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The image shows a serene beach scene with clear blue waters and a sandy shore.
OVERVIEW

Spectacular natural beauty. A pristine environment. Some of the friendliest, most welcoming people in the world. Modern cities. World-class food and wine. An extraordinarily diverse population. Incredible experiences in both cities and regional areas alike. These are just a few of the things that make Australia one of the most desired tourism destinations in the world.

Abundant with natural attractions, Australia boasts a significant domestic tourism market already, with international visitor numbers forecast to rise. With Asia’s growing middle class seeking unique international travel experiences, Australia’s proximity to growing Asian markets will set it up in good stead. Investors now have a real opportunity to take advantage of growth in regional Australia and be part of the Australian story.

THE CONTINUING RISE OF REGIONAL TOURISM

Australians travel not just about the capital city tourism regions. So many Australian icons and bucket list spots are located across regional Australia.

With millennials being the next wave of travellers, their intense global demand for travel experiences that resonate on a deeper emotional level, is also driving travel brands to develop products that are more adventurous, more personalized, and more attuned to local culture, inspiring consumers toward a path of self-discovery. Regional Australia is well-placed to capitalize on this trend.

TOURISM IN REGIONAL AUSTRALIA BY THE NUMBERS:

- 4.1% growth in overnight stays per annum (over 5 years)
- 4.6% increase in overnight stays per annum
- 60% of all visitors are domestic day trippers
- 55 million more visitor nights spent in regional Australia in 2016 than in 2011

Visitors to Regional Australia, 2011 to 2016

Source: Tourism Research Australia/Colliers International

Visitors Nights in Regional Australia, 2011 to 2016

Source: Tourism Research Australia/Colliers International
Demand generators are what drive travellers to visit a location and are ultimately how an area or region builds presence and evolves to become a destination.

Tourism Australia set up the Consumer Demand Project in 2012 to better understand how global consumers view Australia and what motivates them to visit. More than 40,000 travellers have been interviewed since 2012 in 17 markets across the world. This research highlighted that whilst many international visitors make travel decisions for rational reasons, such as safety, security and value for money, they also visit for emotional reasons.

Frequently cited motivators for visiting Australia include world-class nature and wildlife experiences, food and wine and aquatic and coastal experiences, many of which are best found in regional Australia.

These are the experiences that international visitors are seeking which, when overlaid with a strong domestic base, provides opportunities for investors to capitalise on the current and projected growth in tourism.

Preference for Australian experiences vs International competitors

<table>
<thead>
<tr>
<th>Experience</th>
<th>Australia (Score)</th>
<th>P. A.</th>
<th>Competitors (Score)</th>
<th>P. A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WILDLIFE</td>
<td>50.4</td>
<td>5.4</td>
<td>49.7</td>
<td>4.7</td>
</tr>
<tr>
<td>AQUATIC &amp; COASTAL</td>
<td>46.7</td>
<td>7.7</td>
<td>45.3</td>
<td>6.3</td>
</tr>
<tr>
<td>NATURAL BEAUTY</td>
<td>43.6</td>
<td>3.6</td>
<td>43.6</td>
<td>3.6</td>
</tr>
<tr>
<td>FOOD &amp; WINE</td>
<td>39.8</td>
<td>9.8</td>
<td>39.6</td>
<td>9.6</td>
</tr>
<tr>
<td>SPORT &amp; ADVENTURE</td>
<td>50.4</td>
<td>5.4</td>
<td>49.7</td>
<td>4.7</td>
</tr>
<tr>
<td>HISTORY &amp; CULTURE</td>
<td>39.8</td>
<td>9.8</td>
<td>39.6</td>
<td>9.6</td>
</tr>
<tr>
<td>CITY</td>
<td>50.4</td>
<td>5.4</td>
<td>49.7</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Source: Tourism Australia Consumer Demand Project

Growth is being driven by visitors from Asia and thus represents a significant opportunity if the product offering is right.

The top three international source markets to regional Australia in 2016 were the United Kingdom, New Zealand and the United States of America, which together comprised around one third of total visitor nights. This represents a marked difference to total Australia where China dominates.

ASIAN SOURCE MARKETS ARE DRIVING GROWTH

China and Taiwan are the two largest Asian source markets, with growth having averaged 13.4 per cent and 12.8 per cent respectively over the past five years. Other high growth markets include Hong Kong, Malaysia, India and Thailand, with all four markets recording double-digit growth between 2011 and 2016.

Growth is being driven by visitors from Asia and thus represents a significant opportunity if the product offering is right.

The top three international source markets to regional Australia in 2016 were the United Kingdom, New Zealand and the United States of America, which together comprised around one third of total visitor nights. This represents a marked difference to total Australia where China dominates.

Top Ten International Source Markets – Growth Nights in Regional Australia

Source: Tourism Research Australia

*PPN represents the proportion of nights expressed as a percentage
Diversity of accommodation sought

A range of accommodation options can be found in regional Australia.

Accommodation in Regional Australia by the Numbers:

| Holiday Home | Over Half of all overnight stays are spent in an owned or rented home. |
| Caravan Parks and Camping Resorts | Caravan parks and camping 'resorts' are now popular in the domestic segment. |

Growth in self-drive travel has the potential to increase visitation to Australia’s regions even more with international visitors indicating a desire to spend an average of six nights of a 14-night trip in regional Australia and visiting up to four different destinations. The most sought after experiences coincide with Australia’s core offerings of aquatic and coastal, wildlife and natural beauty; food and wine, with considerably fewer visitors seeking city experiences.

