Contributors: Kathryn Gillies, Tim Quinn

Tourism Research Australia would like to thank Austrade, Tourism Australia, state and territory tourism organisations, and state/territory and national tourism associations for their advice, feedback, and assistance in preparing the Tourism Investment Monitor 2014.

Tourism Research Australia
Austrade
GPO Box 2386
Canberra ACT 2601
Email: tourism.research@tra.gov.au
Web: www.tra.gov.au

Publication date: April 2014

This work is licensed under a Creative Commons Attribution 3.0 Australia licence. To the extent that copyright subsists in third party quotes and diagrams it remains with the original owner and permission may be required to reuse the material.

This work should be attributed as Tourism Investment Monitor 2014, Tourism Research Australia, Canberra.

Enquiries regarding the licence and any use of work by Tourism Research Australia are welcome at tourism.research@tra.gov.au
CONTENTS

FOREWORD .................................................................................................................. 1

INFOGRAPHIC - THE TOURISM INVESTMENT PIPELINE IN 2013 .................................. 2

THE TOURISM INVESTMENT ENVIRONMENT .................................................................. 3

- Recent economic trends .................................................................................................. 3
- Industry and investor sentiment ......................................................................................... 4
- What does the future hold for Australia’s tourism industry? .............................................. 5

OPPORTUNITIES AND ISSUES ....................................................................................... 6

- There is a growing trend in mixed-use developments ....................................................... 6
- The investment pipeline is ‘blocked’ .................................................................................... 6

KEY TOURISM INDUSTRIES – INVESTMENT AND SUPPLY .......................................... 7

- Accommodation .............................................................................................................. 8
- Transport (aviation) .......................................................................................................... 11
- Leisure tourism infrastructure (arts and recreation services) .......................................... 13

CONCLUSION .................................................................................................................. 14

APPENDIX A: ANALYSIS BY SECTOR AND STATE/TERRITORY ...................................... 15

APPENDIX B: DATA SOURCES .......................................................................................... 18

GLOSSARY .......................................................................................................................... 20

REFERENCES ..................................................................................................................... 22
FIGURES

Figure 1: Importance of factors in underpinning potential tourism investment, in the next 12 months 4
Figure 2: Tourism investment pipeline progress, 2011–2013 7
Figure 3: Transaction volumes and number of transactions, 2000 to 2013 8
Figure 4: Change in accommodation investment, 2013 compared to 2012 9
Figure 5: Change in mixed use investment, 2013 compared to 2012 10
Figure 6: Change in aviation investment, 2013 compared to 2012 11
Figure 7: Change in arts and recreation infrastructure investment, 2013 compared to 2012 13
Figure A1: Tourism investment pipeline – Sector shares by state/territory, 2013 15

TABLES

Table A1: Tourism investment pipeline – value of sector by state/territory and completion phase, 2013 ($million) 16
Table A2: Tourism investment pipeline – proportion of state/territory investment by completion phase, 2013 (per cent) 17
FOREWORD

The Tourism Investment Monitor 2014 is the third in this series and provides estimates of the total value of large scale projects in the tourism investment pipeline in 2013.

This year’s analysis shows that the total value of the Australian tourism investment pipeline was $49.4 billion in 2013, comprising $33.1 billion in aviation (mainly in new generation aircraft), $8.9 billion in arts and recreation services infrastructure and $7.4 billion in accommodation.

The Australian tourism industry is striving to reach the 2020 Tourism Industry Potential (the Potential) and to achieve the goals set for it under Tourism 2020—specifically, to grow annual overnight visitor expenditure to $140 billion by 2020.

Additional infrastructure (and the investment to fund it) is needed to reach this goal and to achieve key targets, including growing accommodation supply by an additional 20,000 rooms; growing international aviation capacity by between 40 and 50 per cent and growing domestic aviation capacity by between 23 and 30 per cent.

It is clear that the tourism investment pipeline continues to attract new investment, which will support infrastructure development and position the industry to achieve the Potential’s key targets. However, pipeline development is slow, with many projects remaining in the planning phases of the pipeline and not progressing to the construction phase—a major concern for investors when assessing the benefits of their investment.

If the tourism industry is to attract the investment needed for it to realise its full potential, the reasons for bottlenecks in the pipeline need to be identified and addressed. There may also be merit in evaluating pipeline investment in other countries’ tourism industries, and in other sectors within Australia, to identify benchmarks for the rate of investment pipeline throughput that could be used to assess the performance of Australia’s tourism investment pipeline.

Dr Leo Jago
Chief Economist Tourism Research Australia
AUSTRALIAN TOURISM INVESTMENT PIPELINE 2013

$49.4b \{ \uparrow $5.2b \} 
TOTAL VALUE OF PIPELINE

AVIATION

$33.1b \{ \uparrow $4.1b \}
$26.3b FLEET (\uparrow $3.8b) +
$6.8b INFRASTRUCTURE (\uparrow $0.4b)

ARTS & RECREATION

$8.9b
$0.7b
$3.6b \downarrow $0.4b

ACCOMMODATION

$7.4b
$1.8b
$4.3b

NEW ROOMS EXPECTED
12,020

$0.5b

$0.6b

UNDER CONSIDERATION/POSSIBLE
COMMITTED/UNDER CONSTRUCTION
RECENTLY COMPLETED*

*ACCOMMODATION ONLY. NOTE: ALL DOLLAR CHANGES ARE AS COMPARED TO 2012.
THE TOURISM INVESTMENT ENVIRONMENT

RECENT ECONOMIC TRENDS

Australia’s economic growth continues to remain below its long-run average, largely a result of declining output in new engineering construction and new machinery and equipment (ABS, 2014b). The Australian economy grew by 2.4 per cent in 2013. While 2013 saw solid growth in household consumption and modest growth in dwelling investment, there were substantial falls in resources investment as large resource projects came to completion and the resources sector entered a new production phase.

With investment in the resources sector well and truly on a downward trend, the Australian economy will need to find a new driver of economic growth. Transport works should expect to increase, as both federal and state governments invest in major roads, rail and ports. Non-residential building activity should similarly see growth, as approval for offices increase and low interest rates attract retail investment.

Business investment intentions over the next 12 months have improved, as has business confidence for construction (NAB, 2014). This has helped to lift business confidence in Australia to its highest level in more than two and a half years—mainly from an improved housing sector, higher asset prices, a lower Australian dollar and lower interest rates.

Consumer confidence remained low in 2013. The closure of the Holden and Toyota motor vehicle manufacturing operations in Australia, closure of other manufacturers’ Australian operations, and the downsizing of Qantas triggered fear in the consumer about what lies ahead in the May 2014 budget (Westpac, 2014). Consumers are concerned about the limited prospect of the Reserve Bank of Australia (RBA) raising interest rates and the impact this could have on unemployment and housing affordability. However, if the pick-up in business confidence translates into improvements in unemployment and consequently incomes, consumer confidence should also improve.
INDUSTRY AND INVESTOR SENTIMENT

The Australian investment environment is one of the most attractive globally (JLL, 2012; World Bank & International Finance Corporation, 2013). Australia is ranked:

- third in the world for real estate transparency
- eleventh in the world for ease of doing business
- among the top five economies for easy access to credit and ease of starting a business.

