

TTF-HOSTPLUS NATIONAL ACCOMMODATION BAROMETER

2013 Q2 EDITION – OCTOBER 2013



Capital Cities

- Occupancy up slightly (+0.6 pt) to 78.5%
- ARR up slightly (+1.7%) to \$176
- RevPAR up moderately (+2.5%) to \$138



Beach Holiday Destinations

- Occupancy up slightly (+0.3 pt) to 49.5%
- ARR up moderately (+4.5%) to \$154
- RevPAR up moderately (+5.2%) to \$76



Mining & Resources Hotspots

- Occupancy down sharply (-14.0 pt) to 64.2%
- ARR up moderately (+3.2%) to \$159
- RevPAR down sharply (-15.3%) to \$102



Wine Tourism Regions

- Occupancy down moderately (-3.2 pt) to 50.2%
- ARR down slightly (-2.1%) to \$145
- RevPAR down sharply (-8.0%) to \$73

TTF-HOSTPLUS NATIONAL ACCOMMODATION BAROMETER

TOURISM & TRANSPORT FORUM

Tourism & Transport Forum (TTF) is a national, member-funded CEO forum, advocating the public policy interests of 200 leading corporations and institutions in the Australian tourism, transport, and aviation sectors. We deliver a wide range of opportunities for your firm to build business, influence policy and affirm itself as an industry leader.

HOSTPLUS

HOSTPLUS is the national industry super fund for the hospitality, tourism, recreation and sport industries in Australia. The Australian Hotels Association and United Voice jointly established the Fund in 1987. It is one of the largest superannuation funds in Australia with one million members, over 90,000 employers and \$12 billion in funds under management.

NB: This will be the last quarterly edition of the TTF-HOSTPLUS National Accommodation Barometer, as the ABS moves to an annual, financial-year collection for the Survey of Tourist Accommodation. The next release of Survey of Tourist Accommodation data will be in late December 2014.

FOR FURTHER INFORMATION PLEASE CONTACT:

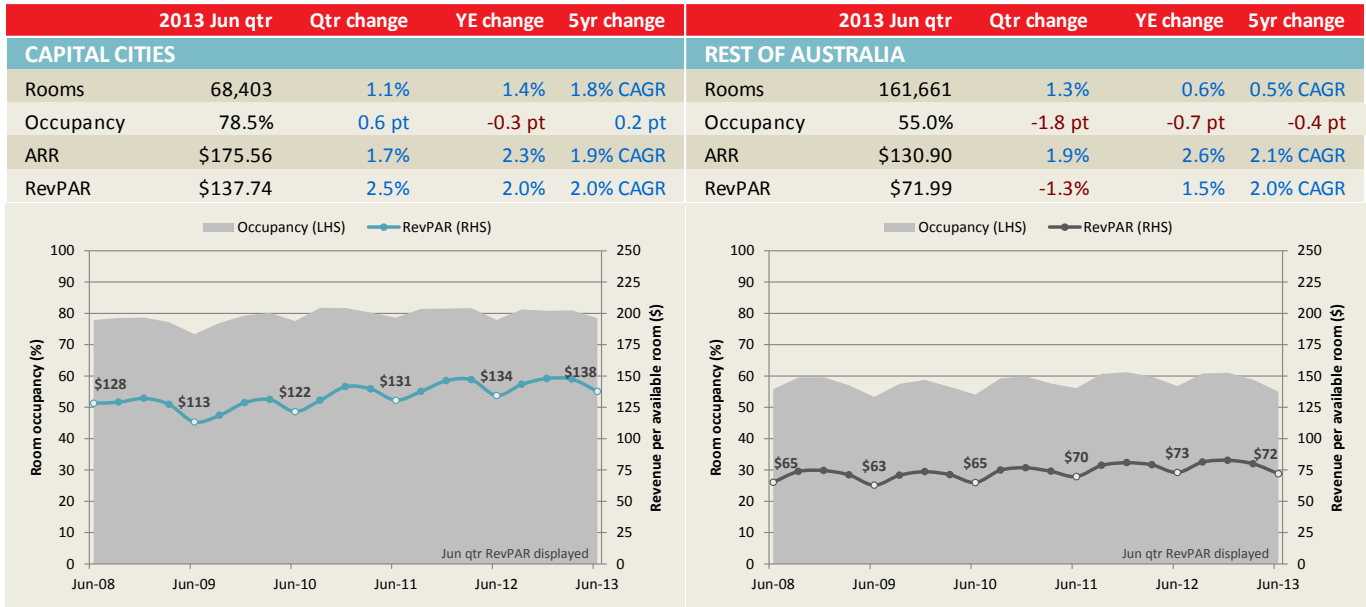
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National Accommodation Barometer

The TTF-HOSTPLUS National Accommodation Barometer tracks accommodation sector performance across capital cities and iconic tourism destinations. The Barometer also highlights the performance of select regions with similar demand drivers, including beach holiday destinations, mining and resources hotspots, and wine tourism regions.

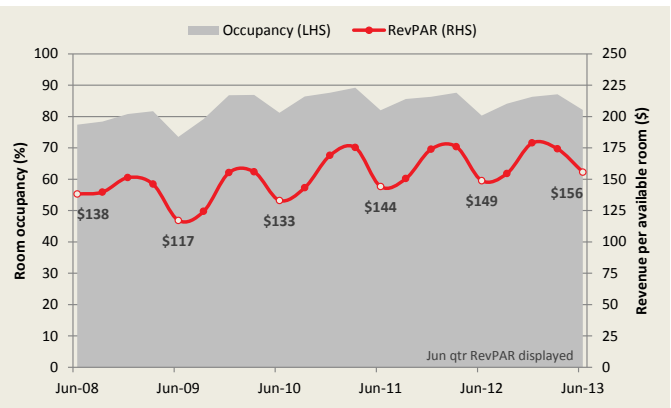


Capital and Major Cities

The Capital Cities Index recorded slight improvements in occupancy and room rates in the June quarter, resulting in a moderate RevPAR increase of 2.5%. This contrasts with the performance of regional destinations, which collectively posted stronger rate growth but a fall in occupancy, contributing to a slight decline in RevPAR of 1.3%. Over the financial year, occupancy fell slightly across the country while room rates increased, resulting in slight gains in RevPAR in both capital cities and the regions.

