



Australian Government
Australian Trade and Investment Commission
Tourism Research Australia

Tourism Investment Monitor

2022–23



Acknowledgements

This work should be attributed as *Tourism Investment Monitor 2022–23*, Tourism Research Australia, Austrade, Canberra.

This report is available at <https://www.tra.gov.au/>

Further enquiries are welcome at tourism.research@tra.gov.au

The term ‘tourism’ in the international standards is not restricted to leisure activity. It includes travel for business or other reasons, such as education, provided the destination is outside the person’s usual environment. Therefore, tourism is a demand-side phenomenon and is defined, first, by an individual’s movement out of their usual environment, and, second, by the type of goods and/or service consumed by the individual. Visitor demand for transport, travel experiences and accommodation need to be complemented by supply-side capacity. This report monitors investments in the key tourism-related supply side areas of aviation, art, recreation, and business services and accommodation.

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Publication date: 5 February 2024

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Acknowledgement of Country

In the spirit of reconciliation, we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.





About this report

Tourism Research Australia (TRA) compiles the Tourism Investment Monitor to provide an annual update on the investment aspect of the visitor economy's performance. The report is a point-in-time measure of investment (planned and committed) in fixed assets related to Australia's tourism sector. It reports on both the stock and the progress of new projects at each stage of development as at 30 June 2023. Investment projects are classified as either proposed, in the planning stage, or under construction.

The 2022–23 tourism investment pipeline represents all known major tourism-related projects having an estimated financial value of \$20 million or more in 3 main tourism segments:

- aviation
- arts, recreation, and business services
- accommodation.

TRA analyses Australia's tourism investment pipeline to show:

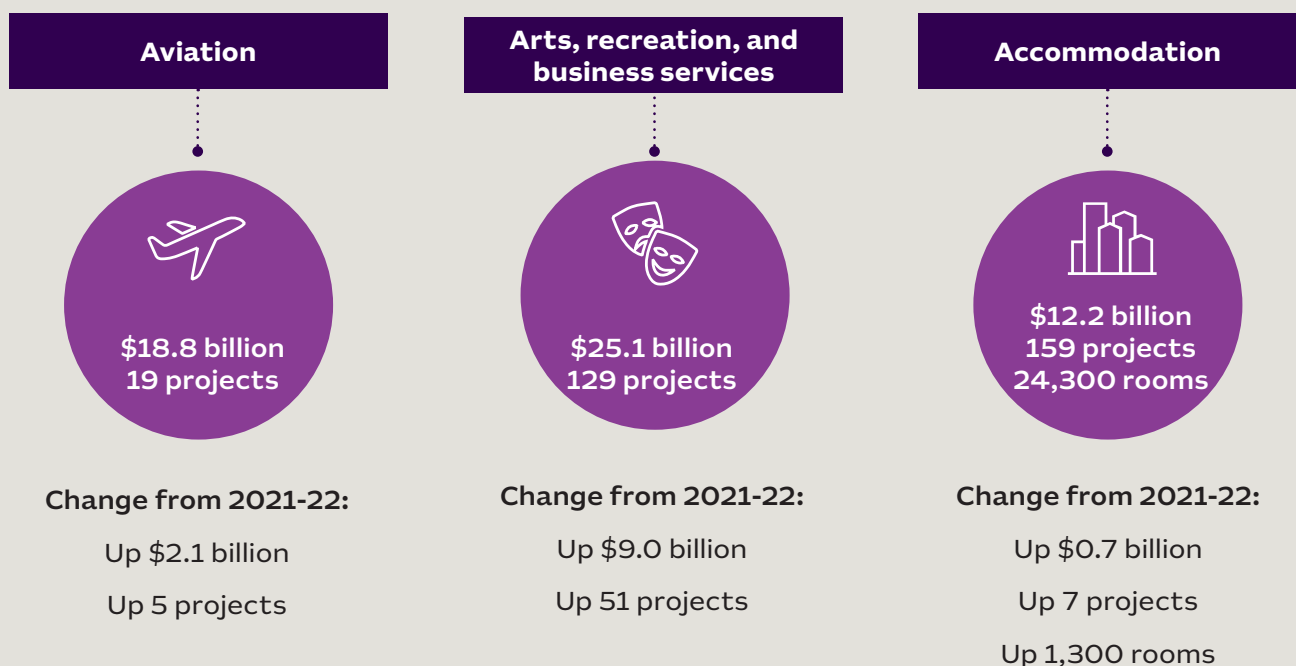
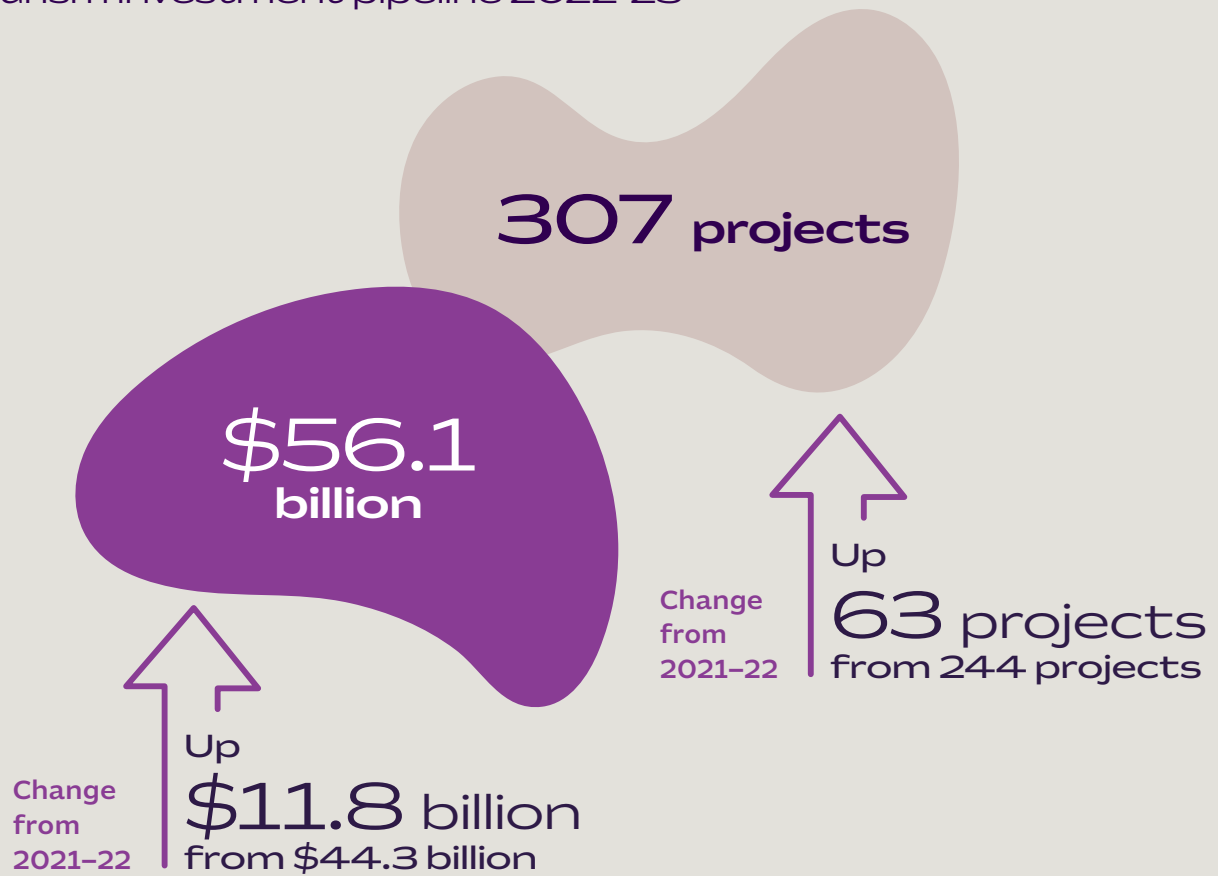
- recent trends
- location of projects
- progress through stages of the development timeline.

