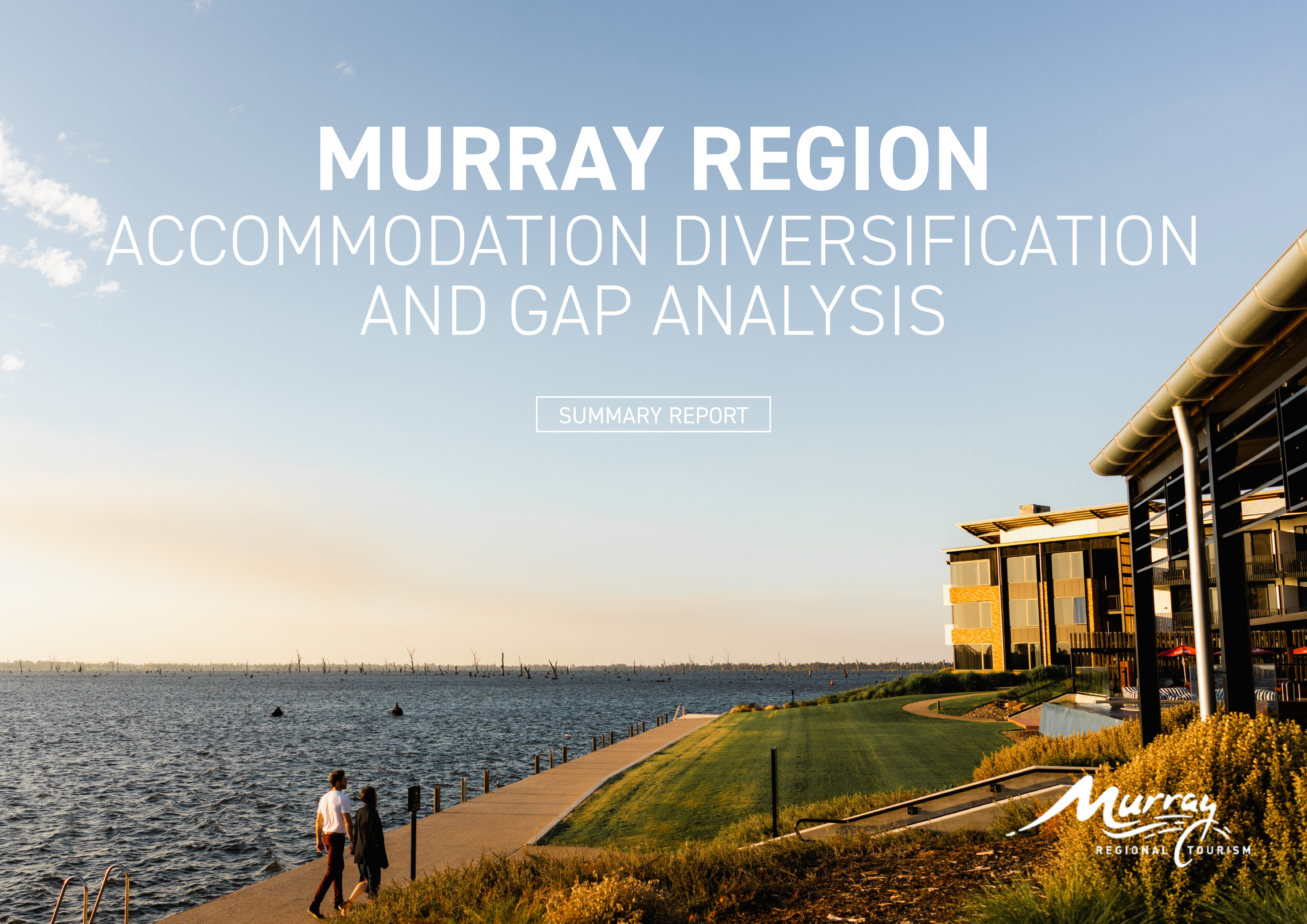
MURRAY REGION
ACCOMMODATION DIVERSIFICATION AND GAP ANALYSIS

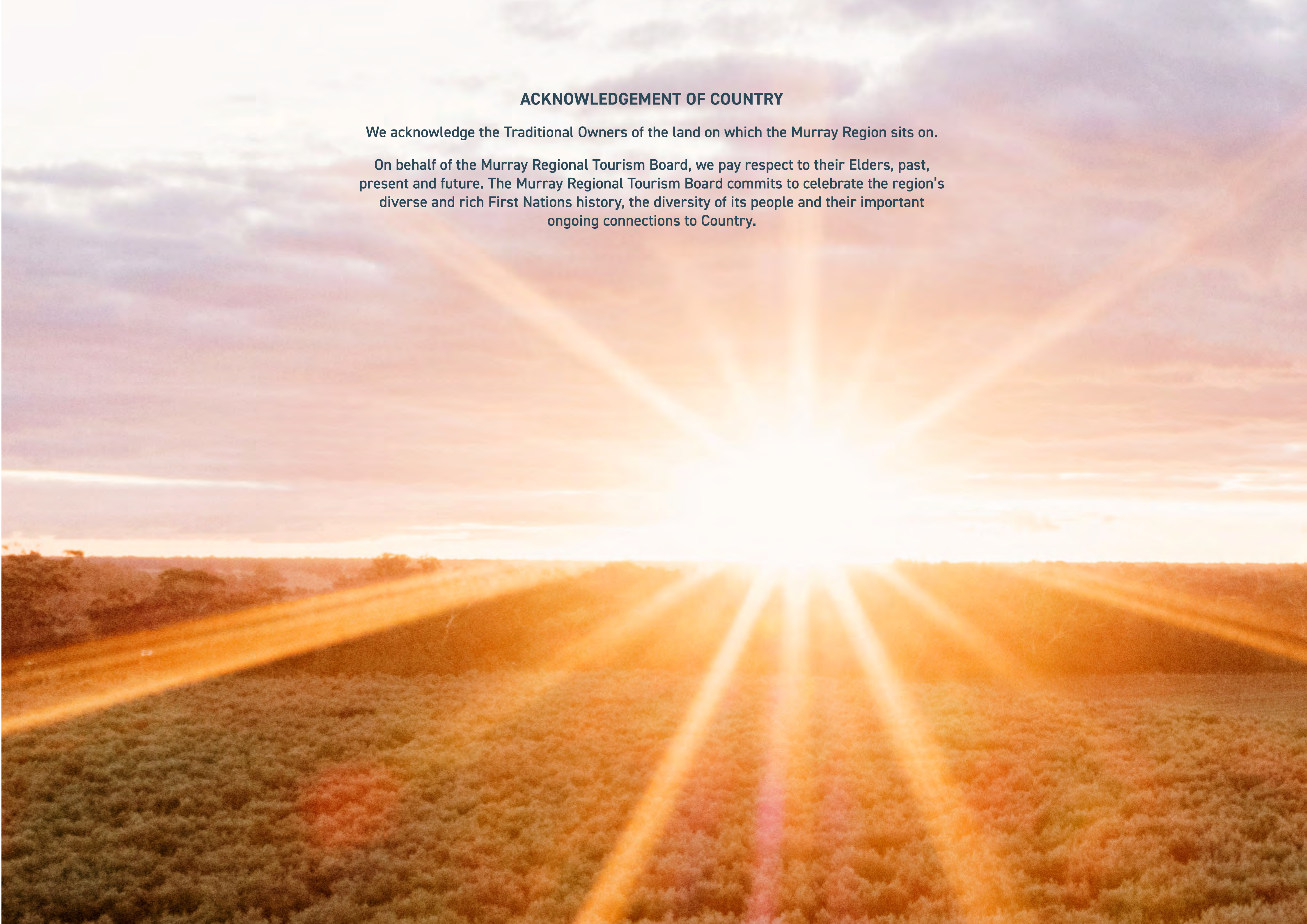
SUMMARY REPORT



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the land on which the Murray Region sits on.

On behalf of the Murray Regional Tourism Board, we pay respect to their Elders, past, present and future. The Murray Regional Tourism Board commits to celebrate the region's diverse and rich First Nations history, the diversity of its people and their important ongoing connections to Country.



MESSAGE FROM THE CHAIR

As chair of the Murray Regional Tourism Board I am pleased to present this Murray Region Accommodation Diversification Gap Analysis.

This document sits within the “Revitalising the Murray”, a strategic project consisting of five components that collectively reactivates the visitor economy within the Murray region. In developing the strategy, we are grateful for the funding support by the Victorian State Government and the significant consultation and engagement with a broad range of stakeholders. Each of the five project components provide a range of outcomes and benefits responding to the needs of both industry, large and small, and government.

The Murray Region Accommodation Diversification Gap Analysis, is the first piece of work of its kind developed for the Murray region, undertaking an audit of all accommodation product across our cross-border region. This audit highlights the types of accommodation available, numbers of rooms and number of bed spaces.

The report details key accommodation typologies for future investment in the Murray, opportunities identified through the accommodation gap analysis, market research, engagement with investors and benchmarking with other regions. This analysis outlines trends in consumer preferences and investment opportunities for growth and development to meet consumer demands.

I trust that this document will assist you to understand the changing face of consumer demand and with collaboration grow the visitor economy.

Wendy Greiner
Chair of Murray Regional Tourism
October 2022

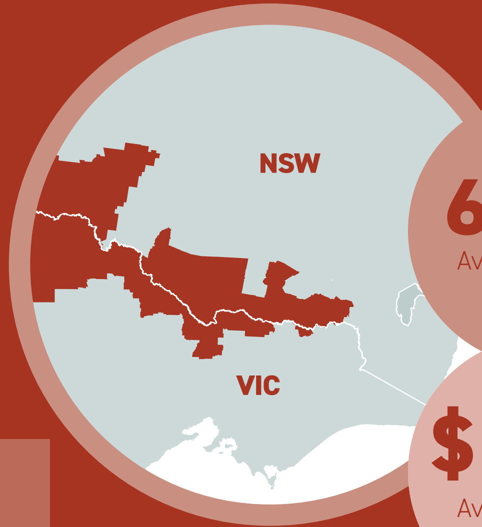
CONTENTS

EXECUTIVE SUMMARY

The Murray region is a diverse and rich region, encompassing 13 Local Government Areas (LGA) across both side of the New South Wales-Victorian border. The region is connected by the Murray River, the source of much of the existing visitation to and surrounding townships.

The Murray Region Accommodation Study is one of five components of the Revitalising the Murray Project, a strategic intervention project undertaken by Murray Regional Tourism (MRT).

This responds to a long-term need for investment in new accommodation stock across the Murray region.



6.4 M
Average Annual Visitors

$1.7 B
Average Annual Domestic Spend

Murray Region Accommodation Supply Summary	1,479	12,276	27,042
	Establishments	Rooms & Cabins	Bed Spaces

Demand for Visitor Accommodation

↑ 1.9M
Additional Overnight Visitors by 2032

↑ 3,000
Additional rooms needed by 2032

KEY DEMAND INDICATORS

Strong historic growth in visitation to the Murray Region of 4% per annum between 2010 and 2019[1].

Exceptionally strong rebound in visitation to the Murray Region in 2022.

Significant uplift in average daily room rate, increasing 28% in 2022 from 2019[2].

Projected growth in overnight visitation from 3.3 to 5.2 million visitors between 2022 and 2032[3].

AUSTRALIAN MARKET PREFERENCES FOR ACCOMMODATION[4]

Accommodation Type	Proportion of Visitors %
Self-contained house/apartment	42%
Resort	21%
Luxury hotel	21%
Caravan park/holiday park	19%
Motel/motor inn	18%
Serviced apartment	17%
Eco-cabin/villa/tiny house	16%
Houseboat	15%
Glamping	12%
Farm stay	11%
Staying overnight on a boat cruise	11%
Health/wellness retreat/spa	10%
Informal campground	9%
Bed & Breakfast	4%
Backpacker/hostel	3%
Other	1%

Visitor preferences for self-contained, hotel and resort accommodation are not being met in the Murray region.

[1] TRA, 2010-2019.
[2] Localis data for MRT.
[3] Urban Enterprise forecasting.
[4] Murray Region Consumer Research, 2022.

Investment Impact

Investment in accommodation will have major economic benefits for the Murray Region.

Delivering the 2,960 estimated supportable rooms would require an investment of approximately $346 million. This includes construction spend for new accommodation stock and reinvestment in over-supplied outdated accommodation stock.

Total Investment

$346M

Visitation Benefit

$1.9M

Visitors

$259M

Spend

Construction Benefit

$1.0B

Total Output

2,424

Jobs

Ongoing Benefit

$392M

Total Output per annum

2,994

Jobs per annum

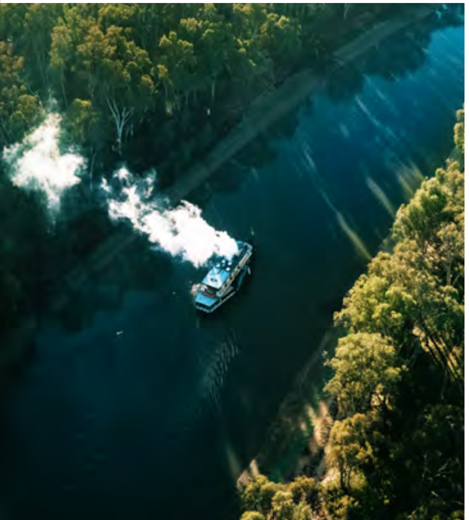
Priority Accommodation Opportunities

Priority accommodation opportunties have been identified through the accommodation gap analysis, market research, engagement with Council and investors, and benchmarking against other regions. Priority accommodation projects for future investment in the Murray Region have been outlined below.