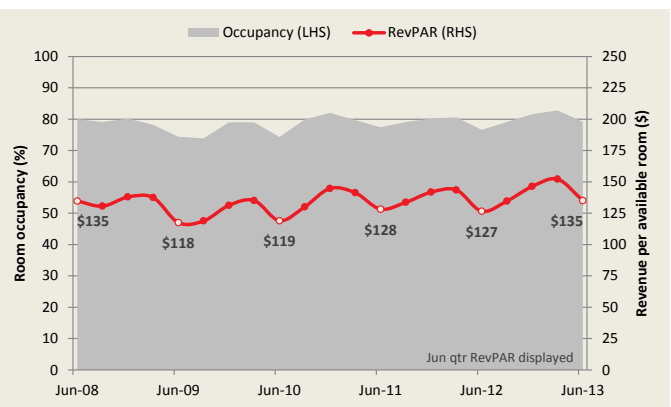
	2013 Jun qtr	Qtr change	YE change	5yr change
SYDNEY				
Rooms	20,292	1.3%	1.7%	0.6% CAGR
Occupancy	82.1%	1.8 pt	-0.1 pt	2.9 pt
ARR	\$189.65	2.3%	2.2%	1.1% CAGR
RevPAR	\$155.70	4.6%	2.2%	1.8% CAGR

Sydney saw growth in both occupancy and room rates in the June 2013 quarter, resulting in a 4.6% increase in RevPAR. Occupancy exceeded 82% in what is Sydney's low season. The quarterly increase in RevPAR is the highest in nearly two years, while the increase in occupancy represents the first quarter-on-quarter growth since June 2011.



	2013 Jun qtr	Qtr change	YE change	5yr change
MELBOURNE				
Rooms	17,618	0.9%	2.0%	3.7% CAGR
Occupancy	79.2%	2.6 pt	1.6 pt	-0.7 pt
ARR	\$170.60	3.2%	2.1%	0.8% CAGR
RevPAR	\$135.11	6.7%	4.1%	0.7% CAGR

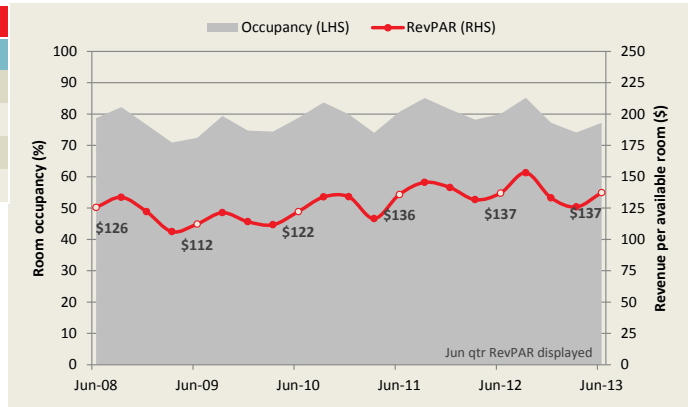
The Melbourne market displayed moderate growth in both occupancy and room rates, resulting in a strong winter season RevPAR increase of 6.7%. As in Sydney, the quarter's growth in both occupancy and RevPAR represented the best performance in two years.



Capital and Major Cities

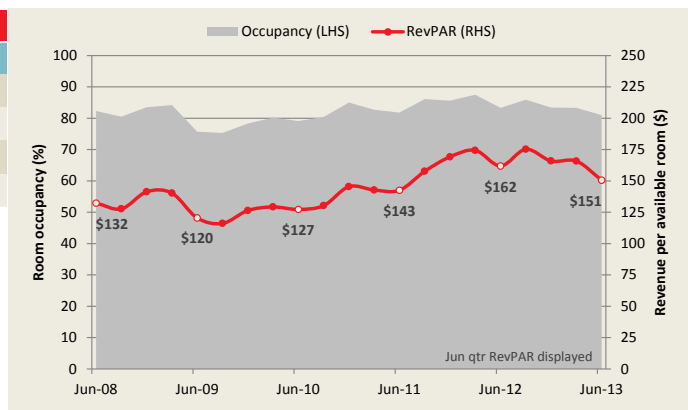
	2013 Jun qtr	Qtr change	YE change	5yr change
BRISBANE				
Rooms	9,122	-1.1%	-0.4%	2.1% CAGR
Occupancy	77.2%	-2.8 pt	-2.7 pt	-1.6 pt
ARR	\$177.91	3.9%	2.4%	2.5% CAGR
RevPAR	\$137.34	0.3%	-1.0%	2.1% CAGR

The Brisbane market continued to suffer from moderate declines in occupancy, though increased room rates helped to maintain RevPAR. This marked the fifth consecutive quarter of flat or declining occupancy in Brisbane, though rates have continued to grow, delivering largely positive results for RevPAR over the longer term.



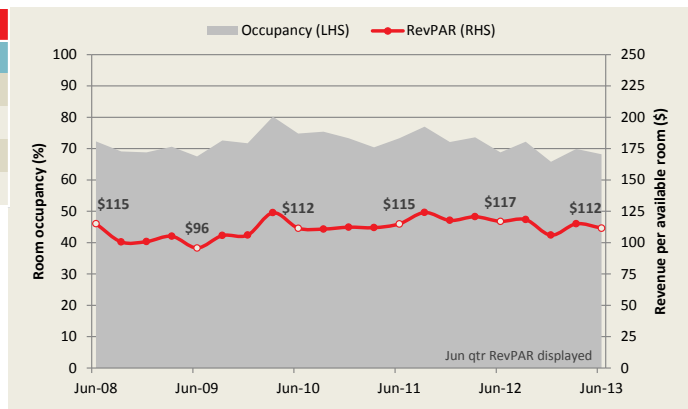
	2013 Jun qtr	Qtr change	YE change	5yr change
PERTH				
Rooms	5,931	0.1%	0.7%	0.7% CAGR
Occupancy	81.0%	-2.3 pt	-2.2 pt	-0.2 pt
ARR	\$185.92	-4.3%	1.8%	6.2% CAGR
RevPAR	\$150.59	-7.0%	-0.8%	6.1% CAGR

Although occupancy in Perth remained above 80%, it has declined for four consecutive quarters as new investment in the mining boom slows. Coupled with moderate declines in rates, RevPAR saw a sharp decline of 7.0% in the quarter to levels not seen for almost two years.



