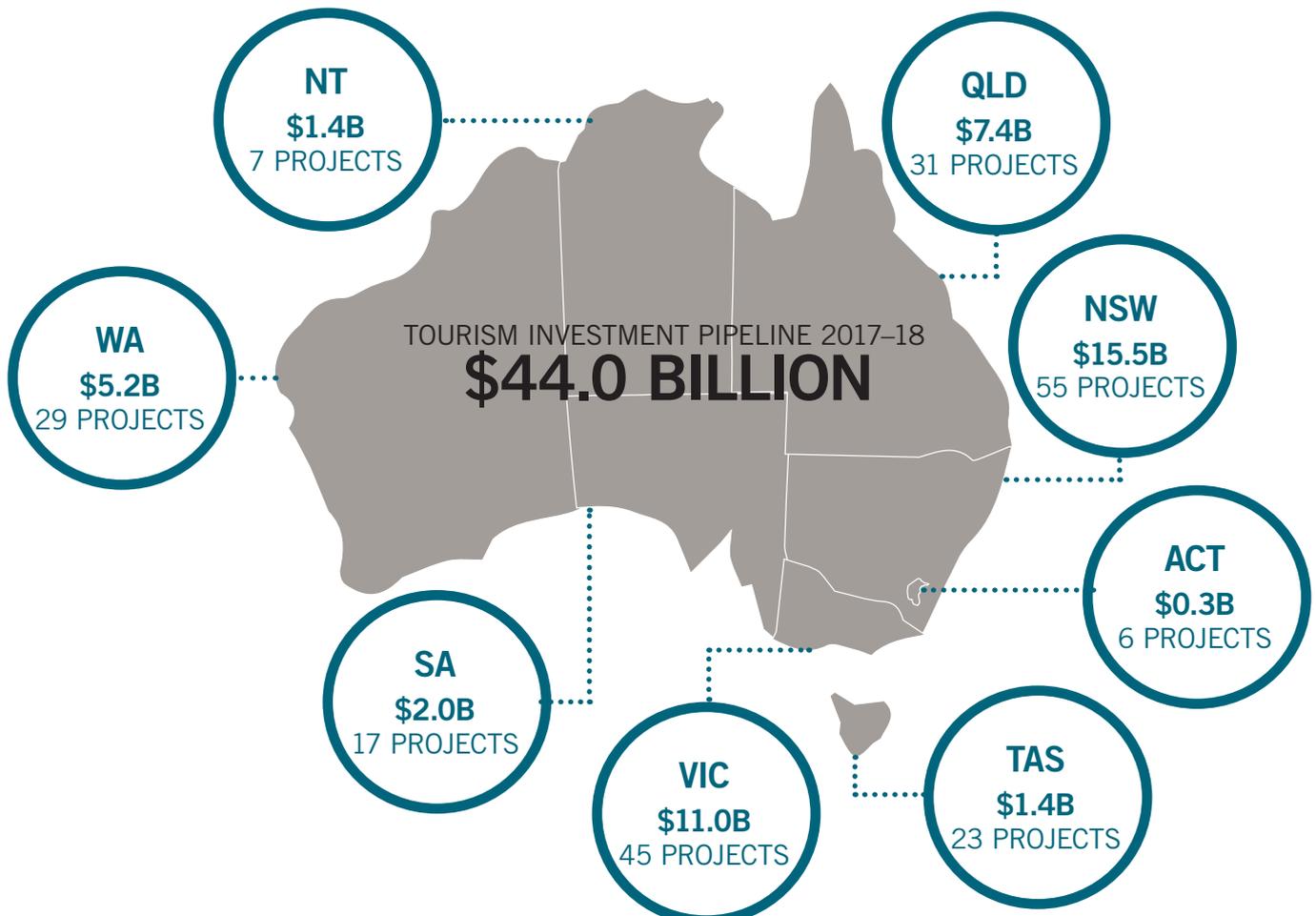


The 2017–18 tourism investment pipeline held 213 projects valued at \$44.0 billion – a \$6.2 billion increase compared to the 2016–17 pipeline. The pipeline is made up of a number of key tourism infrastructure areas:

- Arts, recreation and business services – 69 projects worth \$16.6 billion
- Aviation – 17 projects worth \$16.9 billion
- Accommodation – 127 projects worth \$10.5 billion.

Tourism continues to provide a strong foundation for the Australian economy. In 2017–18, tourism spend reached \$131.4 billion, an increase of 6.9% on the previous year. In the same period, domestic overnight trips surpassed 100 million for the first time and Australia welcomed more than nine million international visitors. This continued strong growth drives the need for continued investment in tourism infrastructure across all three areas.

TOTAL TOURISM INVESTMENT PIPELINE, BY STATE





AVIATION

Aviation is a key component of the Australian tourism industry, providing access for international and domestic visitors alike. It is well documented that a number of Australia's key international airports continue to reach capacity, with more than 42 million passengers passing through Australia's international airports in 2017–18. In addition, the 60.8 million passengers on domestic flights amplify the strong demand for Australia's aviation infrastructure.

In 2017–18, the aviation infrastructure pipeline reached \$16.9 billion, an increase of \$6.8 billion due to the announcement of the possible Koo Wee Rup Airport in Victoria, valued at \$7.0 billion. Outside of this announcement, the biggest move saw the Badgerys Creek Airport (worth \$5.3 billion) progress to the committed phase, after its inclusion in the 2017–18 federal budget. This is very important for the New South Wales' market, as the Sydney International Airport nears capacity.



ARTS, RECREATION AND BUSINESS SERVICES

Arts, recreation and business services infrastructure provide continued motivation for tourists to visit, particularly in regional Australia. The arts, recreation and business services pipeline decreased \$400 million to \$16.6 billion in 2017–18, primarily due to the conclusion of a number of high value projects. These included the Optus Stadium in Perth (\$1.6 billion) and the Gold Coast Commonwealth Games Village (\$815 million).

Sport continues to be a driver of arts, recreation and business services investment, with 23 projects valued at \$5.7 billion in the pipeline. This is anchored by Australians' propensity to travel to sporting events, with 3.6 million Australians taking an overnight trip to watch or participate in sporting events, an increase of 21%. Arts, culture and museums continue to see steady growth, with almost 18 million Australians and three million international visitors utilising this infrastructure while on holiday. The demand continues to drive investment, with 20 projects valued at \$4.3 billion in the pipeline.



STAND-ALONE ACCOMMODATION

In 2017–18, almost half of the 631 million visitor nights were spent in commercial accommodation. Demand for this type of accommodation remains strong, with occupancy rates for hotels, motels, serviced apartments and holiday parks averaging 76.0% for 2017–18. This occupancy rate was even higher when considering luxury accommodation options (80.9%) and capital city accommodation (79.8%). This high demand continues to drive investment in accommodation.

In 2017–18, there were 127 stand-alone accommodation projects worth \$10.5 billion, and the potential to add 22,300 rooms to accommodation supply – with around 8,280 of these rooms already under construction.



MIXED-USE ACCOMMODATION

Outside of the pipeline, mixed-use projects continue to rise with 122 projects in the pipeline that have the potential to add 27,980 rooms. This brings the potential room supply to more than 50,000 rooms, with 17,380 rooms currently under construction.

While the pipeline continues to increase, it is important to acknowledge the role of investment in regional Australia in helping to disperse visitors and their tourism spend into regional areas. In 2017–18, there was \$10.6 billion worth of regional investment in the pipeline. Across the accommodation sector, when considering both stand-alone and mixed-use projects, there were 9,850 rooms in the pipeline for regional Australia.