Shute Harbour Marina Development Accommodation Demand Assessment

FINAL REPORT
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Shute Harbour Marina Development Pty Ltd

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Project Director	Simon Smith
Project Manager:	Ashley Page
Company:	Shute Harbour Marina Pty Ltd
Job Contact:	Dave Quinlan
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Executive Summary

Background

The Whitsunday region is recognised as one of the world's most desirable tourism destinations attracting 605,000 domestic overnight and 208,600 international visitors in the year to June 2007 (Tourism Queensland 2007). The area is a particularly popular destination with boating and sailing enthusiasts.

Shute Harbour Marina Development Pty (SHMD Pty) is proposing to construct a 669 berth marina facility at Shute Harbour as well as on shore elements including:

- A marina office and amenities with car parking;
- A charter boat base;
- Retail and commercial spaces;
- A four star tourist resort; and
- Land for the construction of Managed Resort Accommodation.

This study aims to assess the demand for the visitor accommodation aspects of the onshore development at Shute Harbour Marina Development (SHMD); the tourist resort and the Managed Resort Accommodation. The AEC Group Limited (AEC*group*) have been engaged by SHMD Pty Ltd to undertake an independent demand assessment of both types of accommodation.

Current Supply of Visitor Accommodation

Table E.1 provides a summary of currently available visitor accommodation in the Whitsunday Tourist Region (WTR), which includes the Whitsunday and Bowen Local Government Areas, based on an online survey, full details of the outcome of the review are included as **Appendix A**.

Table E.1. Summary of Current Accommodation Supply, Whitsunday Tourism Region

Accommodation Type	Rooms/Units [a]		Average Daily Tariff Range($)
Apartment	244	6.5%	$199 to $309
B&B Traditional	11	0.3%	$127 to $148
Backpackers	334	9.0%	$24 to $78
Caravan Parks	1,055	28.3%	$20 to $32
Holiday Units	504	13.5%	$134 to $270
Hotel	437	11.7%	$203 to $259
House [b]	25	0.7%	$323 to $423
Motel	315	8.4%	$91 to $143
Resort [c] [d]	761	20.4%	$466 to $807
Serviced Apartments	42	1.1%	$409 to $589

Notes: (a) Includes Caravan Park sites (b) Includes Cabin, Cottage and Villa, (c) Includes Apartment Hotels, (d) Rates are for rooms only and do not include suites.
Source: Royal Automobile Club Queensland (2008)

There is a wide range of visitor accommodation available in the Whitsunday region. The largest single type (based on total available rooms) is 'Caravan Parks', with 1,055 rooms/units (28.3% of total rooms/units) followed by 'Resort' 761 rooms/units (20.4%). The range of accommodation is further illustrated by the difference in price of these two accommodation types, on average, sites at caravan parks ranged from $20 to $32 per night, while resort accommodation ranged from $466 to $807 per room per night.

In addition to the existing visitor accommodation, there is an estimated $2.3 billion worth of building development in the Whitsunday LGA (all of which include some visitor accommodation aspects), which is either under construction, committed or under study.

CURRENT DEMAND FOR OF VISITOR ACCOMMODATION

The number of overnight visitors to the WTR increased by 177,846 between 2002 and 2007, a total increase of 28.0% or 5.1% per annum, over the same period, the number of overnight visitors to Queensland increased by 9.6%, an average of 1.9% per annum. Growth in the number of overnight visitors to the WTR has been driven by the number of domestic overnight visitors, which increased from 426,000 in 2002 to 605,000 in the year ended June 2007, an increase of 7.3% per annum. Over the same period, international overnight visitors reduced by 1,154, a reduction of –0.6%, or -0.1% per annum.

FUTURE DEMAND

Forecasts for the whole of Queensland suggest a slight decrease in domestic visitor nights over the next ten years, however since 2002, growth in the number of domestic overnight visitors and the total number of domestic visitor nights stayed in the WTR have increased faster than the rate of growth in the state as a whole. Between 2002 and 2007, domestic overnight visitor numbers in the WTR increased by 7.3% per annum compared to 1.7% per annum in Queensland. In the same period, visitor nights stayed by domestic visitors increased by 1.7% per annum in the WTR, compared to 0.1% in Queensland.

Growth in the high value marine leisure sector is also likely to result in further increases in tourist visitors to the WTR based on analysis of boat registrations, the waiting lists of marine berths and demand for this type of development.

Using estimated growth figures for the WTR of 6.0% per annum for overnight domestic visitors and 1.0% for overnight international visitors forecasts that by 2016 (likely completion date for all accommodation at SHMD) there would be approximately 1.3 million overnight visitors to the WTR and 6.4 million visitor nights, which represents an increase of 436,678 visitors and 2.2 million visitor nights from 2007.

FINDINGS

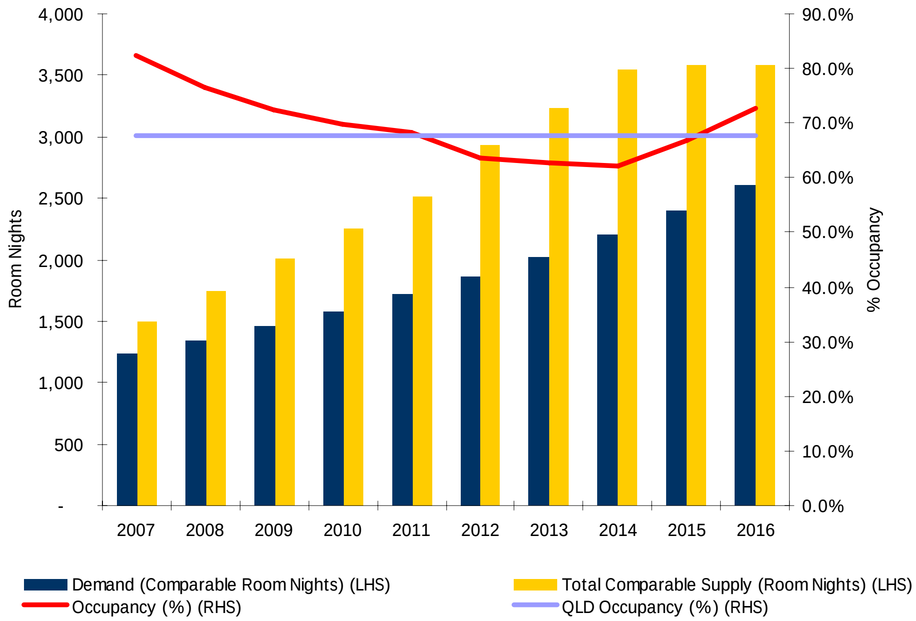
Figure E.1 shows that for comparable accommodation in 2007:

- A total of 1,499 room nights (5,190 visitor nights) were available;
- There was demand for 1,235 room nights (4,277) visitor nights; and
- This resulted in an occupancy rate of 82.4%, which is well above what is considered to be market equilibrium (indicatively between 60% and 70% occupancy). The Queensland market for example, typically fluctuates around an average annual occupancy of approximately 65% (currently 67.7%).

By 2016, it is estimated that:

- A total of 3,588 room nights (12,422 visitor nights) will be available;
- There will be demand for 2,605 room nights (9,018 visitor nights); and
- Resulting in an average occupancy rate of 72.6%, which is slightly higher than would be expected in an efficient accommodation market, indicating that the market is again in or is moving to an excess demand position.

Figure E.1. Changes in Supply and Demand for Comparable Accommodation, 2007 – 2016



Source: AEC *group*

The visitor accommodation aspects of the SHMD, along with the comparable accommodation developments currently being progressed in the region, have an important role to play in addressing the accommodation supply imbalance currently experienced by the market and in ensuring that the WTR can accommodate anticipated future demand.

Conclusion

There is sufficient market demand within the WTR market for the additional accommodation provided by the SHMD development, even when accounting for the significant development currently planned or under development.

Table of Contents

1. Introduction

1.1 Background

The Whitsunday region is recognised as one of the world's most desirable tourism destinations attracting 605,000 domestic overnight and 208,600 international visitors in the year to June 2007 (Tourism Queensland 2007). The area is a particularly popular destination with boating and sailing enthusiasts.