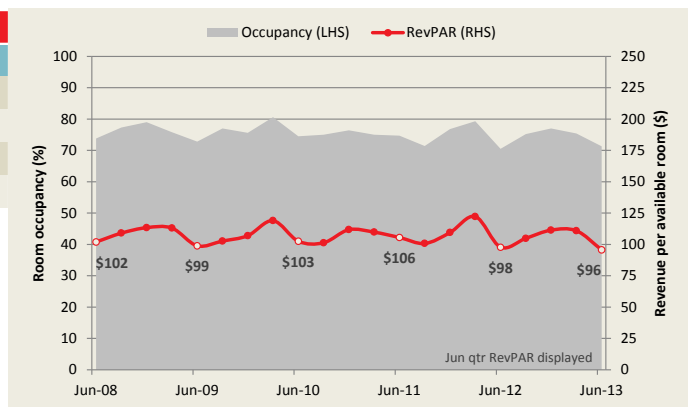
	2013 Jun qtr	Qtr change	YE change	5yr change
CANBERRA				
Rooms	4,998	4.4%	4.3%	-0.2% CAGR
Occupancy	68.2%	-0.6 pt	-3.9 pt	-2.5 pt
ARR	\$163.63	-3.8%	-0.7%	3.0% CAGR
RevPAR	\$111.59	-4.6%	-6.0%	2.2% CAGR

Occupancy in the June quarter has largely held up in Canberra as new room stock entered the market. Room rates declined moderately, resulting in a quarter-on-quarter fall in RevPAR of 4.6%. A similar fall of 6.0% in RevPAR has occurred in the year ending June, with occupancy down while rates have held largely steady.



	2013 Jun qtr	Qtr change	YE change	5yr change
ADELAIDE				
Rooms	4,551	0.2%	-0.9%	2.0% CAGR
Occupancy	71.3%	0.8 pt	0.2 pt	-2.9 pt
ARR	\$134.18	-3.3%	-2.0%	0.6% CAGR
RevPAR	\$95.67	-2.2%	-1.7%	-0.2% CAGR

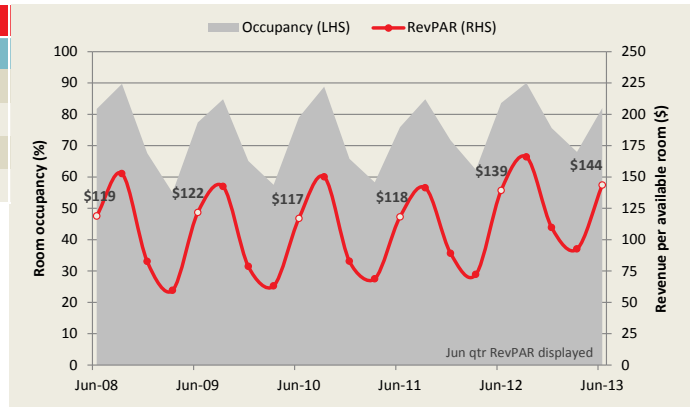
The Adelaide market remains subdued, with a slight rise in occupancy in the June 2013 quarter being offset by a moderate decline in average room rates. As a result, RevPAR declined by 2.2% compared to the same quarter last year. Results have been soft in the longer term, with occupancy down 2.9 points from five years ago.



Capital and Major Cities

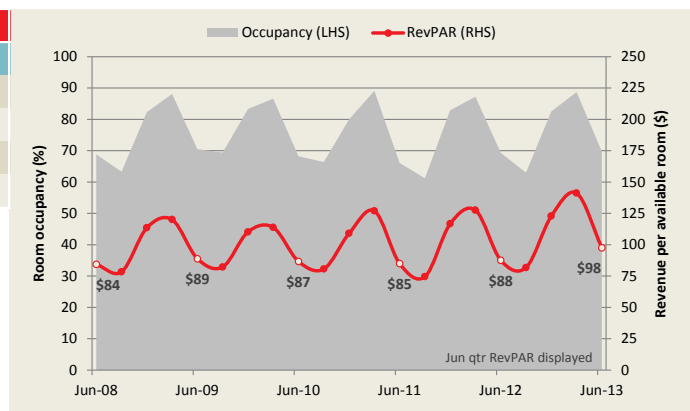
	2013 Jun qtr	Qtr change	YE change	5yr change
DARWIN				
Rooms	3,639	7.3%	4.3%	5.4% CAGR
Occupancy	82.0%	-1.6 pt	3.2 pt	1.7 pt
ARR	\$175.19	5.1%	10.8%	4.2% CAGR
RevPAR	\$143.66	3.1%	15.5%	4.7% CAGR

Darwin's recent phenomenal performance has slowed in the June quarter, with a slight decline in occupancy compared to June quarter 2012 and only moderate rather than spectacular gains in room rates. RevPAR grew 3.1% to \$144, beating Melbourne and Brisbane and far above Adelaide and Canberra.



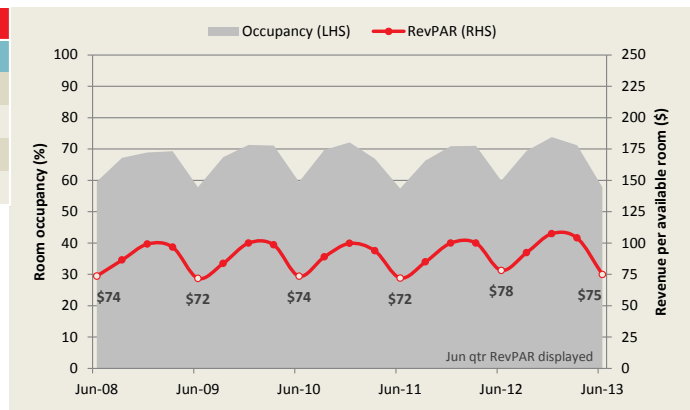
	2013 Jun qtr	Qtr change	YE change	5yr change
HOBART				
Rooms	2,252	-1.4%	-1.4%	1.3% CAGR
Occupancy	69.7%	0.4 pt	0.8 pt	0.6 pt
ARR	\$139.93	10.7%	7.9%	2.5% CAGR
RevPAR	\$97.53	11.3%	9.0%	2.6% CAGR

Hobart's solid performance continued in the June quarter, with RevPAR rising more than 11% from strong gains in rates and solid winter occupancy levels. This is the seventh consecutive quarter of RevPAR growth in Hobart, based on consistent growth in both room rates and occupancy.



