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INDUSTRY UPDATE

FEBRUARY 2017



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Message from the Chair



With Chinese New Year just celebrated and the China-Australia Year of Travel officially launched, I am reminded that Robert Kennedy's famous line "May you live in interesting times" because it not only has its origins in a Chinese saying, but aptly describes the current international situation.

While, 'interesting times' certainly prevail in terms of developments in America; our relationship with China only highlights the strength and potential for tourism offered by

our growing partnership.

The scale of China's tourism growth is unprecedented in Australian tourism history – both in visitor numbers and tourism investment.

The latest figures show Chinese arrivals at 1.2 million, with total spend at \$9.1 billion in 2016. It has to be recalled that in 2009, there were just 300,000 visitors, and with double digit growth anticipated for the foreseeable future, a goal of two million Chinese visitors within the next decade is definitely an achievable target.

On the investment side, Chinese companies have become the largest international source of finance for hotel development and acquisition in Australia, growing from almost zero just three years ago. This reflects that China sees Australia as a safe and stable destination both for its tourists and for its investments.

Importantly, Chinese capital is not just going into luxury city centre hotels, but also into airport, suburban and resort properties, reflecting a mature and strategic approach to investment.

As you will have seen in the press over the past few months, we have been emphasising that one of the most critical factors in this projected growth of international visitor numbers is the 'room boom' that is transforming the Australian hotel industry.

While obviously the rapid increase in supply will have a temporary effect on occupancies and REVPAR in some locations, the longer-term benefits of a fully revived and rejuvenated hotel sector will provide a greater ability to attract large scale conferences and events, plus will allow our industry to better compete against Asian cities with newer inventory.

We are using this massive upgrading of the industry to put considerable pressure on governments to invest significantly in tourism infrastructure, as well as concentrating on boosting training and skills development, as this is clearly a crucial issue for the industry as we add up to 100 hotels over the next five years.

We have also worked closely with like-minded organisations to launch a high profile media campaign to highlight the detrimental impact of unregulated short-term accommodation and its potential to damage residential communities, housing affordability and the tourism economy. This is a typical example of the more questioning coverage that is now being applied to the sector: <u>click here</u>.

While it has taken some time, we are confident that governments at State and Federal levels are beginning to take note and accept that a more appropriate regulatory framework is required to curb clearly commercial operators. We will continue the pressure.

Following on the theme of living in uncertain times, you may have read Bill Shorten's statement recently that he would look to introduce legislation to prevent any positive decision by the Fair Work Commission to reduce the impost on business and workers of

punitive Sunday penalty rates. This goes against his comments last year that we would accept the decision and also against his recent statements that jobs are his priority.

We are expecting the FWC ruling in the next month and unnecessary pressure from politicians only hinders the process. While we believe that we have mounted a very strong case for a realignment of penalty rates, and that economic conditions have changed totally since the penalty rate system was introduced half a century ago, we will accept the umpire's position, while continually mounting a case for sensible reform. Political parties, unions and other groups need to follow suit.

Martin Ferguson

Message from WA CEO



On the 1 February, writs were issued for the upcoming Western Australian State Election marking the beginning of the six week campaign ahead of the March 11 polls.

With government officially in caretaker mode, TAA(WA)'s lobbying focus has shifted to securing commitments on well-established areas of policy for the tourism and hotel accommodation industry.

Over the past 4 years, TAA(WA)'s efforts have secured additional investment in tourism destination marketing funding, the development of a strategy to market food and wine tourism in WA, greater aviation access, increased investment in hotel accommodation and a legislative review of liquor licensing that resulted in the extension of Sunday trading for hotels until midnight.

Broadly, the industry's priorities are focused on advancing policies to lift tourism, secure taxation relief and red tape reduction.

Specific key policies on which we are seeking support include:

Increases in tourism destination and event marketing funding

- State-based regulation through planning of the Airbnb and the sharing economy
- Measures to address skilled hospitality labour and skills shortages
- Continued liquor and broad-based red tape reform.

TAA(WA) has continued its engagement with the two major parties who have already released a significant number of election policies.