Since 2002, the number of overnight visitors has increased by an average of 5.1% per annum, compared to 1.9% per annum for the whole of Queensland over the same period. In response to the continuing expansion of tourism in the region, and the growth in the marine leisure sector in particular, Shute Harbour Marina Development Pty (SHMD Pty) is proposing to construct a 669 berth marina facility at Shute Harbour. In addition to the marina facility, the Shute Harbour Marina Development (SHMD) will also include the following onshore elements:

- A marina office and amenities with car parking;
- A charter boat base;
- Retail and commercial spaces;
- A four star tourist resort; and
- Land for the construction of Managed Resort Accommodation.

1.2 Visitor Accommodation at SHMD

1.2.1 Tourist Resort

The tourist resort will be a five-storey construction, with 109 guest suites and underground car parking facilities. The resort will be marketed as executive type holiday accommodation and is likely to appeal mainly to professionals. Visitors may have some experience of the area, but are not anticipated to have a particularly strong interest in marine leisure pursuits although this may form part of their holiday. It would be expected that the majority of visitors to the resort will be on a traditional vacation trip and are likely to stay for either a long weekend or a week to two week break.

The tourist resort is expected to be completed within 28 to 30 months of SHMD Pty commencing site work. By the end of that period it is anticipated that all major construction work would have been completed and that the site, including the marina and the onshore elements, would be fully operational (SHMD Pty 2007).

1.2.2 Managed Resort Accommodation

There will also be 117 Managed Resort Accommodation lots, 67 of which will be located at the waterside and 50 land-based. SHMD Pty will sell the prepared sites to secondary developers prior to the construction phase (given current interest it is anticipated that all sites will be sold off-plan before the sites are prepared), with the architectural design controlled through covenants and guidelines to ensure the finished accommodation is of a quality and design appropriate to the region and the marina setting.

Estimates of the number of units to be developed on the 117 lots is provided in Table 1.1 below.

Table 1.1. Managed Resort Accommodation

Accommodation Type	Number of Lots	Units/ Apartments
Waterfront		
Single Lot	32	32
Units		
1-Bedroom Unit		*21*
2-Bedroom Unit		*70*
Total Units	35	91
Total Waterfront	**67**	**123**
Land-Based		
Single Lot	29	29
Units		
1-Bedroom Unit		*14*
2-Bedroom Unit		*22*
3-Bedroom Unit		*19*
Total Units	21	55
Total Land-Based	**50**	**84**
Total Managed Resort Accommodation	**117**	**207**

Note: (a) It is assumed that the single lot developments will on average have three bedrooms.
Source: Studio Tekton (2008).

It is thought that the Managed Resort Accommodation will appeal to visitors with a strong interest in marine leisure pursuits and in some cases visitors will have a vessel berthed in the marina. These properties are likely to appeal to older families and adult groups and as with the resort, it is likely that the majority of visitors will be from professional backgrounds. The length of stay is likely to be more variable than at the resort, with some visitors coming for a holiday including a few days of sailing, others for a week or two and others choosing to stay for longer periods.

It is anticipated that the lots will be released in four stages. The first release of 30 lots is expected in year three of the development with further releases of 25, 35 and 27 lots in each subsequent year. It is assumed that the second stage of construction will be completed within 12 months of the purchase of the lot. On this basis, the first stage of the Managed Resort Accommodation could be operational within four years of SHMD Pty commencing site work. As with the tourist resort, it is assumed that whilst there may be some disruption to visitors during the ongoing construction phases that this will have only a limited impact on the amenity of the completed areas of the site and will not affect visitation.

1.3 Purpose of Study

This study aims to assess the demand for the visitor accommodation aspects of the onshore development at SHMD; the tourist resort and the Managed Resort Accommodation. The AEC Group Limited (AEC*group*) has been engaged by SHMD Pty Ltd to undertake an independent demand assessment of both types of accommodation.

1.4 Study Area

The principal study area is the Whitsunday Tourism Region (WTR), which includes the Whitsunday and Bowen Local Government Areas (LGAs). Where appropriate, data from the state level is also included to give a wider perspective to the regional information.

1.5 Report Structure

To successfully meet the purpose of the study, the report employs the following structure:

Section 2 – Visitor Accommodation Supply Assessment – establishes the current supply of visitor accommodation facilities in the region including analysis of changes in supply over time and a review of other planned visitor accommodation developments.

Section 3 – Visitor Accommodation Demand Assessment – assesses the current demand for visitor accommodation in the region including changes in visitor numbers as well as an assessment of future growth projections.

Section 4 – SHMD Visitor Accommodation Demand Assessment – using the outputs from sections two and three, reviews the anticipated demand for the visitor accommodation aspects of the SHMD including target market, required market share and a competitive analysis.

2. Visitor Accommodation Supply Assessment

2.1 Introduction

Before assessing the demand for additional visitor accommodation in the region, it is necessary to determine the characteristics of the current supply. This chapter reviews the volume of supply, guest room availability and the types of visitor accommodation currently available in the region, as well as a review of other appropriate developments. The chapter concludes by assessing the anticipated total supply of comparable accommodation in the WTR that will be available when the visitor accommodation aspects of the SHMD are completed.

2.2 Current Supply

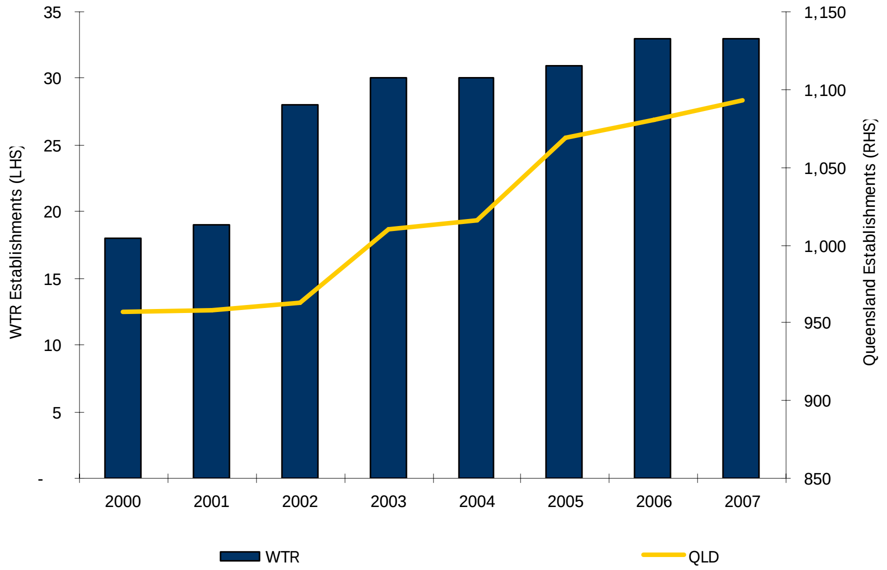
In the year ended June 2007, there were 33 accommodation establishments with fifteen or more rooms/units in the WTR, offering 2,832 guest rooms/units (ABS 2007). Within these totals, there is considerable variation in the type, style, quality and availability of visitor accommodation.

2.2.1 Visitor Accommodation Establishments

In 2000, there were 18 accommodation establishments in the WTR with 15 or more rooms/units. By 2007, an additional 15 establishments were in operation, a total increase of 83.3%, or 9.0% per annum. The number of establishments in Queensland with fifteen or more rooms/units also increased over the same period from 957 to 1,093 but at a significantly slower rate (13.0% over the period, or 1.9% per annum).

The increases in both the WTR and Queensland appear to occur in a step-wise fashion, with periods of relatively rapid growth followed by periods of slower growth. This may reflect the lag time between the identification of the need for additional visitor accommodation supply and bringing that supply online. Figure 2.1 demonstrates that in the WTR, since 2002 the rate of growth has been slow with supply increasing by only five new establishments in that period, compared to 10 new establishments between 2000 and 2002.