Australian developments generally also have a low risk of construction costs escalating; comparable preliminary costs to other developed countries; and competitive tender prices due to strong competition for projects (Turner and Townsend, 2013). However, according to Jones Lang LaSalle (2013c) the industry considers high construction and operating costs and restrictive planning regulations as the major impediments to investment in new accommodation supply in Australia. Largely, higher labour, distribution, energy and insurance costs are the result (JLL, 2013c).

Despite these factors, industry sentiment towards investment in the Australian tourism industry remains positive. Tourism industry sentiment in 2013 for capacity to refurbish existing product, to make major investments and to employ more staff were the most positive since 2010 (TTF, 2014). Further, TTF note that industry is concerned about the adequacy of airport transport links, a lack of attractions, and inadequate room supply impeding the industry’s development (TTF, 2014).

While the tourism industry has been named as one of the ‘Fantastic Five’ industries that will spearhead Australia’s economic growth to 2033, in order for the industry to attain its potential increased investment in tourism infrastructure, increased hotel capacity and labour supply are needed (Deloitte, 2014).

Investors appear ready to take up this challenge with sentiment towards investment in the aviation infrastructure, accommodation and arts and recreation sectors increasingly optimistic—TRA’s Tourism Investment Sentiment Survey for 2014 reveals that the level of optimism for investment in the next 12 months and the next 2 to 5 years has improved, compared to 2013 results. In particular, sentiment towards:

- Aviation infrastructure and accommodation investment is Optimistic (or Very optimistic) over the next 12 months and the next 2 to 5 years; a similar result to last year’s survey, although the level of optimism over the next 2 to 5 years has decreased slightly compared to 2013.
- Arts and recreation investment has also improved compared to 2013, with fewer respondents stating they were Pessimistic towards investment in the sector over both the next 12 months and the next 2 to 5 years.

The 2013 survey showed that Access to Investment funding was considered the most crucial factor for potential investors. However, the 2014 survey reported that Improved consumer confidence and discretionary spending was the most important factor underpinning potential tourism investment over the next 12 months and the next 2 to 5 years, followed by the Global financial environment. This highlights that while the tourism industry remains an attractive proposition for potential investors, investors are more aware of the need to improve economic conditions to boost consumer confidence.

FIGURE 1: IMPORTANCE OF FACTORS IN UNDERPINNING POTENTIAL TOURISM INVESTMENT IN THE NEXT 12 MONTHS

Source: TRA Tourism Investment Sentiment Survey 2014
WHAT DOES THE FUTURE HOLD FOR AUSTRALIA’S TOURISM INDUSTRY?

The outlook for investment in the Australian tourism industry continues to be bright, with multiple factors increasing the appeal of investing in the industry.

AUSTRALIA’S ECONOMIC PERFORMANCE

In 2012–13:

- Direct tourism GDP increased 3.7 per cent to $42.3 billion; higher than the 2.4 per cent growth in GDP for the Australian economy.
- Direct tourism employment increased 2.2 per cent to 543,600; higher than the 1.2 per cent growth in total employment nationally.
- Tourism exports increased 5.7 per cent to $27.0 billion; a stark contrast to the 4.4 per cent decline in exports nationally (ABS, 2013a).

Adding to the tourism industry’s strong economic performance is the return of the Australian dollar to levels that will improve Australia’s price competitiveness for international investment (RBA, 2013).

In 2013, the Australian dollar:

- depreciated against most currencies, particularly the Euro (down 9.5 per cent); Chinese Renminbi (down 8.9 per cent); New Zealand dollar (down 7.8 per cent); US dollar (down 6.6 per cent), and all other Asian currencies except the Indian Rupee, Indonesian Rupiah and Japanese Yen.
- depreciated to US$0.88—its lowest level since 2010.

A lower Australian dollar assists to reduce Australian development costs to international investors and improve Australia’s competitiveness. Although the Australian dollar has since appreciated to reach US$0.92 by the end of March 2014, it remains below parity and is forecast to ease further towards US$0.80 by 2017 (DAE, 2014b).

TOURISM INDUSTRY PERFORMANCE

The Australian tourism industry ended 2013 with positive news on a number of fronts:

Visitor arrivals and expenditure

- International visitor arrivals broke another record, reaching 6.4 million arrivals; an increase of 5.8 per cent compared to 2012 (ABS, 2014a).
- International visitor spending reached $28.9 billion; up 6.0 per cent compared to 2012 (TRA, 2014a).
- The record arrivals of 2013 were driven by leisure travel (holiday and visiting friends and relatives – VFR), with holiday arrivals up 8.1 per cent and VFR up 8.7 per cent compared to 2012 (ABS, 2014a).
- Visitors from China remained the key source of growth in arrivals and visitor expenditure, with over 700,000 visitors from China (up 14.5 per cent) spending a total of $4.8 billion in 2013 (TRA, 2014a).
- The picture remains bright to 2022–23, with international arrivals forecast to increase 4 per cent per year to 9.3 million, and total visitor expenditure to increase by 1.8 per cent per year to $114.6 billion (TRA, 2013b).
- China is expected to contribute 22 per cent of arrivals growth over the forecast period, with New Zealand, United Kingdom and United States expected to provide 25 per cent, combined (TRA, 2013b).

Aviation

- Aviation capacities increased, with solid growth in the number of international seats available (up 10.0 per cent in December 2013), and moderate growth in domestic average seat kilometres (up 3.3 per cent in December 2013) (BITRE, 2014a, 2014b).
- International aviation capacities to Australia have grown as a number of Asian airlines added routes into Australia, including Scoot, Air Asia X, Malaysia Airlines, China Eastern Airlines and Sichuan Airlines.
- Additional capacities have also been added on European and North American routes, including from United Airlines, Qantas, Emirates, Etihad, Air Berlin and Air New Zealand.
- Domestically, capacity growth continues to be focussed on high traffic leisure-based routes, with the strongest traffic increases on Melbourne-Sunshine Coast, Coffs Harbour-Sydney, Cairns-Melbourne and Ballina-Sydney routes during December 2013.
Accommodation

- The accommodation sector saw growth in both occupancy and revenue per available room (RevPAR) in December 2013 across all capital cities (except for Darwin and Canberra) (STR Global, 2014a):
  - Adelaide, Melbourne, Brisbane and Sydney all scored double digit RevPAR growth (up 24.6 per cent, 21.3 per cent, 10.9 per cent, and 10.1 per cent, respectively).
  - RevPAR growth in both Perth and Hobart was also strong (up 8.2 per cent and 7.0 per cent, respectively).
  - While strong demand for accommodation outpaces growth in supply, occupancy growth was strong in 2013 across most capital cities, particularly in Melbourne, Hobart, Sydney and Canberra.
  - Occupancies in both Brisbane and Perth declined through the year, against moderating mid-year demand from the Perth resources sector and a softening of the Brisbane conference and corporate sector.

