Bundaberg hotel demand and feasibility study

June 2025

Bundaberg
Southern Great Barrier Reef
Queensland *Where great begins*

BUNDABERG
REGIONAL COUNCIL

Quality information

Client:	Bundaberg Regional Council
Project title:	Bundaberg hotel demand and feasibility study
Report author:	THSA
Issue:	Final
Date:	19 June 2025

Disclaimer

Note on images used

Special acknowledgement

THSA acknowledges the proactive efforts of Bundaberg Regional Council and Bundaberg Tourism in addressing the lack of market data required to support new hotel development. Their leadership in gathering primary research and key data has provided valuable insights into accommodation demand and investment potential, helping to create a clearer, data-driven case for future development.

We also recognise the valuable contributions of local businesses, government departments, healthcare providers, education institutions, tour operators, accommodation providers, and professional conference and event organisers, whose insights have helped shape this research. Additionally, we appreciate the input from industry stakeholders, who provided essential context on the accommodation sector’s operational landscape and the region’s broader economic growth trends.


Elliott Heads


Burnett River, Bundaberg

Different types of short-stay visitor accommodation

Bed and Breakfast (B&B)	A small lodging establishment that offers overnight accommodation and breakfast, but usually not other meals. B&Bs are often private family homes and typically have fewer rooms than hotels.
Campsites	Designated areas where individuals can set up tents, park caravans, or use motorhomes for overnight stays. Campsites can vary in terms of facilities and amenities. Some offer basic features such as open spaces, picnic tables, and fire pits, while others provide more extensive amenities, including restrooms, showers, electricity hookups, Wi-Fi, and laundry facilities. Campsites are often located in natural settings such as national parks, or near lakes and rivers, providing opportunities for outdoor activities such as hiking, fishing and wildlife observation.
Free camping	Free camping refers to the practice of setting up a campsite outside of designated campgrounds, often in remote or undeveloped areas where there are no fees or facilities. Free campers rely on self-sufficiency, bringing their own supplies. Free camping is popular among those seeking solitude, adventure, and a more immersive natural experience away from the amenities and regulations of established campgrounds.
Glamping	A blend of 'glamour' and 'camping', glamping refers to a style of camping with amenities and, in some cases, resort-like services not usually associated with traditional camping. Glamping accommodations can include luxury tents, yurts, treehouses and airstreams, often furnished with comfortable beds, electricity, private bathrooms, and upscale decor. The aim of glamping is to provide an outdoor experience with the comfort and conveniences of hotel-style living, appealing to those who want to enjoy nature without sacrificing comfort and luxury. Glamping sites are typically found in scenic locations such as mountains, forests, or near beaches and are popular for romantic getaways, family vacations, and unique travel experiences.
Guesthouse	A private house offering accommodation to paying guests. Guesthouses are similar to B&Bs but may not include breakfast or other meals. They are usually family-run and offer a more personal experience.
Farm stay	Accommodation on a working farm, offering visitors the opportunity to experience rural life. Farm stays may include participating in farm activities and enjoying locally sourced meals.
Holiday parks	Large, often resort-like areas designed for recreational stays, offering a variety of accommodation options such as cabins, caravans, tents, and sometimes villas or lodges. These parks typically provide a wide range of amenities and activities, including swimming pools, playgrounds, sports facilities, entertainment programs, restaurants, and shops. Holiday parks are usually located in popular vacation destinations such as coastal areas, countryside locations, or near major tourist attractions, catering to families, groups, and individual travellers seeking a convenient and enjoyable holiday experience.
Hotel	A commercial establishment offering lodging, meals, and other guest services. Hotels typically provide private rooms with en-suite bathrooms and a range of amenities such as room service, fitness centres, and business facilities. Refer to the table overleaf for a list of different types of hotel accommodation.
Serviced apartment	A fully furnished apartment available for short-term or long-term stays, providing hotel-like amenities such as housekeeping, concierge, and sometimes breakfast. Serviced apartments are ideal for longer stays or business travellers.
Short-term rental accommodation	A type of lodging where an individual rents out a home, apartment, or a room within a residence for short durations, usually through online platforms such as Airbnb, Vrbo, or similar services. These accommodations vary widely in terms of amenities and can provide a more authentic and local living experience.

Different types of hotels

All-inclusive hotels	In all-inclusive hotels, guests pay one upfront fee that covers their accommodation, food, drinks, and various activities and entertainment. These hotels are designed to offer guests a worry-free vacation experience with all amenities included as a one-priced package. All-inclusive hotels are popular among travellers seeking to enjoy a variety of activities and facilities without worrying about the cost. Depending on the hotel, guests may have access to features like pools, beaches, water sports, and more. All-inclusive hotels are popular in high-tourist areas like the Caribbean.
Boutique hotels	These properties appeal to guests because of their atypical amenities and room configurations. Boutique hotels are often independent (with small room counts from 30 to 65), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural or historic experiences and interesting guest services.
Business hotels	Business hotels, also known as a corporate hotels or executive hotels, are specifically designed to cater to the needs and preferences of business travellers. They are typically located in or near major business districts, transport hubs, financial centres, or industrial areas, making them convenient for professionals who are travelling for work-related purposes.
Conference hotels	These are properties with a major focus on conference facilities.
Convention centre hotels	Convention centre hotels (most often full-service) are strategically located adjacent or integral to a convention centre. Travellers choose to stay in these hotels due to their proximity to events, conferences, exhibitions, or trade shows they are attending or hosting.
Destination resorts	Destination resorts appeal to leisure travellers, are typically located in holiday locales, and are often considered a destination in and of themselves with extensive amenity offerings. They are typically larger and full-service.
Full-service hotels	These are typically upscale, upper-upscale and luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, gyms or spas and services such as 24-hour reception, concierge, laundry and room service.
Motels	While both motels and hotels provide accommodations for travellers, motels (literally motor hotels) are typically more basic and budget-friendly and are often found in convenient locations for road travellers. In contrast, hotels offer a wider range of amenities and services and are situated in a variety of locations, catering to a broader clientele with varying needs and preferences.
Limited-service hotels	Properties that offer limited services, facilities and amenities, these typically do not include a full-service restaurant. They are often in the economy, midscale or upper-midscale class. In contrast to full-service hotels, limited-service hotels sometimes do not offer food and beverage venues (restaurant and bar), laundry services, shuttle services, golf, tennis and/or spa amenities, room service and fitness centres. Holiday Inn Express and Hyatt Place are examples of limited-service hotels.
Lifestyle hotels	Lifestyle hotels are the next generation of boutique properties. Driven mostly by the international chains, they borrow the best elements of boutiques - small, design-led, intimate, and modern - and throw in advantages only a chain can offer, such as loyalty benefits, consistency, and economies of scale. As a result, lifestyle hotels are generally more affordable, accessible, and profitable than boutique hotels.
Long-stay hotels	Long-stay hotels, also known as extended-stay hotels, are designed to cater to guests who need accommodation for an extended period. Rooms have features that make extended stays comfortable, such as kitchenettes, living areas and amenities that resemble those of a home. Long-stay hotels are suitable for individuals or families who require temporary housing for reasons such as business assignments, relocation, or extended vacations. They often provide services like housekeeping, laundry, and recreational facilities, combining the comforts of home with the convenience of hotel services.
Serviced apartments	These properties exclusively offer apartments, with more space and furniture than a typical hotel room, including a designated living area, typically a full kitchen and multiple bedrooms. They are usually self-catering, often strata title and offer very limited, or no, services.
Soft brand hotels	A soft brand hotel is associated with a hotel chain that provides guests with the benefits of a large hotel chain but without enforcing strict rules, regulations or strong brand identity on the franchisee or chain member. Soft brand member hotels are granted access to branded distribution, sales, and marketing, CRS, and loyalty systems in exchange for royalties and franchise fees. A soft hotel brand company offers individual hotels the opportunity to affiliate with major hotel chains while keeping their unique design, name, and orientation.

Source: STR + THSA.

Why are hotels an attractive asset class?

Stable income generation

Hotels generate a steady income through room bookings, food and beverage services, event spaces, and other amenities. These amenities collectively contribute to a consistent cash flow that appeals to investors seeking reliable income streams and sustainable returns on investment.

Diverse revenue streams

Unlike some other real estate assets that rely solely on rental income, hotels benefit from multiple revenue sources. These include room occupancy fees, food and beverage sales, event hosting (such as weddings and conferences), spa services, and retail offerings within the property. This diversity helps mitigate risks associated with fluctuations in any single revenue stream.

Versatility

Hotels provide versatile spaces that cater to a variety of needs, making them increasingly attractive to the modern consumer. They are no longer just a place to stay. They are evolving into dynamic, multi-use spaces catering to various interests and requirements. Lobbies become co-working zones, rooftops host wellness activities, and unused areas morph into art showcases or local artisan pop-up shops. Bars are networking platforms for events like industry talks or wine tastings, kitchens offer culinary workshops, and conference rooms transform into virtual reality gaming zones. By embracing this shift and focusing on creating memorable, sustainable, and digitally integrated experiences, hotels showcase their versatility and secure their position as an extremely attractive asset class of the future.

Long-term appreciation

Well-located hotels in desirable destinations can appreciate in value over time, especially if they benefit from increasing tourism, business activities, or urban development. As demand for accommodation grows, hotel properties in prime locations can experience capital appreciation. Investment across a diverse mix of region-shaping and infrastructure projects in and around Penrith provides the perfect backdrop for new short-stay accommodation developments to benefit from long-term capital appreciation.

Resilience during economic downturns

While hotel occupancy and revenue may fluctuate during economic downturns, hotels tend to be more resilient than other commercial real estate sectors. Business travellers often continue to require accommodations, and leisure travel may rebound relatively quickly after downturns.

Operational flexibility

Unlike some real estate asset classes, hotels offer flexibility in terms of management and operational strategies. Investors can choose to manage the property themselves, hire a management company, or enter into franchise agreements with established hotel brands. This flexibility allows investors to adapt to market conditions and optimise operations for maximum profitability. In addition, hotel operators can adjust room rates, occupancy strategies, and service offerings to respond quickly to changes in market demand, economic conditions, or competitive pressures. This agility can optimise revenue and profitability.

Scalability + portfolio diversification

Investors can diversify their portfolios by investing in hotels across different markets, segments (e.g., luxury, boutique, budget), or geographic regions. This diversification can help spread risk and enhance overall portfolio stability.

Inflationary hedge

Hotels offer a compelling inflationary hedge relative to other asset classes, primarily due to their unique ‘daily leases’ structure. This structure allows hotel operators to adjust room rates frequently, often daily, in response to market conditions and demand. Consequently, hotels can swiftly adapt to inflationary pressures by raising their rates, allowing them to maintain profitability and pass on rising costs to consumers.

Favourable financing opportunities

Banks and financial institutions are generally willing to provide financing for hotel acquisitions and development projects due to the perceived stability and potential profitability of the industry. This access to financing can make it easier for investors to enter the market or expand their hotel portfolios.

Note: While hotels are becoming an increasingly attractive asset class, they also come with their own set of challenges and risks, including seasonality, competition, operational costs, and the need for ongoing maintenance and renovations.

Why are hotels important?

Accommodation

Hotels provide essential lodging options for travellers, offering a range of rooms and amenities to meet the diverse needs and preferences of guests. They offer a comfortable and convenient place for visitors to stay during their trips, whether for business or leisure purposes.

Tourism infrastructure + contribution to mixed-use precincts

Hotels form a critical part of the tourism infrastructure in any destination. They provide the physical infrastructure necessary to support tourism activities and attract visitors. Together with other accommodation options, hotels create a foundation for tourism development by providing the necessary facilities and amenities for travellers. Hotels offer a range of benefits, including an integrated guest experience, increased foot traffic, economic advantages, and potential for synergistic partnerships, especially those as part of a mixed-use development or precinct, By being part of a well-planned and vibrant precinct, hotels can thrive while contributing to the overall success and attractiveness of the entire development.

Economic impact

Hotels contribute significantly to the local and national economies. They generate direct and indirect employment opportunities, including jobs in hotel operations, maintenance, housekeeping, front desk services, food and beverage, and more. Hotels also generate revenue for local businesses, such as restaurants, shops, transportation services, and attractions, as guests spend money on various goods and services during their stay.

Destination promotion

Hotels (especially international hotel brands with strong distribution systems and large loyalty programs) play a crucial role in attracting visitors to a destination and enhancing its competitiveness. The availability of quality accommodations is a key factor for travellers when choosing their destinations. A well-developed hotel infrastructure, including a range of options across different price points and styles, helps position a destination as desirable and can drive tourism growth. Hotels also play a key role in promoting their destinations. They serve as ambassadors by providing information and recommendations to guests about local attractions, activities, and events, adding value to a guest stay. Positive guest experiences at hotels can also lead to word-of-mouth recommendations and repeat visits, further promoting the destination.

Destination development

Hotels often play a role in destination development and urban revitalisation. Investment in new hotels or the renovation of existing ones can spur further development in the surrounding area, including the construction of additional infrastructure, retail establishments, and entertainment venues. Hotels can contribute to the overall attractiveness and competitiveness of a destination, attracting more visitors and fostering economic growth.

Provide ancillary services

Hotels offer a range of ancillary services that enhance the overall visitor experience. These may include restaurants, bars, spas, fitness centres, conference and meeting facilities, and recreational amenities. By providing these services, hotels cater to the diverse needs of travellers and generate additional revenue streams.

Provide direct and indirect employment opportunities

Hotels are labour-intensive enterprises, creating employment opportunities for a wide range of individuals, including front desk staff, housekeepers, chefs, waitstaff, concierge services, maintenance personnel, and management. This employment contributes to the local economy and helps improve livelihoods within the community.

Play a key role in social responsibility

Hotels often engage with the local community and contribute to its social and economic development. They may collaborate with local businesses, source products and services locally, participate in community events, and support local initiatives, thereby fostering positive relationships and contributing to the overall wellbeing of the community.

Investment case for visitor accommodation in Bundaberg

Investment in new visitor accommodation presents a significant commercial opportunity in Bundaberg, driven by strong tourism growth, expanding economic activity, and infrastructure development. The region is undersupplied with quality, branded short-stay accommodation, limiting its ability to fully capture high-yield visitor segments, business travel, and extended stays. With a growing visitor economy, major projects fuelling demand, and identified strategic sites for hotel development, Bundaberg represents a compelling investment proposition for hotel developers and operators.

Market demand and revenue growth potential

- Sustained growth in overnight visitation: Demand for accommodation is increasing, driven by Bundaberg's strategic position as the gateway to the Southern Great Barrier Reef, the Mon Repos Turtle Centre, and its renowned food and beverage experiences, including the Bundaberg Rum Distillery.
- High visitor spending potential: Overnight visitors contribute significantly to accommodation, F+B, and tourism experiences, making hotel investment an opportunity to capture strong revenue streams from leisure and corporate markets.
- Limited existing supply of premium hotels: The region lacks higher-end, full-service accommodation options, creating an opportunity for branded, boutique, and upscale hotels to fill this gap and command premium rates.
- Identified strategic development sites: Bundaberg Regional Council has pinpointed specific sites suitable for hotel investment, streamlining the development process for potential investors.

Economic growth and infrastructure investment

- Bundaberg's economy is expanding, with agribusiness, manufacturing, marine industries, and tourism fuelling commercial growth and increasing corporate travel demand.
- Major infrastructure projects, including the Bundaberg Port expansion, new Bundaberg Hospital project and new agritourism developments, will further drive demand for short-stay accommodation.
- Improved connectivity: The region benefits from growing air, road, and cruise tourism access, reinforcing Bundaberg's position as a key destination for both leisure and business travellers.

Business and event tourism growth potential

- Increased demand for corporate and event accommodation: With the Bundaberg Multiplex and Convention Centre hosting an increasing number of regional business events and conferences, demand for high-quality accommodation with meeting facilities is expected to rise.
- Opportunities in the MICE (Meetings, Incentives, Conferences, and Exhibitions) sector: New and upgraded accommodation options will strengthen Bundaberg's ability to attract business events, increasing midweek and year-round occupancy levels.
- Growth in government and industry-related travel: Investments in Bundaberg's port, agribusiness, and renewable energy sectors are generating consistent demand for corporate travel and extended stays.

Financial and operational advantages for hotel investors

- Favourable investment environment: Bundaberg offers competitive land and development costs compared to larger urban centres, improving return on investment potential.
- Diverse accommodation opportunities: Demand supports midscale to upscale hotels, boutique lodges, and serviced apartments, catering to both leisure and business travellers.
- Year-round tourism appeal: Unlike seasonal destinations, Bundaberg benefits from steady demand drivers, ensuring strong occupancy potential across different segments.
- Long-term revenue growth: As Bundaberg's visitor economy expands, room rates and RevPAR (Revenue Per Available Room) are expected to increase, making investment in accommodation a strategic long-term play.

Market resilience

- Unlike single-industry-reliant regions, Bundaberg benefits from a balanced mix of leisure, business, and event-driven visitors, reducing exposure to market volatility.
- The region's growing hospitality and tourism workforce ensures investors can access skilled labour to support new hotel operations.

For investors seeking a high-growth regional market with diverse demand segments, strong tourism fundamentals, and long-term revenue potential, Bundaberg presents a compelling hotel development opportunity.

Data deficit: A key barrier to hotel investment in Bundaberg

The absence of reliable hotel and motel performance data-such as occupancy rates, Average Daily Rate (ADR), and Revenue per Available Room (RevPAR) - in Bundaberg poses a significant challenge to attracting hotel investment. Investors, developers, and operators rely on data-driven decision-making, and the lack of transparency in market performance introduces several barriers that can deter capital investment.

Risk perception and market uncertainty

- Investors and operators need a clear understanding of the potential financial returns before committing capital to a new hotel development or refurbishment project.
- Without historical occupancy, ADR, and RevPAR data, investors must make assumptions about demand levels, which increases perceived risk.
- Market uncertainty often results in a reluctance to invest, as financiers and operators prefer regions where they can benchmark performance against industry standards.

Challenges in conducting feasibility studies

- A comprehensive feasibility study requires robust data on existing hotel and motel performance to forecast potential returns.
- Without access to performance metrics, consultants and developers must rely on anecdotal evidence, limited third-party sources, or regional proxies, which weakens the credibility of investment cases.
- This lack of empirical data can result in overly conservative revenue projections, making projects appear less viable than they may actually be.

Difficulty in attracting hotel brands and operators

- Major hotel brands and management companies assess market viability based on historical and projected financial performance.
- The absence of data makes it challenging for brands to determine whether Bundaberg can support a flagged hotel under their business model.
- Many hotel groups require a minimum threshold of market demand and RevPAR performance before committing to a franchise or management agreement.

Financing and lending barriers

- Banks and financial institutions rely on historical market performance data to assess loan risks.
- The lack of established occupancy and rate trends in Bundaberg makes it difficult to justify loan approvals, particularly for speculative developments.
- Without solid market data, lenders may impose more stringent loan conditions or higher interest rates, increasing the cost of capital and further discouraging investment.

Benchmarking and competitive positioning

- Hotel investors and developers assess potential projects by comparing performance against regional and national averages.
- The absence of data means Bundaberg cannot be benchmarked effectively against similar markets, limiting the ability to demonstrate competitive positioning.
- In contrast, locations with accessible performance data (e.g. Hervey Bay or Rockhampton) become more attractive investment destinations due to clearer market insights.

Impact on destination marketing and tourism strategy

- The lack of performance data makes it difficult for regional tourism bodies, such as Bundaberg Tourism and Tourism and Events Queensland, and economic development agencies such as Regional Development Australia Wide Bay Burnett, to advocate for hotel investment.
- Tourism authorities rely on accommodation performance metrics to guide infrastructure and marketing strategies, which in turn support investor confidence.
- Without strong data, the region struggles to position itself as a high-potential market for hotel development.

Missed opportunities and incentives

- Data on hotel performance is crucial for justifying the need for investment incentives, such as tax breaks, grants, or planning concessions.
- Without hard evidence of demand gaps or underperformance, Bundaberg risks missing out on government-backed initiatives that could catalyse new hotel development

The lack of reliable occupancy, ADR, and RevPAR data in Bundaberg creates a major roadblock for hotel investment by increasing market uncertainty, complicating feasibility studies, deterring hotel brands, restricting financing, and limiting strategic decision-making. Addressing this data gap-through industry participation in benchmarking programs, public-private data-sharing initiatives, or collaboration with tourism agencies-would significantly enhance the region’s ability to attract new accommodation investment and support sustainable tourism growth.

How primary research has addressed key information gaps for investors

The primary research initiative funded by Bundaberg Regional Council, with support from Bundaberg Tourism, has successfully overcome longstanding data deficiencies that previously hindered hotel investment in the region. By conducting an extensive survey across a broad cross-section of key demand generators-including local businesses, government departments, healthcare providers, education institutions, tour operators, accommodation providers, visitors, professional conference and event organisers, and existing hotel and motel guests-the initiative has delivered clear, data-driven insights.

The research has confirmed the urgent need for more high-quality accommodation in Bundaberg, with significant demand for both hotels and serviced apartments at the $200-$250 price point.

By providing clear, data-driven insights, this study removes investor uncertainty, strengthens the feasibility case, and validates Bundaberg's potential as an investment-ready destination for new hotel and accommodation developments.

Verified demand metrics

- The primary research has provided concrete evidence of market demand, giving investors the confidence to assess Bundaberg's hotel potential.
- Data collected directly from businesses, government agencies, and event organisers has quantified the frequency and scale of corporate, government, and leisure travel.
- By analysing overnight visitor numbers, length of stay, and travel motivations, the research has established a robust demand baseline that was previously unavailable.

Confirmed the need for more quality accommodation

- The research has clearly confirmed that Bundaberg's current accommodation supply is insufficient to meet demand, with significant challenges in securing available rooms-across all accommodation types.
- Guests, businesses, and event organisers have consistently reported difficulties in booking accommodation, highlighting the urgent need for additional, high-quality hotel and serviced apartment options.
- Survey findings also reveal that guests are willing to pay more for quality accommodation, with $200-$250 per night identified as the appropriate price point, reinforcing the opportunity for midscale to upscale developments.

Strengthened the case for hotels and serviced apartments

- Findings confirm that Bundaberg's accommodation sector is underserving key demand segments, including corporate travellers, government personnel, medical professionals, and event attendees, many of whom prefer higher-quality, internationally branded hotels with business-friendly amenities.
- The research also highlights a clear demand for serviced apartment-style accommodation, particularly from long-stay corporate and professional guests.
- This data provides compelling evidence to attract both midscale and upscale hotel brands, as well as serviced apartment operators, who require demand validation before entering new markets.

Provides evidence for hotel feasibility studies

- The survey results underpin Bundaberg's hotel market demand and financial feasibility study, delivering robust data to model occupancy, ADR, and RevPAR projections.
- With verified demand for both hotels and serviced apartments at higher price points, investors, developers, and operators now have credible insights to assess project viability, revenue potential, and return on investment (ROI), making Bundaberg a far more attractive and de-risked proposition.

Supports conference and event market development

- Professional conference and event organisers have highlighted limitations in Bundaberg's accommodation and event infrastructure, reinforcing the need for more high-quality rooms to support business events, government meetings, and association conferences.
- The study confirms that Bundaberg is currently losing potential events due to a lack of suitable accommodation, strengthening the case for business-oriented hotels with conference facilities.
- Additionally, these findings provide a compelling basis for securing government or private sector funding to expand event infrastructure, further driving accommodation demand.

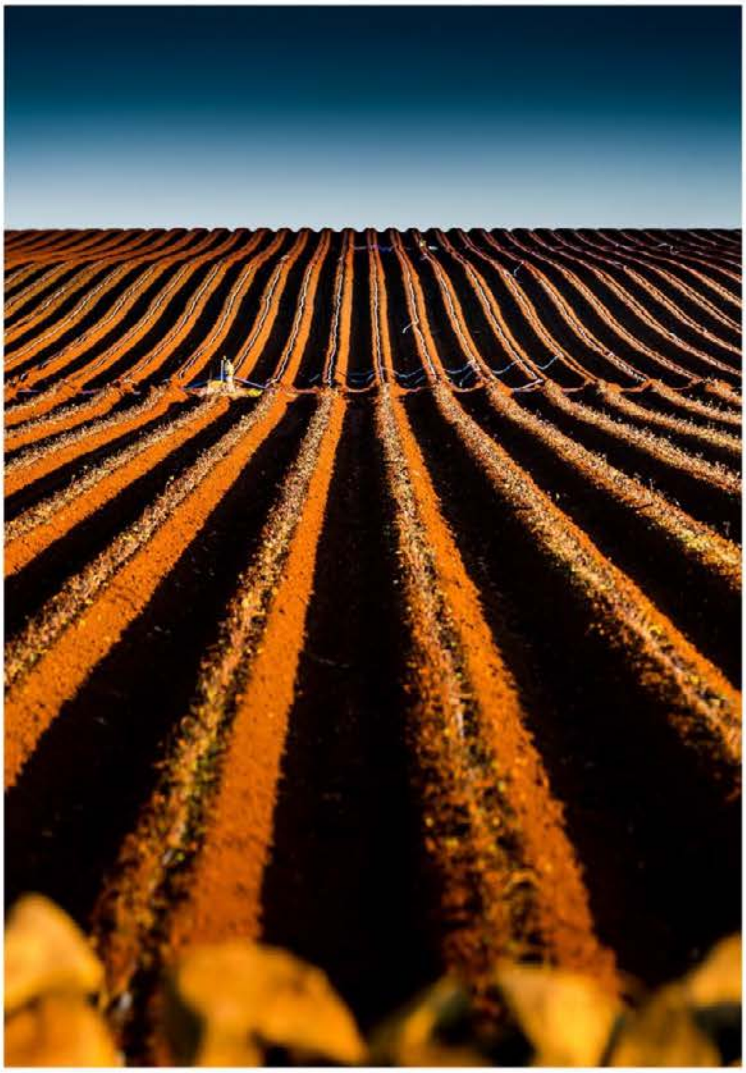
Demonstrates year-round accommodation demand

- The research definitively confirms that Bundaberg's hotel sector is not reliant solely on seasonal peaks, with strong year-round demand from business, government, and medical-related travel segments.
- By incorporating insights from tourism operators, corporate travellers, and healthcare providers, the study demonstrates consistent occupancy patterns, reinforcing Bundaberg as a stable and sustainable hotel investment market.

Alignment of hotel development with economic goals

- Findings from major employers, education institutions, and healthcare providers provide strong evidence of sustained demand for corporate and extended-stay accommodation.
- With an identified shortfall in suitable long-stay lodging for professionals, medical staff, and relocating workers, the case for serviced apartments and extended-stay hotels is clearly justified, presenting a compelling long-term investment opportunity.


Hinkler Hall of Aviation




Mon Repos Beach

Executive summary

This Executive Summary brings together the key findings, insights, and recommendations from the Bundaberg Hotel Demand and Financial Feasibility Study. Grounded in extensive market research and underpinned by detailed modelling, it outlines why Bundaberg presents a rare and timely opportunity for new hotel development.

Why invest in Bundaberg's accommodation sector?

Bundaberg's visitor economy is expanding, driven by infrastructure growth, tourism appeal, and a diversified economic base. This study provides clear, data-backed evidence of an undersupplied market - and a rare opportunity for investors to deliver modern, internationally branded and managed short-stay accommodation that meets emerging demand.

✓ Demand is increasing, but supply is not keeping pace

✓ Strong post-COVID recovery and tourism fundamentals

✓ Council-controlled sites provide a fast-track pathway to development

✓ Market feedback shows unmet need across corporate, leisure, and group segments

Bundaberg represents a strategic and achievable opportunity for developers, funders, and operators to enter a maturing regional market, with Council as a proactive partner.

Driven by strong underlying economic growth

Bundaberg's economic trajectory is being reshaped by transformational public and private investment. Key projects are driving demand for accommodation year-round:

- $1.2 billion Bundaberg Hospital - increasing travel for staff, patients, and visitors
- Port and marine infrastructure investment - supporting industrial and commercial travel
- Macadamia and distillery precincts - boosting agritourism and business visitation
- State-backed tourism and economic initiatives - aligning with Destination 2045

These developments elevate Bundaberg's market appeal, particularly to the corporate, health, and education sectors, while providing a robust demand base for long-term hotel performance.

Bundaberg's unique destination appeal

Bundaberg blends world-class nature with strong brand recognition. Iconic visitor experiences bolster its positioning as the gateway to the Southern Great Barrier Reef:

- Mon Repos Turtle Centre draws over 30,000 visitors annually
- Lady Musgrave and Lady Elliot Islands are key drivers of overnight reef stays
- Bundaberg Rum Distillery is among Queensland's top commercial tourism assets
- Emerging food and beverage tourism including Kalki Moon Distillery and Macadamias Australia

Yet, without the right accommodation in the right locations, Bundaberg risks losing high-value visitors to better-equipped destinations.

Visitation profile and growth opportunities

Bundaberg's visitor economy has rebounded strongly since the pandemic, with signs of stabilised growth across key markets. Total visitation reached 1.48 million in 2024 - up 2% year-on-year, though still below the 2019 peak. The rebound has been led by domestic overnight travel (+12% YoY), now accounting for 48% of all visitors and 66% of total visitor nights.

Visitor nights have nearly returned to pre-COVID levels, reaching 3.34 million in 2024 - just 6% shy of the 2019 high. While international visitor numbers remain suppressed, international visitor nights have surged, averaging an extended stay of nearly 39 nights, primarily driven by seasonal workers, backpackers, and long-stay visitors.

Overnight stays are primarily leisure-driven, with holidaymakers (43%), those visiting friends and relatives (33%), and business travellers (20%) making up the largest segments. Business visitation has shown notable growth, with an average stay of 6.3 nights and increasing demand for high-quality, reliable accommodation.

Commercial accommodation now accounts for 56% of all visitor nights, with demand concentrated in motels, serviced apartments, and caravan parks. However, only 4% of total commercial visitor nights are currently spent in premium hotels, highlighting a major market gap for full-service and internationally branded accommodation offerings.

Most overnight visitors are intrastate travellers (93%), with strong representation from Brisbane, the Sunshine Coast and inland regional Queensland. The dominant traveller profiles include Millennials (24%), Gen X (27%), and Baby Boomers (24%), suggesting broad appeal across demographic cohorts and a strong foundation for year-round visitation.

Bundaberg's recovery trajectory and shifting visitor profile present a clear opportunity: capture higher-value, overnight travellers by improving accommodation quality, scale, and availability, particularly within the upscale hotel and extended-stay segments.

Current supply of short-stay visitor accommodation

Bundaberg's accommodation market is active but fragmented, with Best Western and Choice Hotels currently the only internationally branded operators – highlighting a clear gap for higher quality, globally recognised brands.

The region includes 54 properties and around 1,125 rooms, spanning hotel and motel rooms, serviced apartments, self-catering units, and holiday park cabins across three key precincts. With an average of just 21 rooms per property, this limits the opportunity to attract the international brands consumers seek today.

Snapshot of current supply

- Over 70% of properties are rated 3.0 or 3.5 stars
- Only 24% of properties achieve 4.0 stars or higher
- No 5-star rated hotels
- Internationally branded accommodation is limited

- Bundaberg (urban core): The dominant precinct, with 24 properties and 532 rooms, is largely made up of independent 3.0 to 3.5-star motels and motor inns. The current stock is functional but dated and limited in scale (number of rooms and diversity of facilities).
- Bargara (coastal leisure): Home to 17 properties and 380 rooms, Bargara captures the majority of leisure-driven visitation. It features the region's highest concentration of 4.0+ star properties and beach-facing resorts, including C Bargara and Manta Bargara. Recent investment in properties like NRMA's $28 million Turtle Sands development underscores sustained demand and confidence in the region's coastal leisure market.
- Other regional centres (e.g. Childers, Woodgate, Gin Gin, Lady Elliot Island): These areas contribute 212 rooms across 13 smaller-scale motels, holiday parks, and eco-stays, serving drive, nature-based, and seasonal tourism.

A diversified, higher-quality accommodation offering-particularly an internationally branded and managed full-service hotel and/or serviced apartments - would not only fill current gaps but also expand the market by attracting guests who currently bypass the region or shorten their stay.

Future supply

While Bundaberg is experiencing significant infrastructure and tourism-driven growth, no new hotel or serviced apartment development is currently under construction, although MVP Hotel - a 97-room hotel near the airport - is pending. Several past proposals have been approved but ultimately stalled due to financing constraints, high construction costs, or community pressure.

This lack of new supply, especially in full-service or internationally branded hotels, creates a prime opportunity for strategic development. It also underscores the urgency for Bundaberg Regional Council, and its partners, to take a proactive role in facilitating investment.

Results of primary research

To underpin this feasibility study with real-world evidence, THSA conducted extensive primary research - a cornerstone of the report's findings and recommendations. More than 800 responses were collected across four tailored surveys:

- 302 corporate, government, education, and healthcare organisations
- 410 leisure visitors
- 40 professional event and conference organisers
- 12 accommodation providers and 28 hotel guest surveys

These datasets revealed clear patterns of unmet demand, price sensitivity, and shifting visitor preferences, providing an practical foundation for scenario modelling, pricing assumptions, and segmentation strategy.

Key insights from the surveys

Corporate, government, education and healthcare survey

Weekday demand is strong and recurring, driven by professional services, government agencies, and education/health providers.

The majority of trips are short-stay (1-3 nights), but accommodation is often booked well in advance due to limited availability.

Quality and functionality are rated as more important than luxury. Many respondents already budget $151-$300 per night, but report that Bundaberg lacks reliable supply at this standard.

Group travel (including teams, visiting specialists, and academics) is underserved, with limited flexible inventory and poor availability during peak times.

Leisure visitor survey

High levels of satisfaction with Bundaberg as a destination, but frustration around the lack of modern, well-located accommodation.

Families and couples seeking quality or boutique-style stays are often forced to book STRA listings due to a lack of hotel alternatives.

64% of visitors indicated they would extend their stay if better accommodation was available.

Visitors expressed a preference for accommodation near the CBD, waterfront, or cultural precincts, with walkability and amenity access seen as key factors

Professional conference and event organiser survey

Bundaberg's event offering is strong, with year-round professional, educational, and sporting events.

Over 95% of organisers believe new accommodation is urgently needed, particularly 4 star hotels and serviced apartments with group booking functionality.

Many organisers face difficulty securing room blocks, suitable facilities, or locations that meet delegate expectations, limiting event scale and economic benefit.

Respondents highlighted a gap in meeting room-equipped properties with quality rooms and consistent service standards

Accommodation provider and guest survey

Providers report high occupancy during peak weekends and events, but consistent midweek corporate demand too.

Many operators are unable to meet group booking requests or offer extended-stay facilities.

Guests reported gaps in availability, inconsistent quality, and a desire for more contemporary, brand-affiliated properties, particularly in central locations.

This feedback correlates with a strong expressed interest in branded properties with loyalty programs and modern facilities.

This research was not only illustrative - it directly informed the demand modelling and feasibility proformas, guiding the assumptions used for occupancy, ADR, guest segmentation, and pricing. It also highlighted Council-facing recommendations to de-risk development and support investment attraction.