Figure 2.1. Visitor Accommodation Establishments (15 or more Rooms/Units) 2000-2007

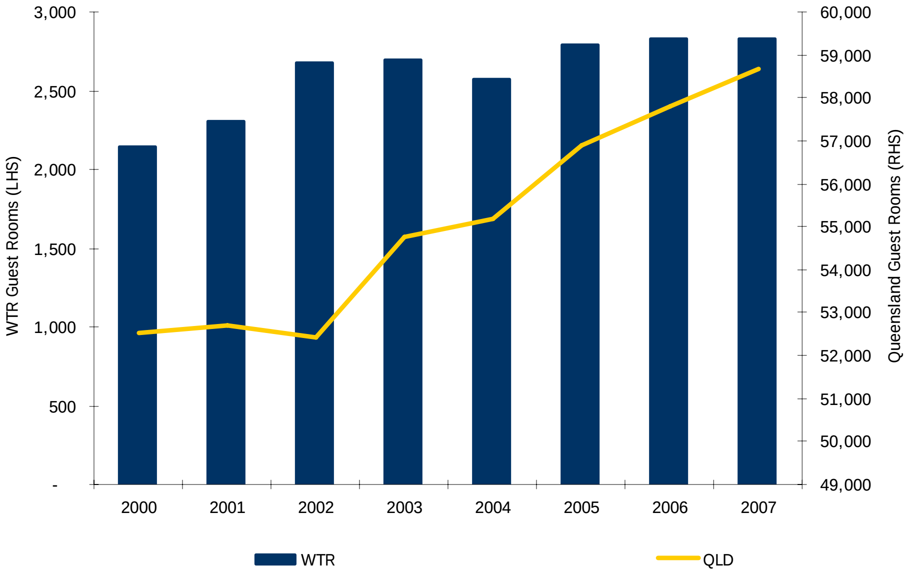


Notes: (a) 2000 data is for the year ended March 2001 (b) 2003, 2004, 2005 data is for the year ended September, (c) 2007 data for the year ended June 2007
Source: Tourism Queensland (2000-2007)

2.2.2 Available Guest Rooms

In the WTR between 2000 and 2007, the total number of available rooms (in establishments with fifteen or more rooms/units) increased by 690 (32.2%, 4.1% per annum). The number of guest rooms available in Queensland has also increased over the same period although at a slower rate. In Queensland as a whole, an additional 6,143 rooms were available in 2007 compared to 2000, an increase of 11.7% (1.6% per annum).

Figure 2.2. Available Guest Rooms (15 or more Rooms/Units) 2000-2007



Notes: (a) 2000 data is for the year ended March 2001 (b) 2003, 2004, 2005 data is for the year ended, (c) 2007 data for the year ended June 2007
Source: Tourism Queensland (2000-2007)

2.2.3 Visitor Accommodation by Type in the Whitsunday Tourism Region

Table 2.1 provides a summary of currently available visitor accommodation in the Whitsunday Region based on an online review. Full details of the outcome of the review are included as **Appendix A**. Where no information was given regarding the number of rooms/units available, the average for the accommodation type in question has been used.

Table 2.1. Summary of Current Accommodation Supply, Whitsunday Region

Accommodation Type	Rooms/Units[(a)]		Average Daily Tariff Range($)
Apartment	244	6.5%	$199 to $309
B&B Traditional	11	0.3%	$127 to $148
Backpackers	334	9.0%	$24 to $78
Caravan Parks	1,055	28.3%	$20 to $32
Holiday Units	504	13.5%	$134 to $270
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Notes: (a) Includes Caravan Park sites (b) Includes Cabin, Cottage and Villa, (c) Includes Apartment Hotels, (d) Rates are for rooms only and do not include suites.
Source: Royal Automobile Club Queensland (2008)

There is a wide range of visitor accommodation available in the Whitsunday Region. The largest single type (based on total available rooms) is 'Caravan Park', with 1,055 rooms/units (28.3% of total rooms/units) followed by 'Resort' with 761 rooms/units (20.4%). The range of accommodation is further illustrated by the difference in the price of these two accommodation types, on average, sites at caravan parks ranged from $20 to $32 per night, while resort accommodation ranged from $466 to $807 per room per night.

2.2.4 Visitor Accommodation Rating in the Whitsunday Tourism Region

Table 2.2 sets out the current distribution of visitor accommodation ratings in the WTR. The ratings are defined and determined by AAA Tourism, a peak industry body that manages the rating scheme on behalf of a number of automobile clubs. A full list of the relevant definitions can be found in **Appendix B**.

It is apparent that there is a wide range of available visitor accommodation catering for a variety of consumer tastes and budgets. It should be noted that the star rating system is different for each property type so that four star backpacker accommodation is not the same as a four star resort.

Table 2.2. Whitsunday Region Visitor Accommodation Ratings

Accommodation Type	Two Star[(a)]	Three Star[(a)]	Four Star[(a)]	Five Star
Apartment		1	7	2
B&B Traditional		1	2	
Backpackers		1		
Caravan Parks		6	2	
Holiday Unit	1	6	13	
Hotel		1	2	
House [(b)]			2	
Motel		8		
Resort[(c)]		1	2	1
Serviced Apartment				1

Notes: (a) Accommodation with 'half stars' rounded down (i.e. accommodation with four and a half stars is included under four stars), (b) Includes Cabin, Cottage and Villa Includes Apartment Hotels (c) Some properties in the review did not have a star rating, as they had not been certified by AAA Tourism
Source: Royal Automobile Club Queensland (2008)

2.2.5 Current Supply of Comparable Accommodation

Having established the variety of visitor accommodation options in the WTR, this section focuses on the volume of comparable visitor accommodation. The report assumes that all the visitor accommodation aspects of the SHMD and the existing four and five star rated hotels, resorts, houses, holiday units, apartments and serviced apartments in the WTR supply a comparable product and have a similar target market. It is recognised that the comparable accommodation types are not the same as the visitor accommodation at SHMD, however, they are potential accommodation alternatives for the types of visitor market sectors that might be expected to consider staying at SHMD.

An online survey of available accommodation found that there are 1,499 rooms/units available in the WTR that could be considered comparable to the visitor accommodation at SHMD. Using the average number of beds per room in the WTR (3.5 per room) (Tourism Queensland 2007) this equates to 5,190 bed spaces. Any accommodation that had not been assessed by the RACQ was assumed to be non-comaprable.

The survey also demonstrates that the availability of comparable accommodation is low especially for the Managed Resort Accommodation. Even where 'house' type accommodation is available for let, it does not offer the combination of accommodation and marina facilities that will be available at the SHMD. This suggests that the target visitor market for the Managed Resort Accommodation may be currently under serviced in terms of desired accommodation alternatives, with visitors being attracted by the location and facilities then choosing the 'best available' accommodation where they are unable to find a match for the type of accommodation they are looking for.

Table 2.3. Existing Comparable Visitor Accommodation Supply

Accommodation Name	Accommodation Types	Location	Stars	Rooms/Units
Marina Shores	Apartment	Airlie Beach	5	25
Pinnacles Resort & Spa	Apartment	Airlie Beach	5	29
Laguna Whitsundays	Apartment	Proserpine	4.5	80
Martinique Whitsunday	Apartment	Airlie Beach	4.5	19
Seastar Apartments	Apartment	Airlie Beach	4.5	20
Baybreeze Whitsunday Coast Resort	Apartment	Airlie Beach	4	20
Le Jarden	Apartment	Airlie Beach	4	3
Waterfront Whitsunday	Apartment	Airlie Beach	4	6
Whitsunday Vista Resort	Apartment	Airlie Beach	4	32
Holiday Penthouse	Apartment	Airlie Beach	4.5	1
Island View Bed & Breakfast	B&B Traditional	Airlie Beach	4.5	2
Whitsunday Moorings B & B	B&B Traditional	Airlie Beach	4.5	2
Azure Sea Whitsunday Grand Mercure Apartments	Holiday Unit	Airlie Beach	4.5	25
Mediterranean Resorts	Holiday Unit	Airlie Beach	4.5	16
Portside Whitsunday Resort	Holiday Unit	Airlie Beach	4.5	19
Toscana Village Resort	Holiday Unit	Airlie Beach	4.5	23
Waters Edge Resort	Holiday Unit	Airlie Beach	4.5	46
Bay of Airlie Accommodation & Tours	Holiday Unit	Airlie Beach	4	1
Beach Court Holiday Villas	Holiday Unit	Airlie Beach	4	20
Best Western Mango House Resort	Holiday Unit	Airlie Beach	4	34
Boathaven Spa Resort	Holiday Unit	Airlie Beach	4	27
Coral Sea Vista Apartments	Holiday Unit	Airlie Beach	4	9
Reefside Villas Whitsunday	Holiday Unit	Airlie Beach	4	20
Sailz Boutique Holiday Villas	Holiday Unit	Airlie Beach	4	32
Shingley Beach Resort	Holiday Unit	Airlie Beach	4	32
Reef View Hotel	Hotel	Hamilton Island	4.5	382
Luxury Holiday Home	House	Airlie Beach	4.5	1
Airlie Beach House	House	Airlie Beach	4	1
Hayman	Resort	Hayman Island	5	234
Daydream Island Resort & Spa	Resort	Daydream Island	4.5	296
Penninsula Airlie Beach	Serviced Apartment	Airlie Beach	5	42
Total				**1499**

