TOURISM INVESTMENT IN REGIONAL AUSTRALIA

Why savvy investors are investing in regional tourism
Australia’s vibrant tourism industry isn’t just about cosmopolitan cities. With 43 cents of every tourism dollar spent outside of capital cities, the importance of regional tourism cannot be underestimated. Tourism is a key driver of the economy and the lifeblood of the many of the country’s regional destinations, employing around 1 in 13 (over half a million) Australians.

SUPPORT FOR REGIONAL TOURISM INVESTMENT

Austrade and Tourism Australia have developed a Regional Tourism Infrastructure Investment Attraction Strategy to attract more foreign direct investment (FDI) for regional tourism infrastructure, helping to spread the benefits of the visitor economy beyond Australia’s major gateway cities.

The Strategy aims to work across governments and industry to promote tourism investment as a priority within eight key regions in Australia, and to identify and overcome local impediments that may be holding back supply of visitor experiences and broader investment. These impediments may range from a lack of existing visitor attractions or international flights, to a regulatory system that makes investment challenging for the broader industry.

REGIONAL HOT SPOTS FOR INVESTMENT

Many tourism icons and bucket-list spots are located across Australia’s stunning regional destinations, allowing for opportunities across food and wine, beaches and islands, nature and wildlife, culture and heritage and wellness. In 2019, regional Australia attracted 194 million domestic and international visitors, seeking a range of world-class experiences.

Eight tourism regions, featuring some of Australia’s most iconic tourism sites, are being targeted: The Whitsundays (Queensland), Canberra (Australian Capital Territory), Snowy Mountains (New South Wales), East Coast Tasmania (Tasmania), Great Ocean Road (Victoria), Kangaroo Island (South Australia), Margaret River (Western Australia) and Katherine (Northern Territory).

These pilot regions cover all eight states and territories and have been selected as they exhibit:

1. Strong growth in tourist visitation.
2. Iconic or outstanding natural attributes.
3. Strong brand recognition and marketing support.
4. Well-developed supporting economic and social infrastructure.

All levels of government are working collaboratively to attract investment into these regions.
WHY NOW?

Australia is in the midst of a tourism boom, experiencing record visitation and expenditure. Regional Australia is benefiting from the industry’s strong performance, with visitors to regional Australia increasing on average by 5.6 per cent per annum over the past five years.

VISITOR NIGHTS TO REGIONAL AUSTRALIA, 2015 - 2019

296 million visitor nights were spent in regional Australia in 2019, up 20 per cent from 248 million in 2015.


TOURISM INVESTMENT EXAMPLES

Tourism Australia and Austrade are developing in-depth value propositions for high quality, investment ready tourism regions of interest to international investors.

China’s KCC Real Estate Development Company (KCC) has completed work on a $20 million boutique hotel project on the Mornington Peninsula – its first hotel development outside of China.

Jackalope Hotel Mornington Peninsula, Victoria

Open April 2017
Development cost: $20 million

The d’Arenberg Cube, a multi-million dollar, four-storey, multi-dimensional architectural dream, wildly angled and toned, with glass and mirror construction is perched in the middle of the existing hilltop d’Arenberg winery complex, McLaren Vale in South Australia.

The D’Arenberg Cube McLaren Vale, South Australia

Opened December 2017
Development cost: $15 million

Ghassen Aboud’s Crystalbrook Collection has announced the development of four landmark Cairns hotels in addition to the construction of a Superyacht Marina and resort in Port Douglas. The overall collection is expected to inject $900 million into the economy.

Crystalbrook Collection, Queensland

Opening 2018 - 2020
Development cost: $370 million

WHAT’S NEXT?

Investors have a real opportunity to take advantage of growth in regional Australia and be part of the booming Australian tourism story. Austrade and Tourism Australia are developing in-depth value propositions for high quality, investment ready tourism regions of interest to international investors.

Austrade has a network of investment specialists around the world, offering comprehensive and confidential assistance that can help you make the right investment decisions.