Colin Barnett, Australia's longest serving Premier, is leading the Liberal Party's bid for a third term in Government after surviving a leadership spill late last year. Together with his Deputy Liza Harvey, who is being positioned as his successor, they have included further investment in key tourism infrastructure – the new Perth Stadium, development of an open range zoo, creation of new national parks, Perth City Link, Rail, Elizabeth Quay, a new museum and a new marketing deal with Qantas to grow Perth as an Airline Hub.

The Liberal Party's partners in Government, the WA Nationals, returned former leader Brendan Grylls as leader last year and have committed \$620 million to tourism. The funding forms part of the party's "Seizing the Opportunity in Tourism" initiative which will invest in developing tourism infrastructure, cheaper domestic air travel, destination marketing and more regional events to drive tourism expansion in WA. Tourism, together with payroll tax reductions for small business, will be funded through the proposed increase to mining production fees.

WA Labor have retained Opposition Leader Mark McGowan who survived an attempted spill by Former Federal Member for Perth, Stephen Smith earlier this year. McGowan has led policy development with a blueprint for job creation that included a \$425 million investment in tourism – cruises, Asian engagement, aboriginal tourism, regional innovation and liquor reform.

TAA(WA) is continuing its engagement with Pauline Hanson's One Nation Party and Shooters, Fishers and Farmers who will stand 35 - 45 candidates in upper and lower house seats at the upcoming election.

With public fatigue at a high after a long federal election, the outcome will be interesting if not challenging for the incoming government.

Bradley Woods

INDUSTRIAL RELATIONS UPDATE

Fair Work Commission accused of being 'unbalanced and out-dated'

Graeme Watson resigned his position as Vice President of Australia's industrial relations tribunal in January, but not without landing some extraordinary final blows against the institution, which he labels as unbalance and out-dated.

During his time at the Commission, Mr Watson was often a lone dissenter on a range of issues including penalty rates, bargaining and procedural fairness.

In his explosive resignation letter, Mr Watson cites the reason for his decision as being that "the operation of the workplace relations system is actually undermining the objects of the Fair Work legislation". Mr Watson goes on to describe the Commission as a danger zone for business which is heavily weighted in the employees favour. The combined effect of these factors has led, in Watson's opinion, to a drop in employment and investment in Australia.

Mr Watson's frank comments are unusual, however, they likely ring true to members who have had to deal with an unfair dismissal or general protections claim in the past. One of the interesting observations Watson makes is that employers are essentially being forced into settling baseless claims because of the lack of consistent outcomes for cases that proceed to a hearing.

The total lack of risk for the employee in making a claim can be starkly balanced against the cost, time and procedural hurdles that are faced by employers. Whilst of course not all claims are without merit, there are many practical hurdles which the employer faces that are simply not addressed in the current system. Members can contact our Workplace Relation Team on (08) 9301 7701.

Dismissing a Long-Serving Employee

There have been a long line of cases that establish that dismissing an employee with over 10 years' service is often extremely difficult. Even where an employer has sufficient grounds, dismissal has often been held to be too harsh for a long serving employee with a good record. However, a recent Fair Work Commission decision has established that where the employee has been deliberately dishonest, the dismissal of a long term employee may not be unfair.

Mr Wessley worked for the employer for approximately 14 years. During that time, he was progressed through the ranks until he was made Team Leader. Mr Wessley was dismissed following a series of absences from 7 to 18 March 2016. The employer claimed that he had misled them and falsified statutory declarations in relation to his absences, so it had no choice but to dismiss him.

The Labour Day public holiday fell on 14 March that year. During the week before and the week following that public holiday, Mr Wessley missed 6 shifts that he was rostered for but did not attend. Four of these shifts were taken as personal leave to care for an ill family member whilst he attended authorised union training for the others.

The employer investigated the legitimacy of these absences after it received an anonymous tip on its ethics hotline on 15 March 2016 claiming that Mr Wessley had in fact taken the time off to do renovations at his home. The tip also claimed that Mr Wessley was not planning on attending the union training as he claimed but would be at home. When interviewed about his absences, Mr Wessley claimed that he was entitled to take parental leave as he suspected his son was ill. However, his son actually attended school as normal. Mr Wessley claimed he needed to be available to pick up his son urgently if required, so needed to be on personal leave. He also claimed that his wife was

unwell for a number of days so he had to step in.