Recommended development scenarios

Recommended scenario 1: Upscale full-service internationally branded hotel

120 rooms | CBD or key precinct location | Target markets: government, corporate and premium leisure

This scenario proposes a professionally managed, internationally branded, upscale full-service hotel with 120 rooms and a diverse mix of amenities tailored to Bundaberg's weekday business and weekend leisure markets. The offering includes standard and superior rooms, suites, three food and beverage outlets, flexible meeting facilities, and key guest services such as a 24-hour reception, gym, and concierge.

Designed to attract higher-yielding corporate, education, government, and event-based travel, the hotel would address a clear market gap for internationally branded, reliable accommodation. The property is projected to stabilise at 78.3% occupancy and an ADR of $233 (2025 values), generating rooms revenue of $8.0 million by Year 4. With food and beverage and event revenues contributing strongly, total operating revenue is expected to reach $14.5 million, delivering an EBITDA margin of 22.8% by Year 5.

Performance snapshot in stabilised year

ADR: $233 (2025 values)

Occupancy: 78.3%

Rooms revenue: $8.0M

Total revenue: $14.5M

GOP: $4.6M @ 32%

EBITDA: $3.3M @ 22.8%

This scenario responds directly to the quality and service expectations identified in the primary research, offering Bundaberg a hotel product it currently lacks. Designed to support midweek corporate demand and weekend leisure stays, it delivers a consistently branded, full-service experience that anchors the broader accommodation offering. For investors, it provides a commercially robust and scalable model with strong potential to attract a global brand.

For Bundaberg, facilitating a development of this type, particularly under an international brand, would deliver benefits well beyond room supply. Global brands bring recognised service standards, booking platforms, and loyalty programs that boost visitor confidence and drive higher-yielding segments to the destination. Their presence helps raise the profile of Bundaberg in national and international markets, supports greater marketing reach, and increases appeal for corporate and event organisers. International operators also bring established workforce systems, supplier networks, and training pathways — lifting industry standards and creating long-term employment opportunities. Strategically, securing a globally branded hotel can act as a signal of investor confidence, stimulating additional private investment in precinct activation, hospitality, and tourism infrastructure. These multiplier effects, combined with a clear and growing demand base, make the case for the Council to proactively incentivise and facilitate this type of project.

Recommended Scenario 2: Upscale serviced apartments

55 upscale self-contained apartments | Target markets: long-stay corporate, health, education and relocating families

Performance snapshot in stabilised year

ADR: $332 (2025 values)

Occupancy: 73.6%

Rooms revenue: $4.93M

GOP: $2.0M @ 41.4%

EBITDA: $1.6M @ 32.3%

This scenario proposes a standalone serviced apartment development with 55 self-contained, upscale units, offering a mix of studios, one-bedroom, and two-bedroom apartments. Designed for longer-stay guests, the property is anticipated to target corporate relocations, project-based workers, education and healthcare professionals, and visiting families who value flexibility and independence.

The apartments are envisaged to include full kitchens, in-room laundry, dedicated workspaces, and generous living areas. The property features shared guest amenities such as a resident lounge, fitness centre, landscaped courtyard, parcel lockers, and secure parking-with (potentially) optional pet-friendly units. These features support the needs of guests staying multiple weeks or months, particularly those transitioning to the region or travelling for professional purposes.

The serviced apartment model is forecast to stabilise at 73.6% occupancy and an ADR of $332 (2025 values), producing $4.93 million in rooms revenue by Year 4. With no food, beverage, or event offerings, the operation remains lean and cost-efficient, enabling a strong EBITDA margin of 32.3% by Year 5.

This scenario closely aligns with demand identified in the primary research, particularly the clear gap for extended-stay accommodation that combines space, autonomy, and central location. Purpose-built serviced apartments offer a distinct and efficient product that complements, rather than competes with, full-service hotels. For investors, it presents a commercially attractive alternative with leaner operations, stable occupancy, and strong alignment with regional accommodation needs.

Recommended Scenario 3: Consolidated hotel and serviced apartment development

175 keys | Dual-format product on a single site |

This integrated model combines a 120-room upscale hotel with 55 self-contained serviced apartments, offering the flexibility to meet short- and extended-stay demand within a single, efficiently operated precinct. By blending the strengths of each format, this scenario optimises occupancy, smooths demand cycles, spreads fixed costs over a larger inventory and reduces costs to maximise profitability. This model is most likely to be of interest to experienced hotel investors and to attract international hotel brand operators.

From an ROI perspective, the consolidated development delivers the highest overall revenue and EBITDA of all options, supported by shared services, complementary facilities, and strong cross-segment market appeal. With $19.4 million in projected Year 5 revenue and EBITDA of $4.9 million (a 25.2% margin), it outperforms both the standalone hotel and serviced apartment models in absolute terms.

Final note

This report presents more than just a market snapshot - it delivers a robust and actionable foundation for hotel investment in Bundaberg. Through detailed demand analysis, rigorous financial modelling, and more than 780 responses from corporate, leisure, and industry stakeholders, it offers an evidence-based path forward for sustainable accommodation development.

Bundaberg is not a speculative market - it is a regional centre with a growing visitor economy, strong infrastructure pipeline, and clear year-round demand across multiple travel segments. Yet, the absence of high-quality, internationally branded accommodation continues to limit its full economic potential.

Now is the time to act.

With confirmed demand, investable sites, and broad stakeholder support, Bundaberg is well placed to secure its next generation of hotel infrastructure. But this will not happen organically. Success will depend on strong Council leadership, direct investor engagement, and a coordinated effort to remove barriers, communicate the opportunity, and facilitate new supply.

The tools now exist - from demand modelling to site identification and investor messaging. With this report in hand, Council is equipped to move from opportunity to outcome.

Bundaberg's future as a high-performing regional destination starts with the right accommodation - in the right locations, for the right markets, at the right time.


Macadamias Australia

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Christsen Park, Bargara

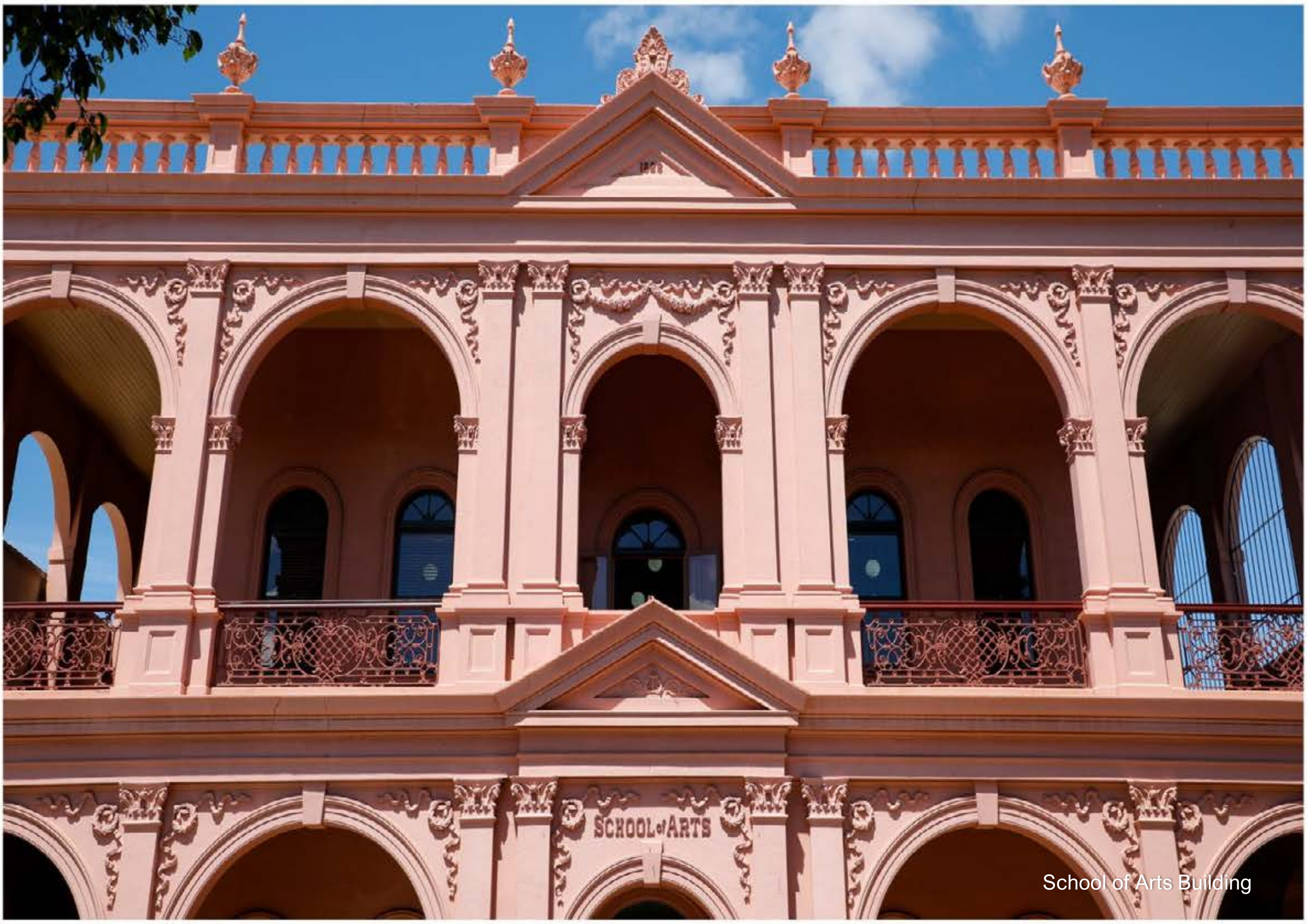
Glossary of key hotel industry terms

ADR (average daily rate)	• ADR represents the average room revenue earned per occupied room for a specific period, typically calculated on a daily basis. ADR is calculated by dividing the total room revenue by the number of rooms sold. • ADR is an important metric for hotels for several reasons: o *Revenue measurement:* By monitoring ADR, hotel operators can assess the effectiveness of their pricing strategies, identify trends in guest spending patterns, and evaluate the overall financial performance of the property. Higher ADR indicates that guests are willing to pay more for the hotel's offerings, leading to increased revenue and potentially higher profit margins. o *Assessing market positioning:* Comparing the ADR of a hotel with its competitors in the same market segment provides insights into how the property is performing relative to others. A higher ADR may indicate that a hotel is offering superior amenities, services, or experiences, positioning it as a premium choice in the market. o *Investment analysis:* ADR is a key metric considered by investors and lenders when evaluating the financial viability of hotel projects. A higher ADR suggests stronger revenue potential and return on investment. ADR data help stakeholders assess the financial attractiveness of a property.
Average Rate Index (ARI)	• ARI is a hotel key performance indicator used to evaluate a hotel's pricing performance by comparing its average daily rate to the average daily rate of its competitive set or the overall market. It offers insights into whether the hotel's rates are higher or lower relative to its peers or the market average. • Calculation for ARI = (hotel ARI/competitive set ARI) × 100.
Bleisure	• 'Bleisure' is a popular term used in reference to blended business and leisure trips. Bleisure trips often involve adding a few extra days to a business trip to enjoy leisure activities such as sightseeing, spa treatments, golf, or surfing. Bleisure travel has become increasingly more frequent and acceptable since the onset of COVID-19 and is viewed as an opportunity to achieve more work-life balance while still fulfilling professional obligations.
Chain scale/classification	• Chain scale segments include luxury, upper-upscale, upscale, upper midscale, midscale, and economy, and are globally used to categorise chain-affiliated and independent hotels based on average daily rate (ADR), relative to that of the hotels in their geographic proximity. The hotel classification system is run by STR Global and is used by the hotel investment and operations sector globally.
Gross Operating Profit (GOP) and GOPPAR	• GOP measures the hotel's profitability before deducting fixed costs and non-operating expenses. GOP is calculated by subtracting the hotel's operating expenses from its total revenue. • Gross operating profit per available room (GOPPAR) divides the GOP by the total number of available rooms, providing a per-room profitability measure. GOPPAR provides an indication of the hotel's financial efficiency and profitability.
Guest density	• Guest density refers to the measurement or assessment of the number of guests within a hotel. • The concept of guest density is crucial for hotel operators and designers to ensure that the space is used efficiently whilst balancing enjoyable guest experiences with guest comfort, safety, and service quality. • Guest density (as opposed to rooms sold) is a more accurate baseline for estimating future revenue related to food and beverage, spa and wellness and other operated department spend.
Hotel brand	• Hotel brand standards refer to a set of guidelines and expectations that a hotel operator requires its properties to adhere to in order to maintain consistency and quality across all locations. These standards typically cover a wide range of areas, including service, amenities, design, cleanliness, safety, and customer experience. These standards allow the brand to deliver higher ADR, occupancy and GOP than non-branded hotels. • By adhering to these standards, hotel brands aim to create a consistent and high-quality experience for guests, regardless of where they are staying. While this may seem rigid, it is done to ensure that guests have a quality-controlled, standardised experience that meets expectations regardless of which property they stay at within the same brand. Moreover, the brand standards are often the result of extensive research, testing, and analysis of what guests value and expect from their hotel experience. They are designed to directly meet the needs and preferences of the brand's specific target market. That said, some hotel brands are starting to incorporate more flexibility into their brand standards to allow for more customisation at individual properties, while still maintaining consistency in core areas. This can help to create a unique and personalised experience for guests while still aligning with the overall brand identity.

Hotel franchise contract	• The hotel owner operates the property under the brand of a well-established hotel chain. The hotel owner pays a franchise fee and follows the brand's standards and guidelines while retaining ownership and management of the property.
Hotel management agreement	• Agreement between the hotel owner and a hotel management company. The management company is responsible for running the day-to-day operations of the hotel on behalf of the owner in exchange for a management fee.
Hotel owner-operated management:	• The hotel property is owned by an individual or a group of investors who directly manage and operate the hotel themselves. The owners are involved in decision-making, financial planning, and day-to-day operations.
Occupancy	• Room occupancy represents the percentage of available rooms that are occupied by guests during a specific period. Occupancy rate is typically calculated by dividing the number of rooms sold or occupied by the total number of available rooms and multiplying it by 100. • Room occupancy is an important metric for several reasons: ○ *Impacts revenue generation:* A higher occupancy rate means a greater utilisation of available rooms, leading to increased room revenue. By monitoring occupancy, hotels can assess the demand for their rooms and make data-driven decisions on pricing, marketing strategies and revenue and yield management to maximise revenue outcomes. ○ *Performance measurement:* Provides insights into how well a hotel is attracting and accommodating guests and in doing so enables operators to evaluate their ability to attract guests, adjust operations based on demand and align operations and marketing strategies with anticipated demand levels. ○ *Efficiency and cost control:* Higher occupancy allows hotels to spread fixed costs over a larger revenue base, leading to improved operational efficiency. It enables better utilisation of staff, amenities, and services, thereby minimising resources and reducing costs per occupied room. ○ *Investment analysis:* Occupancy rate is a key metric considered by investors and lenders when evaluating the financial viability of hotel projects as it provides an indication of the attractiveness (popularity) of the property. Higher occupancy rates indicate stronger demand and revenue potential, which is favourable for investments.
Market Penetration Index (MPI)	• MPI compares a hotel's occupancy rate with the average occupancy rate of its competitive set or market segment. It indicates how well a hotel is capturing its fair share of the market demand. • Calculation for MPI = (hotel occupancy rate/competitive set occupancy rate) × 100 • An MPI above 100 indicates that the hotel's occupancy rate is higher than the average occupancy rate of its competitive set or market segment, indicating a higher market share. Conversely, an MPI below 100 suggests that the hotel's occupancy rate is lower than the average, indicating a lower market share. • MPI provides an assessment of how well an existing (or proposed hotel) is capturing (or potentially capture) its fair share of the market demand relative to its competitors (or future competitors). It provides insights into the hotel's competitiveness and relative market positioning.
Market positioning	• Market positioning helps hotels differentiate themselves from competitors and target the right audience by aligning their offerings with the specific desires and preferences of their identified market segment. It influences various aspects of the hotel's operations, including marketing strategies, branding, service standards, pricing, and the selection and development of facilities and amenities. Effective market positioning can contribute to increased customer loyalty, higher occupancy rates, and improved financial performance.
MICE (meetings, incentives, conferences + exhibitions)	• MICE travellers are business travellers who engage in activities related to meetings, incentives, conferences, and exhibitions. They are often employees, executives, or professionals representing their companies or organizations in these business-related events. MICE tourism is a crucial segment of the travel industry, contributing significantly to the economy of destinations that host these business events. Destinations and hotels often develop specialized facilities and services to cater to MICE travellers, such as convention centres and business-friendly accommodations.
Occupancy	• The percentage of hotel rooms that are occupied during a specific period, calculated by dividing the number of occupied rooms by the total number of available rooms.

RevPAR (revenue per available room)	• RevPAR measures the average revenue generated per available room during a specific period. It is calculated by dividing the total room revenue by the total number of available rooms.
	• RevPAR is an important metric for hotels for several reasons:
	  ○ *Comprehensive revenue assessment:* RevPAR considers both occupancy rate and ADR to provide a holistic view of how effectively and efficiently a hotel is generating revenue from its available room inventory, thereby enabling hoteliers to identify areas for improvement and benchmark their performance against industry standards or competitors.
	  ○ *Profitability evaluation:* RevPAR is directly linked to a hotel's profitability. A higher RevPAR indicates that a hotel is effectively maximising revenue potential, optimising pricing strategies, and achieving a balance between occupancy and ADR. Monitoring RevPAR allows hotel operators to identify opportunities for revenue growth and implement strategies to enhance profitability.
	  ○ *Demand and pricing insights:* RevPAR analysis identifies periods of high or low demand and assists hotel operators make informed decisions regarding pricing adjustments, promotions, or marketing strategies to optimise revenue.
	  ○ *Investment analysis:* RevPAR is the key metric considered by investors and lenders when evaluating the financial health and investment potential of hotel projects insofar as it provides an indication of a hotel's revenue-generating capability and potential return on investment. It helps stakeholders assess the financial viability of a hotel property and estimate future cash flows.

Revenue Generation Index (RGI)	• RGI compares a hotel's RevPAR with the average RevPAR of its competitive set or market segment, showing the hotel's revenue performance relative to its peers. • Calculation for RPI = (hotel RevPAR/competitive set RevPAR) × 100 • An RGI above 100 indicates that the hotel's RevPAR is higher than the average RevPAR of its competitive set or market segment, indicating a higher revenue market share. Conversely, an RGI below 100 suggests that the hotel's RevPAR is lower than the average, indicating a lower revenue market share. • RGI provides an assessment of how well an existing (or proposed hotel) is performing in terms of revenue generation relative to its competitors (or future competitors) and provides insights into the existing (or proposed) hotel's revenue performance and market positioning and, in the case of existing hotels, provides an indication of the effectiveness of its pricing strategies and revenue management techniques.
Star rating	• Star rating refers to a system of evaluating and categorising hotels based on their overall quality, amenities, services, and guest experience. • The star rating system typically ranges from one star to five stars, with five-star properties representing the highest level of luxury, service, and facilities. The criteria for each star rating can vary depending on the country or region, as different rating systems may have slightly different standards and guidelines. • Star rating is different to hotel classification which categorises hotels based on their ADR performance (refer to the definition). Hotel classification provides additional information beyond the star rating and helps travellers understand the hotel's specific offerings and suitability for their needs.



School of Arts Building


Bundaberg Port and Marina

Approach and scope of works

This report comprehensively assesses hotel market demand and investment opportunities in Bundaberg. Commissioned by Bundaberg Regional Council and prepared by THSA, the study is designed to support new hotel development by identifying the most viable accommodation models, development scenarios, and investment pathways, grounded in data and tailored to local conditions.

The project's primary objective is to guide public and private sector stakeholders in delivering the right type of short-stay accommodation, in the right place, at the right time - ensuring that Bundaberg's visitor economy can grow in a way that is economically sustainable, commercially viable, and strategically aligned with the region's long-term aspirations.

THSA's methodology integrates market analysis, financial modelling, and a rigorous program of primary research, forming this study's cornerstone. Four targeted surveys were conducted between February and March 2025, generating over 800 responses from:

- 410 leisure visitors to Bundaberg
- 302 corporate, education, government, and healthcare organisations
- 12 local accommodation providers and 28 hotel guests
- 64 professional conference and event organisers

These insights provided Bundaberg-specific intelligence on travel behaviour, accommodation preferences, unmet needs, seasonality, service expectations, booking patterns, and event infrastructure gaps. The depth and quality of this input enabled THSA to model demand profiles and financial scenarios with a level of precision not typically available in regional feasibility studies.

The study also draws on a wide range of secondary data sources, including Tourism Research Australia, AirDNA, and published Council and government strategy documents. It is also supported by benchmarking from THSA's proprietary hotel performance models and comparable markets across regional Australia.

The development opportunities identified in this report are driven by a convergence of compelling regional strengths, including:

- Bundaberg's position as the gateway to the Southern Great Barrier Reef
- Growing national awareness of the region's food, distilling, and eco-tourism credentials
- Major infrastructure and investment projects, including airport upgrades, bioeconomy initiatives, and the Port of Bundaberg expansion
- The Bundaberg Riverside Masterplan aims to strengthen connections between the CBD and riverside, enhancing the city's commercial appeal and public realm
- Demand from both high-yield leisure visitors and resilient year-round segments, including corporate, government, health, and project-based travel

Together, these factors present a strong case for new, high-quality hotel development, particularly in the Bundaberg CBD.

This study delivers a commercially focused roadmap for hotel development in Bundaberg, combining localised demand insights with benchmark-driven projections and practical recommendations. It equips Council and investors with the evidence and confidence needed to make informed decisions, reduce risk, and unlock the next generation of short-stay visitor accommodation.

Data sources

Primary data

Primary research was a cornerstone of this study and provided a critical evidence base for identifying real demand, testing market sentiment, and shaping the financial feasibility model. It was especially important in capturing Bundaberg-specific insights often unavailable through secondary datasets. The findings directly informed development sizing, positioning, seasonality modelling, pricing assumptions, and key investor considerations.

THSA conducted four tailored surveys between February and March 2025 to fill known data gaps and address the specific accommodation dynamics in Bundaberg:

- Corporate, government, education + healthcare providers (n=302): Captured travel patterns, booking preferences, accommodation challenges, and satisfaction levels across weekday and project-based travel segments. The responses provided strong insight into recurring and high-yield midweek demand.

- Conference + event organisers (n=58): Assessed the frequency, scale, and type of professional events hosted in Bundaberg, along with constraints related to accommodation, event space, and infrastructure. Organisers also indicated likely demand growth if new hotel products were introduced.

- Accommodation providers + hotel guests (n=12 providers, 28 guests): Provided operational and performance feedback from local hotels, motels, and resorts (excluding STRA and holiday parks), including occupancy levels, challenges to growth, and perceptions of future need. A complementary guest survey captured feedback on satisfaction, stay motivations, pricing perceptions, and desired improvements.

- Leisure visitors (n=410): - Explored the travel behaviours, motivations, price sensitivity, and future preferences of leisure visitors to Bundaberg. The results were used to shape sizing assumptions, bundled product preferences, and identify gaps in the current short-stay accommodation offer.

Collectively, these surveys offered both quantitative data and qualitative commentary, allowing triangulation of visitor preferences, forecasted demand, and pricing expectations. The research ensures that financial projections and development recommendations are grounded in the specific needs of Bundaberg's core visitor segments.

Secondary data

THSA also drew on a wide range of reputable secondary sources to ensure a robust and evidence-based approach:

- Tourism Research Australia (TRA): Used to analyse macro and regional visitor trends, segmented by trip type, source market, and trip purpose. These datasets supported baseline demand calculations and benchmark comparisons.

- AirDNA: Provided live data on the performance of the short-term rental market, including occupancy and ADR for properties listed on Airbnb, Vrbo, and similar platforms.

- Strategic + industry literature: Included Bundaberg Regional Council and Wide Bay Burnett strategic documents, third-party evaluation reports, tourism outlooks, and academic literature. News articles and industry commentary were used to capture recent developments, sentiment, and major project updates relevant to tourism and accommodation demand.

Note: Refer to the "Notes" section for guidance on the distribution and limitations of STR data where relevant.

1. Bundaberg and surrounds: accessibility, economic drivers and major projects

1.1 Setting the scene

The macroeconomic climate in which a hotel operates is a critical factor in forecasting demand and evaluating investment potential. Economic growth, infrastructure investment, and demographic trends directly influence visitor arrivals and accommodation demand, shaping the viability of new hotel development.

Bundaberg's strategic location-as the gateway to the Southern Great Barrier Reef and a key regional hub for agribusiness, tourism, and marine industries-positions it as a high-growth market for accommodation investment. With increasing domestic and international visitation, major infrastructure projects, and expanding industry sectors, Bundaberg is set to benefit from rising demand for quality visitor accommodation.

This section provides an economic snapshot of Bundaberg and its surrounds, outlining key industry drivers, major employment sectors, and significant infrastructure projects (explored further in Section 1.4) that will support long-term growth in overnight visitation. As highlighted in Sections 3.1 and 3.5, Bundaberg's current undersupply of high-quality accommodation and limited pipeline of new hotel development create a timely and strategic opportunity for investors to capitalise on growing demand in an expanding regional economy.

1.2 Location and accessibility

Bundaberg's geographic positioning between major tourism destinations and regional economic centres enhances its role as a key stopover point for travellers along the Queensland coast. It benefits from strong drive-market appeal, capturing visitors from Brisbane, the Fraser Coast, and inland Queensland, as well as business and leisure travellers moving between southeast and central Queensland.

This regional connectivity, combined with Bundaberg's growing visitor economy and infrastructure investment, makes it a strategic location for new hotel development.

Location

Located 375 km north of Brisbane, Bundaberg is a key regional centre in Queensland, covering an area of approximately 6,451 km². It serves as the gateway to the Southern Great Barrier Reef and is a major hub for agriculture, marine industries, and tourism. The city is positioned within the Wide Bay-Burnett economic corridor, a growing regional powerhouse with strong economic linkages across southeast and central Queensland.

Bundaberg's strategic location provides convenient access to several key regional centres:

- Hervey Bay (110 km south, 80 minutes' drive) - A major coastal tourism destination known for whale watching, Fraser Island (K'gari), and a growing visitor economy, which complements Bundaberg's nature-based tourism offerings.
- Sunshine Coast (250 km south, 3-hour drive) - A high-growth tourism and lifestyle region, acting as a feeder market for leisure visitors traveling further north.
- Gladstone (200 km northwest, 2.5-hour drive) - A significant industrial and port city, with links to marine trade, resources, and energy industries, supporting business travel and industry-related accommodation demand.
- Rockhampton (290 km northwest, 3.5-hour drive) - A central Queensland hub for agribusiness, education, and government services, with visitor flows between both regions.

Figure 2.1: Location and accessibility map of Bundaberg relative to Queensland and other regional centres

	Time
Brisbane	1 hr

(from Bundaberg CBD)	Time	Distance
Bundaberg Airport	11 min	5 km
Port Bundaberg	20 min	18 km
Mon Repos	18 min	15 km
Bargara	18 min	14 km
Coral Cove	22 min	17 km
Elliott Heads	23 min	20 km
Gin Gin	42 min	50 km
Childers	44 min	51 km
Hervey Bay	1h 20 min	110km
Maryborough	1h 20 min	111 km
Gympie	2 h 13 min	195 km
Maroochydore	2 h 58 min	272 km
Brisbane	4 hours	360 km
Gold Coast	4 h 40 min	437 km
Gladstone	2 h 12 min	187 km
Rockhampton	3 h 12 min	288 km

Road connectivity

Bundaberg is well-connected by major highways, providing efficient road access for visitors and businesses:

- The Bruce Highway links Bundaberg to Brisbane (4.5 hours south) and Rockhampton (3.5 hours north), facilitating strong drive-market tourism.
- The Isis Highway connects Bundaberg to inland Queensland, supporting regional freight and tourism movement.
- Recent road infrastructure upgrades-including improvements to the Bundaberg Ring Road and highway intersections-have enhanced traffic flow and reduced travel times.

Rail connectivity

Bundaberg is a major stop on the North Coast Rail Line, providing direct rail connections to Brisbane, Rockhampton, and Cairns via Queensland Rail's Tilt Train and Spirit of Queensland services. The Tilt Train service offers a fast and comfortable rail link to Brisbane in under 4.5 hours, catering to both business and leisure travellers. Regular regional train services provide additional connectivity for visitors and residents.

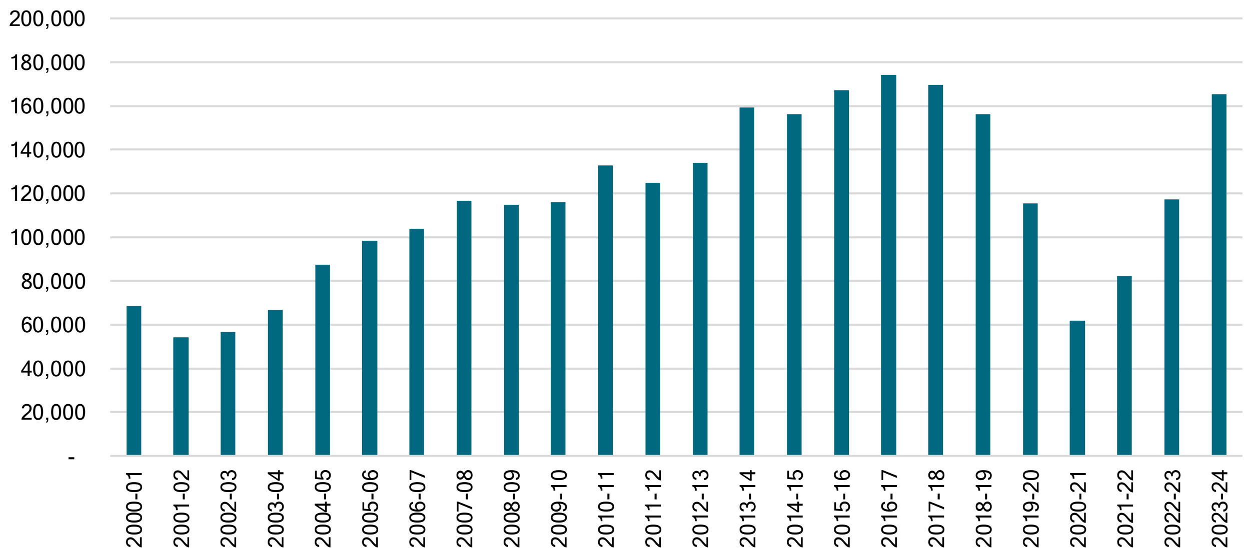
Air connectivity and passenger numbers

Bundaberg Airport is located 6km southwest of Bundaberg's CBD. The airport is operated by Bundaberg Regional Council with five direct daily flights to Brisbane (1-hour flight) via major carriers such as QantasLink and Link Airways. Hervey Bay Airport (90 minutes south) provides direct flights to Sydney, offering alternative air access for interstate visitors.

Bundaberg Regional Airport serves as the region's primary aviation hub, offering direct flights to Brisbane through carriers such as QantasLink and Link Airways. Recent infrastructure investments have enhanced the airport's capacity and services, including upgrades to taxiways and the development of a Royal Flying Doctor Service (RFDS) Aeromedical Training Academy which opened in October 2024 This state-of-the-art facility features Australia's only Beechcraft King Air Pro Line Fusion Full-Flight Simulator, providing 7,000 hours of annual training capacity. RFDS pilots from across Queensland spend at least two weeks at the training facility each year for ongoing training. The facility is also available to non-RFDS pilots for their endorsements or recurrent training on all King Air variants. The project, supported by a $14.9 million Australian Government investment, not only enhances aeromedical services but also cements Bundaberg's status as a hub for regional healthcare and specialist training (RFDS, 2024).

Air passenger numbers presented in Figure 1.2 indicates steady growth in passenger numbers from the early 2000s, with strong expansion through the mid-2010s, peaking between 2015-16 and 2017-18. This period of sustained air travel demand aligned with broader regional economic growth and increased accessibility to Bundaberg.

Figure 1.2: Bundaberg total air passenger movements (FY 2000/01-2023/24)



Source: BITRE (2025)

A significant decline is evident from 2019-20, coinciding with the COVID-19 pandemic, which severely disrupted aviation and travel demand nationwide. However, recovery has been evident in recent years, with passenger numbers rebounding in 2023-24. This resurgence has been driven by a general increase in air travel demand and partly by the introduction of new routes, such as Bonza Airlines' direct flights from Melbourne (commenced May 2023), which have improved Bundaberg's accessibility for interstate leisure and business travellers

Despite airline volatility, Bundaberg's air connectivity remains credible and consistent. QantasLink has served the Brisbane-Bundaberg route continuously since 2000, outlasting carriers such as Ansett, Bonza, Flight West, and Tigerair, and demonstrating the route's sustainability. While Bonza's exit in April 2024 removed direct flights from Melbourne and the Gold Coast (ABC, 2024), the new Virgin-Link Airways codeshare (Bundaberg Now, 2024a) has strengthened connectivity via Brisbane, supporting continued business and leisure travel.

1.3 Bundaberg economic snapshot

The economic outlook for Bundaberg is positive. Population and employment growth are anticipated and being planned for, new transport connections will open up new markets and improve accessibility - all leading to increased business and investment opportunities.