Source: Royal Automobile Club Queensland (2008))

Although not all accommodation in the WTR is captured by the Royal Automobile Club Queensland (2008), it is considered that the survey accurately reflects the proportion of available supply made up by four and five star accommodation with 15 or more rooms/units in the WTR (40.2%).

2.2.6 Future Supply of Comparable Accommodation

There is an estimated $2.3 billion worth of investment in accommodation related developments in the Whitsunday LGA, which is either under construction, committed or under study. Table 2.4 outlines the major recent and current development projects in the region that have a visitor accommodation component and which will provide comparable accommodation to SHMD.

Table 2.4. Major Projects, Whitsunday LGA

Project	Description	Comparable Rooms/Units
North Point	Development of 50 one bedroom pavilions of a six-star resort addition to the Hamilton Island Resort.	50
Peppers Coral Coast Resort	Development of a five star resort comprising 121 apartments, 11 penthouses, swimming facilities, conference centre, retail shops and tavern.	132
Whisper Bay	Development of 98 three bedroom study villas and apartments, and 6 four bedroom super penthouses at Airlie Beach. The development will feature a number of individual swimming pools, two community pools, BBQs, recreation decks and landscaped surrounds.	104
Dent Island Golf Course Resort	Construction of apartments and an 18-hole international standard golf course with associated infrastructure.	319
Double Cone Resort	Development of a 46 –one, two and three bedroom apartments at Whitsunday Horizons on the scenic Airlie Beach. This Ulysses development is due for completion in mid 2007.	46
The Grove	Development of 172 two and three-bedroom town houses and villas over seven stages the scenic Airlie Beach. Due to be completed by mid-2007.	172
Port Airlie Marina Development	Development of a 300 berth marina comprising ferry and cruise terminal, public boat ramp, pedestrian mall and village square, retail and commercial space. The development will include 140 resort apartments, 356 residential apartments and up to 14 detached homes	140
Funnel Bay	Development of a 200-room hotel and 400 apartments has been approved for construction on scenic funnel bay beach on the Whitsunday Coast.	200
Whitsunday Springs	Development of 2,500 mixed density dwellings to include hotel, apartments, residential allotments and golf course located 5km from Airlie Beach.	360
Waterson Way	Development of 163 resort style apartments, conference facilities and retail space.	163
Crystalline Shores	Stage 1 & 2 of this luxury Pegasis development have been completed with stage 3 due to commence construction at Airlie Beach. Stage 3 will be a themed resort development comprising 55 separate, superior quality one, two and three bedroom villas along side a main resort building housing a health spa, sauna, gymnasium, coffee club and hotel management.	55
Shoreline Apartments	32 two and three bedroom apartments will be constructed at Cannonvale with view across Pioneer Bay.	32
Total		**1773**

Source: Queensland Department of State Development, Trade and Innovation (2006), AEC *group*

The table indicates that several projects are currently underway that will increase the supply of comparable visitor accommodation in the WTR. It is estimated that when all projects are completed the supply of comparable accommodation will have increased by 1,773 rooms/units, which equates to an additional 6,139 bed spaces.

2.3 Summary

Table 2.5 summarises the estimated current and forecast supply of comparable accommodation in 2007 and 2016.

Table 2.5. Comparable Visitor Accommodation in the WTR, 2007 and 2016

	Rooms/Units	Bed Spaces
Current Supply	1,499	5,190
SHMD (Resort)	109	377
SHMD (MRA)	207	717
Other Supply (by 2016)	1,773	6,139
Total Supply 2016	**3,588**	**12,422**

Source: AEC *group*

There are currently, approximately 1,499 rooms/units (5,190 bed spaces) that are comparable to the visitor accommodation at the SHMD. On completion of the visitor accommodation elements of the major projects in Table 2.4 and those at SHMD, this would result in a total supply of comparable visitor accommodation of approximately 3,588 rooms/units (12,422 bed spaces) in the WTR, an increase of 2,089 rooms/units (7,233 bed spaces).

3. Visitor Accommodation Demand Assessment

3.1 Introduction

Having discussed the supply of visitor accommodation, this chapter assesses current and forecast demand in the WTR, focussing on the demand for comparable visitor accommodation to SHMD.

3.2 Current Demand

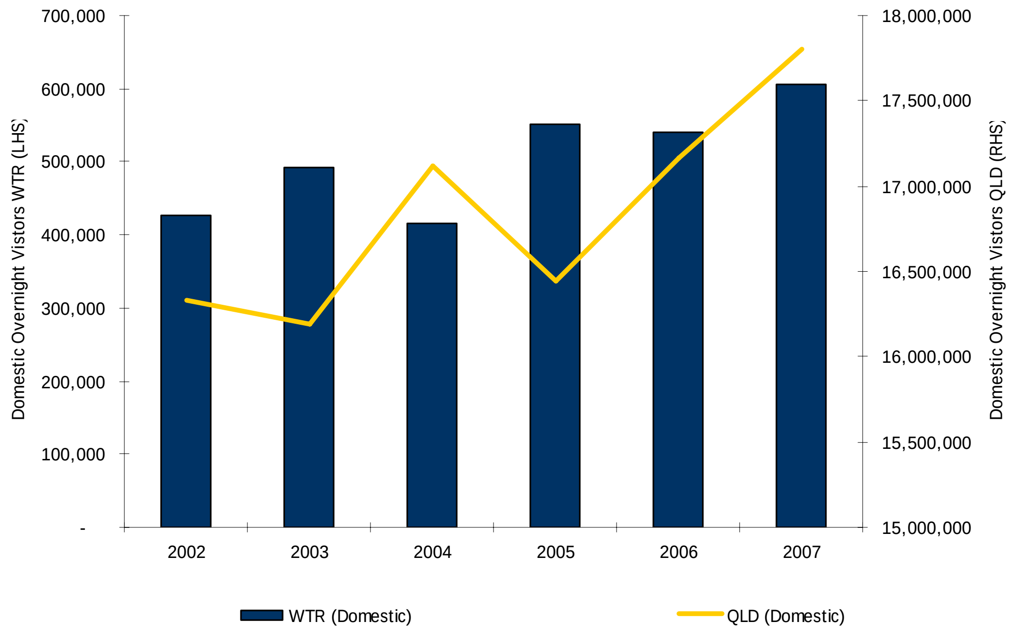
3.2.1 Overnight Visitor Numbers

The total number of overnight visitors to the WTR has increased by 177,846 since 2002, a total increase of 28.0% or 5.1% per annum. Over the same period, the number of overnight visitors to Queensland increased by 9.6%, an average of 1.9% per annum.

Growth in the number of overnight visitors to the WTR was driven by domestic overnight visitors, which increased from 426,000 in 2002 to 605,000 in the year ended June 2007, an increase of 7.3% per annum. Over the same period, the number of overnight international visitors fell by 1,154, a reduction of –0.6%, or -0.1% per annum.

In Queensland as a whole, domestic overnight visitation increased by 1.7% per annum and international visitation by 2.8% per annum.