Commissioner Wilson noted that the evidence clearly showed that Mr Wessley had claimed personal leave that he was not entitled to on numerous occasions. The Commissioner did not consider Mr Wessley's explanations credible and noted hat on the days he claimed his wife was unwell she had posted a number of photos of the renovations on Facebook.

More importantly, Mr Wessley had clearly purposely misled the employer about his absences in order to access leave that he was not entitled to. This represented deliberate and calculated dishonesty by Mr Wessley which was sufficient ground for dismissal. Considering that the employer followed the correct procedure, the dismissal in the case was not unfair.

Whilst members should always seek advice when considering the dismissal of a long term employee, this case at least provides an example of the type of conduct which can be relied upon. The key element in this case seems to be that the employee engaged in deliberate dishonesty and that was sufficient to balance out his long service.

Any members who would like to discuss their obligations in this area should contact the Workplace Relations team on (08) 9321 7701.

Employee guilty of theft should not have been dismissed

Dealing with employee theft continues to be a tricky issue for members. As a string of recent cases have demonstrated, an employee guilty of theft cannot automatically be dismissed. One such case is Dawson v Qantas, where a long serving flight attendant successfully argued his dismissal was too harsh.

All crew members were taken to a room and search following a flight from Perth to Sydney in February 2016. When Mr Dawson was searched, a number of alcohol bottles were food in his pockets and his bag that were taken from Qantas in flight stock.

Qantas asked Mr Dawson to attend an interview and show cause why he should not be dismissed. Mr Dawson admitted taking some of the alcohol but claimed that some ended up in his pocket inadvertently or without his knowledge whilst he was serving customers. Following the meeting, Mr Dawson was dismissed for theft and not being honest during the investigation. Qantas relied on its zero tolerance policy to removal of any items from an aircraft.

He then made an unfair dismissal claim alleged that his dismissal was harsh and disproportionate to his conduct. He relied on his 28 unblemished service history, his apology during the meeting and a recent surgery as matters that made his dismissal especially harsh.

In these circumstances, Deputy President Lawrence found that there was a valid reason for dismissal as Mr Dawson had at least admitted to taking some items from the aircraft.

However, the dismissal was still unfair because it was too harsh considering Mr Dawson's circumstances. The Deputy President commented that a penalty lesser than dismissal would have been appropriate for such a long standing employee. It was also relevant that Mr Dawson was aged 50 years and would find it very difficult to find another job.

However, the Deputy President considered that it would be inappropriate to reinstate Mr Dawson back to his old job as the relationship of trust had broken down beyond repair. Given his age and the challenges he faced obtained alternative employment, the Deputy President considered that Mr Dawson would have remained in his job for the rest of his working life. As such, Mr Dawson was awarded 26 weeks' wages, the maximum compensation payable for an unfair dismissal claim.

Even where you can prove an employee engaged in theft, you still need to consider their individual circumstances before hastily dismissing them. In the case of a long serving employee, you could face a hefty pay out if you don't consider the situation carefully. Any members who are unsure about their obligations in this area should contact the AHA(WA) Workplace Relations team on 9321 7701.

GOVERNMENT AND POLICY

China-Australia Year of Tourism

TAA attended the launch of the China-Australia Year of Tourism at the Sydney Opera House on Sunday evening. The Minister for Trade, Tourism and Investment, Steven Ciobo, and the Chairman of the China National Tourism Administration, Dr Li Jinzao, reinforced the close ties between Australia and China have planned a number of significant events to be held during the Year of Tourism. Australia's events include Ministerial trade missions to China; marketing and airline partnerships; a Business Events Showcase; and, sporting, cultural and educational exchanges. The activities to be organized by the Chinese side include the arrival ceremony at the ancient city gate of Xi'an for 1,000 Australian tourists and the panda caravan tour in Australia.

Please <u>click here</u> for the Minister's media release.

ACCC & Online Rate Parity

The ACCC is still preparing the evidence base for the Commissioner on trade practice violations and online rate parity, as outlined in this <u>Member Bulletin</u>, in addition to following up on any violations by the OTAs of their current agreements with hotels. Hotels are encouraged to engage with the ACCC.