For more information or to contact an investment specialist near you, visit www.tourisminvestment.com.au

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number of visitors (includes domestic day trips, domestic overnight and international overnight)</th>
<th>5 year growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and wine</td>
<td>205.5 million</td>
<td>8.6 per cent</td>
</tr>
<tr>
<td>Aquatic and coastal</td>
<td>48.4 million</td>
<td>7.0 per cent</td>
</tr>
<tr>
<td>Nature and wildlife</td>
<td>42 million</td>
<td>10.6 per cent</td>
</tr>
<tr>
<td>Culture and heritage</td>
<td>20.5 million</td>
<td>6.6 per cent</td>
</tr>
<tr>
<td>Wellness</td>
<td>0.46 million</td>
<td>9.6 per cent</td>
</tr>
</tbody>
</table>


If Australia is to continue to provide unique experiences into the future, we need to provide more reasons for travellers to disperse beyond our capital cities and enjoy high quality products. Recent growth in regional foreign direct investment and increased international visitor dispersal have created the ideal climate for investment into regional areas. Expanding aviation capacity and forecasted visitor growth from emerging Asian markets will further set it in good stead.
Canberra is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

**AIRPORT INFRASTRUCTURE**

Canberra Airport is located in the northern City suburb of Majura and is the eighth busiest airport in Australia. In 2017/18 the airport experienced positive growth in passenger movements increasing 6.1% when compared with the previous year. Historically the airport has only catered for domestic traffic, but from September 2016 Singapore Airlines commenced a direct service operating Canberra to Singapore and Canberra to Wellington and Qatar Airlines commenced flights in 2018.

**ACCOMMODATION TRENDS**

According to the Australian Accommodation Monitor, there were 62 accommodation establishments with 6,609 rooms in Canberra at the end of June 2018 and an average property size of 107 rooms. Together, hotel accommodation and holiday letting account for more than 63% of nights spent in the region. Over the past five years, Canberra’s accommodation market has recorded RevPAR growth averaging 2.5% per annum. Higher occupancy levels have been the primary driver of growth and having averaged 78.0% in 2018 - the highest level ever recorded in Canberra.

**INVESTMENT TRENDS**

Only one hotel in Canberra transacted in 2018 with the sale of Novotel Canberra to AXA Investment Fund, as part of the TAHL portfolio. A number of hotels are being marketed for sale in 2019 including Mantra on Northbourne and a portfolio of three Abode hotels in Gungahlin, Tuggeranong and Kingston. The offering of these assets will test investor appetite for hotels located outside of the CBD and Parliamentary precincts.

**VISITATION TRENDS**

Tourism to the Canberra Tourism region (which incorporates three key areas) is currently at its highest level with a total of 5.4 million visitors in 2019. This follows consecutive years of growth since 2010. Airport access to the region is through the main airport at Canberra, with the three sites located just 10 to 40 minutes’ drive from the centre of Canberra.

Canberra Tourism Region: Historical HMSA Trading Performance FY13 to FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>Occ %</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>72.4%</td>
<td>$169.6</td>
<td>$122.8</td>
</tr>
<tr>
<td>FY14</td>
<td>70.8% (-2.2%)</td>
<td>$162.3 (-4.3%)</td>
<td>$114.9 (6.4%)</td>
</tr>
<tr>
<td>FY15</td>
<td>73.6% (4%)</td>
<td>$164.2 (1.2%)</td>
<td>$120.8 (5.2%)</td>
</tr>
<tr>
<td>FY16</td>
<td>74.5% (1.2%)</td>
<td>$166.2 (1.2%)</td>
<td>$123.8 (2.4%)</td>
</tr>
<tr>
<td>FY17</td>
<td>76.9% (3.2%)</td>
<td>$174.4 (4.9%)</td>
<td>$134.1 (8.3%)</td>
</tr>
<tr>
<td>FY18</td>
<td>78.9% (2.6%)</td>
<td>$176.1 (1.0%)</td>
<td>$138.9 (3.6%)</td>
</tr>
</tbody>
</table>