This year’s Monitor identifies 41 mixed-use developments in the accommodation investment pipeline, valued at around $21.7 billion and accounting for around 8,600 new rooms. This is an increase of 17 projects and an additional $10.3 billion compared to the 2012 accommodation investment pipeline.

In 2013, around 16 per cent of traditional hotel developments were part of a mixed-use development. This trend is expected to continue into the next decade, and is partly a result of the high cost of developing accommodation projects in Australia (Colliers, 2013a; JLL, 2013b). Investors have stated that the single greatest impediment to new accommodation development is the high cost of construction. Further, hotel values have not kept pace with growth in construction and land costs, and hotel resale values in Australia are generally below replacement costs. Although a disincentive to investment in new construction, this issue is not unique to Australia (JLL, 2013c).

If the increase in mixed use developments in the accommodation investment pipeline in 2013 is any indication, we should continue to see growth in the number of these developments in the future.

OPPORTUNITIES AND ISSUES

Research into the current state of Australia’s tourism investment pipeline for this year’s Monitor uncovered two key points; one an opportunity for Australia and the other an issue requiring attention if investment in Australia’s tourism industry is to remain attractive to investors:

THERE IS A GROWING TRENDS IN MIXED-USE DEVELOPMENTS

Mixed-use developments allow investors to ‘spread the risk’ of an accommodation development by combining the accommodation component with other associated components such as casinos, office space, car parking, retail and residential. By doing so, investors are able to recover losses in hotel resale values through higher returns on the associated components in the mixed-use development.

Many accommodation development experts have identified that there is a clear trend emerging towards investing in mixed-use developments rather than standalone short-term accommodation developments, such as hotels or motels.

THE INVESTMENT PIPELINE IS ‘BLOCKED’

Analysis of the tourism investment pipeline identified a definite lack of progression of projects from the planning stages through to approval and construction. In 2013, compared to 2012, only five projects progressed between these stages of the pipeline. While new projects continue to enter the pipeline and a similar number of projects exit the pipeline as a result of reaching completion, the lack of progression of projects from planning into construction could adversely impact the pace of new investment development if left unchecked.

According to Jones Lang LaSalle (2013c), “feasibility concerns were most commonly highlighted as the primary reason why accommodation development projects did not progress as planned, followed by better returns from alternate use and lengthy and onerous approval processes” (JLL, 2013c, p17). Given Australia’s attractive investment environment, positive tourism industry and investment sentiment, and the current strength of the Australian economy, any improvements made to address the above concerns would assist projects to progress more efficiently through to completion, and encourage additional investment into the industry in the future.
The tourism investment pipeline was worth $49.4 billion in 2013, up $5.2 billion from 2012 (Figure 2). Investor appetite for the Australian tourism industry appears strong, with the value of the tourism investment pipeline growing by $13.2 billion since the first Monitor in 2011. Compared to 2011, the Committed/under construction phase was worth an additional $8.8 billion in 2013, and the Under consideration/potential phase was worth an additional $3.4 billion.

In 2013, the pipeline included:
- $7.4 billion in accommodation investment, amounting to 12,000 expected new rooms; up $1.8 billion and an additional 2,260 rooms from 2012
- $33.1 billion in transport (aviation) investment; up $4.1 billion and includes $6.8 billion in aviation infrastructure (up $363 million) and $26.3 billion in aircraft (fleet) investment (up $3.8 billion)
- $8.9 billion arts and recreation services investment; down $711 million.

**FIGURE 2: TOURISM INVESTMENT PIPELINE PROGRESS, 2011–2013**

*Recently completed* only for the accommodation sector

Source: CAPA; DAE; JLL; STR Global; TRA; others.
Accommodation infrastructure is an essential component of the Australian tourism industry.

In 2012–13, $12.9 billion of accommodation services were consumed by domestic and international visitors, generating $6.9 billion in tourism GVA (or 18 per cent of total tourism GVA) (ABS, 2013a).

**ACCOMMODATION INDUSTRY TRANSACTIONS**

A record number of transactions occurred in the accommodation sector in 2013, with 41 major asset transfers providing a total value in transactions of $2.0 billion (Figure 3).

Of significant note was the $800 million sale of the Tourism Asset Holdings Limited (TAHL) portfolio of 31 hotels to the Abu Dhabi Investment Authority. This sale included around 4,000 rooms in Novotel, Ibis and Pullman properties in Darling Harbour (Sydney), Olympic Park (Sydney), Melbourne and Canberra. The largest single asset hotel transaction ever achieved in Australia also occurred in 2013 with the sale of the 531 room Four Seasons Hotel in Sydney for $340 million, which broke the record set in 2012 for the $330 million sale of the Shangri-La Hotel in Sydney.

Sales were achieved across all states and territories, although larger transactions involved group asset sales rather than individual property sales (excluding the Four Seasons mentioned above):

- $183 million—Adina Apartment (Sydney, Adelaide, Brisbane), Vibe Sydney and Travelodge Mirabeena

**THE 2013 ACCOMMODATION INVESTMENT PIPELINE**

The accommodation investment pipeline in 2013:

- amounted to $7.4 billion
- provided 12,000 new rooms to supply.

Compared to 2012, there are 2,260 new rooms expected to be added to supply from this activity (Figure 4).
Throughout 2013, 17 accommodation projects (valued at $1.0 billion) exited the accommodation investment pipeline upon completion, delivering over 2,160 new rooms to supply. These included the:

- $205 million/230 room Tune Hotel in Melbourne
- $143 million/220 room Oaks on William apartments in Melbourne
- $100 million/131 room Quest Adelaide Hotel

Pipeline development was largely driven by growth in projects entering the Under consideration/possible phase, with an additional $2.1 billion in new activity.1 Of significance were the:

- $500 million/305 room hotel in Brisbane
- $300 million/400 room Treasury Casino Hotel in Brisbane
- $250 million/300 room Westin Hotel in Perth
- $180 million/205 room W Hotel in Melbourne

While this growth is positive for the accommodation sector, and should increase the supply of available rooms once these projects are completed, project progression to the Committed/under construction phase continues to be of concern. TRA was only able to identify two projects worth $117 million that progressed from the Under consideration/possible phase through to the Committed/under construction phase in 2013—the Marysville Vibe Hotel and Conference Centre and the Larwill Art Series Hotel in Melbourne.

The value of projects in the Committed/under construction phase declined in 2013 by $530 million. Although nine new projects entered the accommodation investment pipeline in 2013 at the Committed/under construction phase (including the $350 million/246 room Four Points Sheraton Hotel in Brisbane, and the $201 million/266 room Meriton Parramatta hotel), this was not enough to offset the 17 projects that reached completion in 2013.

This lack of progression was also obvious in last year’s Monitor and while the pipeline appears to be replenished with new projects, work is needed to identify the specific reasons for the apparent delays in projects progressing from planning into construction, and to identify steps to address this issue.