If there is a concern about the confidentiality of your data, ACCC has advised that it is required under section 155AAA of the Competition and Consumer Act 2010 to treat any information provided to it during an investigation on a confidential basis as 'protected information'. It is prohibited from disclosing such protected information except in the

performance of their duties or functions, or as required or permitted by law.

ACCC has advised that they are currently reconsidering their position on parity clauses both narrow and wide in light of the Flight Centre decision, and information from industry post the implementation of the OTA resolution in September last year. A more comprehensive update will be provided in March together with an update on how the Flight Centre case potentially impacts whether agents are in competition with their principles.

TAA Pre-Budget Submission

TAA has lodged its <u>Federal Budget 2017 -18 Submission</u>. Key recommendations to the Federal Government include maintaining funding for destination marketing and tourism research, regional tourism infrastructure investment, commercial accommodation taxation neutrality, a national business events fund, visa competitiveness, labour and skills, reduction in company tax and energy costs and reliability.

Delivery of outcomes under the National Disability Strategy 2010-2020

On 29 November 2016, the Senate referred the following to the Senate Community Affairs References Committee for inquiry and report: The delivery of outcomes under the National Disability Strategy 2010-2020 to build inclusive and accessible communities.

The terms of reference of the inquiry relate to the planning, design, management, and regulation of the built and natural environment, including accommodation. TAA will be using the opportunity to reinforce the need to readjust the accessible room ratios that are applicable to class 3 buildings to better reflect actual and projected demand, and wider consumer preferences. It is also an opportunity to reinforce the unlevel playing field with commercial – residential accommodation providers.

ABS Producer Price Index shows significant price rise in accommodation

Price change for goods and services produced in the Australian economy remains subdued, according to figures released by the Australian Bureau of Statistics (ABS) in late January. Producer Price Indexes, Stage of Production (SOP) – Final Demand rose 0.5% in the December quarter 2016. The most significant price rises this quarter occurred in building construction (+0.7%), petroleum refining and petroleum fuel manufacturing (+12.5%) and accommodation (+5.3%). Increases in the prices of materials used for construction continue to be subdued.

Migrant Workers Taskforce

As part of the Government's commitment to protect vulnerable workers, Senator the Hon Michaelia Cash, Minister for Employment, announced the establishment of a cross-agency Migrant Workers' Taskforce late last year. The Taskforce is tasked with identifying further proposals for improvements in law, law enforcement and investigation, and other practical measures to more quickly identify and rectify any cases of migrant worker exploitation.

The Taskforce is chaired by Professor Allan Fels AO with Dr David Cousins AM as Deputy Chair, and is supported by the Department of Employment. The Taskforce will run for 18 months and will report on a regular basis to Minister Cash and other relevant Ministers as required. TAA are represented by ACCI on the taskforce with our position being to support protection of workers and to ensure that in trying to catch those companies doing the wrong thing we don't introduce more regulation that impacts on our ability to contract WHM's and students.

Youth JobActive PaTH program update

As advised previously in the 2016-17 Budget, the Australian Government announced an \$840 million Youth Employment Package to give young people the skills and work experience they need to get a job. The program is still scheduled for a soft roll-out of April 1, 2017 with tenders currently being assessed. We will be working in conjunction with approved education providers to deliver on the PaTH program.

Draft guidelines for the employability training and fact sheets for employers are being prepared by the department and will be distributed to members. The Social Security legislation (\$200 incentive payment to participants) is expected to come before the Senate in the first sitting fortnight which starts this week.

Expressions of interest closing 17 February: Indonesia Australia Business Week

Expressions of interest to participate in Indonesia Australia Business Week 2017 close on Friday 17 February. This mission will include opportunities for tourism businesses to engage with Indonesian government officials, key industry players and customers through a range of seminars, round-table discussions and networking events. Visit <u>www.austrade.gov.au/iabwtourism</u> to express your interest.

Applications now open for community investment funding

Applications are now open for the Building Better Regions Fund Community Investments Stream. The Community Investments Stream will fund community building activities including, but not limited to, new or expanded local events, strategic regional plans, and leadership and capability building activities. Applications close on 31 March 2017. <u>Read</u> <u>more</u>.