Potential to visit regional Australia and key attractors by source market

Growth in self-drive travel has the potential to increase visitation to Australia’s regions even more with international visitors indicating a desire to spend an average of six nights of a 14-night trip in regional Australia and visiting up to four different destinations. The most sought after experiences coincide with Australia’s core offerings of aquatic and coastal, wildlife and natural beauty; food and wine, with considerably fewer visitors seeking city experiences.

<table>
<thead>
<tr>
<th>Market</th>
<th>Trip length</th>
<th>PPN* in a region</th>
<th>Preferred Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>16 nights</td>
<td>49 per cent</td>
<td>Aquatic and Coastal, Wildlife</td>
</tr>
<tr>
<td>India</td>
<td>16 nights</td>
<td>44 per cent</td>
<td>Aquatic and Coastal, Wildlife</td>
</tr>
<tr>
<td>Indonesia</td>
<td>16 nights</td>
<td>41 per cent</td>
<td>Aquatic and Coastal, Natural beauty</td>
</tr>
<tr>
<td>Singapore</td>
<td>7 nights</td>
<td>26 per cent</td>
<td>Food and Wine, Aquatic and Coastal</td>
</tr>
<tr>
<td>South Korea</td>
<td>16 nights</td>
<td>45 per cent</td>
<td>Aquatic and Coastal, Food and Wine</td>
</tr>
<tr>
<td>Australia</td>
<td>7 nights</td>
<td>27 per cent</td>
<td>Aquatic and Coastal, Wildlife</td>
</tr>
<tr>
<td>United States</td>
<td>16 nights</td>
<td>47 per cent</td>
<td>Wildlife, Natural beauty</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21 nights</td>
<td>54 per cent</td>
<td>Wildlife, Natural beauty</td>
</tr>
<tr>
<td>New Zealand</td>
<td>14 nights</td>
<td>33 per cent</td>
<td>Natural beauty, Wildlife</td>
</tr>
</tbody>
</table>

*PPN represents the proportion of nights expressed as a percentage.

Source: Tourism Australia Consumer Demand Project.
Tourism in Australia is a $130 billion industry that employs around 1 in 13 Australians, accounts for 11 per cent of exports and is a key driver of the economy.

It is one of five key ‘super-growth sectors’ driving new jobs and growth in the economy over the next decade.

The tourism potential in regional Australia is significant given the size of the country and diversity of experiences offered in each state or territory. With many regions offering a multitude of experiences across all key sectors, destinations, new attractions, accommodation and offerings, there is a need to tap into and drive additional tourism.

A key driver of growth is innovation, enterprise and risk-taking. The development of new tourism attractions exists in response to the overall appeal of an area, its population and visitor base, economic growth outlook and suitability for tourism development. Where these fundamentals intersect, the Australian Federal, and State and Territory Governments encourage innovative tourism development, with the private sector playing a pivotal role.

Source: Tourism Research Australia

### Demand Drivers in Regional Australia

<table>
<thead>
<tr>
<th>Activity</th>
<th>PPM of Value Growth</th>
<th>5 Yr Growth</th>
<th>Notable Destinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Wine</td>
<td>21.1 per cent</td>
<td>7.4 per cent</td>
<td>Hunter Valley, Orange, Mudgee, King Valley, Barossa Valley, Margaret River and Southern Highlands</td>
</tr>
<tr>
<td>Aquatic and Coastal</td>
<td>21.1 per cent</td>
<td>5.2 per cent</td>
<td>Gippsland, Whitsunday, Fleurieu Peninsula, Kangaroo Island, Mornington Peninsula, Moreton Island, Tamar Valley, Margaret River and South Coast</td>
</tr>
<tr>
<td>Nature and Wildlife</td>
<td>10.6 per cent</td>
<td>10.6 per cent</td>
<td>Snowy Mountains, Great Barrier Reef, Great Ocean Road, Jasper National Park, Cape York Peninsula, Cape York Peninsula, Cape York Peninsula</td>
</tr>
<tr>
<td>Cultural and Heritage</td>
<td>7.9 per cent</td>
<td>7.9 per cent</td>
<td>Blue Mountains, Byron Bay, Gold Coast, Brisbane, Sunshine Coast, Sunshine Coast, Sunshine Coast, Sunshine Coast</td>
</tr>
<tr>
<td>Wellness</td>
<td>6.3 per cent</td>
<td>6.3 per cent</td>
<td>Byron Bay, Sunshine Coast, Sunshine Coast, Sunshine Coast, Sunshine Coast, Sunshine Coast</td>
</tr>
</tbody>
</table>

Source: Tourism Research Australia, Colliers International, State and Territory Governments

The locations showcased are based on the notable destinations listed in the table ‘Demand Drivers in Regional Australia’.
Australia boasts numerous globally renowned wineries with significant massing in four states.

An island continent with strong biosecurity regulations, Australia’s large export-oriented agronomic and food sector is renowned for clean, green and safe production. It also has the benefits of offering counter-seasonal availability to the northern hemisphere. The country’s diverse climates and growing conditions allow for varied production systems from small specialist farms for niche products to large-scale grazing and cropping. Whilst quality food and wine are found all over regional Australia, tourism experiences are clustered in the country’s well-renowned wine regions.

