

# INVESTMENT ATTRACTION

Whitehaven Beach, Whitsundays Islands, QLD

*Tourism Australia (TA) plays a strategic and coordinating role in facilitating tourism investment opportunities, in collaboration with Austrade.*

## MISSION:

To position Australia as the preferred destination for foreign direct investment into tourism infrastructure.



Canberra, ACT



Kangaroo Island, SA

## STRATEGY:

- A National Tourism Strategy (Tourism 2020) was launched in 2009 to double overnight visitor expenditure by 2020. The strategy identified the importance of investment in tourism infrastructure towards the achievement of its Tourism 2020 goals.
- Introducing additional capacity – specifically, a target of 6-20k new rooms by 2020 – is essential to ensuring that Australia can deliver a quality tourism experience to meet the expectations of increasing visitor numbers.

## PARTNERSHIP:

- Tourism has been a national investment priority since May 2012, formalised with a collaboration agreement signed between TA and Austrade.
- The partnership acts to market Australia as an attractive investment destination for tourism infrastructure and works with State and Territory governments to facilitate foreign direct investment (FDI).
- The partnership's aims include:
  - > Raising awareness of Australia as an attractive place to invest through tourism infrastructure investment promotion, attraction and facilitation;
  - > Removing potential barriers to investment and bringing tourism infrastructure opportunities to fruition.
- Over time, the focus of the partnership has shifted from attracting new hotels to ensuring existing projects in the hotel development pipeline come to fruition. Additionally, marketing efforts have shifted towards attracting investment into regional Australia to ensure the economic and social benefits of tourism spread beyond capital cities.



Nitmiluk (Katherine) Gorge, NT



Margaret River, WA



Mona, TAS

## RESOURCING:

- **Tourism Australia:** onshore coordination and activities, including providing tourism industry insight and investment promotion and attraction collateral.
- **Austrade (investment division):** offshore coordination and activities, investor relations and international market intelligence.
- onshore policy coordination and high level industry research to support Austrade and TA in their roles.

## OUTCOMES:

- When the partnership was launched, the tourism investment environment was characterised by very little new supply, constrained liquidity and difficulties accessing debt. In contrast, fast forward to 2018 and Australia is experiencing strong international interest in investing in tourism assets.
- A number of factors have driven demand for tourism assets including increased visitor demand by Asia's growing middle class, Australia's stable and transparent investment environment, low interest rates and favourable foreign exchange. Government advocacy has Australia's tourism and investment strengths.
- The industry is on track to achieve the Tourism 2020 rooms target, with a strong pipeline of rooms in development in Australia's capital cities. Since the introduction of the strategy, 20,000 new hotel rooms have been introduced into the Australian market. The current pipeline suggests that another 20,000 rooms will be brought into the market over the next 3-4 years.
- Since the launch of the partnership agreement, Austrade and TA have facilitated tourism investment projects expected to be worth over \$2.12 billion, created approximately 2,480 new rooms and upgraded over 540 rooms.



Snowy Mountains, NSW

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