A range of supporting projects have also been identified in this document.

Western Murray

- Hotel and Conference Centre, Mildura Riverfront
- High Quality Hotel, Mildura Marina
- Small-Scale, High Quality Boutique Hotel, Mildura
- Mungo Eco-Resort Redevelopment, Mungo National Park
- Refurbishment of Grand Hotel and Mercure, Mildura
- Darling River Boutque Glamping Experience, Wentworth
- Refuurbishment of Motel Accommodation Stock, Mildura, Wentworth
- Holiday Park Resort, Trentham Cliffs



Mid-Western Murray

- Eco-accommodation, Gunbower Creek Cohuna, Pental Island
- Serviced Apartment/Hotel, Swan Hill Riverfront
- Resort Accommodation, Murray Downs
- Self-Contained Apartments/ Units, Kerang
- Waterfront Accommodation Development, Kerang Lakes, Lake Boga
- Tourist Park Upgrades, Kerang Lakes, Cohuna, Koondrook
- Motel Upgrades
- Gunbower Eco Resort
- Barham Luxury Riverfront Resort

Central Murray

- Luxury Resort on the Murray, Echuca
- 5-Star Hotel and Conference Centre
- Boutique Luxury Hotel, Echuca
- Midscale Hotel, Echuca, Moama
- Serviced Apartments, Deniliquin
- Experiential Accommodation

Mid-Eastern Murray

- Yielima Station Farmstay and Indigenous Experience, Barmah National Park
- Red Gum Retreat Redevelopment, Ulupna
- Corowa Ball Park Caravan Park Redevelopment, Corowa
- Cobram Barooga Golf Club Accommodation Redevelopment, Barooga
- Corowa Golf Club Redevelopment, Corowa
- Lake Mulwala Resort
- Sebel Stage 2, Yarrawonga
- Redevelopment of Yarrawonga Motels into Hotel/Resort
- Barmah Forest Eco Resort [Yorta Yorta]
- Cactus Country Experiential Accommodation

Eastern Murray

- Reinvetstment in Lake Hume Resort, Albury
- Holiday Park (Big 4 or similar), Lake Hume
- Wodonga Hotel (Junction Place)
- Boutique Hotel at Gateway Island Arts Precinct, Wodonga
- Holiday Park at Gateway Island, Wodonga
- Bonegilla Migrant Experience Accommodation
- Wonga Wetlands Destination Holiday Park
- Nature-Based Accommodation
- Farm Stays, Albury and Greater Hume
- Reinvestment in Motels

MURRAY REGION ACCOMMODATION STUDY

Introduction

OVERVIEW

The Revitalising the Murray project is a strategic intervention project being undertaken by Murray Regional Tourism, designed to address the various aspects required to reactivate the visitor economy within the Murray region.

The project was funded by the Victorian Regional Recovery Fund and consists of five project components which will collectively provide a range of benefits and strategic outcomes designed to directly respond to the needs of industry and government across the region in both the immediate and long term.

The Murray Accommodation Diversification Gap Analysis aligns to the product development strategic priority and aims to encourage investment and build occupancy rates and assist recovery through alignment of the regional accommodation offering with consumer preferences.

The key drivers for this project, as detailed in the project brief, include:

- Create strategies for future government and private sector decision making;
- Identify strategic gaps and opportunities to stimulate private and public sector investment;
- Increase the Murray region's brand reputation;
- Expedite the current pathway to recovery;
- Increase visitation, expenditure and support the retention of and longer term building back of jobs;
- Create new engaging visitor experiences and product offers;
- Advance key long term strategic challenges; and
- Shape the future long term strategic direction for the region.

This project is informed by independent research and analysis, as well as in-depth consumer and industry research, ensuring the needs of the consumer and the local industry have been captured.

THE MURRAY REGION

The Murray region is a rich and diverse region, bound by the Murray River. The Murray River is the source of much of the region's existing visitation and market awareness.

The region encompasses 13 Local Government Areas (LGA) across both sides of the New South Wales-Victorian border.

The Murray region spans from Wentworth and Mildura in the west, to Albury and Wodonga in the east, and includes both sides of the New South Wales-Victorian border. This includes all LGAs and major waterways including the Murray River, key tributaries and key lakes/dams.

Understanding the visitor market of each destination within the Murray region is critical to understanding the unique opportunities and challenges for each area.

Therefore, the LGAs that form the MRT region have been organised into five sub-regions:

- Western Murray (Mildura, Wentworth)
- Mid-Western Murray (Swan Hill, Gannawarra)
- Central Murray (Campaspe, Murray River, Edward River)
- Mid-Eastern Murray (Moira, Federation, Berrigan)
- Eastern Murray (Albury, Wodonga, Greater Hume)

DARLING RIVER
WENTWORTH
MURRAY RIVER
Wentworth
Mildura
Robinvale
MILDURA
MURRAY RIVER
Sydney 550km
NSW
VIC
SWAN HILL
EDWARD RIVER
EDWARD RIVER
BERRIGAN
FEDERATION
Swan Hill
Koondrook -Barham
Deniliquin
KERANG LAKES
Kerang
Cohuna
Mathoura
Tocumwal
GREATER HUME
Holbrook
Adelaide 415km
GANNAWARRA
Cobram-Barooga
Wahgunyah -Corowa
LODDON RIVER
Yarrawonga -Mulwala
Albury-Wodonga
MURRAY RIVER
CAMPASPE
Echuca-Moama
OVENS RIVER
ALBURY
GOULBURN RIVER
MOIRA
WODONGA
CAMPASPE RIVER
Melbourne 180km

Accommodation Supply

This section is based on an accommodation audit undertaken by Urban Enterprise in 2021, as informed by desktop research, existing Murray region accommodation audits, and AirDNA data.

Image location: Lake Boga Caravan Park
Image credit: Visit Swan Hill, Ewen Bell

SUPPLY OVERVIEW[1]

An audit of accommodation across the Murray region identified 1,479 establishments, 12,276 rooms and 27,042 bed spaces.

The largest supply of accommodation is provided in self-contained accommodation, motel/motor inn and caravan, camping and holiday parks. Given the high number of small operators, particularly properties listed on Airbnb, self-contained accommodation represents 68% of all accommodation establishments.

With the exception of self-contained accommodation, over 56% of all commercial establishments in the Murray are considered to be low quality, with 29% considered midscale and 15% considered upscale. Low quality accommodation in the region largely comprises dated motels, motor inns and tourist parks, and reflects a lack of investment into the existing accommodation stock. This impacts on the region's ability to attract new visitor markets.

The low proportion of upscale accommodation is indicative of a lack of contemporary and boutique accommodation in the commercial accommodation sector. This situation is confounded by a lack of reinvestment from existing accommodation operators, who are often content servicing other markets (e.g. business travel, short-term accommodation) or who lack the financial capacity to undertake upgrades. There is an opportunity for the region to supply more niche and upscale accommodation establishments, to attract a higher spend visitor and meet the needs of the broader holiday/leisure market.

MURRAY REGION ACCOMMODATION SUPPLY

1,479
Establishments

12,276
Rooms/Cabins

27,042
Bed Spaces

PROPORTION OF ACCOMMODATION QUALITY

84% Airbnbs in the Murray region are rated **4.5 stars or above**.

ACCOMMODATION SUPPLY BY THE TYPE IN THE MURRAY REGION

	Establishments	Rooms	Beds
Self-contained house/apartment	68%	21%	27%
Motel / Motor Inn	12%	31%	27%
Caravan, Camping and Holiday Park	6%	16%	17%
Resort	2%	12%	13%
Hotel	3%	10%	8%
Serviced Apartment	1%	4%	3%
Houseboat	5%	3%	3%
Lodge / Group Accommodation	0%	2%	2%
Experiential Accommodation	2%	1%	1%
Backpacker / Hostel	0%	0%	1%
Bed and Breakfast / Guesthouse	0%	0%	0%

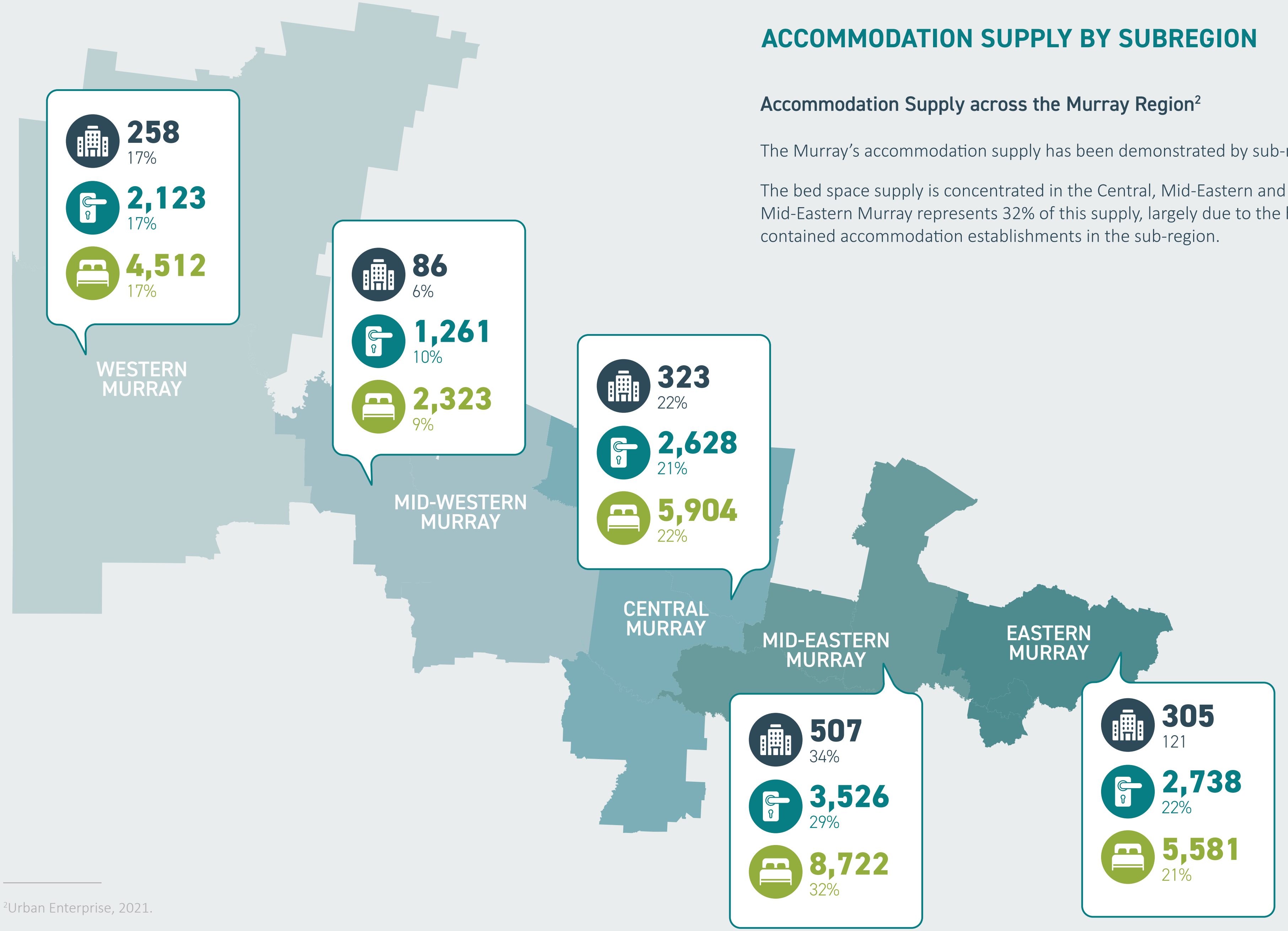
[1] Urban Enterprise, Accommodation Audit, 2021 and AirDNA, 2021.

ACCOMMODATION SUPPLY BY SUBREGION

Accommodation Supply across the Murray Region[2]

The Murray's accommodation supply has been demonstrated by sub-region below.

The bed space supply is concentrated in the Central, Mid-Eastern and Eastern sub-regions. Mid-Eastern Murray represents 32% of this supply, largely due to the high number of self-contained accommodation establishments in the sub-region.



[2]Urban Enterprise, 2021.

Accommodation Types across the Murray Region

The accommodation supply of each sub-region across the region has been demomstrated below.

Self-contained houses/apartments/units, including AirBnB and Stayz, are growing in supply across the region. This is due to offering higher quality accommodation compared to the region's commercial establishments. Given the lack of upscale accommodation in the commercial accommodation sector, Murray visitors who desire high quality accommodation are likely to be attracted to self-contained properties.