CAGR: 1.7% 0.8% 2.5%

Source: Australian Bureau of Statistics, Colliers International

Canberra Tourism Growth 2015 to 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All visitation</td>
<td>6.1%</td>
</tr>
<tr>
<td>International visitation</td>
<td>9.7%</td>
</tr>
<tr>
<td>Domestic visitation</td>
<td>6.4%</td>
</tr>
<tr>
<td>Overnight stays</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

OVOLO NISHI, CANBERRA

The award-winning Ovolo Nishi (recently purchased by the Ovolo Group), is a favourite for travellers and locals alike, offering 68 rooms in addition to a sleek hatted restaurant/bar with an indoor fire pit, 24-hour exercise room and modern library. Contemporary rooms are individually designed with original artwork and restored 20th century Australian furniture.
East Coast Tasmania: Tourism Investment Prospectus

East Coast Tasmania is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE
Visitor arrivals into Tasmania’s main airport, Hobart International Airport, have been increasing on average by 5.1% per annum over the past five years, boosting visitation to the region. There will soon be the potential for direct flights from Asia to Tasmania with the runway currently being extended and discussions with international carriers understood to be underway. More flights from more destinations will mean increased demand for tourism infrastructure and accommodation options in the East Coast of Tasmania.

ACCOMMODATION TRENDS
According to the Australian Accommodation Monitor, there were 19 accommodation establishments in East Coast Tasmania at the end of June 2018 with 603 rooms and an average property size of 31 rooms. Traditional accommodation operations including hotels, motels and serviced apartments (HMSA), have experienced strong revenue per available room (RevPAR) growth, averaging 6.8% per annum over the four years to FY16. The higher room rates that operators have been able to achieve have been the primary driver with Average Daily Rate (ADR) increasing 3.9% per annum, up from $160 in FY12 to $186 in FY16. This represented a 22% ADR premium when compared to the accommodation providers in the Hobart Tourism Region. Accommodation performance data is not available for East Coast Tasmania for FY17 and FY18 due to an insufficient sample size.

INVESTMENT TRENDS
Continued interest in Tasmanian hotel and tourism property is expected, with state-wide economic growth continuing to outpace the national annual average, driven by positive population growth, an active consumer sector and strong tourism numbers. This backdrop of strong tourism arrivals, airport expansion and positive accommodation performance bodes well for future accommodation and tourism infrastructure investment in the region.

SAFFIRE FREYCINET LODGE EAST COAST
Development cost: $32 million
Saffire Freycinet’s concept and design are like no other in Australia, capturing the essence of the unique Freycinet Peninsula region of Tasmania. The all-inclusive resort features 20 suites on 11 hectares of land in Coles Bay.

East Coast Tasmania: HMSA Historical Trading Performance FY12 to FY16

<table>
<thead>
<tr>
<th>Year</th>
<th>Occ %</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>40.4%</td>
<td>$160</td>
<td>$65</td>
</tr>
<tr>
<td>FY13</td>
<td>37.5%</td>
<td>$167</td>
<td>($63) (-3.3%)</td>
</tr>
<tr>
<td>FY14</td>
<td>41.2%</td>
<td>$168</td>
<td>$69</td>
</tr>
<tr>
<td>FY15</td>
<td>40.5%</td>
<td>$183</td>
<td>$74</td>
</tr>
<tr>
<td>FY16</td>
<td>45.2%</td>
<td>$186</td>
<td>$84</td>
</tr>
<tr>
<td>CAGR</td>
<td>2.3%</td>
<td>3.1%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, Colliers International

East Coast Tasmania Tourist Growth 2015 to 2019

<table>
<thead>
<tr>
<th>All visitation</th>
<th>International visitation</th>
<th>Domestic visitation</th>
<th>Overnight stays</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2%</td>
<td>22.5%</td>
<td>6.7%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

The East Coast of Tasmania is a destination boasting a diversity of landscapes and experiences for visitors. It is home to the renowned Freycinet National Park, Wineglass Bay and Saffire Freycinet luxury lodge. It is a destination where visitors can experience natural beauty, world class food and wine experiences in a beautiful, relaxing environment and truly feel like they can get away from the pressures of the every day.