Population	104,166 (2023) ↑ 2,096 residents over 2022	Inward migration to Bundaberg from the Gold Coast, Sunshine Coast and Logan (near Brisbane) has been particularly strong as has migration from Western Sydney, Geelong and the Central Coast of New South Wales.	Population is expected to grow to 114,091by 2046,equivalent to a 9.5% increase over the current population.	Wide Bay Burnett Region[1] is the largest region by population outside of South East Queensland
Economic contribution	GRP = $5.62 billion (2023)	Bundaberg Region experienced a 7.1% economic growth rate, marking the second-highest among major Queensland regional centres for the second consecutive year	42,870 local jobs	7,372 local businesses (2023) ↑ 745 new businesses since 2018 11.5% growth over 5 years
Industry sectors	Health care and social assistance is the largest employer, generating 9,230 local jobs in 2022/23 (equivalent to 21.5% of total jobs in region)	Retail trade is 2nd largest @ 4,594 jobs Agriculture and fishing is 3rd largest employer @ 4,121 jobs	Agriculture plays a pivotal role in Bundaberg's economy, with the region's agricultural economy valued at $899 million, positioning it among Queensland's top agricultural producers.	Bundaberg is witnessing growth in new sectors such as agricultural technology, renewable energy, and bio-industries, providing opportunities for diversification and long-term sustainability.
Region-shaping and region-supporting projects	New Bundaberg Hospital	Port of Bundaberg and Bundaberg State Development Area	Solana Lifestyle Resort and other large-scale master planned residential communities at Coral Cove and South Beach Elliott Heads	Paradise Dam
Tourism enabling and tourism enhancement projects	NRMA Parks and Resorts Turtle Sands Holiday Park $28 million upgrade	Burnett Riverside Hotel acquisition and refurbishment	MVP Airport Hotel (97 rooms) (ready to commence construction)	Bundaberg Multiplex Sport & Convention Centre and Aquatic Centre

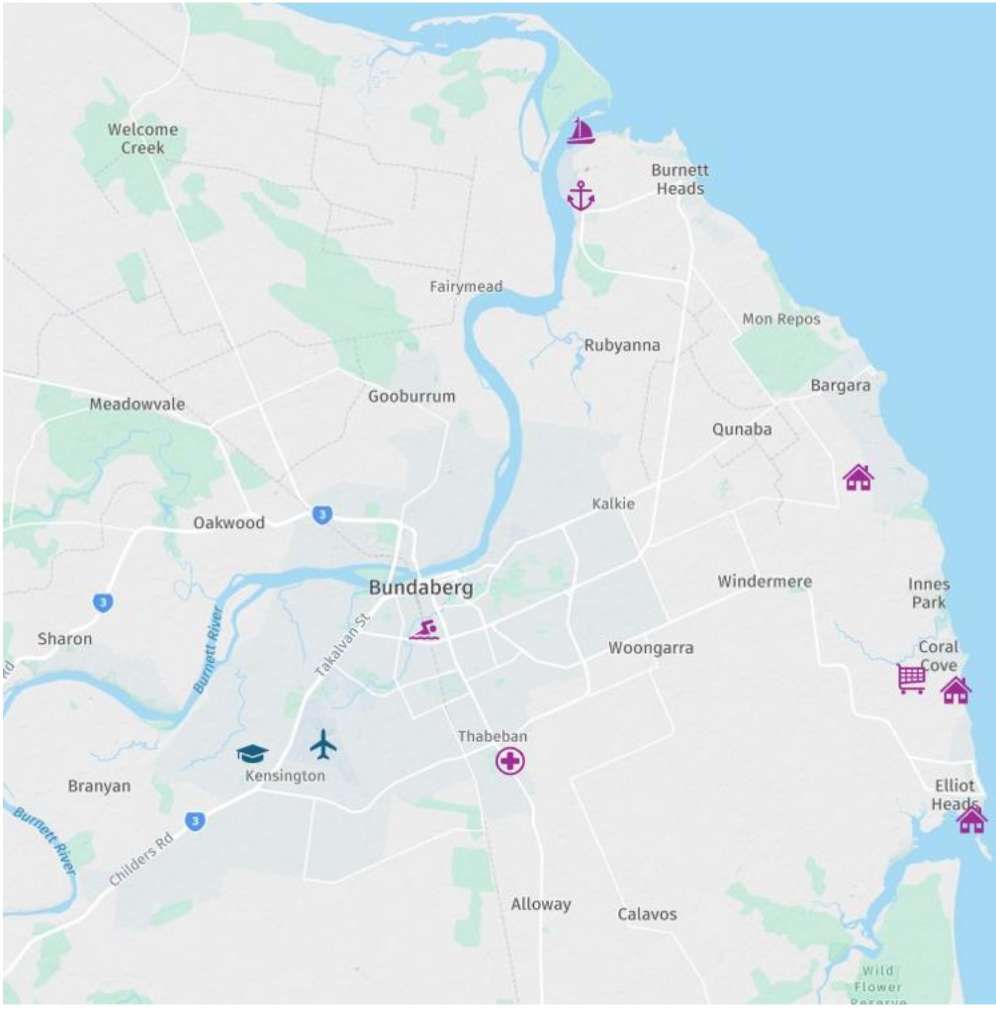
Note:
[1] Includes the major centres of Bundaberg, Hervey Bay, Gympie, Maryborough, Kingaroy and Gaydnah,
Source: Economic Id (2024), BRC (2023), Dept State Development (2025)

1.4 Major region-shaping projects in Bundaberg

Bundaberg is undergoing a major transformation, with a suite of significant infrastructure, tourism, health, and industrial projects either underway or in advanced planning. Together, these investments are reshaping the regional economy, expanding employment opportunities, and driving new sources of short- and long-term demand for accommodation.

Key developments including the $1.2 billion Bundaberg Hospital, potential Paradise Dam development and major port and agribusiness and residential expansions, as well as new recreational assets, are expected to attract a wide range of visitors, workers, professionals, and event participants. These projects will not only stimulate population growth and economic diversification but also generate consistent, year-round accommodation needs across corporate, leisure, workforce, health, and education segments.

Figure 1.2: Location of major projects



Bundaberg Hospital
Port of Bundaberg
Solana Lifestyle Resort
Shopping centre – cross-section of Hughes and Rifle Range Roads
DevCore master planned community – Coral Cove
DevCore master planned community – South Beach Elliott Heads
Bundaberg Aquatic Centre
Gateway Marina
Bundaberg Regional Airport
CQ University

The pages overleaf provide more detail regarding the scale and diversity of Bundaberg's investment pipeline, and their collective impact on the region's accommodation market over the next decade.

New Bundaberg Hospital

- The new Bundaberg Hospital is a $1.2 billion healthcare investment set to transform medical services in the Wide Bay region. Located in Thabeban, near Bundaberg Airport, this state-of-the-art facility is designed to meet the growing demand for healthcare, supporting the region's expanding population and medical workforce.
- Key features of the new hospital include:
    - 121 additional overnight beds, increasing total capacity to over 400 beds, including 320 overnight beds
    - expanded emergency department to improve patient flow and reduce wait times
    - new operating theatres equipped for cardiology procedures and complex surgeries
    - specialised acute mental health inpatient unit to enhance mental health care services
    - dedicated spaces for medical training, research, and innovation, strengthening Bundaberg's role as a regional health hub
    - rooftop helipad for faster emergency responses and critical patient transfers
- Project timeline and employment opportunities + short-term accommodation requirements:
    - early works commenced in May 2024, with main construction expected to begin in 2025, subject to environmental approvals and design completion. The hospital is slated for completion by late 2027.
    - the project is anticipated to support approximately 2,890 jobs, boosting the local economy and stimulating and supporting increased demand for overnight accommodation from locum doctors, nurses and specialists, patients and their family/carers, medical supply representatives and conference, training and event-related visitors.

Source: Wide Bay Health (2025)

Port of Bundaberg

- The Port of Bundaberg, located 17 kilometres north of Bundaberg city, is a key maritime hub for Queensland's Wide Bay Burnett region, supporting both import and export industries. To meet the escalating demand for port-related and industrial activities, the Bundaberg State Development Area (SDA), covering 6,076ha was established in February 2017. The proximity to the Port of Bundaberg offers logistical advantages for businesses, enhancing access to domestic and international markets.
- Key features of the Bundaberg SDA:
    - industrial and port-related developments including manufacturing, large-scale industrial projects, extractive industries, port-related activities, support industries, and infrastructure services
    - the expansion of the port is projected to unlock significant employment opportunities, with estimates suggesting up to 24,000 direct and indirect jobs across the region by 2035
- Recent developments:
    - the new bulk goods conveyor at the Port of Bundaberg, completed and officially opened in April 2024, enhances export capacity and efficiency, strengthening regional trade
    - the marine industry site, completed in September 2023, marks a major transformation of the port, reinforcing Bundaberg's role as a key link for agriculture and Queensland's broader economy
- The ongoing development and expansion of the Port of Bundaberg are anticipated to stimulate increased demand for overnight accommodation in the region due to:
    - construction workforce that will necessitate temporary lodging solutions
    - enhanced port operations are likely to draw business travellers, including investors, industry professionals, and stakeholders, contributing to higher hotel occupancy rates
    - the port's expansion may lead to an uptick in training programs, workshops, and conferences, further driving the need for accommodation facilities

Source: DRD (2023), DSDIP (2024), Infrastructure Magazine (2024), Invest Bundaberg (2025a)

Paradise Dam redevelopment

- The Paradise Dam redevelopment is a $4.4 billion infrastructure project that will restore full water capacity and secure a reliable long-term water supply for the Bundaberg and Wide Bay Burnett regions. As a critical enabler for agriculture, industry, the project underpins Bundaberg's economic resilience and development prospects.
- Key features of the redevelopment include:
  - construction of a new dam wall approximately 600 metres downstream from the existing structure to ensure long-term structural integrity and public safety.
  - restoration of the dam's original 300,000 megalitre capacity to safeguard urban water supply and support the region's high-value agricultural production.
  - improved flood resilience and modern dam safety standards to better protect local communities during extreme weather events.
  - creation of new employment, contracting, and local business opportunities across construction, engineering, agribusiness, and regional services.
- Project timeline + employment opportunities:
  - early works have commenced with significant planning, design, and geotechnical investigations already underway.
  - major construction is scheduled to start in 2025, with project completion targeted for 2035.
  - over 2,000 jobs are expected to be generated throughout construction and commissioning, boosting local workforce participation in construction, civil engineering, and water infrastructure management.
- Both during and following delivery, the redevelopment will drive increased demand for local business and workforce accommodation, fuelled by an influx of construction personnel, contractors, and sustained growth in the agribusiness and manufacturing sectors.

Source: DSDIP (2021) + Sunwater (2023) + QLD Government (2025)

Large scale master planned residential communities
DevCore development at Coral Cove and South Beach Elliott Heads

- Large scale residential master planned communities including DevCore Development at Coral Cove and the South Beach master-planned community at Elliott Heads are reshaping Bundaberg's coastal corridor. These large-scale residential precincts are expected to attract new residents, investors, and leisure travellers. During their multi-stage construction, they will generate significant and sustained demand for short-stay accommodation from building crews, tradespeople, consultants, and development industry professionals, many of whom will require flexible, midweek lodging over extended periods.
- Once operational, these precincts will enhance the region's coastal amenity, recreational infrastructure, and lifestyle appeal, further stimulating visitation. Importantly, these areas will also become part of Bundaberg's broader tourism offering, drawing visitors to new beachfront precincts, walking trails, dining venues, and community events. Their integration into the Region's tourism identity will support year-round visitation and reinforce the need for scalable, high-quality accommodation options.

Solana Lifestyle Resort expansion

- In January 2025, the Stockwell Development Group submitted plans to Bundaberg Regional Council to build a Solana Lifestyle Resort with 403 single storey two-bedroom homes over eight stages on 1ha of land at Bargara. The proposed development, targeting residents over 50, will feature amenities such as a community living centre, bowling green, tennis court, swimming pools, gymnasium, theatre, library, dining room, and shared residential garden.
- Although this development primarily addresses the housing needs of residents over 50, it has indirect implications for the local hospitality industry including:
  - increased visitor traffic - the resort's amenities and community events could attract visitors, including family members and friends of residents, potentially boosting demand for short-term accommodations
  - the multi-stage construction process may bring an influx of workers and contractors to the area, leading to a temporary increase in demand for local lodging facilities

Source: Courier Mail (2025a), The Weekly (2025) + Solana.com.au (2025)

Shopping centre: Hughes Road and Rifle Range Road

- The Bargara and coastal community is set to welcome a new shopping centre at the intersection of Huges Road and Rifle Range Roads, providing excellent access and exposure to passing traffic. The Development by BluePoint Property is approximately 15 minutes east of central Bundaberg. Significant residential development and population growth is occurring east of Bundaberg, with several housing estates being developed within the immediate vicinity of the centre. The centre comprises of a full line supermarket, speciality shops, kiosk, medical uses and a fast-food site. The design provides a modern and highly accessible centre with all parking on grade, delivering residents convenient retail amenity.

Relocatable home parks and lifestyle resorts

- Bundaberg's expanding network of relocatable home parks and lifestyle resorts, including Palm Lakes Resort, GemLife, Ingenia, Thyme and RV Lifestyle Village (Oceanside), is generating consistent indirect demand for short-stay accommodation. Along with the significant body of specialised construction activity, these developments attract over-50s residents from across Queensland and interstate, resulting in regular visitation from family, friends, company executives and service providers.
- These lifestyle communities bring a steady stream of visiting family, friends, and service providers who require short-term lodging, particularly during peak holiday periods and in association with community events.
- The large scale and multi-stage construction of these villages also drives midweek demand from tradespeople, contractors, project managers, and company executives, supporting year-round occupancy for motels, serviced apartments, and short-term rentals. As these precincts mature, they contribute to Bundaberg's reputation as a lifestyle destination, encouraging repeat visitation and longer stays.

Rural sector growth and expansion: Processing and packing facilities and agritourism

- Bundaberg's extensive agribusiness sector is undergoing rapid expansion, particularly in the areas of horticultural packing facilities, food processing, and value-added manufacturing. These developments are driving significant short-term accommodation demand from construction workers, specialised trades experts, development industry representatives, and commissioning teams. Once operational, these large-scale facilities continue to attract seasonal workers, transport and logistics personnel, and agribusiness consultants.
- Simultaneously, the rise of the agritourism sector, including farm stays, distillery tours, and produce experiences, is drawing leisure visitors to the region. Together, the regions rural sector growth and expansion is reinforcing the need for scalable, flexible accommodation options that can support both workforce and tourism-related demand.

Gin Gin Rail Trail

- The Bundaberg to Gin Gin Rail Trail is a proposed 46-kilometer recreational trail repurposing the disused Bundaberg-Mount Perry rail corridor for walking, cycling, and horse riding. The project aims to boost tourism, promote outdoor recreation, and stimulate local economies.
- Initially led by Bundaberg Regional Council, the project faced significant cost increases, with the estimated budget rising to $39.8 million, leaving a $20.7 million shortfall. Due to financial constraints, the Council withdrew from leading the project in late 2024.
- Following this, local cycling and community groups formed a committee to take ownership of the project, aiming to commence construction by July 2025. Public engagement efforts are underway, with volunteers and funding sources being actively pursued.
- The transition from a council-led initiative to a community-driven effort reflects the region's resilience and commitment to enhancing local infrastructure and recreation. If successful, the rail trail will become a key tourism and lifestyle asset for Bundaberg and Gin Gin.

Source: BRC (2024), WSP (2024), Bundaberg Now (2024B + 2025)

Bundaberg Aquatic Centre

- Located directly opposite the Bundaberg Multiplex Sports Complex, the Bundaberg Aquatic Centre is a $86.6 million investment that will deliver a modern, year-round facility for competition, fitness, education, therapy and recreation. Groundwork commenced in November 2022 and is slated to open in mid-2025.
- Key features of the centre include:
  - a 10-lane, 50-metre heated pool meeting international (FINA) competition standards, suitable for regional and state-level events and training camps
  - an 8-lane, 25-metre heated pool, ideal for lap swimming, aqua aerobics, and school programs
  - program heated pool designed for learn-to-swim classes, aqua aerobics, and water-based physiotherapy,
  - additional amenities include classrooms, multipurpose activity areas, administration spaces, sports club areas, grandstand seating for competitions, a café, parking and grassy open space
- The Bundaberg Regional Aquatic Centre is set to drive consistent, year-round demand for short-stay accommodation, particularly from:
  - the FINA-standard 50m pool will attract regional, state, and national competitions, bringing athletes, officials, and spectators who require overnight accommodation.
  - elite swimming clubs, school teams, and professional athletes will visit Bundaberg for multi-day training camps, boosting off-peak hotel demand.
  - the facility's meeting rooms and spectator areas will host workshops, industry training, and coaching conferences, attracting business travellers and event attendees in need of accommodation.

Source: OBR (2024), Bundaberg Now (2024C)

Gateway Marina

- The Gateway Marina at Burnett Heads is a proposed mixed-use waterfront development, set to enhance the Port of Bundaberg with a 318-berth marina, waterfront residences, boutique retail, dining precincts, and a range of maritime and tourism activities.
- Located just 15 minutes from Bundaberg's CBD, the project leverages its proximity to the Southern Great Barrier Reef, positioning Burnett Heads as a premier coastal tourism and marine hub.
- While the project entered liquidation in May 2024, creating uncertainty around its future, one of its main shareholders remains committed to its completion, highlighting potential investment and redevelopment opportunities.
- Despite these challenges, Gateway Marina underscores Bundaberg's broader tourism investment potential, with strong demand for projects that enhance local infrastructure, attract visitors, and support economic growth.

Source: ABC (2024) + https://www.gatewaymarina.com.au/

Implications of major projects on stimulating demand for short-stay accommodation in Bundaberg

Bundaberg is undergoing transformational growth, driven by major infrastructure, tourism, and industry projects that are set to increase demand for short-stay accommodation. These projects will attract a diverse mix of business travellers, skilled workers, conference attendees, event visitors, and tourists, creating sustained demand for hotels, serviced apartments, and short-term rentals.

- **Healthcare and medical related demand**

  $1.2 billion Bundaberg Hospital will attract medical professionals, specialists, and trainees, along with patients and their families traveling for treatment.

  construction workers and medical suppliers will require temporary accommodation, increasing demand through to the hospital's completion in 2027.

  as a leading regional health hub, Bundaberg will see ongoing overnight stays well beyond 2027, particularly from locum doctors, medical researchers, and conference attendees.

- **Business, innovation and industry expansion**

  Port of Bundaberg expansion (projected to create 24,000 jobs by 2035) will drive short-term accommodation needs for port operators, industry professionals, and construction workers.

  $4.4 billion Paradise Dam redevelopment will support over 2,000 jobs, with major construction starting in 2025 and completion targeted for 2035, increasing workforce accommodation demand during construction and boosting agricultural investment post-completion.

- **Tourism, events and cultural attractions**

  Bundaberg Civic & Cultural Arts Precinct will attract event attendees, performing arts groups, and cultural tourists, increasing demand for short-term stays tied to festivals, exhibitions, and business events.

  Bundaberg Aquatic Centre will host regional and national swimming competitions, training camps, and industry workshops, bringing in athletes, officials, and spectators needing accommodation.

  Bundaberg to Gin Gin Rail Trail, a community-led project with plans to commence construction in July 2025 (pending funding) will attract hikers, cyclists, and outdoor adventure tourists, supporting demand for eco-friendly accommodations.

- **Residential and lifestyle developments stimulating indirect demand**

  Residential developments including Solana Lifestyle Resort expansion and DevCore's developments at Coral Cove and South Beach in Elliot Heads will increase visitor traffic, as family members and guests of residents require short-term accommodation.

  multi-stage construction of these projects will generate sustained short-stay demand from building crews, tradespeople, consultants and industry professional who often require midweek, flexible lodging over extended periods.

  Gateway Marina at Burnett Heads, if revived, would position Bundaberg as a premier coastal lifestyle destination, attracting new residents, boat owners, and high-net-worth individuals, increasing VFR visitation as family and friends visit new homeowners and investors.

As Bundaberg's economy expands across health, industry, tourism, and lifestyle sectors, demand for well-positioned internationally branded, short-stay accommodation continues to grow. With strong fundamentals, year-round visitation, and diverse market drivers, investors have a unique opportunity to capitalize on Bundaberg's evolving accommodation landscape.

2. Bundaberg's destination appeal, visitation and future outlook

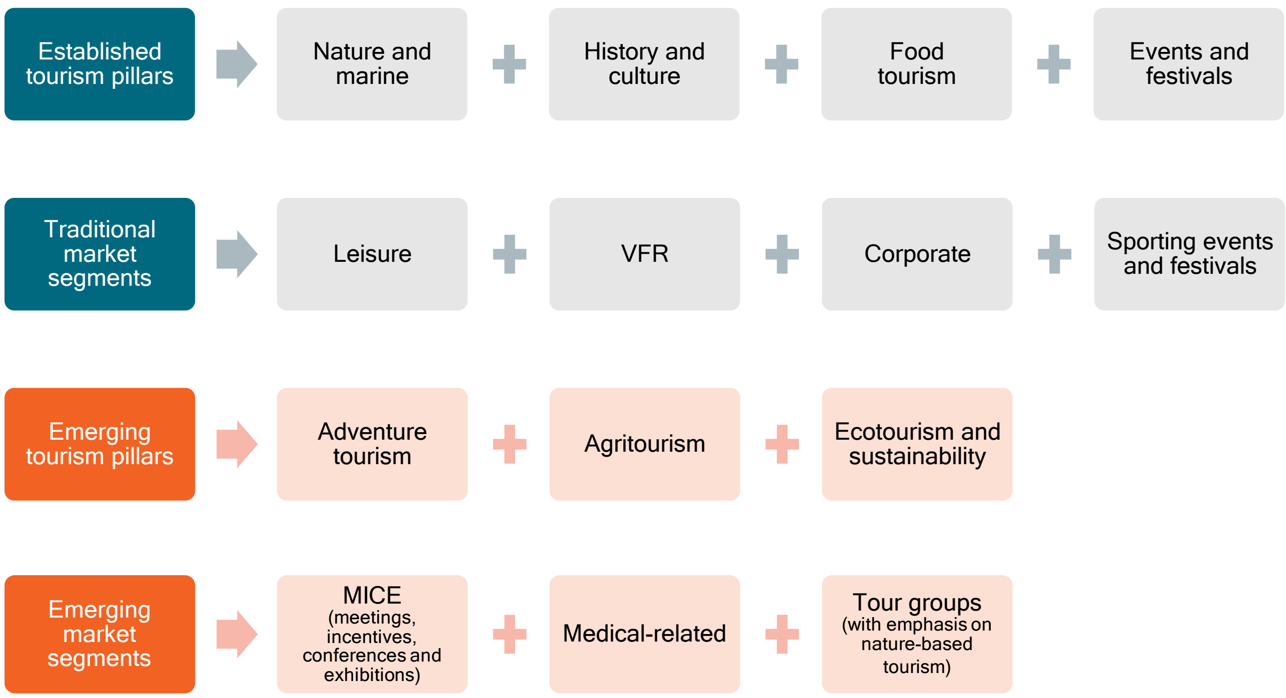
2.1 Destination appeal

Bundaberg, located on the doorstep of the Southern Great Barrier Reef, is an iconic tourism destination known for its pristine beaches, world-class rum, rich agricultural heritage, and the renowned Mon Repos Turtle Encounter. As a gateway to Lady Elliot and Lady Musgrave Islands, Bundaberg offers direct access to some of the best snorkelling and diving experiences in Australia. Its natural attractions, coupled with a vibrant food and beverage scene, contribute to its strong appeal as a visitor destination.

Bundaberg's tourism identity is shaped by a combination of coastal and hinterland experiences. The town itself features a mix of historical and contemporary attractions, including the Bundaberg Rum Distillery, Bundaberg Brewed Drinks, and the Hinkler Hall of Aviation. The region's emerging eco-tourism market and year-round agritourism offerings bolster its credentials as a diverse destination catering to adventure-seekers, food lovers, and nature enthusiasts alike.

Recent tourism investments, including eco-friendly resorts and marine conservation initiatives, signal strong growth potential. The region's status as an ECO Certified Destination enhances its appeal to sustainability-conscious travellers, further driving demand for accommodation.

Figure 2.1: Bundaberg's established and emerging tourism pillars and market segments



2.2 Strategic vision for Bundaberg's visitor economy

The Bundaberg region is charting an ambitious long-term strategy to support sustainable tourism growth and enhance the visitor experience over the next two decades. This initiative forms part of the broader "Destination 2045: Queensland's Tourism Future" plan, which will help shape tourism development across Bundaberg, Gladstone, and the Southern Great Barrier Reef region (Bundaberg Now, 2025).

In early 2025, regional tourism leaders convened to establish a bold new vision for the future of the industry - one that balances economic growth with environmental stewardship and community values. The strategy is being developed through extensive consultation with local operators, businesses, and community stakeholders to ensure it reflects the region's diverse needs and aspirations.

Key priorities include strengthening ecotourism, leveraging the legacy of the Brisbane 2032 Olympic and Paralympic Games, enhancing visitor access and connectivity, expanding the events calendar, and attracting investment in new and upgraded visitor experiences. Feedback is being collected via online surveys and consultation sessions held across the Bundaberg region.

Established tourism pillars

Nature and marine experiences

Bundaberg is the southern gateway to the Great Barrier Reef, with direct access to Lady Musgrave and Lady Elliot Islands - renowned for snorkelling, diving, and reef exploration. Mon Repos Turtle Encounter offers a rare opportunity to witness nesting loggerhead turtles from November to March. National parks such as Burrum Coast, Cania Gorge, and Mount Walsh provide scenic hiking and camping. The Burnett River, Baldwin Swamp, and local beaches (e.g. Bargara, Elliott Heads, Woodgate) support birdwatching, swimming, and family recreation.

History and culture

The Bundaberg Botanic Gardens host key heritage sites, including the Hinkler Hall of Aviation and Fairymead House. Taribelang Bunda Cultural Tours share First Nations stories through guided experiences. Art lovers can visit Bundaberg Regional Gallery and Childers Arts Space, with exhibitions, workshops, and artist talks year-round.

Food and beverage tourism

Bundaberg's regional food and beverage scene reflects its rich agricultural base and growing reputation for authentic paddock-to-plate experiences. Visitors can explore orchard tours and tastings at Macadamias Australia, take guided tours of the iconic Bundaberg Rum Distillery, and enjoy interactive displays at the Bundaberg Brewed Drinks Barrel. The local Cellar Door Trail features producers such as Kalki Moon Distillery, Bargara Brewhouse, Ohana Cider House, and farm-fresh stops like Tinaberries, showcasing seasonal local produce.

Events and festivals

Bundaberg hosts a vibrant calendar of events that showcase the region's local produce, community spirit, and coastal lifestyle. Signature events include the Taste Bundaberg Festival, Childers Festival and the Lighthouse Festival at Burnett Heads. Regional sporting competitions and community celebrations add further depth to Bundaberg's cultural and events offering throughout the year.

Emerging tourism pillars

Adventure tourism

New dive experiences like the ex-HMAS Tobruk wreck, along with kayaking, jet skiing, and offshore fishing, attract thrill-seekers. 4WD and remote camping at spots like Kinkuna Beach and Theodolite Creek appeal to self-drive travellers.

Agritourism

Splitters Farm offers farm stays and animal encounters just outside Bundaberg. The popular Bundaberg Farmers' Markets connect visitors with local growers and fresh produce.

Ecotourism and sustainability

As an ECO Certified Destination, Bundaberg promotes low-impact travel through eco-resorts, retreats, and regenerative tourism linked to its natural marine and coastal assets.

2.3 Visitation trends and visitor profile

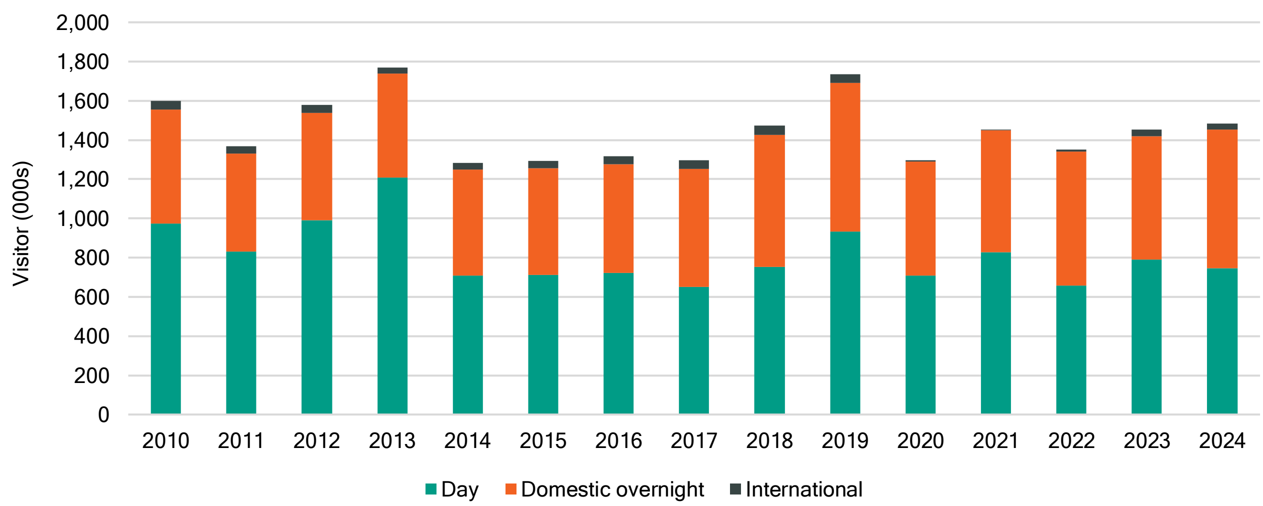
Based on data from Tourism Research Australia (TRA), visitation to Bundaberg has experienced substantial fluctuations over the past decade, with strong growth in the lead-up to COVID-19 and a mixed recovery in the years following. Total visitation peaked in 2019 at 1.73 million visitors before falling sharply in 2020 due to pandemic-related travel restrictions. By the end of 2024, Bundaberg recorded 1.48 million visitors - still down 14.5% from 2019 levels, primarily due to a 19.9% decline in day visitors and a 31.3% fall in international visitors. However, domestic overnight visitation has shown resilience, with a more modest decline of 7% over the same period and signs of recovery in 2024 (+12% YoY).

Visitor nights followed a similar trajectory, peaking in 2019 at 3.56 million nights before plummeting to 1.91 million in 2020. As of 2024, total visitor nights have rebounded to 3.34 million, just 6% below the 2019 peak. This resurgence has been driven by a remarkable rebound in international visitor nights, which increased by 28% from 2019 levels - despite absolute international visitor numbers still lagging. Conversely, domestic overnight visitor nights remain 18% below 2019, though they remain the dominant segment by volume and market share (66% in 2024).

The average length of stay has largely held steady for domestic overnight visitors (3.1 nights in 2024 vs. 3.5 in 2019), while international stays have surged to 38.7 nights on average-more than double pre-pandemic levels. This may reflect longer trip durations by fewer international travellers, including seasonal workers, backpackers, or long-stay visitors.

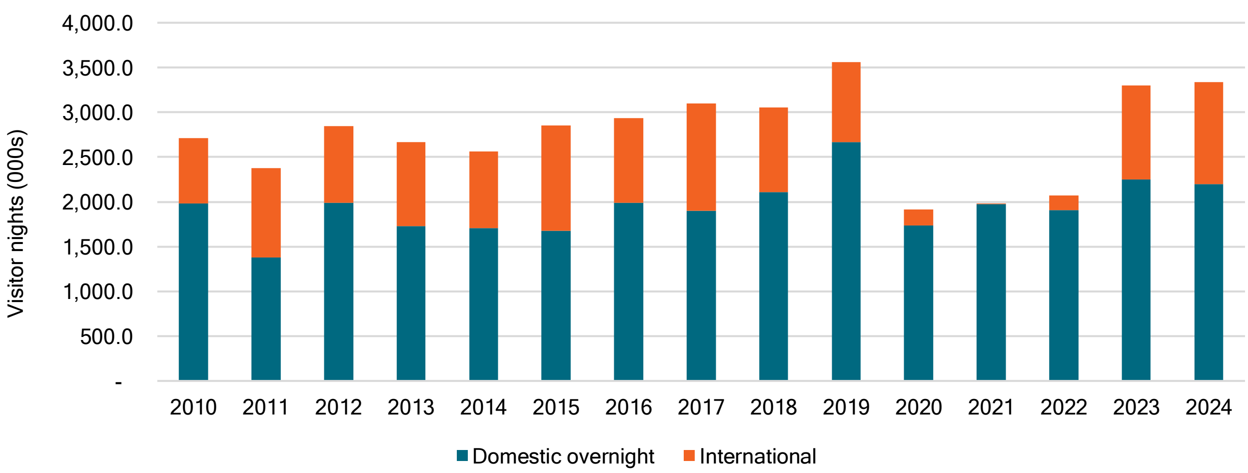
Overall, Bundaberg's visitor economy is showing signs of sustained recovery, with positive momentum in key segments. However, total visitation and domestic overnight stays have not yet fully returned to pre-COVID levels, suggesting continued opportunity-and need-for targeted marketing, infrastructure investment, and product development to attract and retain overnight visitors, particularly in the face of growing competition from other regional destinations.

Figure 2.1: Total day, domestic overnight and international visitor to Bundaberg[1] (2010-2024)



Note:
[1] As defined by the Bundaberg Regional Council boundaries. Refer to the geography notes after the Reference section of this report for more detail on the inclusion of SA2s within the Council boundary.
Source: TRA (2025a + b).

Figure 2.2: Total visitor nights generated by domestic and international markets to Bundaberg (2010-2023)



Source: TRA (2024a + b).

The table overleaf provides a high-level summary of the volume of visitation to Bundaberg and insight into the profile of day, domestic overnight, and international visitors. Further detail is presented in Appendix 1.

Snapshot of visitation to Bundaberg: 2019

Total visitors

	visitors	% share	year-on-year growth
Day	931,369	54%	24%
Domestic overnight	759,854	44%	13%
International	42,895	2%	-9%
Total	**1,734,117**	**100.0%**	**18%**

Visitor nights

	visitor nights	% share	ave length of stay
Domestic overnight	2,670,497	75%	3.5 nights
International	890,432	25%	20.8 nights
Total	**3,560,930**	**100.0%**	**4.4 nights**

Purpose of visit (overnight visitors)

	visitors	% share	nights	% share	ave length of stay
Holiday	273,725	35%	1,418,217	40%	5.2 nights
VFR	349,409	44%	1,423,093	40%	4.1 nights
Business	138,071	17%	571,583	16%	4.1 nights
Other	28,000	4%	127,018	4%	4.5 nights

Selected purpose of visit (ave over period 2017-2019)

	day visitors	% day visitors	domestic overnight visitors	% domestic visitors	ave length of stay
Holiday	238,685	31%	205,871	30%	3.9 nights
Sport	12,789	2%	16,857	2%	2.8 nights
Events + festivals	35,515	5%	5,442	1%	2.8 nights
VFR	154,852	20%	251,801	37%	3.3 nights
Business travellers	87,769	11%	119,311	18%	2.7 nights

Type of accommodation (market share)

	overnight visitors	visitor nights	ave length of stay
Commercial	45%	48%	4.6 nights
Private	54%	52%	4.2 nights
Other	1%	1%	3.1 nights

Type of commercial accommodation

	visitor nights	% share	ave length of stay
Premium hotel (4-5-star)	73,196	4%	2.4 nights
Std hotel/motel (3-star)	248,811	15%	1.8 nights
Serviced apt	82,576	5%	6.0 nights
Rented apt	389,207	23%	12.9 nights
Caravan park	539,683	32%	4.5 nights
Backpacker hostel	283,167	17%	33.6 nights
Other commercial	51,090	3%	3.6 nights
Total	**1,667,729**	**100.0%**	**4.6 overall ave**

Source of origin (% total overnight visitors)

Interstate	15%
Intrastate	85%
Brisbane[1]	33%
Queensland Country [1+2]	10%
Sunshine Coast[1]	8%

Generational cohort (% total overnight visitors)

Gen Z	16%
Millennials	26%
Gen X	22%
Baby boomers	24%
Retirees	12%

Note: [1] Expressed as a % of total domestic visitors. [2] At a broad level, 'Queensland Country' includes the areas of Toowoomba and the Darling Downs, parts of the Southern and Western Downs, Western Queensland (incl. Longreach, Winton, Barcaldine, Blackall and Charleville), Central Queensland inland areas (incl. Emerald, Roma, Springsure and Biloela), and Outback Queensland (incl. Birdsville, Mount Isa, Boulia, Cloncurry and Quilpie). Figures in table may not add, or exceed 100%, due to rounding. Source: TRA (2025 a+b).