The investment pipeline includes a section on standalone accommodation projects which excludes mixed-use developments. However, mixed-use developments are an important contributor to the visitor economy, so separate information on the value and volume of mixed-use developments that contain a tourism component is also provided in this report.

Changes over time in the number, type and value of investment projects can be a forward-looking indicator of confidence within the sector regarding future tourism demand. TRA's year-by-year stocktake of tourism investment projects facilitates insights into this intangible area of investor confidence. Investment in the sector is vital to support its capacity to grow and adapt to future tourism demand and traveller expectations.

The tourism investment pipeline – a snapshot

Tourism investment pipeline 2022-23



Numbers may not sum due to rounding.

Summary assessment

The 2022-23 tourism investment pipeline consisted of 307 projects with a value of \$56.1 billion. The value of the pipeline grew by \$11.8 billion (27 per cent) compared with the 2021-22 pipeline of \$44.3 billion (244 projects) (Figure 1). Many new projects entered the pipeline in the year, while others made progress through the pipeline stages.

With Australia having moved beyond the constraints imposed by COVID-19 and with tourism’s recovery well underway, there is renewed optimism for the future of the visitor economy. The domestic visitor economy is performing well despite cost-of-living pressures. Domestic visitor spend comfortably exceeded pre-pandemic levels in 2022-23, while for year-to-date October 2023, international visitor arrivals are at 75 per cent of their pre-pandemic level. Optimism is, however, counterbalanced by challenging global and domestic economic conditions including higher interest rates, as well as conflicts that can disrupt travel and affect confidence.

The most significant growth in the investment pipeline was in the arts, recreation, and

business services sector. Investment in this sector rose by \$9.0 billion, or 56 per cent in 2022-23, to \$25.1 billion through 51 additional projects. Many were new projects to the pipeline identified by reviewing Australian Government and State Government budget papers, an additional data source used for the first time.

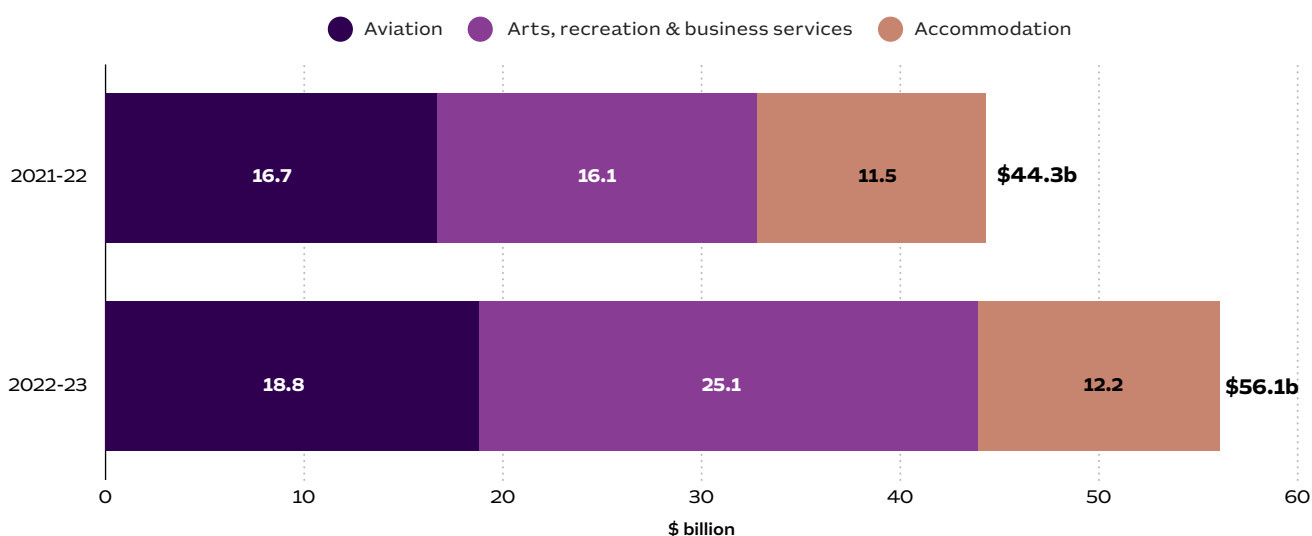
The investment pipeline grew in all states and territories. With planning for the 2032 Olympics and Paralympics gaining momentum, Queensland led the way by accounting for 42 per cent or \$4.9 billion of the total increase in the investment pipeline in 2022-23.

Investment overview by sector

Across the 3 tourism sectors, the pipeline was split by:

- aviation – 19 projects valued at \$18.8 billion
- arts, recreation, and business services – 129 projects valued at \$25.1 billion
- accommodation – 159 projects valued at \$12.2 billion¹, with the potential to add 24,300 rooms² to accommodation supply.

Figure 1. Value of the tourism investment pipeline in Australia by sector in 2021-22 and 2022-23



Source: Tourism Research Australia

1. There were 14 projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.
2. The number of rooms was not available for one project at the time the Tourism Investment Monitor 2022-23 was finalised in January 2024.

Project phases

The project pipeline includes 3 development stages (see Methodology section for details):

- **proposed** – projects that have been announced but may not have precise information or formal plans publicly available
- **planning** – projects in the formal planning stage, such as appointing developers and architects or applying for relevant development approvals
- **under construction** – projects where the ground has been broken on the construction site.

Completed projects are removed from the pipeline. Similarly, projects that have been put on hold, deferred, or are no longer going ahead are also deemed to have exited the pipeline in that year. In total, 22 projects

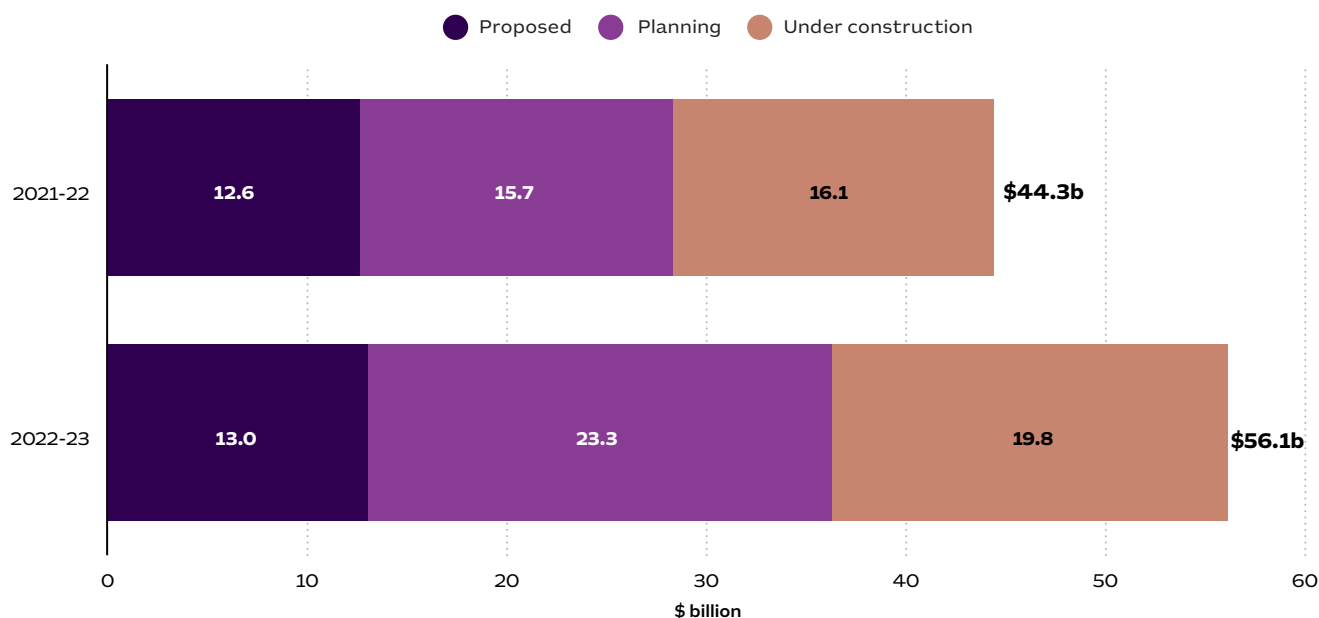
worth \$3.0 billion were completed in 2022-23 while a further 23 valued at \$3.3 billion were deferred or abandoned.