As well as being higher quality, self-contained accommodation is often larger in size compared to other commercial accommodation types, and provides visitors with privacy and the ability to self-service during their trip. These characteristics are highly suited to families and large groups, who are often underprovided for by hotels, motels and resorts. AirBnB ratings reflect consumer ratings. After staying at an Airbnb, guests can give star ratings (up to 5 stars) for overall experience, cleanliness, value, communication, arrival and location.

	Western Murray		Mid-Western Murray		Central Murray		Mid-Eastern Murray		Eastern Murray	
	No.	%	No.	%	No.	%	No.	%	No.	%
Motel / Motor Inn	670	**32%**	567	**45%**	768	**29%**	767	22%	1,043	**38%**
Self-contained house/apartment	350	16%	139	11%	531	20%	1,099	**31%**	417	15%
Caravan, Camping and Holiday Park	340	16%	264	21%	492	19%	647	18%	268	10%
Resort	273	13%	186	15%	278	11%	589	17%	170	6%
Hotel	131	6%	89	7%	146	6%	380	11%	525	19%
Serviced Apartment	102	5%	0	0%	64	2%	18	1%	262	10%
Houseboat	174	8%	0	0%	141	5%	3	0%	0	0%
Lodge / Group Accommodation	51	2%	4	0%	144	5%	0	0%	10	0%
Experiential Accommodation	0	0%	6	0%	36	1%	12	0%	16	1%
Bed and Breakfast / Guesthouse	1	0%	6	0%	8	0%	11	0%	27	1%
Backpacker / Hostel	31	1%	0	0%	20	1%	0	0%	0	0%
Total	**2,123**		**1,261**		**2,628**		**3,526**		**2,738**	

Accommodation Demand

This section provides an overview of accommodation demand in the Murray region. Demand is demonstrated by:

- Historic growth in visitation to the Murray.
- Investment context and major projects and events that will drive demand.
- Consumer demand, expectations and trends in consumer preferences, identified through consumer research including:
  - Research of past visitors to the Murray region (972 survey responses from predominately holiday leisure visitors during the 2021/22 summer period).
  - Consumer research of the Australian market (representatitive survey sample of 2,000 Australians) that shows potential visitor market preferences.
- Modelling of future demand.

PROJECTED VISITATION

Visitation projections forecast a 1.9 million increase in visitation in the 10 years to 2032, with visitation expected to reach 5.1 million per year.

Table 4 provides forecast overnight visitation based on TRA data. Data for the 2019 calendar year has been used as the 2022 business as usual scenario due to the impacts of COVID-19 in 2020 and 2021. Visitation is expected to resume to 2019 levels in 2022[3].

The scenarios presented in Figure F11 adjacent apply the historic average annual visitation growth rate of each of the following regions:

- Murray region (4.2%);
- Regional NSW (4.2%); and
- Regional Victoria (5.5%).

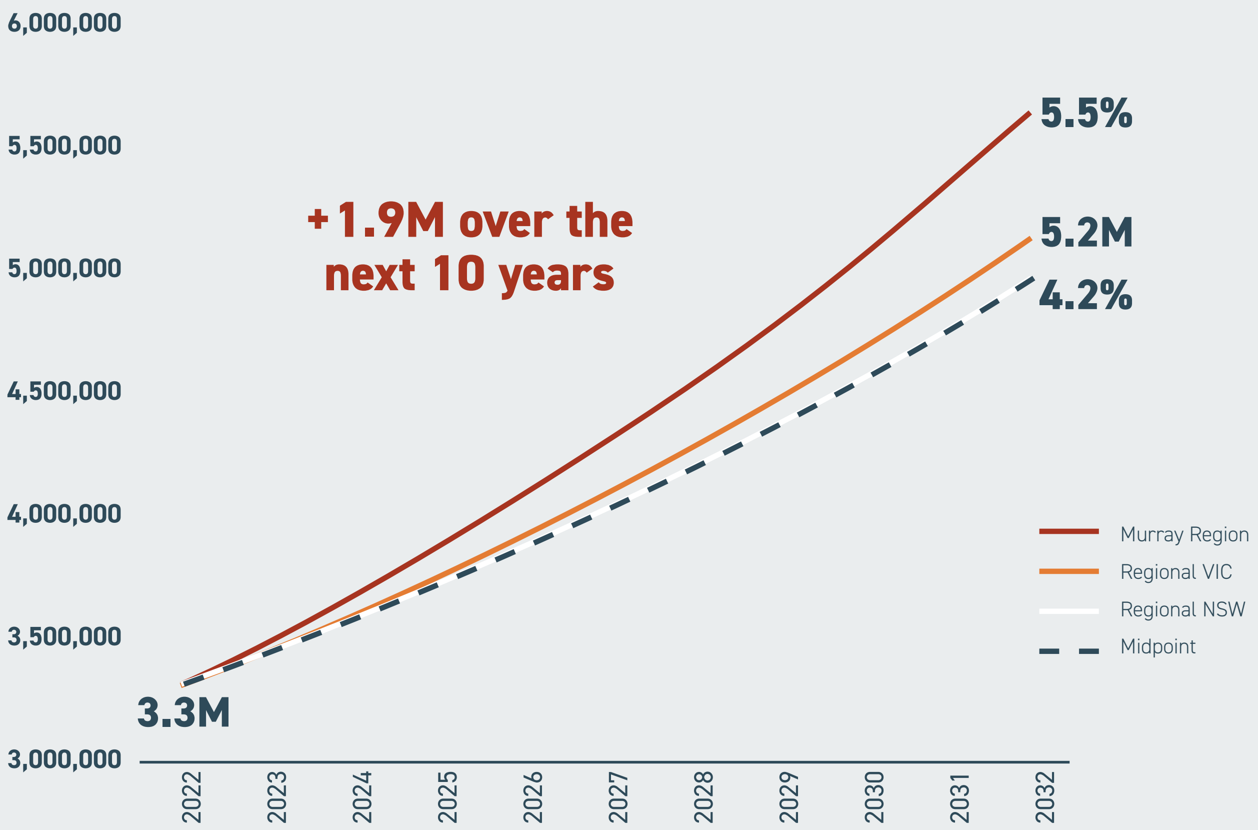
The trends observed in these regions provide insight into how visitation to the Murray could advance in future. The midpoint of these growth rates has been adopted as the projected rate of visitation growth for the Murray region.

Visitation growth rates between 2010 and 2019 varied in the following sub-regions:

- Western Murray (4.0%);
- Mid-Western Murray (2.1%);
- Central Murray (3.7%);
- Mid-Eastern Murray (4.9%); and
- Eastern Murray (5.3%).

The high visitation growth rate in Eastern Murray reflects the role of Albury-Wodonga as a major regional centre, and the associated increase in business and VFR visitation that has been generated over the past decade. Visitation to the Mid-Eastern sub region also grew significantly during the period, demonstrating the impact of investment into quality resort (e.g. The Sebel Yarrawonga) and self-contained accommodation stock.

OVERNIGHT VISITATION FORECASTS, MURRAY REGION[4]



[3]Tourism and Hotel Industry Outlook 2021-Edition 2, Deloitte Access Economics.

[4]Urban Enterprise forecasting, based on TRA data, using 2019 calendar year as 2022 business as usual scenario.

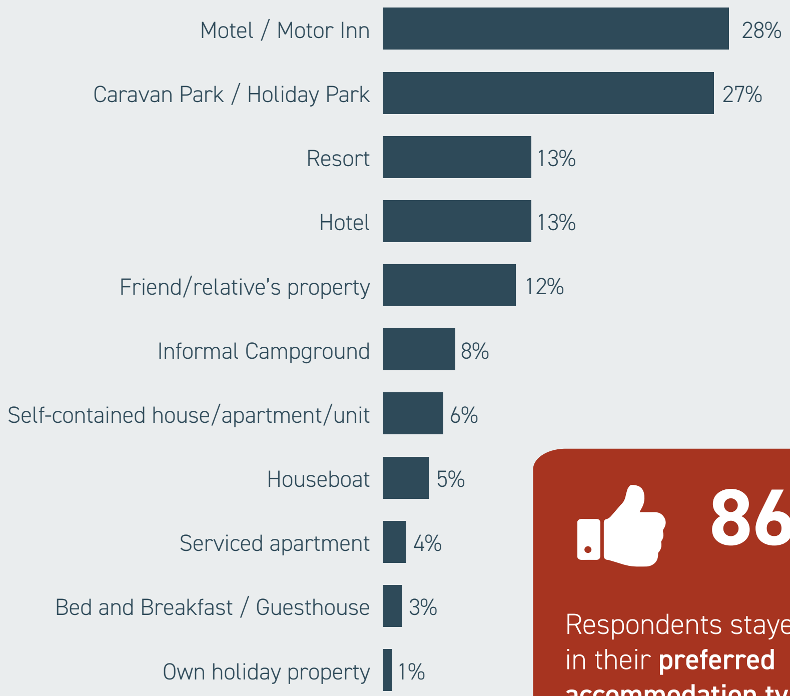
DEMAND FROM EXISTING MARKETS

The majority of past visitors surveyed stayed in motel/motor inn (28%) and caravan park/holiday park (27%) accommodation types. 86% of all past visitors said the accommodation type they stayed in was their preferred type. This indicates that the existing market is well catered for and satisfied. On the other hand, there was much lower representation of visitors staying in other accommodation types. This may indicate that a large portion of the potential visitor market is currently being neglected.

For those who did not stay in their ideal accommodation type (14%), the most preferred alternative accommodation styles are resorts (39%), caravan park / holiday parks (31%) and hotels (28%), indicating a desire for higher quality accommodation with supporting recreation and leisure facilities.

The existing Murray visitor is still low-spending, with a preferred price-point between $100-200 a night (56%) for alternate accommodation types.

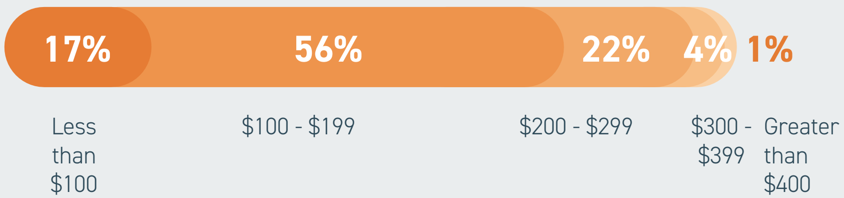
ACCOMMODATION STAYED IN[5]



86%

Respondents stayed in their **preferred accommodation type**[6].

MAXIMUM ACCOMMODATION PRICE



DEMAND FROM NEW MARKETS

The wider Australian visitor market highly values accommodation quality, with over half of all survey respondents indicating their preferred holiday experience in the Murray involves relaxing in beautiful accommodation.

The most preferred accommodation types reported by survey respondents are self-contained house/unit (42%), resort (21%), luxury hotel (21%) and caravan park/holiday park (19%). Currently, the Murray region's accommodation supply is dominated by caravan and camping, motel and self-contained accommodation types. As a defining factor of the visitor experience, expanding and diversifying the accommodation offer is essential for growing the Murray region.

Preferred Holiday Experiences

Wine, food and nature are the key product elements that motivate the Australian visitor market. Survey respondents reported that a preferred holiday experience to the Murray would include sightseeing (51%), food and drink (48%) experiences and feeling immersed in nature (39%).

Improved accommodation, dining and nature-based product offer in the Murray is required to capture a growing market and provide a richer experience for visitors.

PREFERRED HOLIDAY EXPERIENCE IF VISITING THE MURRAY REGION[8]

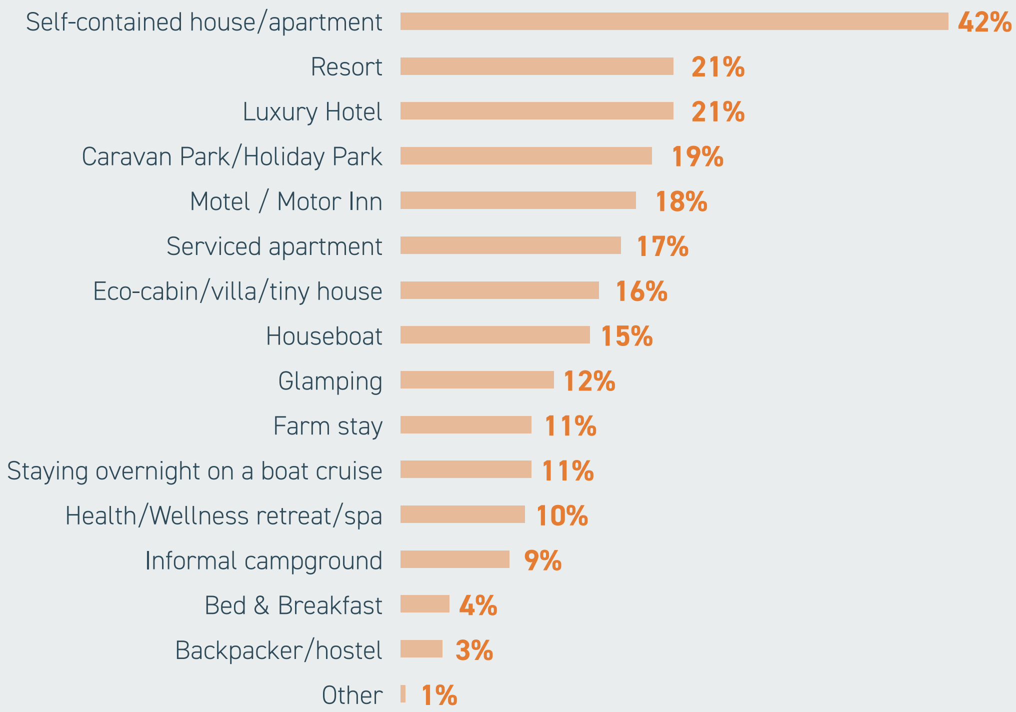
51% Relaxing in beautiful accommodation

51% General sightseeing

48% Food and drink experiences

39% Feel immersed in nature

PREFERRED ACCOMMODATION TYPE[9]



Murray region Audience Survey, Urban Enterprise 2022.