1 The value of new activity in the Possible/under consideration phase only includes the value of new projects in the 2013 pipeline that were not previously included in the 2012 pipeline. This change is different to the overall change in the value of projects in the Possible/under consideration phase—up $1.8 billion—as the overall change in value also takes into account projects that have progressed out of this phase and into the Committed/under construction phase or have exited the pipeline completely as a result of project completion or the project being abandoned.
HIGHLIGHT – MIXED-USE ACCOMMODATION INVESTMENT

In 2013, the accommodation investment pipeline included 41 mixed use projects, valued at $21.7 billion and accounting for 8,600 new rooms. Compared to the 2012 accommodation investment pipeline, there are now another 17 mixed use projects identified in the pipeline, increasing the value of mixed-use projects (incorporating accommodation) by $10.3 billion, and the potential number of new rooms by more than 6,100² (Figure 5).

The composition of the mixed-use pipeline is much the same as the rest of the accommodation pipeline. In 2013:

- 15 new projects valued at $8.4 billion entered the pipeline in the planning phase
- four projects valued at $1 billion exited the pipeline upon completion, and two projects valued at $890 million exited the pipeline prematurely without reaching completion
- four projects valued at $1.8 billion progressed from the Under consideration/possible phase through to the Committed/under construction phase.

On average, the accommodation component of mixed-use developments in the pipeline accounts for around 200 rooms, although this can vary depending on the tier of the accommodation component as well as the total size of the project.

The majority of projects in the pipeline are expected to deliver between 200-300 rooms each, however, there are a number of large projects that will deliver more than 400 rooms each, including:

- 400 rooms from the Bon Bon tower development in Brisbane, valued at $240 million
- 500 rooms from the Burswood Casino hotel and gaming complex, valued at $570 million
- 600 rooms from the Jewel development in Surfers Paradise, valued at $500 million
- 3,750 rooms across 9 hotels as part of the Aquis Great Barrier Reef project at Yorkey’s Knob, valued at $4.2 billion.

Mixed-use developments feature heavily in Queensland—16 projects worth over $10 billion, delivering more than 5,700 rooms to the state. Given the Queensland government’s priority for increasing available accommodation supply in Brisbane and the Gold Coast in time for a number of high profile international meetings and events, the prominence of Queensland mixed-use developments is not surprising.

Other states with substantial mixed use developments include:

- Victoria—more than 1,000 rooms across 8 projects valued at $5.1 billion
- Western Australia—more than 800 rooms across 5 projects valued at $3.2 billion
- New South Wales—more than 700 rooms across 5 projects valued at $1.8 billion.

FIGURE 5: CHANGE IN MIXED-USE INVESTMENT, 2013 COMPARED TO 2012
Transport (Aviation)

**Infrastructure**

- **$6.8 billion** for aviation infrastructure investment—up **$0.4 billion**

**Fleet**

- **$26.3 billion** for fleet investment—up **$3.8 billion**

**Total**

- **$33.1 billion**—up **$4.1 billion**

Ongoing investment in aviation transport equipment (fleet) and infrastructure continues to be critical for the tourism industry to remain competitive and assist with growing demand for Australian tourism services. This is most evident with the majority (99 per cent) of international visitor movements in and out of Australia in 2013 occurring via air transport, particularly through the main gateways of Sydney, Melbourne and Brisbane.

### The 2013 Transport (Aviation) Investment Pipeline

The transport (aviation) investment pipeline increased by **$4.1 billion** in 2013, bringing the total value of the pipeline to **$33.1 billion** (Figure 6). Of this:

- **$26.3 billion** was for fleet investment—up **$3.8 billion**
- **$6.8 billion** was for aviation infrastructure investment—up **$363 million**.

Pipeline development was largely driven by growth in the cost of fleet investment (Figure 6). While this year’s Monitor does not identify an increase in the number of aircraft orders, it does re-value the cost of existing orders awaiting delivery. This is as a result of the change in the value of the Australian dollar which pushed up the cost of fleet orders placed in US dollars, when compared to values applied in the 2012 Monitor.

### Aircraft Investment

The value of aircraft that were under consideration, on order or under construction amounted to around **$26.3 billion** in 2013. Qantas group orders accounted for around **$17.9 billion** of total fleet orders with Virgin Australia investment at **$8.4 billion**. While some of this investment will result in increased capacities on domestic and inbound routes, airlines may also choose to use new aircraft on outbound and other routes as demand requires.

In 2013, there were 20 aircraft delivered worth over **$1.3 billion**. These aircraft deliveries included two Boeing 787 Dreamliner aircraft (the first for Australia) for operation by Jetstar on a number of international routes, increasing capacity of the airline.

Qantas and Virgin Australia also have options to purchase 54 additional Boeing 787 Dreamliner aircraft, not included in this analysis. If these options are exercised, TRA estimates this additional investment would be worth around **$11.8 billion**.

---

3 This estimate does not differentiate between aircraft that are either owned outright or leased by the airline. It is common practice by airlines to operate aircraft using a “sale and leaseback arrangement.”
AVIATION INFRASTRUCTURE INVESTMENT

The aviation infrastructure investment pipeline was worth $6.8 billion in 2013. Although aviation infrastructure represents around 20 per cent of the total transport (aviation) investment pipeline, investment growth was very low with only an additional $363 million entering the pipeline in 2013.

New investment was largely due to upward revisions to the value of a number of projects already identified in the pipeline ($180 million) compared to 2012, combined with $183 million of new projects entering the Under consideration and Under construction phases of the pipeline:

- $100 million new Wellcamp Airport runway in Toowoomba—Under construction
- $45 million Brisbane Airport international terminal development—Under consideration
- $38 million Hobart Airport upgrade and runway extension—Under consideration.

Pipeline development was largely driven by $1.7 billion of projects entering the Under construction phase of the pipeline from the Under consideration phase, including:

- $1.3 billion Brisbane Airport parallel runway development
- $400 million Melbourne Airport new domestic terminal and associated upgrades (re-valued from $300 million in 2012).

Every state and territory across Australia, except for New South Wales and South Australia, is currently undertaking aviation infrastructure projects. Investment in runway upgrades and expansions is listed for seven airports (Canberra, Brisbane, Wellcamp-Toowoomba, Sunshine Coast, Melbourne, Perth and Hobart). Terminal upgrades and expansions are also either underway or planned for five airports (Perth domestic and international, Darwin international, Brisbane international, Canberra and Melbourne).
LEISURE TOURISM INFRASTRUCTURE (ARTS AND RECREATION SERVICES)

<table>
<thead>
<tr>
<th>CONSIDERED/POSSIBLE</th>
<th>COMMITTED/CONSTRUCTION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.6b ▼ $378m</td>
<td>$5.3b ▼ $333m</td>
<td>$8.9b ▼ $711m</td>
</tr>
</tbody>
</table>

Leisure tourism infrastructure provides the foundation for visitor engagement and activity while travelling in Australia. This type of infrastructure can be used for the “provision of onsite entertainment, recreation (indoor and outdoor), function facilities, information, interpretation and cultural activities for visitors and the general public” (TTF, 2011), and is an essential component of the Australian tourism industry. In 2012–13, domestic and international visitors consumed $5.5 billion of arts and recreation services, and $1.6 billion in tourism GVA was generated (worth 4 per cent of total tourism GVA) (ABS, 2013b).

