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## TOURISM INVESTMENT MONITOR 2014

Summary

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The tourism investment pipeline was worth \$49.4 billion in 2013—up \$5.2 billion (or 12 per cent) between 2012 and 2013. Growth in the investment pipeline shows that investment opportunities in key Australian tourism-related industries remain attractive to investors. This investment serves to support infrastructure development and position the industry to achieve the *2020 Tourism Industry Potential* targets.

Over the last 12 months, the tourism investment pipeline has experienced very strong growth (compared to 2012), mainly driven by increased investment in aviation fleet (up \$3.8 billion, or 17 per cent)

While growth in aviation fleet provides a solid foundation for improving aviation capacities, this needs to be supported by increased investment across the accommodation and arts and recreation services sectors. Although the accommodation sector achieved growth of \$1.8 billion (or 33 per cent) in 2013, investment in this sector will need to show substantial growth over the next two years to provide enough new rooms to accommodate the expected increase in visitors.

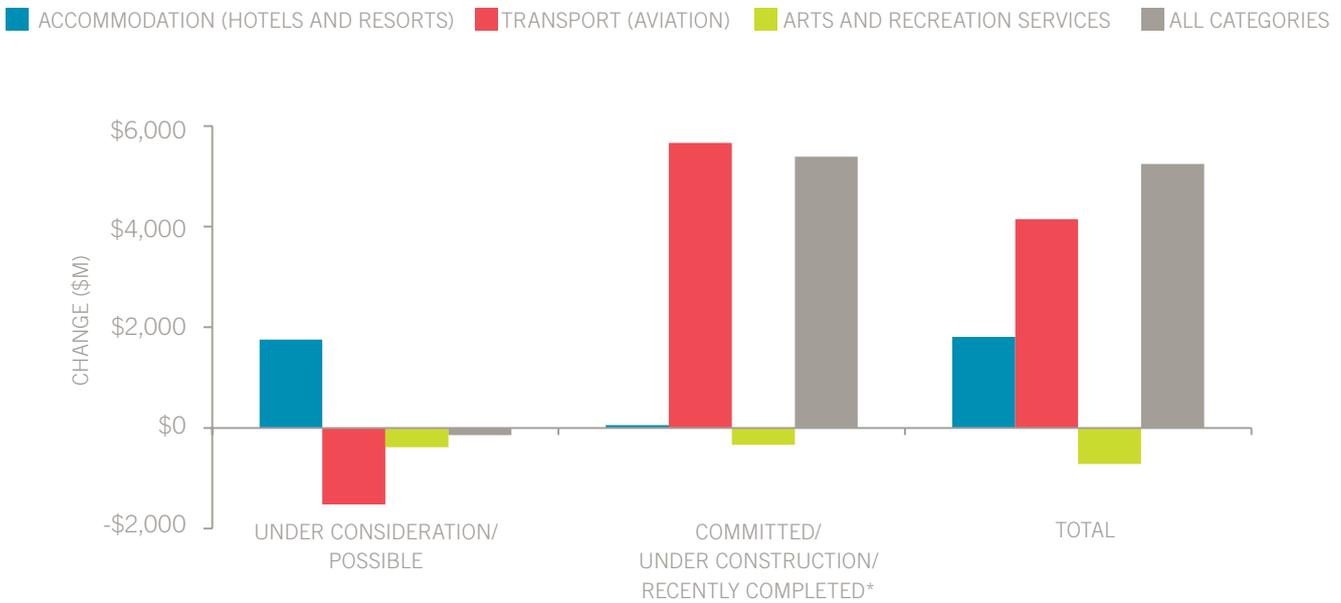
TABLE ES1: TOURISM INVESTMENT PIPELINE, 2013

	SOLD <sup>a</sup>	UNDER CONSIDERATION/ POSSIBLE	COMMITTED/ UNDER CONSTRUCTION/ RECENTLY COMPLETED <sup>b</sup>	TOTAL (EXCL. 'SOLD')
	\$ million			
Accommodation	2,000	4,316	3,065	7,381
Transport (aviation)	NA <sup>c</sup>	3,702	29,381	33,083
Leisure tourism infrastructure (arts and recreation services)	NA <sup>c</sup>	3,643	5,266	8,909
Total tourism investment pipeline	2,000	11,661	37,713	49,374

Sources: Centre for Aviation (CAPA); Deloitte Access Economics (DAE); Jones Lang LaSalle (JLL); STR Global; Tourism Research Australia (TRA); various.

(a) Estimate provided by JLL for the 2013 calendar year; not included in the total value of the pipeline.  
(b) 'Recently completed' only for the accommodation sector.  
(c) Not within the scope of this report.  
See Appendix B and the Glossary for an explanation of the phases of the tourism investment pipeline.

FIGURE ES1: CHANGE IN TOURISM INVESTMENT PIPELINE, 2013 COMPARED TO 2012



\*'Recently completed' only for the accommodation sector. Sources: CAPA; DAE; JLL; STR Global; TRA.

## ACCOMMODATION SECTOR

- Accommodation investment amounted to 12,000 expected new rooms (up by 2,260 rooms), representing \$7.4 billion (up \$1.8 billion, or 33 per cent).
- There were 41 mixed-use projects included in the accommodation investment pipeline in 2013, accounting for upwards of 8,600 rooms.
- When taking new accommodation supply from these mixed-use developments into account, if realised, the total supply of rooms could amount to 20,625.
- In 2013, 41 hotel and resort property sales occurred, amounting to \$2.0 billion, which was the highest annual result since the Global Financial Crisis.

## TRANSPORT (AVIATION) SECTOR

- Investment in the Transport (aviation) industry continues to dominate the tourism investment pipeline with an estimated \$33.1 billion (or 62 per cent) in 2013, up \$4.1 billion (14 per cent).
- In 2013, airport infrastructure investment is estimated to have been worth \$6.8 billion.
- The bulk of Transport (aviation) pipeline investment is attributable to aircraft investment, either *Under consideration/possible* or *Under construction*, estimated

to have been worth \$26.3 billion in 2013. In addition, the value of fleet options (i.e. those orders that are not definite and are highly subject to change) remain significant at an estimated \$11.8 billion.

- While it is expected that some of the aircraft investment will result in increased capacities on inbound and domestic operations from Australian carriers, airlines will use their fleet as business needs necessitate, including redirecting fleet onto other routes as demand requires.

## LEISURE TOURISM INFRASTRUCTURE SECTOR (ARTS AND RECREATION SERVICES)

- In 2013, arts and recreation services projects are estimated to have been worth \$8.9 billion. The most significant category of the pipeline for arts and recreation services was *Committed/under construction* with an estimated value of \$5.3 billion.
- When compared to 2012, the change in the arts and recreation services investment pipeline amounted to a decrease of \$711 million (or 7 per cent). Driving this change was the substantial number of projects exiting the pipeline upon completion – 12 projects worth a combined \$1.9 billion, including the \$961 million SKYCITY Casino in Darwin.