Snapshot of visitation to Bundaberg: 2024

Total visitors

	visitors	% share	year-on-year growth
Day	746,122	50%	-6%
Domestic overnight	706,418	48%	12%
International	29,448	2%	-8%
Total	**1,481,989**	**100.0%**	**2%**

Visitor nights

	visitor nights	% share	ave length of stay
Domestic overnight	2,196,905	66%	3.1 nights
International	1,139,687	34%	38.7 nights
Total	**3,336,592**	**100.0%**	**4.5 nights**

Purpose of visit (overnight visitors)

	visitors	% share	nights	% share	ave length of stay
Holiday	313,438	43%	1,480,358	12.7%	4.7 nights
VFR	238,106	33%	854,457	67.9%	3.6 nights
Business	146,862	20%	918,409	14.1%	6.3 nights
Other	27,009	4%	60,922	5.3%	2.3 nights

Selected purpose of visit (ave over period 2022-2024)

	day visitors	% day visitors	domestic overnight visitors	% domestic visitors	ave length of stay
Holiday	213,730	29%	242,330	242,330	3.3 nights
Sport	10,305	1%	15,321	15,321	2.3 nights
Events + festivals	20,036	3%	6,803	6,803	1.1 nights
VFR	134,400	18%	231,179	231,179	.2.7 nights
Business travellers	56,066	8%	107,835	107,835	2.2 nights

Type of accommodation (market share)

	overnight visitors	visitor nights	ave length of stay
Commercial	43%	56%	5.2 nights
Private	53%	41%	3.5 nights
Other	4%	3%	29.7 nights

Type of commercial accommodation

	visitor nights	% share	ave length of stay
Premium hotel (4-5-star)	67,815	4%	2.6 nights
Std hotel/motel (3-star)	269,441	15%	1.7 nights
Serviced apt	82,771	5%	12.4 nights
Rented apt	183,454	10%	5.8 nights
Caravan park	463,047	25%	4.6 nights
Backpacker hostel	588,049	32%	119.8 nights
Other commercial	180,964	10%	7.3 nights
Total	**1,835,540**	**100.0%**	**5.2 overall ave**

Source of origin (% total overnight visitors)

Interstate	7%
Intrastate	93%
Brisbane[1]	31%
Queensland Country [1+2]	16%
Sunshine Coast[1]	16%

Generational cohort (% total overnight visitors)

Gen Z	7%
Millennials	24%
Gen X	27%
Baby boomers	24%
Retirees	18%

Note: [1] Expressed as a % of total domestic visitors. [2] At a broad level, 'Queensland Country' includes the areas of Toowoomba and the Darling Downs, parts of the Southern and Western Downs, Western Queensland (incl. Longreach, Winton, Barcaldine, Blackall and Charleville), Central Queensland inland areas (incl. Emerald, Roma, Springsure and Biloela), and Outback Queensland (incl. Birdsville, Mount Isa, Boulia, Cloncurry and Quilpie).
Source: TRA (2025 a+b).

Bundaberg: Opportunities for the future

Bundaberg is one of Queensland's most established regional destinations, with a long-standing appeal to holidaymakers, grey nomads, and increasingly, seasonal and long-stay visitors. However, visitor growth has been inconsistent over the last decade, heavily impacted by COVID-19, and while some segments have rebounded, others remain below pre-pandemic levels. Total visitation in 2024 (1.48 million) remains 14.5% below its 2019 peak, largely due to softness in the day visitor market and a slower return of international travel.

Nonetheless, Bundaberg is well placed to drive sustainable growth and attract hotel investment by targeting several key opportunities:

- **Increasing conversion of day visitors to overnight stays:** In 2024, day visitors still account for 50% of all visitors to Bundaberg. This segment declined by 19.9% compared to 2019. While part of this may reflect broader travel behaviour changes post-COVID, it also reinforces an opportunity: to shift short trips into overnight stays by improving access to well-located, quality accommodation, particularly near the coastline, in the CBD, and close to major attractions like the Botanic Gardens, Rum Distillery, and Bargara.
- **Catering to long-stay international visitors:** Although the international visitor market remains smaller in volume, the average length of stay has ballooned to nearly 39 nights, indicative of strong demand from seasonal workers, backpackers, and long-stay VFR visitors. These guests may not drive traditional hotel demand, but they play a critical role in supporting a broader accommodation ecosystem, especially budget and long-stay options.
- **Enhancing accommodation diversity and quality:** Demand for commercial accommodation is recovering, with 2023 recording a substantial increase in visitor nights (up to 2.1 million), but the market still underperforms relative to visitation levels. Increasing the stock and diversity of well-located hotels, motels, and serviced apartments can better align supply with visitor expectations, particularly from business, government, and event-based travel.
- **Targeting extended stays in leisure segments: T**he average stay for holiday visitors remains robust at 4.7 nights in 2024. Bundaberg has a strategic opportunity to increase this further by bundling attractions and promoting themed itineraries around nature (Mon Repos, Lady Elliot Island), heritage (Bundaberg Rum Distillery), and wellness (bushland retreats and beachside getaways).
- **Positioning Bundaberg as a regional events and gateway hub:** The completion of the new $1.2 billion Bundaberg Hospital and the city's role as a gateway to the Southern Great Barrier Reef provide a strong foundation to grow event-driven and regional travel. Investment in mid-scale meeting spaces, quality accommodation, and localised event infrastructure could allow Bundaberg to attract small conferences, training events, and medical-related group travel.
- **Collaborating regionally to lift profile and visitor dispersal:** Bundaberg sits at the junction of the Reef and the Outback. Collaborative marketing with Fraser Coast, Capricorn, and Southern Great Barrier Reef regions could elevate Bundaberg's visibility and encourage longer, multi-stop trips, especially from intrastate visitors who already represent over 60% of the market.
- **Strengthen investor confidence through global branding:** The attraction of internationally branded hotel accommodation of scale, with MICE, facilities, will add to the destinations reputation and credibility and attract those contemporary consumers whose preferences are for the reliability and loyalty offered by the Global brands. Such a hotel will quite literally put Bundaberg on many Global maps where it currently does not have a presence.

3. Bundaberg's short-stay accommodation market: current supply, performance and future supply

3.1 Current supply of short-stay accommodation in Bundaberg

Bundaberg region hosts a fragmented yet active accommodation market

The Bundaberg region is home to a diverse mix of 54 accommodation properties comprising approximately 1,125 rooms across motels, hotels, self-catering and holiday park cabins. Supply is broadly distributed across three distinct precincts:

- Bundaberg and surrounds (urban core)
    - Bundaberg's urban core remains the dominant accommodation precinct, with 24 properties and 532 rooms. The market is characterised by a high concentration of independent motels, motor inns, and compact hotels, typically rated 3.0 to 3.5 stars. These properties primarily service government, corporate, institutional, and transit markets.
    - while functional, the existing stock is generally dated and lacks scale, signalling a clear opportunity for modernisation, repositioning, or redevelopment. The absence of a nationally branded upscale hotel also presents scope for new supply aligned to higher-yield market segments.
- Bargara (coastal leisure)
    - Bargara, including nearby Mon Repos, has cemented its role as the region's primary leisure-focused destination, offering 17 properties and 380 rooms. This area includes a mix of beachfront resorts, holiday apartments, and motels, with the highest representation of 4.0+ star rated properties in the region.
    - notable properties include:
        - C Bargara (4.5 stars) (formerly Grand Mercure)
        - The Point Resort
        - Manta Bargara Resort
        - NRMA Turtle Sands Mon Repos, a recent and significant addition.
    - the precinct appeals to families, coastal holidaymakers, and nature-based tourists - especially during turtle nesting season
- Other regional centres (Childers, Gin Gin, Woodgate, Lady Elliot Island)
    - other townships contribute a further 212 rooms across 17 properties, typically small-scale motels, eco-retreats (on Lady Elliott), and holiday parks. These support drive tourism, nature-based stays, and stopover traffic.

Star rating distribution highlights market gaps

- Over 70% of all accommodation in the Bundaberg region is rated 3.0 or 3.5 stars.
- There are only 13 properties (24%) rated 4.0 stars or higher, and just one 4.5-star property (C Bargara).
- No 5-star rated properties currently exist under the traditional hotel classification system (although Manta Bargara may appeal to that market segment functionally).

Figure 3.1: Distribution of rooms by area and type of accommodation

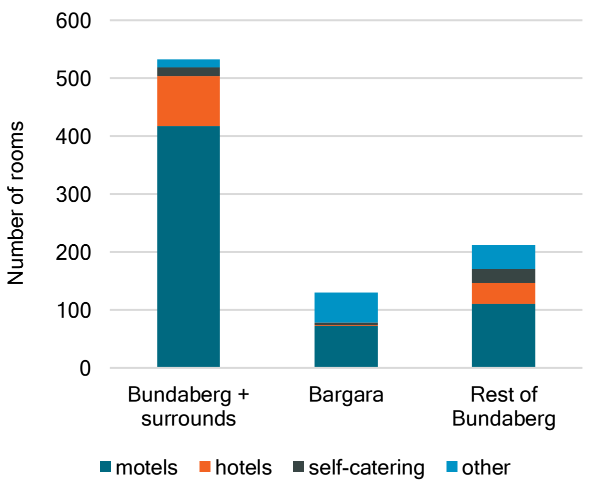
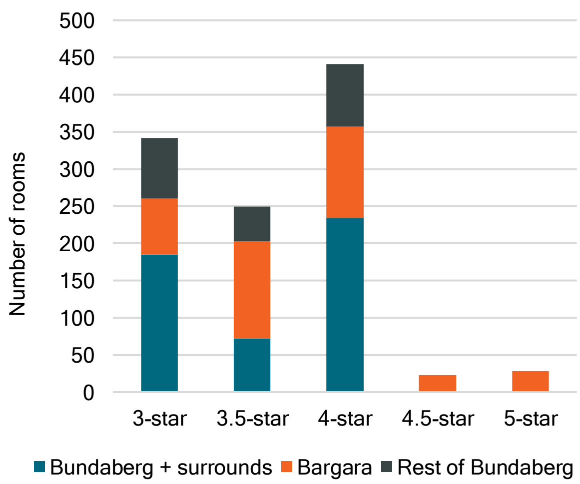


Figure 3.2: Distribution of accommodation by area and star- rating



Source: THSA using information provided in Appendix 2.

Market snapshot of current supply

	Bundaberg and surrounds	Bargara	Rest of Bundaberg
Number of rooms and properties	24 properties 532 rooms ave rooms/property = 23	17 properties 380 rooms ave rooms/property = 23	13 properties 212 rooms ave rooms/property = 7
Type of accommodation	19 x motels 3 x hotels 1 x self-catering properties 1 x holiday park	5 x motels 2 x hotels 8 x self-catering properties 2 x holiday park	7 x motels 1 x eco-retreat 1 x self-catering properties 4 x holiday park
Brand representation	Brand presence is limited to Best Western and Choice (with their Econo Lodge brand)	No internationally branded visitor accommodation in Bargara	Minimal branding Mostly independent or family-run operations
Classification	~50% midscale ~35% upper-midscale ~15% upscale (few examples only)	~30% upper-midscale ~50% upscale ~20% economy	~60% economy ~30% midscale ~10% unknown or unrated

Note: Source: compiled by THSA from a variety of sources.

Potential opportunities

Type of accommodation: Bundaberg's accommodation market remains dominated by independent 3-star motels and motor inns, particularly across the city and its surrounding suburbs. This prevalence of small-scale, standalone operators highlights clear opportunities for consolidation, redevelopment, or adaptive reuse. The absence of larger properties (50+ rooms) and minimal brand representation leaves a significant gap in the market. Introducing an internationally branded, mid- to upscale hotel would not only meet the growing needs of institutional, business, and event travellers but also attract a new generation of travellers who prefer the consistency, amenities, and loyalty programs associated with global hotel brands.

Age of accommodation: Much of the region's supply is dated and functionally limited, particularly within the Bundaberg CBD and older coastal motels. A significant portion of properties fall short of contemporary expectations for amenities, design, and energy efficiency. This signals an opportunity for targeted refurbishment programs and asset repositioning to elevate quality, drive rate growth, and enhance the regional visitor experience.

Brand representation: There is a clear market gap for recognised national and international hotel brands, particularly in Bundaberg and Bargara. Existing independent operators may also present conversion opportunities for soft-brand affiliations, particularly within the 3.5 to 4.0-star segment. These international brands will lift Bundaberg's destination reputation and quite literally put Bundaberg on the map globally.

Classification: The market is heavily weighted toward midscale and economy, with over 70% of properties rated 3.0 or 3.5-stars. This creates a strong case for upper-midscale to upscale branded development, targeting corporate, government, premium leisure and other niche high value travellers.

Geographical distribution: Bundaberg's urban core is underserved by high-quality accommodation. There is a distinct opportunity to anchor new supply in transit-accessible CBD locations that cater to weekday travel, events, and institutional demand.

Other visitor accommodation: Strong short-term rental and seasonal use base signals demand but also underscores volatility. Presents opportunity for quality-controlled, short-stay managed product, such as serviced apartments or hybrid hotel models.

3.2 Short term rental accommodation market

The role of STRA in the visitor accommodation space

Short-term rental accommodation (STRA) plays an increasingly visible role in Bundaberg's visitor economy. While STRAs and hotels cater to different needs, the distinction isn't always clear cut - especially in regional areas with seasonal peaks, limited hotel choice, or gaps in certain product types.

The table below outlines where STRA and hotel demand tend to overlap, where they differ, and what this means for seasonality, regulation, and broader economic impact.

Areas where STRA and hotel demand overlap

- Budget-conscious leisure travellers often prefer STRAs over hotels due to competitive pricing, kitchen facilities, and the ability to share costs in group settings, especially where hotel supply is limited or dated.
- Multi-bedroom STRAs appeal to families and groups who might otherwise book multiple hotel rooms. In markets lacking interconnecting rooms or apartment-style options, STRAs meet this need effectively.
- Long-stay visitors – including relocating families, professionals on assignment, and leisure travellers – value STRAs for their space, flexibility, and home-like feel, placing pressure on extended-stay hotel offerings.
- Bundaberg's STRA market has grown strongly in the premium segment, with high-end properties offering luxury finishes and prime locations. These are filling the gap left by the absence of upscale hotels.
- The success of luxury STRAs suggests unmet demand for boutique or upper-upscale hotels, especially those offering a branded, experiential stay with consistent service and amenity standards.

Where STRA and hotel demand differ

- Traditional hotels retain a stronghold on corporate and government travel, as business travellers require conference facilities, meeting rooms, on-site F+B, global contracts and loyalty programs, features rarely offered by STRAs.
- Guests who prioritise concierge services, daily housekeeping, room service, security, and premium on-site amenities are more likely to choose hotels over STRAs.
- Hotels are better equipped to handle last-minute, walk-in guests, whereas STRAs typically require pre-booking and less flexible check-in arrangements.
- Hotels provide a standardised guest experience, with branded properties offering predictable service levels, guest loyalty programs, and consistent quality assurance, whereas STRA experiences vary widely.
- Hotels have greater pricing stability and revenue consistency than STRAs. Internationally branded hotels can implement revenue management strategies and globally contracted corporate rates, while STRAs remain more vulnerable to seasonal fluctuations and rate compression.

Seasonality and STRA absorption

- STRAs provide flexibility in absorbing seasonal fluctuations, as owners can enter or exit the market easily. Hotels, on the other hand, require consistent occupancy to maintain profitability.
- During peak periods, STRAs help accommodate excess visitor demand, ensuring the region can house more tourists when hotel inventory is constrained. However, this also means hotels miss out on potential revenue that would otherwise be absorbed by their higher room rates.
- Hotels must develop diversified demand sources, including corporate, group, and event-driven business, to mitigate reliance on peak-season leisure travel. STRAs do not cater to these segments, leaving a market gap that hotels can leverage.

The role of regulation and STRA saturation

- Continued STRA growth could lead to market oversupply, placing downward pressure on nightly rates and eroding pricing power across both STRAs and hotels.
- Should governments introduce new restrictions – such as caps, zoning limits, or levies – demand may shift back toward traditional accommodation, improving hotel viability.
- Hotels with strong brand affiliation, consistent service standards, and distinct positioning will be well placed to absorb redirected demand from regulated or oversupplied STRA markets.
- Unlike hotels, STRAs face minimal barriers to entry. In flat-demand conditions, this imbalance can distort the market, discourage hotel investment, and reduce housing availability – a challenge already visible in places like Queenstown and the Sunshine Coast, where workforce housing shortages are impacting hotel operations.

Economic impact of hotels

- Hotels generate long-term, full-time employment across hospitality, management, housekeeping, F+B, and tourism-related industries, providing stable career opportunities.
- Hotels drive significant local business activity, supporting supply chains including food suppliers, maintenance contractors, event organisers, and training programs, strengthening the regional economy.
- Hotels contribute substantial tax revenue (commercial property rates, payroll tax, GST) and play a key role in regional tourism development, business events, and infrastructure investment.

Economic impact of STRAs

- STRAs typically do not generate significant employment, with most owners self-managing or employing only a few contract workers (e.g. cleaners, property managers).
- STRAs have lower reliance on local suppliers compared to hotels, as they lack on-site F+B, conference facilities, or service-based operations, reducing their broader economic contribution.
- Many STRAs operate under residential tax classifications, contributing less tax per guest night than hotels and not actively driving destination marketing or business investment.

Current supply + performance of STRAs in Bundaberg regional area

The primary reason for exploring the short-term rental accommodation (STRA) market in and around Bundaberg is to understand the extent to which such properties play a role in servicing unmet visitor accommodation.

Active listings
484
(at March2025)
(↑ 6% YoY growth)

91% of STRAs available are entire homes

Listings by rental size:
1-bed (23%)
2-bed (28%)
3-bed (28%)
4-bed (16%)
5+ bed (4%)

Top 5 STRA submarkets[1]
156 in Bargara[2]
100 in Bundaberg + surrounds3
95 in Woodgate
27 in Burnett Heads
20 in Elliott Heads

63%
Ave occupancy
(YE March 2025)
(↑4% YoY growth)

high occ in Dec (73%)
low occ in Feb (56%)

Ave length of stay
= 3.5 days
(↑ 5% YoY)

69% occ in Bundaberg
66% occ in Bargara

ADR = $140
(YE March 2025)
↓ -2% YoY

ADR = $154
(professionally managed)

ADR = $216.4
(luxury property)

RevPAR = $88.1
(↑2% YoY)

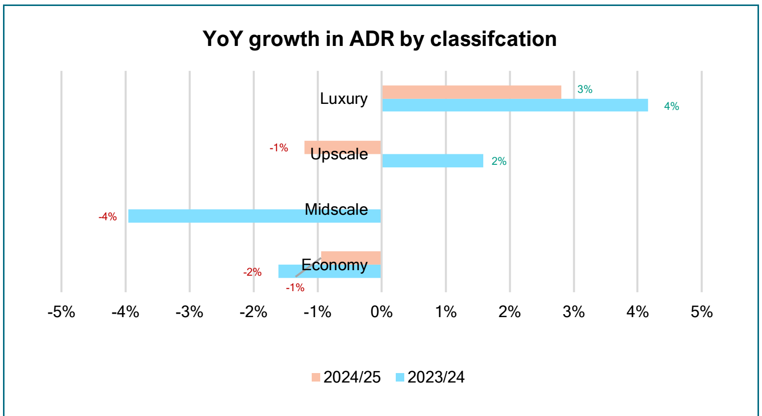
Weekend RevPAR: $99.2
(↑ 2% YoY)

ADR by no. bedrooms
(YE March 2025)

1-bed = $97.0
2-bed = $120.5
3-bed = $158.2
4-bed = $179.7
5-bed = $218.2
6-bed = $178.2

ADR by classification
(YE March 2025)

Economy = $108.0
Midscale = $11708
Upscale = $148.1
Luxury = $215.2

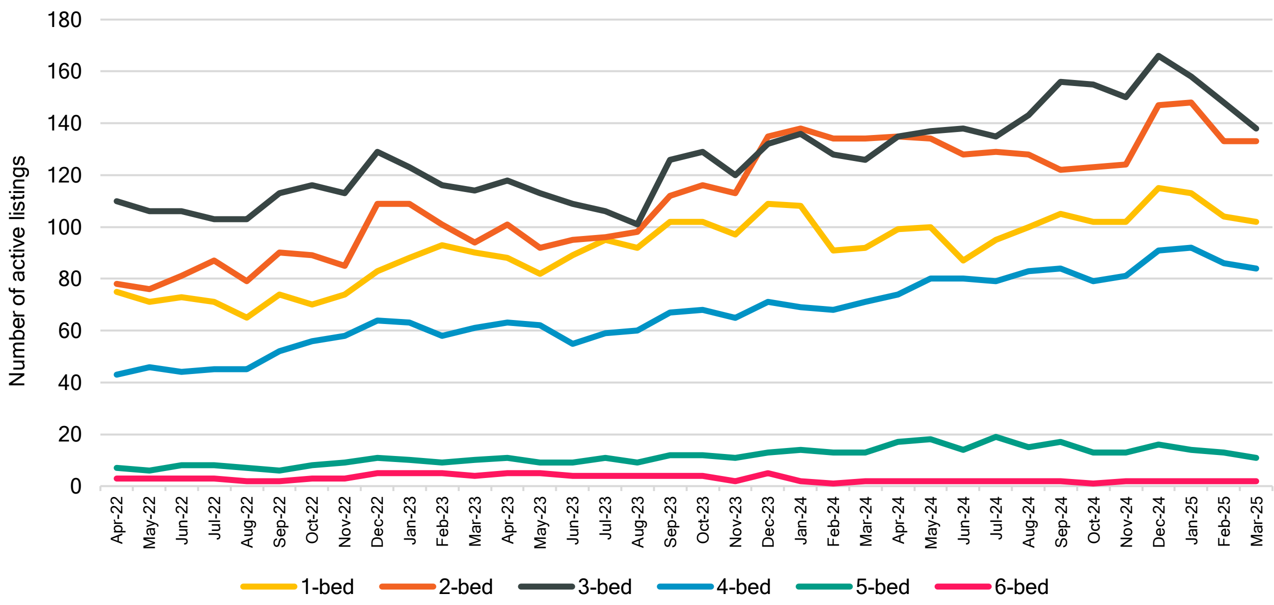


Notes:
[1] Top 5 STRA submarkets in terms of number of active listings
[2] Includes Baraga and Mon Repos (152 active rentals in Bargara + 4 active rentals in Mon Repos)
[3] Bundaberg includes the following suburbs: Bundaberg North, South, East and West, Bundaberg Central, Svesson Heights, Millbank, Avoca, Branyan, Norville, Walkervale, Kepnock, Kensington, Avenell Heights, Thaneban and Kalkie
Source: AirDNA (2025). Data extracted + analysed by THSA

Key highlights:

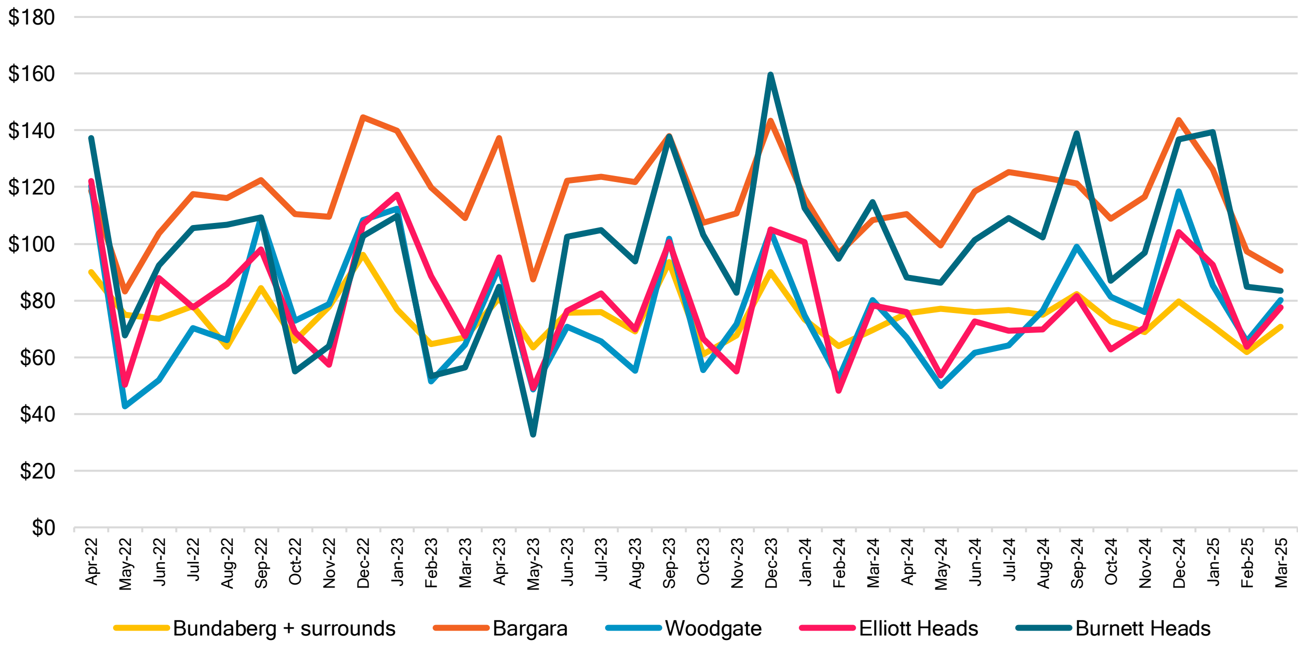
- **Steady growth in STRA listings:** Bundaberg's STRA market grew 6% year-on-year to 484 active listings. Bargara, Bundaberg surrounds, and Woodgate are the largest submarkets. Growth reflects ongoing demand and limits traditional tourist accommodation investment in key visitor areas.
- **Family + group travel drives listing types:** 91% of listings are entire homes, with most offering 2-3 bedrooms. STRAs appeal strongly to families and groups seeking space, flexibility, and kitchen facilities – filling a gap left by traditional hotels.
- **Solid occupancy with seasonal peaks:** Occupancy averaged 63% (up 4% YoY), peaking in December (73%) and dipping in February (56%). Bundaberg (69%) and Bargara (66%) lead performance, showing strong seasonal demand absorption.
- **Rate sensitivity + value gaps:** ADR fell slightly to $140, though premium STRAs maintain strength: $154 (professionally managed) and $216 (luxury). Larger homes and higher-end listings outperform mid-market STRAs, which face mild rate compression.

Figure 3.3: Number of active STRA listings in Bundaberg Regional Council area: April 2022 – March 2025



Source: AirDNA (2024). Data extracted + analysed by THSA

Figure 3.4: Top 5 STRA RevPAR performing submarkets in Bundaberg: April 2022 – March 2025



Source: AirDNA (2024). Data extracted + analysed by THSA

Do STRAs impact hotel demand in Bundaberg?

- Yes, STRAs both compete with and complement hotel supply. Rapid STRA growth (+20% YoY in some categories) is likely diverting demand from midscale hotels, especially in the family and group segments.
- STRAs expand total accommodation capacity during peak periods but also absorb demand that could otherwise support hotel investment.
- STRA success highlights real visitor demand — particularly for high-end and long-stay accommodation — strengthening the business case for upscale hotel and serviced apartment development.
- Growth in hotel supply is constrained by a lack of regulatory certainty. Developers may be reluctant to invest in large-scale hotels when STRAs can capture future demand with fewer compliance costs, creating an uneven playing field that deters new hotel development.

3.3 Hotel, motel and serviced apartment performance in Bundaberg

Bundaberg's hotel and serviced apartment sector has demonstrated strong and sustained performance over the past five years, underpinned by rising occupancy, steady rate growth, and resilient demand across multiple segments. While STR data shows a slight softening in occupancy and rate between 2022 and 2024, recent primary research undertaken in early 2025 confirms that overall market performance remains strong, and in many cases, intensifying. This research, based on direct engagement with local operators, provides the most current and comprehensive insight into occupancy, pricing, and operational pressure across the region. Historical benchmarking from 2017-2024 is followed by survey-based insights from 2025, offering a more representative and real-time view of Bundaberg's commercial accommodation market.

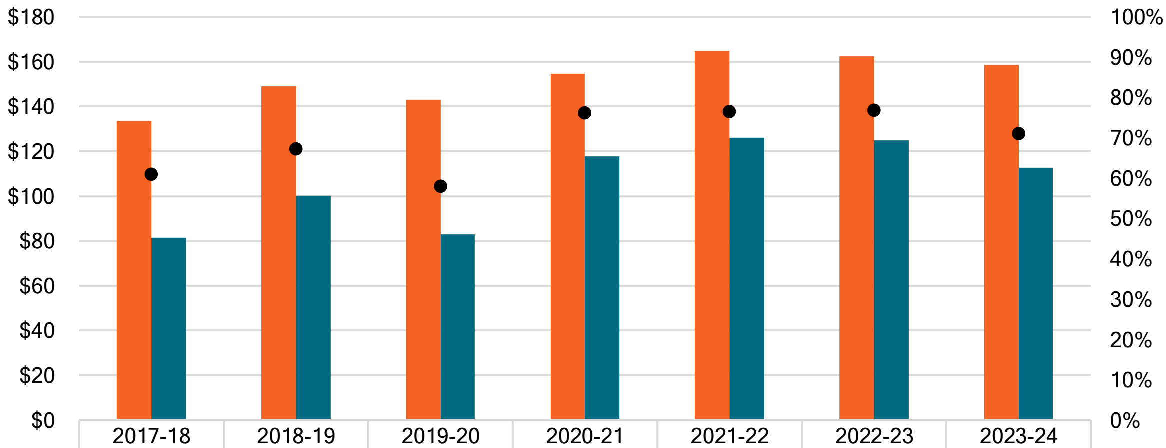
Historical performance trends (2017–2024)

Between 2017-18 and 2023-24, Bundaberg's hotel, motel, and serviced apartment sector has recorded strong and sustained gains across all key performance indicators. Over the period 2017-18 to 2021-22:

- Occupancy increased by 15.9 percentage points, rising from 60.9% in 2017-18 to 76.2% in 2021-22
- ADR increased by $31.4, from $133.5 to $164.9
- RevPAR rose by $44.8, reaching $126.1 in 2021-22

These figures reflect not only a robust recovery post-COVID but also growing resilience in the face of constrained supply, increased demand diversity, and limited branded accommodation. Occupancy performance has been particularly strong in recent years, with Bundaberg consistently outperforming many comparable regional destinations.

Figure 3.5. Bundaberg region: hotel, motel +,serviced apartment performance



	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
ADR ($)	$133.5	$149.0	$143.0	$154.7	$164.9	$162.5	$158.6
RevPAR ($)	$81.3	$100.3	$82.9	$117.9	$126.1	$124.8	$112.7
Occupancy (%)	60.9%	67.3%	58.0%	76.2%	76.5%	76.8%	71.1%

Source: STR (2018-2024)

Performance across 2022-23 and 2023-24 shows a modest softening in both occupancy and rate, with RevPAR dropping commensurately. This period reflects a national normalisation in travel patterns following post-COVID peaks, combined with the absence of new supply in Bundaberg's hotel sector. Importantly, this softening was not mirrored in the primary research findings, which show sustained and strong performance across a wider range of properties not captured by STR benchmarking. These differences reinforce the limitations of STR data in regional markets such as Bundaberg, where the true scale and diversity of accommodation stock is not adequately represented.

Why STR doesn't tell the full story

While more recent STR data (2023-2025) may be available, it was not sourced for this report due to limited market coverage. In Bundaberg, STR data typically reflects only a small subset of larger or brand-affiliated properties and does not capture the majority of local motels, independent hotels, or resort-style accommodation. As such, it does not offer a reliable or representative view of whole-of-market performance.

This limitation was one of the key drivers for undertaking targeted primary research with local accommodation operators. The findings presented in the next section provide a more accurate and comprehensive snapshot of current performance and form the foundation of the investment case.

Primary research findings (early 2025)

As part of this study, accommodation providers across Bundaberg were surveyed in early 2025. Their self-reported data presents a more current and comprehensive picture of accommodation market conditions - and stands in contrast to STR - reported softening in the preceding year. These findings confirm that underlying demand remains strong and widespread.

Occupancy insights

- 75% of operators reported average occupancy above 80% across the year.
- 25% of respondents are operating at 91-95%, indicating near-full capacity.
- High occupancy is being achieved across all property types, including motels, hotels and self-catering properties.
- Peak pressure points are linked to school holidays, festivals, sporting events, business travel, and institutional group bookings.

Bundaberg's accommodation providers are operating at near-full capacity year-round, with many consistently exceeding 80% occupancy, a commonly accepted threshold that signals unmet demand and supports the case for new hotel development.

ADR trends

- Hotels and resorts reported median annual ADRs of $201-$225, with peak season rates exceeding $250.
- Motels typically sat in the $151-$175 range, with seasonal uplift into the $176-$200 band.
- Many properties achieving these rates were unbranded or outdated, underscoring that rate strength is driven by constrained supply, not product quality.

The ability to achieve strong room rates despite a lack of modern, branded supply highlights a clear opportunity for uplift. An ADR above $200, coupled with occupancy over 80%, meets key investor benchmarks for new hotel projects.

Key takeaways

- Bundaberg's commercial accommodation sector is performing exceptionally well by regional standards, with occupancy consistently exceeding 80% and strong ADR performance.
- Demand pressure is broad-based, cutting across all property types and driven by a variety of segments, including leisure, corporate, event, education, and seasonal workforce.
- Despite high performance, Bundaberg currently lacks any nationally or internationally branded properties - highlighting an opportunity for professionally managed supply to enter, uplift, and expand the market and improve Bundaberg's destination appeal and reputation.

Investor implications

Bundaberg does not face a demand problem - it faces a supply constraint. Survey findings confirm that existing operators are doing well despite the limitations of aging infrastructure and lack of branding. The market is ready for:

- New, purpose-built supply that can service business, group, MICE and higher-yield segments
- Professionally managed, internationally branded, properties that offer flexible, high-quality product and consistency
- Rate-justified development, where existing ADR levels provide confidence in commercial viability.

While STR data indicates slight rate and occupancy softening between 2022-23 and 2023-24, self-reported 2025 results suggest these fluctuations do not reflect actual market dynamics. Occupancy across the region remains above 80% for the majority of providers, and strong ADRs are being achieved despite aged stock and limited brand presence - reinforcing the strength of the investment case.

3.4 Future supply of visitor accommodation in Bundaberg

Bundaberg Regional Council has received a number of development applications and proposals for new short-stay accommodation across the region in recent years. While these projects signal interest in expanding Bundaberg's accommodation offering, the majority remain unbuilt or in early stages of progression.

This section summarises known future accommodation projects as at 2025. Collectively, these projects represent a potential uplift in hotel and motel room supply - but uncertainty around timing and delivery means that they do not yet provide guaranteed capacity to meet projected demand. This supply outlook therefore provides important context for the demand assessment that follows.