In comparison, there were 123 new projects valued at \$14.3 billion added to the pipeline in 2022-23. They accounted for 25 per cent of the total value of the investment pipeline and were predominantly in the arts, recreation, and business services segment.

The 2022-23 pipeline includes:

- 40 projects valued at \$13.0 billion in the **proposed** phase
- 154 projects valued at \$23.3 billion in the **planning** phase
- 113 projects valued at \$19.8 billion in the **under-construction** phase (Figure 2).

Figure 2. Value of the tourism investment pipeline in Australia by project phase in 2021-22 and 2022-23³



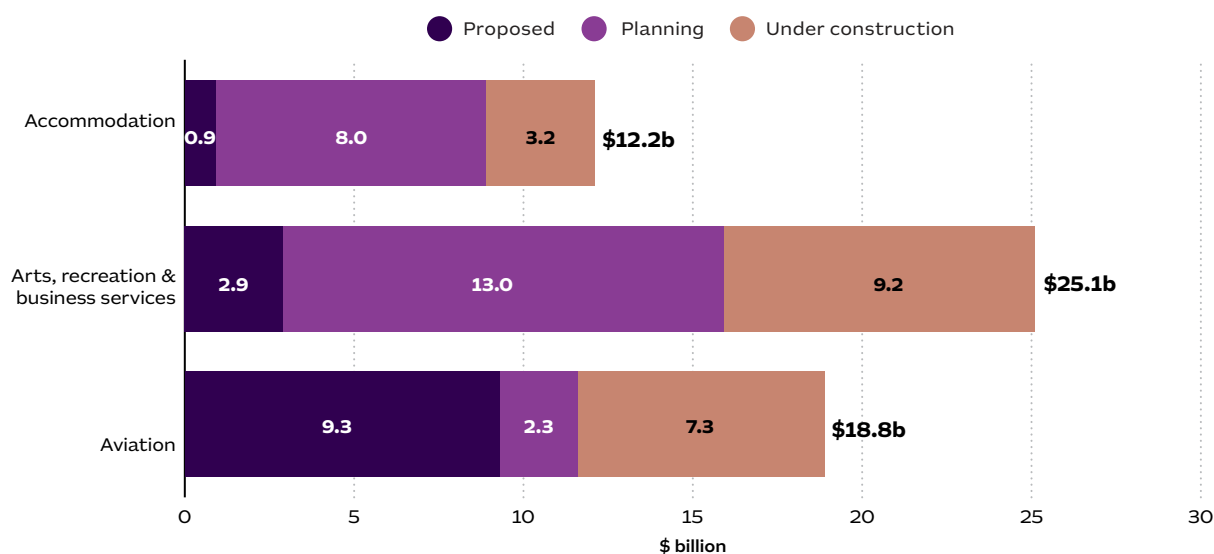
Source: Tourism Research Australia

The arts, recreation, and business services sector contributed most to the value of tourism projects in the planning (56 per cent) and construction (47 per cent) phases in

2022-23. The aviation sector accounted for 71 per cent or \$9.3 billion of the total value of projects in the proposed phase (Figure 3).

3. Numbers may not sum due to rounding.

Figure 3. Value of the tourism investment pipeline in Australia by sector and phase in 2022-23⁴



Source: Tourism Research Australia

Mixed-use developments

The investment pipeline excludes mixed-use developments. However, mixed-use projects that incorporate a significant tourism component are considered separately. Such projects may combine short-term accommodation, residential, commercial and leisure spaces. They will typically contain food and beverage or retail services and hotel or short-stay rental properties. As such, they contribute significant value to the visitor economy. However, the Tourism Investment Monitor pipeline does not include mixed-use developments because of the difficulty in attributing an explicit value to the tourism-specific component of such projects.

The mixed-use pipeline is very large and has the potential to add more rooms than the standalone accommodation pipeline. In 2022-23, there were 174 mixed-use developments valued at \$73.0 billion⁵ with the potential to add 28,200 rooms⁶ to accommodation supply.

The value of the mixed-use pipeline increased substantially (up \$15.1 billion) compared with 2021-22. However, while there were 14 more projects in 2022-23, there were potentially 1,500 fewer rooms that may be added to accommodation supply than was expected in 2021-22.

Road, rail, and water transport infrastructure

Like mixed-use developments, the non-aviation part of the transport sector is not included in the investment pipeline. Road, rail, and water transport infrastructure is, however, essential for the visitor economy as it facilitates the transit of passengers and goods from one place to another. Better and more efficient land, air and water transit can add value through connecting destinations to different markets and visitors to different travel options. Crowded and congested infrastructure wastes time, reduces visitor motivation and can impact on the overall visitor experience. The box below provides examples of road, rail, and water transport projects in different jurisdictions.

4. Numbers may not sum due to rounding.

5. There were 13 mixed-use projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.

6. The number of rooms is not always available for projects, particularly newly announced mixed-use projects. Given this, the estimated number of rooms reported here is likely to be an underestimation. Of the mixed-use projects, 16 had no room numbers available at the time the Tourism Investment Monitor 2022-23 was finalised in January 2024.



Road, rail, and water transport infrastructure

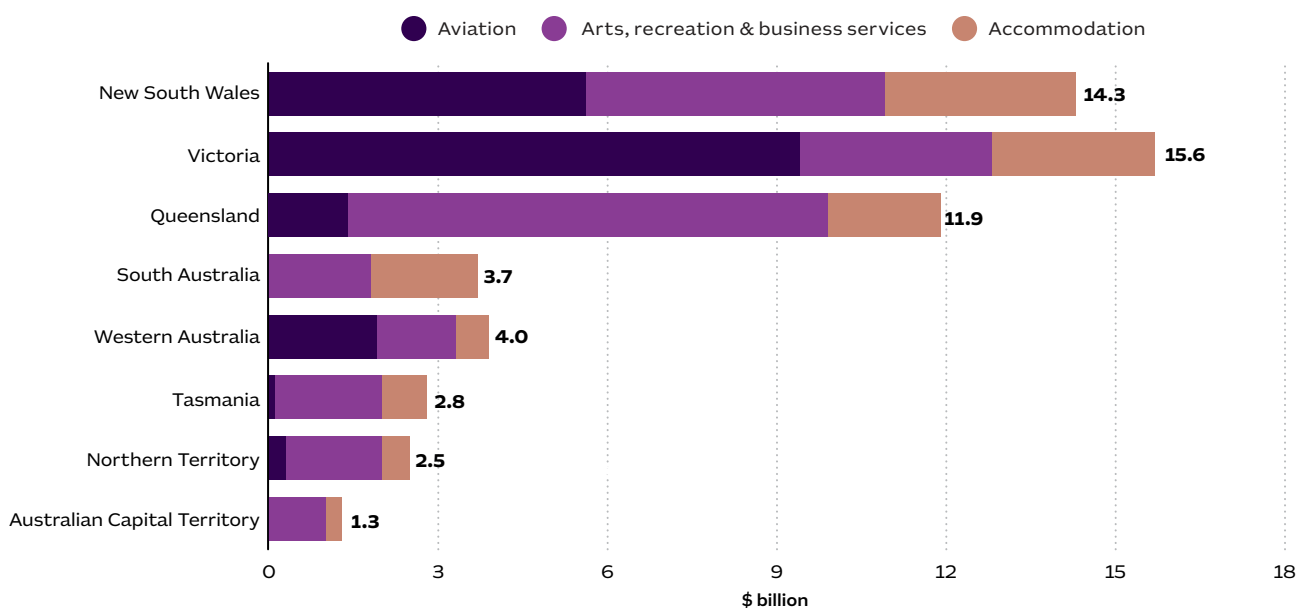
Tourism is generally not the driving force for investment decisions related to road, rail, and water transport infrastructure, yet the tourism sector is somewhat reliant on such investments. The following investments are examples of those likely to be directly beneficial to tourism:

- Investment worth \$2.0 billion linking the M12 Motorway to Western Sydney Airport and Northern Road in New South Wales.
- Committed investment of \$1.6 billion in regional railway revival projects in Victoria, delivering upgrades to the Gippsland, Shepparton, Warrnambool and Geelong lines (under construction).
- Investment worth \$215 million (under construction) for upgrades and sealing of the Strzelecki Track, a recognised tourism corridor in outback South Australia.
- Committed investment worth \$190 million (under construction) for the Cooktown to Weipa corridor road upgrade in Queensland.
- Proposed investment worth \$88 million for the Tennant Creek to Townsville corridor road upgrade.
- Committed investment of \$53 million (under construction) for extending Indian Ocean Drive from Jurien Bay to the Brand Highway in Western Australia.
- Planned investment worth \$50 million for upgrades to the Arthur Highway, gateway to the Port Arthur tourism precinct in Tasmania.

State and territory breakdown of the pipeline

The visitor economy in each jurisdiction varies quite significantly both in terms of its overall size and make-up of travellers, which is reflected in the pipeline (Figure 4). For example, the Australian Capital Territory has a greater reliance on business travel, with a strong international student cohort. In contrast, Western Australia relies more on domestic intrastate travel.

Figure 4. Tourism investment pipeline by state and sector, 2022-23



Source: Tourism Research Australia

New South Wales

- The pipeline of tourism investment in New South Wales included 81 projects, valued at \$14.3 billion. The New South Wales pipeline accounted for 26 per cent of the total number of tourism investment projects, the largest share of any state or territory.
- Investment in the aviation sector totalled \$5.6 billion, the main contribution being from the Western Sydney International Airport at Badgerys Creek.
- Investment in the arts, recreation, and business services sector totalled \$5.3 billion, with the new Powerhouse Museum (\$915 million) and new Sydney Fish Market (\$750 million) the largest contributors.
- Investment in the standalone accommodation sector totalled \$3.4 billion (down from \$4.7 billion in 2021-22) due to some projects being reclassified to mixed-use or completed.
- Capital city investment was \$13.0 billion, the same as in 2021-22.
- Regional investment was \$1.4 billion (up from \$1.1 billion in 2021-22).

Victoria

- There were 48 projects in the tourism investment pipeline in Victoria. These were valued at \$15.6 billion making Victoria the largest contributor to the total value of the tourism investment pipeline in 2022-23.
- Investment in the aviation sector totalled \$9.4 billion, with a major contribution from the proposed Koo Wee Rup privately owned airport worth \$7.0 billion.
- Investment in the arts, recreation, and business services sector totalled \$3.4 billion, with the Melbourne Arts Precinct Redevelopment contributing half or \$1.7 billion of this investment.
- Investment in the standalone accommodation sector totalled \$2.9 billion, almost double the \$1.6 billion invested in 2021-22. The entry of new projects, reclassification of one project from mixed-use to accommodation and updated cost estimates for some projects contributed to the increase.
- Capital city investment was \$7.0 billion, up from \$4.9 billion in 2021-22.
- Regional investment was \$8.7 billion, up from \$7.9 billion in 2021-22.

Queensland

- Queensland had 47 projects valued at \$11.9 billion, which was up \$5.0 billion on 2021-22.
- Most investment and growth were in the arts, recreation, and business services sector (\$8.5 billion) including substantial investment related to the 2032 Olympic Games. The value of projects in this sector was \$4.5 billion in 2021-22.
- Investment in the standalone accommodation sector totalled \$2.0 billion, up marginally on the \$1.9 billion in 2021-22.

- Investment in the aviation sector totalled \$1.4 billion, with the planned new terminal at Brisbane International Airport (\$1.0 billion) the largest contributing investment.
- Capital city investment was \$9.6 billion, up from \$5.4 billion in 2021-22.
- Regional investment was \$2.3 billion, up from \$1.6 billion in 2021-22.

South Australia

- South Australia had 32 projects valued at \$3.7 billion, up \$0.5 billion on the previous year.
- These investments were shared between accommodation (\$1.9 billion) and arts, recreation, and business services (\$1.8 billion).
- Capital city investment was \$3.0 billion, up from \$2.7 billion in 2021-22.
- Regional investment was \$0.7 billion, up on the \$0.5 billion in 2021-22.

Western Australia

- Western Australia had 34 projects valued at \$4.0 billion, up \$0.9 billion on the previous year.
- Most of the investment was focused on aviation (\$1.9 billion) and arts, recreation, and business services (\$1.4 billion) projects.
- Capital city investment was \$3.6 billion, higher than the \$2.8 billion in 2021-22.
- Regional investment was \$0.4 billion, up from \$0.3 billion in 2021-22.

Tasmania

- Tasmania had 36 projects valued at \$2.8 billion, an increase of \$1.1 billion on the previous year.
- These investments were largely shared between the arts, recreation, and business services (\$1.9 billion) and accommodation (\$0.8 billion) sectors.
- Capital city investment was \$1.7 billion, higher than the \$1.0 billion in 2021-22.
- Regional investment was \$1.1 billion, up from \$0.7 billion in 2021-22.

Northern Territory

- Northern Territory had 20 projects valued at \$2.5 billion in the pipeline, up \$800 million on 2021-22.
- This included investments in the arts, recreation, and business services (\$1.7 billion), accommodation (\$0.5 billion) and aviation (\$0.3 billion) sectors.

- Capital city investment was \$1.4 billion, double the \$0.7 billion in 2021-22.
- Regional investment was \$1.1 billion, up slightly from \$1.0 billion in 2021-22

Australian Capital Territory

- The Australian Capital Territory had 9 projects valued at \$1.3 billion, up \$0.6 billion on 2021-22.
- Most of the investment was in arts, recreation, and business services (\$1.0 billion). This included the redevelopment of the Australian War Memorial (\$548 million).





Aviation results

Total ⁷	Capital cities	Regional
\$18.8 billion	\$11.1 billion	\$7.7 billion
19 projects	10 projects	9 projects
Change from 2021-22:	Change from 2021-22:	Change from 2021-22:
Up \$2.1 billion	Up \$1.6 billion	Up \$0.4 billion
Up 5 projects	Up 2 projects	Up 3 projects

Aviation remains a vital component for growing Australia’s tourism sector. Domestically, the distance between major centres and key tourism destinations often precludes ground transport. Internationally, almost all visitors arrive by air.

Projects in this sector cover airport construction and upgrades to runways, terminals, and related fixed infrastructure. Purchases of aircraft are not included.