VISITATION TRENDS
Visitation to the East Coast of Tasmania has been on an upward trajectory over the past five years with growth in visitation increasing at an average rate of 7.2% per annum with 1.7 million visitor nights being spent in the destination in 2019.
AIRPORT INFRASTRUCTURE

The Great Ocean Road is serviced by Melbourne Tullamarine and Avalon Airport, both unbound by a nightly curfew. International passenger movements through Melbourne Airport have increased by 49.4% over the five years to FY18. Melbourne is expected to be a primary beneficiary from the recent open skies agreement with China.

ACCOMMODATION TRENDS

A range of accommodation can be found along the Great Ocean Road with the most significant being holiday letting, caravan and camping and friends and relatives properties. Together these property types account for more than 74% of nights spent in the region. Visitor nights spent in a holiday home in the Great Ocean Road have increased at an average rate of 12.3% per annum over the past five years and highlighting the popularity of the area for visitors. Over the five years to 2018, the Great Ocean Road’s accommodation market has recorded modest RevPAR growth increasing on average by 4.2% per annum. Higher room rates have been the primary driver of growth with ADR increasing 2.47% per annum, up from $133 in 2013 to $152 in 2018. Occupancy levels averaged 74% in 2018 which represents a high level for a regional destination.

INVESTMENT TRENDS

Continued investment into the Great Ocean Road hotel and tourism region is expected against the backdrop of strong visitation numbers and new and improved visitor infrastructure. There is a significant opportunity to capture a share of the 5.5 million visitors to the area and to entice them to stay overnight.

The Great Ocean Road begins 90 minutes from Melbourne’s city centre, spanning 243 kilometres from Torquay to Allansford. The broader region is home to the world-class surf at Bells Beach and the craggy limestone spires of the 12 Apostles.

VISITATION TRENDS

Tourism to the Great Ocean Road region is currently at the highest level ever recorded with 6.1 million visitors in 2019 and having recorded strong growth, averaging 9.2% per annum over the past five years. Growth in overnight stays has not been as strong, increasing at an average rate of 5.1% per annum over the past five years, underpinned by the international segment.

The Great Ocean Road: Tourism Investment Prospectus

The Great Ocean Road is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

The Great Ocean Road begins 90 minutes from Melbourne’s city centre, spanning 243 kilometres from Torquay to Allansford. The broader region is home to the world-class surf at Bells Beach and the craggy limestone spires of the 12 Apostles.

GREAT OCEAN ROAD: TOURISM INVESTMENT PROSPECTUS

Great Ocean Road Tourism Growth 2015 to 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>All visitation</td>
<td>9.2%</td>
</tr>
<tr>
<td>International visitation</td>
<td>10.1%</td>
</tr>
<tr>
<td>Domestic visitation</td>
<td>7.4%</td>
</tr>
<tr>
<td>Overnight stays</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: Tourism Research Australia, YE March 2019

Great Ocean Road: HMSA Historical Trading Performance FY13 to FY18

<table>
<thead>
<tr>
<th>Year</th>
<th>Occ %</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>68.8%</td>
<td>$133.2</td>
<td>$91.70</td>
</tr>
<tr>
<td>FY14</td>
<td>71.3% (3.6%)</td>
<td>$138.1 (3.7%)</td>
<td>$98.50 (7.5%)</td>
</tr>
<tr>
<td>FY15</td>
<td>74.3% (4.2%)</td>
<td>$139.3 (0.9%)</td>
<td>$103.50 (5.0%)</td>
</tr>
<tr>
<td>FY16</td>
<td>76.3% (2.7%)</td>
<td>$145.2 (4.2%)</td>
<td>$110.7 (7.0%)</td>
</tr>
<tr>
<td>FY17</td>
<td>76.6% (0.4%)</td>
<td>$147.0 (1.3%)</td>
<td>$112.6 (1.7%)</td>
</tr>
<tr>
<td>FY18</td>
<td>74.0% (-3.4%)</td>
<td>$152.3 (3.6%)</td>
<td>$112.8 (0.1%)</td>
</tr>
</tbody>
</table>