Table 3.1: Approved and prospective accommodation sites

Project / Site	Rooms	Status	Key Notes
MVP Hotel - Airport Drive	97	Approved	Includes 205m² conference space, restaurant/bar, gym, and pool
130 Takalvan Street (Brothers Club)	Up to 143	Change application lodged	Staged delivery; focus on car parking in early stages
Bargara Golf Club Redevelopment	100	Approved	No works commenced; club in contractual discussions
11 Quay Street Bundaberg Central	N/A	Undeveloped	Riverfront site; privately owned; identified in prior AEC report
142 Bourbong Street, Bundaberg Central	N/A	Undeveloped	Previously approved for student accommodation and commercial tenancies
55 Takalvan Street Millbank	Not specified	Approved (DA and Operational Works)	2-storey motel; no site works commenced
222 Bourbong Street, Bundaberg Central	40	Dual approvals (Motel and Medical Centre)	Motel approval still valid; use subject to owner preference
Burnett Heads Gateway Marina	Not specified	Approved (mixed-use)	Short-term accommodation included; some marina works commenced

Source: Bundaberg Regional Council (2025)

While several projects are approved or under consideration, only one - the MVP Hotel - is set to commence construction. Some sites, such as 11 Quay Street and 142 Bourbong Street, offer strong potential for new hotel development but are yet to be acted upon. Others, like the MVP Hotel and the Brothers Sports Club hotel, are approved but not yet delivered.

Importantly, the majority of proposed developments are small to mid-scale and fall short of the scale and configuration needed to attract international brand operators or meet the growing demand for meetings and group-based travel. Projects aiming to secure global brand alignment and deliver meaningful event infrastructure typically require a minimum of 150 rooms and at least 400m² of flexible meeting space – a benchmark that few (if any) current proposals achieve.

This fragmented and undersized pipeline underscores the need for proactive investment attraction focused on larger, brand-aligned hotel development. Without it, Bundaberg risks missing high-value visitation linked to conferences, business events, and institutional travel – segments that are vital to year-round hotel performance and long-term destination growth.

Anticipated impact of approved and proposed accommodation on Bundaberg's existing market

- **Increased demand generation:** Major infrastructure and economic development projects – including the new Bundaberg Hospital, Paradise Dam redevelopment, Bioenergy Hub and Port expansion – are expected to generate sustained accommodation demand from government travellers, construction personnel, specialists, consultants, and business travellers.
- **Diversification of visitation:** Emerging drivers such as the Bundaberg Aquatic Centre, Southern Great Barrier Reef, Agritourism and revitalisation of the Bundaberg CBD are expanding the region's appeal to corporate, educational, sporting, cultural, and event-based visitors.
- **Economic impact:** Collectively, these projects will create thousands of jobs and attract new investment, stimulating the local economy and supporting midweek and off-peak visitation – the most valuable segments for hotel operators and developers.
- **Strategic collaborations:** The development of new, market-aligned hotel and serviced apartment accommodation presents an opportunity to strengthen regional collaboration. Bundaberg Tourism's ongoing efforts to enhance the Southern Great Barrier Reef (SGBR) visitor experience offer a compelling platform for integrating accommodation with reef, coastal, culinary, and nature-based attractions. These partnerships support the creation of bundled visitor products that encourage longer stays, improve midweek occupancy, and increase per-visitor spend. New properties – especially those with strong international brand recognition and distribution – will be well placed to lead this integration, while existing operators may need to adapt to remain competitive in a market shaped by destination storytelling and holistic visitor experiences.

In addition to the likely demand generated by new and upcoming projects, there are several operational and timing-related factors that influence how new accommodation will perform once in the market:

- **Not all supply competes equally.** Properties differ in location, guest mix, price positioning, and brand strength. New entrants with strong distribution networks, loyalty programs, and corporate partnerships will usually capture share and outperform the market more quickly.
- **Timing matters.** Hotels delivered during peak workforce mobilisation and infrastructure activity (2025–2028) are likely to benefit most from construction-related and early-stage operational demand. Projects entering later may face softer trading conditions as the market rebalances.
- **ADR stabilisation takes time.** New properties typically take 3 – 4 years to reach stabilised ADR. Existing operators may maintain ADR but face temporary shifts in occupancy as the market absorbs new supply.
- **Occupancy and ADR are interconnected.** Once Bundaberg's hotel market consistently exceeds 75–80% occupancy, ADR growth has greater potential. If new supply is delayed, high occupancy demand may be absorbed by short-term rentals or alternative accommodation types.

These dynamics are critical for developers, investors, and operators considering Bundaberg's hotel market. The following section explores how projected demand aligns with future supply scenarios to identify the most strategic window for new development. Indicative proformas later in this report (see Section 6) build on all preceding analysis, and present standalone development models for a hotel and a serviced apartments, followed by a consolidated scenario combining both on a single site. The modelling draws on qualified demand (as projected by AEC), Bundaberg's broader economic transformation, and findings from extensive primary research.


Bundaberg Port Marina

3.5 Future demand for visitor and hotel accommodation in Bundaberg

Recent market analysis prepared by AEC (2023) confirms that Bundaberg's accommodation sector is on the cusp of significant growth. Visitor nights are forecast to rise substantially through to 2032, placing increased pressure on the region's already constrained hotel supply. This section outlines those growth projections and identifies the scale of new development required to support Bundaberg's continued expansion as a visitor destination.

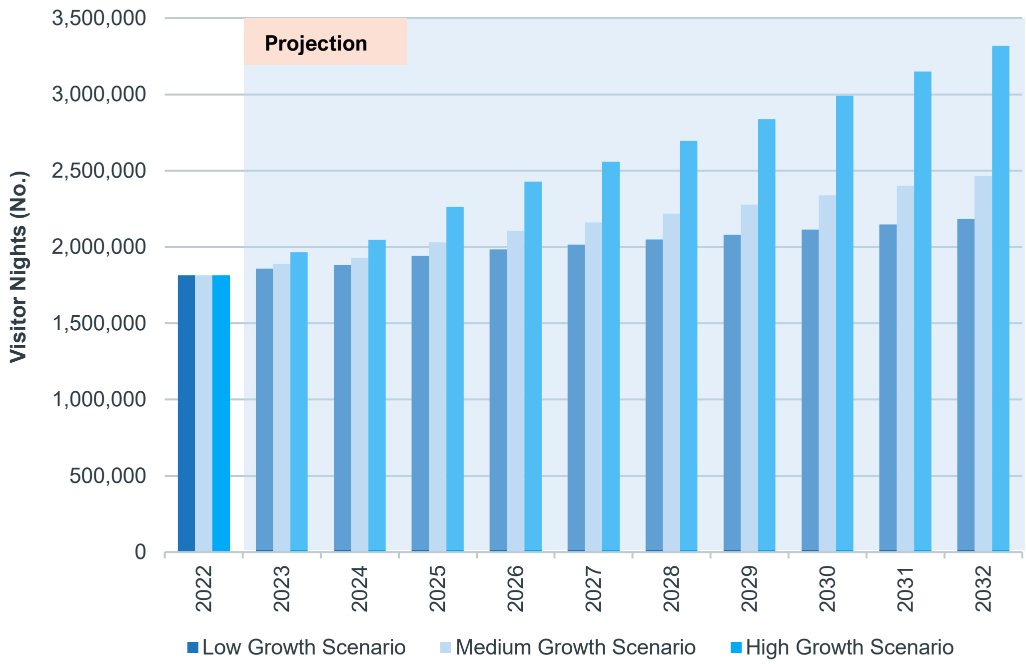
Growth in visitor nights to 2032

Three visitor night growth scenarios were modelled by AEC, drawing on national forecasts and Bundaberg's pre-COVID performance. These scenarios offer a realistic range of possible futures for the region's overnight market:

- **Low growth**, aligned with national Tourism Research Australia (TRA) forecasts.
- **Medium growth**, based on Bundaberg's historic rate of growth, which was 1.7 times higher than the Queensland average prior to COVID.
- **High growth**, reflecting a more accelerated trajectory consistent with recent performance and regional positioning.

Under these scenarios, total visitor nights in Bundaberg are projected to grow from approximately 1.8 million in 2022 to between 2.2 million and 3.3 million by 2032.

Figure 3.6. Projected total visitor nights in Bundaberg (2022-2032)



Source: AEC (2023)

Implications for hotel accommodation

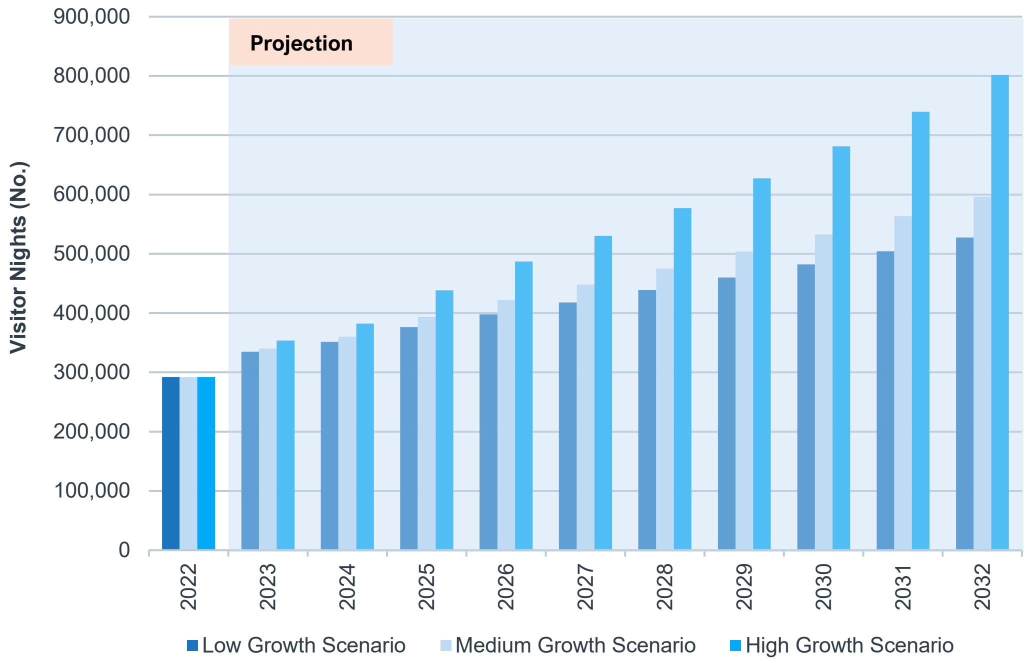
Not all visitor nights are spent in hotels - some are captured by motels, holiday parks, and short-term rentals. However, hotels play a critical role in attracting government and business travellers, conference delegates, and leisure segments seeking internationally branded or full-service accommodation.

In 2022, just 16.1% of all visitor nights in Bundaberg were spent in hotel, motel, or similar commercial accommodation - well below the state average of 26.2%. AEC's projections assume that, with the right supply in place, Bundaberg could increase its market share to 24.2% by 2032.

This would see hotel visitor nights increase from 292,100 in 2022 to between 527,600 and 801,800 by 2032, depending on the scenario. When translated into room demand (based on 2 guests per room, 365-day availability, and 69.5% occupancy), this equates to future demand for:

- **1,042 rooms under the low growth scenario,**
- **1,313 rooms under medium growth, and**
- **1,583 rooms under high growth.**

Figure 3.7. Projected hotel visitor nights in Bundaberg (2022-2032)



Source: TRA (2023 a, b), AEC

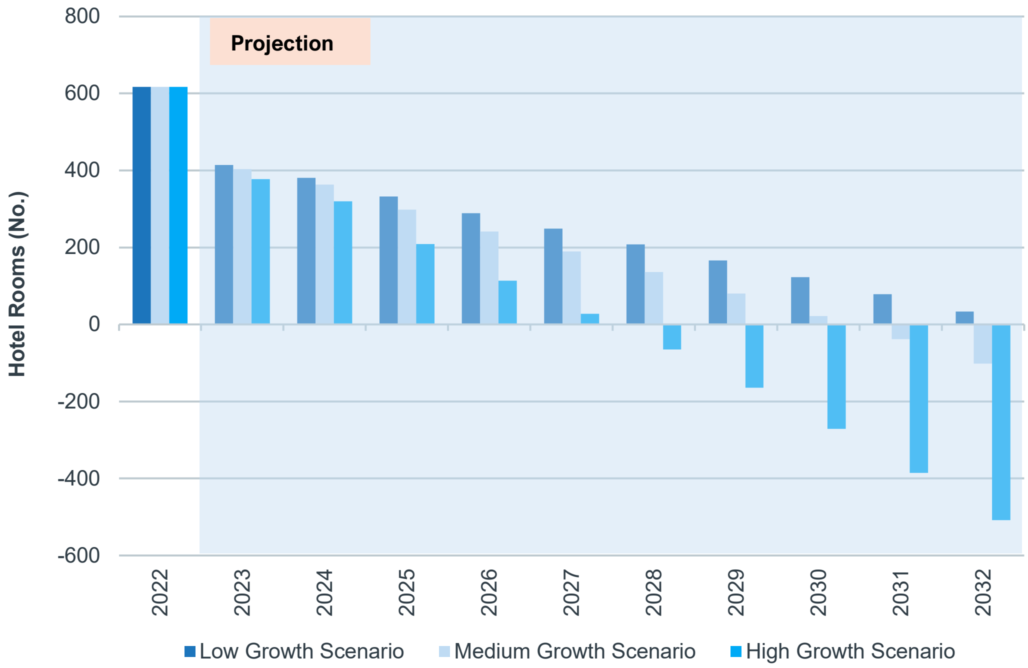
Timing of the supply gap

The difference between projected hotel demand and current supply is significant. Bundaberg had an estimated 458 hotel and motel rooms in 2022. Without new development, a hotel room shortfall is expected to emerge by:

- **2028 under the high growth scenario, and**
- **2031 under the medium growth scenario.**

By 2032, this gap could reach up to 508 rooms, representing missed opportunities for overnight visitor spend, events, and business-related travel and their contribution to the local economy and community.

Figure 3.8: Projected Supply and Demand Gap for Hotel Accommodation, Hotel Rooms, Bundaberg



Source: AEC (2023)

Structural market limitations

Beyond the numbers, AEC's assessment points to deeper structural issues in the market that will limit Bundaberg's ability to meet future demand without targeted investment:

- Post-COVID stagnation in new supply, with only a 1.4% increase in hotel room inventory between 2020 and 2022.
- Over-reliance on aging motel stock, with few properties offering the standard, amenities, or brand recognition required by higher-yield segments and contemporary travellers.
- Absence of upscale or apartment-style hotel product, particularly in Bundaberg Central.
- High occupancy despite these limitations, with rates continuing to strengthen - underscoring demand resilience.
- Limited construction pipeline, with most approved or proposed developments not yet commenced.

These limitations reinforce the urgency of stimulating investment in new, high-quality accommodation aligned to future market needs.

Key takeaways

Visitor demand in Bundaberg is growing – and quickly. Projections show that total visitor nights could rise by up to 85% by 2032, with hotel-specific demand expected to more than double over the same period. If no new hotel development occurs, Bundaberg could face a shortfall of over 500 rooms by the end of the decade. Even under more moderate growth, unmet demand is expected to emerge by 2031. It is certain that in the face of insufficient supply and/or quality that visitors who have to visit Bundaberg will increasingly become day visitors as they move on to obtain suitable accommodation in other cities.

This is not simply a volume issue. Bundaberg's accommodation market remains dominated by motels and older stock, with limited high-quality or internationally branded product. And yet, occupancy remains strong, rates are rising, and operators report capacity constraints. The combination of strong performance, underdeveloped supply, and forecast growth presents a clear opportunity – and a compelling case for new, well-located, professionally managed hotel investment.

4. Market opportunities, target markets and accommodation requirements

4.1 Primary research insights – what the market told us

Understanding the accommodation requirements and travel motivations of Bundaberg's key visitor segments is critical to shaping commercially viable and strategically aligned hotel development. To support this Hotel Demand Study, targeted primary research was undertaken across four core audiences: accommodation providers, leisure visitors, corporate and government organisations, and professional event organisers.

This research delivers direct insights into unmet demand, booking behaviours, satisfaction levels, and infrastructure constraints - as perceived by both the supply side and the end user. While each cohort presents unique preferences and challenges, several consistent themes emerged:

- There is strong, year-round demand for accommodation, but this is often constrained by the limited availability, scale, and quality of current stock.
- Visitor segments have distinct product preferences - for example, serviced apartments for long-stay and corporate travellers, and full-service hotels for business, government, and event-based stays.
- Untapped opportunities exist to convert day visitors and event attendees into overnight guests, provided that suitable, well-located, and internationally brand-aligned accommodation is available.
- Gaps in conference infrastructure, group-friendly properties, and premium offerings are restricting Bundaberg's ability to capture higher-yield segments.

Table 4.1 summarises key findings across each research stream and identifies relevant accommodation gaps and investment opportunities.

Table 4.1: High level summary of primary research results by market segment

Segment	Accommodation gaps	Investment opportunities
Accommodation providers	75% report peak occupancy above 80%, with limited capacity to host large groups, meetings or business travellers. Ageing stock and inconsistent quality are cited as key barriers.	Strong year-round demand supports new supply. Modern, scalable hotel infrastructure would allow operators to target group bookings and unlock premium pricing.
Leisure visitors	30% would consider extending their stay if more appealing hotel options were available. 65% prefer hotels with on-site dining and family amenities.	An upper-midscale or upscale hotel with resort-style amenities and quality F+B could extend average length of stay and increase yield from leisure segments.
Corporate, government, medical and education providers	35% rate existing hotel options as unsatisfactory. Concerns include poor consistency, limited amenities, and absence of professional services (Wi-Fi, workspace, dining).	Reinforces the need for a professionally managed, internationally branded hotel in the CBD with contract rates, loyalty programs, meeting facilities, and corporate-grade infrastructure.
Conference and event organisers	44% have considered relocating events due to lack of accommodation capacity and infrastructure. Key issues include limited availability for groups and absence of MICE and event-ready hotel product.	Clear opportunity for a full-service hotel with conference and breakout facilities, supporting the growth of the MICE and sports tourism sectors.

Investment Implications

The primary research confirms Bundaberg's readiness for new hotel investment. Key findings reveal unmet demand for quality accommodation across corporate, leisure, and event segments, with many properties already operating at occupancies above 80%. The lack of internationally branded hotels, limitations in scale and amenity, and peak period booking challenges are recurring concerns across all surveyed groups. These insights strongly support the case for:

- Development of an upper-midscale to upscale full-service hotel in the Bundaberg CBD, catering to business, government, and event-related travel.
- Introduction of a professionally managed serviced apartment offering, to meet long-stay and project-based demand, particularly from the health and education sectors.
- Repositioning or redevelopment of existing stock to elevate Bundaberg's market offering, improve quality consistency, and support pricing uplift.
- Implementation of a targeted investment attraction strategy, backed by local government support, to attract experienced hotel investors and developers and to accelerate project delivery and close the gap between current demand and limited pipeline.

4.2 SWOT analysis for new visitor accommodation

Strengths

- Tourism assets: Bundaberg is a gateway to the Southern Great Barrier Reef, Mon Repos Turtle Centre, and Lady Musgrave Island, making it a key nature-based tourism destination. This unique position attracts a diverse range of visitors interested in eco-tourism, wildlife, and marine experiences, which can be leveraged by hotels to offer specialised packages and services.
- Robust economic drivers: The region recorded 7.2% economic growth in 2022-23, supported by $5 billion in public and private infrastructure investment. This growth underpins sustained demand from business travellers, government contractors, and project-related stays.
- Multi-sector visitation: Bundaberg acts as a regional hub for tourism, agribusiness, education, and healthcare. This diversified economic base generates demand across weekday and weekend segments, reducing seasonal volatility.
- High occupancy performance: 75% of surveyed operators reported occupancy above 80%, with one-quarter operating at over 90% for much of the year. This signals a supply-constrained market with strong commercial potential for new entrants.
- Market gap in branded + upscale supply: Bundaberg currently lacks internationally branded hotels or large-scale full-service properties. This absence of brand presence and modern product offers a clear opportunity for new hotel and serviced apartment development.
- Unmet group and event accommodation needs: Primary research from corporate and event organisers identified consistent shortfalls in accommodation for conferences, large delegations, and business travel, confirming the viability of event-ready infrastructure.

Weakness

- Limited data transparency: Sparse participation in STR and HotStats reporting among local properties makes it difficult for institutional investors to assess Bundaberg's market performance using standard benchmarks.
- Lower national and international profile: Despite growing interest, Bundaberg remains less recognised compared to coastal competitors such as Hervey Bay, Sunshine Coast, and Noosa, impacting destination perception and influencing booking behaviour (internationally branded hotels can positively influence destination reputation and awareness via their proprietary distribution systems).
- Limited air connectivity: Bundaberg's airport offers regular connections to Brisbane, but the absence of direct flights to Sydney or Melbourne hinders broader market reach and limits appeal to interstate leisure and corporate travellers.
- Ageing accommodation stock: Many motels and motor inns are dated, inconsistent in quality, and unsuited to contemporary guest expectations, particularly for corporate and group travel.
- Midweek demand gaps in some precincts: While demand is strong overall, leisure-led areas such as Bargara experience softer midweek performance, impacting occupancy consistency across the region.

Opportunities

- Projected growth in demand: Demand for hotel rooms is forecast to rise from 458 rooms in 2022 to up to 1,583 rooms by 2032, according to AEC's high-growth scenario - indicating a significant future supply gap.
- Pipeline of major projects: Key developments - including the new Bundaberg Hospital, airport precinct upgrades, and agri-tech hubs - will boost corporate, medical, and government-related travel.
- Event-led growth: Research from event organisers reveals consistent demand for accommodation attached to Bundaberg's festival, sport, and business events calendar. A hotel with flexible meetings and event spaces could help anchor Bundaberg's MICE credentials.
- Sustainability and eco-branding: Bundaberg's ECO Destination Certification and reef access align with the growing market for low-impact, regenerative, and eco-luxury travel. Hotels that align with these values can attract premium market segments.
- Leisure extension opportunities: Research showed that 30% of leisure visitors would consider extending their trip if more suitable accommodation was available. This presents a conversion opportunity for day visitors and short-stay guests.
- Brand alignment potential: The absence of international brands provides a first-mover advantage for groups like Accor, Hilton, Hyatt, IHG, or Marriott to enter the market with scalable, loyalty-linked offerings.

Threats

- Rising development costs: Regional hotel projects face elevated construction and financing costs due to inflation, higher interest rates, and materials shortages - factors which may deter investment.
- Hospitality workforce constraints: Staffing shortages, particularly in skilled roles, present ongoing challenges for consistent hotel operations, service quality, and guest satisfaction.
- Competitive regional incentives: Other destinations are actively courting hotel investment through planning concessions, subsidies, and marketing partnerships. Bundaberg must remain competitive to secure developer interest.
- Planning limitations: Existing height and zoning restrictions in key precincts may limit the feasibility of larger hotel footprints required by some international brands, unless revised.
- Community sentiment: Past resistance to high-rise development in coastal areas like Bargara may delay or discourage new investment in visually prominent or larger-scale hotel projects.

Implications for future investment

The strength of Bundaberg's visitor economy lies in its diversity, resilience, and clear market gaps – not just in volume, but also in the type and quality of accommodation on offer. Primary research confirms unmet demand across business, events, and leisure segments, with high occupancy levels and limited internationally branded supply amplifying investor opportunity. To capitalise, future hotel development must be closely aligned with the region's evolving demand profile, infrastructure pipeline, and brand positioning.

Unlocking Bundaberg's full potential will depend on attracting the right product – at the right scale, in the right location, and under the right operating model – to serve a growing and increasingly discerning visitor base.

4.3 Bundaberg hotel investment framework

- ✓ Hotels do not create demand; they accommodate demand.
- ✓ Without quality accommodation, Bundaberg cannot maximise its visitor economy nor its economic development opportunity.
- ✓ By aligning product, scale and location to market needs, Bundaberg can unlock new hotel investment, support tourism growth, and position itself as a leading regional business-leisure destination.

Target markets	• Leisure and VFR • Business: corporate, government and aircrew • Events: MICE, sports, weddings, festivals • Health and education: visiting specialists, university staff and students • Long-stay: FIFO, medical, relocations
Market messaging	• Position Bundaberg as a balanced regional destination for business and leisure • Encourage mixed-use and flexible accommodation formats • Ensure new hotel development enhances the CBD and waterfront through placemaking and public realm uplift
Type of accommodation required	• Upper midscale full-service hotel: 120-140 rooms or • Upscale full-service hotel: 150-175 rooms • Serviced apartment: 50-70 rooms, configured to cater for extended stays and groups
Investment attraction	• Attract global hotel brands (e.g. Accor, Hilton, Hyatt, IHG, Marriott) • Activate priority development sites with planning certainty • Introduce incentives, fast-track pathways and case-managed support for hotel investment
Strategic infrastructure alignment	• Align hotel locations with CBD revitalisation, transport and health precincts • Support integration within mixed-use precincts and catalytic projects • Leverage tourism infrastructure upgrades to strengthen the visitor experience and complement core CBD offerings

Priority hotel development opportunities

Opportunity type	Target segment	Timing priority
Upscale full-service hotel	Business, MICE, leisure	Short-medium term
Serviced apartment	Health, education, project-based	Short term
Upper-midscale hotel	Mid-tier corporate + weekenders	Medium term
Refurbishment of existing stock	All segments	Immediate-short term

Note on aging stock:

With new opportunities emerging for internationally branded hotels in Bundaberg, many operators of ageing accommodation stock find themselves at a crossroads. To remain competitive and benefit from the region's growing visitor economy, they face two core options: invest in upgrading and repositioning their properties or consider exiting the market through sale.

Both strategies present potential upside. Incremental upgrades – such as room refurbishments, amenity enhancements, or modest expansions – can help older properties capture higher-yield segments and lift overall guest satisfaction. Alternatively, operators seeking to exit may find a receptive market, particularly if their property is well located and suited to redevelopment. Either path requires a considered approach – but both can play a valuable role in strengthening Bundaberg's accommodation landscape.

4.4 Importance of creating a diverse visitor accommodation industry

A diverse and well-balanced accommodation offering is essential to Bundaberg's tourism growth and long-term economic sustainability. By catering to the full range of visitor segments, from short-stay leisure travellers to long-stay project workers, the region can boost appeal, increase overnight visitation, and maximise economic return.

Why diversity in accommodation matters:

- **Appeals to a broader visitor base:** Bundaberg attracts a mix of leisure, corporate, government, medical, and infrastructure travellers, each with unique accommodation preferences. Offering everything from budget motels and caravan parks to serviced apartments and full-service hotels ensures these needs are met and market potential is maximised.
- **Improves visitor satisfaction and encourages repeat stays:** When guests can find accommodation that aligns with their needs - be it family-friendly amenities, business facilities, or proximity to attractions - they are more likely to return and recommend the region to others.
- **Supports stable year-round occupancy:** Different types of accommodation help smooth out seasonal peaks and troughs:
  - weekday demand is driven by corporate and government travellers, often requiring centrally located, internationally branded hotels with meeting facilities
  - weekends and holidays bring families and leisure visitors, many of whom prefer coastal resorts or self-contained units
  - infrastructure and resource project workers sustain demand for longer-term stays in serviced apartments or extended-stay options
- **Underpins all tourism segments:**
  - leisure tourism: eco-tourism, coastal holidays, reef excursions, and food + beverage trails
  - corporate and government: travel linked to agribusiness, professional services, and regional governance
  - medical travel: visiting specialists, hospital patients, and carers seeking proximity to care
  - education and research: CQUniversity, conservation work, and research-based tourism
  - sporting and group travel: training camps, regional tournaments, and group bookings
- **Drives economic outcomes:** Different types of accommodation stimulate the economy in different ways:
  - upscale hotels and branded serviced apartments create higher-paying jobs, attract higher-yield visitors, and generate greater local spend
  - motels, holiday parks, and backpacker hostels support local tours, F+B venues, and service providers
  - hotels with conference space enable business and event tourism - a growing and high-value market for Bundaberg.

Why this matters for Bundaberg:

Bundaberg's current accommodation stock is heavily weighted towards economy motels and small, independently operated properties. This limits the city's ability to attract high-value visitors, host corporate and government events, or support longer-stay business and project-based travel. Diversifying and upgrading the region's accommodation offering – particularly through new, internationally branded upper-midscale and upscale hotels – will help unlock new markets, lengthen stays, improve destination reputation and awareness and significantly increase the economic return from tourism.

4.5 The importance of hotels in Bundaberg's growing regional economy

Hotels do more than provide a place to stay - they are strategic assets that drive economic development, support job creation, create community and social amenity, and enhance the region's profile as a competitive destination for tourism, business, and events. As Bundaberg grows, the presence of high-quality, professionally operated, internationally branded accommodation will play a key role in shaping its long-term regional competitiveness.

How hotels support Bundaberg's economy

- **Stimulate job creation:** Hotels create diverse employment opportunities across a range of skill levels - from entry-level housekeeping, reception, and food service roles to skilled management, sales, and finance positions. New hotel developments also support indirect employment in sectors such as food and beverage supply, maintenance, cleaning services, and tourism support industries.
- **Boost the visitor economy:** Hotel guests spend well beyond their room bookings - on dining, retail, tours, attractions, and local experiences. A new, full-service hotel can significantly increase visitor spend per trip and extend the average length of stay, benefiting surrounding businesses and precincts.
- **Attract investment and support precinct renewal:** New hotel developments often act as catalysts for wider urban improvement. An upscale hotel located in Bundaberg's CBD could help activate the waterfront, attract investment into the public realm, and improve the city's overall visitor appeal - particularly when integrated with mixed-use precincts or civic infrastructure projects.
- **Enable business and event tourism:** Bundaberg currently lacks a hotel with the size, scale, and conference-ready facilities required to host major business and government events. An internationally branded property with flexible meeting and breakout space would enable the region to compete more effectively in the MICE market.
- **Attract high-value travellers (HVTs):** Professionally managed, upper-midscale and upscale hotels attract travellers who spend more - not just on rooms, but on food, experiences, and local retail. This includes:
  - domestic and international leisure travellers who are willing to pay premium rates for comfort, quality service, and exclusive experiences
  - corporate travellers, including those with per diem allowances and brand loyalty, who typically spend more per night on accommodation, dining, and transport
  - event attendees who often stay multiple nights and contribute significantly to regional spending through local dining, entertainment, and services
- **Enhance Bundaberg's brand and destination reputation:** The presence of global hotel brands (e.g. Accor, Hilton, Hyatt, IHG and Marriott) sends a powerful message to investors, distributors, and consumers: that Bundaberg is a credible, reputable, connected, and emerging destination. These brands also provide valuable marketing reach and destination awareness, both nationally and internationally, loyalty program access, and quality assurance - lifting visibility in both international and corporate travel markets.

Unlocking Bundaberg's potential: Why hotel investment matters

Bundaberg's ability to fully realise its tourism and economic potential depends on access to high-quality, internationally branded accommodation. The current absence of full-service hotels and branded serviced apartments limits the city's competitiveness in attracting high-value visitors and supporting regional growth.

- corporate and government visitors have limited options, reducing the city's ability to attract major business events and repeat weekday travel.
- high-value leisure tourists may opt for destinations with better accommodation options, such as Hervey Bay or Noosa.
- Bundaberg risks missing out on broader economic benefits from premium tourism growth, particularly in F+B, retail, and professional services.

Strategic opportunity:

- an upper-midscale to upscale hotel in Bundaberg's CBD would allow the region to better capture corporate, government, and event-related demand – while elevating the overall visitor experience.
- a serviced apartment development could cater to long-stay travellers, infrastructure workers, and relocating professionals, helping to diversify Bundaberg's visitor economy.

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4.6 Bundaberg vs Bargara

A small number of stakeholders in the previous AEC Group study, along with select respondents from the primary research phase of this Hotel Demand Study, have suggested that Bargara may present an attractive opportunity for hotel development due to its beachfront location and strong appeal to leisure tourists.

However, from a hotel investor's perspective, the most commercially viable development is one that delivers long-term financial sustainability, balanced demand across the week and year, and a reliable return on investment - factors that extend beyond location appeal alone.

Table 4.2: Comparison of Bundaberg CBD vs Bargara for hotel investment

Factor	Bundaberg CBD	Bargara	Investor Insight
Primary demand drivers	Balanced mix of corporate, government, leisure, and long-stay demand.	Primarily leisure-driven (holidaymakers, weekend getaways).	Bundaberg CBD's diversified demand base reduces volatility and reliance on any single market, whereas Bargara remains leisure-dependent - though modest diversification is emerging.
Seasonality risk	More stable, with consistent weekday corporate travel and weekend leisure.	Highly seasonal; reliant on holiday peaks, with softer shoulder and midweek trade.	A year-round demand profile in Bundaberg helps mitigate risk and supports stable cash flow.
ADR + occupancy potential	Midscale to upscale ADR (~$175-$235) with steady occupancy.	Higher peak ADRs (~$220-$300) possible in high season, but lower annualised occupancy.	Investors typically prioritise occupancy stability over occasional peak ADRs. Bundaberg delivers stronger long-term performance.
Infrastructure + connectivity	Strong airport, rail, and road connections; proximity to civic and business hubs.	Limited public transport; mostly reliant on self-drive visitors.	Bundaberg CBD is better positioned to capture corporate and institutional travel linked to connectivity.
Market positioning	Ideal for mixed-use, upper-midscale and upscale hotels with corporate and leisure appeal.	Suited to boutique resorts and apartment-style leisure stays.	Bundaberg supports a wider range of viable product types and broader brand alignment.
Hotel investment risk	Lower risk due to diverse markets and consistent weekday/weekend performance.	Higher risk due to seasonality and lack of corporate-driven demand.	A CBD location provides better occupancy balance and financial resilience.
Planning + community acceptance	Council is supportive; some planning flexibility in CBD.	Community resistance to height, scale, and density is well documented.	Development constraints in Bargara may limit feasibility for branded hotels, particularly those needing 120+ rooms.
Investor ROI considerations	Higher year-round viability due to multi-segment demand and better infrastructure access.	Strong seasonal appeal, but fewer revenue sources during low demand periods.	Bundaberg CBD offers more predictable ROI potential, essential for institutional and international hotel investors.

Bundaberg CBD is the stronger investment proposition

While Bargara's beachfront setting offers high ADR potential, its seasonality, limited corporate demand, and access challenges pose significant barriers to commercial sustainability. From an investor perspective, Bundaberg's CBD presents the strongest location for an upscale hotel and serviced apartment development, offering:

- broader, year-round demand from business, leisure, and long-stay markets
- lower risk and greater investor confidence due to consistent revenue streams
- superior transport access and connectivity, enabling stronger market reach
- better alignment with international brand requirements and development models

To maximise investor interest, Bundaberg CBD should be positioned as the primary location for new hotel investment — with Bargara framed as a complementary opportunity for a full-service, high-quality coastal leisure offering.

4.7 Hotel success factors

Successful hotel developments rely on careful planning, market alignment, and strong financial fundamentals. In Bundaberg's context, several unique conditions influence what constitutes a commercially viable project. The following factors are particularly important for securing investment and long-term success.

Scale and investment appeal

- Larger hotels generally perform better by distributing fixed costs across more rooms, improving operational efficiency and profitability.
- For internationally branded operators, a minimum scale of 120-150 rooms is typically required to justify investment and ensure alignment with brand and management standards at feasible fee levels.
- Smaller hotels (under 100 rooms) often struggle to attract professional operators, which can result in inconsistent service and reduced market competitiveness.
- Bundaberg currently has no full-service, internationally branded hotels - presenting a clear opportunity to deliver an upper-midscale or upscale property of suitable scale to meet unmet demand and attract investor interest.