INDUSTRY NEWS

There has been further expansion of hotel brands being introduced to the Australian market. Hilton has announced they will launch Tapestry to target upscale, unbranded hotels, while Hyatt announced a new brand called Centric, a millennial-style product offer that is scheduled to make its Australian debut in 2019, with a launch in Hobart. Meanwhile a new Australian brand is scheduled to debut mid-2017 in Sydney called Veriu. The first apartment-style hotel will come on stream at Broadway in Sydney, with plans for other inner-city Sydney properties and Event Hospitality and Entertainment recently launched its new boutique hotel brand – Eventhouse hotels.

Let's Thursday Like We Friday

A new \$400,000 media and marketing campaign has been launched to reinvigorate business in Northbridge and the CBD on a Thursday night.

The initiative pitched by Perth restaurateurs has received \$250,000 in funding support from the City of Perth who recognised that business was considerably slower on Thursday night.

To date 52 venues over 4 precincts (West CBD, Central CBD, East CBD and Northbridge) have embraced the are offering a raft of special offers and entertainment every Thursday night for five weeks until the 9 March.

Offers are advertised using the #letsthursdaylikewefridaycan or can be viewed at <u>https://www.visitperthcity.com/thursdays</u>.

Government pulls pop-ups into line

The popularity of 'pop-ups' has increased significantly over the last 5 years, as governments have worked to activate forgotten or quiet areas of the city and surrounds. Whilst it's acknowledged that occasional or "pop-ups" add variety and diversity to festivals and short-term events, they should not be allowed to continue in that they don't pop-down.

The WA Government and Department of Racing, Gaming and Liquor (DRGL) have responded to AHA-led industry concerns about the unfair advantage 'pop-ups' have enjoyed over permanent venues by reviewing the policies relating to temporary pop-up food and beverage venues.

The move will be welcomed by licensees, particularly in areas where many pop-ups have out-stayed their welcome. Although anecdotally licensees agree there has been an increase in the number of pop-ups, licensing data from DRGL supports industry concerns that things have gotten out of hand. In the past two years, the number of occasional licenses for 'pop-ups' as well as for existing hotels, cars, taverns, hotels, clubs and events has soared. DRGL licensing data shows there have been 1,526 occasional licences granted for 250pax through to 25,000 people, with some of these for more than one day and up to three weeks. There have been a further 3,818 granted for less than 250 people.

MRA

In recent days, the AHA has received confirmation that the Metropolitan Redevelopment Authority will be reviewing its criteria for the assessment of proposals for hire of spaces. The request by the Minister for Planning for a review follows a program of lobbying by the AHA that highlighted the lack of transparency in the super-agencies activation of spaces which was increasingly preferencing licensed entertainment, food and beverage activities.

All too often pop-ups create high capacity licensed spaces, directly competing and cannibalizing trade during peak hospitality seasons, and avoid the costs associated with permanent venues – leasing, council rates, staffing, training and a range of regulatory scrutiny and compliance.

The AHA has been advised that the decision recognizes that pop-ups have grown in scale, beyond what was initially intended and the MRA's policies required review. Through this review process the MRA would also consider options such as limiting the duration, offering and/or capacity of similar events.

DRGL

Long-standing frustrations around pop-ups have also been reflected in recent changes by the Director of Liquor Licensing to policies, specifically the Occasional and Special Facility Licenses-Catering which are often sought for temporary licensed venues. Occasional Liquor Licenses are granted under Section 59 of the Liquor Control Act 1988 ("the Act") provides that an occasional liquor licence authorises the licensee to sell or supply, or allow the consumption of, liquor –

- 1. at such times, and on such occasion or during such period not exceeding 3 weeks, as may be specified;
- 2. at such places, and within such designated area, as may be specified; and
- 3. subject to such terms or conditions as may be specified.

The term "occasion" refers to a gathering, function or event, including a sporting contest show, exhibition, trade or other fair or reception at which it is proposed that liquor be sold or supplied and consumed. In this regard, an occasional liquor licence enables people who do not have the authority to sell and/or supply liquor, to seek the authority to do so. The frequent use of this license class for "temporary or pop-up events" has been that acknowledged with the introduction of a new section that states:

Applications for temporary or pop–up type events will only be considered when there is a genuine function or occasion. In these instances, the applicant will need to demonstrate what the function or the occasion is and why the grant of the occasional licence is in the public interest.