CAGR 1.5% 2.7% 4.2%

Source: Australian Bureau of Statistics, Colliers International

ALKINA LODGE, WATTLE HILL

Alkina Lodge offers the discerning traveller private luxury accommodation on the Great Ocean Road. The three architecturally designed, four-bedroom luxury lodges are set amongst native forest, offering majestic views of natural landscapes. The lodge was a Silver Award winner at the 2018 Australian Tourism Awards for Luxury Accommodation.

www.tourisminvestment.com.au
Kangaroo Island is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE

Visitor arrivals into Kangaroo Island airport have been steady over the past five years and are set to increase following investments in airport infrastructure to accommodate larger aircraft and the addition of QantasLink flights which commenced in December 2017. This resulted in passenger movements through the airport surging 12.3% year-on-year.

ACCOMMODATION TRENDS

Visitors to Kangaroo Island predominantly stay in holiday homes, in the absence of significant hotels and resorts. According to the Australian Accommodation Monitor, there were 12 accommodation establishments with 310 rooms at the end of June 2018 on Kangaroo Island and an average property size of 26 rooms. With regards to commercial accommodation, Kangaroo Island’s accommodation market has strong RevPAR growth increasing on average by 8.9% per annum over the four years to 2016 (latest statistics available). Accommodation performance data is not available for Kangaroo Island for FY17 and FY18 due to an insufficient sample size.

INVESTMENT TRENDS

Increased investment into Kangaroo Island’s hotel and tourism market is expected, with a number of infrastructure projects currently underway and some large-scale hotel projects planned or being marketed for sale. Three years ago, the South Australian Government committed to a phase out of stamp duty on commercial property transactions, with the aim of attracting domestic and international investment.

KANGAROO ISLAND AIRPORT UPGRADE

Opened in January 2018
Development cost: $18 million
The airport upgrade, jointly funded by state and federal governments, involved lengthening the runway to allow non-stop flights by larger planes from interstate capitals. Qantas has since announced direct flights to Kangaroo Island from Adelaide and Melbourne, complementing existing air services.

Kangaroo Island Tourism Growth
2015 to 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>All visitation</td>
<td>6.0%</td>
</tr>
<tr>
<td>International visitation</td>
<td>5.7%</td>
</tr>
<tr>
<td>Domestic visitation</td>
<td>9.0%</td>
</tr>
<tr>
<td>Overnight stays</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Kangaroo Island: HMSA Historical Trading Performance FY12 to FY16

<table>
<thead>
<tr>
<th>Year</th>
<th>Occ %</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>52.0%</td>
<td>$218</td>
<td>$113</td>
</tr>
<tr>
<td>FY13</td>
<td>52.8% (1.6%)</td>
<td>$214 (-1.8%)</td>
<td>$113 (-0.3%)</td>
</tr>
<tr>
<td>FY14</td>
<td>55.8% (5.7%)</td>
<td>$271 (26.4%)</td>
<td>$151 (33.6%)</td>
</tr>
<tr>
<td>FY15</td>
<td>51.3% (-8.1%)</td>
<td>$183 (-32.6%)</td>
<td>$94 (-38.0%)</td>
</tr>
<tr>
<td>FY16</td>
<td>56.6% (10.4%)</td>
<td>$282 (54.5%)</td>
<td>$160 (70.5%)</td>
</tr>
<tr>
<td>CAGR</td>
<td>2.2%</td>
<td>6.6%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, Colliers International

KANGAROO ISLAND: TOURISM INVESTMENT PROSPECTUS

Kangaroo Island is one of the most notable destinations in South Australia. It is a place of pristine wilderness and world class food and wine experiences. It is also home to the globally renowned Southern Ocean Lodge and Flinders Chase National Park.