Balanced demand

- Bundaberg's accommodation market is subject to seasonal variations, making a balanced mix of demand essential to maintain year-round performance.
- Hotels that serve both corporate and leisure travellers, along with government, infrastructure, and meetings and events-based demand, are better positioned to sustain occupancy.
- A separate serviced apartment offering can capture long-stay demand from:
  - infrastructure and resource project workers
  - healthcare professionals and hospital visitors
  - corporate relocations
  - students and visiting researchers

Location and market positioning

- Bundaberg CBD is the most strategic location for an upper-midscale or upscale hotel and serviced apartments, given its infrastructure links, diverse demand base, and consistent trading conditions.
- The recommended investment approach involves two complementary offerings:
  - an upscale hotel in the CBD targeting corporate, government, and leisure segments
  - a separate serviced apartment development, focused on long-stay and project-based travellers
  - Internationally branded and operated accommodation that will lift Bundaberg's destination reputation and appeal.

Unique identity and experiential tourism

- Global trends show increasing demand for hotels that reflect local identity and provide authentic experiences.
- Bundaberg's established tourism themes such as rum, reef, and regional produce, create rich opportunities for product differentiation through:
  - locally inspired design reflecting coastal and rural character
  - on-site dining that showcases local food and beverages, including Bundaberg-distilled spirits
  - sustainability features aligned with the ECO Destination framework and reef conservation values

Key takeaways

To be commercially successful, new hotel developments in Bundaberg should:

- be of sufficient scale (120+ rooms) to meet investor and international operator expectations
- offer a diversified demand mix across corporate, government, leisure, and long-stay markets
- prioritise Bundaberg CBD as the preferred location for both hotel and serviced apartment investment
- capitalise on first-mover advantages before market competition intensifies
- leverage Bundaberg's local identity and experiences to create distinctive, high-appeal offerings

4.8 Primary and secondary target markets

Bundaberg's short-stay accommodation offering appeals to a diverse range of visitor segments, each generating demand at different times of the week and year. While primary revenue is generated by overnight guests, it is also reasonable to expect local residents, regional visitors, and businesses to engage with hotels for dining and events - forming a valuable secondary market.

Understanding both primary and secondary markets is critical for designing accommodation offerings that maximise occupancy, diversify income streams, and increase community connection.

Primary target markets

Leisure	Holidaymakers	• solo travellers • adult couples
	Family travellers	• families • multi-generational groups
	Private event guests	• wedding guests • special event guests
	Groups	• tour groups • sports groups (participants and spectators)
Corporate	Business travellers	• business and government travellers • leisure travellers
	MICE	• business event delegates • corporate incentive guests
	Aircrew	• pilots • flight attendants
Health and education	Health + education travellers	• hospital patients + their families • specialist medical staff • prospective students, visiting lecturers and academic staff

Secondary target markets

Local residents	Reasons for visiting	• celebrating milestone events (e.g. birthdays, anniversaries) at hotel restaurants • accessing leisure and recreational facilities within the hotel
Travellers to the region but staying elsewhere	Reasons for visiting	• guests in motels, self-contained apartments, or holiday parks who frequent hotels for food and beverage, day spa, or events • day visitors from nearby locations (e.g. Hervey Bay or Rockhampton) stopping for a meal or refreshment
Local corporate	Reasons for visiting	• hosting or attending boardroom meetings, training sessions, executive breakfasts and small-scale seminars

4.9 Accommodation requirements for different visitor markets

Bundaberg's visitor economy is driven by a wide variety of travel purposes - from leisure and family holidays to infrastructure projects, health referrals, academic research, and corporate events. Each visitor type has specific accommodation needs. Understanding these requirements is essential to ensure future development aligns with market expectations and delivers the best return on investment.

Leisure visitors

Why they matter

Leisure travellers generate significant economic benefits across the entire visitor economy - from attractions and tours to retail, dining, and cultural events. They also help to drive off-peak visitation through short breaks, VFR travel, and repeat stays.

What they need

- Family-friendly and well-located accommodation
- Access to on-site dining, interconnecting rooms, and leisure facilities
- Internationally branded options with loyalty benefits and booking confidence
- Experiences that bundle accommodation with reef tours, rum tastings, or turtle encounters

What's missing

- Limited supply of upscale or boutique hotels and international brands
- Insufficient promotion of Bundaberg as a multi-day leisure destination
- Few accommodation offerings linked to key attractions

Opportunities

- Develop full-service hotels that cater to families and couples
- Partner with tourism operators to create bundled experiences
- Reposition Bundaberg as a base for reef and nature-based holidays

Group travel (tours and events)

Why they matter

Group travel drives midweek and shoulder season visitation. These visitors often book in bulk, spend consistently, and engage with curated regional experiences.

What they need

- Properties with large room blocks
- Coach parking and group check-in facilities
- Buffet-style or group-dining options
- Proximity to key attractions and cultural landmarks

What's missing

- A lack of large, group-capable hotels
- Limited availability during peak periods
- Few tailored packages for wholesalers or tour operators

Opportunities

- Create hotel offerings with scale and group-handling capacity
- Develop targeted packages for inbound tour markets
- Incentivise off-peak group visitation

Business and MICE travellers

Why they matter

Business and conference travellers help fill rooms midweek and generate high per-night spend. Many return later for leisure with family or friends, creating longer-term value.

What they need

- Upscale, full-service hotels with work-friendly amenities
- Strong Wi-Fi, on-site dining, meeting rooms, loyalty rewards, contract rate arrangements
- Location near government, business precincts, and event venues

What's missing

- Insufficient internationally branded hotel product for corporate procurement
- Gaps in conferencing infrastructure within hotels
- Lack of executive-level amenities and flexible spaces

Opportunities

- Attract internationally branded hotels that align with government and corporate travel contracts
- Invest in conference-ready hotels to host events, board retreats, and workshops
- Boost weekday occupancy through partnerships with regional industry sectors

Sports groups and spectators

Why they matter

Sports tourism is a consistent contributor to visitor nights - from weekend tournaments to training camps and regional championships. These events attract athletes, supporters, and families.

What they need

- Group room configurations
- Affordable rates for junior and school-age teams
- On-site gyms, pools, and meeting spaces for pre- and post-event needs

What's missing

- Limited accommodation built to handle team needs
- Few properties with athlete-appropriate facilities or meal options

Opportunities

- Design flexible rooms that suit teams, coaches, and fans
- Develop relationships with local sports associations to promote recurring stays

Health and education travellers

Why they matter

These travellers stay longer, visit repeatedly, and bring both professional and personal value to the community. Their presence supports the regional health system, the university, and infrastructure project delivery.

What they need

- Serviced apartments or extended-stay options near hospitals and campuses
- Accessible, self-contained rooms for families and carers
- Quiet, secure properties with flexible check-in/check-out

What's missing

- Very few accommodation offerings close to Bundaberg Hospital or CQUniversity
- Limited extended-stay properties for medical specialists and researchers

Opportunities

- Deliver midscale serviced apartments with long-stay features
- Offer tailored packages for medical and academic guests
- Encourage development near health and education precincts.

Designing for market fit

Bundaberg's future hotel development must reflect the specific needs of its most valuable visitor segments – not just in room numbers, but in product type, location, and amenity. From family-friendly hotels with bundled experiences to serviced apartments for project-based and medical stays, each visitor group presents distinct opportunities. Tailoring new supply to these needs will increase occupancy, diversify revenue, and ensure hotels support, and strengthen, the broader visitor economy.

4.10 Market positioning

Market positioning defines how a hotel is perceived by its target guests and what sets it apart from competitors. For new accommodation in Bundaberg, effective positioning will be key to attracting the right customers, commanding appropriate price points, and ensuring long-term operational success. Well-executed market positioning supports the following strategies:

Differentiates the product

Strong positioning helps a hotel stand out in a competitive market. Whether it's focused on premium comfort, sustainability, regional identity, or exceptional service, a clear point of difference allows the property to attract guests who value that specific offering.

Attracts target audiences

By understanding the preferences, expectations, and decision drivers of key visitor segments, hotels can position themselves in ways that resonate directly. This improves marketing efficiency and ensures the offering is well-matched to its audience - from corporate travellers and families to event attendees and long-stay guests.

Maximises revenue potential

A clearly positioned hotel can align its pricing to the value perceived by guests. Premium and upscale offerings can command higher rates, while well-positioned midscale products can deliver excellent value and strong volume. Positioning also supports yield management by signalling where the product sits in the broader accommodation mix.

Enhances guest experiences

Positioning helps define the types of amenities, services, and experiences that should be delivered. For example, a hotel positioned around nature-based wellness might offer healthy dining, spa services, and access to outdoor experiences - all aligned with the guest's expectations.

Builds investor and stakeholder confidence

Clear positioning indicates strategic intent. It helps potential investors, brands, and operating partners understand the hotel's role in the market - and what kind of return they can expect. It also enables consistent messaging to government, media, and the local community.

Ensure long-term sustainability

A hotel with a clearly defined and consistently reinforced market position is more likely to build a strong brand, maintain customer loyalty, and stay resilient through market cycles. This supports both financial performance and destination reputation.

4.11 Market classification

A clear and diverse classification of accommodation ensures Bundaberg can attract the right mix of visitors and the right type of investment.

Standardised classifications help set guest expectations, guide investor decisions, and enable the region to market itself more effectively across different travel segments. For developers, classification provides a framework for product planning, international brand alignment, pricing, and operational efficiency. For Council, it supports a deliberate and balanced accommodation strategy that meets the needs of both everyday travellers and high-value guests, helping to avoid over- or under-supply in any one category.

The benefits of a well-defined classification system are outlined below.

Standardisation and quality assurance

Classification provides a benchmark for service standards. Whether an economy, midscale, upscale, or luxury hotel, travellers can expect a consistent level of quality aligned with the category. This builds trust and confidence - especially among corporate and government bookers.

Targeted market segmentation

Different classifications appeal to different traveller segments. For example, budget and midscale hotels typically serve price-conscious or transient travellers, while upscale and luxury properties cater to guests seeking comfort, exclusivity, or premium services. Classification enables developers and operators to align their offering to specific target markets and to individual international hotel brands.

Informed investment decisions

Understanding classification helps guide decisions about project scale, amenities, staffing, and financial modelling. It supports feasibility assessments by aligning investment scale with expected price points, occupancy rates, and market expectations.

Effective marketing + promotion

Classification simplifies communication of a hotel's offering. It allows operators to tailor marketing strategies to appeal to the appropriate audience, whether focused on value, experience, or prestige.

Customer satisfaction

Travellers use classification to align expectations with price. Well-classified hotels reduce the risk of guest dissatisfaction, which in turn drives stronger reviews, loyalty, and repeat visitation.

Competitive benchmarking

Classification makes it easier to compare performance within peer groups, such as through STR reporting. This supports continuous improvement and helps properties maintain competitiveness within their segment.

Operational efficiency

Standard classification systems help streamline operations including staff training, guest service design, and amenity delivery - based on known expectations for each category.

Tourism development

A diverse, well-classified accommodation base supports the broader tourism strategy by ensuring Bundaberg can cater to a wide mix of traveller types from backpackers and sports groups to corporate delegates and high-value leisure tourists.

Revenue management

Classification supports pricing strategies, revenue forecasting, and yield management by anchoring price expectations to known service levels. It also helps identify performance risks related to guest expectations and service delivery.

Classification vs star-rating

While often used interchangeably, hotel classification and star ratings serve different purposes.

- classification refers to a hotel's market positioning - economy, midscale, upscale, or luxury - and is used by developers, investors, and operators to guide brand alignment, pricing, and development strategy.
- star ratings, typically awarded by independent or government-backed bodies, assess service standards and facilities to help guests understand what to expect.

A hotel may be classified as upscale but have a 4-star rating based on its features. Both are useful, but classification is more relevant for investment and development decisions.

Refer to Appendix 3 for a list of hotel classifications.

4.12 Why are brand standards necessary?

As Bundaberg looks to expand its accommodation offering and attract new hotel investment, international brand standards play an important role in ensuring consistency, quality, and commercial appeal. These standards are established by hotel brands to ensure a consistent guest experience across different locations, providing confidence for both travellers and operators.

For Council, understanding the function of brand standards can help inform strategic planning decisions and support the attraction of internationally branded operators. They are one of the key tools that underpin successful hotel operations offering a structured approach to service delivery, staff training, guest amenities, design, and brand alignment.

Strong brand standards don't just benefit the hotel operator; they contribute to the destination's broader reputation, ensure repeat visitation through consistent service, and help position Bundaberg as a destination capable of supporting high-quality, scalable hotel products.

Why brand standards are important:

- **Consistency of service and quality:** Guests staying in a branded hotel know what to expect - from check-in experience to room quality. This consistency builds trust, and drives repeat visitation and for a region like Bundaberg, it ensures that high standards are upheld even as visitor numbers grow. The standards set by international brands often lead domestic and local operators to improve standards to compete.
- **Improved training and job pathways:** International brands invest heavily in staff training and development. Brand standards provide the foundation for onboarding and upskilling local workers, creating career pathways in hospitality and supporting a more capable tourism workforce.
- **Visitor confidence and loyalty:** Guests familiar with major brands are more likely to book when they recognise the name. Brand standards support loyalty programs, contract rates and online booking platforms, making Bundaberg more competitive in national and international markets.
- **Operational efficiency and guest safety:** Standards cover everything from kitchen hygiene to emergency procedures, ensuring hotels operate safely and efficiently. This reduces pressure on local services and ensures consistent guest care.
- **Reputation management:** With brand standards in place, properties are regularly audited and supported to maintain performance. This strengthens Bundaberg's tourism reputation and helps ensure that poor-quality offerings don't undermine the wider visitor economy.
- **Alignment across multiple operators:** For hotels that are part of a wider chain , brand standards provide a common benchmark. This ensures that the guest experience is consistent - regardless of who owns or operates the hotel.

4.13 Importance of international branding

Internationally branded hotels bring a range of benefits that go beyond name recognition. These brands offer superior global distribution, strong customer loyalty programs, established government and corporate procurement contracts, and robust access to talent and technology. For regional destinations like Bundaberg, alignment with a reputable international operator can help unlock new visitor markets and strengthen investor confidence.

Globally, more than 70% of hotels in the United States are now branded, compared with around 60% of scale hotels in Australia - and the gap is narrowing. Branded hotels consistently deliver stronger bottom-line performance, often exceeding independent properties by 10% or more. This is largely due to their ability to drive higher occupancy, maintain premium pricing, and access broader support systems.

Unlike other real estate classes, hotels are labour-intensive businesses. Many developers entering the sector for the first time choose to partner with experienced hotel operators who can manage the complex day-to-day operations, drive revenue, and safeguard profitability. These partnerships are long-term and strategic which makes brand alignment a key factor in a project's long-term success.

Bundaberg's ability to attract internationally branded operators (such as Accor, Hilton, Hyatt, IHG or Marriott) will be central to securing high-quality, full-service hotel developments. These brands not only support operational excellence, but also bring with them valuable tools, systems, and distribution channels that enhance the destination's tourism appeal.

Table 4.3: Branded v non-branded (independent) hotels: summary of advantages and disadvantages

Internationally branded hotels	Unbranded hotels
Advantages: • Strong consumer recognition and trust • Consistent quality and service delivery via brand standards • Access to marketing, sales, and global distribution systems • Alignment with corporate and government travel contracts • Loyalty programs that drive repeat visitation • Proven training, staffing support, and global talent mobility • Higher revenue performance and stronger investor confidence **Disadvantages:** • Design and operating standards can increase upfront costs • Management fees, marketing fees and incentive fees can be costly.	**Advantages:** • No franchise or system fees • Flexibility to customise offerings • May perform well in highly localised, location-driven markets **Disadvantages:** • Limited brand recognition and guest trust • No access to loyalty programs or corporate rate agreements • Heavier reliance on owner's experience or third-party manager • Limited booking reach without dedicated distribution networks • Higher marketing and reputation-building costs • No destination reputation or awareness contribution

Closing Note

Bundaberg presents a compelling case for new visitor accommodation underpinned by resilient demand, clear market gaps, and strong alignment with Council's broader growth agenda. But identifying the right hotel product is only part of the equation. For investment to proceed, projects must also demonstrate financial viability.

The following section presents indicative performance benchmarks for two hotel types – an upscale full-service hotel and a midscale serviced apartment – to help shape investment expectations and support early-stage feasibility assessments.

5. Estimates of future operating performance and trading estimates

5.1 Introduction

Development scenarios

To complement the preceding market analysis and support informed decision-making, this section presents three indicative financial performance benchmarks each aligned to the visitor demand profile and market conditions identified in earlier stages of this study.

The three scenarios include:

- an upscale, full-service hotel (120 rooms)
- an upscale serviced apartment property (55 keys)
- a combined hotel + serviced apartment offering on a single site, under separate brands but managed by a single operator

Each proforma is presented in USALI (Uniform System of Accounts for the Lodging Industry) format - the global standard for hotel financial reporting - providing a high-level view of revenue potential, operating costs, and profitability under stabilised trading conditions.

While actual performance will vary depending on brand, site, and management capability, these models offer a useful starting point for feasibility assessment and investor engagement. These models assume management by a globally recognised international hotel brand.

From market evidence to development scenario

The development of each proforma followed a structured evidence-based process:

Market research inputs

- Visitor demand projections (AEC)
- Primary research (corporate, leisure, events, accommodation) (THSA)
- Economic projects (hospital, port, dam, solar)
- Supply pipeline + operating benchmarks

Qualified demand profile

- Hotel demand (room nights, growth, segment mix)
- Serviced apartment demand (long-stay, corporate, groups)

Individual proformas

- Standalone full-service hotel
- Standalone serviced apartment

Consolidated scenario

- Combined hotel and serviced apartment on the same site
- Shared infrastructure, staffing and site efficiency
- Enhanced feasibility + flexibility

This structured pathway ensures that each development scenario is grounded in real demand, market-tested assumptions, and aligned to Bundaberg's strategic positioning.

5.2 Full-service hotel

Facilities mix + market positioning

The proposed hotel is anticipated to feature 120 upscale rooms, supported by a complementary range of guest facilities. The indicative room mix includes standard rooms, superior rooms, and suites each sized and appointed to meet the expectations of corporate travellers, government visitors, and leisure guests seeking a higher standard of accommodation. On-site dining is expected to be anchored by an all-day restaurant, a café, and a hotel bar, with additional options such as room service and mini-bars providing added convenience for in-room dining.

A flexible suite of meeting and event spaces is also proposed, including a boardroom, small to medium-sized meeting rooms, and a large function room divisible into smaller formats. These facilities are expected to appeal to local businesses, public sector agencies, education and health organisations, and those seeking boutique event spaces. While the exact layout and scope will be refined in consultation with potential operators and investors, the proforma assumptions reflect an internationally branded and operated upscale full-service hotel tailored to Bundaberg's growing weekday business travel and weekend leisure markets.

Table 5.1: Suggested facilities mix for a full-service upscale hotel in Bundaberg

Hotel rooms				
Room type	Number of rooms	% mix	Suggested sqm	Notes:
Standard room	85	71%	26	Functional layout with workspace and modern 3-point bathroom
Superior room	30	25%	35	Enhance space with lounge seating, premium fittings
Suite	5	4%	42	Separate bedroom/living areas with 4-point bathroom
Total	120	100%	Ave = 29 sqm	

Restaurants + bars			
Outlet	Seats	Operating hours	Notes:
All-day restaurant	100	All day	Buffet breakfast + à la carte lunch and dinner service
Café / coffee shop	30	Morning - late afternoon	Casual grab-and-go, light meals and coffee
Hotel bar	60	All day	Indoor seating + outdoor terrace potential
Room service	-	All day	Available for all rooms + suites

Meetings + conferences		
Room type	Suggested sqm	Notes
Boardroom	20	Suitable for executive meetings (up to 12 pax)
Small meeting room	80	Subdivisible, suitable for workshops + training events
Medium meeting room	120	Subdivisible, suitable for mid-sized seminars + conferences
Large meeting room	240	Subdivisible, suitable for banquets, wedding receptions, lectures and conferences
Sub -total	460	
Pre-function space	115	Equivalent to 15% of total meeting space, suitable for event registration
Total	575	Total includes pre-function space

Other guest facilities + amenities	
Amenity	Notes:
24-hour reception	With multilingual staff + express check-in/out
Concierge / tour desk	Activity bookings, local insights and transport arrangements
Guest laundry	Preferably valet-style
Gym / fitness centre	Cardio and resistance equipment; potential for 24hr access
Pool	Suitable for both leisure and light fitness; may include adjacent deck or terrace for relaxation
Car parking	On-site, secure, ideally with EV charging points
Coach parking	Designated area for group travel or events
Business centre	Workstations, printing, and meeting support services
Outdoor terrace	Optional - suitable for social events or guest relaxation
Wi-Fi	High-speed access throughout the property, included in room rate

Overarching assumptions

The proforma for the proposed hotel component assumes the following overarching conditions:

- Year 1 reflects the first full year of operations, with projections spanning five (5) years of stabilised performance. A typical ramp-up pattern is assumed, reflecting the time required to establish market presence and operational efficiency.
- The hotel is positioned in the upscale segment, with quality and service standards aligned to guest expectations in regional business and leisure markets. This positioning underpins the projected average daily rates, occupancy levels, and operational cost benchmarks.
- Primary demand drivers are expected to include government, health, and education travel during the week, with leisure demand concentrated on weekends and holiday periods. Group business and small-scale conferencing are also expected to contribute, supported by the proposed event facilities.
- The hotel will operate under a professional international brand management structure, although no specific brand or operator has been assumed at this stage. The proforma reflects typical cost structures and performance metrics for internationally branded, upscale full-service hotels.
- All trading forecasts are based on the proposed facilities mix outlined in the preceding section, including 120 guest rooms, three dining outlets, and flexible meeting and event space. Final design may evolve through operator input or investor requirements.
- Projections have been prepared in line with the Uniform System of Accounts for the Lodging Industry (USALI) to ensure comparability with industry benchmarks and facilitate investor due diligence.

Occupancy projections

The hotel is projected to achieve an average occupancy of 69.3% in Year 1, increasing to 73.5% in Year 2, and reaching a stabilised level of 78.3% from Year 3 onwards. This ramp-up reflects the typical trajectory for a new regional hotel, as the property establishes its brand presence, builds distribution partnerships, and secures repeat business.

Stabilised occupancy is supported by the hotel's upscale positioning and its ability to meet consistent weekday demand from government, healthcare, and education sectors, as well as capturing leisure visitors during weekends and peak holiday periods. The projected guest density of 1.31 remains steady throughout the forecast period, consistent with regional expectations and contributing positively to food and beverage revenue potential.

ADR projections + rooms revenue

The hotel's average daily rate (ADR) is projected to commence at $207.9 (2025 values) in Year 1, increasing to $219.2 in Year 2, $227.2 in Year 3, and stabilising at $233.2 from Year 4 onwards. These projections reflect a confident but measured approach to pricing, consistent with the property's upscale positioning and the current gap in Bundaberg for high-quality full-service accommodation.

Performance in the early years is expected to be underpinned by growing awareness of the property in the local and regional market, supported by consistent demand from government, healthcare, corporate, and leisure segments. Should the hotel be operated under a recognised international brand, there may be potential to achieve a modest rate premium above these base projections, due to the added value of global distribution, loyalty program affiliation, and brand trust among both corporate bookers and leisure travellers.

Total rooms revenue is forecast to grow from $6.3 million in Year 1 to $8.0 million by Year 4, driven by a combination of increasing occupancy and rate uplift. ADR growth over this period averages 3.9% per annum in real terms, with future increases assumed to align with CPI from Year 5 onwards. The hotel's premium room mix, including superior rooms and suites, enhances its ability to attract higher-yielding guests and provides a clear point of differentiation from the predominantly motel-style accommodation currently available in the market.

Table 5.2: Hotel proforma: estimate of future occupancy, ADR, RevPAR and rooms revenue

(2025 values)	Year 1	Year 2	Year 3	Year 4	Year 5
Days in period	365	365	365	366[1]	365
Number of rooms	120	120	120	120	120
Room nights available	43,800	43,920	43,800	43,920	43,800
Occupancy	69.3%	73.5%	78.3%	78.3%	78.3%
Room nights sold	30,350	32,263	34,310	34,404	34,310
ADR	$207.87	$219.20	$227.17	$233.23	$233.23
RevPAR	$144.04	$161.02	$177.95	$182.70	$182.70
Rooms revenue	$6,308,760	$7,072,174	$7,794,061	$8,024,195	$8,002,271

Notes:
[1] Leap year, therefore one extra day of trading
Source: THSA estimates

Other departmental revenue

Food and beverage revenue

Food and beverage revenue generated by hotel guests is projected to grow steadily across the forecast period, reflecting consistent guest participation across all three dayparts. In Year 1, total F+B revenue is estimated at approximately $3.0 million, rising to $3.3 million by Year 3. The all-day restaurant accounts for the majority of revenue, particularly from breakfast and dinner covers, with meaningful contribution from the hotel bar and moderate uptake of room service. Beverage-only spend from both in-house and external guests further boosts total revenue. These projections reflect the importance of F+B in supporting the hotel's upscale positioning and enhancing the guest experience.

Meetings and events revenue

Meetings and events are forecast to generate $750,500 in Year 1, increasing to $1.6 million by Year 3, supported by a consistent schedule of weekday corporate meetings and weekend weddings and private events. Event revenue is spread across boardroom sessions, small and medium meetings, and large functions, with weddings contributing an increasing share over time. The hotel's dedicated event facilities, combined with limited local supply of premium event venues, support strong performance in this area and reinforce the hotel's role as a venue of choice for professional gatherings and milestone occasions.

Other operated department revenue

Other operated department revenue is projected at 3% of rooms revenue, beginning at approximately $189,000 in Year 1 and rising to $240,000 by Year 4. This revenue stream is expected to be driven by services such as guest laundry, airport shuttles, babysitting, and commissions from tour desk activity. While modest in scale, these services enhance guest convenience and support the property's overall positioning as a full-service offering.

Departmental expenses

The hotel's departmental expenses reflect an efficient operating model that maintains consistent margins while supporting a full-service offering. In Year 1, total departmental expenses account for 54.1% of total revenue, gradually decreasing to 49.1% by Year 5, as the property achieves stabilised trading and benefits from operational efficiencies.

Rooms department costs remain steady at 33% of rooms revenue from Year 3 onwards, aligning with benchmarks for full-service hotels. These costs reflect housekeeping, front desk operations, and in-room guest services.

Food and beverage departmental expenses are projected at 81.7% of F+B revenue in Year 1, reducing to 78.6% from Year 3 onward. While high, these margins are typical for all-day dining formats and are balanced by the department's ability to contribute over $986,000 in departmental profit annually from Year 3.

Meetings and events costs decrease from 60.0% to 43.8% of revenue over the projection period as demand and pricing stabilise. Departmental profit increases from $300,000 in Year 1 to over $900,000 from Year 3 onwards, driven by a solid weekend wedding market and strong midweek corporate use.

Other operated departments, which include ancillary services such as tour desk, laundry, and shuttle services, maintain a consistent cost-to-revenue ratio of 55% from Year 3 onwards, reflecting a lean, outsourced or low-touch service model.

These figures collectively drive a departmental profit margin of approximately 51% by Year 5, highlighting the strength of the revenue mix and control of operating costs.

Table 5.3: Hotel proforma: Estimate of rooms, food and beverage, meetings and events and other operating revenue

(2025 values)	Year 1	Year 2	Year 3	Year 4	Year 5
Rooms revenue	$6,308,760	$7,072,174	$7,794,061	$8,024,195	$8,002,271
F+B	$4,172,286	$4,381,233	$4,598,029	$4,610,626	$4,598,029
Meetings and events	$750,500	$1,114,750	$1,626,250	$1,626,250	$1,626,250
Other operated dept	$189,263	$212,165	$233,822	$240,726	$240,068
Total revenue	$11,420,809	$12,780,323	$14,252,162	$14,501,798	$14,466,619

Notes:
[1] Leap year, therefore one extra day of trading
Source: THSA estimates

Undistributed operating expenses

Total undistributed operating expenses start at 21.0% of revenue in Year 1, declining to 18.9% by Year 3 and remaining stable thereafter. This improvement reflects the benefits of scale, staffing optimisation, and steady occupancy.

- Administration and general costs decline from 6.2% to 5.6% of revenue, reflecting back-office efficiency gains as the property ramps up.
- ICT costs are maintained at 1.8%, consistent with industry benchmarks for mid-to-upscale hotels that rely on integrated systems for bookings, guest services, and operations.
- Sales and marketing is budgeted at 6.5% in Year 1, before reducing to 5.0% from Year 3, reflecting a stronger reliance on brand channels and repeat visitation once the hotel is established.
- Utility costs remain steady at 3.5% of revenue, consistent with the energy usage profile of a full-service property with multiple common spaces and F+B outlets.
- Property and maintenance expenses are also consistent at 3.0%, supporting the long-term upkeep of rooms, event spaces, and facilities.

Together, these cost structures support a gross operating profit (GOP) margin of 32.0% from Year 4 onwards - a strong result for a regional, full-service hotel offering a broad mix of accommodation, F+B, and events revenue streams.

Management fees

The proposed hotel is assumed to be operated under a Hotel Management Agreement (HMA)[1] with an international brand, The financial model includes two typical fee components:

- Base management fee: Calculated as a percentage of total operating revenue, starting at 1.0% in Year 1 and increasing to 1.75% from Year 3 onwards. This fee compensates the operator for managing the hotel's day-to-day operations and aligns with industry benchmarks.
- Incentive management fee: Set at 7.0% of GOP across all years, providing performance-based upside to the operator and encouraging strong financial outcomes.

Combined, total management fees increase from 2.7% of total operating revenue in Year 1 to 4.0% from Year 3 onwards, reflecting a balanced and commercially sound approach that aligns operator performance with owner returns.

Note: [1] A Hotel Management Agreement (HMA) is a contractual arrangement in which a hotel owner engages a third-party operator-typically an international brand to manage the property on their behalf. While the owner retains asset control, the operator assumes responsibility for day-to-day operations and brand standards.

Fixed charges

Total fixed charges represent a modest share of total operating revenue, increasing from 3.3% in Year 1 to 5.2% by Year 3, where they remain steady. This increase reflects the phased introduction of the FF+E reserve and modest escalation in insurance, rates, and asset management fees.

- Property taxes have not yet been formally estimated, as site-specific valuations and applicable rates from Bundaberg Regional Council remain unknown. A placeholder (equivalent to 0.5% of total operating revenue across all years) has been included in the model for planning purposes and will require revision once further details are confirmed.
- Insurance is assumed at 1.0% of total operating revenue from Year 1, providing for comprehensive coverage across property, liability, and business interruption. This is in line with typical regional hotel benchmarks.
- FF+E reserve is allocated at 3.0% of total operating revenue from Year 3 onward, ensuring adequate provision for the replacement of furnishings, fixtures, and operating equipment. This reserve supports the long-term upkeep of the property and guest experience but does not account for larger refurbishments.
- Owner's asset management fee is included at $96,000 in Year 1, rising to $106,000 by Year 5. This reflects the cost of engaging an experienced advisor to oversee operator performance, guide capital planning, and safeguard long-term asset value.

Net operating profit

EBITDA grows from $2.15 million in Year 1 (18.8% of revenue) to $3.3 million by Year 5 (22.8%), reflecting improved efficiency, revenue diversification, and stable expense ratios. These results indicate a resilient and commercially sound hotel operation capable of delivering consistent returns while maintaining asset quality over time.

Table 5.4: Hotel (standalone) proforma: Summary of profit and loss (2025 values)

	Year 1		Year 2		Year 3		Year 4[1]		Year 5	
Days open	365		365		365		366		365	
Total apartments	120		120		120		120		120	
Occupancy	69.3%		73.5%		78.3%		78.3%		78.3%	
ADR	$207.9		$219.2		$227.2		$233.2		$233.2	
RevPAR	$144.0		$161.0		$177.9		$182.7		$182.7	
	Year 1		Year 2		Year 3		Year 4[1]		Year 5	
	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue
Operating revenue										
Rooms	$6,309	55.2%	$7,072	55.3%	$7,794	54.7%	$8,024	55.3%	$8,002	55.3%
Food and beverage	$4,172	36.5%	$4,381	34.3%	$4,598	32.3%	$4,611	31.8%	$4,598	31.8%
Meetings and events	$751	6.6%	$1,115	8.7%	$1,626	11.4%	$1,626	11.2%	$1,626	11.2%
Other operated departments	$189	1.7%	$212	1.7%	$234	1.6%	$241	1.7%	$240	1.7%
Total operating revenue	$11,421	100.0%	$12,780	100.0%	$14,252	100.0%	$14,502	100.0%	$14,467	100.0%
Departmental expenses										
Rooms	$2,208	35.0%	$2,405	34.0%	$2,572	33.0%	$2,648	33.0%	$2,641	33.0%
Food and beverage	$3,410	81.7%	$3,531	80.6%	$3,612	78.6%	$3,622	78.6%	$3,612	78.6%
Meetings and events	$450	60.0%	$512	45.9%	$712	43.8%	$712	43.8%	$712	43.8%
Other operated departments	$114	60.0%	$123	58.0%	$129	55.0%	$132	55.0%	$132	55.0%
Total departmental expenses	$6,182	54.1%	$6,571	51.4%	$7,025	49.3%	$7,114	49.1%	$7,097	49.1%
Departmental profit										
Rooms	$4,101	65.0%	$4,668	66.0%	$5,222	67.0%	$5,376	67.0%	$5,362	67.0%
Food and beverage	$762	18.3%	$850	19.4%	$986	21.4%	$989	21.4%	$986	21.4%
Meetings and events	$300	40.0%	$603	54.1%	$914	56.2%	$914	56.2%	$914	56.2%
Other operated departments	$76	40.0%	$89	42.0%	$105	45.0%	$108	45.0%	$108	45.0%
Total departmental profit	$5,239	45.9%	$6,209	48.6%	$7,228	50.7%	$7,387	50.9%	$7,370	50.9%
Departmental income	$5,239	45.9%	$6,209	48.6%	$7,228	50.7%	$7,387	50.9%	$7,370	50.9%
Undistributed operating expenses										
Administration and general	$708	6.2%	$741	5.8%	$798	5.6%	$812	5.6%	$810	5.6%
ICT	$206	1.8%	$230	1.8%	$257	1.8%	$261	1.8%	$260	1.8%
Sales and marketing	$742	6.5%	$703	5.5%	$713	5.0%	$725	5.0%	$723	5.0%
Utility costs	$400	3.5%	$447	3.5%	$499	3.5%	$508	3.5%	$506	3.5%
Property and maintenance	$343	3.0%	$383	3.0%	$428	3.0%	$435	3.0%	$434	3.0%
Total undistributed expenses	$2,398	21.0%	$2,505	19.6%	$2,694	18.9%	$2,741	18.9%	$2,734	18.9%
Gross operating profit	$2,841	24.9%	$3,705	29.0%	$4,534	31.8%	$4,647	32.0%	$4,636	32.0%
Management fees										
Base management fee	$114	1.0%	$192	1.50%	$249	1.75%	$254	1.75%	$253	1.75%
Incentive management fee	$199	1.7%	$259	2.0%	$317	2.2%	$325	2.2%	$324	2.2%
Total management fees	$313	2.7%	$451	3.5%	$567	4.0%	$579	4.0%	$578	4.0%
Income before fixed charges	$2,528	22.1%	$3,254	25.5%	$3,967	27.8%	$4,068	28.0%	$4,058	28.1%
Selected fixed charges										
Property taxes	$57	0.5%	$64	0.5%	$71	0.5%	$73	0.5%	$72	0.5%
Insurance	$114	1.0%	$128	1.0%	$143	1.0%	$145	1.0%	$145	1.0%
Owner's asset mgt fee	$96	0.8%	$98	0.8%	$101	0.7%	$103	0.7%	$106	0.7%
FF+E reserve	$114	1.0%	$256	2.0%	$428	3.0%	$435	3.0%	$434	3.0%
Total selected fixed charges	$382	3.3%	$546	4.3%	$742	5.2%	$756	5.2%	$757	5.2%
EBITDA / NOP	$2,146	18.8%	$2,708	21.2%	$3,225	22.6%	$3,312	22.8%	$3,301	22.8%

Notes:
[1]Leap year therefore forecasts reflect one extra day of trading in these years.
Figures may not add due to rounding.
Source: THSA estimates.