In 2022-23, there were 19 aviation projects worth \$18.8 billion (Figure 5). This was up 5 projects and \$2.1 billion in value when compared with the 2021-22 pipeline.

Major projects in this sector include:

- The proposed Koo Wee Rup Airport located near Melbourne’s southeast corridor – \$7.0 billion
- The new Western Sydney International Airport (Badgerys Creek) – \$5.3 billion (under construction)
- A proposed new runway at Melbourne Airport – \$1.9 billion
- Upgrades at Perth Airport – \$1.9 billion (under construction)
- A planned new terminal at Brisbane Airport – \$1.0 billion.

Breakdown by location

In 2022-23, in the aviation sector, there were 10 projects worth \$11.1 billion located in capital cities. There were a further 9 projects worth \$7.7 billion located in regional areas. The proposed Koo Wee Rup Airport located near Melbourne’s southeast corridor (\$7.0 billion) accounts for much of the regional pipeline.

In 2022-23, there were:

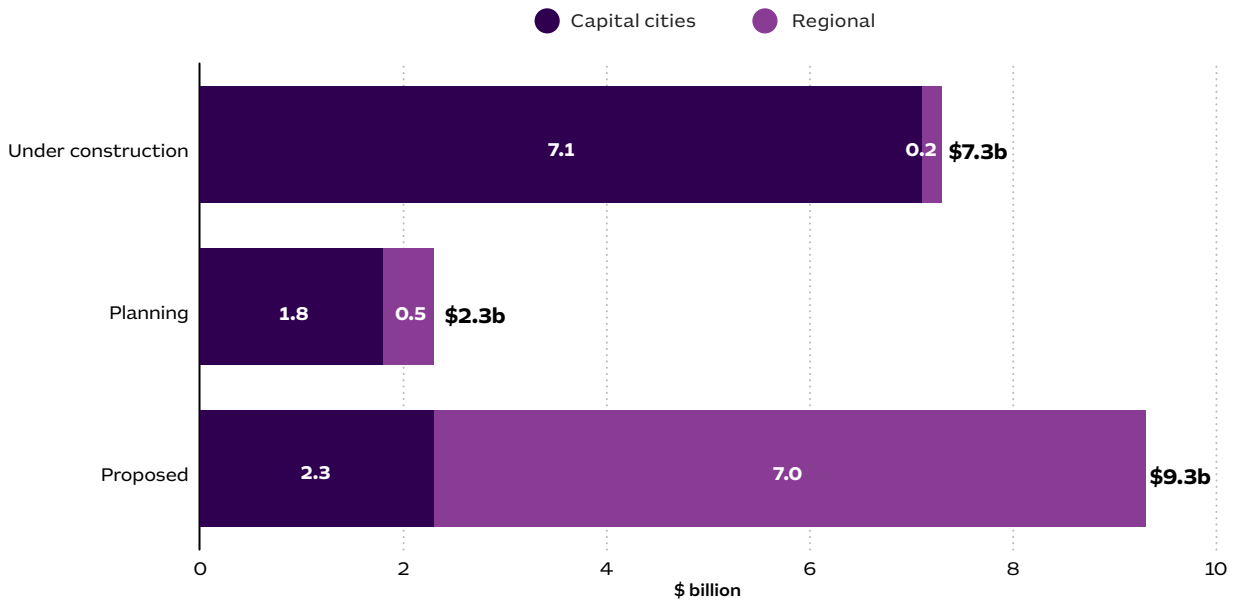
- 3 projects in Victoria (\$9.4 billion)
- 3 projects in New South Wales (\$5.6 billion)
- 4 projects in Western Australia (\$1.9 billion)
- 4 projects in Queensland (\$1.4 billion)
- 2 projects in Northern Territory (\$0.3 billion)
- 2 projects in Tasmania (\$0.1 billion).

7. Numbers may not sum due to rounding.

Breakdown by project phase

Most of the projects in the aviation pipeline in 2022-23 were under construction (8 projects worth \$7.3 billion) or in planning (8 projects valued at \$2.3 billion). There were 3 projects (\$9.3 billion) in the proposed stage.

Figure 5. Aviation pipeline by project phase, 2022-23



Source: Tourism Research Australia



Arts, recreation, and business services results

Total	Capital cities	Regional
\$25.1 billion	\$20.8 billion	\$4.3 billion
129 projects	80 projects	49 projects
Change from 2021-22:	Change from 2021-22:	Change from 2021-22:
Up \$9.0 billion	Up \$7.2 billion	Up \$1.8 billion
Up 51 projects	Up 26 projects	Up 25 projects

Summary

Arts, recreation, and business services are a key driver of visitor demand. They:

- are the services and attractions that continue to enable and enhance the visitor experience
- make a city, town, or region a strong tourism drawcard.

In 2022-23, there were 129 arts, recreation, and business services projects in the pipeline valued at \$25.1 billion (Figure 6). This was up 51 projects and \$9.0 billion in value on the pipeline in 2021-22.

Among the more prominent projects in the arts, recreation, and business services pipeline were the:

- Redevelopment of the Brisbane Cricket Ground (the Gabba) (in planning) – \$2.7 billion
- New Brisbane Arena entertainment precinct (in planning) – \$2.5 billion
- New and upgraded venues for Brisbane hosting of 2032 Olympic Games (new and in planning) – \$1.9 billion

- Redevelopment of Melbourne Arts Precinct (under construction) – \$1.7 billion
- Redevelopment of Adelaide Festival Plaza (under construction) – \$1.0 billion
- New Powerhouse Museum in Parramatta (under construction) – \$0.9 billion
- New Sydney Fish Markets (new and under construction) – \$0.8 billion
- New arts, entertainment, and sports precinct at Macquarie Point in Hobart (newly proposed) – \$0.7 billion
- Barangaroo precinct cultural and recreational transformations (new and in planning) – \$0.6 billion
- Redevelopment of Canberra’s Australian War Memorial (under construction) – \$0.5 billion
- Darwin sports stadium and entertainment precinct (newly proposed) – \$0.5 billion.

Breakdown by project phase

New projects

There were 67 new arts, recreation, and business services projects added to the 2022–23 pipeline⁸. The new projects combined were valued at \$9.6 billion. Of the new projects, 39 were in capital cities (worth \$7.4 billion), and 28 were in regional Australia (worth \$2.2 billion).

Under construction

There were 55 projects under construction in 2022–23, with a value of \$9.2 billion. Of these, 38 projects entered the construction phase in 2022–23 at a combined value of \$6.0 billion. Ten projects entering construction were existing from 2021–22 (worth \$3.7 billion) while the other 28 (valued at \$2.4 billion) were new to the investment pipeline in 2022–23.

Victoria had the most projects under construction (14 worth \$3.0 billion). There were a further 12 projects underway in New South Wales (valued at \$2.5 billion), 9 in Western Australia (valued at \$0.5 billion), 7 in Queensland (valued at \$0.7 billion), 6 in the Northern Territory (valued at \$0.8 billion), 5 in South Australia (valued at \$1.2 billion) and 1 each in the Australian Capital Territory

and Tasmania (valued at \$0.5 billion and \$44 million respectively).