Australia’s regional areas boast world-class restaurants, with 14 of the top 100 restaurants in the country located outside of the capital cities!  

SUPPLY CHARACTERISTICS

From east coast to west, maritime to cool climate, mainland, island, isolated and large metropolises, Australia boasts numerous globally renowned wineries with significant massing in four states – New South Wales, Victoria, Western Australia and South Australia – plus a highly-regarded industry in Tasmania.

South Australia is the dominant producer, where Shiraz and Chardonnay are the dominant varieties. The wine landscape has exploded over the past decade and there are now more winemakers and more experimentation. Young winemakers are also redefining the rule book and challenging what has been done in the past for a new audience. Increasingly Australia’s wineries, breweries and distilleries are not simply venues to taste and purchase products, but they offer a memorable experience featuring quality restaurants, accommodation, tours, and exciting behind the scenes experiences. They allow visitors to interact with the product and production process, and enjoy first-hand, the rich diversity that Australia offers.

1 Australian Financial Review - Australia’s top 100 restaurants for 2017

FOOD AND WINE

Australia’s regional areas boast world-class restaurants, with 14 of the top 100 restaurants in the country located outside of the capital cities.
The enjoyment of food and wine is integral to the Australian tourism experience, which embraces quality ingredients, fresh produce and innovative cuisine. Australia’s reputation as a premium wine-producing country is undisputed. Wine lovers from around the world are drawn to the ‘home’ of the wines they have tried, savoured and loved. Food and wine tourism relies on visitors directly enjoying quality Australian food and wine. Activities include visiting wineries, breweries and distilleries, and eating out at restaurants.

Of all the key attractors in regional Australia, the enjoyment of food and wine is a significant one and one of the highest growth activities.

In response to the growing demand globally for food and wine as part of the travel experience, Tourism Australia’s Restaurant Australia campaign (under the umbrella campaign of There’s Nothing Like Australia), put the spotlight on Australia’s finest array of produce served in the most stunning locations in the world.

### Food & Wine Tourism in Regional Australia

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>50,000</td>
</tr>
<tr>
<td>2012</td>
<td>55,000</td>
</tr>
<tr>
<td>2013</td>
<td>60,000</td>
</tr>
<tr>
<td>2014</td>
<td>65,000</td>
</tr>
<tr>
<td>2015</td>
<td>70,000</td>
</tr>
<tr>
<td>2016</td>
<td>75,000</td>
</tr>
</tbody>
</table>

**5.2% growth in visitation per annum (over 5 years)**

57% of all food & wine tourists are domestic day trippers.

**6.7% increase in international overnight visitation**

**4.9% increase in international overnight visitation**

**5% increase in domestic overnight visitation**

**3% increase in domestic day trip visitation**

**95 million visitors to regional Australia in 2016 engaged in food & wine tourism**

**57% of all food & wine tourists are domestic day trippers**

**5.2% growth in visitation per annum (over 5 years)**

### Food and Wine Experiences

Food and wine experiences are a big part of what motivates people to travel. The use of an anchor tourism product can transform a small regional town into a destination, whereas the development of other attractions and amenities can round out a visitor’s trip to that town.

Australia’s produce is exported worldwide: from raw ingredients, such as wheat and beef, to sophisticated premium goods such as confectionery, cheese and wine.

Reports from Wine Australia demonstrate that demand for Australian wine continued to grow in 2016. China is now Australia’s third most important export market after the USA and the UK for wine exports, which should bode well for continued growth in food and wine tourism over the coming years as more visitors seek out quality food and wine tourism products.

The weaker Australian dollar and the trade agreement with China have contributed to strong growth in sales to export markets. Millions of dollars are being invested into vineyards across the country, turning them from functional spaces into some of the most outstanding dining destinations in the country.2

Growing health awareness is also influencing the food and beverages choices of Australian consumers and in step with global trends. Within food, this has been reflected in a focus on natural ingredients, organically grown produce and concerns around ethical and sustainable food production, driving interest in a desire for genuine paddock to plate food and wine travel experiences.

1 Good Food and Wine June 2017

2 Good Food and Wine June 2017

---

**The Enjoyment of Food and Wine is Integral to the Australian Tourism Experience – Quality Ingredients, Fresh Produce and Innovative Cuisine**

**Visitation Trends**

**Food and Wine Experiences are a Big Part of What Motivates People to Travel.**

**Food and Wine Tourism in Regional Australia, 2011 to 2016**

**Visitor Nights of Food & Wine Tourism in Regional Australia, 2011 to 2016**

**BY THE NUMBERS:**

**Visitors of Food & Wine Tourism in Regional Australia, 2011 to 2016**

**Source: Tourism Research Australia/Colliers International**

**Visitor Nights of Food & Wine Tourism in Regional Australia, 2011 to 2016**

**Source: Tourism Research Australia/Colliers International**

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**Investment Opportunity**

Food and wine experiences are a big part of what motivates people to travel. The use of an anchor tourism product can transform a small regional town into a destination, whereas the development of other attractions and amenities can round out a visitor’s trip to that town.
Tourism Investment in Regional Australia

Jackalope Hotel Mornington Peninsula, Victoria

Opened April 2017
Development cost: $20 million

China’s KCC Real Estate Development Company (KCC) has completed work on a $20 million boutique hotel project at the Mornington Peninsula—its first hotel development outside of China. Located in the grounds of the 18-hectare Willow Creek Winery, the hotel features 40 rooms and specialist food and beverage facilities, including a new cellar door.