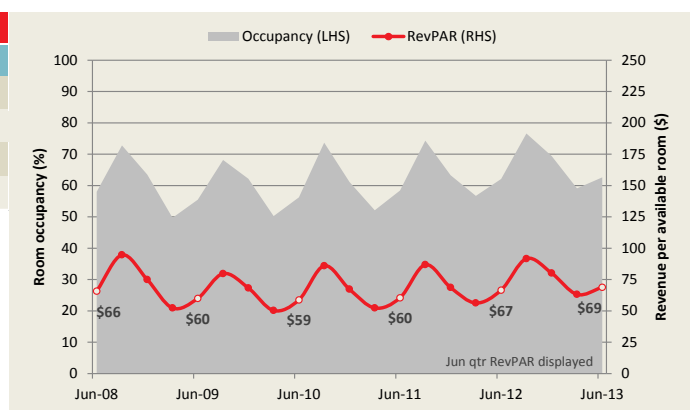
	2013 Jun qtr	Qtr change	YE change	5yr change
GOLD COAST				
Rooms	13,350	1.9%	1.3%	0.0% CAGR
Occupancy	57.8%	-2.1 pt	1.0 pt	-1.2 pt
ARR	\$129.68	-0.7%	2.7%	0.7% CAGR
RevPAR	\$74.95	-4.2%	4.3%	0.3% CAGR

The Gold Coast market experienced a soft quarter, with RevPAR driven down by moderate declines in occupancy. However, these represented the first quarter-on-quarter declines in all metrics in nearly two years. Results were positive for the financial year, with moderate gains in room rates and slight gains in occupancy driving up RevPAR by 4.3%.



	2013 Jun qtr	Qtr change	YE change	5yr change
CAIRNS				
Rooms	7,408	2.2%	-0.8%	-1.0% CAGR
Occupancy	62.6%	0.5 pt	2.8 pt	2.9 pt
ARR	\$109.93	2.5%	4.5%	-1.4% CAGR
RevPAR	\$68.82	3.3%	9.1%	-0.5% CAGR

The June quarter saw consistent growth in Cairns, with improved occupancy and increased rates resulting in RevPAR growth of 3.3%. This represented the tenth consecutive quarter of growth in occupancy and RevPAR for the market, reflected in the year-end results.



Beach Holiday Destinations

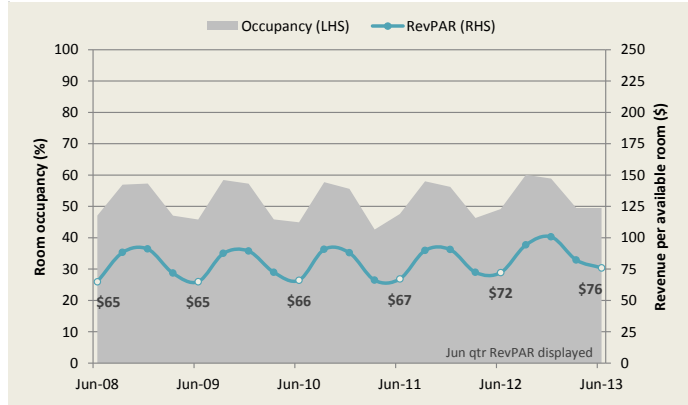


The Beach Holiday Destinations Index recorded steady occupancy in the June quarter, with RevPAR improving moderately on the back of room rate growth. Year-ending results were stronger, reflecting the resurgence of domestic leisure travel in recent times.

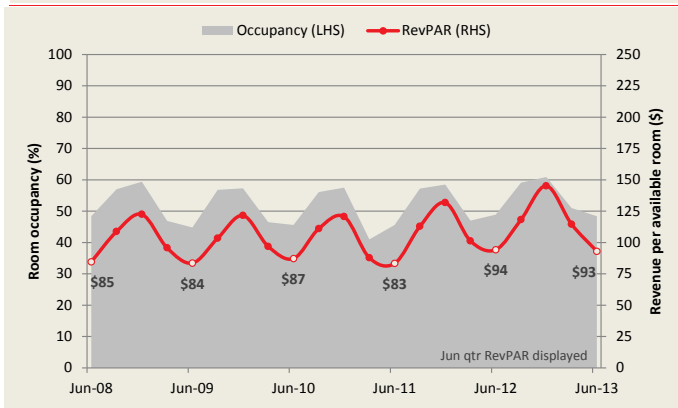
The Whitsundays recorded a slight decline in RevPAR for the quarter, though the year produced strong growth of 7.0%. Similar trends were evident in Port Macquarie, though the declines were stronger, leading to a sharp fall in RevPAR for the quarter and a slight decline for the year.

Port Douglas was the stand-out destination, with occupancy holding steady against a strong increase in rates, driving up RevPAR by 24.0% for the quarter. In Coffs Harbour, reduced rates led to a surge in occupancy, resulting in moderate RevPAR gains of 5.0%.

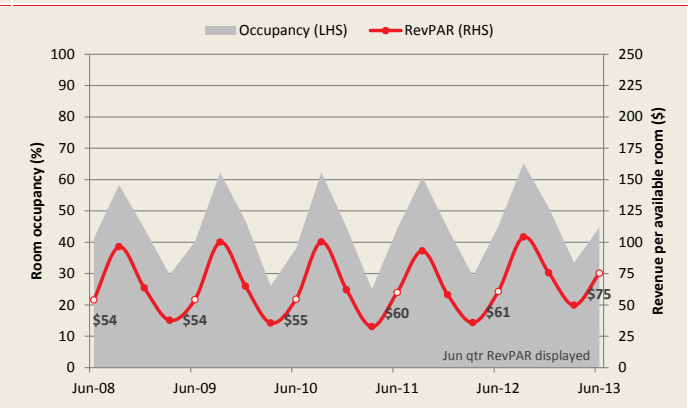
	2013 Jun qtr	Qtr change	YE change	5yr change
BEACH HOLIDAY DESTINATIONS				
Rooms	7,797	-0.1%	-2.3%	-0.9% CAGR
Occupancy	49.5%	0.3 pt	2.0 pt	-0.8 pt
ARR	\$153.50	4.5%	4.5%	1.4% CAGR
RevPAR	\$75.96	5.2%	8.6%	1.1% CAGR



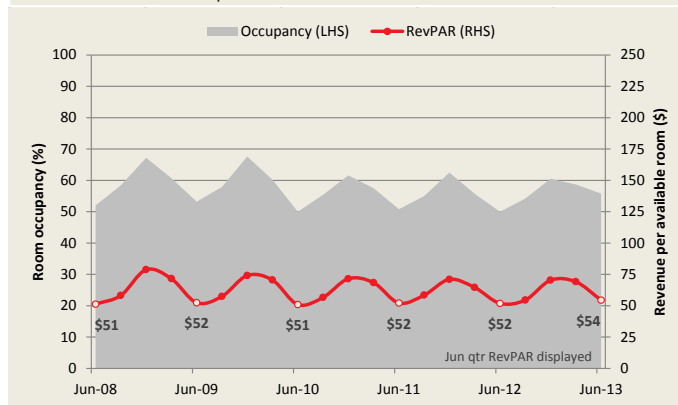
	2013 Jun qtr	Qtr change	YE change	5yr change
WHITSUNDAYS				
Rooms	2,677	-1.4%	-2.6%	-1.1% CAGR
Occupancy	48.4%	-0.5 pt	1.9 pt	-3.8 pt
ARR	\$192.18	-0.3%	3.2%	2.6% CAGR
RevPAR	\$93.01	-1.3%	7.0%	1.2% CAGR