Planning

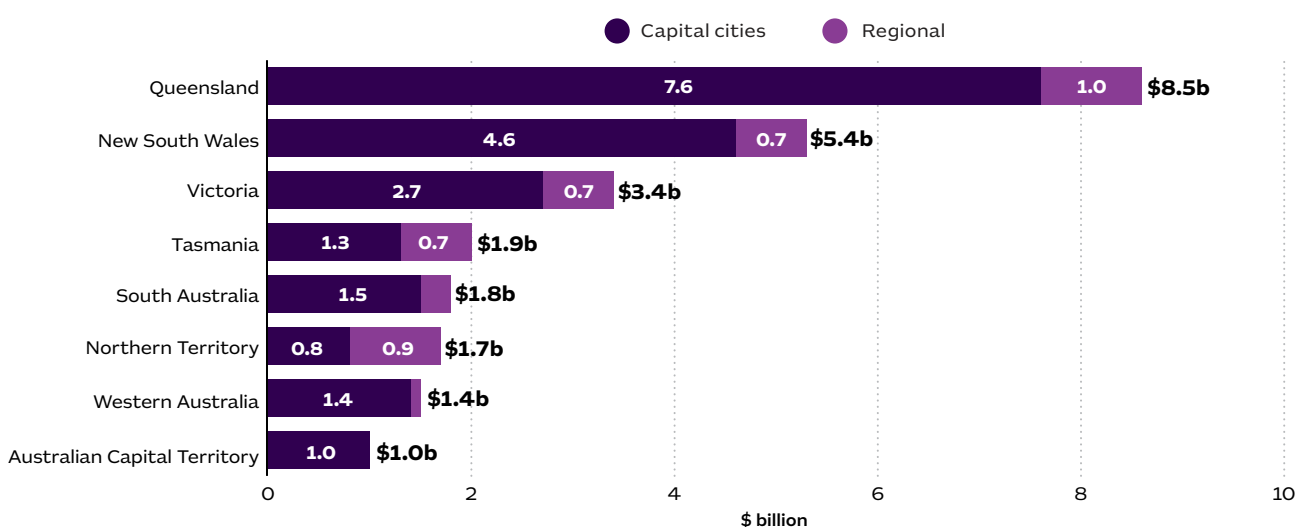
There were 57 projects worth \$13.0 billion in the planning phase, including several expected to commence construction in the next year. Of these, there were:

- 11 projects in Queensland worth \$7.7 billion
- 12 projects in New South Wales worth \$2.0 billion
- 10 projects in Tasmania worth \$0.9 billion
- 8 projects in Western Australia worth \$0.7 billion
- 5 projects in South Australia worth \$0.6 billion
- 5 projects in the Australian Capital Territory worth \$0.5 billion
- 2 projects in Victoria worth \$0.4 billion
- 4 projects in the Northern Territory worth \$0.3 billion.

Proposed

There were 17 projects worth \$2.9 billion in the proposed phase. All of these were in the pipeline in 2021–22.

Figure 6. Arts, recreation, and business services pipeline by location, 2022–23⁹



Source: Tourism Research Australia

8. Many of the new projects were identified by reviewing the latest Australian Government and State Government budget papers. This was an additional data source used for the first time in the Tourism Investment Monitor 2022–23 (see the Methodology section for further information).

9. Numbers may not sum due to rounding.

Completed

In 2022-23, there were 9 projects completed (and removed from the pipeline), worth \$1.8 billion. More than half these projects (5 valued at \$1.6 billion) were in New South Wales.

Breakdown by investment area

By area of investment, there were:

- 32 arts/cultural/museum projects (up 6 on 2021-22) valued at \$8.0 billion (an increase of \$2.0 billion on 2021-22)
- 29 sports-related projects (up 9 on 2021-22) valued at \$8.0 billion (an increase of \$3.8 billion)
- 53 attractions/aquatic recreation/zoos projects (up 31 on 2021-22) worth \$5.6 billion (an increase of \$3.1 billion on 2021-22)
- 15 convention/exhibition/showground/plaza projects (up 5 on 2021-22) worth \$3.6 billion (down \$0.2 billion on 2021-22).

Breakdown by location

In 2022-23, in the arts, recreation, and business services sector, there were 80 projects worth \$20.9 billion located in capital cities. There were a further 49 projects worth \$4.3 billion located in regional areas.

In 2022-23, there were investments in arts, recreation, and business services located in regional areas in:

- Queensland – 12 projects worth \$1.0 billion
- Northern Territory – 9 projects worth \$0.9 billion
- New South Wales – 9 projects worth \$0.7 billion
- Tasmania – 8 projects worth \$0.7 billion
- Victoria – 5 projects worth \$0.7 billion
- South Australia – 4 projects worth \$0.3 billion
- Western Australia – 2 projects worth \$0.1 billion.





Accommodation results (standalone)

Total	Capital cities	Regional
\$12.2 billion	\$8.6 billion	\$3.6 billion
159 projects	98 projects	61 projects
24,300 ¹⁰ rooms	17,600 rooms	6,800 rooms
Change from 2021-22:	Change from 2021-22:	Change from 2021-22:
Up \$0.7 billion	Up \$0.4 billion	Up \$0.3 billion
Up 7 projects	Up 5 projects	Up 2 projects
Up 1,300 rooms	Up 800 rooms	Up 600 rooms

Summary

Accommodation services are a vital input to tourism. Visitor demand for accommodation increased significantly prior to the onset of the COVID-19 pandemic. In the five years to 2018-19, the average accommodation occupancy rate increased by 10 percentage points (from 64 per cent in 2013-14 to 74 per cent in 2018-19) and the average revenue per room increased by 11 per cent. That high demand for accommodation and the resulting revenue for accommodation providers appear to have created a healthy investment environment for the sector.

Travel restrictions caused by the pandemic during 2019-20 and 2020-21 led to difficult trading conditions for the accommodation sector and a temporary pause for some projects entering and moving through the investment pipeline. However, since the lifting of travel restrictions in 2021-22, a significant number of accommodation

projects have progressed through the different phases of development. In 2022-23, there were 159 standalone accommodation projects in the pipeline valued at \$12.2 billion¹¹ (Figure 7) with the potential to add 24,300¹² rooms into Australia's accommodation supply. This was a modest increase in both the number and value of projects in the pipeline and rooms that could be added to supply compared with the previous year.

Breakdown by project phase

New projects

There were 49 new accommodation projects added to the 2022-23 pipeline. The new projects combined were valued at \$2.4 billion, with the potential to add 6,200 rooms¹¹. Of the new projects, 33 were in capital cities (worth \$1.7 billion), and 16 were in regional Australia (worth \$0.7 billion).

10. Numbers may not sum due to rounding.

11. There were 14 projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.

12. The number of rooms is not always available for projects, particularly newly announced projects. Consequently, the estimated number of rooms reported here is likely to be slightly underestimated. There was one project that had no room numbers available at the time the Tourism Investment Monitor 2022-23 was finalised in January 2024.

Under construction

There were 50 projects under construction in 2022-23. These were valued at \$3.2 billion, with the potential to add 6,900 rooms.

Planning

Most standalone accommodation projects in the 2022-23 pipeline were in the planning phase. There was a total of 89 projects in this phase, valued at \$8.0 billion, with the potential to add 14,700 rooms.