Figure 3.1. Overnight Visitors to the WTR and Queensland 2002-2007

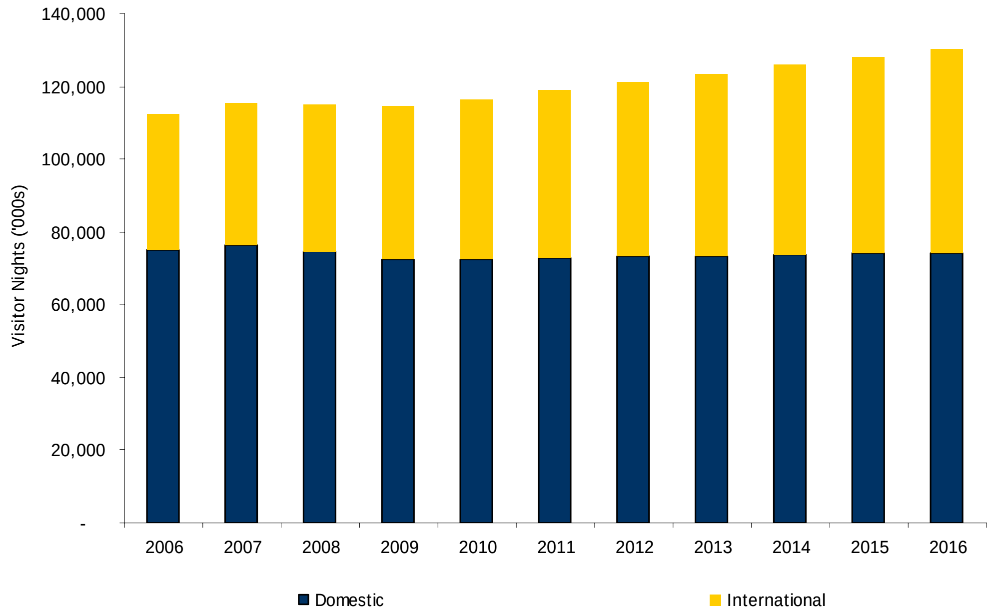


Notes: (a) 2003, 2004, 2005 data is for the year ended, (b) 2007 data for the year ended June 2007
Source: Tourism Queensland

3.3 Forecast Queensland Visitor Nights

Tourism Queensland forecast that by 2016 there will be an additional 18.2 million visitor nights in Queensland, from 112.2 million in 2006 to 130.4 million in 2016, a 16.2% increase (1.5% per annum).

Figure 3.2 Forecast Visitor Nights in Queensland 2006-2016



Notes: (a) 2006 Actual
Source: Tourism Queensland (2007)

Although the forecasts suggest a slight decrease in domestic visitor nights over the next ten years, it should be remembered that this is a forecast for the state as a whole. Since 2002, growth in domestic visitor nights and domestic overnight visitor numbers in the WTR have increased faster than the rate of growth in the state. Between 2002 and 2007, visitor nights by domestic visitors increased by 1.7% per annum in the WTR, compared to 0.1% in Queensland. In the same period, domestic overnight visitor numbers in the WTR increased by 7.3% per annum compared to 1.7% per annum in Queensland.

Growth in the high value marine leisure sector is likely to result in further increases in tourist visitors to the WTR based on analysis of boat registrations, the waiting lists of marine berths and demand for this type of development.

3.3.1 Forecast Expansion of Marine Leisure Sector

Over the past decade, boat registrations in Queensland have recorded average annual growth of 5.3% (Boating Industry Association of Queensland, 2007), which is approximately double the Queensland population growth rate. Since 2002, registrations for boats greater than 8 metres in length have been growing at a faster rate than smaller boats (7.1% per annum on average compared to 6.0%), reflecting the current trend towards larger and more luxurious watercraft (Pacific Southwest Strategy Group, 2007; Collins PRD, 2007).

In the Mackay Statistical District there were over 17,000 recreational boats registered as at April 2006, accounting for approximately 8.5% of total Queensland recreational boat registrations. Since 2000-01, recreational boat registrations have averaged annual growth of 6.7% in the region, above the Queensland growth rate of 5.1% over the same period. These growth trends would be expected to further increase demand for visitor accommodation throughout the WTR especially where that accommodation has close links to other marine facilities.

3.4 Demand For Comparable Accommodation

3.4.1 Existing Demand For Comparable Accommodation

It has not been possible to quantify the division of visitor numbers by starred accommodation type for the WTR to allow an assessment of the split between comparable and other accommodation. As a result, this demand assessment is based on the following assumptions:

- The split of visitor numbers between comparable and non-comparable accommodation in 2007 is the same as the distribution of accommodation supply (i.e. 40.2% in 2007);
- The demand for comparable accommodation in the WTR increases at the same rate as the increase in the supply of four and five star accommodation in Queensland between 2006 and 2007 (3.62%) (ABS 2007). On this basis, by 2016 55.4% of visitors are expected to stay in this type of accommodation;
- The average length of stay in the WTR is 5.1 days (weighted average of domestic and international visitor stays between 2002 and 2007) (Tourism Queensland); and
- 8.0% of domestic and 2.0% of international visitor nights are spent at property belonging to a friend or relative (Tourism Queensland 2007), these persons are not included in the total visitor population seeking accommodation.

Based on these assumptions, the assessment identifies the following demand for comparable accommodation in 2007:

- 305,967 total overnight visitors;
- 1.6 million visitor accommodation nights;
- 1,235 room spaces per night; and
- 4,277 bed spaces per night.

3.4.2 Forecast Demand For Comparable Accommodation

Although the number of domestic overnight visitors increased at an average annual rate of 7.3% per annum between 2002-2007, it is considered that this represents a high growth scenario for 2007 to 2016 given Tourism Queensland's forecasts for domestic overnight visitation in Queensland. Instead, 6.0% growth has been assumed as a more conservative estimate. Given the slight fall in the number of international overnight visitors between 2002 and 2007 a growth rate of 1.0% per annum has been assumed for international visitors between 2007 and 2016.

Based on these assumptions, by 2016 there would be approximately 1.2 million overnight visitors to the WTR seeking visitor accommodation. Assuming that by that time 55.4% of overnight visitors chose to stay in comparable accommodation, this would result in the following demand for comparable accommodation:

- 645,173 total overnight visitors;
- 3.3 million visitor accommodation nights;
- 2,605 room spaces per night; and
- 9,018 bed spaces per night.

3.5 Summary

Table 3.1 illustrates the estimated current and forecast (2016) demand for comparable visitor accommodation in the WTR.

Table 3.1. Demand for Comparable Visitor Accommodation in the WTR, 2007 and 2016

	Overnight Visitors	Visitor Nights	Room Nights	Bed Nights
Current Demand (2007)	305,967	1.6 million	1,235	4,277
Forecast Demand (2016)	645,173	3.3 million	2,605	9,018

Source: AEC *group*

Between 2007 and 2016, demand for comparable accommodation in the WTR is forecast to increase by approximately:

- 339,206 total overnight visitors;
- 1.7 million visitor accommodation nights;
- 1,369 room nights; and
- 4,741 bed nights.

4. SHMD Visitor Accommodation Demand Assessment

4.1 Introduction

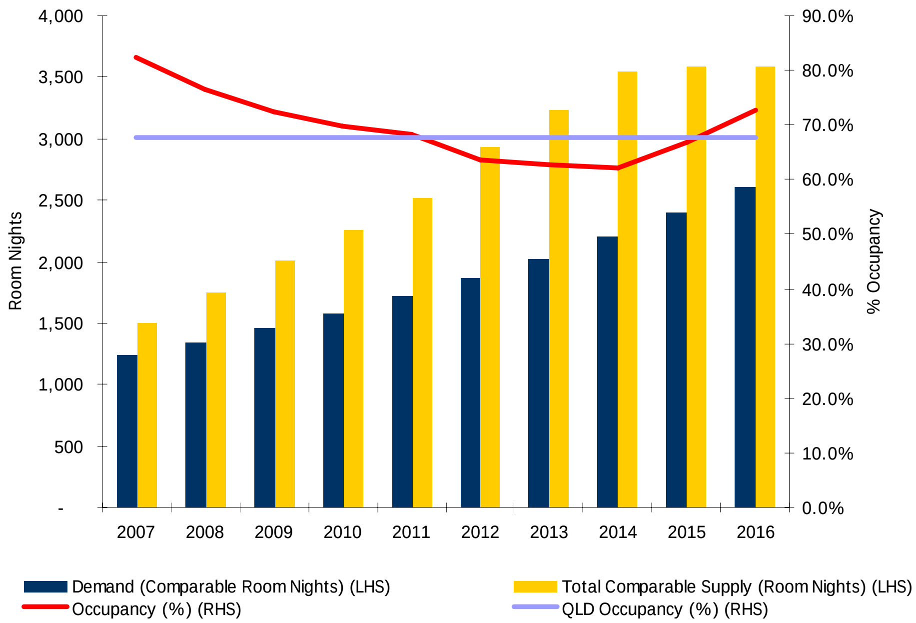
It is important to establish that there will be sufficient demand for the tourist resort and the Management Resort Accommodation. The section includes an analysis of the target market, similarities and points of difference from other offerings in the market and the market share requirement of the tourist resort and Managed Resort Accommodation.