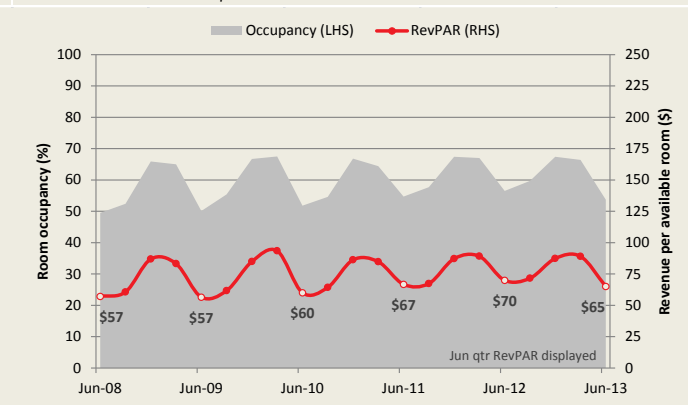
	2013 Jun qtr	Qtr change	YE change	5yr change
PORT DOUGLAS				
Rooms	2,444	2.6%	-3.7%	-1.2% CAGR
Occupancy	44.8%	-0.3 pt	3.6 pt	1.8 pt
ARR	\$168.16	24.8%	13.5%	0.8% CAGR
RevPAR	\$75.34	24.0%	22.5%	1.5% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
COFFS HARBOUR				
Rooms	1,413	-3.2%	0.5%	-0.5% CAGR
Occupancy	55.8%	5.8 pt	1.5 pt	-4.3 pt
ARR	\$97.65	-5.9%	-1.6%	0.9% CAGR
RevPAR	\$54.49	5.0%	1.1%	-0.5% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
PORT MACQUARIE				
Rooms	1,263	1.4%	-2.2%	-0.2% CAGR
Occupancy	53.7%	-2.8 pt	-0.5 pt	4.4 pt
ARR	\$121.19	-2.1%	0.3%	0.6% CAGR
RevPAR	\$65.08	-6.9%	-0.5%	2.1% CAGR



Mining & Resources Hotspots

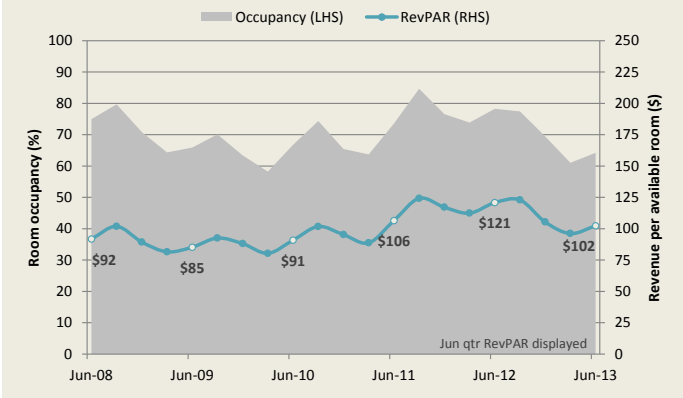


The Mining & Resources Hotspots Index continued to record sharp declines in occupancy, marking the fourth consecutive quarter of declines as the mining investment boom cools. Rates have grown moderately, though RevPAR has continued to fall, down 15.3% over the quarter. While the longer-term trend has been one of positive RevPAR growth, the Index has been in decline since the beginning of 2012.

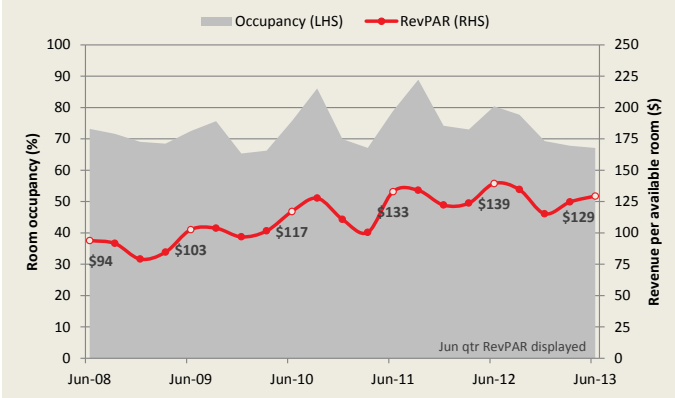
The double-digit fall in occupancy was evident across all four destinations, with Gladstone hit especially hard (-20.9 pts). Room rates grew sharply in the Pilbara and improved slightly in Mackay, though not enough to recover RevPAR.

In the 2012-13 financial year, RevPAR declined a moderate 2.9% in the Pilbara but fell sharply elsewhere – down 8.7% in Kalgoorlie, 15.7% in Mackay and 19.1% in Gladstone.

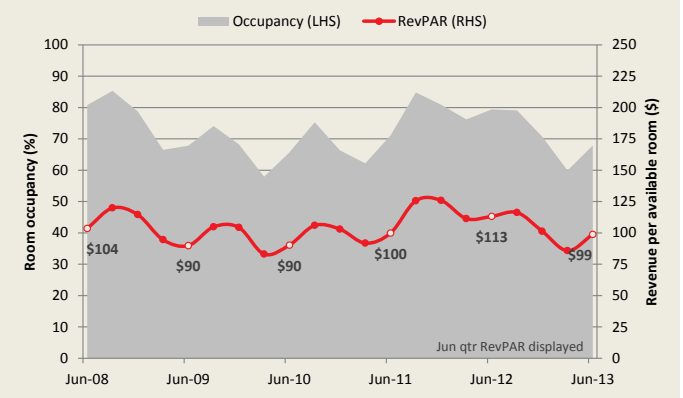
	2013 Jun qtr	Qtr change	YE change	5yr change
MINING & RESOURCES HOTSPOTS				
Rooms	4,855	4.7%	-1.4%	-0.6% CAGR
Occupancy	64.2%	-14.0 pt	-10.4 pt	-5.4 pt
ARR	\$159.32	3.2%	3.6%	5.0% CAGR
RevPAR	\$102.32	-15.3%	-10.1%	3.4% CAGR