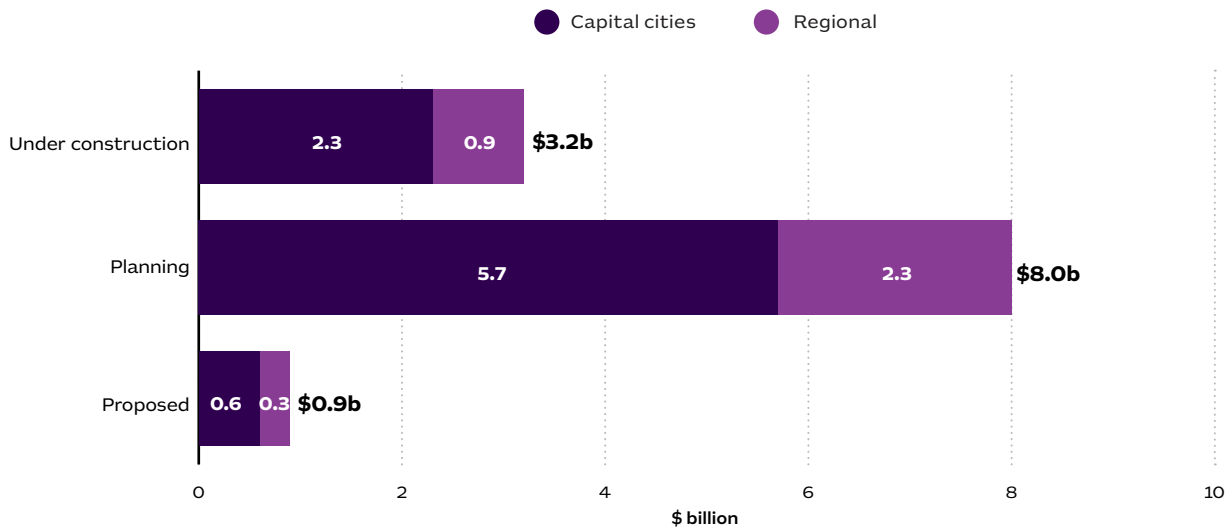
Proposed

There were 20 proposed accommodation projects in 2022-23, valued at \$0.9 billion, with the potential to add 2,700 rooms.

Completed

There were 11 accommodation projects completed in 2022-23, adding 1,100 rooms to tourism accommodation supply. Most were opened in New South Wales (6 projects) and Victoria (3 projects).

Figure 7. Standalone accommodation pipeline by project phase, 2022-23



Source: Tourism Research Australia



Breakdown by location

Most projects were in capital cities (including the Gold Coast) in 2022-23. They accounted for 98 projects with a total value of \$8.6 billion. The highest value investments were in:

- Sydney – \$2.9 billion across 36 projects
- Melbourne – \$1.9 billion across 18 projects
- Adelaide – \$1.5 billion across 14 projects
- Brisbane (including the Gold Coast) – \$1.1 billion across 13 projects
- Perth – \$0.4 billion across 6 projects

- Hobart – \$0.3 billion across 5 projects
- Darwin – \$0.3 billion across 3 projects
- Canberra - \$0.3 billion across 3 projects.

By comparison, there were 61 projects in regional locations valued at \$3.6 billion, distributed between:

- Victoria – \$1.0 billion across 11 projects
- Queensland – \$0.9 billion across 10 projects
- New South Wales – \$0.5 billion across 12 projects

- Tasmania – \$0.4 billion across 13 projects
- South Australia – \$0.4 billion across 7 projects
- Western Australia – \$0.3 billion across 6 projects
- Northern Territory – \$0.2 billion in 2 projects.

Compared to 2021-22, the ratio of metropolitan (capital city) to regional investment remained unchanged in 2022-23.





Mixed-use accommodation results

Total	Capital cities	Regional
\$73.0 billion	\$61.3 billion	\$11.7 billion
174 projects	124 projects	50 projects
28,200 ¹³ rooms	21,400 rooms	6,800 rooms
<i>Change from 2021-22:</i>	<i>Change from 2021-22:</i>	<i>Change from 2021-22:</i>
Up \$15.1 billion	Up \$15.7 billion	Down \$0.6 billion
Up 14 projects	Up 4 projects	Up 10 projects
Up 1,500 rooms	Up 2,100 rooms	Up 3,500 rooms

Summary

Mixed-use developments offer developers an option to diversify their investment and have been growing in number over recent years. Each mixed-use development in this section of the report contributes to building capacity in the visitor economy.

For a development to be classified as mixed-use in this report, it needs to have both:

- a hotel component
- another aspect, which can include residential, commercial or leisure space, which is not specifically associated with tourism.

In 2022–23 there were 174 mixed-use projects valued at \$73.0 billion¹⁴ (Figure 8), with the potential to add 28,200¹³ rooms¹⁵. This is a \$15.1 billion increase in the value of the mixed-use pipeline compared with 2021-22. However, there has been a reduction of 1,500 in the potential number of rooms that

could be added to supply due to a decline in regional areas, where more than 10 projects were deferred or abandoned in 2022-23.

Breakdown by project phase

In 2022-23, there were:

- 33 mixed-use projects **under construction**, valued at \$23.7 billion, adding 6,900 rooms
- 111 projects in the **planning** phase, valued at \$38.9 billion, with the potential to add 17,200 rooms
- 30 **proposed** projects, valued at \$10.4 billion, adding 4,000 rooms.

This included 54 new projects worth \$21.7 billion with the potential to add 7,400 additional rooms to tourism accommodation supply.

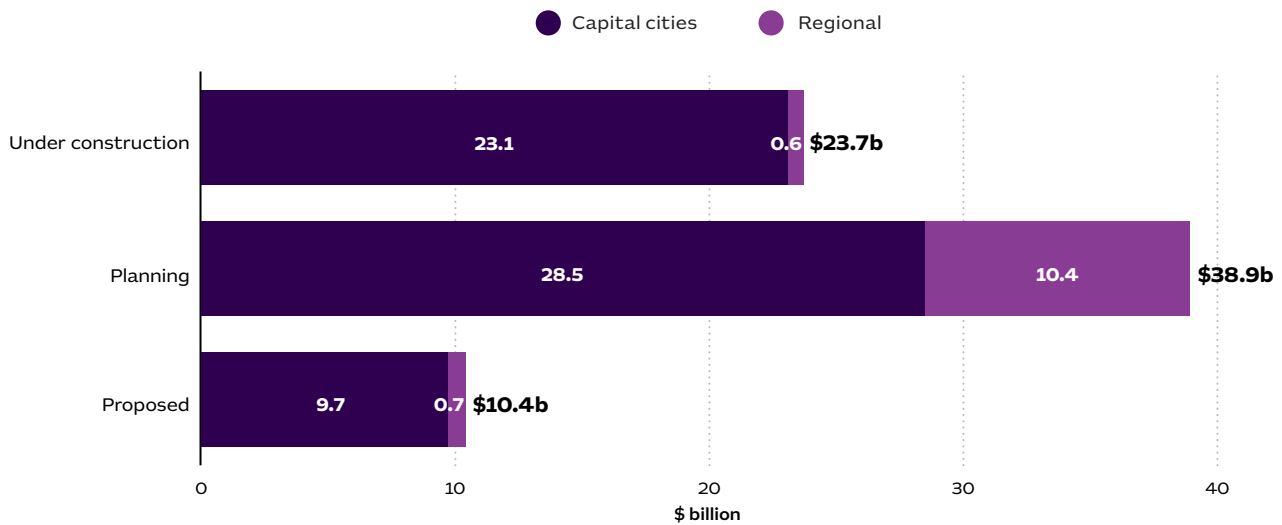
There were 15 projects completed in 2022-23, all in capital cities. These projects were valued at \$2.8 billion and introduced 1,900 rooms to Australia’s accommodation room supply.

13. Numbers may not sum due to rounding.

14. There were 13 mixed-use projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.

15. The number of rooms is not always available for projects, particularly newly announced mixed-use projects. Given this, the estimated number of rooms reported here is likely to be an underestimation. Of the total projects, 16 projects had no room numbers available at the time the Tourism Investment Monitor 2022-23 was finalised in January 2024.

Figure 8. Mixed-use pipeline in Australia in 2022-23



Source: Tourism Research Australia

Breakdown by location

Mixed-use developments have historically been more popular in capital city locations. Nearly three quarters (124 or 71 per cent) of all mixed-use projects in 2022-23 were in the capital cities. Sydney (36 projects valued at \$11.6 billion), Melbourne (32 projects valued at \$19.7 billion), and Brisbane including the Gold Coast (29 projects valued at \$22.1 billion) accounted for the bulk of these projects.