ACCOMMODATION PREFERENCES BY KEY TYPOLOGY

Self-Contained Accommodation Preferences

This section relates to survey respondents who would prefer to stay in a self-contained house/unit on a potential future trip to the Murray region. Approximately one third of visitors who prefer this accommodation type are likely to book a trip to the Murray within the next five years.

Self-contained accommodation is preferred due to price, privacy and access to kitchen facilities. These characteristics makes this type of accommodation highly suited to longer-stay trips, families and large travel groups. However, the most likely travel group to stay in this accommodation type is adult couples, demonstrating the need to supply small-scale self-contained properties for these groups.

The majority of survey respondents who prefer to stay in self-contained accommodation would be willing to pay between $100 and $300 per night on a potential future trip to the Murray (76%). The preference for the location of this accommodation is in a larger town, with an additional 24% of respondents indicating a preference to stay in a smaller boutique town.

TOP REASON FOR PREFERENCE

53% It is within my price range

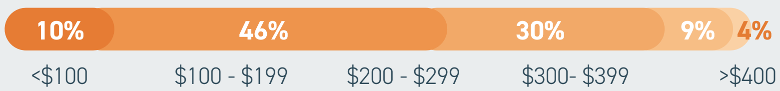
51% I like the privacy the accommodation offers

TOP LIKELY TRAVEL PARTY

39% Adult couple

27% Family group

MAXIMUM ACCOMMODATION PRICE



Luxury Hotel Accommodation Preferences

This section relates to survey respondents who reported preferring to stay in a luxury hotel on a potential future trip to the Murray. 33% of visitors who would prefer to stay in a resort are likely to book a future trip to the Murray.

As with resort accommodation, the choice to stay in a luxury hotel is primarily influenced by privacy, access to facilities and a restaurant and bar within the accommodation.

Luxury hotels are a more attractive accommodation option to adult couples. Survey respondents who prefer this accommodation type reported the highest willingness to pay of all accommodation types, with 17% of respondents indicating they would pay up to $300 to $400 per night.

TOP REASON FOR PREFERENCE

49% I like the privacy the accommodation offers

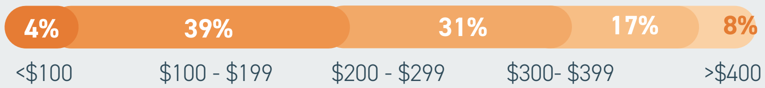
46% I like the facilities available

TOP LIKELY TRAVEL PARTY

45% Adult couple

25% Family group

MAXIMUM ACCOMMODATION PRICE



Murray region Audience Survey, Urban Enterprise 2022.

Resort Accommodation Preferences

This section relates to survey respondents who would prefer to stay in a resort on a potential future trip to the Murray region. 33% of visitors who would prefer to stay in a resort are likely to book a future trip to the Murray.

Resort accommodation provides visitors with a wide range of facilities, all in one location. The most common reasons for preferring to stay in a resort on a future trip to the Murray are access to a restaurant and bar, privacy and access to facilities such as pool, gym and spa. Given the style of rooms and the facilities on offer, resort accommodation is most attractive to adult couples and family groups.

Almost half of all respondents consider price as an important factor in choosing this accommodation type. Most survey respondents favouring resort accommodation are willing to pay $100-$300 per night. An additional 11% of respondents indicated they would pay up to $300-$400 per night.

The ideal location for resort accommodation is in larger towns with access to services and amenity. Given that resort generally do not contain self-service facilities, ease of access to dining, shopping and experiences is particularly important.

TOP REASON FOR PREFERENCE

46%
I like having access to a restaurant/bar

46%
I like the privacy the accommodation offers

TOP LIKELY TRAVEL PARTY

41%
Adult couple

32%
Family group

MAXIMUM ACCOMMODATION PRICE

<$100	$100 - $199	$200 - $299	$300- $399	>$400
7%	44%	33%	11%	5%

Caravan Park/Holiday Park Preferences

This section relates to survey respondents who reported a preference to stay in a caravan park or holiday park on a potential future trip to the Murray. This group is more likely to book a future trip to the region (41%) than those who prefer other accommodation types. This aligns with the current product strengths and accommodation offering in the Murray.

The preference to stay in this accommodation type is primarily driven by price, with most survey respondents (68%) indicating they would only be willing to spend up to $200 per night to stay in a caravan park.

Location is another influential factor for choosing to stay in a caravan park. 35% of survey respondents preferring this accommodation type would ideally stay in a large town, whilst others would prefer a rural area (17%) or a smaller town (16%).

The most likely travel party for a future caravan park holiday in the Murray region are family groups (40%). This accommodation type is also highly attractive to pet owners, who are often not permitted to stay in other accommodation types.

TOP REASON FOR PREFERENCE

65%
It is within my price range

40%
I like the location of the accommodation

TOP LIKELY TRAVEL PARTY

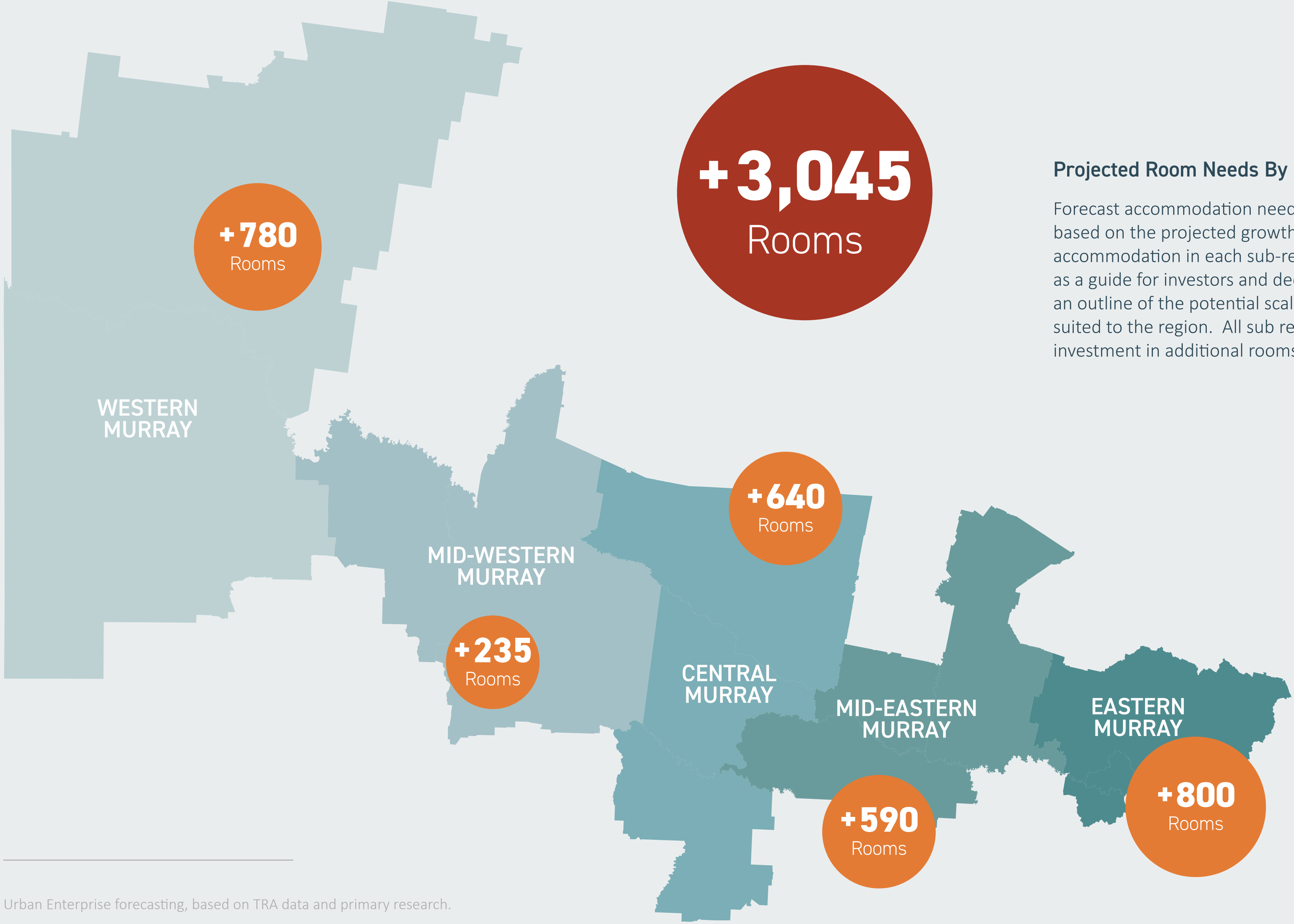
40%
Family group

32%
Adult couple

MAXIMUM ACCOMMODATION PRICE

<$100	$100 - $199	$200 - $299	$300- $399	>$400
25%	44%	22%	7%	1%

PROJECTED FUTURE ACCOMMODATION NEEDS, 2022-2032



Projected Room Needs By Subregion

Forecast accommodation needs have been calculated based on the projected growth of visitors staying in paid accommodation in each sub-region. This should be used as a guide for investors and decision makers and provides an outline of the potential scale and type of investment suited to the region. All sub regions of the Murray require investment in additional rooms as shown below.

Urban Enterprise forecasting, based on TRA data and primary research.

Projected Room Needs By Accommodation Type and Sub-region

Based on the projected growth of visitors staying in paid accommodation each of the Murray region sub-regions, the table below provides a forecast for accommodation needs.

The analysis utilises the following assumptions, based on TRA National Visitor Survey data and primary research: The assumptions have been prepared at a granular level for each subregion to reflect the unique local conditions and demand across the region.

- Average length of stay per visitor for the sub-region
- Average number of visitors per room for the sub-region
- Average room occupancy of 60% across the year region-wide.

Based on the analysis, future additional accommodation needs for the Murray Region by 2032 is between an additional 2,500 and 3,800 rooms. It is assumed that the midpoint scenario of 3,000 rooms provides the most accurate reflection of accommodation need for the Murray Region.

The table below provides an overview of specific accommodation typologies that may be supported in the region between 2022-2032. This is based on a gap analysis of existing accommodation supply in each sub-region, and the preferred accommodation types of Australians who are likely to book a trip to the Murray, as identified in market research.

This should be used as a guide for investors and decision makers and provides an outline of the potential scale and type of investment suited to the region. The number of establishments identified corresponds to the midpoint scenario room/site limit identified above.

MODELLED DEMAND BY TYPE OF ACCOMMODATION - TOTAL ROOMS/SITES

	Western Murray	Mid-Western Murray	Central Murray	Mid-Eastern Murray	Eastern Murray
Backpacker / Hotel	27	18	25	45	59
Bed and Breakfast / Guesthouse	59	20	37	52	57
Caravan, Camping & Holiday Park	97	10	40	60	231
Motel / Motor Inn	-163	-133	-88	-23	-319
Resort	102	28	91	45	245
Hotel / Luxury Hotel	183	64	129	111	-2
Self-contained house / apartment	306	144	170	92	403
Serviced Apartment	169	89	136	217	126
Total	**780**	**240**	**540**	**600**	**800**

TRENDS IN CONSUMER PREFERENCES

COVID-19

Travel restrictions imposed due to the COVID-19 pandemic caused a 67% decline in domestic overnight trips between June 2019 / 2020. The visitor economy had yet to recover as of June 2021, with domestic overnight trips still 19% lower than June 2019 . The return of travel has been concentrated in the Holiday and VFR segments, in particular from short haul source markets, with a lower level of business travel.

Consumer's inability and hesitancy to travel internationally has led to a younger and more diverse domestic visitor market, who have time to travel longer distances and who seek exciting and contemporary tourism products and experiences .

The rise in remote working also provides visitors with more flexibility to travel for more nights and not be constrained by annual leave or public holidays. The ability of destinations to capture these markets will depend on the availability of high speed internet and accommodation with appropriate business facilities.