VISITATION TRENDS

Visitation to Kangaroo Island has been growing steadily with 216,000 visitors in 2019. More than half of those visitors were domestic overnight visitors. Reflecting this, Kangaroo Island had an average length of stay of 2.5 nights in 2019. Domestic and international overnight visitors have both recorded strong growth over the past five years, increasing by 9.0% and 5.7% per annum respectively. In 2018, international visitors accounted for just under one quarter of nights spent in the Kangaroo Island tourism region.

KANGAROO ISLAND AIRPORT UPGRADE

Opened in January 2018
Development cost: $18 million
The airport upgrade, jointly funded by state and federal governments, involved lengthening the runway to allow non-stop flights by larger planes from interstate capitals. Qantas has since announced direct flights to Kangaroo Island from Adelaide and Melbourne, complementing existing air services.
The Katherine Region is located 3 hours from Darwin Airport. Darwin Airport had a total of 2.03 million passenger movements in 2017/18. Domestic and regional passenger numbers recorded 1.8 million in 2017/18 and international passenger numbers at 251,000. Passenger movements through Darwin International Airport have increased on average by 1.3% per annum over the past five years.

ACCOMMODATION TRENDS
A range of accommodation can be found in the Katherine Region with the most significant being holiday letting, caravan/camping and hotels. Together these property types account for 70% of nights spent in the region. According to the Australian Accommodation Monitor, there were 12 accommodation establishments in the Katherine Daly region at the end of June 2018 with 575 rooms featuring an average property size of 48 rooms. Hotels and serviced apartments have experienced RevPAR growth increasing on average by 6.3% per annum. Higher room rates have been the primary driver of growth with ADR increasing 6.5% per annum, up from $99.89 in FY12 to $128.67 in FY16 (latest statistics available). Accommodation performance data is not available for Katherine for FY17 and FY18 due to an insufficient sample size.

INVESTMENT TRENDS
Investment activity in the region remains limited owing to the small size of the accommodation market and with a greater proportion of nights directed to camping and holiday letting stays. The Northern Territory Government has recently released a $103 million tourism stimulus package to attract more visitors which also includes an allocation towards new tourism infrastructure and attractions. This may see private investment increase when coupled with improvements in visitation and as travellers seek out singular iconic travel experiences. Katherine is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

CICADA LODGE
Cicada Lodge is a 100 per cent Indigenous owned high-end accommodation property in Nitmiluk National Park. The Lodge offers 18 rooms, each with private balconies looking out across the national park. Cicada Lodge provides a level of excellence in accommodation, service and dining.
Margaret River is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE

Margaret River is located three hours from Perth Airport. Perth Airport is one of Australia’s closest airports to Asia and is serviced by over 20 international, domestic and regional airlines. It is the fourth major international gateway in Australia. Overall trends in passenger numbers are shown below, however it should be noted that whilst international passenger numbers have increased, domestic passenger numbers have declined since the FY13 high due to the reduction in mining-related travel.

ACCOMMODATION TRENDS

A range of accommodation can be found in Margaret River region with the most significant being holiday homes and hotels. Together these two property types account for more than 80% of nights spent in the region. According to the Australian Accommodation Monitor, there were 46 accommodation establishments in Margaret River at the end of June 2018 with 1,875 rooms and an average property size of 40 rooms. Over the three years to 2018, Margaret River’s accommodation market has recorded strong RevPAR growth increasing on average by 7.9% per annum. Higher room rates have been the primary driver of growth with ADR increasing 8.8% per annum, up from $177 in 2015 to $228 in 2018.