Applicants of the occasional license are subject to cheaper and faster processing times, lower requirements for RSA trained staff and crowd controllers to accommodate genuine events that are not intended to compete with permanent venues.

Special Facility Licences can be granted for the purposes of Catering under Regulation 9A of the Liquor Control Regulations but have been used to provide a license to sell or supply liquor for temporary or pop-up events.

DRGL have introduced a new definition of caterer that ensures that a caterer continues to be a person who –

(a) carries on a food business as defined in the Food Act 2008 section 10; and

(b) handles or sells food for consumption at functions.

New general licence conditions have been introduced to ensure that the primary purpose of the business is 'catering' ie providing food and / liquor to an unrelated third party. This is supported by a new requirement that licensees apply for a variation of licence where liquor is being sold directly to patrons at events of greater than 200 people.

Applications must be submitted within the following timeframes dependent on the number of expected guests:

Up to 200	not required
200 and 500	no more than 14 days prior
500 people	no more than 30 days prior
5000 +	no more than 60 days prior

The following information is required to be submitted in its entirety at one time (i.e. the information must be not submitted in parts, unless immediate and consecutive);

- a map of the venue or area from which liquor is to be sold, supplied and consumed to be outlined in red;
- the date of the event, including start and finish times;
- a copy of the approval and any conditions imposed by the relevant local government authority (for events over 1000);
- a copy of the security plan and risk management plan for the event (for events over 1000);
- details of the person engaging the licensee and organising the event;
- an application with fee (under s 104 of the Act) for any profit sharing arrangement between the licensee and another entity;
- details of the manner in which liquor will be sold and supplied at the event; and
- confirmation that consent is given by the owner or occupier of the premises where the liquor is to be supplied.

Finally, the application must be served on the Liquor Enforcement Unit of the Western Australian Police in the same manner mentioned above.

Variations are not required where liquor is provided to guests throughout the event, free of charge, either with or without food, irrespective of the number of guests in attendance. These changes represent positive steps towards leveling the playing field between popup and permanent venues and maintaining the integrity of the liquor licensing categories.

Copies of the amended <u>Occasional Liquor Licence Policy is available here</u> and <u>Special Facility Caterers' Policy is available here</u>.

To speak to someone about the changes please contact Mike Andrew, AHA's

RESEARCH & STATISTICS

TRA releases State of the Industry Report 2015-16

Tourism Research Australia has released their <u>State of the Industry Report</u> which looks at both supply and demand. Hotels, motels, guest houses and serviced apartments continued to be the most popular form of accommodation for visitors, with 54% (3.9 million) choosing this accommodation type (up 11.8%). However, shorter stay holiday and business visitors were more likely to choose this accommodation, so the average length of stay was just 7.4 nights and only accounted for 11.6% of nights (28.7 million nights). In 2015–16, accommodation room supply increased 1.4% to 249,131 rooms.

2017 Cruise Industry Outlook

The Cruise Lines International Association (CLIA) has released its <u>2017 Cruise Industry</u> <u>Outlook</u>. It is projecting that 25.3 million people will take a cruise holiday in 2017. This year, 26 new ocean, river, and specialty ships are set to debut, including two vessels that will be deployed year-round in China. According to the industry outlook, worldwide spending generated by the cruise industry reached \$117 billion in 2015. The equivalent of 956,597 full-time employees earned \$38 billion last year. Demand for Cruising worldwide has Increased 62% in the Last Ten Years (2005-2015)

Tourism Australia Consumer Demand Fact Sheets released

Tourism Australia has updated its <u>consumer demand fact sheets</u> with the latest data about how global consumers view Australia and what motivates them to visit. Over the last five years, Tourism Australia has spoken with over 90,000 international long-haul travellers via online consumer research panels.

Dransfield issues FY2016 Year in Review

Dransfield have released their <u>full year 2016 report</u> on capital city performance using ABS and STR statistics. 7 of the 10 major cities in Hotel Futures experienced RevPAR growth led by Cairns (11.2%) and Sydney (9.7%).