The d’Arenberg Cube McLaren Vale, South Australia

Opening in late 2017
Development cost: $13 million

The d’Arenberg Cube, a multi-million dollar, four-storey, multi-dimensional architectural dream, wildly angled and toned, with glass and mirror construction is perched in the middle of the current d’Arenberg winey complex, McLaren Vale. The Cube will include a new tasting room, several bars, another restaurant, private tasting rooms and state-of-the-art facilities on each level.

Chateau Elan Hunter Valley, New South Wales

Opening date yet to be confirmed
Development cost: $100 million

In 2015 China’s Sunshine Insurance Group acquired the Chateau Elan resort in the Hunter Valley for $40 million with plans to develop a $100m six-star resort and second championship golf course. The parcel includes 7 hectares of undeveloped land and the redevelopment will include a 300-room hotel on the Chateau Elan and The Vintage Golf Club site.

Leeuwin Estate Winery, Margaret River wine region, Western Australia

Tourism Investment in Regional Australia

Opening date yet to be confirmed
Development cost: $100 million

In 2015 China’s Sunshine Insurance Group acquired the Chateau Elan resort in the Hunter Valley for $40 million with plans to develop a $100m six-star resort and second championship golf course. The parcel includes 7 hectares of undeveloped land and the redevelopment will include a 300-room hotel on the Chateau Elan and The Vintage Golf Club site.
Australia is the sixth largest country (by land mass) in the world, and of these, is the only one that is completely surrounded by water. The Australian coastline covers some 25,000 kilometres and is surrounded by many thousands of small fringing islands and numerous larger ones. Add to this a myriad of island nations, lakes and waterways and it is easy to see why aquatic and coastal experiences feature so prominently in the Australian way of life.

Supply characteristics

Australia’s vast coastline plays an important role in defining the character of the country—beaches, islands, soils, lagoons and colourful reefs are all vivid portraits of the beauty of the island nation, dotted with infrastructure and amenities to support a multitude of water-based sports and boating. Fishing is another popular activity in Australia.

There are many popular fishing styles in Australia including estuary fishing, freshwater fishing, reef fishing, fly fishing and more. The largest inland system of rivers is the Murray-Darling basin in south-eastern Australia. The Northern Territory offers vast networks of waterways including huge tidal lagoons, mangrove-lined estuaries and mangrove-lined estuaries which offer a variety of world-class fishing options. There are also a number of large estuaries on the east coast, including the Hawkesbury River just north of Sydney and the wide Clarence River in Northern New South Wales.

Australia has two of the world’s greatest coral reefs, offering a dream discovery for divers and snorkelers. The Great Barrier Reef stretches some 1,200 kilometres along the tropical North Queensland coast and is one of the seven wonders of the natural world and a world heritage listed area. Ningaloo Reef is located off the west coast of Australia, approximately 2,200 kilometres north of Perth, and is where the reef comes closest to the Australian mainland.

Australians have two of the world’s greatest coral reefs offering a dream discovery for divers and snorkelers. The Great Barrier Reef stretches some 1,200 kilometres along the tropical North Queensland coast and is one of the seven wonders of the natural world and a world heritage listed area. Ningaloo Reef is located off the west coast of Australia, approximately 2,200 kilometres north of Perth, and is where the reef comes closest to the Australian mainland.

AQUATIC AND COASTAL

The coastal reef and inshore waters of Ningaloo Reef provide one of Australia’s great marine experiences and is one of the best places in the world to swim with whale sharks.

Australia boasts a wide variety of island resorts ranging from super-luxury to camping, nothing says ‘getting away from it all’ like hoarding a place in a remote coral atoll. Whilst most renowned island resorts are found in the Great Barrier Reef, less well-known uniquely Australian escapes can be found in Tasmania (Flinders Island), South Australia (Kangaroo Island) and Western Australia (Giller Island and Admiralty Gulf) for example.
With more than 25,000 kilometres of coastline and countless islands, Australia offers an abundance of aquatic experiences both on the coast and on inland rivers, lakes and waterways. Aquatic and coastal tourism relies on experiences directly related to the numerous beach and water-based activities. Activities include going to the beach, visiting the reef, whale or dolphin watching, fishing, scuba diving, windsurfing, surfing, and other water sports.

Domestic overnight visitors dominate, accounting for 51 per cent of all Aquatic and coastal visitors. Australia’s population is clustered around the coastline with the highest densities in cities and towns along the east coast. Aquatic and coastal activities are for many synonymous with daily life and a key driver of tourism activity.