INVESTMENT TRENDS

Continued investment into the Margaret River hotel and tourism region is expected against the backdrop of strong visitation, new and improved direct airport access and positive accommodation operator performance. The notoriety of the region as a producer of premium wine will also stand it in good stead as affinity with local producers grows in line with higher consumption, particularly in Asia.

Busselton-Margaret River Airport Upgrade

Opening in-late 2018
Development cost: $70 million

The airport expansion will involve upgrades to the existing runway and construction of a new passenger terminal. These developments will allow for direct flights to and from capital cities located on Australia’s east coast as well as direct international flights.
The Snowy Mountains is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE
Canberra Airport is between 1.5 - 2.5 hours’ drive from the Snowy Mountains. The airport is the eighth busiest in Australia with daily flights to Canberra from Sydney, Melbourne, Adelaide, Brisbane, Newcastle and Perth. In 2017/18 passenger movements through the Airport recorded growth of 5.3% year-on-year.

ACCOMMODATION TRENDS
A range of accommodation options can be found in the Snowy Mountains region with the most significant being hotels and holiday homes (not owned). Together these two property types account for 60% of nights spent in the region. According to the Australian Accommodation Monitor, there were 68 accommodation establishments in the Snowy Mountains tourism region at the end of June 2018 with 2,452 rooms and an average property size of 36 rooms. Over the year to June 2018, occupancy levels for a basket of five properties with 322 rooms averaged 44% with a high average rate of $197. Occupancy levels increased 7.7% year-on-year off the back of strong demand growth in line with improving visitation.

INVESTMENT TRENDS
The Snowy Mountains tourism industry is expected to attract continued investment against the backdrop of strong visitation numbers and new and improved visitor infrastructure. Increasingly, day visitors are being encouraged to stay overnight with the right tourism infrastructure and accommodation options in place. The planned upgrade of the Perisher ski resort should also provide a much-needed boost for the region.

PERISHER BLUE SKI RESORT
Perisher was acquired by US-based Vail Resorts in 2015, representing the company’s first acquisition of a ski resort outside of the US. Perisher is Australia’s biggest resort, with 1245 hectares of skiable terrain. Plans for upgrading the resort include the development of an 846-bed resort and retail complex.
The Whitsundays is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE

The Whitsundays is serviced by two domestic airports - Great Barrier Reef Airport (Hamilton Island) and Whitsunday Coast Airport (Proserpine) – linking the region to the major centres of Brisbane, Melbourne, Sydney and Cairns. Both airports have recorded growth in passenger movements over the past five years, increasing on average by 1.8% and 10.4% per annum respectively.

ACCOMMODATION TRENDS

A range of accommodation can be found in the Whitsundays with the most significant being holiday homes, hotels and backpacker hostels. Together these three property types account for three-quarters of nights spent in the region. Hotels and serviced apartments have experienced growth over the past year, underpinned by improving demand whilst a number of island resorts still remain closed for renovation. Once operational again, these resorts will boast a significant number of superb leading accommodation establishments that will be marketed worldwide.

INVESTMENT TRENDS

Continued investment into the Whitsundays is expected with major resort infrastructure and refurbishment projects well underway, against a backdrop of strong tourism visitation and a growing international tourism base. Offshore investors particularly hold the region in high regard.

QUALIA, HAMILTON ISLAND

Opened in 2007

Development cost: $100 million

The world-class luxury resort on the Great Barrier Reef is located on the northern-most point of Hamilton Island. Qualia offers 60 elegant one-bedroom pavilions and a Beach House, set amidst postcard views of the Whitsundays.
To find out more information about tourism investment opportunities in Australia and how the Australian Government can assist, contact your local representative:

Jarrod Mander  
General Manager Investment  
Tourism Australia  
E: jmander@tourism.australia.com  
T: +61 2 9361 1734  
M: +61 403 926 919

Emma McDonald  
Senior Investment Specialist - Tourism Infrastructure  
Austrade  
E: emma.mcdonald@austrade.gov.au  
T: +61 2 6272 6806  
M: +61 419 263 441

www.tourisminvestment.com.au