Caravan, Camping and Nature Based

Given the shift towards more local, frequent and affordable domestic holidays, caravan and camping travel has become attractive to a more diverse group of visitors, beyond the traditional grey nomad road tripper market segment. As a result, the number of recreational vehicles rose by 16.5% in June 2020, with Australian caravan production reaching a 30 year high in 2021 .

Nature-based accommodation has also become increasingly popular. This accommodation type is a more 'COVID-safe' option and represents an alternative to traditional accommodation for those seeking a more unique experience.

Pet Friendly Accommodation

COVID-19 led to a marked increase in the number of pet owners in Australia. 69% of households now own a pet, up from 61% in 2019 .

When travelling domestically, many pet-owners would prefer to travel with their pets and therefore require pet-friendly accommodation, often limiting visitors to staying in caravan, camping or holiday park accommodation.

11%

Proportion of the Australian market who **choose their accommodation** type so they can **travel with their pet**.

42%

Proportion of the Australian market who would **prefer to stay in self-contained accommodation** (Airbnb and Stayz) during a potential future trip to the Murray .

AirBNB

Growth in the use of self-contained accommodation, such as Airbnb and Stayz, has outpaced investment in new hotels and motels. In 2017, the number of nights stayed in Airbnb and Stayz in Australia grew 9.6% whilst conventional hotels grew only 5.6% .

Airbnb accommodation provides privacy for guests, who often do not interact with the accommodation operator during their stay. Airbnb is highly suited to families, offering entire homes with kitchen and laundry facilities, allowing visitors to be self-sufficient during their stay. Additionally, compared to other accommodation types, Airbnb accommodation has come to be viewed as a COVID safe alternative during the pandemic, allowing visitors to travel whilst still social distancing.

Tourism and Hotel Market Outlook 2021 – Edition 2, Deloitte Access Economics.

Beyond COVID-19: Rise of Domestic Travel and Tourism in Australia, KPMG, 2021.

Caravan Industry Association Australia, 2021.

Pets and the Pandemic, Animal Medicines Australia, 2021.

Murray region Audience Survey, Urban Enterprise 2022.

Operational & Investment Considerations

Key considerations for this section are based on a survey conducted of 66 Murray Region accommodation operators, engagement with accommodation and tourism industry representatives and research of macro-economic issues facing the accommodation sector.

Image location: Ulupna Island Camping
Image credit: Destination NSW

BUSINESS OPERATION CHALLENGES[1]

TOP CHALLENGES FOR BUSINESS OPERATION

1. **COVID-19 related impacts (89%)**
2. **Inability to attract or retain staff (47%)**
3. **Changes in visitor preferences (38%)**
4. **Competition from other destinations (29%)**
5. **Lack of destination marketing (29%)**

COVID-19 Impacts on Occupancy

Survey respondents reported an average decrease in occupancy of 17% between the 2018/19 and 2020/21 financial years indicating that the visitor economy had not fully recovered from the effects of COVID-19 midway through 2021.

The impacts of COVID-19 on occupancy were most significant for event periods (-42%) and weekend travel (-17%). This demonstrates the impact of COVID on weekend holiday-leisure visitation, and the economic importance of large events for the accommodation sector in the Murray region.

Midweek travel was less impacted during COVID-19, due to the reliance on regional business travel, which was less restricted and included essential workers.

Perception and Trends

Accommodation operators identified that some of the key challenges relating to the Murray region include the changing needs and preferences of consumers. Key challenges identified by operators include:

- Competition from other destinations (29%);
- Lack of destination marketing and promotion (29%); and
- Changes in visitor preferences and behaviour (22%).

This indicates that operators are aware of growing competition from other destinations, in terms of accommodation type and quality offered, and the need to keep pace with other destinations in order to maintain or grow market share.

Staff Recruitment Challenges

This demonstrates that operators are eager to hire more staff, but are limited by economic and labour market conditions. This constrains their ability to meet current accommodation demand or expand businesses operations.

Accommodation establishments' existing staff are extremely overworked as a result of staff shortages, particularly after travel resumed post-COVID-19. Survey respondents also indicated that full time workers are currently working an average of 60 hours per week. Consultation with accommodation operators identified that many business owners and managers have regularly been cleaning rooms in their establishment since the onset of the pandemic. Some accommodation operators also reported closing off rooms for bookings due to not having staff available to service them. This further limits operators' ability to recover from the impacts of COVID-19.

81% of survey respondents reported difficulty recruiting staff in last 12 months.

Key barriers to staff recruitment identified by operators include:

- **COVID related impacts (51%);**
- **Small local workforce (44%); and**
- **Skills shortages (35%).**

Difficulty attracting workers in the tourism and hospitality industry is also impacted by the current low unemployment rate and the negative perceptions of the industry as a career choice. Additionally, COVID-19 and the associated social distancing and isolation requirements affect staff availability, often with little notice.

[1] Murray region Accommodation Operator Survey, Urban Enterprise 2022.

BUSINESS GROWTH AND RE-INVESTMENT[1]

TOP CONSTRAINTS TO BUSINESS GROWTH

1. Attracting Skilled Employees (48%)
2. COVID Related Impacts (45%)
3. Reduction in working Capital as a result of COVID19 (30%)

Constraints to Business Re-investment

Consultation with accommodation operators in the Murray region indicated that many accommodation establishments are operated by leaseholders. The dichotomy between leaseholders and property owners can constrain the likelihood of accommodation upgrades being undertaken, particularly when owners believe the establishment appropriately services an existing market.

Accommodation business growth is also limited by the availability of staff to support an expanded operation. Many accommodation operators already struggling with workforce shortages indicated a willingness to reinvest in their establishment, only in the case of increased certainty regarding workforce availability.

Plans for Business Reinvestment

Many accommodation operators in the region have plans for future business reinvestment, with 59% of survey respondents reporting having plans to undertake accommodation establishment upgrades within the next 5 years. The average future spend for these upgrades is $357k per establishment.

Of the 30 survey respondents planning to undertake room upgrades and refurbishments, the average planned spend per establishment is $256K, with an average capital cost of $14.7K per room.

The high average capital cost for room refurbishments indicates that planned investments will include significant modifications to existing rooms, beyond just soft furnishing upgrades. This demonstrates the willingness of accommodation operators in the region to improve their offering and capture a larger share of the visitor market.

[1]Murray region Accommodation Operator Survey, Urban Enterprise 2022.

BUSINESS OPERATION CHALLENGES

PLANNING AND LAND CONSIDERATIONS	MARKET CONSIDERATIONS	FINANCIAL CONSIDERATIONS	WORKFORCE CONSIDERATIONS
Lacking availability of land and sites in existing areas of visitor demand	Investment in luxury accommodation limited by regional dining and experience offer	Financial viability of investment impacted by visitor market seasonality.	Lack of working holiday makers as a result of COVID-19, who traditionally filled jobs in hospitality and tourism.
Capacity of and access to services infrastructure, particularly for riverfront sites	Lack of data regarding visitor market preferences to support investment	Impact of border closures on confidence of investors who would like to ensure they have access to markets.	Increased cost of labour as a result of COVID-19.
Slow planning processes and red tape restricting development or decreasing investor incentives	Distance from key markets of Sydney, Melbourne, Canberra and Adelaide.	Cost of land and increased costs of construction, particularly due to COVID-19	
Flood overlays restricting development of sites	Market awareness of smaller townships and destinations not located along the Murray River		
Public land use policy in relation to leaseholds on Crown Land			
Competition with other land uses (e.g. residential, agricultural)			

Priority Accommodation Opportunities

Priority accommodation projects for future investment in the Murray Region are outlined below by subregion. These have been identified through the accommodation gap analysis, market research, engagement with Council and investors, and benchmarking with other regions.

Image location: Forges Beach
Image credit: Visit Victoria

WESTERN MURRAY PRIORITY PROJECTS

Hotel and Conference Centre, Mildura Riverfront

The Mildura Riverfront Masterplan identified the need for a hotel and conference centre as part of a major transformation of a derelict piece of VicTrack land. The development includes a 4.5 star hotel with 120 rooms (2 level), 168 units for visitor accommodation and a convention centre catering up to 300 people (2 level).

NSW Eco Resort Development, N27 Architects (artist's impression)

High quality Hotel, Mildura Marina

Delivery of a four star apartment hotel at the Mildura Marina, with capacity for 120 guest rooms.

Small-scale, High Quality Boutique Hotel, Mildura

Delivery of a high end 5-star boutique accommodation establishment in Mildura which is focused towards indulgence and the high end market. Consideration should be made of re-use of an underutilised heritage building.

Mungo Eco-Resort Redevelopment, Mungo National Park

The development of a large-scale riverfront eco resort in close proximity to Mildura and Wentworth. This is currently in the high-level concept stage but would fill an important gap and have a significant impact on the region.

The Moorings, Martha Cove

Refurbishment of Grand Hotel and Mercure, Mildura

Refurbishment of two of Mildura's heritage hotels: The Grand and The Mercure which are both well located and have high aesthetic appeal. Both hotels are in need of refurbishment to meet contemporary visitor market expectations.

Darling River Boutique Glamping Experience, Wentworth

Delivery of glamping on the Darling River to provide new experimental accommodation in Wentworth.

Refurbishment of Motel Accommodation Stock, Mildura, Wentworth

Reinvestment and repositioning of motel accommodation across Wentworth and Mildura.

Holiday Park Resort, Trentham Cliffs

Delivery of a large scale holiday park resort just outside of Mildura in Trentham Cliffs, offering glamping, eco-tourism and low-cost options. The park will offer a Palm Springs style pool and a wide-range of other recreational facilities that appeal to the family market.

MID-WESTERN MURRAY PRIORITY PROJECTS

Eco-accommodation, Gunbower Creek Cohuna

Cohuna has limited quality accommodation options for the holiday leisure visitor. There is an opportunity to deliver eco accommodation on the Gunbower Creek in close proximity to Cohuna. This accommodation would include self-contained eco-accommodation units.

Serviced Apartment/Hotel, Swan Hill Riverfront

Swan Hill has a lack of quality hotel or serviced apartment accommodation targeted to business travellers and also suited to holiday leisure visitors. A former GrainCorp silo site at the Swan Hill Riverfront has been identified as suitable for accommodation investment of this nature.

Resort Accommodation, Murray Downs

Murray Downs golf course is one of the highest rated courses on the Murray and is a popular destination in the Swan Hill region. There is opportunity for investment in a new resort style development at Murray Downs for golf and leisure travellers.

Bonville Golf Resort, Coffs Harbour

Eco Accommodation, Pental Island

Pental Island is a large island in close proximity to Swan Hill Riverfront which has potential to support some form of eco-accommodation or glamping.

Paperbark Camp, Woollamia

Self-Contained Apartments/Units, Kerang

Kerang is not a traditional holiday leisure destination, however it has a strong business market and is in close proximity to the popular Kerang Lakes, which have the potential to drive growth in leisure travel. The delivery of self-contained accommodation in Kerang would support the business market, touring market and leisure market on weekends.

Barham Luxury Riverfront Resort

There is opportunity to deliver high quality, resort-style accommodation in Barham with views of the River. This should include spa and wellness facilities, high quality rooms and a resort-style layout.

This will provide a high-end option to service visitors to the bowls and golf clubs, as well as provide motivating accommodation that will attract new markets to Barham and the broader destination.

Waterfront Accommodation Development, Kerang Lakes, Lake Boga

Kerang Lakes presents the opportunity for self-contained cabin accommodation targeted to the holiday leisure market. The lakes are popular for boating and other water-based activities. The cabins would be suited to family stays, as well as group accommodation.

Tourist Park Upgrades, Kerang Lakes, Cohuna, Koondrook

There are a number of tourist parks in Gannawarra Shire that have potential for expansion and improvement. The development of cabin accommodation is delivering much greater yield for tourist parks across the region and should be considered for the existing tourist parks in Gannawarra Shire.

Motel Upgrades

Swan Hill and Gannawarra have a large number of motel accommodation establishments that are dated and not meeting market expectations. Refurbishments of bathrooms, kitchens and bedrooms should be considered to lift the quality of offer and deliver greater yield to businesses.

Gunbower Eco Resort

Gunbower National Park is developing as an icon on the Murray, The establishment of a high quality eco resort should be considered by investors. This will allow access to the National Park and its walking trails, cycling trails and wildlife tours.

CENTRAL MURRAY PRIORITY PROJECTS

Luxury Resort on the Murray, Echuca

Echuca is one of the most popular holiday leisure destinations in the Murray region. Its well-developed product mix and food and entertainment scene provide a strong product and experience base for attracting higher yield visitors. However, there is currently a lack of large scale luxury accommodation in Echuca Moama.

Gwinganna Retreat, Gold Coast

5-Star Hotel and Conference Centre

Echuca is in need of a large-scale 4.5 star hotel and conference centre in the heart of town. This accommodation type will support business events and holiday/leisure visitation.