**Aquatic & Coastal Tourism in Regional Australia**

**By the Numbers:**

- **5.2% growth in visitation per annum (over 5 years)**
- **42.5 million visitors in 2016**
- **8.8% increase in visitor nights in 2016**
- **51% of all Aquatic & Coastal Tourism are domestic tourism visitors**
- **5.7% increase in international tourism visitors**

**Visitors of Aquatic & Coastal Tourism in Regional Australia, 2011 to 2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Overseas</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10,000,000</td>
<td>5,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>10,500,000</td>
<td>5,250,000</td>
<td>3,300,000</td>
</tr>
<tr>
<td>2013</td>
<td>11,050,000</td>
<td>5,527,500</td>
<td>3,570,500</td>
</tr>
<tr>
<td>2014</td>
<td>11,605,000</td>
<td>5,883,250</td>
<td>3,878,250</td>
</tr>
<tr>
<td>2015</td>
<td>12,165,500</td>
<td>6,242,750</td>
<td>4,157,750</td>
</tr>
<tr>
<td>2016</td>
<td>12,732,050</td>
<td>6,612,025</td>
<td>4,480,025</td>
</tr>
</tbody>
</table>

**Visitors Nights of Aquatic & Coastal Tourism in Regional Australia, 2011 to 2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Overseas</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>20,000,000</td>
<td>10,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>21,000,000</td>
<td>10,500,000</td>
<td>5,250,000</td>
</tr>
<tr>
<td>2013</td>
<td>22,100,000</td>
<td>11,115,000</td>
<td>5,554,500</td>
</tr>
<tr>
<td>2014</td>
<td>23,430,500</td>
<td>11,828,275</td>
<td>5,891,775</td>
</tr>
<tr>
<td>2015</td>
<td>24,854,450</td>
<td>12,587,225</td>
<td>6,235,225</td>
</tr>
<tr>
<td>2016</td>
<td>26,396,900</td>
<td>13,408,450</td>
<td>6,540,450</td>
</tr>
</tbody>
</table>

**Swimming with sea lions, Hopkins Island, South Australia**

Almost 40 per cent of the total coastline of Australia is comprised of island coastlines.

With many activities undertaken within the natural environment, there remains a need for new infrastructure by way of island accommodation resorts and marinas to accommodate forecast future boat ownership.

Governments recognize the importance of protected areas as a major tourism drawcard and have thus introduced policies which seek to govern their protection and use. For example, the Great Barrier Reef Marine Park Authority which manages the reef in partnership with the Queensland Government. Whilst not every island in Australia is habitable or accessible, opportunities for tourism development do exist. However, development should not detract from the main feature of the location but instead capture the importance of place in the design and be consistent with the location in a protected or natural area. Site locations should maximise views where possible and minimise the intrusion of support facilities.

Marinas are the boater’s second home. Modern marinas offer everything from laundry services and internet connections to fuel facilities, fine dining and community events. User-friendly marinas attract visitors and foster a sense of community. This has given rise to the marina-residential complex. Architecture should be accommodating with a boardwalk encouraging the shore overlooking the boats and accessible retail.
Elements Byron Bay, New South Wales
Opened: February 2016
Development cost: $100 million
KTQ Development has created a landmark resort on a 20-hectare site in one of Australia’s most iconic beachside towns. With 2 kilometres of beachfrontage, the resort features 193 individual one and two-bedroom villas, conference facilities for up to 400 people and is set to be a major boost to the local economy.

Halcyon House, Cabarita Beach, New South Wales
Opened: May 2015
Developers: Siobhan and Elisha Bickle and their husbands Adam Flaskas and Dave Wade.
The Brisbane-based owners have turned a former surfer motel into one of the world’s best luxury boutique hotels. The 21-room luxury hotel has a distinctively low-key Australian feel and was recently awarded the 2014 Best Smith Hotel award by Qantas Travel Club.

Crystalbrook Collection, Cairns, Queensland
Opening: 2019
Development cost: $370 million
Ghassen Aboud’s Crystalbrook Collection has announced the development of three landmark Cairns hotels that will see a 5-star hotel become operational each year for the next three years. The investment comes as tourist driven growth and opportunity up and down the Queensland coast.

The Twelve Apostles along the Great Ocean Road, Victoria
The Twelve Apostles are limestone stacks along the Great Ocean Road, Victoria. This iconic natural wonder is a popular tourist attraction.
Australia is blessed with a diverse range of ecosystems, breathtaking landscapes, and unique wildlife. These natural attractions make Australia one of the leading providers of nature-based tourism in the world. There are thousands of national parks and other conservation reserves in Australia. They protect a huge variety of environments—from deserts to rainforests, and from coral reefs to eucalypt woodlands.

**Supply Characteristics**

Australia's environment is one of the most diverse on earth and its landscapes are one of the oldest. Its flora and fauna have evolved in isolation for 45 million years, untouched by the upheavals of the world's continental plates. The result is a unique, highly specialised and fragile environment.

There are thousands of national parks across Australia, three of which are world heritage listed including Kakadu National Park, Uluru Kata Tjuta National Park and Purnululu National Park. Most parks and reserves are conserved by Government agencies in each of Australia's eight states and territories. The conservation and management of these attractions is in the public interest. Investment activity rests with the elected State or Territory Government, by way of the application of legislation and the policy of the time.

The extent of Australia's wildlife is also significant, hence zoos, sanctuaries and aquariums are relatively prominent attractions across the country. Australia is one of the most important nations on Earth for biodiversity and is home to more species than any other developed country. Most of Australia's wildlife is found nowhere else in the world, making its conservation even more important. 87 percent of mammal species, 93 percent of reptiles, 94 percent of frogs and 45 percent of our bird species are only found in Australia.

1. Australian Wildlife Conservancy

**Australia is one of the leading providers of nature-based tourism with a diverse range of ecosystems, landscapes and wildlife.**
Visitation Trends

Australia is a place of exceptional natural beauty where ancient rainforests and vast national parks, rugged mountain ranges and reefs, beaches, and waterways, provide sanctuary to Australia’s wondrous wildlife. Nature and wildlife-based tourism relies on experiences directly related to natural attractions. Activities include visiting national parks, botanic gardens, farms and wildlife parks, as well as bushwalking and visiting zoos and aquariums.