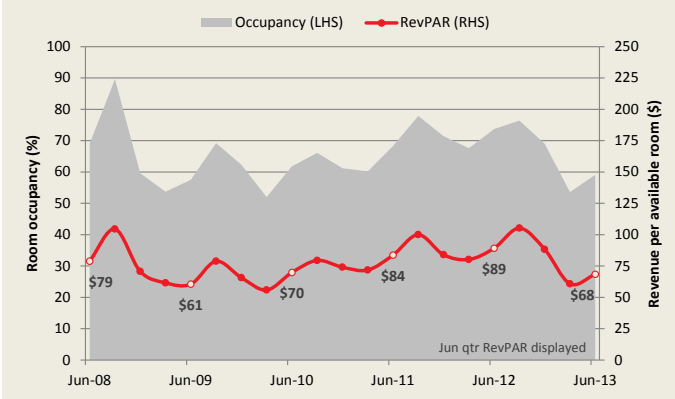
	2013 Jun qtr	Qtr change	YE change	5yr change
PILBARA				
Rooms	1,755	8.1%	3.5%	-1.4% CAGR
Occupancy	67.1%	-13.3 pt	-8.7 pt	-1.6 pt
ARR	\$192.89	11.2%	9.1%	8.2% CAGR
RevPAR	\$129.43	-7.2%	-2.9%	7.7% CAGR



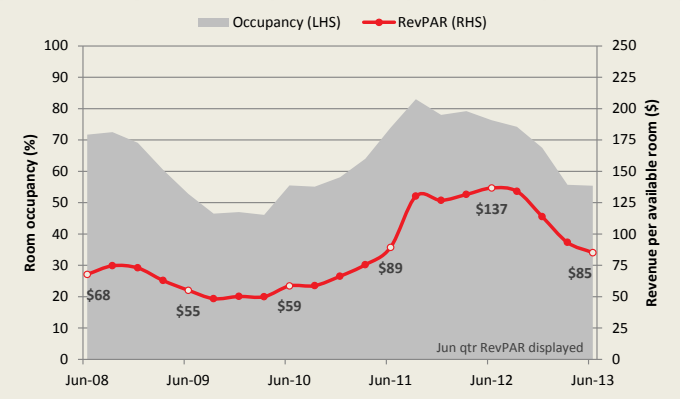
	2013 Jun qtr	Qtr change	YE change	5yr change
MACKAY				
Rooms	1,515	0.0%	-10.0%	-2.3% CAGR
Occupancy	67.9%	-11.5 pt	-11.0 pt	-9.7 pt
ARR	\$145.61	2.2%	-2.4%	1.0% CAGR
RevPAR	\$98.87	-12.6%	-15.7%	-1.6% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
KALGOORLIE				
Rooms	905	1.2%	1.0%	1.7% CAGR
Occupancy	59.1%	-14.6 pt	-8.1 pt	-5.7 pt
ARR	\$115.77	-4.3%	2.8%	2.5% CAGR
RevPAR	\$68.42	-23.3%	-8.7%	0.8% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
GLADSTONE				
Rooms	680	12.6%	5.2%	3.5% CAGR
Occupancy	55.4%	-20.9 pt	-16.1 pt	-2.4 pt
ARR	\$153.71	-14.2%	1.5%	12.0% CAGR
RevPAR	\$85.16	-37.7%	-19.1%	11.2% CAGR



Wine Tourism Regions

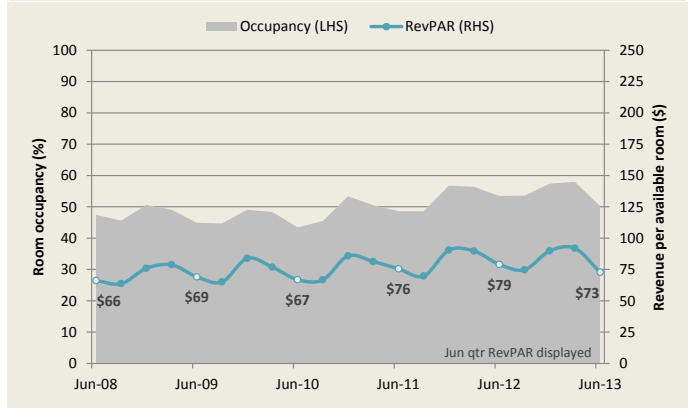


The Wine Tourism Regions Index recorded a softer performance in Q2 than the national average, with moderate falls in occupancy and room rates delivering a sharp decline in RevPAR. Over the financial year, RevPAR remained steady – the first non-growth year-on-year performance in 2.5 years. Over the longer term, the regions have posted reasonable increases in occupancy and RevPAR.

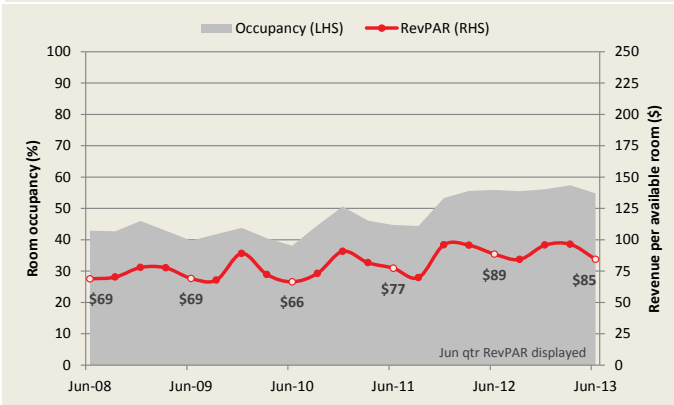
The June quarter was soft for the Hunter Valley across all metrics, with a moderate fall in RevPAR running counter to annual performance. Occupancy fell sharply in the Barossa as new stock entered the market, resulting in a 29.6% decline in RevPAR while rates continued to grow.

Margaret River saw a strong increase in occupancy, while more moderate growth was seen in the Clare. Both regions registered falls in room rates, though occupancy growth helped RevPAR improve by 15.5% and 6.3%, respectively.