THE 2013 ARTS AND RECREATION SERVICES INVESTMENT PIPELINE

The leisure tourism infrastructure (arts and recreation services) investment pipeline was worth $8.9 billion in 2013, a decline in value of $711 million compared to 2012 (Figure 7).

Despite the overall decline in the sector, 20 new projects valued at over $1.3 billion entered the pipeline in 2013, mainly in the Under consideration/possible phase, including the following:

- $400 million—NSW Art Gallery new north wing in Sydney
- $250 million—Queen Victoria Market redevelopment in Adelaide
- $100 million—Royal Hobart Showgrounds redevelopment.

A number of large projects (12) reached completion in 2013, and subsequently exited the arts and recreation services investment pipeline, at a total value of $1.9 billion, including the following:

- $961 million—SKYCITY Casino in Darwin
- $230 million—arts hub at Batman Park in Melbourne
- $152 million—Sydney Opera House revamp
- $115 million—Wet’n’Wild water park in western Sydney
- $115 million—Royal Randwick Racecourse spectator precinct redevelopment.

Coupled with project completions, TRA also identified a further three projects worth $221 million that are no longer under consideration and excluded from the pipeline in 2013. This means that around $2.1 billion of projects exited the pipeline in 2013, outstripping the $1.3 billion in new arts and recreation services investment projects that entered the pipeline in 2013.

Further emphasising the decline in the arts and recreation services investment pipeline was the very limited project progression in 2013. Only the $1.2 billion Perth Stadium expansion project progressed from the Under consideration/possible phase of the pipeline to the Committed phase. Another four projects worth $1.1 billion, including the $1.0 billion Darling Harbour Live Project, progressed from the Committed phase to the Under construction phase. Similar to the accommodation investment pipeline, there appears to be a lack of progression in projects moving from the planning stages of development, through to an approved committed status and subsequently into construction.

FIGURE 7: CHANGE IN ARTS AND RECREATION SERVICES INVESTMENT, 2013 COMPARED TO 2012
CONCLUSION

The size of the tourism investment pipeline—valued at $49.4 billion in 2013—demonstrates that investors continue to see potential in the Australian tourism industry. Positive investment sentiment is complemented by growth in investment activity, with pipeline growth of $5.2 billion compared to 2012, and almost 50 new investment projects entering the pipeline.

Growth in the value of the tourism investment pipeline is a clear indicator of investor willingness to invest in Australian tourism product, and the Australian investment environment supports this intention. However, measurement of the tourism investment pipeline is twofold—first, it is a stock of projects, their value and their potential to add to and improve Australia’s tourism product offering. Secondly, it is a flow of activity progressing through the entire pipeline; from planning through to approval, construction, and finally completion.

In 2013, stock growth drove an implicit increase in the value of the pipeline in the order of $5.2 billion. However, this was not matched by an improvement in the flow of projects. Of key concern in this year’s Monitor is the lack of progression of projects from the planning stages of the pipeline through to approval and construction—only five projects progressed within the pipeline in 2013.

At the same time, 50 new projects entered the pipeline with around 30 projects exiting as a result of completion. Given this influx and exit at either end of the pipeline, the identified lack of progression is concerning as there is very limited flow through the body of the pipeline. While the reasons for this ‘blockage’ are unclear, what is clear is that if projects stagnate in the early planning stages they are more likely to exit prematurely without reaching completion. In 2013, twelve projects did just this—either abandoned or deleted from the pipeline while still in the planning stages.

To assist the Australian tourism industry to reach its potential by 2020, the tourism industry, and broader Australian economy, needs to remain attractive to potential investors. Identifying the reasons for bottlenecks in the pipeline will assist with future pipeline development, ultimately increasing supply and improving the quality of Australia’s tourism product offering. This will ensure the industry remains globally competitive at a time when the global economic outlook is improving.

Progress and the value of the pipeline will be re-assessed in Tourism Investment Monitor 2015.
APPENDIX A: ANALYSIS BY SECTOR AND STATE/TERRITORY

FIGURE A1 TOURISM INVESTMENT PIPELINE – SECTOR SHARES BY STATE/TERRITORY, 2013

*Includes $26.3 billion in fleet expansion not allocated to states/territories
### TABLE A1 TOURISM INVESTMENT PIPELINE – VALUE OF SECTOR BY STATE/TERRITORY AND COMPLETION PHASE, 2013

<table>
<thead>
<tr>
<th></th>
<th>SOLD&lt;sup&gt;a&lt;/sup&gt;</th>
<th>UNDER CONSIDERATION/ POSSIBLE</th>
<th>COMMITTED/UNDER CONSTRUCTION/ RECENTLY COMPLETED&lt;sup&gt;b&lt;/sup&gt;</th>
<th>TOTAL ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCOMMODATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>551</td>
<td>1,279</td>
<td>830</td>
<td>2,108</td>
</tr>
<tr>
<td>Vic</td>
<td>48</td>
<td>613</td>
<td>1,029</td>
<td>1,642</td>
</tr>
<tr>
<td>Qld</td>
<td>35</td>
<td>1,971</td>
<td>516</td>
<td>2,487</td>
</tr>
<tr>
<td>SA</td>
<td>0</td>
<td>0</td>
<td>277</td>
<td>277</td>
</tr>
<tr>
<td>WA</td>
<td>154</td>
<td>388</td>
<td>274</td>
<td>662</td>
</tr>
<tr>
<td>Tas</td>
<td>39</td>
<td>0</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>0</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>ACT</td>
<td>0</td>
<td>66</td>
<td>32</td>
<td>97</td>
</tr>
<tr>
<td>Australia</td>
<td>2,000</td>
<td>4,316</td>
<td>3,065</td>
<td>7,381</td>
</tr>
<tr>
<td><strong>AVIATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>NA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vic</td>
<td>NA</td>
<td>500</td>
<td>400</td>
<td>900</td>
</tr>
<tr>
<td>Qld</td>
<td>NA</td>
<td>2,064</td>
<td>1,400</td>
<td>3,464</td>
</tr>
<tr>
<td>SA</td>
<td>NA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>WA</td>
<td>NA</td>
<td>1,100</td>
<td>750</td>
<td>1,850</td>
</tr>
<tr>
<td>Tas</td>
<td>NA</td>
<td>38</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>NT</td>
<td>NA</td>
<td>0</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>ACT</td>
<td>NA</td>
<td>0</td>
<td>480</td>
<td>480</td>
</tr>
<tr>
<td>Unallocated&lt;sup&gt;c&lt;/sup&gt;</td>
<td>NA</td>
<td>0</td>
<td>26,291</td>
<td>26,291</td>
</tr>
<tr>
<td>Australia</td>
<td>NA</td>
<td>3,702</td>
<td>29,381</td>
<td>33,083</td>
</tr>
<tr>
<td><strong>ARTS &amp; RECREATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>NA</td>
<td>971</td>
<td>1,659</td>
<td>2,630</td>
</tr>
<tr>
<td>Vic</td>
<td>NA</td>
<td>378</td>
<td>408</td>
<td>786</td>
</tr>
<tr>
<td>Qld</td>
<td>NA</td>
<td>35</td>
<td>1,186</td>
<td>1,221</td>
</tr>
<tr>
<td>SA</td>
<td>NA</td>
<td>1,150</td>
<td>688</td>
<td>1,838</td>
</tr>
<tr>
<td>WA</td>
<td>NA</td>
<td>972</td>
<td>1,234</td>
<td>2,206</td>
</tr>
<tr>
<td>Tas</td>
<td>NA</td>
<td>137</td>
<td>63</td>
<td>200</td>
</tr>
<tr>
<td>NT</td>
<td>NA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ACT</td>
<td>NA</td>
<td>0</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Australia</td>
<td>NA</td>
<td>3,643</td>
<td>5,266</td>
<td>8,909</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>551</td>
<td>2,250</td>
<td>2,489</td>
<td>4,738</td>
</tr>
<tr>
<td>Vic</td>
<td>48</td>
<td>1,491</td>
<td>1,837</td>
<td>3,328</td>
</tr>
<tr>
<td>Qld</td>
<td>35</td>
<td>4,070</td>
<td>3,102</td>
<td>7,172</td>
</tr>
<tr>
<td>SA</td>
<td>0</td>
<td>1,150</td>
<td>965</td>
<td>2,115</td>
</tr>
<tr>
<td>WA</td>
<td>154</td>
<td>2,460</td>
<td>2,258</td>
<td>4,718</td>
</tr>
<tr>
<td>Tas</td>
<td>39</td>
<td>175</td>
<td>93</td>
<td>268</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>0</td>
<td>137</td>
<td>137</td>
</tr>
<tr>
<td>ACT</td>
<td>0</td>
<td>66</td>
<td>540</td>
<td>605</td>
</tr>
<tr>
<td>Unallocated&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>26,291</td>
<td>26,291</td>
</tr>
<tr>
<td>Australia</td>
<td>2,000</td>
<td>11,661</td>
<td>37,713</td>
<td>49,374</td>
</tr>
</tbody>
</table>