Australia’s natural assets are often located a fair distance from major cities and therefore require overnight stays. Regional locations which are well-served by road and aviation infrastructure are likely to perform better than those that are not.

Nature & Wildlife Tourism in Regional Australia

By the Numbers:

Investment opportunity

Australia ranks high globally for its nature based tourism with a diversity of landscapes and some of the most unique and appealing wildlife found anywhere in the world. The tourism industry desires iconic sites in areas of high environmental quality such as coastal locations, natural heritage environments, and sites within or adjoining national parks.

Regional Australia’s many iconic sites are highly regarded for quality experiential tourism development: ecotourism, health and wellbeing resorts, high-end resorts, and adventure tourism.

Experiences should be designed so that they provide the education of conservation to travellers, in order to protect the sustainability of the destinations’ nature and wildlife tourism offering. Experiential business need to work in cooperation with local authorities and people to deliver conservation benefits. Experiences are managed through regional tourism zoning and visitor management plans, as well as long term monitoring programs to assess and minimise impacts.

There were 35.8 million visitors to regional Australia in 2016 who engaged in nature and wildlife tourism activities.

Australia has twenty UNESCO world heritage listed attractions including the Great Barrier Reef and Uluru.

Visitation trends

Visitors of Nature & Wildlife Tourism in Regional Australia, 2011 to 2016

Visitor Nights of Nature & Wildlife Tourism in Regional Australia, 2011 to 2016

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TOURISM INVESTMENT EXAMPLES

Emirates One&Only Wolgan Valley, New South Wales
Opened in 2013
Development cost: $125 million
Nestled between two of Australia’s most prominent national parks in the Greater Blue Mountains World Heritage Area, the One&Only Wolgan Valley forms the centrepiece for unique experiences and insights into Australia’s wildlife, history and cultural heritage. The resort features 40 individual suites for a maximum of 90 guests.

Saffire Freycinet Resort East Coast, Tasmania
Opened in 2010
Development cost: $32 million
Developed by the privately owned Federal Group, Saffire Freycinet’s concept and design are like no other in Australia, capturing the essence of the unique Freycinet Peninsula region of Tasmania. The all-inclusive resort features 20 suites on 11 hectares of land in Coles Bay, located mid-way along Tasmania’s beautiful East Coast.

Pumphouse Point Lake St Clair, Tasmania
Opened in 2015
Development cost: $9 million
Nature tourism entrepreneur Simon Curran has turned the retired hydro-electricity hub into an 18-room boutique accommodation retreat, located 250 metres out on the lake surrounded by Tasmania’s World Heritage wilderness. The retreat showcases Tasmania’s wilderness and industrial heritage in a stunning location.
Heritage includes places, values, traditions, events and experiences that capture where a country has come from and where it is headed.

As the world’s oldest living culture, Australia’s Aboriginal and Torres Strait Islander people have a continuous history spanning more than 50,000 years. There is the oldest story on Earth, providing an irrevocable understanding of the birth of the Australian continent, its ancient landscapes, spirituality and wonder.

**SUPPLY CHARACTERISTICS**

The Australian landscape today is a map of the spirits’ journeys and stories created over thousandsof years ago describing these journeys. There are more than 2,000 museums, galleries, sites and holdings in Australia.

Australian museums vary from the small, the privately owned, and community museums to large, government enterprises. Each has its own important place in making Australian heritage come alive and preserving the past for future generations by holding the collective Australian memory.

Aboriginal and Torres Strait Islander Australians are a living legacy of spiritual knowledge, custodianship of land, culture, people and the connectedness of all things shared through music, art, dance, music, secret stories and journeys created in the Dreamtime – the time when ancestral spirits created the landscapes and all life. Aboriginal and Torres Strait Islander hosts and guides are keen to share their story and give an insight into their culture, which is often delivered with an engaging humour and deeply moving perspective.

1Museum Galleries Australia

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CULTURE AND HERITAGE

Uluru Aboriginal Tours, Uluru Kata Tjuta National Park, Northern Territory

Indigenous experience, Daintree Eco Lodge & Spa, Queensland

Tourism Investment in Regional Australia

Kooljaman at Cape Leveque, Dampier Peninsula, Western Australia
A strong Indigenous culture and modern European history means there are opportunities to build visitation in Australia’s cultural and heritage segment. Cultural and heritage tourism relies on experiences which directly relate to the enjoyment of history and culture. Activities include visiting museums, art galleries, heritage buildings, sites and monuments, attending festivals, performing arts and craft workshops as well as experiencing Indigenous art and culture or visiting an Indigenous site or community.

**Visitation Trends**

A strong Indigenous culture and modern European history means there are opportunities to build visitation in Australia’s cultural and heritage segment. Cultural and heritage tourism relies on experiences which directly relate to the enjoyment of history and culture. Activities include visiting museums, art galleries, heritage buildings, sites and monuments, attending festivals, performing arts and craft workshops as well as experiencing Indigenous art and culture or visiting an Indigenous site or community.