5.3 Serviced apartments

Facilities mix and market positioning

The serviced apartment component is expected to comprise 55 upscale, self-contained units-offering a combination of studios, one-bedroom, and two-bedroom configurations. This format is well-suited to longer-stay guests, project-based corporate teams, health sector contractors, and families travelling for education or lifestyle reasons. The apartments are proposed with generous internal layouts and quality finishes that align with the expectations of the upscale extended-stay segment.

These serviced apartments are also likely to appeal to guests valuing autonomy, such as those relocating to the region, returning to Bundaberg for family visits, or seeking more space and kitchen facilities than a typical hotel room provides. While exact design specifications will be determined at a later stage, the assumptions used in the financial model are consistent with established serviced apartment benchmarks and support the broader commercial viability of the development.

Table 5.5: Suggested facilities mix for an upscale serviced apartment in Bundaberg

Apartment rooms				
Apartment type	Number of rooms	% mix	Suggested sqm	Notes:
Studio	15	27%	35	Open-plan layout with kitchenette
1-bedroom apt	25	46%	52	Separate bedroom, full kitchen, dining area
2-bedroom suite	15	27%	70	Two private bedrooms, spacious living/dining, ideal for families or shared occupancy
Total	55	100%	Ave = 53 sqm	

In-room features (all apartments)	
Amenity	Notes:
Fully equipped kitchen	Includes cooktop, oven, microwave, fridge, and dishwasher
Work desk	Dedicated workspace to support business travellers
High-speed Wi-Fi	Unlimited access included in room rate
Smart TV / streaming	Guest-enabled streaming with casting capability
Climate control	Individually controlled air conditioning/heating
Weekly housekeeping	Standard offering, with optional daily service available on request
Secure entry	Contactless access via keycard or mobile-accessible systems

Shared facilities and guest amenities	
Amenity	Notes:
Reception	Dedicated staffed reception or virtual check-in system
Resident lounge	Comfortable shared space for informal meetings, reading, or co-working
Fitness centre	Equipped for extended-stay wellness; accessible 24/7
Guest laundry	Coin or card-operated laundry as backup to in-room services
Courtyard	Landscaped communal space for outdoor dining, gatherings, or downtime
Secure on-site parking	Allocated spaces for guests, with optional EV charging
Bicycle storage	Lockable racks or cages to accommodate active guests
Parcel lockers / mailroom	Supports longer stays and remote workers receiving deliveries
Pet-Friendly Options	Subject to policy, with dedicated rooms or cleaning protocols

Overarching assumptions

The proforma for the serviced apartment component of the development is based on the following overarching assumptions:

- Year 1 reflects the first full year of operation, with demand and performance projections extending over a five-year period. A conservative ramp-up is assumed, reflecting typical uptake for new extended-stay accommodation in regional markets.
- The serviced apartments are positioned in the upscale segment, with generous floorplans, high-quality finishes, and in-room self-contained amenities (e.g. kitchens, laundry facilities) suitable for long-stay corporate, relocation, and leisure travel.
- Demand is expected to be led by extended-stay corporate travellers, project-based workforces, health and education professionals, and family or lifestyle-driven leisure guests seeking more space and autonomy than traditional hotel accommodation provides.
- A standalone operational model is assumed, with its own reception, amenities, and staffing approach tailored to long-stay guest needs. Servicing is assumed to follow a weekly housekeeping model, with optional daily service available.
- The revenue and cost assumptions are based on a total of 55 serviced apartments, comprising studio, one-bedroom, and two-bedroom configurations. These have been benchmarked against comparable regional serviced apartment offerings.
- Financial forecasts are prepared in accordance with USALI, with adjustments made to reflect the leaner operational structure typical of extended-stay accommodation.

Occupancy projections

The serviced apartments are forecast to open at 63.6% occupancy in Year 1, increasing to 69.0% in Year 2, and stabilising at 73.6% from Year 3 onwards.

The serviced apartments are expected to benefit from longer average lengths of stay and more consistent midweek demand, particularly from professionals undertaking project work or temporary relocation, particularly from professionals undertaking project work, contractors on rotation, and those relocating temporarily for health or education purposes. These assumptions reflect a market-responsive approach, aligning well with the self-contained nature of the product and guest preferences for space, privacy, and flexibility.

Guest density is notably higher than the hotel component, averaging 1.85 to 1.88 across all apartment types. This reinforces the suitability of the apartments for families, small groups, and extended-stay corporate travellers. It also enhances the overall performance of the property by driving guest volumes without reliance on high-turnover or high-servicing operational models.

ADR projections and rooms revenue

The serviced apartment component is forecasted to achieve a blended ADR of $293.9 (2025 values) in Year 1, increasing to $311.0 in Year 2, $322.8 in Year 3, and stabilise in Year 4 at $332.4. This steady uplift reflects the expected maturation of the product in the local market, supported by strong demand for high-quality, self-contained accommodation. Rate growth is strongest in the early years as the property establishes its presence and builds brand recognition, with real ADR growth of 5.8% in Year 2, softening to 3.0% by Year 4. From Year 5 onwards, increases in ADR are expected to track with CPI, with no further real growth assumed.

RevPAR improves in line with both occupancy and rate growth, increasing from $187.0 in Year 1 to $244.8 in Year 4. These gains translate into total rooms revenue of $3.75 million in Year 1, increasing to $4.93 million by Year 4, with stabilised performance thereafter.

This revenue trajectory reflects the premium positioning of the apartments and the strength of demand in Bundaberg for well-appointed, flexible accommodation that caters to professionals, relocators, and leisure guests seeking longer, more independent stays.

Table 5.6: Serviced apartment proforma: Estimate of future occupancy, ADR, RevPAR + rooms revenue

(2025 values)	Year 1	Year 2	Year 3	Year 4	Year 5
Days in period	365	365	365	366[1]	365
Number of rooms	55	55	55	55	55
Room nights available	20,075	20,130	20,075	20,130	20,075
Occupancy	63.6%	69.0%	73.6%	73.6%	73.6%
Room nights sold	12,775	13,890	14,783	14,823	14,783
ADR	$293.91	$311.03	$322.75	$332.43	$332.43
RevPAR	$187.04	$214.61	$237.66	$244.79	$244.79
Rooms revenue	$3,754,744	$4,320,067	$4,770,993	$4,927,586	$4,914,123

Notes:
[1] Leap year, therefore one extra day of trading
Source: THSA estimate

Other departmental revenue

Food and beverage revenue

As a standalone development, the serviced apartments are not expected to include any on-site food and beverage outlets. The business model is aligned to a self-contained, extended-stay product where guests prepare their own meals or dine externally. As such, no F+B revenue has been attributed to the serviced apartment operation. This approach reflects both the physical configuration of the asset and the expectations of long-stay guests who typically seek flexible, lower-cost accommodation with kitchen facilities and minimal reliance on hotel-style services.

Meetings and events revenue

The standalone serviced apartment property does not include dedicated meeting or event facilities. No meetings or events revenue has been projected. Guests requiring access to such facilities would be expected to utilise external venues, whether for business, training, or social gatherings.

Other operated department revenue

Modest ancillary revenue is expected from optional guest services, such as laundry, tour desk referrals, and basic concierge support. These services are projected to generate 1% of rooms revenue, equating to $38,000 in Year 1, increasing to approximately $49,000 by Year 4. The offering is deliberately lean, in keeping with the operating model of most extended-stay accommodations, which favour self-sufficiency over full-service amenities.

Undistributed operating expenses

Total undistributed operating expenses start at 23.6% of revenue in Year 1, declining to 22.4% from Year 3 onwards, supported by strong occupancy and stable departmental costs.

- Administration and general costs decrease from 8.2% to 7.9% by Year 3, reflecting improved efficiency as the property matures.
- ICT expenses remain steady at 1.8-1.9%, consistent with lean technology requirements typical of standalone extended-stay products.
- Sales and marketing costs decline from 6.0% in Year 1 to 5.2% from Year 3, reflecting greater reliance on brand and channel loyalty.
- Utility costs are stable at 3.5% of revenue, with no material shifts in usage or rates assumed over the forecast period.
- Property and maintenance costs remain constant at 4.0%, reflecting the longer-term maintenance needs of a fully self-contained asset.

These cost assumptions support a gross operating profit margin of 41.4% from Year 3, a strong result for a regional standalone serviced apartment offering minimal ancillary services.

Management fees

Management fees are applied to reflect a brand operating model, with a gradual increase in base fees over time. Similar to the hotel:

- Base management fee begins at 1.0% of total operating revenue in Year 1, increasing to 1.75% from Year 3.
- Incentive management fee is fixed at 7.0% of GOP, aligned with industry expectations for performance-based operator remuneration.

Combined, total management fees grow from 3.7% in Year 1 to 4.6% by Year 3, reflecting a balanced and performance-driven structure.

Fixed charges

Total fixed charges increase from 2.5% of revenue in Year 1 to 4.5% by Year 3, largely due to the full application of FF+E reserves.

- Property taxes are modelled at 0.5% of revenue as a placeholder, pending actual Council rate advice.
- Insurance is included at 1.0% of operating revenue, providing for comprehensive risk coverage.
- FF+E reserve increases to 3.0% of revenue by Year 3, consistent with industry benchmarks and the need to maintain property standards.
- Owner's asset management fee is not applied in the standalone serviced apartment scenario, reflecting a simplified ownership model.

Net operating profit

EBITDA increases from $1.2 million (32.1% margin) in Year 1 to $1.6 million (32.3%) by Year 5, reflecting the benefits of rising occupancy, firm ADR growth, and tight cost control across all departments.

Table 5.7: Serviced apartment (standalone) proforma: Summary of profit and loss (2025 values)

	Year 1	Year 2	Year 3	Year 4[1]	Year 5
Days open	365	365	365	366	365
Total apartments	55	55	55	55	55
Occupancy	63.6%	69.0%	73.6%	73.6%	73.6%
ADR	$293.9	$311.0	$322.7	$332.4	$332.4
RevPAR	$187.0	$214.6	$237.7	$244.8	$244.8

	Year 1		Year 2		Year 3		Year 4[1]		Year 5	
	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue
Operating revenue										
Rooms	$3,755	99.0%	$4,320	99.0%	$4,771	99.0%	$4,928	99.0%	$4,914	99.0%
Food and beverage	-	-	-	-	-	-	-	-	-	-
Meetings and events	-	-	-	-	-	-	-	-	-	-
Other operated departments	$38	1.0%	$43	1.0%	$48	1.0%	$49	1.0%	$49	1.0%
Total operating revenue	$3,792	100.0%	$4,363	100.0%	$4,819	100.0%	$4,977	100.0%	$4,963	100.0%
Departmental expenses										
Rooms	$1,427	38.0%	$1,620	37.5%	$1,718	36.0%	$1,774	36.0%	$1,769	36.0%
Food and beverage	-	-	-	-	-	-	-	-	-	-
Meetings and events	-	-	-	-	-	-	-	-	-	-
Other operated departments	$21	55.0%	$24	55.0%	$26	55.0%	$27	55.0%	$27	55.0%
Total departmental expenses	$1,447	38.2%	$1,644	37.7%	$1,744	36.2%	$1,801	36.2%	$1,796	36.2%
Departmental profit										
Rooms	$2,328	62.0%	$2,700	62.5%	$3,053	64.0%	$3,154	64.0%	$3,145	64.0%
Food and beverage	-	-	-	-	-	-	-	-	-	-
Meetings and events	-	-	-	-	-	-	-	-	-	-
Other operated departments	$17	45.0%	$19	45.0%	$21	45.0%	$22	45.0%	$22	45.0%
Total departmental profit	$2,345	61.8%	$2,719	62.3%	$3,075	63.8%	$3,176	63.8%	$3,167	63.8%
Departmental income	$2,345	61.8%	$2,719	62.3%	$3,075	63.8%	$3,176	63.8%	$3,167	63.8%
Undistributed operating expenses										
Administration and general	$311	8.2%	$349	8.0%	$381	7.9%	$393	7.9%	$392	7.9%
ICT	$72	1.9%	$83	1.9%	$87	1.8%	$90	1.8%	$89	1.8%
Sales and marketing	$228	6.0%	$240	5.5%	$251	5.2%	$259	5.2%	$258	5.2%
Utility costs	$133	3.5%	$153	3.5%	$169	3.5%	$174	3.5%	$174	3.5%
Property and maintenance	$152	4.0%	$175	4.0%	$193	4.0%	$199	4.0%	$199	4.0%
Total undistributed expenses	$895	23.6%	$999	22.9%	$1,079	22.4%	$1,115	22.4%	$1,112	22.4%
Gross operating profit	$1,450	38.2%	$1,720	39.4%	$1,996	41.4%	$2,061	41.4%	$2,055	41.4%
Management fees										
Base management fee	$38	1.0%	$65	1.50%	$84	1.75%	$87	1.75%	$87	1.75%
Incentive management fee	$101	2.7%	$120	2.8%	$140	2.9%	$144	2.9%	$144	2.9%
Total management fees	$139	3.7%	$186	4.3%	$224	4.6%	$231	4.6%	$231	4.6%
Income before fixed charges	$1,310	34.6%	$1,534	35.2%	$1,772	36.8%	$1,830	36.8%	$1,825	36.8%
Selected fixed charges										
Property taxes	$19	0.5%	$22	0.5%	$24	0.5%	$25	0.5%	$25	0.5%
Insurance	$38	1.0%	$44	1.0%	$48	1.0%	$50	1.0%	$50	1.0%
Owner's asset mgt fee	-	-	-	-	-	-	-	-	-	-
FF+E reserve	$38	1.0%	$87	2.0%	$145	3.0%	$149	3.0%	$149	3.0%
Total selected fixed charges	$95	2.5%	$153	3.5%	$217	4.5%	$224	4.5%	$223	4.5%
EBITDA / NOP	$1,216	32.1%	$1,382	31.7%	$1,555	32.3%	$1,606	32.3%	$1,601	32.3%

Notes:
1 Leap year therefore forecasts reflect one extra day of trading in these years.
Figures may not add due to rounding.
Source: THSA estimates.

5.4 Consolidated hotel and serviced apartments

Facilities mix

Together, the proposed development will deliver 175 upscale accommodation units - 120 hotel rooms and 55 serviced apartments - supported by on-site food and beverage offerings and flexible meeting and event facilities. This integrated mix is designed to address a diverse range of accommodation needs, from short-stay business and MICE travel to longer-term project work and lifestyle-driven leisure visits.

The development's ability to serve both the transient and extended-stay markets is a key strength. Hotel rooms are expected to attract high-frequency weekday demand from government, healthcare, education, and business sectors, while the serviced apartments will broaden appeal to longer-stay and leisure segments, including visiting professionals and families. The facilities outlined form the basis for the proformas presented in the following sections, providing a realistic platform for assessing demand, revenue potential, and investor return.

Overarching assumptions

The consolidated proforma assumes the combined development of both the hotel and serviced apartment components on a single site with a single set of front and back of house facilities. Key overarching assumptions include:

- Year 1 represents the first full year of trading for the integrated development, with projections extending over a five-year period. Ramp-up profiles have been separately modelled for the hotel and apartment components and then consolidated.
- The combined development is positioned as an upscale precinct, offering a diverse accommodation mix and a complementary suite of amenities. This positioning is assumed to unlock higher average revenue per guest and support broader market appeal.
- Operational efficiencies are assumed through shared services, including common back-of-house, maintenance, and potentially food and beverage services. Reception may be integrated or co-located, with each product retaining a distinct brand identity if dual-branded.
- The site is expected to attract a broader mix of demand segments, including short-stay business and government travel, extended-stay professionals, event and group travellers, and leisure visitors. The diverse product mix increases resilience across seasonal and day-of-week demand cycles.
- All financial assumptions are grounded in the facility mix outlined earlier, with 120 hotel rooms and 55 serviced apartments, supported by restaurants, bars, meeting space, and shared amenities. These assumptions have been used to model consolidated revenues, costs, and profitability.
- Forecasts are structured using the Uniform System of Accounts for the Lodging Industry (USALI), with adjustments to reflect the combined nature of the operation while maintaining comparability with industry norms.

Occupancy projections

The consolidated development, comprising both hotel rooms and serviced apartments, is projected to achieve a combined occupancy of 67.5% in Year 1, increasing to 72.1% in Year 2, and reaching a stabilised level of 76.9% from Year 3 onwards. This performance reflects the strength of a dual-product model, where the hotel addresses short-stay, high-frequency demand-particularly from government, corporate, and healthcare sectors, while the serviced apartments cater to longer-stay and self-sufficient travellers, including professionals on assignment and relocating families. The complementary nature of these two accommodation types helps smooth occupancy across both the week and seasonal cycles, enhancing the asset's ability to generate consistent demand and optimise site-wide utilisation.

ADR projections and rooms revenue

The consolidated development is forecast to achieve a blended ADR of $233.4 (2025 values) in Year 1, increasing to $246.8 in Year 2, $255.9 in Year 3, and stabilising at $263.1 from Year 4 onwards. This consolidated rate reflects the combined performance of both the hotel and serviced apartment components, with pricing aligned to the development's overall upscale positioning.

ADR growth is strongest during the initial ramp-up phase, averaging 3.9% per annum in real terms over the first three years. From Year 5 onwards, increases are expected to align with CPI. This trajectory reflects the progressive establishment of the development in the market, supported by diverse demand from corporate, government, health, education, and leisure segments.

Total rooms revenue across the site is projected to grow from $10.1 million in Year 1 to $12.9 million by Year 4, before stabilising. The dual-product model supports a balanced guest mix, drives occupancy across the week, and enables the property to capture a broad spectrum of demand at different price points.

Table 5.8: Consolidated proforma: Estimate of future occupancy, ADR, RevPAR and rooms revenue

(2025 values)	Year 1	Year 2	Year 3	Year 4	Year 5
Days in period	365	365	365	366[1]	365
Number of rooms	175	175	175	175	175
Room nights available	63,875	64,050	63,875	64,050	63,875
Occupancy	67.5%	72.1%	76.9%	76.9%	76.9%
Room nights sold	43,125	46,153	49,093	49,227	49,093
ADR	$233.4	$246.8	$255.9	$263.1	$263.1
RevPAR	$187.0	$214.6	$237.7	$244.8	$244.8
Rooms revenue	$263.1	$263.1	$263.1	$263.1	$263.1

Notes:
[1] Leap year, therefore one extra day of trading
Source: THSA estimates

Other departmental revenue

Food and beverage revenue

In the consolidated scenario, where the hotel and serviced apartments are co-located on the same site, long-stay guests are anticipated to generate a modest level of food and beverage revenue through shared access to the hotel's dining and beverage facilities. Uptake is limited but consistent, with apartment guests typically choosing to dine in on an occasional basis, particularly during longer stays.

Across the entire property, total F+B revenue is projected at $3.8 million in Year 1, increasing to $4.2 million by Year 3. While hotel guests drive the majority of this revenue, approximately 8% is attributable to extended-stay users. This arrangement allows the hotel to optimise capacity in its F+B outlets and leverage operational efficiencies without needing to duplicate facilities within the serviced apartment building.

Meetings and events revenue

All meeting and event revenue is attributed to the hotel component in the consolidated scenario. However, co-location allows extended-stay guests - particularly corporate users - to take advantage of the on-site meeting rooms for short-term projects, training, or internal team gatherings. This adds value to the extended-stay offer without increasing development costs or operational complexity.

Total meetings and events revenue for the consolidated development is projected at $750,500 in Year 1, growing to $1.6 million by Year 3, driven by steady midweek conference activity and strong weekend demand for social functions.

Other operated department revenue

Other operated department revenue for the consolidated development is forecast at $227,000 in Year 1, increasing to $290,000 by Year 4. This includes a blend of guest-paid services across both the hotel and serviced apartments, such as laundry, airport transfers, babysitting, and tour desk bookings.

Table 5.9: Consolidated proforma: Estimate of rooms, food and beverage, meetings and events and other operating revenue

(2025 values)	Year 1	Year 2	Year 3	Year 4	Year 5
Rooms revenue	$10,063,504	$11,392,241	$12,565,054	$12,951,782	$12,916,394
F+B	$4,172,286	$4,381,233	$4,598,029	$4,610,626	$4,598,029
Meetings + events	$750,500	$1,114,750	$1,626,250	$1,626,250	$1,626,250
Other operated dept	$226,810	$255,366	$281,532	$290,002	$289,209
Total revenue	$15,213,100	$17,143,591	$19,070,865	$19,478,660	$19,429,883

Notes:
[1] Leap year, therefore one extra day of trading
Source: THSA estimates

Undistributed operating expenses

Total undistributed operating expenses begin at 21.6% of revenue in Year 1, improving to 19.8% by Year 3 and remaining stable thereafter. This trajectory reflects greater scale, operational efficiency, and occupancy uplift across the combined hotel and serviced apartment operation.

- Administration and general costs decrease from 6.7% to 6.2% of revenue, supported by centralised management functions and improved back-of-house productivity.
- ICT expenses remain stable at 1.8%, reflecting integrated systems shared across accommodation formats.
- Sales and marketing is modelled at 6.4% in Year 1, declining to 5.1% by Year 3 as the property gains brand traction and benefits from repeat business.
- Utility costs are consistent at 3.5%, aligned with the operational footprint of a full-service hotel and extended-stay model.
- Property and maintenance costs are maintained at 3.2-3.3%, ensuring ongoing upkeep of shared infrastructure and amenities.

These efficiencies support a gross operating profit (GOP) margin of 34.4% from Year 4 onwards, which is strong given the property's combined use and range of revenue-generating departments.

Management fees

The management fee structure reflects a full-service HMA operating model, combining base and incentive components:

- Base management fee is calculated as a percentage of total operating revenue, rising from 1.0% in Year 1 to 1.8% from Year 3.
- Incentive management fee is fixed at 7.0% of GOP, encouraging operator alignment with owner performance goals.

Together, total management fees increase from 3.0% of revenue in Year 1 to 4.2% by Year 3, maintaining a commercially appropriate balance between oversight and reward.

Fixed charges

Total fixed charges increase from 3.1% of total revenue in Year 1 to 5.0% from Year 3, consistent with broader property operations and capital planning practices.

- Property taxes are provisionally set at 0.5% of revenue across all years, pending final valuation advice from Bundaberg Regional Council.
- Insurance is estimated at 1.0% of total operating revenue, in line with coverage needs for a dual-use property.
- Owner's asset management fee is included at $96,000 in Year 1, rising incrementally to $106,000 by Year 5. This supports independent performance oversight, capex planning, and strategic asset stewardship.
- FF+E reserve increases to 3.0% of revenue by Year 3, ensuring appropriate funding for ongoing replacement of guest-facing and operational equipment.

Net operating profit

The consolidated operation delivers a steadily improving net operating profit, reflecting the advantages of integrated operations, shared services, and a diversified revenue base:

- EBITDA increases from $3.36 million in Year 1 (22.1% of revenue) to $4.90 million in Year 5 (25.2%).
- The year-on-year growth in EBITDA is underpinned by strong room revenues, growing food and beverage profits, and relatively low expense escalation as operations mature.
- By Year 3, the operation has largely stabilised, with GOP margins at 34.2% and EBITDA margins surpassing 25%, demonstrating sustained profitability and efficient conversion of revenue to bottom-line returns.

This scenario reflects the synergistic benefits of co-locating hotel and serviced apartment offerings, including:

- optimised staffing structures and shared services (e.g., administration, ICT, maintenance)
- revenue cross-utilisation from shared facilities (particularly food and beverage and meetings/events)
- broader appeal across market segments - from transient corporate and leisure guests to longer-stay occupants

Comparative performance: consolidated vs standalone models

The following table provides a side-by-side comparison of projected financial outcomes for the standalone hotel, standalone serviced apartment, and consolidated scenarios in Year 5, highlighting the differences in total revenue, EBITDA, and profit margins across each operating model.

Table 5.10: Comparative performance: consolidated vs standalone models

Scenario	Year 5 revenue	Year 5 EBITDA	EBITDA Margin (Year 5)
Hotel only	$14.47 million	$3.30 million	22.8%
Serviced apartment (standalone)	$4.96 million	$1.60 million	32.3%
Consolidated	$19.43 million	$4.90 million	25.2%

Source: THSA estimates

While the serviced apartment delivers the highest EBITDA margin (due to its leaner cost base and limited amenity profile), the consolidated model produces the highest absolute EBITDA, offering the strongest return in dollar terms. The hotel only model achieves solid revenue and profit levels but lacks the additional scale and complementary revenue streams available in the combined scenario.

Conclusion: Best option from an ROI perspective

From an ROI perspective, the consolidated hotel and serviced apartment model is the preferred option:

- it maximises absolute profit while maintaining a healthy margin profile
- it enhances development viability by spreading fixed costs and infrastructure investment over a broader revenue base
- it supports market resilience by catering to a wider range of guest needs - from short stays to extended stays - and generating multiple income streams from a single development footprint

This hybrid approach is particularly well suited to regional markets like Bundaberg, where a flexible, integrated product can deliver strong financial returns while meeting diverse accommodation demand.

Note: Full statements of estimated profit and loss (presented in USALI format) in 2025 values for each development scenario are provided in Appendix 4.

Feasibility backed by strong underlying fundamentals

The scenarios presented demonstrate not just viability – but flexibility. Whether delivered as a standalone hotel, a serviced apartment, or an integrated precinct, each model aligns with Bundaberg's evolving demand profile and delivers a compelling investment case.

Importantly, these outcomes are not just hypothetical. With the right site, partner, and local support, Bundaberg has the potential to convert market momentum into a high-performing, resilient accommodation asset.

Council's role in unlocking that opportunity and creating a pathway for investment - explored in the next section.

Table 5.11: Consolidated scenario: Summary of profit and loss (2025 values)

	Year 1		Year 2		Year 3		Year 4[1]		Year 5	
Days open	365		365		365		366		365	
Total rooms + apartments	175		175		175		175		175	
Occupancy	67.5%		72.1%		76.9%		76.9%		76.9%	
ADR	$207.9		$219.2		$227.2		$233.2		$233.2	
RevPAR	$144.0		$161.0		$177.9		$182.7		$182.7	
	Year 1		Year 2		Year 3		Year 4[1]		Year 5	
	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue	$ 000	% Total revenue
Operating revenue										
Rooms	$10,064	$233.36	$11,392	66.5%	$12,565	65.9%	$12,952	66.5%	$12,916	66.5%
Food and beverage	$4,172	$96.75	$4,381	25.6%	$4,598	24.1%	$4,611	23.7%	$4,598	23.7%
Meetings and events	$751	$17.40	$1,115	6.5%	$1,626	8.5%	$1,626	8.3%	$1,626	8.4%
Other operated departments	$227	$5.26	$255	1.5%	$282	1.5%	$290	1.5%	$289	1.5%
Total operating revenue	$15,213	$352.77	$17,144	100.0%	$19,071	100.0%	$19,479	100.0%	$19,430	100.0%
Departmental expenses										
Rooms	$3,635	$84.29	$4,025	35.3%	$4,290	34.1%	$4,422	34.1%	$4,410	34.1%
Food and beverage	$3,410	$79.07	$3,531	80.6%	$3,612	78.6%	$3,622	78.6%	$3,612	78.6%
Meetings and events	$450	$10.44	$512	45.9%	$712	43.8%	$712	43.8%	$712	43.8%
Other operated departments	$134	$3.11	$147	57.5%	$155	55.0%	$160	55.0%	$159	55.0%
Total departmental expenses	$7,629	$176.91	$8,215	47.9%	$8,768	46.0%	$8,915	45.8%	$8,893	45.8%
Departmental profit										
Rooms	$6,429	$149.07	$7,368	64.7%	$8,275	65.9%	$8,530	65.9%	$8,507	65.9%
Food and beverage	$762	$17.68	$850	19.4%	$986	21.4%	$989	21.4%	$986	21.4%
Meetings and events	$300	$6.96	$603	54.1%	$914	56.2%	$914	56.2%	$914	56.2%
Other operated departments	$93	$2.15	$109	42.5%	$127	45.0%	$131	45.0%	$130	45.0%
Total departmental profit	$7,584	$175.86	$8,929	52.1%	$10,302	54.0%	$10,563	54.2%	$10,537	54.2%
Departmental income	$7,584	$175.86	$8,929	52.1%	$10,302	54.0%	$10,563	54.2%	$10,537	54.2%
Undistributed operating expenses										
Administration and general	$1,019	$23.63	$1,090	6.4%	$1,179	6.2%	$1,205	6.2%	$1,202	6.2%
ICT	$278	$6.44	$313	1.8%	$343	1.8%	$351	1.8%	$350	1.8%
Sales and marketing	$970	$22.49	$943	5.5%	$963	5.1%	$984	5.1%	$981	5.1%
Utility costs	$532	$12.35	$600	3.5%	$667	3.5%	$682	3.5%	$680	3.5%
Property and maintenance	$494	$11.46	$558	3.3%	$620	3.3%	$634	3.3%	$633	3.3%
Total undistributed expenses	$3,293	$76.37	$3,504	20.4%	$3,773	19.8%	$3,856	19.8%	$3,846	19.8%
Gross operating profit	$4,290	$99.49	$5,425	31.6%	$6,529	34.2%	$6,708	34.4%	$6,691	34.4%
Management fees										
Base management fee	$152	$3.53	$257	1.5%	$334	1.8%	$341	1.8%	$340	1.8%
Incentive management fee	$300	$6.96	$380	2.2%	$457	2.4%	$470	2.4%	$468	2.4%
Total management fees	$452	$10.49	$637	3.7%	$791	4.1%	$810	4.2%	$808	4.2%
Income before fixed charges	$3,838	$89.00	$4,788	27.9%	$5,739	30.1%	$5,897	30.3%	$5,883	30.3%
Selected fixed charges										
Property taxes	$76	$1.76	$86	0.5%	$95	0.5%	$97	0.5%	$97	0.5%
Insurance	$152	$3.53	$171	1.0%	$191	1.0%	$195	1.0%	$194	1.0%
Owner's asset mgt fee	$96	$2.23	$98	0.6%	$101	0.5%	$103	0.5%	$106	0.5%
FF+E reserve	$152	$3.53	$343	2.0%	$572	3.0%	$584	3.0%	$583	3.0%
Total selected fixed charges	$476	$11.05	$698	4.1%	$959	5.0%	$980	5.0%	$980	5.0%
EBITDA / NOP	$3,362	$77.95	$4,090	23.9%	$4,780	25.1%	$4,917	25.2%	$4,902	25.2%

Notes:
[1] Leap year therefore forecasts reflect one extra day of trading in these years.
Figures may not add due to rounding.
Source: THSA estimates.

5.5 Dual-brand potential: Leveraging international operators

The consolidated hotel and serviced apartment scenario present a unique opportunity to attract an international operator capable of managing a dual-brand development on a single site. This approach allows two distinct accommodation products to operate under aligned standards and shared services, optimising market coverage while maintaining operational efficiency.

International hotel groups increasingly favour dual-brand models in regional and growth markets, particularly where demand spans short-stay corporate travel, leisure tourism, and extended-stay or relocation segments. The Bundaberg market - with its weekday corporate base, growing leisure appeal, and identified need for long-stay options - is well aligned to this structure.

Several globally recognised hotel companies offer well-established brand pairings that would suit Bundaberg's scale, positioning, and guest profile:

- **IHG Hotels and Resorts:** A dual-brand pairing of Crowne Plaza (upscale full-service hotel) and Staybridge Suites (upscale extended-stay apartments) would bring global recognition, strong corporate loyalty, and a scalable management structure.
- **Accor:** The combination of Novotel and The Sebel (serviced apartments) offers strong brand alignment across leisure and business segments. Accor's deep presence in Queensland and established operational infrastructure would support regional delivery and brand consistency.
- **Hilton:** A co-location of DoubleTree by Hilton (upscale hotel) and Hilton Garden Inn (mid-to-upscale serviced apartments) would capitalise on Hilton's rising footprint in Australia, global booking systems, and loyalty network. This pairing also supports modular delivery and phased development.
- **Marriott International:** While Marriott tends to favour larger-scale or urban locations, a tailored pairing of Courtyard by Marriott and Springhill Suites (focused on long-stay markets) could provide a point of difference if Bundaberg's broader precinct vision aligns with green, lifestyle-led development.

Benefits of a dual-brand model in Bundaberg:

- Greater appeal to a wider set of market segments (corporate, government, leisure, and extended stay)
- Operational efficiency through shared front and back-of-house, staff, F+B, and meeting spaces
- Diversification of revenue streams and risk mitigation through product flexibility
- Stronger positioning for securing funding, development partners, and anchor bookings
- Brand recognition and loyalty programs to boost early performance and direct bookings

This strategy would also enable Bundaberg Regional Council to position the development as a flagship regional accommodation precinct, showcasing Bundaberg as a serious contender for corporate events, regional conferencing, and high-quality leisure visitation.

6. Next steps and hotel development considerations

6.1 Council's role in support hotel investment

Bundaberg Regional Council has a critical role to play in enabling and attracting private sector investment in new hotel development. While broader economic forces - such as construction costs and access to capital - impact project viability, there are several strategic actions Council can take to enhance Bundaberg's competitiveness as a hotel investment destination.

Despite multiple approvals being granted in recent years, few hotel projects have advanced to construction. Common barriers include:

- high construction costs and labour shortages
- financing difficulties, particularly for regional projects
- lack of strong investor confidence in hotel feasibility
- return-on-investment concerns from developers
- planning constraints, including height limits and land-use restrictions
- limited engagement with national hotel investors and international operators

Historically, a lack of transparent hotel performance data has been a significant deterrent to hotel investment in Bundaberg. This hotel demand study directly addresses that gap - offering a data-driven foundation that quantifies demand, clarifies occupancy and rate performance, and identifies priority development opportunities.