4.2 Demand for SHMD Visitor Accommodation

4.2.1 Forecast Demand

Figure 4.1 summarises the changes in supply and demand between 2008 and 2016 as additional supply becomes available (including SHMD) and demand increases as set out in chapter 3. It is estimated that the additional supply identified in Table 2.4 will be released into the market over the six years to 2013 and the visitor accommodation elements of SHMD between 2012 and 2015.

Figure 4.1. Changes in Supply and Demand for Comparable Accommodation, 2007 – 2016



Source: AEC *group*

As additional supply is added to the market from 2008, so average occupancy rates decline, from 82.4% in 2007 to 62.2% in 2014. It is estimated that all additional supply, except the last 34 units of the SHMD Managed Resort Accommodation, will have been released onto the market by this time and as visitor numbers continue to increase so to do occupancy rates.

In the year ended June 2007, the average occupancy rate for hotels, motels and serviced apartments with 15 or more units/rooms in Queensland was 67.7% (ABS 2007). Visitor accommodation very rarely reaches 100% of capacity as there are usually some rooms that are not available (e.g. due to the sequencing of rooms for guests and cleaning requirements). Further, visitor accommodation establishments, especially larger ones in holiday destinations like the WTR, tend to carry capacity during times of average occupancy to allow them to meet peak demand periods (for example in the year ended June 2007, the average occupancy rate for all hotels, motels and managed apartments (irrespective of star grading) in the WTR with 15 more rooms/units was 62.9%, but this increased to 74.4% during peak demand periods).

It would be expected that as additional supply of comparable accommodation becomes available demand would increase faster than for visitor accommodation as a whole. The current high occupancy rates for comparable accommodation, especially during peak periods, is likely to mean that some potential visitors are unable to secure accommodation and so have no choice but to holiday elsewhere. Further, the expansion of the marine leisure sector (especially amongst high net worth individuals) and continued economic growth suggest that the number of individuals who are likely to demand the type of high quality accommodation and associated facilities on offer at SHMD is likely to continue to increase at a faster rate than in other sectors of the visitor accommodation market.

4.2.2 Market Equilibrium and Occupancy Rates

The average Queensland occupancy rate can be taken as indicative of the accommodation market in equilibrium (67.7%). The market equilibrium is the point at which supply and demand are considered to be in balance, where suppliers make appropriate returns on investment without earning excessive profits or operating at a loss. Further increases in occupancy rates beyond market equilibrium would be expected to lead to increased supply as new entrants leave less profitable sectors of the economy. Equally, when occupancy rates fall below the market equilibrium rate, there is no incentive for investors to enter the market to further increase supply as higher returns can be made elsewhere.

At present, it appears that a lack of supply of comparable visitor accommodation has driven occupancy rates in the WTR above the Queensland average and the market is responding by increasing supply. By 2016, it is estimated that the WTR market will be again slightly higher than equilibrium. Continued growth in demand after the last increases in supply (developments outlined in Table 2.4) in 2015 may lead to occupancy rates for comparable accommodation in the WTR exceeding equilibrium after 2016.

4.2.3 Supply and Demand Summary

Table 4.1 summarises the changes in supply and demand of comparable visitor accommodation in the WTR between 2007 and 2016.

Table 4.1. Supply and Demand of Comparable Accommodation WTR, 2007 and 2016

	Room Nights	Bed Nights
Current Supply	1,499	5,190
SHMD (Resort)	109	377
SHMD (MRA)	207	717
Other Supply (by 2016)	1,773	6,139
Total Supply 2016	**3,588**	**12,422**
Current Demand	1,235	4,277
Additional Demand	1,369	4,741
Total Demand 2016	**2,605**	**9,018**

Notes: (a) Based on average occupancy rate for resorts, hotels and serviced apartments WTR year to June 2007
Source: AEC *group*

The increase in comparable accommodation that is expected to take place over the next eight years is estimated to increase the number of available visitor rooms in comparable accommodation to 3,588 per night. Over the same period, demand for comparable accommodation is forecast to increase to 2,605 visitor rooms per night. This would result in an average occupancy rate of 72.6% by 2016, which is slightly higher than would be expected in an efficient tourism accommodation market.

The increase in occupancy rates to levels above those found in an efficient market suggests that despite the growth in the provision of comparable accommodation planned in the period to 2016, anticipated increases in demand will be sufficient to maintain the viability of comparable accommodation providers.

4.3 Target Market

4.3.1 Sector Characteristics

The visitor accommodation aspects of the SHMD are likely to appeal to two overlapping market sectors – high net worth individuals and prestige marine leisure enthusiasts – key characteristics are summarised below. These will not be the only overnight visitors but may be expected to make up a clear majority.

Table 4.2. Characteristics of SHMD Visitor Accommodation Target Market

Sector	Main Sector Characteristics
High Net Worth Individuals	• Professional background/ company owner/director • Relatively high disposable income • Urban residential location, probably state capital • Holidaying with spouse/other family/friends
Prestige Marine Leisure Enthusiast	• Professional background/ company owner/director • Relatively high disposable income • Well developed interest in marine leisure sector • Boat owner • SHMD Marina customer • Holidaying with family/ adult groups

Source: AEC *group*

Tourist Resort

It is likely that the target market sector for the resort accommodation would be looking for a high quality resort with easy access to nearby tourist and leisure pursuits. Given the type, location and expected room rates at the tourist resort it would be expected that the principal target market would be professional people with young families. In line with the rest of the WTR where 67% of visitors travel to the region on holiday (Tourism Queensland 2007), holidays would be expected to be the most common reason for visiting.

Whilst it would be expected that some visitors would have an interest in marine leisure activities many others will not, although they may try some marine activities during their stay. It is also likely that many will be visiting the Whitsundays for the first time. It would be anticipated that most visitors would stay for between three days (long weekend) and six days (week long holidays).

Managed Resort Accommodation

Like the tourist resort, the high quality finishes of the Managed Resort Accommodation and the associated facilities are likely to attract professionals, mainly from state capitals and other major service centres. The Managed Resort Accommodation is expected to appeal most to older families and adult groups.

In many cases visitors will be returning to the Whitsundays and have a well developed interest in marine leisure pursuits and will take the opportunity to access the marine facilities at the development. In some cases, visitors using the Managed Resort Accommodation may also have their own boats berthed in the marina and use the accommodation as a base from which to access the marine environment. The average length of stay at the Managed Resort Accommodation would be expected to be more variable than for the tourist resort, with some visitors coming for long weekends while others may chose to stay for more extended periods.

4.3.2 Room Rates

Table 4.3 sets out the current average daily room rate for different accommodation types as found in an online review of available visitor accommodation in the Whitsunday Region (see **Appendix A).**

A wide range of accommodation types is available in the region from backpackers and caravan parks to five star island resorts. This range is also reflected in the respective charges, which vary from $20 per night at a caravan park to $807 per night at a resort.