**Tourism Investment in Regional Australia**

Visitors (Thousands)

<table>
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<tr>
<th>Year</th>
<th>Domestic Day Trip</th>
<th>Domestic Overnight</th>
<th>International Overnight</th>
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7.9% growth in visitation per annum (over 5 years)

21 million visitors engaged in cultural and heritage tourism in 2016.

8% of all visitors to cultural and heritage tourism are on return holidays.

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There were 21 million visitors to regional Australia in 2016 who engaged in cultural and heritage tourism activities.

**Investment Opportunity**

Australians’ cultural assets are a drawcard for international and domestic visitors. Protection and conservation of these assets is essential for the survival and sustainable growth of the tourism industry over the longer term.

**Cultural & Heritage Tourism in Regional Australia**

- **BY THE NUMBERS:**
  - Australia is home to one of the world’s most ancient living cultures.
  - There were 21 million visitors to regional Australia in 2016 who engaged in cultural and heritage tourism activities.
  - 49% of all cultural and heritage tourists are domestic day trippers.
  - 8.1% increase in domestic overnight visitation per annum.

**Visitors of Cultural & Heritage Tourism in Regional Australia, 2011 to 2016**

**Visitors of Cultural & Heritage Tourism in Regional Australia, 2011 to 2016**

**Investment Opportunity**

Australians’ cultural assets are a drawcard for international and domestic visitors. Protection and conservation of these assets is essential for the survival and sustainable growth of the tourism industry over the longer term.

**Many of Australia’s historic heritage assets are located in regional Australia where the contribution of cultural tourism to economic growth and indigenous employment is of great importance, as well as being of policy significance.**

Australian museums are engaged in an era of change and development. Increasingly museums present a variety of narratives or stories, reflecting on themselves as part of the colonial framework and reviewing their collection practices. They are now seen less as buildings and more as multi-faceted arrays of activities. Museums actively communicate with their audience across wider geographic areas, making their collections available in new ways.

Although Australia’s non-Indigenous cultural assets are only 200 years old, they represent important sites and contribute to a sense of national identity. With Government being a key stakeholder in many facilities, the effective and sustainable use of heritage properties as the basis of tourism does require significant planning to ensure economic and conservation success, and to meet statutory guidelines. In order to facilitate sustainable use, it is important for investors and operators to understand the intersection of physical and community or social attributes of heritage sites as important aspects of conservation and visitor experience.

**Visitors of Cultural & Heritage Tourism in Regional Australia, 2011 to 2016**

**Visitors of Cultural & Heritage Tourism in Regional Australia, 2011 to 2016**
Sovereign Hill, Victoria

Opened in 1970,
Sovereign Hill is an outdoor museum presenting the story of Australia’s remarkable goldrush history. Its particular focus is the impact of the great 19th century gold discoveries on the growth of Ballarat, which was a small pastoral settlement when gold was discovered in 1851. Sovereign Hill is administered by The Sovereign Hill Museums Association – a not-for-profit, community-based organisation. The Association is controlled by a board elected by members serving in a voluntary capacity. Management is in the hands of an Executive Director and professional staff.

Tjapukai, Queensland

Opened in 1987 and expanded in 1996,
Tjapukai was founded in Kuranda in 1987 by international theatre artists Don and Judy Freeman. The indigenous cultural park has been sharing the authentic culture and traditions of the local Djabugay people for the past 28 years, providing employment opportunities for these people and giving the performers immense pride in demonstrating their culture. In 1996 Tjapukai moved to a 25-acre site next to Skyrail Rainforest Cableway at Caravonica and expanded to include interactive cultural demonstrations and performances, a cultural village, restaurant and retail gallery.

Voyages Indigenous Tourism Australia, Northern Territory

Acquired in 2010,
Voyages Indigenous Tourism Australia is a subsidiary of the Indigenous Land Corporation (ILC) and operates Ayers Rock Resort on its behalf. ILC acquired the Ayers Rock Resort in 2010 and also manages Home Valley Station in the East Kimberley region of Western Australia and Mowbray Gorge Centre in Tropical North Queensland. With a strong commitment to social responsibility, all profits from Voyages’ business activities go toward building the resort experience and supporting indigenous training and employment across Australia.
With wellness holidays gaining popularity, people of all interests are now looking to utilise their precious holiday time to prioritise health and fitness. Examples include yoga retreats, beach bootcamps, surf camps and hiking tours. A clean, green environment; Indigenous plants and produce with health properties (such as tea tree oil); and an emphasis on distinctive cultural traditions create a competitive advantage for Australia as a destination for wellness tourism.

**Supply Characteristics**

The rise of “wellness” in contemporary Western societies has been fuelled by several socio-economic drivers, accompanied by increasing enthusiasm for alternative and more holistic therapies. Globalisation and large-scale migration have paved the way to introduce non-Western health systems and alternative healing practices to conventional Western medicine. People have become more health conscious and interested in how to lead healthy lifestyles, and are also willing to spend on their health and wellbeing. The focus on health is increasingly moving beyond just a superficial obsession with appearance to a need to escape from the increasingly fast pace of everyday life and high stress levels resulting from constant working, driving growth in wellness tourism. From a supply perspective, wellness relates to three broad categories of service provision:

- **Beauty** - emphasis on body facial and water-based treatments,
- **Lifestyle and Fitness** - emphasis on detox, rejuvenation and behaviour change,
- **Spiritual** - emphasis on contemplation, reflection, meditation and learning.