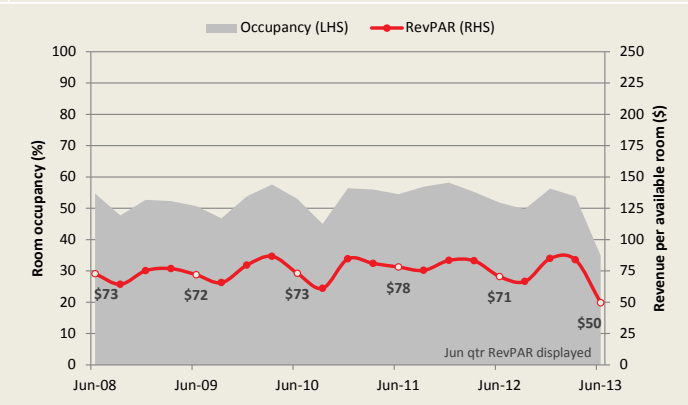
	2013 Jun qtr	Qtr change	YE change	5yr change
WINE TOURISM REGIONS				
Rooms	2,144	3.6%	-2.6%	1.7% CAGR
Occupancy	50.2%	-3.2 pt	1.0 pt	3.4 pt
ARR	\$144.87	-2.1%	-1.8%	0.4% CAGR
RevPAR	\$72.78	-8.0%	-0.0%	1.7% CAGR



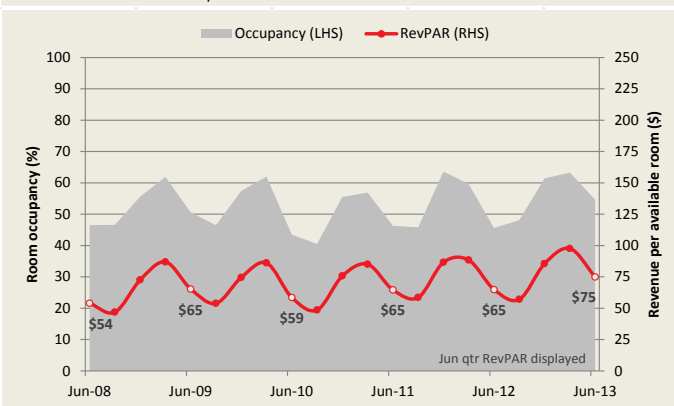
	2013 Jun qtr	Qtr change	YE change	5yr change
HUNTER VALLEY				
Rooms	1,028	-7.2%	-7.8%	2.5% CAGR
Occupancy	54.8%	-1.1 pt	3.8 pt	8.4 pt
ARR	\$154.20	-2.7%	-3.7%	-1.2% CAGR
RevPAR	\$84.50	-4.6%	3.4%	2.1% CAGR



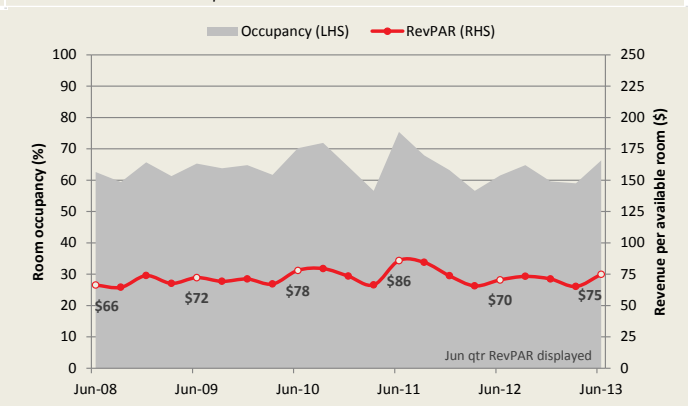
	2013 Jun qtr	Qtr change	YE change	5yr change
BAROSSA VALLEY				
Rooms	572	40.5%	10.1%	2.5% CAGR
Occupancy	34.9%	-16.9 pt	-8.1 pt	-6.5 pt
ARR	\$142.26	4.5%	3.8%	1.7% CAGR
RevPAR	\$49.65	-29.6%	-11.4%	-0.9% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
MARGARET RIVER				
Rooms	397	-2.5%	-1.3%	-1.2% CAGR
Occupancy	54.6%	9.0 pt	3.2 pt	2.6 pt
ARR	\$137.36	-3.5%	-0.4%	1.7% CAGR
RevPAR	\$75.00	15.5%	5.6%	2.7% CAGR



	2013 Jun qtr	Qtr change	YE change	5yr change
CLARE VALLEY				
Rooms	147	0.0%	0.0%	3.0% CAGR
Occupancy	66.3%	4.8 pt	0.1 pt	0.3 pt
ARR	\$113.01	-1.4%	-3.5%	1.9% CAGR
RevPAR	\$74.93	6.3%	-3.3%	2.0% CAGR

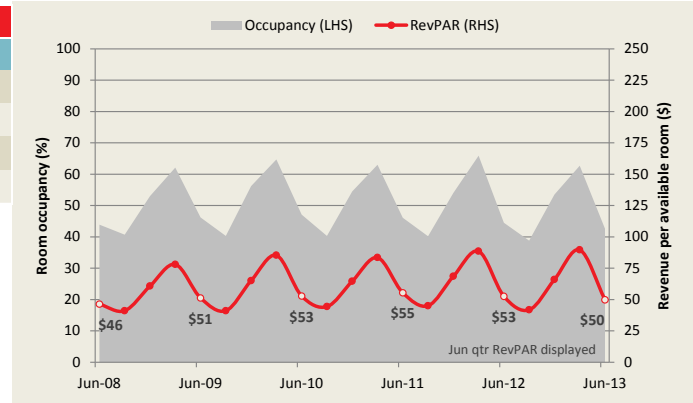


Iconic Australian Destinations

The strength of Australian tourism is underpinned by the breadth and variety of destinations on offer to both domestic and international visitors. There are a number of unique places and landscapes which contribute to Australia's standing as a highly regarded tourist destination. The performance of the accommodation sector for a select series of tourism regions is examined, highlighting the opportunities and challenges faced by some of our iconic destinations.