Some key mixed-use developments under construction in capital cities included:

- Queen’s Wharf Brisbane – \$3.6 billion and 1,027 rooms
- Waldorf Astoria at Circular Quay – \$3.1 billion and 220 rooms
- Hilton Melbourne Square – \$2.8 billion and 600 rooms
- Four Seasons Hotel Melbourne – \$2.7 billion and 210 rooms
- Wyndham Imperial Square Gold Coast – \$2.3 billion and 210 rooms
- Perth Plus Boutique Hotel – \$1.1 billion and 84 rooms
- The Ribbon W Hotel at Darling Harbour Sydney – \$0.7 billion and 586 rooms.

In 2022-23, there were also 50 regional mixed-use developments valued at \$11.7 billion with the capacity to add 6,800 rooms. Most of the regional developments were in Queensland (16 projects worth \$4.6 billion), New South Wales (14 projects worth \$4.3 billion) and Victoria (12 projects worth \$1.9 billion).

Some key mixed-use developments in regional Australia include:

- Crowne Plaza Shell Cove Marina (in planning) – \$1.5 billion and 181 rooms
- Ella Bay development, Northern Queensland (in planning) – \$1.4 billion and 860 rooms
- Hummock Hill, Central Queensland (in planning) – \$1.2 billion and 240 rooms
- Geelong East Shore Development (in planning) – \$0.7 billion
- Gosford Archibald Development (under construction) – \$0.4 billion and 130 rooms.



A L
HOTEL

Methodology

Project thresholds

The primary threshold for projects considered in this report is \$20 million or more. Projects in the pipeline are mostly new build, but major renovation projects are also within scope. The project values and pipeline progression are as at year ending June 2023.

Note that:

- This is not an exhaustive list of current or potential development projects and does not account for all tourism investments. It includes all known major investments that will impact on supply.
- The pipeline excludes mixed-use developments, unless stated otherwise. This is due to the difficulties in apportioning the value of these projects to the tourism sector. Mixed-use developments are separately reported in this report but are not included in the totals.
- Some accommodation projects included in the accommodation investment pipeline may be part of a mixed-use development. Projects are categorised as either standalone or mixed-use accommodation based on market intelligence and key data sources available at the time.



Data sources

Four data sources are used to build the tourism investment pipeline database that underpins this report. These are:

- Deloitte Access Economics' (DAE) *Investment Monitor*
- STR Global Asia Pacific's *Pipeline Database*
- Australian Government and State Government Budget Papers
- the investment authorities within state and territory governments.

DAE's *Investment Monitor* details the total investment chain from pre-approval through to completion. It covers many industries in five project phases:

- possible: projects that have been announced, but no early decision has been made on whether to proceed
- under consideration: a decision on whether to proceed is expected soon
- committed: projects where a decision to proceed has been announced but construction has not yet started
- under construction: where work has started on the project
- completed: project has been completed.

Since 2021, DAE's *Investment Monitor* only lists individual projects worth \$50 million or more and excludes land costs. It does not include the number of rooms to be built in specific accommodation and mixed-use investments.

STR Global Asia Pacific's *Pipeline Database* provides a summary of the number of hotel and resort pipeline projects, and recently opened hotels. It also provides the number of existing hotels to give a picture of current and future supply within Australia. The database details the investment pipeline chain in five project stages:

- unconfirmed: potential projects that remain unconfirmed currently
- planning: confirmed, under contract projects where construction will begin in more than 12 months
- final planning: confirmed, under contract projects where construction should begin within the next 12 months
- in construction: vertical construction on the physical building has begun, not including construction on any sub-grade structures such as parking garages, underground supports/footers, and other types of sub-grade construction
- recently opened: project opened within the last 12 months.

STR Global does not supply information on the value of projects but does include the number of rooms to be built. For the purpose of this Tourism Investment Monitor, TRA sources project values from industry and media where necessary.

This year for the first time TRA also reviewed the latest Australian Government and State Government budget papers to assist in isolating government funded investment projects not captured in the DAE *Investment Monitor* and/or STR Global Asia Pacific's *Pipeline Database*. Many of the new arts, recreation, and business services projects in the 2022-23 pipeline were identified through this review process.

Input from state and territory government authorities has offered an additional layer of assurance for the tourism investment pipeline since 2016–17. This input provides an additional level of intelligence to compile a more comprehensive pipeline, with a focus on accommodation projects. TRA acknowledges the following organisations for their generous support:

- Destination NSW
- Department of Jobs, Skills, Industry and Regions, Victoria
- Department of Tourism, Innovation and Sport, Queensland



- Tourism and Events Queensland
- South Australian Tourism Commission
- Tourism Western Australia
- Office of the Coordinator-General, Tasmania
- Tourism NT, Northern Territory
- Department of the Chief Minister and Cabinet, Northern Territory
- VisitCanberra, Australian Capital Territory.

Alignment of data sources

Where projects in TRA's pipeline for the Tourism Investment Monitor have been sourced from the DAE or STR Global databases, they are categorised into project phases in the following way:

- proposed: includes projects identified as 'possible' (DAE), 'unconfirmed' (STR Global)
- planning: includes projects identified as 'under consideration' (DAE), 'in consideration' (STR Global), 'planning' (STR Global), 'final planning' (STR Global), 'committed' (DAE)
- under construction: includes projects identified as 'under construction' (DAE), 'in construction' (STR Global)
- recently opened: includes projects identified as 'completed' (DAE), 'recently opened' (STR Global).



Glossary

Accommodation

Buildings primarily providing short-term or temporary accommodation on a commercial basis, including:

- self-contained, short-term apartments, for example serviced apartments
- hotels that mainly provide accommodation, motels and guest houses, boarding houses, and cabins
- other short-term accommodation including migrant hostels, youth hostels and lodges.

Arts, recreation, and business services

The arts, recreation, and business services sector include the following entities:

- ‘Heritage activities’ such as museums, parks, and garden operations
- ‘Creative and performing arts activities’ such as performing arts operations, creative artists, musicians, writers, and performers, and performing art venue operations
- ‘Sports and recreation activities’ such as:
 - health and fitness centres and gymnasium operations
 - sports and physical recreation clubs and sports professionals
 - sports and physical recreation venues, grounds, and facilities operations
 - sports and physical recreation administrative activities
 - horse and dog racing administration and track operations
 - other horse and dog racing activities
 - amusement park and centre operations
 - amusement and other recreation activities not elsewhere classified
- ‘Gambling activities’ such as casino operations, lottery operations and other gaming activities
- ‘Business services’ such as facilities to host conferences, conventions, or other business services
- Activities related to wellness/icon/trail/walk/nature experience projects.



Aviation

The aviation sector refers to the infrastructure (projects relating to fixed infrastructure such as new runways and new buildings only) required to support national and international passenger aircraft movements between domestic and international airports.

Deferred

Deferred projects are those that have exited the pipeline due to the investor placing the project on hold. These projects may re-enter the pipeline at a later stage if the investor chooses to proceed with the project.

Planning

Includes the value of projects that have been submitted for approval. This includes:

- projects already under consideration
- projects with approval that have not yet commenced works
- other projects that have plans submitted to the local council or appropriate body.

Proposed

Projects that are still possibilities or proposals at this stage. This includes projects that have not yet submitted council plans or have a project under council consideration.

Regional areas

The areas of a state or territory excluding its capital city tourism region and excluding the Gold Coast tourism region.

Rooms

Rooms available for accommodating short-term paying guests at each hotel and resort, motel, guest house, and serviced apartment during the survey period. Units, apartments, and suites are treated as rooms for these types of establishments.

Under construction

Projects that have commenced building. A project will remain in this phase until its official opening.



Australian Government

Australian Trade and Investment Commission
Tourism Research Australia

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