Application of these broad characteristics does not point to the supply of wellness tourism in any one location over another, although areas of high natural amenity are usually favoured. Byron Bay in New South Wales and Daylesford in Victoria have both grown in prominence as wellness destinations where the convergence of health, wellness and/or spiritual activities have attracted a unique and growing visitor type.

**Australia boasts a number of naturally occurring hot springs, which can act as a focal point for wellness activities.** In most countries there is a definable link between volcanic activity and hot springs, however Australia is different. Australian hot springs came in two main types: the first being a more traditional hot spring from geothermal sources and the second being hot springs which emerge from the Great Artesian Basin of Australia. The Great Artesian Basin is a vast underground reservoir of water which covers one fifth of the Australian land mass which is mostly accessed via drilled bores deep underground. Some of the drillers have unexpectedly discovered very hot water, and enterprising drillers have then transformed these waters into artesian baths.

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**Wellness**

Taking time out to relax is acknowledged and revered as one of life’s true luxuries
With growing interest in health and wellness, there are opportunities for investors to capitalise on popular destinations through the creation of products that are orientated towards a wellness positioning. These are more likely to succeed when planned as a component of a broader service offering. Product can be differentiated to appeal to both baby boomers and millennials, both of whom are showing greater interest in the health and wellness segment as an influencer of holiday and leisure pursuits.

In regional locations, it is worth noting that participation sports, for adults and school children alike, provide a key motivator for visitation throughout the year and therefore the value to the overall visitor economy should not be understated. Soft sports tourism is when the tourist travels to participate in recreational sporting, or to sign up for known interests. For example hiking, skiing, canoeing and yoga retreats can be described as soft sports tourism. Mass participation events are also growing in popularity. Examples is Inside Tough Mudder, which is reportedly the largest adventure race brand in the world, as well as marathons, triathlons and surf boat carnivals.

**Wellness tourism in Regional Australia**

**By the numbers:**
- 6.3% growth in visitation per annum (over 5 years)
- 0.7 million visitors in 2016 engaged in wellness tourism
- 39% of all wellness tourists are domestic day trippers
- 7.7% increase in international overnight visitation per annum
- 5.4% increase in resident domestic overnight visitation per annum

**Visitors of Wellness Tourism in Regional Australia, 2011 to 2016**

**Visitor Nights of Wellness Tourism in Regional Australia, 2011 to 2016**

**Investment opportunity**

Tourism Investment in Regional Australia

There were 0.7 million visitors to regional Australia in 2016 who engaged in wellness activities.
**Gaia Retreat & Spa, Byron Bay, New South Wales**

Opened in 2005 by Gregg Cave, Ruth Kalnin, Olivia Newton-John and Warwick Evans, Gaia Retreat & Spa is a wellness retreat located in the Byron Bay hinterland. Gaia’s ethos and nurturing environment is a haven to develop, create and actualise whatever it is that you personally are seeking – to de-stress, lose weight, detoxify, get fit, or simply some peace and serenity to regain balance and grounded yourself in your own space and time.

**Golden Door Health Retreat & Spa, Hunter Valley, New South Wales**

Opened in 2004

The Golden Door Health Retreat & Spa features 74 stylish villas and a purpose-built Destination Health Retreat in Australia. The property is owned and operated by Singapore-based group, Lavender International Holdings Limited, under the renamed “The Golden Door” (TGD) brand. TGD offers all-inclusive health and wellness programs aimed at helping people improve their overall health and well-being and also caters to a growing “Corporate Wellness” segment.

**Peninsula Hot Springs, Victoria**

Opened in 2005

Founded in 1997 by brothers Charles and Richard Davidson, and investor Norm Cleland and his family and built in two stages in 2005 and 2009. After many years dedication, Richard Davidson and Norm Cleland moved on to pursue new interests at the end of 2014. Bharat Mitra and Bhavani Lev owners and founders of Organic India joined Charles Davidson to continue to develop and evolve Peninsula Hot Springs into a world leader in the spa, wellness and hot springs industries. Future plans include an increase in bathing experiences, the introduction of accommodation, a restaurant and more wellness-focused facilities.

**Walk into Luxury, Injidup Spa Retreat, Cape to Cape Track, Margaret River, Western Australia**

Opened in 2005 and extended in 2009

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Tourism Australia and the Australian Trade and Investment Commission (Austrade) formed a partnership in 2012 to attract foreign direct investment in tourism product. The Partnership is a commitment to give information and assistance to interested investors by providing them with information and insight on Australia’s tourism infrastructure opportunities. There is also a commitment to coordinate the relationship between investors and the various state and territory agencies to make the process of investment easier.

How we can help
Austrade has a network of investment specialists around the world. They offer comprehensive and confidential assistance that will save you time and money, and help you make the right investment decisions.

For more information or to find an investment specialist near you, visit our website:
www.tourisminvestment.com.au

Data sources
Visitation data for each of the activities including food and wine, aquatic and coastal, nature and wildlife, cultural and heritage, and wellness tourism in regional Australia has been sourced from Tourism Research Australia’s National and International Visitor Surveys. Domestic day trip and overnight data provide the best indication of the drivers of demand to any given destination as the questions in the survey directly relate to those activities undertaken during that trip. For international visitors, activity data relates to activities which were undertaken on the entire trip in Australia.

The report also draws on insights from Tourism Australia’s Consumer Demand Project. This major international research tourism project provides insights into how global consumers view Australia, and what motivates them to visit.