

MEDIA RELEASE

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PLIGHT OF SYDNEY DOMINATES MARKET UPDATE

The dire situation facing accommodation hotels in Sydney was the focus of the latest Tourism Accommodation Australia NSW Market Update and Economic Outlook.

Almost 120 accommodation hotel general managers and senior management from hotels around NSW attended the zoom conference to hear from industry leaders including Dean Dransfield of Dransfield Hotels and Resorts, Greg Clerk of Hostplus and Matthew Burke, STR Pacific.

Tourism Accommodation Australia NSW CEO Michael Johnson said the webinar, held almost a year to the day since the industry went into lockdown, was a chance to hear some of the best minds in the business lay out just how much work there is still to do.

“While many NSW regions are bouncing back the situation in the nation’s largest city is as bad as it has been since this crisis began,” Mr Johnson said.

“In January 2020 occupancy in Sydney hotels was at 79.8 per cent it is now hovering just above 30 per cent.

“Our gateway city has no international travellers, no week day conferencing and events, and very few corporate travellers.

“The only thing keeping staff employed is Jobkeeper and when it ends on March 28, we are looking at a huge number of redundancies and a loss of skills, experience and expertise.”

Dean Dransfield said average occupancy rates across the country have dropped from 73% in January 2020 to 45% this January, with Melbourne, 38% and Sydney, 30.3% the worst affected cities.

He said revenue per available room will not return to pre-COVID levels till 2025.

STR’s Matthew Burke said the loss of mid-week ‘bread and butter’ corporate and conference trade is forcing venues to try and survive on weekend income.

Deputy Chief Investment Officer at Hostplus, Greg Clerk said fiscal stimulus will help the Australian economy, and many other economies, grow in the short term.

He said the full reckoning of this spending is likely many years away but turning off the fiscal tap, like JobKeeper, could be a brutal preview of what is to come.

Media Contact: Craig Vaughan, 0423 796 382