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APPENDIX 1: RESOURCES AND METHODOLOGY

Tourism Research Australia has used a range of resources to compile the tourism industry investment pipeline database in this report. There are two main sources - Deloitte Access Economics' Investment Monitor; and STR Global Asia Pacific's 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 five 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
- **Completed:** project has been completed.

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.

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:

- **Unconfirmed:** potential projects that remain unconfirmed at this time
- **Planning:** confirmed, under contract projects where construction will begin in more than 12 months
- **Final planning:** confirmed, under contract projects where construction will begin within the next 12 months
- **In construction:** vertical construction on the physical building has begun, not including construction on any sub-grade structures (e.g. parking garages, underground supports/footers, other type of sub-grade construction)
- **Recently opened:** project opened within the last 12 months.

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*.

State Government Investment Authorities provided additional insight for the tourism industry investment pipeline for the first time in 2016–17. This provided an additional layer of intelligence to help compile a more comprehensive pipeline, with a particular focus on accommodation projects. TRA would like to acknowledge input from

- Destination NSW
- Department of Jobs, Precincts and Regions, Victoria
- Department of Innovation and Tourism Industry Development, Queensland
- South Australian Tourism Commission
- Tourism Western Australia
- Office of the Coordinator-General, Tasmania
- Tourism NT, Northern Territory
- Department of Trade, Business and Innovation, Northern Territory
- VisitCanberra, Australian Capital Territory

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 and STR Global have been brought together and categorised in the following way:

- **Proposed:** includes projects identified as ‘possible’ (DAE), ‘unconfirmed’ (STR Global)
- **Planning:** includes projects identified as ‘under consideration’ (DAE), ‘planning’ (STR Global), ‘final planning’ (STR Global), ‘committed’ (DAE), ‘in consideration’ (STR Global)
- **Under Construction:** includes projects identified as ‘under construction’ (DAE), ‘in construction’ (STR Global)
- **Recently Opened:** includes projects identified as ‘completed’ (DAE), ‘recently opened’ (STR Global).

PROJECT THRESHOLDS

With regard to project thresholds:

- The *Monitor*’s primary threshold is for projects valued at \$20 million or more.
- The project values and pipeline progression are as at year ending June 2019.

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.
- This *Monitor* is not directly comparable to previous editions due to a change in methodology, in particular the inclusion of state government input and the removal of Aviation Fleet.
- The *Monitor* excludes mixed-use developments, unless stated otherwise, due to the difficulties in ascertaining the value of these projects to particular sectors.
- 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.
- Some accommodation projects included in this year’s accommodation investment pipeline may be considered to be part of a mixed-use development. TRA categorises projects as either standalone accommodation or mixed-use accommodation projects based on market intelligence and key data sources available at the time.

GLOSSARY

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.

AVERAGE OCCUPANCY RATE

The proportion of room nights occupied by visitors in hotel, motel or 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 A).

DELETED

Includes the values of projects that have been deferred or abandoned, and have therefore exited the pipeline.

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.

PLANNING

Included the value of projects that have been submitted for approval. This includes projects already under consideration, projects with approval that have not yet commenced works, or other projects that have plans submitted to the local council or appropriate body.

PROPOSED

The value of projects that are still possibilities or proposals at this stage. This includes projects which have not yet submitted council plans or have a project under council consideration

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-RELATED INDUSTRIES

Refers to the sum of three ANZSIC industry divisions, namely *Accommodation and food services*; *Transport, postal and warehousing*; and *Arts and recreation services*. These industries were selected based upon their importance for tourism and the availability of information from published sources.

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 (excluding 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 CONSTRUCTION

Includes the values of projects that have commenced building. A project will remain in this phase until its official opening.

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.

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