Table 4.3. Accommodation Supply and Charges, Whitsunday Region

Accommodation Type	Rooms Available	Average Minimum Daily Rate	Average Maximum Daily Rate
Apartment	244	$199	$309
B&B Traditional	11	$127	$148
Backpackers	334	$24	$78
Caravan Park	1,055	$20	$32
Holiday Unit	504	$134	$270
Hotel	437	$203	$259
House	25	$323	$423
Motel	315	$91	$143
Resort	761	$466	$807
Serviced Apartments	42	$409	$589

Note: Average rates include all accommodation in the type, only accommodation with four or more stars was considered comparable in the demand assessment.
Source: RACQ

Tourist Resort Rates

Despite the fact that the 'Resort' accommodation type has the second greatest number of rooms available it is still able to charge the highest rates, ranging from $466 to $807 per night. These rates do not include the suites that are available and which cost up to $4,500 per night. These rates reflect the premium that consumers are willing to pay in order to enjoy the particular environment and services on offer. If only the four star hotels are considered, the average rates were $340 to $398 per night. As with resorts, this reflects the value visitors place on the additional facilities that higher priced accommodation provides.

The three major resorts in the region are located on islands and have ratings of five, four and three stars. Although SHMD does not have an island location it would be expected to offer a similar standard of visitor experience to the four and five star resorts and hotel as well as offering the additional benefit of access to a first class marina facility and the other elements of the SHMD.

Taking these factors into account, and considering the target market, it would be expected that room rates would be slightly lower than at the four and five star resorts but higher than the three star island resort, resulting in a room rate of between $375-$450 per night.

Managed Resort Accommodation Rates

The survey did not find any similar Managed Resort Accommodation that was currently available in the region. The 'House' category may be the closest but this varies considerably depending on the size, quality and location of the property and none of those currently available can offer such immediate access to marina facilities or the other aspects of the SHMD development.

Given the high standard of the Managed Report Accommodation, combined with the location and facilities on offer, it is anticipated that the Managed Report Accommodation will command a premium price above that of most other accommodation types in the region.

A luxury holiday home in Airlie Beach with 4.5 star rating was advertised at $350 to $500 per night (RACQ 2008). It would be anticipated that rates for the Managed Resort Accommodation would be similar depending on the final design and size of the accommodation in question. It would also be anticipated that the water front lots would be able to command a premium, above that of the other sites.

However, it should be noted that only two properties of this type with a four and five star rating were identified and this sample size is too small to allow firm conclusions to be drawn.

4.3.3 Competitive Analysis

Tourist Resort

The combination of the relatively low level of available supply, high demand for this type of facility, high quality of the tourist resort and co-location with first class marine facilities in close proximity to the Whitsunday Islands is thought likely to be highly attractive to this market sector.

The principal competitors for this market sector are likely to include:

- Gold Coast;
- Sunshine Coast;
- Cairns; and
- City breaks (Sydney/Melbourne/Brisbane).

Whilst these alternatives can offer some aspects of the SHMD tourist resort, for example, high quality resort style accommodation, they are not able to offer such ready access to the Great Barrier Reef and Whitsunday Islands or the first class on and off shore facilities that will be available at SHMD.

Managed Resort Accommodation

This is a specialised offering that is likely to attract a more specific marine leisure focused client base for whom the principal attractions will the marina facilities, the location and the high quality of the accommodation.

Although there is competition for this high-value sector from other Australian and international visitor destinations, the marina facility and the ready access to Great Barrier Reef and Whitsunday Islands is likely to be highly attractive to the marine leisure sector. Further, the combination of the on and off shore facilities, transport links and proximity to Australian capital cities is thought likely to prove attractive to the target market.

4.3.4 Market Share

To meet the estimated market occupancy rate of 69.4% in 2016, it is estimated that the tourist resort would need to achieve a market share of 3.1% of the total comparable visitor accommodation in the WTR. This equates to being able to fill 76 of the 109 available guest suites. In order for the Managed Resort Accommodation to meet average market occupancy in 2016, it would need to achieve 6.1% of the comparable market share in the WTR, equivalent to filling an average of 144 of the 207 units.

Both the Tourist Resort and the Managed Resort Accommodation would be expected to be able to meet the market share requirements given the high quality of the product on offer and the other aspects of the SHMD, which set it apart from other similar accommodation offerings in the market. Whilst other visitor accommodation may be able to offer similar accommodation facilities, SHMD can also provide first class marina and commercial facilities in addition to easy access to the Great Barrier Reef and Whitsunday Islands.

4.3.5 Investment Environment

As discussed in earlier sections, there is strong demand for visitor accommodation throughout the WTR, especially for the type of premium accommodation proposed for the SHMD. Property sales data for the Shute Harbour area illustrates the prestigious nature of the location and the premium that investors will pay to access this. An analysis of sales data for the last three years (2005-2007) shows the average house price in the area during that period was over $920,000 (RP Data, 2007).

In addition to the strength of the housing market in the area, the construction of a state of the art marina development and associated onshore developments is likely to increase the popularity of the area especially amongst the participants of the expanding marine leisure sector.

However, at a broader economic scale there are concerns about the national economic outlook influenced by concerns over the impact of the US sub-prime mortgage situation, continued increases in fuel prices and the potential for further interest rate rises.

Overall, given the expected high net worth of the individuals likely to be investing in the Managed Resort Accommodation and the demand for these types of prestige properties, especially when combined with the quality of the marina facilities, it is unlikely that these concerns would result in significant difficulties in locating investors.

4.4 Additional Factors

This analysis, especially the demand section, has been prepared using a series of conservative assumptions. This approach has been used to ensure that the forecasts are not overstated. In many cases Queensland averages have been used to forecast future demand, however, this approach does not recognise the unique characteristics and demand drivers of the WTR. Several factors suggest that growth in visitor numbers to the WTR over the next ten years, especially amongst those staying in comparable accommodation, may outstrip the rate for the state as a whole, including:

- The proximity to the Great Barrier Reef and the Whitsunday Islands which can be accessed by private, charter on commercial vessels;
- The current shortage of mainland four star plus accommodation;
- The rapid expansion of the marine leisure sector; and
- The continuing development of air transport links to the region.

The result of this conservative approach is that the outputs are likely to tend to underestimate the likely growth in demand for comparable accommodation. This approach was used in order to demonstrate that even when using these modest assumptions there is sufficient demand for the visitor accommodation aspects of the SHMD.

4.5 Summary

There is sufficient market demand within the WTR market for the additional accommodation provided by the SHMD development, even when accounting for the significant development currently planned or under development.

The market is currently out of equilibrium, as evidenced by the occupancy rate of 82.4% compared to the Queensland market rate of 67.7%, and is estimated to return to approximately 72.6% in 2016.

The visitor accommodation aspects of the SHMD, along with the comparable accommodation developments currently being progressed in the region, have an important role to play in addressing the accommodation supply imbalance currently experienced by the market.

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Appendix A: Current Visitor Accommodation

Table A.4.1. Review of Visitor Accommodation Currently Available in the Whitsunday Region