Boutique Luxury Hotel, Echuca

Delivery of a high end 5-star boutique accommodation establishment in Echuca which is focused towards indulgence and the high end market. The re-purpose of an underutilised heritage building should be considered.

Circa 1936, Corowa

Midscale Hotel, Echuca-Moama

A contemporary 3.5- 4 star hotel in Echuca or Moama, servicing workers, VFR travellers and the lower-spend visitor market. This accommodation typology is also required to support event visitation and overflow accommodation demand during peak travel times.

Serviced Apartments, Deniliquin

Deniliquin is lacking serviced apartment accommodation that meets the needs of the VFR, business and larger group/family markets.

Quest Echuca

Experiential Accommodation

There is opportunity for continued investment in experiential accommodation that drives visitation to the region. This should consider nature based or eco-accommodation in locations such as Barmah Forest or along the Edward or Murray Rivers.

MID-EASTERN MURRAY PRIORITY PROJECTS

Yielima Station Farmstay and Indigenous Experience, Barmah National Park

Yielima Station presents an opportunity to support a large scale eco-tourism accommodation establishment with a strong connection to an Aboriginal cultural heritage experience and Barmah National Park.

Red Gum Retreat Redevelopment, Ulupna

Opportunity for an accommodation establishment at Ulupna, providing an eco-tourism experience.

Corowa Ball Park Caravan Park Redevelopment, Corowa

Reinvestment in the Corowa Ball Park Caravan Park, including improvement to amenity, landscaping, recreation facilities and cabin accommodation.

Cobram Barooga Golf Club Accommodation Redevelopment, Barooga

There is opportunity to provide new hotel/ resort accommodation in Barooga for golfing visitors and the broader leisure market.

Corowa Golf Club Redevelopment, Corowa

Corowa Golf Club presents an opportunity for investment in quality accommodation. The club is suited to investment in a self-contained accommodation facility, with scale to support golfing groups, family groups and other holiday leisure travellers.

Lake Mulwala Resort

There has been extensive growth in visitation to Yarrawonga/Mulwala over the past 10 years. Much of the growth has been in the AirBnB market with little development of commercial accommodation, other than the Sebel in Yarrawonga. There remains an opportunity for investment in additional resort accommodation on the NSW side of Lake Mulwala, at the eastern end of the lake.

Sebel Stage 2, Yarrawonga

The Sebel Yarrawonga currently plans to expand the existing resort facility, proposing the development of an additional 54 rooms of accommodation and a fine dining food and beverage offering.

Redevelopment of Yarrawonga Motels into Hotel/ Resort

There are a number of motels in Yarrawonga and Mulwala that require reinvestment to meet visitor expectations. Many of these are located in proximity to the town centre and present a strong case for redevelopment.

Barmah Forest Eco Resort [Yorta Yorta]

There is opportunity for investment in a new forest retreat that provides an aboriginal cultural heritage experience linked with the Yorta Yorta Nation Aboriginal Corporation.

Cactus Country Experiential Accommodation

Cactus Country provides a unique and kitsch experience for the region, however there is a lack of accommodation in Strathmerton to support visitation to the attraction.

There is opportunity for investment in new experiential accommodation, either onsite or linked to the attraction, to provide unique visitor accommodation.

EASTERN MURRAY PRIORITY PROJECTS

Reinvestment in Lake Hume Resort, Albury

The Lake Hume Resort is excellently positioned on the deepest part of the lake and in close proximity to Albury and Wodonga. There is extensive infrastructure already on the site, however there is need for reinvestment in the resort.

The Sebel Silverwoods, Yarrawonga

Holiday Park (Big 4 or similar), Lake Hume

Large Scale Holiday Park at Lake Hume foreshore, offering low-cost options, glamping and eco-tourism. The park will offer a wide-range of recreational facilities that appeal to the family market.

Wodonga Hotel (Junction Place)

Development of a hotel with up to 150 rooms located on Elgin Boulevard in Wodonga. The hotel will adjoin the cinema centre and include a gym and large conference centre. Rooms will comprise either traditional hotel rooms, suits, serviced apartments or a combination of all.

Boutique Hotel at Gateway Island Arts Precinct, Wodonga

Gateway Island is excellently positioned, between Albury and Wodonga, to support visitor accommodation. A key opportunity is the establishment of a boutique arts series style hotel in close proximity to the arts and cultural heritage precinct.

Byng Street Boutique Hotel, Orange

Holiday Park at Gateway Island, Wodonga

Development of a Holiday Park on Gateway Island, offering low cost options, cabins, glamping and eco-tourism. This would fulfill a major gap in provision of tourist park facilities in the region.

Bonegilla Migrant Experience Accommodation

Development of 10 self-contained short stay cabins at Bonegilla, overlooking Lake Hume. The accommodation offering will be supplemented by new product and experiences aligned to the Bonegilla Migrant Experience.

Wonga Wetlands Destination Holiday Park

Establishment of a holiday park/tourist park at Wonga Wetlands to meet the needs of the family market and the current gap in accommodation offer.

Nature-Based Accommodation

Ecotourism accommodation experience on the banks of the Murray River, leveraging off of the serene and secluded natural/rural setting.

Farm Stays, Albury and Greater Hume

Establishment of farm stay accommodation in Albury and Greater Hume to meet demand for passing visitors and the family market.

Reinvestment in Motels

Reinvestment and repositioning of motel accommodation across Albury, Wodonga and Greater Hume.

Target Market Segments

The domestic visitor market segments for the Murray Region account for 5.1 million Australians, or 34% of the Australian population aged between 18 to 75. This market represents those who regularly travel (i.e. at least once every two years) and are interested in visiting the Murray in future.

Common preferences amongst all market segments are engaging with nature, food and wine experiences and relaxing in beautiful accommodation. This represents the shift in the preferences of the wider Australian visitor market towards escaping the city to a relaxing, nature-based setting and indulging in food and wine.

The Murray market is split across five target market segments, each of whom have differing accommodation preferences.

Murray Habituals and Back to Basics travellers are well serviced by the Murray Region's existing self-contained, motel and caravan park accommodation offering. Road trip travellers are also in provided for in-large, as they tend to either supply their own accommodation (i.e. caravan), or stay in self-contained or motel typologies.

Explorer and Discoverers and Luxury Travellers are the target markets for the Murray Region. These segments have significant market potential and provide a high yield opportunity for Murray region operators to capitalise on through delivery of quality accommodation, dining, events and curated experiences. These market segments both seek contemporary holiday experiences that are well suited to the Murray Region's foundational product mix, however, are not provided for by the region's current visitor economy experience offering.

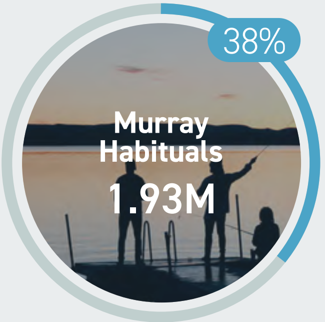
Both target markets are highly motivated to visit a destination because of the accommodation offer and the complementary dining experiences available. Common accommodation preferences for both markets include Self-contained accommodation, Resorts, and Luxury Hotels, the latter of which have limited provision in the Murray region. There is opportunity to deliver targeted accommodation investment to meet the needs and preferences of these markets, and attract greater visitation from these markets.

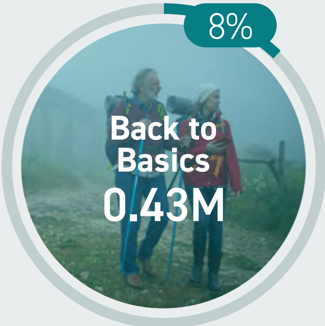
Further detailed analysis of target market segments has been provided through the Murray Region Consumer Research Project.

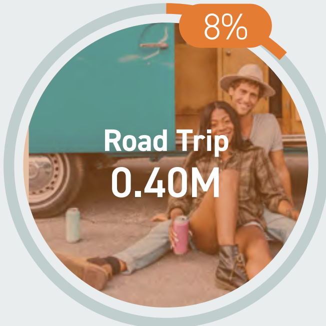
Image location: Trentham Estate Winery Dining
Image credit: Visit NSW

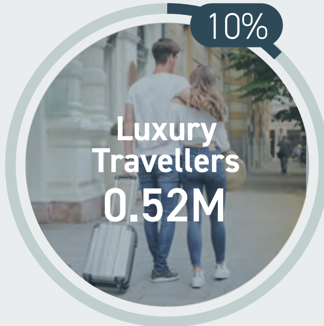
OVERVIEW OF DOMESTIC VISITOR MARKET SEGMENTS

Segment Size and Proportion of Murray Region Visitor Market









	Murray Habituals	Back to Basics	Road Trip	Explorer & Discoverers	Luxury Travellers
Overview	The traditional Murray visitor who travels to the Murray at least once every two years- the Murray's biggest advocate.	The simple traveller, the free spirit- escaping to nature to press pause on real life, spend time with loved ones, and hit reset.	Inspired by the freedom of a road trip, this market wants to explore the country, see new destinations and escape the city.	Socially conscious and adventurous travellers, open to travelling to new destinations and seeking new, unique experiences.	With a holiday mindset of indulgence, the luxury traveller seeks relaxation achieved through high quality experiences.
Who Are They?	› All ages and travel groups › Mostly VIC (51%) and NSW (26%) › Self-sufficient travellers › Stay for long trips during peak periods	› Mostly 40-60 yrs old without children or with adult children › Preference for longer stays at any time of year (49%)	› Mostly NSW (31%) and VIC (22%), with a high proportion of people born overseas › Take longer trips less frequently › Young couples, friends, families with older children, grey nomads	› Young families and singles, mostly aged 18-40 › Low-middle income earners › Travel on weekends and more frequently throughout the year	› Mostly older travellers, predominately adult couples › Higher income › Likely to travel midweek or any time of year
Accommodation Preferences	› Self-contained › Caravan park › Motel	› Self-contained › Caravan park › Houseboat › Free camping	› Self-contained › Motel › Serviced apartment/unit	› Self-contained › Resort › Luxury hotel	› Self-contained › Resort › Luxury hotel

Target Market Segment

Explorers & Discoverers

1.78M

35%

Murray Region Visitor Market

Who are they?

Explorers & Discoverers are predominantly young, millennials, open to new experiences.

They are seeking a holiday characterised by exploring new places, food and wine experiences and trying unique activities. They are interested in nature-based experiences, although this is not a primary driver.

Why the Murray?

- The picturesque landscape, towns and hidden gems are the perfect holiday backdrop.
- Attracted to the Murray's food and wine offering, with a desire to try wine and fresh, local produce.
- The ability to choose between relaxation and adventure.

Top Accommodation Preferences

- Self-Contained
- Resort
- Luxury Hotel

Motivation for Accommodation Choice

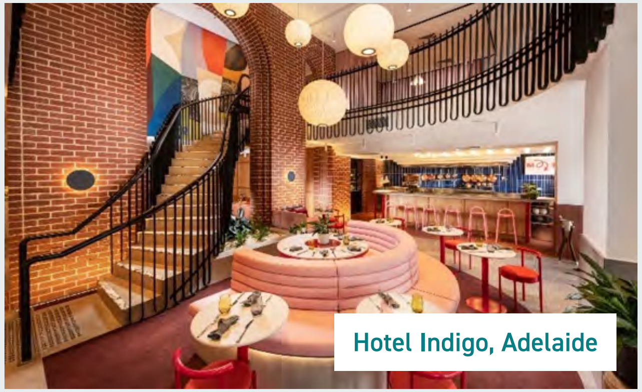
- Seek exploration and experience rather than luxury
- Interested in a unique and authentic experience, not the basic or average
- More likely to stay in experiential accommodation, such as on a houseboat or at a farm stay
- As with all markets, price is a key driver, however willing to pay for a quality experience
- There is still a high yielding proportion of this market, with 18% willing to spend over $300 per night.

Facility and Quality Expectations

When staying in a resort or hotel, they prefer access to a restaurant (77%), social areas (67%) and entertainment for children (59%)

They care less about access to a gym, spa or indoor pool within the accommodation.

Motivating Accommodation Examples



Hotel Indigo, Adelaide

Paperbark Camp, Woollamia

Most likely to say...

> I hear a lot of products we get here (in QLD) are sourced from the Murray region and it does appeal to me for that reason

> I'm always ready to explore a new destination – as long as there is quality food and accommodation, and unique experiences I can't get elsewhere

Target Market Segment

Luxury Travellers

0.52M

10%

Murray Region Visitor Market

Who are they?

Luxury Travellers are driven by beautiful accommodation and a desire for relaxation and luxury. They want to escape and indulge in spa, wellness and luxurious food and drink.

They are more likely to travel mid-week or at any time of year.

Why the Murray?

Seek a luxury experience in a nature-based setting, the destination itself doesn't matter as much.

Passionate about golf and want to play at the country's best courses. They're drawn to wineries, fine dining, and interested in arts and cultural experiences.