Sources: CAPA; DAE; JLL; STR Global; TRA; others.
(a) Estimate provided by JLL; not included in the total value of the pipeline.
(b) ‘Recently completed’ only for the accommodation sector.
(c) Includes $26.3 billion in fleet expansion not allocated to states/territories.
### TABLE A2 TOURISM INVESTMENT PIPELINE – PROPORTION OF STATE/TERRITORY INVESTMENT BY COMPLETION PHASE, 2013

<table>
<thead>
<tr>
<th></th>
<th>SOLD&lt;sup&gt;a&lt;/sup&gt;</th>
<th>UNDER CONSIDERATION/POSSIBLE</th>
<th>COMMITTED/UNDER CONSTRUCTION/RECENTLY COMPLETED&lt;sup&gt;b&lt;/sup&gt;</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCOMMODATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>26</td>
<td>61</td>
<td>39</td>
<td>100</td>
</tr>
<tr>
<td>Vic</td>
<td>3</td>
<td>37</td>
<td>63</td>
<td>100</td>
</tr>
<tr>
<td>Qld</td>
<td>1</td>
<td>79</td>
<td>21</td>
<td>100</td>
</tr>
<tr>
<td>SA</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>WA</td>
<td>23</td>
<td>59</td>
<td>41</td>
<td>100</td>
</tr>
<tr>
<td>Tas</td>
<td>129</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>ACT</td>
<td>0</td>
<td>68</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>Australia</td>
<td>27</td>
<td>58</td>
<td>42</td>
<td>100</td>
</tr>
<tr>
<td><strong>AVIATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>NA</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vic</td>
<td>NA</td>
<td>56</td>
<td>44</td>
<td>100</td>
</tr>
<tr>
<td>Qld</td>
<td>NA</td>
<td>60</td>
<td>40</td>
<td>100</td>
</tr>
<tr>
<td>SA</td>
<td>NA</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WA</td>
<td>NA</td>
<td>59</td>
<td>41</td>
<td>100</td>
</tr>
<tr>
<td>Tas</td>
<td>NA</td>
<td>100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>NT</td>
<td>NA</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>ACT</td>
<td>NA</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Unallocated&lt;sup&gt;c&lt;/sup&gt;</td>
<td>NA</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Australia</td>
<td>NA</td>
<td>11</td>
<td>89</td>
<td>100</td>
</tr>
<tr>
<td><strong>ARTS &amp; RECREATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>NA</td>
<td>37</td>
<td>63</td>
<td>100</td>
</tr>
<tr>
<td>Vic</td>
<td>NA</td>
<td>48</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>Qld</td>
<td>NA</td>
<td>3</td>
<td>97</td>
<td>100</td>
</tr>
<tr>
<td>SA</td>
<td>NA</td>
<td>63</td>
<td>37</td>
<td>100</td>
</tr>
<tr>
<td>WA</td>
<td>NA</td>
<td>44</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Tas</td>
<td>NA</td>
<td>69</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>NT</td>
<td>NA</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ACT</td>
<td>NA</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Australia</td>
<td>NA</td>
<td>41</td>
<td>59</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>12</td>
<td>47</td>
<td>53</td>
<td>100</td>
</tr>
<tr>
<td>Vic</td>
<td>1</td>
<td>45</td>
<td>55</td>
<td>100</td>
</tr>
<tr>
<td>Qld</td>
<td>0</td>
<td>57</td>
<td>43</td>
<td>100</td>
</tr>
<tr>
<td>SA</td>
<td>0</td>
<td>54</td>
<td>46</td>
<td>100</td>
</tr>
<tr>
<td>WA</td>
<td>3</td>
<td>52</td>
<td>48</td>
<td>100</td>
</tr>
<tr>
<td>Tas</td>
<td>14</td>
<td>65</td>
<td>35</td>
<td>100</td>
</tr>
<tr>
<td>NT</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>ACT</td>
<td>0</td>
<td>11</td>
<td>89</td>
<td>100</td>
</tr>
<tr>
<td>Unallocated&lt;sup&gt;c&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Australia</td>
<td>4</td>
<td>24</td>
<td>76</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: CAPA; DAE; JLL; STR Global; TRA; others.
(a) Estimate provided by JLL; not included in the total value of the pipeline.
(b) ‘Recently completed’ only for the accommodation sector.
(c) Includes $26.3 billion in fleet expansion not allocated to states/territories.
APPENDIX B: DATA SOURCES

Tourism Research Australia has utilised a range of resources to compile the tourism industry investment pipeline database for use in this report. There are three main sources - Deloitte Access Economics’ Investment Monitor, Jones Lang LaSalle Hotels, and STR Global Asia Pacific Pipeline Database.