WTTC releases Travel & Tourism Economic Impact 2016 update

The World Travel & Tourism Council has released its Travel & Tourism Economic

Impact 2016 update summary. They estimate that the Travel & Tourism sector is forecast to grow, in terms of GDP contribution, by 4% on average per year over the next ten years, continuing to outperform the global economy throughout the forecast period. By 2026, Travel & Tourism is expected to support 370 million jobs in total globally, which will equate to 1 in 9 of all jobs in the world. The fastest growing G20 countries for total Travel & Tourism GDP to 2026 will be China, India, Indonesia, Mexico and South Africa.

JLL Hotel Investment Outlook 2017

JLL has released its <u>Hotel Investment Outlook 2017</u>. They advise that two of the most preferred investment markets for 2017 are Japan and Australia, followed by Thailand, Vietnam, Hong Kong, Singapore and the Maldives.

International Visitor Survey – September 2016

Visitor growth rate lags behind the rest of the country, focus on China needs to intensify

The number of international visitors to WA grew by 8.2% in the year ending September 2016, but there was a decline in how much individuals are spending, along with their length of stay.

While the growth in visitors is a positive sign, the growth rate is well below the rest of the country. Only the Northern Territory reported a lower growth percentage (-0.6%) than WA. Tasmania had the highest growth rate at 14.8% in the year ending September 2016.

The UK is WA's top visitor market, following by Singapore, Malaysia, New Zealand and the USA.

A concerning figure is the number of Chinese visitors to WA, or lack thereof. More than 1 million Chinese are estimated to have travelled to Australia in the year ending September 2016, most of them for leisure purposes. However, WA received only 4.4% of that market – less than 49,000 visitors. China is ranked 2nd in the nation for visitor numbers, and 6th in WA.

While the number of nights for employment and business continue to show a decline, there is some recovery of nights in WA by Working Holiday Makers (WHM), showing a 2.2% increase year on year. This recovery is a good sign as WHM have declined by 3.3% over the past three years.

Growth in international visitor numbers to WA has been driven by people on holiday and those visiting friends or relatives. Visitors from the UK, China, and Singapore are WA's biggest spenders, while there's a sharp decline in spending by visitors from Ireland, France, New Zealand and the Philippines. To access a copy of Tourism WA's International Market Profiles <u>click here</u>.

The number of interstate visitors to WA remained relatively flat in the year ending September 2016, with a significant downturn in business travel (-13.8%).

Visitor numbers increased by only 0.4% in the year, but the good news is that many more travellers visited WA for leisure purposes – up more than 23%.

While Perth remained the most popular destination, there was a 60% increase in the number of people visiting Australia's Coral Coast.

The majority of visitors came from Victoria and NSW, and there was a 43% drop in visitors from QLD.

More West Australians are choosing to travel within the state - up 17.9% and nearly a third of those people were holidaying or visiting friends and relatives. To access a copy of Tourism WA's Fast Facts <u>click here</u>.

EVENTS

Destination Australia Conference 2017

Tourism Australia has opened registration for its Destination Australia Conference on Thursday 16 March 2017 in Sydney. The conference includes top speakers from leading organisations including Skift, Facebook, Google, Mastercard and more. Download the agenda and register at <u>www.tourism.australia.com/DestAus17</u>

HotelWorlds 2017

26 – 28 July 2016: Sofitel Sydney Wentworth and the offices of Ashurst. Please **click here** to download the program.

AHICE 2017

3-4 MAY 2017 – GRAND HYATT MELBOURNE Innovation, Productivity & Performance in an Age of Disruption. Please <u>click here</u> for further details.

AHA HOTEL DEVELOPMENT INTELLIGENCE REGISTER

AHA continues to monitor and gather intelligence on the current landscape of hotel developments in the Perth Metropolitan area.

First released in February 2014, the Register was intended to track hotel developments against the State Governments target to build 1,900 hotel rooms by 2020 in an effort to increase capacity and the State's attractiveness to high yield tourists.

It initially highlighted that Perth was set for a surge in hotel developments that could potentially see more than 4000 new hotel rooms worth more than \$3 billion being built over the next 5 years.

Three years later, the number of new hotel rooms is closing in on the target 1,900 rooms with another 2,700 rooms currently committed or under construction.

The register also records another 455 rooms under redevelopment.

A complete copy of the AHA Hotel Intelligence Register can be accessed HERE.

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