Top Accommodation Preferences

- Self-Contained
- Resort
- Luxury Hotel

Motivation for Accommodation Choice

- Have expensive taste and high expectations for quality.
- Want to feel well-looked after, and have an exclusive and intimate experience.
- Interested in on-water accommodation experiences, such as houseboats and overnight cruises.
- Prefer to stay in a larger town with access to a range of dining experiences.
- A high yielding market, 18% are willing to pay over $300 per night for accommodation.

Facility and Quality Expectations

When staying in a resort or hotel, desire access to a restaurant or bar (78%), social areas (78%), daily service (63%) and room service (65%).

With a preference for relaxation and convenience, expect accommodation to offer a range of facilities.

Motivating Accommodation Examples

The Sebel Yarrawonga

Saffire Freycinet, Tasmania

Most likely to say...

> We are always looking for anything boutique at the next level

> I won't visit somewhere unless I know the dining will be up to scratch and the accommodation is clean and modern, so I feel like I can unwind

Key Accommodation Investment Typologies

Key accommodation typologies for future investment in the Murray Region are outlined below. These opportunities have been identified through the accommodation gap analysis, market research, engagement with investors and benchmarking with other regions.

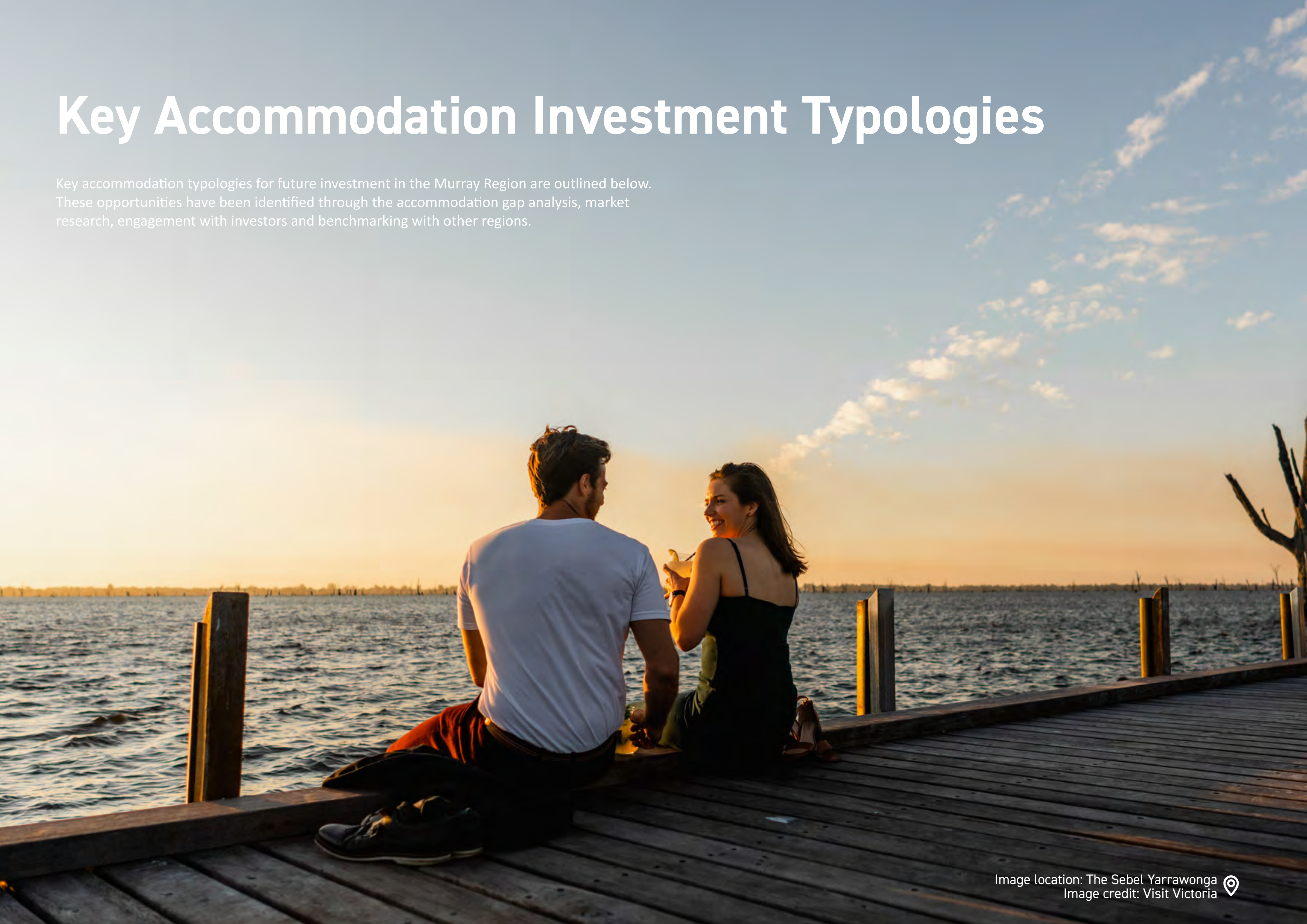


Image location: The Sebel Yarrawonga
Image credit: Visit Victoria

LARGE-SCALE HOTEL WITH CONFERENCE CENTRE

RACV, Torquay

Typology Overview

Star Rating

4.5 stars

Locations

Mildura Riverfront, Echuca

Site Size

1,500 - 3,000 sqm

No. Rooms

160 Rooms

Key Markets

Business Events, Weekend Escape, VFR

Facilities

Conference Centre for 300 guests, Rooftop swimming pool, Restaurant, Bar, Gymnasium

Additional Rooms Required

486

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

87% Restaurant within Accommodation Facility

80% Outdoor Pool

76% Social Common Areas such as a Bar

[1]Murray region Audience Survey, Urban Enterprise 2022. Q25. Thinking of your future trip to the Murray region. Which of the following facilities and amenities are the most important to have in this accommodation? N=2,011.

SPRAWLING RESORT

Typology Overview

Star Rating

5 stars

Locations

Echuca, Mulwala

Site Size

5 to 30 hectares (depending on scale and facilities)

No. Rooms

120 Rooms, Mix of 1, 2 and 3 Bedrooms

Key Markets

Holiday/Leisure, Families, Weekend Escape

Additional Rooms Required

511

Facilities

Resort style rooftop swimming pool, Swimming pool bar, Restaurant, Bar, Gymnasium, Tennis Courts and Recreation Facilities, Kids Club

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

87% Restaurant within Accommodation Facility

80% Outdoor Pool

59% Entertainment Facilities for Children such as a Splash Park or Games Room

Peppers Salt Resort and Spa, Kingscliff

Sheraton Grand Mirage Resort, Port Douglas

BOUTIQUE REFURBISHED PUB/HOTEL

Provincial Hotel, Ballarat

Typology Overview

Star Rating	Locations	Site Size
★★★★☆	Mildura, Echuca, Wodonga	1,000 - 3,000 sqm
No. Rooms	**Key Markets**	**Facilities**
40 Rooms or Units, Mix of 1, 2 and 3 Bedrooms	Weekend Escape, VFR	Fine Dining Restaurant, Bar, Gymnasium

Additional Rooms Required

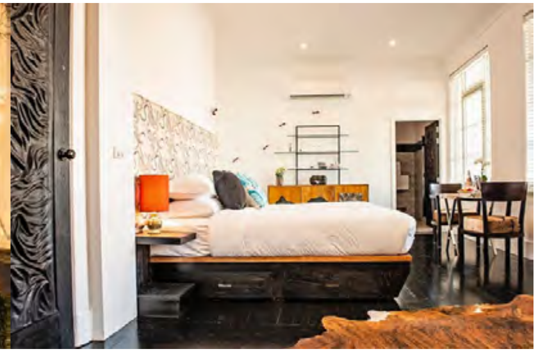
225

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

87%	72%	62%
Restaurant within Accommodation Facility	Contemporary Furnishings and Fittings	Gym and Spa Facilities

HIGH-END BOUTIQUE HOTEL



Circa 1928, Albury

Typology Overview

Star Rating	Locations	Site Size
★★★★★	Mildura, Echuca	800 - 2,000 sqm
No. Rooms	**Key Markets**	**Facilities**
5 Rooms	Weekend Escape	Day Spa, Art Gallery, Bar

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

76%	72%	62%
Social Common Areas such as a Bar	Contemporary Furnishings and Fittings	Gym and Spa Facilities

[1]Murray region Audience Survey, Urban Enterprise 2022. Q25. Thinking of your future trip to the Murray region. Which of the following facilities and amenities are the most important to have in this accommodation? N=2,011.

TOURIST PARK

Big 4 Deniliquin

Typology Overview

Star Rating

Locations

Albury-Wodonga, Wentworth

Site Size

5 to 20 hectares (depending on scale and facilities)

No. Rooms

20 cabins, 50 powered sites, Mix of 1,2 and 3 bedroom, Glamping tents

Key Markets

Holiday/Leisure, Families, Large Group Travel

Facilities

Swimming pool, Splash play park, Tennis Courts and Recreation Facilities, BBQ/ Picnic facilities

Additional Rooms Required

439

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

80% Outdoor Pool

66% Indoor Pool

59% Entertainment Facilities for Children such as a Splash Park or Games Room

APARTMENT HOTEL

Typology Overview

Star Rating

Locations

Deniliquin, Swan Hill and Kerang

Site Size

1,000 - 2,000 sqm

No. Rooms

60 Rooms or Units, Mix of 1, 2 and 3 bedrooms

Key Markets

Business, VFR

Facilities

Swimming pool, Gymnasium

Additional Rooms Required

737

Facilities & Amenities[1]

'Non-negotiable' or 'Nice to Have'

72% Contemporary Furnishings and Fittings

66% Indoor Pool

62% Gym and Spa Facilities

Quest Echuca

[1]Murray region Audience Survey, Urban Enterprise 2022. Q25. Thinking of your future trip to the Murray region. Which of the following facilities and amenities are the most important to have in this accommodation? N=2,011.

MOTEL REFURBISHMENT

Typology Overview

Star Rating

Locations

Everywhere

Site Size

1,000 - 2,000 sqm

No. Rooms

40 Rooms or Units

Key Markets

Holiday/Leisure, Families, Large Group Travel

Facilities

Swimming Pool, Restaurant/Pub/Bar

Case Study: Astor Hotel Motel, Albury

The Astor Hotel Motel in Albury underwent a multimillion dollar renovation in 2020, amidst COVID-19 lockdowns and travel restrictions. The project involved the renovation of the existing 1960's building into a Palm Springs-inspired pub and motel. Key structures from the original building were retained during the renovation process.

The establishment now includes 45 rooms, bar, restaurant, open beer garden and multiple function spaces. The motel contains a mix of studio rooms and 2-bedroom apartments, and offers on-site parking for larger vehicles and buses.

TOURIST PARK REFURBISHMENT

Typology Overview

Star Rating

Locations

Everywhere

Site Size

5 to 15 hectares

No. Rooms

20 cabins, 50 powered sites, Mix of 1,2 and 3 bedrooms, Glamping tents

Key Markets

Holiday, Leisure

Facilities

Swimming pool, Splash play park, Tennis Courts and Recreation Facilities, BBQ/ Picnic facilities, Gymnasium

Case Study: Ingenia Holidays Queenscliff Beacon

Big 4 Ingenia Holidays Queenscliff Beacon is located on the Bellarine Highway in Queenscliff. The Resort is an integrated tourist accommodation park, targeting the family holiday market.

The Park offers a variety of accommodation types including premium villas, apartments, cabins and caravan/camping accommodation. The site also includes 23 annual cabins. An overview of villa, cabin and apartment accommodation is provided in Figure 25.

Accommodation includes a mix of villas (studios, 2 and 3 bedrooms), Apartments (studios, hotel rooms, 1, 2 & 3 bedrooms), cabins / house (2-3 bedrooms) and 31 caravan/camping sites (from $61 per site).

BIG4 caters to the family market and provides a range of facilities and activities including free kids activities, day spa, yoga and Pilates, indoor pool and spa, indoor adventure playground, outdoor gas fireplace, giant jumping pillow, fitness studio/ gym, bike and go kart hire, kids clubhouse, outdoor playground, basketball court, tennis court and camp kitchen.

Supporting Projects

MOTEL REFURBISHMENT INVESTMENT MODEL

Establishment of an investment model for motel refurbishment that can be applied to dated motel accommodation stock throughout the region, to better meet visitor market needs and expectations.

ACTION

Appoint a consultant team including an experienced architect, planner, economist and accommodation expert to develop a delivery model/models for motels to respond to. This will include design elements, costs associated with improvements and return on investment. This may be taken to investors or used to assist with obtaining funding for projects.

INDICATIVE COST: $80,000

TOURIST PARK REFURBISHMENT INVESTMENT MODEL

Establishment of an investment model for holiday/tourist park refurbishment that can be applied to dated holiday park accommodation stock throughout the region that is currently not meeting visitor market needs and expectations. The model will support an expanded offering, encompassing low-cost and cabin accommodation options, as well as increased recreational facilities and self-service amenities.

ACTION

Appoint a consultant team including an experienced architect, planner, economist and accommodation expert to develop a delivery model/models for tourist parks to respond to. This will include design elements, costs associated with improvements and return on investment. This may be taken to investors or used to assist with obtaining funding for projects.