The Deloitte Access Economics (DAE) Investment Monitor provides details on the total investment chain from pre-approval through to completion for a number of industries (including accommodation) in four ‘project’ stages:

- Possible: projects which have been announced, but no early decision has been made on whether to proceed
- Under consideration: a decision whether to proceed is expected in the near future
- Committed: projects where a decision to proceed has been announced but construction has not yet started
- Under construction: where work has commenced on the project.

DAE only lists individual projects worth $20 million or more (excluding land costs), and reports on projects at a single location and purpose. It also splits information on the accommodation sector by hotels and resorts, but it does not include the number of rooms to be built in specific investments.

Jones Lang LaSalle Hotels (JLL), a global real estate services firm focused exclusively on the accommodation and hospitality sector. They provide comprehensive analyses on the accommodation industry—in particular across the ten major markets—while tracking supply projects across many more throughout Australia. TRA has predominately referenced JLL’s Hotel Intelligence Australia, Australian and New Zealand Hotel Development Register, and Asia Pacific Investment Highlights.

The JLL accommodation development register tracks accommodation projects as they are mooted, proposed, under construction, completed or taken out of the market.

JLL’s specific sources for tracking Australian accommodation development projects are identified as ‘press, local councils, Cordell’s construction database, tourism organisations, hotel operators and developers, as well as from local Jones Lang LaSalle Hotels’ offices’.

JLL then publish information on projects likely to commence construction over the next two to three years. In this regard, it is likely to include larger projects, both in terms of refurbishment and for investment in new capital stock, as well as showing the key messages from other data sources.

The STR Global Asia Pacific Pipeline Database provides a monthly summary of the number of hotel and resort pipeline projects, recently opened hotels and the number of existing hotels to give a picture of current and future supply within Australia. Similar to the DAE Investment Monitor, the STR Global database provides details on the investment pipeline chain from pre-approval through to completion in four ‘project’ stages:

- Pre-planning: projects which have been announced, but no architect has been selected
- Planning: initial approvals have been granted, an architect or engineer has been selected for the project and plans are underway
- Final planning: projects where construction will start within four months or the project is about to go out for bids
- In construction: where ground has been broken or the owner is finalising bids on the prime (general) contract.

STR Global does not supply information on the value of all projects, however, it does include the number of rooms to be built. TRA draws on information from industry and media to source the value of projects to include in the Monitor.

ALIGNMENT OF DATA SOURCES

TRA uses each of these three information sources to assess the latest investment and supply of key infrastructure. These sources are used by TRA to construct a tourism investment pipeline database for use in compiling the Tourism Investment Monitor.

In doing so, the project stages presented by DAE in its Investment Monitor have been broadly adopted and applied to information sourced from the JLL and STR Global databases in the following way:

- Under consideration/possible: includes projects identified as ‘possible’ (DAE), ‘under consideration’ (DAE), ‘pre-planning’ (STR Global), ‘planning’ (STR Global), ‘final planning’ (STR Global).
- Committed/under construction/recently completed: includes projects identified as ‘committed’ (DAE), ‘under construction’ (DAE and JLL), ‘in construction’ (STR Global), ‘recently completed’ (DAE, JLL and STR Global).
- Sold: includes accommodation property transactions identified by JLL.
PROJECT THRESHOLDS

With regard to project thresholds:

- The Monitor’s primary threshold is for projects valued at $20 million or more.
- The threshold for hotel and resort sales is above $5 million.

With this in mind, researchers should note the following caveats:

- The Monitor is not an exhaustive list of current or potential development projects.
- The Monitor does not claim to account for all tourism investments but it does include major investments that will impact on supply. In addition, the Monitor includes an analysis of accommodation sector transactions relating to the sale of existing stock.
- The Monitor excludes mixed-use developments, unless stated otherwise, due to the difficulties in ascertaining the value of these projects to particular sectors.
- The Monitor excludes aircraft fleet options, that is, those orders that are not definite and are highly subject to change.
- Where possible, TRA has checked major projects with the relevant company. Where TRA is unable to obtain the estimated cost from the developer or investor, TRA has estimated project costs.
- The Monitor considers both investment in aircraft and the uptake of leases by airlines. It provides the market value of the aircraft, regardless of whether they are purchased or leased.
GLOSSARY

These definitions are predominantly compiled from various ABS releases relating to this analysis.

ASSET

Entities functioning as stores of value over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them, over a period of time. The economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realised by disposing of or terminating the asset.

ACCOMMODATION

Buildings primarily providing short-term or temporary accommodation on a commercial basis, including:

- Self-contained, short-term apartments (e.g. serviced apartments)
- Hotels (predominantly accommodation), motels and guest houses, boarding houses, cabins
- Other short-term accommodation (e.g. migrant hostels, youth hostels, lodges).

ACTIVITY

Activity referring to value of a specific stage of the construction undertaken, e.g. work commenced, work done or work yet to be done.

ARTS AND RECREATION SERVICES

The Arts and recreation services industry consists of entities relating to:

- ‘Heritage activities’ such as museum, parks and garden operation
- ‘Creative and performing arts activities’ such as performing arts operations, creative artists, musicians, writers and performers and performing art venue operations
- ‘Sports and recreation activities’ such as health and fitness centre and gymnasium operations, sports and physical recreation clubs and sports professionals, sports and physical recreation venue, grounds and facilities operations, sports and physical recreation administrative activities, horse and dog racing administration and track operation, other horse and dog racing activities, amusement park and centre operations, amusement and other recreational activities not elsewhere classified
- ‘Gambling activities’ such as casino operation, lottery operation and other gaming activities.

AVG. OCCUPANCY RATE

The proportion of room nights occupied by visitors in hotel, motel or a serviced apartment accommodation.

AVIATION

National and international passenger and aircraft movements between domestic and international airports.

COMMITTED/UNDER CONSTRUCTION/RECENTLY COMPLETED

Tourism investment pipeline projects that are definite and have approval to proceed, including recently completed accommodation projects. Projects may be in the committed phase where construction has not started, in the construction phase where work has commenced, or may have recently been completed (see Appendix B).

HOTELS

Establishments which operate a public bar and which provide accommodation on a room/unit/apartment/suite basis rather than by the bed (as is the practice of visitor hostels). Most guest rooms are equipped with a bath/shower and toilet but not full cooking facilities (i.e. hot plates and oven/microwave). Hotels and resorts may also include establishments referred to as resort hotel and spa, luxury hotel, apartment hotel, boutique hotel, hotel motel, and commercial hotel.

MOTELS, PRIVATE HOTELS AND GUEST HOUSES (MOTELS)

Establishments that do not operate a public bar but which provide accommodation on a room/unit/apartment/suite basis rather than by the bed (as is the practice of visitor hostels). A guest house is typically a personal residence with some accommodation available for paying guests.

NOMINAL VALUE/CURRENT PRICE VALUE

A value which has not been adjusted for inflation.

REAL VALUE/CONSTANT PRICE VALUE

A value which has been adjusted for inflation, relative to a base period.