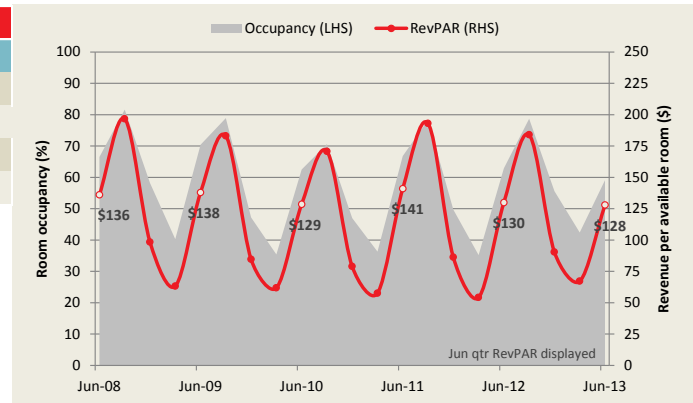
	2013 Jun qtr	Qtr change	YE change	5yr change
GREAT OCEAN ROAD				
Rooms	1,939	-1.1%	-1.2%	1.7% CAGR
Occupancy	42.6%	-1.9 pt	-1.8 pt	-2.3 pt
ARR	\$116.97	-1.0%	0.4%	2.3% CAGR
RevPAR	\$49.83	-5.2%	-3.2%	1.4% CAGR

Occupancy in the region declined in Q2, coupling with a fall in room rates to drive RevPAR down 5.2%. This is largely reflected in the destination's year-ending performance, though room rates have held steady. While RevPAR growth has been positive in the longer term, this has been largely steady over the past three years.



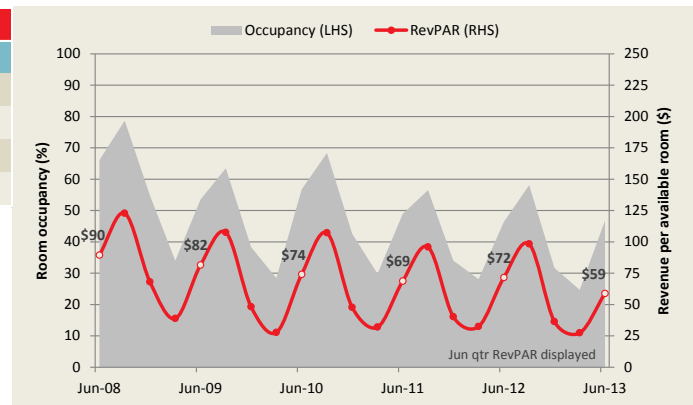
	2013 Jun qtr	Qtr change	YE change	5yr change
BROOME				
Rooms	1,292	0.0%	-1.7%	4.9% CAGR
Occupancy	59.1%	-3.8 pt	2.3 pt	-6.0 pt
ARR	\$216.55	4.8%	-3.0%	0.3% CAGR
RevPAR	\$127.98	-1.5%	1.0%	-1.7% CAGR

Occupancy in Broome saw a moderate fall in Q2, with a softer decline in RevPAR as a result of room rate growth. Meanwhile, rates are down for the financial year, though RevPAR has seen slight growth due to an overall increase in occupancy. Results have been mixed for the market in the longer term, with average occupancy now down 6.0 points from five years ago.



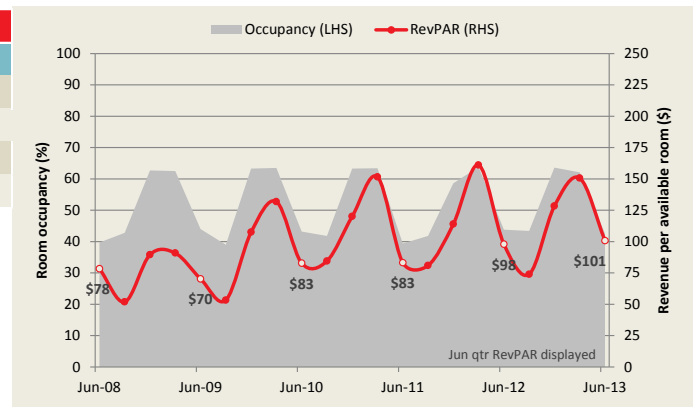
	2013 Jun qtr	Qtr change	YE change	5yr change
KAKADU ARNHEM				
Rooms	562	-0.2%	-3.5%	0.8% CAGR
Occupancy	46.8%	0.4 pt	-0.9 pt	-19.2 pt
ARR	\$125.95	-18.4%	-5.8%	1.2% CAGR
RevPAR	\$58.94	-17.7%	-7.7%	-6.4% CAGR

Occupancy remained steady in the Kakadu Arnhem region over the shoulder season, while rates and RevPAR fell sharply. Aside from a resurgence in the 2010-2011 summer season, occupancy has been trending downwards in the region over the past five years, making for a difficult operating environment for one of Australia's most iconic destinations.



	2013 Jun qtr	Qtr change	YE change	5yr change
KANGAROO ISLAND				
Rooms	258	0.4%	3.3%	2.0% CAGR
Occupancy	42.5%	-1.3 pt	1.0 pt	-0.1 pt
ARR	\$237.23	6.0%	-1.8%	10.7% CAGR
RevPAR	\$100.82	2.9%	0.1%	10.7% CAGR

Occupancy fell slightly in Q2, though the metric remained in positive territory for the year. Room rates grew by a moderate 6.0% for the quarter, delivering a 2.9% improvement in RevPAR; however, RevPAR remained flat for the year. Over the longer term, KI has been able to maintain occupancy while increasing rates, delivering 10.7% p.a. growth in RevPAR.



Notes and Methodology

SOURCE

The *TTF-HOSTPLUS National Accommodation Barometer* is derived from a combination of public and unpublished data from the Australian Bureau of Statistics' (ABS) *Survey of Tourist Accommodation* – a quarterly survey of hotels, motels and serviced apartments with 15 or more rooms.

The Barometer reports on occupancy rates, average room rates, and revenue per available room on a quarterly, annual, and five-yearly basis.

DESTINATION BOUNDARIES

Destinations examined in the Barometer include a mix of cities, regional centres and tourism regions.

The cities examined within the Barometer are confined to CBD geographies rather than the broader capital city tourism regions – with the exception of Canberra and Darwin, which are reported at the tourism region level.

Cities and regional centres are composites of small areas, as defined by the ABS. Prior to 2012, small area data were released in Local Government Area (LGA) blocks. The ABS has since moved to a new geography standard, with small area data now delivered in Statistical Areas Level 2 (SA2) blocks that do not always correspond to former LGAs. TTF has endeavoured to reconstruct LGAs as accurately as possible – for some destinations, this has resulted in the loss or gain of a small number of properties.

Similar approximations have been undertaken for tourism regions where boundaries have been redefined over time by state and territory tourism organisations.

DATA CONFIDENTIALISATION

A further challenge has been presented by data confidentialisation, which is occasionally undertaken by the ABS to preserve the confidentiality of individual property performance in small areas with few properties. Where confidentialisation has prevented the complete reconstruction of a historic time series for a destination, estimates based on the broader tourism region's performance have been applied.