INDICATIVE COST: $80,000

LOCAL GOVERNMENT INVESTMENT FACILITATION

Encourage collaboration and foster relationships between local government and accommodation investors and operators. This will assist in identifying potential accommodation sites, and will provide support in navigating the process for any permit applications or planning scheme amendments required. Each Council should consider how it responds to and facilitates opportunities.

ACTION

Undertake a series of presentations and discussions with Local Government representatives, planners, economic development and tourism professionals to inform Councils on the needs of the region and the prerequisites for facilitating accommodation investment, such as appropriately zoned land supply, infrastructure and services.

Supporting Projects

INVESTMENT ATTRACTION STRATEGY

Development of an investment attraction strategy, led by Murray Regional Tourism, to accompany the Accommodation and Cruising Pitch Document. The strategy will provide a plan to improve the attractiveness of the region to investors, including a timeline for investment attraction activities.

ACTION

Prepare an investment attraction strategy and action plan and consider whether external resources are needed to support the plan. Consider holding forums and/or information sessions with prospective investors relating to the Murray and its accommodation opportunities.

ATTRACTION AND EXPANSION OF SUPPORTING BUSINESSES

Support the expanded operations of existing businesses that currently service the accommodation sector, and attract new businesses to the region. This includes cleaning, linen, trades and transport services, which are crucial to the successful operation and continued growth of the accommodation sector.

ACTION

Undertake a tourism industry services sector plan across the Murray which steps out the business needs required to service the tourism sector. This should be packaged into a business attraction strategy, working closely with Local Government and Regional Development Australia.

INDICATIVE COST: $60,000

WORKFORCE AND SKILLS

Improve pathways to tourism and hospitality education within the Murray Region, to increase the availability of staff for the accommodation sector. Improved workforce capability is needed to grow the accommodation sector and support the transition towards a higher-quality and more contemporary tourism offering.

ACTION

Establish a working group of tourism industry, education providers, Government representatives and Murray Regional Tourism to undertake a tourism industry workforce plan for the Murray.

INDICATIVE COST: $70,000

Supporting Projects

HOUSING TO SUPPORT WORKERS

Investment in housing to support tourism staff, seasonal workers and short-term infrastructure projects. This will increase the availability of tourist accommodation, which at present is often utilised for short-term worker housing. Additionally, investment in worker housing will support growth in the region's tourism workforce.

ACTION

Develop a housing strategy for the Murray Region in conjunction with Government agencies.

INDICATIVE COST: $90,000

INFRASTRUCTURE INVESTMENT

Investment in services and infrastructure, such as sewer and water, which are required to activate sites for accommodation development.

ACTION

Local Governments to review the infrastructure and services offer to support investment in visitor accommodation.

Image location: Wodonga
Image credit: Visit Victoria

Investment Impact

Investment in accommodation will have major economic benefits for the Murray Region. Delivering the 2,960 estimated supportable rooms would require an investment of approximately $346 million.

Expenditure on construction of new accommodation stock will deliver short term economic benefits of $1.03 billion in output and 2,424 construction jobs, including direct and indirect benefits. Once this accommodation delivered, increased expenditure by visitors will deliver $664 million in additional output and 2,994 ongoing jobs in the Murray region.

Additionally, investment into refurbishing existing motel accommodation stock would insert a total of $89 million into the Murray region economy, including $29 million in direct spend and $59 in indirect output. Additionally, the construction phase of the refurbishment program is expected to support the creation of 193 jobs, including 43 direct and 150 indirect jobs.

[1]Urban Enterprise, 2022, calculated using REMPLAN, Urban Enterprise accommodation needs projections and Tourism Research Australia (TRA) National Visitor Survey (NVS) 3-year average (2017-2019).

[2]Urban Enterprise 2022, calculated using REMPLAN, Urban Enterprise accommodation needs projections, Rawlinsons Australian Construction Handbook 2022 and Reid Campbell Hotels and Serviced Apartment Area Benchmarking 2018.

$346M
TOTAL INVESTMENT

VISITATION BENEFIT
$1.9M Visitors
$259M Spend

CONSTRUCTION BENEFIT
$1.0B Total Output
2,424 Jobs

ONGOING BENEFIT (PER ANNUM)
$392M Total Output
2,994 Jobs

ONGOING VISITATION BENEFIT[1]

ADDITIONAL ROOMS	ADDITIONAL VISITATION	OUTPUT			JOBS		
		Direct	Indirect	Total	Direct	Indirect	Total
2,960	679k	$272M	$392M	$664M	1,956	1,038	2,994

CONSTRUCTION BENEFIT[2]

	ADDITIONAL ROOMS			REFURBISHED ROOMS			TOTAL		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
OUTPUT	$1.9M	$1.0B	$392M	$346M	$1.9M	$1.0B	$392M	$1.0B	$392M
JOBS	470	1,007	1,477	43	150	193	690	1,734	2,424

Appendices

APPENDIX A DOCUMENTS REVIEWED

Murray Regional Tourism

- Murray Regional Tourism Annual Report, 2019-20
- Murray Regional Tourism Strategic Plan, 2021-24
- Murray region Destination Management Plan, 2018-2022

New South Wales

- NSW Visitor Economy Strategy, 2030
- NSW Aboriginal Tourism Action Plan, 2017-2020
- NSW Food & Wine Tourism Strategy & Action Plan, 2018-2022
- NSW Regional Conference Strategy & Action Plan, 2017-2021
- NSW Statewide Destination Management Plan, 2019
- NSW Cruise Development Plan, 2018

Victoria

- Coronavirus (COVID-19) impact on Victoria's Visitor Economy, TEVE, 2021
- Victoria's 2020 Tourism Strategy, 2013
- Victoria's China Tourism Strategy, 2012
- Victoria's Regional Tourism Strategy, 2013-2016
- Victoria's Trails Strategy, 2014-24
- Victoria's Golf Tourism Strategy, 2018-23
- Central Victorian Green House Alliance

Western Murray

- Light State Expression of Interest, 2021
- Mildura Regional Development Strategic Plan, 2021-2024
- Mildura Rural City Council Event Strategy, 2025
- Mildura Riverfront Stage 2 Final Masterplan, 2019
- Mildura Rural City Council Visitor Servicing Strategy, 2025
- Powerhouse Place Digital Activation Project, 2021
- Sustainable Wentworth Strategy, 2016
- Dareton Revitalised Strategy, 2021
- Buronga Gol Gol Structure Plan Report, 2020
- Willow Bend Caravan Park Proposed Future Layout

Mid-Western Murray

- Swan Hill Destination Marketing Strategy, 2021
- Swan Hill Community Vision and Council Plan, 2021-2025
- Swan Hill Rural City Council Investment Prospectus Snapshot, Swan Hill Rural City Council, 2020
- Economic Development Insights Report, Swan Hill Rural City Council, 2021
- Victorian Visitor Economy Master Plan Priority and Project Development: Pental Island, Swan Hill – Lake Boga Path and Riverside Splash Park
- Gannawarra Shire Council Strategic Tourism Plan, 2021-2026
- Gannawarra Shire Council Economic Development Strategy, 2019-2024
- Gannawarra Shire Council Waterfront Masterplans, 2019

Central Murray

- Meninya Street South Masterplan Report, 2019
- Moama Bridge Arts Precinct and Meninya Street Masterplan, 2019
- Moama Murray River Access Plan, 2012
- Murray River Council Waterfront Strategy Request for Quotation, 2021
- Murray River Council Priority Projects, 2021

APPENDIX A DOCUMENTS REVIEWED

Mid-Eastern Murray

- Federation Council Priority Projects
- Federation Council Economic Development Strategy, 2021-2025
- Corowa Riverfront Master Plan Report, 2010
- Delivery Program and Operational Plan Federation Council, 2021
- North of the Murray 5 Year Destination Marketing Strategy and Implementation Plan, 2020-2024
- Mulwala Foreshore Public Open Space Masterplan, 2015
- RDA Murray Strategic Plan, 2019
- Destination Riverina Murray NSW Destination Management Plan, 2018
- Berrigan Shire Tourism Strategy, 2019-2023

Eastern Murray

- Lake Hume Site Plan Recommendations and Architectural Concept, 2018
- Albury Wodonga Visitor Economy Trends Report, 2020
- Albury City Council Albury CBD Masterplan, 2009
- Albury City Council Albury Riverside Precinct Concept Plan, 2021
- Albury City Council Riverside Precinct Stage 2 Refined Concept Design, 2016
- Albury Wodonga Destination Management Plan, 2019-2023
- Albury City Council Economic Indicators, 2021
- Albury City Council Local Strategic Planning Statement, 2020
- Murray River Experience, Albury City Council, 2007
- Two Cities One Community Strategic Plan, 2017-21
- Gateway Island Masterplan Report, 2018
- City of Wodonga Cultural Services Plan, 2021-2026
- Goulburn Murray Water Lake Hume Land and On-Water Management Plan, 2015
- Greater Hume Council Local Strategic Planning Statement, 2018
- Greater Hume Council End of Term Report, 2021
- Greater Hume Shire Community Strategic Plan, 2017-2030
- Greater Hume Visitor Information Centre Business Plan, 2018-2022
- Greater Hume Shire Visitor Experience Plan, 2015-2018

APPENDIX B CONSULTATION SCHEDULE

Accommodation Operators

- Wentworth Club Motel
- All Seasons Caravan Park Mildura
- Discovery Parks, Mildura
- Mildura Inlander Resort
- Comfort Inn Lady Augusta, Swan Hill
- Deniliquin Golf Resort
- Big 4 Deniliquin
- Rich River Golf Club & Resort, Moama
- Cactus Country , Strathmerton
- Corowa Golf Club
- Ski Club Holiday Park, Lake Mulwala
- Albury Paddlesteamer Motel
- Yielima Station
- Quest Apartments, Echuca
- Big 4 Albury Tourist Park
- Quest Apartments, Albury on Townsend
- The Sebel Yarrawonga

Government Agencies

- Goulburn Murray Water
- Department of Regional NSW
- Visit Victoria
- NSW and VIC Cross-Border Commissioners
- NSW National Parks and Wildlife Service
- NSW Forestry
- Victorian State Government Department of Jobs, Precincts and Regions
- Victorian State Government Department of Environments, Land, Water and Planning
- Parks Victoria

Local Government

- Mildura Rural City Council
- Wentworth Shire Council
- Swan Hill Rural City Council
- Gannawarra Shire Council
- Campaspe Shire Council
- Murray River Council
- Edward River Council
- Moira Shire Council
- Berrigan Shire Council
- Federation Council
- Albury City Council
- City of Wodonga Council
- Greater Hume Shire Council

APPENDIX C APPENDIX C CONSUMER RESEARCH METHODOLOGY

A rigorous consumer research program was undertaken to inform the Accommodation Diversification and Gap Analysis. This ensures that the report is consumer driven and responds to visitor needs, preferences and viable commercial opportunities.

Past Visitor Survey

Data collected across two surveys of current and past visitors was collated to understand the Murray region. This research predominantly reflects the holiday leisure visitor market profile. Research was undertaken to achieve the following objectives:

- Understand the Murray region visitor profile in terms of daytrip and overnight visitation.
- Understand accommodation preferences for visitors to the Murray region
- Understand Motivation to visit the Murray region
- Assess visitor travel patterns to the Murray region
- Inform the economic analysis to understand the size of the visitor economy

Survey 1 - Murray Region Visitor Survey	513 survey responses were completed in-region, using QR codes displayed on posters at businesses and key visitor destinations in the Murray region, from mid-December 2021 to the end of January 2022.
Survey 2 - Murray Region Past Visitor Survey	459 survey responses were completed online, which were distributed by Murray Regional Tourism to their consumer database through an EDM.

Market Research

Market research, including audience survey and focus groups, was undertaken to achieve the following objectives:

- Awareness and perceptions of the Murray region, its destinations, the Murray brand and the broad tourism product offering
- Market appeal of the region’s product offering
- Potential market demographics
- Potential for future visitation and barriers to future visitation, including testing COVID-19 related barriers and negative perceptions as a result of border closures
- Holiday style, length, likely spend and experiences sought from a domestic regional holiday
- Identify preferences for accommodation when visiting the Murray region and accommodation which will motivate visitation
- Identify preferences for cruising and experiences that will motivate visitation
- Preferences and likely engagement with other products and experiences in the Murray

Market Audience Survey	A market audience survey with a statistically representative random sample of 2,041 Australian residents. Survey respondents were required to: › Reside in Australia. › Be over the age of 18 years. › Have travelled in regional Australia at least once every three years or more prior to the COVID-19 pandemic
Focus Groups	Four 90-minute focus groups with participation from 15 past and potential visitors to the Murray Region, with random gender and age distribution. Topics included past experience, awareness and perceptions of the Murray and product testing for accommodation and cruising.

This report was prepared by Urban Enterprise for Murray Regional Tourism Board in September 2022.

Murray Regional Tourism

urban enterprise