RECREATION FACILITIES CONSTRUCTION

The construction of facilities excluding buildings and includes golf courses, playing fields, racecourses, stadiums, swimming pools, landscaping, and park construction.
REFURBISHMENT
Building activity carried out on existing buildings—also known as alteration and additions.

REGIONAL AREAS
The areas of a state or territory excluding its capital city tourism region.

REVENUE
Financial gain by an entity from using assets (machinery, building equipment etc) or Gross Operating Surplus as a proportion of value of capital asset.

REVENUE PER AVAILABLE ROOM (REVPAR)
Calculated by multiplying a hotel’s average daily room rate (ADR) by its occupancy rate.

ROOMS
Rooms available for accommodating short-term paying guests at each hotel and resort, motel, guest house, and serviced apartment during the survey period. Units, apartments and suites are treated as rooms for these types of establishments.

SERVICED APARTMENTS
Establishments which mostly comprise self-contained units at the same location, and which are available on a unit/apartment basis to the general public for a minimum of one night. The units should have full cooking facilities (i.e. hot plates and oven/microwave), refrigerator and bath/shower and toilet facilities; all bed linen and towels should be provided, and daily servicing (i.e. cleaning and bed making) must be available through the on-site management, although this service may not necessarily be used.

TAKINGS FROM ACCOMMODATION
Revenue received from the provision of accommodation (excluding revenue received from the provision of meals and other foods and beverages).

TOURISM 2020
Represents an integration of the National Long-Term Tourism Strategy with the growth aspirations of the 2020 Tourism Industry Potential. Tourism 2020 represents an unprecedented level of cooperation between industry and the Australian and state and territory governments to address the barriers to industry growth. It is a whole-of-government approach to improve the industry’s productive capacity. It focuses on creating a policy framework that will support industry growth and provide industry with the tools to compete more effectively in the global economy and to take advantage of the opportunities that Asia presents.

TRANSACTION VOLUMES
The value of transactions (i.e. sales) that have taken place during a given time period.

TRANSPORT BUILDINGS
Buildings primarily used in the provision of transport services, namely passenger transport buildings (e.g. passenger terminals); non-passenger transport buildings (e.g. freight terminals); commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments); and other transport buildings.

TRANSPORT INFRASTRUCTURE
The construction work done relating to bridges, harbours, railways, road, highways and subdivisions.

UNDER CONSIDERATION/POSSIBLE
Tourism investment pipeline projects that have been announced but may not have final approval to proceed. Projects may be in the possible/pre-planning phase awaiting early approval decisions, or in the final planning/consideration phase where final approval and commencement is expected (see Appendix B).

VALUE OF WORK DONE/COMPLETED
The value of work done for the private sector consists of the value of work done on prime contracts, plus speculative contracts, plus work done on own account. The value of work done for the public sector is the work done by the organisation’s own workforce and subcontractors.
REFERENCES

Airbus (2013a), Global Market Forecast 2012–2031, Airbus, Blagnac Cedex, France

Airbus (2013b), Airbus Aircraft 2013 Average List Prices, Airbus, Blagnac Cedex, France


ABS (2014a), Cat. No. 3401.0, Overseas Arrivals and Departures, ABS, Canberra

ABS (2014b), Cat. No. 5206.0, Australian National Accounts, National Income, Expenditure and Product, ABS, Canberra

ABS (2013a), Cat. No. 5249.0, Australian National Accounts: Tourism Satellite Account 2012–13, ABS, Canberra

Boeing (2013a), Current Market Outlook 2012–2031, Boeing, Seattle, United States


Bureau of Infrastructure, Transport and Regional Economics (BITRE, 2014a), Domestic Airline Activity December 2013, BITRE, Canberra

BITRE (2014b), International Airline Activity October 2013, BITRE, Canberra

CBRE Hotels (2013), Hotel Market in Review 2012, CBRE

Centre for Aviation (CAPA, 2013), CAPA Fleet Database, CAPA, Sydney

Colliers International (2013a), Research and Forecast Report, Hotels, First Half 2013


Deloitte (2014), Positioning for Prosperity? Catching the next wave, Deloitte, Sydney


DAE (2014b), Tourism and Hotel Market Outlook, February 2014, DAE, Canberra

Dransfield Hotels and Resorts (2014), Hotel Futures 2014, Dransfield, Sydney

Jones Lang LaSalle (JLL, 2014a), Hotel Market Update – Hotels Q4-2013 Australia, JLL, Sydney

JLL (2014b), Hotel Intelligence Adelaide – Market Snapshot, JLL, Sydney

JLL (2014c), Hotel Intelligence Brisbane – Market Snapshot, JLL, Sydney

JLL (2014d), Hotel Intelligence Canberra – Market Snapshot, JLL, Sydney

JLL (2014e), Hotel Intelligence Darwin – Market Snapshot, JLL, Sydney

JLL (2014f), Hotel Intelligence Melbourne – Market Snapshot, JLL, Sydney

JLL (2014g), Hotel Intelligence Perth – Market Snapshot, JLL, Sydney

JLL (2014h), Hotel Intelligence Sydney – Market Snapshot, JLL, Sydney
JLL (2013a), Australian and New Zealand Hotel Development Register – June 2013, JLL, Sydney

JLL (2013b), Hotel Investor Sentiment Survey – December 2013, JLL, Sydney

JLL (2013c), Greenfield Study into Short Term Accommodation Development in Australia, JLL, Sydney

JLL (2012), Global Real Estate Transparency Index – Global Foresight Series 2012, JLL, Sydney

National Australia Bank (NAB, 2014), Quarterly business survey, December quarter 2013

Qantas Airways Limited (2014), Half year 2013–14 Results, Qantas, Sydney

Qantas Airways Limited (2013), Full year 2012–13 Results, Qantas, Sydney

Reserve Bank of Australia (RBA, 2013), Statistical tables (including exchange rates), as at December 2013, RBA, Sydney

STR Global (2014a), Hotel Survey, STR Global, United Kingdom

STR Global (2014b), Asia Pacific Pipeline Database, STR Global, United Kingdom

Tourism Research Australia (TRA 2014a), International Visitors to Australia, December 2013 Quarterly results of the International Visitor Survey, TRA, Canberra

TRA (2014b), Travel by Australians, December 2013 Quarterly Results of the National Visitor Survey, TRA, Canberra

TRA (2013a), State of the Industry 2013, Update Issue 1, TRA, Canberra

TRA (2013b), Tourism Forecasts, Spring 2013, TRA, Canberra

TRA (2013c), Tourism Investment Monitor 2013, TRA, Canberra

TRA (2011), Tourism Investment in Australia, TRA, Canberra


Turner and Townsend (2013), International Construction Cost Survey 2013, Turner and Townsend, United Kingdom

Virgin Australia (2014), Virgin Australia Holdings 2014 Half Year Results, Virgin Australia, Brisbane

Virgin Australia (2013), Virgin Australia Holdings FY13 Full Year Results, Virgin Australia, Brisbane

Westpac (2014), Westpac-Melbourne Institute Index of Consumer Sentiment, December 2013