Name	Location	Rooms /Units	Daily Tariff ($)
Apartment			
Marina Shores	Airlie Beach	25	240 to 500
Pinnacles Resort & Spa	Airlie Beach	29	380 to 550
Laguna Whitsundays	Proserpine	80	280 to 380
Martinique Whitsunday	Airlie Beach	19	200 to 295
Seastar Apartments	Airlie Beach	20	160 to 270
Baybreeze Whitsunday Coast Resort	Airlie Beach	20	160 to 170
Le Jarden	Airlie Beach	3	150 to 240
Waterfront Whitsunday	Airlie Beach	6	195 to 270
Whitsunday Vista Resort	Airlie Beach	32	135 to 105
Sunlit Waters Studio Apartments	Airlie Beach	7	85 to 105
Holiday Penthouse	Airlie Beach	N/a	N/a
Hamilton Getaways	Hamilton Island	N/a	N/a
Hamilton Island Lagoon Apartment	Hamilton Island	N/a	N/a
B&B Traditional			
Island View Bed & Breakfast	Airlie Beach	2	130
Whitsunday Moorings B & B	Airlie Beach	2	155 to 175
Airlie Beach Myaura Bed & Breakfast	Airlie Beach	3	95 to 120
Airlie Waterfront B&B	Airlie Beach	N/a	N/a
Whitzend Hideaway Bed & Breakfast	Airlie Beach	N/a	N/a
Backpackers			
Airlie Beach YHA	Airlie Beach	16	24 to 78
Airlie Waterfront Backpackers	Airlie Beach	N/a	N/a
Backpackers by the Bay	Airlie Beach	N/a	N/a
Beaches Backpackers	Airlie Beach	N/a	N/a
Bush Village Backpacker Resort	Cannonvale	N/a	N/a
Koala Beach Resort Airlie Beach	Airlie Beach	N/a	N/a
Reefo's Resort	Airlie Beach	N/a	N/a
Caravan Parks			
BIG4 Adventure Whitsunday Resort	Airlie Beach	131	22 to 47
Airlie Cove Resort & Van Park	Airlie Beach	92	25 to 42
Conway Beach Tourist Park Whitsunday	Conway Beach	41	22 to 24
Flametree Tourist Village	Shute Harbour	100	16 to 27
Island Gateway Holiday Park	Airlie Beach	162	20 to 45
Mountain Valley Caravan Park	Airlie Beach	100	17 to 26
Proserpine Tourist Park	Proserpine	46	15 to 22
Gunna-Go Caravan Park	Proserpine	55	20 to 22.50
Hydeaway Bay Caravan Park	Hydeaway Bay	N/a	N/a
O'Connell River Whitsunday Tourist Park	Proserpine	N/a	N/a
Whitsunday Wanderers Resort Caravan Park	Airlie Beach	N/a	N/a
Seabreeze Caravan Park	Airlie Beach	N/a	N/a
Holiday Units			
Azure Sea Whitsunday Grand Mercure Apartments	Airlie Beach	5	155 to 480
Mediterranean Resorts	Airlie Beach	16	180 to 400
Portside Whitsunday Resort	Airlie Beach	19	155 to 625
Toscana Village Resort	Airlie Beach	23	180 to 200
Waters Edge Resort	Airlie Beach	46	200 to 490
Bay of Airlie Accommodation & Tours	Airlie Beach	1	150 to 170
Beach Court Holiday Villas	Airlie Beach	20	120 to 155
Best Western Mango House Resort	Airlie Beach	34	105 to 290
Boathaven Spa Resort	Airlie Beach	27	150 to 490
Coral Sea Vista Apartments	Airlie Beach	9	115 to 210
Reefside Villas Whitsunday	Airlie Beach	20	145 to 175

Name	Location	Rooms /Units	Daily Tariff ($)
Sailz Boutique Holiday Villas	Airlie Beach	32	180 to 250
Shingley Beach Resort	Airlie Beach	32	140 to 330
Airlie Apartments	Airlie Beach	15	114 to 159
Airlie Court Holiday Units	Airlie Beach	6	120 to 180
Paradise Court Holiday Units	Airlie Beach	7	90 to 120
Whitehaven Beachfront	Airlie Beach	6	110 to 145
Whitsunday Waterfront Apartments	Airlie Beach	19	90 to 125
Orana Lodge Whitsunday	Airlie Beach	8	90
Colonial Court Holiday Apartments	Airlie Beach	6	85 to 140
Whitsunday on the Beach	Airlie Beach	N/a	N/a
Whitsunday Wanderers Resort	Airlie Beach	N/a	N/a
Whitsunday Palm Tree Lodge	Airlie Beach	N/a	N/a
Airlie Island Traders	Airlie Beach	N/a	N/a
Rogers Lagoonfront Units	Airlie Beach	N/a	N/a
Montes Reef Resort	Hydeaway Bay	N/a	N/a
Seaview Apartments	Airlie Beach	N/a	N/a
Hotel			
Reef View Hotel	Hamilton Island	82	340 to 398
Cannonvale Reef Gateway	Airlie Beach	24	65 to 120
Peppers Palm Bay	Long Island	N/a	N/a
House [(a)]			
Luxury Holiday Home	Airlie Beach	1	350
Airlie Beach House	Airlie Beach	1	295
Seaview House	Airlie Beach	N/a	N/a
Warrain Beach House	Shute Harbour	N/a	N/a
Whitsunday Wilderness Cottage	Long Island	N/a	N/a
Whitsunday Heritage Cane Cutters Cottage	Airlie Beach	N/a	N/a
Pavilion Villas	Airlie Beach	N/a	N/a
Motel			
Airlie Beach Motor Lodge	Airlie Beach	9	105 to 112
Best Western Colonial Palms Motor Inn	Airlie Beach	30	109 to 135
Comfort Resort Club Crocodile Airlie Beach	Airlie Beach	160	110 to 193
Coral Point Lodge	Shute Harbour	9	115 to 185
A & A	Proserpine	14	80 to 98
Downtown Airlie	Airlie Beach	6	80 to 250
Proserpine Motor Lodge	Proserpine	33	59 to 79
Whitsunday Palms	Proserpine	8	70 to 90
South Molle Island Resort	South Molle Island	N/a	N/a
The Islands Inn	Airlie Beach	N/a	N/a
Anchor Motel Whitsunday	Proserpine	N/a	N/a
Shute Harbour Motel	Shute Harbour	N/a	N/a
Resort [(b)]			
Hayman	Hayman Island	34	665 to 1,150
Daydream Island Resort & Spa	Daydream Island	296	334 to 822
Long Island Resort	Long Island	156	400 to 450
Whitsunday Terraces Resort	Airlie Beach	75	118 to 225
Serviced Apartments			
Peninsula Airlie Beach Penninsula Airlie Beach	Airlie Beach	42	409 to 589

Source: RACQ

Appendix B: Visitor Accommodation Ratings

Table B.1. Visitor Accommodation Rating Definitions by Accommodation Type

Stars(a)	Definition
Hotel, Motel and Apartment Hotel Ratings	
1	Basic standard. Simply furnished. Resident manager
2	Well maintained with an average standard: average furnishings, bedding and floor coverings
3	Well appointed with a comfortable standard of accommodation: above average furnishings and floor coverings
4	Exceptionally well appointed with a high level of facilities: quality furnishings and a high degree of comfort, presentation and guest services provided
5	International standard with a high degree of facilities: outstanding appointments, furnishings and décor and an extensive range of first class guest services. A number and variety of room styles and/or suites, choice of dining facilities, 24 hour room service, housekeeping, valet parking, porterage and concierge services
Self Catering Accommodation Ratings	
1	Clean and basic with simple furnishings and facilities
2	Moderate with comfortable furnishings and facilities
3	Well appointed with good comfortable accommodation and facilities
4	Excellent quality accommodation, furnishings and facilities
5	International quality appointments, furnishings and décor with an extensive range of first class guest services and facilities
Bed & Breakfast and Guest House Ratings	
1	Clean and basic with simple furnishings and facilities
2	Moderate with comfortable furnishings and facilities
3	Well appointed with good comfortable accommodation and facilities
4	Excellent quality accommodation, furnishings and facilities with either individual or ensuite facilities for each bedroom
5	International quality appointments, furnishings and décor with an extensive range of first class guest services and facilities. All bedrooms have ensuites
Tourist/Caravan Park Ratings	
1	Basic and clean with basic amenities
2	Moderate, clean, reasonably well maintained
3	Good, clean and well maintained, offering a good standard of amenities/facilities and comfort
4	Very good with a high standard of amenities/facilities and accommodation
5	Excellent with exceptional amenities/facilities and accommodation
Backpacker Ratings	
1	Clean basic accommodation with simple furnishings and facilities
2	Moderate accommodation with comfortable furnishings and facilities
3	Well-appointed establishment offering comfortable accommodation and facilities
4	Exceptionally well-appointed accommodation: bed linen supplied or hired, twin or double rooms available, reception opened a minimum of 12 hours and a convenience store located within 200 metres
5	Benchmark in accommodation and facilities: all bed linen supplied, some ensuited accommodation offered and at least two communal areas. Variety of guest facilities provided including onsite café and bar, internet access, tour booking service, on site parking or public transport within 200 metres, organised activities and 24 hours reception

Notes: (a) An additional half STAR indicates properties offering similar standard to the appropriate full STAR rating, but offering more comfort by providing additional features and items.
Source: www.accommodationguide.com

AECgroup

› BRISBANE

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› CANBERRA

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E: aec@aecgroupltd.com
W: www.aecgroupltd.com