

MEDIA RELEASE

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RECORD SPEND WELCOMED, BUT HOTEL SHARE DOWN

Tourism Accommodation Australia (TAA) has welcomed record international tourism spending of more than \$41.3 billion, but warned that the share of international visitor nights spent in hotels, resorts and serviced apartments has dropped significantly.

TAA CEO Carol Giuseppi said while the latest International Visitor Survey (IVS) figures demonstrate a huge growth in both visitors and visitor nights right across the nation, there were also some concerning trends for the sector.

“International visitor nights spent in hotels, resorts and serviced apartments (HMSA) only increased moderately, up just 1% to reach 29.2 million nights,” she said.

“Since 2005, the share of international visitor nights spent in HMSA has actually fallen from 18% to 11%, with most of the growth in unregulated private accommodation and visiting friends and relatives. Unregulated accommodation accounts for four times the number of international visitor nights as regulated hotel, resort, motel and serviced apartment accommodation.

“Traditional markets for the HMSA sector are holiday and business markets. Visitor nights for the purpose of holidays represent 31% of all visitor nights and fell by 2%, thus impacting stays in hotels, motels and serviced apartments.”

Ms Giuseppi said the Australian hotel industry had been responding to international visitor growth over the past five years with a record level of hotel investment, which is continuing to transform Australia’s accommodation and tourism sectors.

“It is vital for governments to continue investment in driving international visitation and to regulate commercial short term accommodation in residential buildings, if investor confidence is to be sustained,” she said.

Tourism Accommodation Australia (TAA) has identified 200 hotel projects (40,204 rooms) under construction, approved for development or in advanced planning stages in the six state capitals and Darwin. This is in addition to the 5,500 new rooms which came onto the market in 2017.

	Under Construction	Approved	Planning/Proposed	Total
Sydney	1899	4665	3964	10528
Canberra	201	419	550	1170
Perth	2484	656	4526	7666
Adelaide	288	1179	542	2009
Melbourne	3441	7089	2483	13013
Brisbane	1820	600	844	3264
Hobart	406	338	1207	1951
Darwin	91	312	200	603
Total	11286	14602	14316	40204

Table: Reported hotel development projects in Australia 2018 – 2025 (Source: Tourism Accommodation Australia)

In addition, a massive rejuvenation of Australia’s existing hotel stock is underway, highlighted by the completion in April of DoubleTree by Hilton Esplanade Darwin’s million-dollar upgrade to its 197 guest rooms and conference and events facilities, and the \$40 million refurbishment of the 558 room Sheraton on the Park Sydney.

Ms Giuseppi said record levels of investment – both local and overseas – are revolutionising Australia’s hotel industry.

“This is the most extensive and comprehensive hotel rejuvenation phase in Australia’s tourism history,” she said.

“It is a response to the massive growth in tourism demand over the past few years and anticipated long-term growth in the visitor economy.

“However, investor confidence needs to be sustained by improved and consistent planning and safety regulations around residential buildings being put on the short term visitor market together with continued government investment in infrastructure and in driving international visitation.”

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