However, robust data alone is not enough. Council must also actively create an enabling environment through planning flexibility, investment incentives, and direct engagement with the hotel investment community.

Why Council facilitation matters

- **Economic development:** Unlike many other land uses, hotels drive broader economic activity well beyond the property line. Hotel guests spend at local attractions, cafes, restaurants, tour operators, and retail precincts - supporting local wages and contributing to indirect and induced economic benefits. Where necessary, these benefits should be clearly communicated to the community to build support for development and generate interest among potential investors (e.g. via a hotel investment prospectus).
- **Job creation:** Hotels generate direct employment across a wide range of roles from entry-level hospitality positions to professional careers in management, finance, and marketing. Indirect jobs are also created across construction, food supply, laundry services, and maintenance industries.
- **Tourism promotion:** Hotels are foundational to tourism infrastructure. Without appropriate and available accommodation, Bundaberg cannot fully leverage its unique visitor experiences or attract overnight, and multi-day stays. Council has a pivotal role in supporting the accommodation sector as part of a wider tourism growth strategy.
- **Destination competitiveness:** A vibrant, high-quality hotel sector allows Bundaberg to compete more effectively with other regional centres for tourism, conferences, and events. Supporting hotel investment enhances the region's visibility, attractiveness, and credibility in national and international markets.
- **Catalyst for infrastructure upgrades:** Major hotel developments often trigger supporting infrastructure improvements - including transport links, utilities, and public realm upgrades. Council can strategically align hotel investment with urban renewal and precinct development to maximise benefits for residents and visitors alike.
- **Long-term sustainability:** Through planning frameworks and development approvals, Council can guide hotel investment towards sustainability objectives ensuring future developments align with Bundaberg's environmental, economic, and community priorities.

6.2 Council actions to support hotel investment

To convert opportunity into investment, Bundaberg Regional Council must adopt a proactive and investor-friendly approach. The following actions will help position Bundaberg as a competitive, well-prepared location for new hotel development.

Strengthen investment attraction and streamlining approvals

Council can significantly improve the investor experience by:

- Conducting an internal review to identify ways Council departments can better support hotel development
- Appointing a dedicated hotel investment liaison as a single point of contact for developers and investors
- Offering pre-lodgement meetings to guide proponents through planning, feasibility, and approvals
- Establishing a fast-track approvals process for eligible hotel projects
- Enhancing collaboration between Economic Development and Planning teams to ensure consistent, timely advice

Activate suitable sites for hotel development

Council's landholdings represent a strategic opportunity to unlock development by reducing entry barriers. Council can:

- Prioritise key development sites for hotel use
- Ensure site flexibility to support a range of development models, including mixed-use
- Provide upfront clarity on planning controls, including height and density allowances, to offer developers greater certainty

Expand incentives to improve investment feasibility

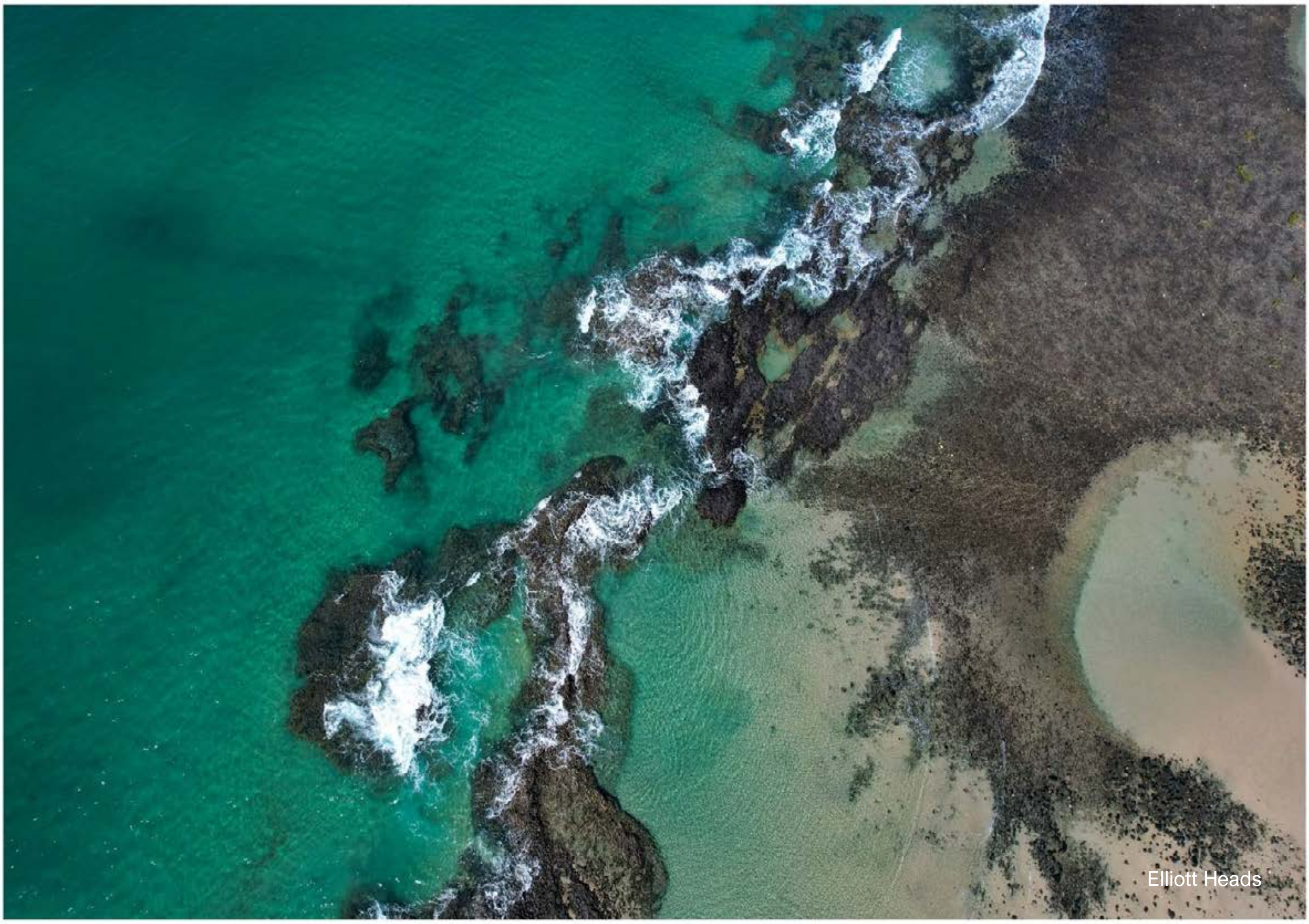
While the current 100% infrastructure charge discount is valuable, it may not sufficiently offset high construction costs. Additional tools include:

- Offering rebates on planning or application fees for developments that commence within a set timeframe
- Making Council owned land available through long-term 'peppercorn' leases to reduce capital and holding costs
- Exploring public private partnership (PPP) models to support catalytic hotel developments
- Providing additional incentives for projects that deliver sustainability outcomes or broader public benefit

Leverage market data to reduce investment risk

Improving data transparency is one of the most impactful things Council can do to reduce perceived risk and support investor decision-making. Recommended actions include:

- Encouraging ongoing participation in benchmarking platforms such as STR and HotStats to establish reliable market performance indicators
- Supporting the creation of investment prospectuses using data from this study and future research
- Promoting Bundaberg's emerging performance story through investor briefings and engagement activities


Elliott Heads

6.3 What are hotel investors looking for?

Hotel investors are highly selective. They are approached with numerous opportunities and carefully evaluate where, when, and how to invest based on a combination of financial, operational, and strategic factors. Understanding these key drivers is essential for Council to attract the right investors and structure projects that appeal to their priorities.

Return on investment

Hotel investors typically seek higher returns than traditional real estate due to the sector's specialised operations and cyclical income streams. Most expect a return on equity of 10-15%. For regional destinations like Bundaberg, projects must demonstrate compelling feasibility and clear pathways to profitability.

International branding and operation

Branded hotels benefit from strong global awareness, loyalty programs, and integrated reservation systems that can deliver 60-70% of room nights. Brands also provide operational support, technical design input, and market recognition - all of which de-risk a project and drive performance.

Availability and cost of finance

Securing finance is a major challenge, especially for unbranded assets. Branded hotels with strong performance potential are more likely to attract favourable lending terms. The backing of an international brand significantly reduces risk for lenders and investors alike.

Liquidity and exit strategy

Investors consider their exit plan from the outset. Properties aligned with major hotel brands tend to be more liquid, attracting a wider pool of potential buyers and offering stronger resale value than independent properties.

Risk assessment

Reputable investors assess environmental, social, and governance (ESG) risks as core decision criteria. This includes location-specific risks (e.g., extreme weather or unsupportive community), as well as expectations around genuine sustainability, Indigenous engagement, and responsible design. 'Greenwashing' is no longer tolerated.

Understanding the regulatory environment

Investors need confidence in the regulatory environment. Delays in approvals, restrictive zoning, or uncertainty around site development can all deter investment. Councils that offer streamlined processes, pre-zoned sites, or concierge-style services (as seen in Moreton Bay and Sunshine Coast) are more likely to attract new hotel supply.

Operator fit and alignment

Investors look for alignment between the hotel brand, the operator, and the destination. A mismatch in branding (e.g. luxury brand in a midscale market) can compromise performance. Council can play a role by ensuring that zoning, urban design, and place-making support the type of product being proposed - and that proposals align with Bundaberg's identity and demand profile.

Benchmarking and performance visibility

Clear, comparable data helps investors assess feasibility. Locations with limited STR or benchmarking participation are seen as opaque. Council can strengthen Bundaberg's investment case by supporting greater participation in benchmarking programs and maintaining a consistent pipeline of demand-side research to validate long-term opportunity.

Fast-tracking hotel investment: Why timing matters

With verified demand data, clear site opportunities, and growing visitor momentum, Bundaberg is well-positioned to secure new hotel investment. But without proactive engagement, key sites may be lost, and opportunities may pass to competing destinations.

To convert demand into development, Council must lead a coordinated investment strategy that includes:

- **Site activation** - secure and promote priority sites before they are repurposed.
- **Investor engagement** - develop a hotel investment prospectus and host targeted roadshows.
- **Planning certainty** - streamline approvals, offer flexibility, and pre-zone for hotel use.
- **Incentive alignment** - introduce planning, financial, and infrastructure incentives.
- **Funding pathways** - explore PPPs, land leases, and government-backed financing tools.
- **Ongoing momentum** - establish an investor dashboard and maintain long-term relationships.

By acting now, Council can help ensure that future hotel development in Bundaberg is well-located, commercially viable, and aligned with the region's long-term tourism and economic priorities.

6.4 Implementation roadmap – activating hotel investment in Bundaberg

This Hotel Demand Study provides a clear, evidence-based foundation to support hotel investment in Bundaberg. It quantifies market demand, identifies development opportunities, and reduces investor uncertainty by improving transparency around key performance indicators - including occupancy, ADR, corporate and leisure demand, and visitor behaviour.

With this data in hand, Bundaberg Regional Council is well positioned to present a compelling, de-risked investment case to hotel developers and operators.

However, market data alone is not enough. Hotel development requires long lead times, and decisions made now will shape Bundaberg's accommodation landscape for the next decade. Immediate, proactive engagement is essential to securing the right product, on the right site, under the right investment model - before that window closes.

Short-term - 12 months

Align investment strategy with visitor growth

- Use tourism projections and proforma benchmarks to guide development strategy.
- Map hotel delivery timelines against airport upgrades and population growth.
- Use the Hotel Demand Study as a living document to monitor shifts in visitation and accommodation performance.

Activate investor interest with a dedicated prospectus

- Prepare a concise, high-quality hotel investment prospectus featuring:
  - key demand drivers and development scenarios.
  - site profiles and available incentives.
  - Council's facilitation offers and contact point.
- Tailor versions for domestic and international audiences.

Medium-term - 24 months

Secure + prepare priority development sites

- Identify and zone 2-3 high-potential sites
- Provide upfront guidance on height, density, parking, and mixed-use potential.
- Explore land release models, including long-term leases or strategic sale options.

Undertake targeted investor engagement

- Host one-on-one investor briefings with national developers and investors.
- Participate in investor forums (e.g., AHICE, , TEQ events).
- Partner with Austrade, TEQ, and RDA Wide Bay to extend global reach.
- Coordinate a Bundaberg-focused hotel investment roadshow (Brisbane, Sydney, Melbourne).

Support financing and delivery via policy and partnerships

- Explore co-investment models or joint ventures for catalytic sites.
- Leverage State and Federal funds (e.g., NAIF, Building Better Regions Fund).
- Provide additional incentives: application fee rebates, infrastructure charge relief.
- Encourage mixed-use and co-located hotel models to increase ROI and site utilisation.

Ongoing

Improve planning certainty and development pathways

- Establish a concierge-style investor liaison service.
- Offer pre-lodgement sessions and fast-track approvals for eligible projects.
- Review height and use constraints on key hotel sites.
- Explore GFA and sustainability-linked bonuses to improve feasibility.

Maintain market visibility and investor confidence

- Establish a Bundaberg Accommodation Dashboard (occupancy, ADR, RevPAR trends).
- Provide quarterly market snapshots to active and prospective investors.
- Monitor project milestones and track lead conversions through a CRM or internal system.
- Continue engaging hotel operators even if timelines are long - build the pipeline.

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Notes

Note on geography

The Bundaberg Regional Council area includes the suburbs and localities of Abbotsford, Abington, Alloway, Apple Tree Creek, Ashfield, Avenell Heights, Avoca, Avondale, Bargara, Boolboonda, Booyal, Branyan, Bucca, Bullyard, Bundaberg Central, Bundaberg East, Bundaberg North, Bundaberg South, Bundaberg West, Bungadoo, Burnett Heads, Buxton, Calavos, Childers, Coonarr, Coral Cove, Cordalba, Dalga, Dalysford, Damascus, Delan, Doolbi, Doughboy, Drinan, Duingal, Electra, Elliott, Elliott Heads, Eureka, Fairymead, Farnsfield, Gaeta, Gin Gin, Givelda, Gooburrum, Goodwood, Good Night (part), Gregory River, Horse Camp, Horton, Innes Park, Isis Central, Isis River, Kalkie, Kalpowar (part), Kensington, Kepnock, Kinkuna, Kolonga, Kullogum, Lake Monduran, Maroondan, McIlwraith, Meadowvale, Miara, Millbank, Molangul, Monduran, Mon Repos, Moolboolaman, Moore Park Beach, Moorland, Morganville, Mullett Creek, Nearum, New Moonta, North Gregory, North Isis, Norville, Oakwood, Pine Creek, Promised Land, Qunaba, Redhill Farms, Redridge, Rosedale (part), Rubyanna, Sharon, Skyring Reserve, South Bingera, South Isis, South Kolan, St Agnes, St Kilda, Svensson Heights, Takilberan, Thabeban, Tirroan, Walkervale, Wallaville, Watalgan, Waterloo, Welcome Creek, Windermere, Winfield, Wonbah, Wonbah Forest, Woodgate, Woongarra and Yandaran.

Note on TRA Statistics

The National Visitor Survey is conducted by Tourism Research Australia for each quarter. New NVS methodology, 2019: Tourism Research Australia has transitioned NVS sampling to 100% mobile phone interviews (from 50% mobile phone/50% landline) to reflect current phone usage trends. The change in methodology has seen a break in series, so please use caution when comparing 2019 results with previous time periods. Note that 2017 and 2018 estimates have been revised to align with the latest release of ABS population projections and will differ slightly from previously published estimates. For further information, regarding methodology, please refer to https://www.tra.gov.au/TRA-Online/tra-online

Assumptions, limiting conditions and use of this report

Assumptions

- This report has been prepared by THSA using industry-standard methodologies, informed assumptions, and robust modelling, underpinned by both secondary data and extensive primary research. This includes targeted stakeholder engagement and survey-based evidence collection to directly inform market demand, facility preferences, and performance expectations. While the findings are market-responsive and grounded in evidence, they represent feasibility-level estimates and should be interpreted as indicative projections, not guarantees of performance.
- Forecasts and recommendations presented are indicative only and are intended to support feasibility testing and early-stage investor consideration. Actual performance will depend on market conditions, site selection, operator capability, and execution strategy.
- The decision to proceed with or support hotel or serviced apartment development in Bundaberg rests solely with Bundaberg Regional Council and/or relevant private sector investors.

Limiting conditions

- As with all forward-looking analysis, this report should be regarded as valid at the time of preparation and may require review or revision in response to material shifts in economic, regulatory, or market conditions.
- It is assumed that any future developments referenced will comply fully with all applicable local planning, environmental, and regulatory frameworks, including licensing and health and safety requirements.
- THSA accepts no responsibility for unforeseen changes in external conditions (e.g. construction costs, labour markets, macroeconomic shocks) that may impact the feasibility or performance of developments referenced in this report.
- Assumptions regarding hotel and serviced apartment performance rely on appropriate branding, professional management, and effective asset oversight. Variances in product quality, operating standards, or market positioning may materially affect outcomes.
- Forecasts of trading performance are subject to change if market supply, demand, or broader economic dynamics diverge significantly from the trends anticipated. While care has been taken to reflect the most likely scenario, the projections are indicative only and do not constitute a guarantee.
- Figures presented in this report may be subject to rounding. Some totals or percentage breakdowns may therefore differ slightly from raw model outputs.
- Information sourced from third parties (e.g. tourism data, STR reports, local economic indicators) is assumed to be accurate. THSA does not warrant the accuracy of such third-party data.
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Use of this report

- This report has been prepared by THSA for the exclusive use of Bundaberg Regional Council and its nominated advisors. It is intended to support internal decision-making, stakeholder engagement, and investor discussions related to potential hotel development.
- The contents of this report, in full or in part, must not be reproduced, disclosed, or distributed in any public forum, prospectus, or investment document without the prior written consent of THSA.
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Tourism Research Australia (TRA) definitions

Business visitor	Business visitors include those visiting a destination to undertake the following activities: business, attend a convention/conference/seminar/trade fair/exhibition (also referred to as MICE visitors), work (as a driver or transport crew) or employment.
Business events	Business events data collected by TRA includes all business-related activities where the survey respondent either attended or accompanied someone who attended a business meeting, corporate event, convention or conference, seminar, exhibition and/or trade fair. Business events add more value than just the immediate boost from traveller spend. They facilitate the exchange of ideas, concepts, systems and products, and create new networks and opportunities. These then add economic benefit by stimulating trade and investment, attracting talent, fostering innovation and improving productivity.
Day trips	Day trips must have a round trip distance of at least 50 kilometres from the respondent's usual place of residence and a minimum duration of four hours. Day trips taken as part of an overnight trip, or those that are routine (for example, from home to work/school, or an intrinsic part of a person's job), are not collected.
Leisure visitor	Leisure visitors include those visiting a destination to undertake the following activities: holiday, sport (participating and watching), to attend an event, sport or cultural festival, accompany a delegate attending a convention/conference/trade fair/exhibition, incentive reward provided by a business employer, shopping, working holiday*, on honeymoon*, to join or leave a multi-day cruise*, to experience Australia's food, wineries, breweries, distilleries and Indigenous culture* * Applicable to international visitors only. All other leisure visitation reasons are applicable to both domestic and international visitors.
Other visitors	Other visitors include those visiting a destination to undertake the following activities: education, medical reasons, personal appointment/business (excl. health), providing transport, attending a funeral or other non-defined reasons
Overnight trips	Overnight trips must include at least one night away from home and be a minimum of 40 kilometres from the visitor's usual place of residence.
Tourist	A tourist (in accordance with the United Nations World Tourism Organization) is defined as someone who is away from home for less than one year continuously, for the purposes of leisure (including holiday and visiting friends and/or relatives), business, education, employment or other personal reason, other than to be employed by a resident entity in the country or place visited.
VFR visitor	VFR (Visiting Friends and Relatives) visitors include those travelling to a destination to visit friends or relatives. In the case of international visitors, VFR-related visitation also includes visiting an international student relative or friend studying in Australia.
Visitor night	Visitor nights are a measure of the total number of nights spent by overnight visitors on overnight trips (e.g. one visitor can spend several nights away).

Appendix 1: Visitation to Bundaberg: 2010 - 2024

Total visitors (000s)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Day	974.4	829.6	989.9	1,208.7	707.4	710.8	722.4	650.9	751.7	931.4	708.8	826.0	658.8	790.0	746.1
Domestic overnight	581.7	501.0	547.0	529.4	540.4	543.7	554.2	600.1	673.1	759.9	580.4	623.1	680.4	629.3	706.4
International	41.9	36.8	40.5	31.9	33.6	39.4	39.6	44.7	47.0	42.9	8.9	0.4	13.5	32.2	29.4
Total visitors	1,598.0	1,367.3	1,577.4	1,770.0	1,281.4	1,294.0	1,316.2	1,295.8	1,471.8	1,734.1	1,298.0	1,449.5	1,352.7	1,451.4	1,482.0

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Day	61%	61%	63%	68%	55%	55%	55%	50%	51%	54%	55%	57%	49%	54%	50.3%
Domestic overnight	36%	37%	35%	30%	42%	42%	42%	46%	46%	44%	45%	43%	50%	43%	47.7%
International	3%	3%	3%	2%	3%	3%	3%	3%	3%	2%	1%	0%	1%	2%	2.0%

% year-on-year growth	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Day		-15%	19%	22%	-41%	0%	2%	-10%	15%	24%	-24%	17%	-20%	20%	-6%
Domestic overnight		-14%	9%	-3%	2%	1%	2%	8%	12%	13%	-24%	7%	9%	-8%	12%
International		-12%	10%	-21%	5%	17%	0%	13%	5%	-9%	-79%	-96%	3421%	138%	-8%
Overall		-14%	15%	12%	-28%	1%	2%	-2%	14%	18%	-25%	12%	-7%	7%	2%

Total visitor nights (000s)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Domestic overnight	1,980.4	1,378.5	1,990.1	1,728.6	1,705.5	1,680.3	1,988.1	1,896.5	2,105.2	2,670.5	1,736.4	1,970.9	1,910.2	2,253.5	2,196.9
International	732.1	999.5	856.7	935.4	858.3	1,172.0	949.5	1,204.3	947.0	890.4	176.4	1.3	157.4	1,048.3	1,139.7
Total visitor nights	2,712.4	2,378.1	2,846.8	2,664.0	2,563.9	2,852.3	2,937.6	3,100.8	3,052.2	3,560.9	1,912.8	1,972.2	2,067.6	3,301.9	3,336.6

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Domestic overnight	73%	58%	70%	65%	67%	59%	68%	61%	69%	75%	91%	100%	92%	68%	66%
International	27%	42%	30%	35%	33%	41%	32%	39%	31%	25%	9%	0%	8%	32%	34%

Average length of stay	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Domestic overnight	3.4	2.8	3.6	3.3	3.2	3.1	3.6	3.2	3.1	3.5	3.0	3.2	2.8	3.6	3.1
International	17.5	27.2	21.2	29.3	25.5	29.8	24.0	26.9	20.1	20.8	19.9	3.4	11.6	32.6	38.7
Overall	4.3	4.4	4.8	4.7	4.5	4.9	4.9	4.8	4.2	4.4	3.2	3.2	3.0	5.0	4.5

Purpose of visit

Day visitors (000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Holiday	440.9	391.5	515.7	593.2	373.3	365.1	357.6	348.3	328.4	490.2	277.6	422.9	308.6	333.6	370.3
VFR	166.3	111.8	237.5	158.3	101.1	97.0	93.3	130.3	184.9	149.3	158.1	225.3	73.6	210.8	118.8
Business	180.2	132.3	125.2	171.4	90.6	91.6	92.8	42.2	89.4	131.6	137.4	51.3	75.6	56.0	57.3
Other	187.1	193.9	111.6	285.8	142.5	157.1	178.8	130.1	148.9	160.2	135.7	126.4	201.0	189.6	199.8
Total day visitors	974.4	829.6	989.9	1208.7	707.4	710.8	722.4	650.9	751.7	931.4	708.8	826.0	658.8	790.0	746.1

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Holiday	45%	47%	52%	49%	53%	51%	50%	54%	44%	53%	39%	51%	47%	42%	50%
VFR	17%	13%	24%	13%	14%	14%	13%	20%	25%	16%	22%	27%	11%	27%	16%
Business	18%	16%	13%	14%	13%	13%	13%	6%	12%	14%	19%	6%	11%	7%	8%
Other	19%	23%	11%	24%	20%	22%	25%	20%	20%	17%	19%	15%	31%	24%	27%

Overnight visitors (000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Holiday	227.8	263.2	260.4	216.0	211.9	218.1	215.1	243.8	267.6	273.7	243.7	291.0	232.3	297.8	313.4
VFR	178.5	168.2	244.2	198.4	209.9	210.5	213.7	211.0	218.6	349.4	200.7	169.9	274.7	204.6	238.1
Business	151.2	89.2	60.8	112.1	105.4	120.1	118.1	123.9	175.8	138.1	93.4	113.8	109.1	112.9	146.9
Other	57.5	10.5	20.1	17.9	36.8	36.6	34.4	55.6	55.8	28.0	37.1	31.6	58.1	40.5	27.0

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Holiday	37%	50%	44%	40%	38%	37%	37%	38%	37%	35%	42%	48%	34%	45%	43%
VFR	29%	32%	42%	36%	37%	36%	37%	33%	30%	44%	35%	28%	41%	31%	33%
Business	25%	17%	10%	21%	19%	21%	20%	20%	24%	17%	16%	19%	16%	17%	20%
Other	9%	2%	3%	3%	7%	6%	6%	9%	8%	4%	6%	5%	9%	6%	4%

Ave length of stay (nights)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Holiday	5.2	5.0	6.7	6.3	5.5	6.3	6.4	5.8	6.1	5.2	3.5	3.6	3.3	5.6	4.7
VFR	4.1	3.8	3.1	3.4	3.7	4.4	3.9	3.2	3.4	4.1	3.1	3.0	2.9	3.9	3.6
Business	3.6	2.7	3.9	4.3	4.3	3.5	5.1	5.1	2.8	4.1	2.9	3.1	2.4	5.0	6.3
Other	3.9	17.4	5.5	6.8	4.6	3.3	2.9	7.0	3.2	4.5	3.7	1.4	3.6	6.4	2.3

Type of accommodation stayed in by overnight visitors

Overnight visitors (000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial	328.8	266.3	291.8	272.0	275.5	277.9	271.7	329.1	367.4	358.9	276.3	344.5	283.9	363.5	353.6
Private	284.4	251.6	300.7	284.0	295.0	300.9	307.1	299.3	355.8	427.3	301.5	258.7	403.8	273.4	389.1
Other	9.8	11.5	4.4	5.6	0.1	3.4	12.3	0.0	2.7	8.0	14.7	19.4	9.5	7.3	3.1
Total	623.0	529.3	596.8	561.6	570.6	582.2	591.1	628.4	725.9	794.3	592.5	622.6	697.2	644.2	745.8

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial	53%	50%	49%	48%	48%	48%	46%	52%	51%	45%	47%	55%	41%	56%	47%
Private	46%	48%	50%	51%	52%	52%	52%	48%	49%	54%	51%	42%	58%	42%	52%
Other	2%	2%	1%	1%	0%	1%	2%	0%	0%	1%	2%	3%	1%	1%	0%

Visitor nights (000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial	1,420.9	1,425.2	1,683.8	1,396.2	1,471.9	1,502.1	1,477.6	1,827.8	1,804.6	1,667.7	902.9	1,135.0	715.9	2,098.1	1,835.5
Private	1,194.7	905.7	1,133.5	1,220.6	1,067.1	1,302.4	1,091.4	1,207.5	1,227.9	1,800.8	914.8	777.3	1,272.6	1,063.5	1,358.3
Other	9.8	16.3	19.1	37.4	2.3	15.8	358.7	-	2.7	24.5	60.3	31.8	48.3	77.6	91.4
Total	2,625.3	2,347.2	2,836.4	2,654.3	2,541.2	2,820.3	2,927.7	3,035.3	3,035.3	3,493.0	1,878.0	1,944.2	2,036.8	3,239.2	3,285.2

Ave length of stay (nights)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial	4.3	5.4	5.8	5.1	5.3	5.4	5.4	5.6	4.9	4.6	3.3	3.3	2.5	5.8	5.2
Private	4.2	3.6	3.8	4.3	3.6	4.3	3.6	4.0	3.5	4.2	3.0	3.0	3.2	3.9	3.5
Other	1.0	1.4	4.4	6.6	31.3	4.7	29.2	-	1.0	3.1	4.1	1.6	5.1	10.7	29.7

Interstate v intrastate visitation

Overnight visitors (000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interstate	64.1	47.9	34.6	64.4	56.3	113.0	86.9	73.0	107.3	61.1	31.4	26.0	51.9	91.2	
Intrastate	84.9	164.4	101.7	144.2	164.5	162.2	183.8	148.7	160.0	233.3	158.8	141.7	231.9	152.0	

% market share	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interstate	43%	23%	25%	31%	25%	41%	32%	33%	40%	20.8%	16%	15%	18%	37.5%	
Intrastate	57%	77%	75%	69%	75%	59%	68%	67%	60%	79.2%	84%	85%	82%	62.5%	

Top 5 intrastate markets	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Brisbane	211.9	128.4	136.2	96.7	179.4	122.6	144.3	177.8	192.5	249.9	203.3	230.0	208.9	189.1	218.3
Queensland Country	19.7	33.0	35.5	56.0	50.7	45.1	39.3	37.1	51.8	78.8	39.1	52.6	60.7	73.4	113.4
Sunshine Coast	61.4	41.2	76.2	58.2	51.4	49.8	24.8	62.8	58.2	62.9	72.8	93.3	94.1	78.8	110.3
Gladstone	30.5	60.4	22.8	28.4	44.8	31.8	41.4	66.5	28.9	37.6	58.5	35.7	70.8	12.8	70.4
Fraser Coast	23.1	31.7	60.9	31.0	16.5	48.0	39.0	47.0	56.0	19.1	26.5	41.8	29.8	21.5	62.6
Total	346.6	294.7	331.5	270.3	342.8	297.3	288.8	391.1	387.5	448.3	400.2	453.4	464.3	375.6	575.1
% of total intrastate visitors	69%	69%	69%	60%	76%	65%	60%	80%	68%	69%	74%	78%	76%	71%	87%

Source: TRA (2025a+b).

Appendix 2: Bundaberg hotel, motel and serviced apartment supply

Property	Suburb	Rooms	Star rating	Type of accommodation
Bundaberg + surrounds				
Burnett Riverside	Bundaberg Central	44	4-star	Hotel
MAS Country Bundaberg Bert Hinkler	Bundaberg West	32	3-star	Hotel
Railway Hotel Bundaberg	Bundaberg North	10	3-star	Hotel
Acacia Motor Inn	Bundaberg West	26	3.5-star	Motel
Alexandra Park Motor Inn	Bundaberg West	17	3-star	Motel
Best Western Bundaberg City Motor Inn	Bundaberg West	17	3.5-star	Motel
Boulevard Lodge Bundaberg	Kensington	26	4-star	Motel
Bourbong Street Motel	Bundaberg West	17	3-star	Motel
Bundaberg International Motor Inn	Millbank	40	4-star	Motel
Bundaberg Spanish Motor Inn	Bundaberg West	15	3.5-star	Motel
Chalet Motor Inn	Bundaberg West	14	3-star	Motel
Charm City Motel	Bundaberg West	17	3.5-star	Motel
Coral Villa Motel Bundaberg	Svensson Heights	11	3-star	Motel
Econo Lodge Park Lane	Bundaberg West	27	3.5-star	Motel
Golden Palms Motor Inn	Svensson Heights	15	4-star	Motel
Kalua Motel	Bundaberg North	11	3-star	Motel
Matilda Motel	Bundaberg Central	14	3-star	Motel
Oscar Motel	Bundaberg West	26	3-star	Motel
Riviera Motel Bundaberg	Bundaberg West	19	4-star	Motel
Sugar Country Motor Inn	Bundaberg Central	33	4-star	Motel
Takalvan Motel	Bundaberg West	34	4-star	Motel
Villa Mirasol Motor Inn	Bundaberg West	33	3-star	Motel
Alexandra Apartments	Svensson Heights	15	4-star	Self-catering / serviced apt
Riverdale Caravan Park	Bundaberg North	13	3.5-star	Holiday park cabins
Bargara (incl. Mon Repos)				
Bargara Blue Resort	Bargara	16	4-star	Hotel
Don Pancho Beach Resort	Bargara	42	3.5-star	Hotel
Kacy's Bargara Beach Motel	Bargara	27	4-star	Motel
Pacific Sun Motor Inn	Bargara	10	3-star	Motel
Palms Motel Bargara	Bargara	11	3-star	Motel
C Bargara	Bargara	23	4.5-star	Self-catering / serviced apt
Kellys Beach Resort	Bargara	41	3.5-star	Self-catering / serviced apt
Koola Beach Apartments	Bargara	19	4-star	Self-catering / serviced apt
Manta Bargara Resort	Bargara	28	5-star	Self-catering / serviced apt
Sandcastles on the Beach	Bargara	10	4-star	Self-catering / serviced apt
Shoreline Apartments	Bargara	23	3.5-star	Self-catering / serviced apt
The Point Resort	Bargara	39	3-star	Self-catering / serviced apt
BIG4 Breeze Holiday Parks - Bargara	Bargara	15	3-star	Holiday park cabins
NRMA Turtle Sands Mon Repos	Mon Repos	37	4-star	Holiday park cabins

Property	Suburb	Rooms	Star rating	Type of accommodation
Rest of Bundaberg				
Lady Elliot Island Resort	Lady Elliot Island	35	4-star	Eco-resort/hotel
Avocado Motor Inn	Childers	14	3-star	Motel
Childers Oasis Motel	Childers	23	3-star	Motel
Gateway Motor Inn Childers	Childers	19	3.5-star	Motel
Motel Childers	Childers	14	3-star	Motel
Moore Park Beach Motel	Moore Park Beach	8	3.5-star	Motel
Central Motel Gin Gin	Gin Gin	15	4-star	Motel
Country Comfort Gin Gin Wild Scotsman	Gin Gin	16	3-star	Motel
Gin Gin Village Motor Inn	Gin Gin	10	4-star	Motel
Woodgate Beach Houses	Woodgate	24	4-star	Self-catering / serviced apt
Coral Cove Resort	Coral Cove	14	4-star	Self-catering / serviced apt
Elliott Heads Holiday Park	Elliott Heads	8	3-star	Holiday park cabins
Burnett Heads Holiday Park	Burnett Heads	5	3.5-star	Holiday park cabins
NRMA Woodgate Beach Holiday Park	Woodgate	22	3.5-star	Holiday park cabins

Appendix 3: Hotel classifications, key characteristics and brand examples

<table>
<tr><th>Classification</th><th>Key characteristics</th><th>Brand examples</th></tr>
<tr><td>Economy</td><td>Economy hotels target the most budget-conscious travellers. They are often located on highways and near airports. The rooms are simple and amenities sparse, although the hotel usually provides a basic self-service breakfast.</td><td>Ibis Budget (Accor)
Travelodge</td></tr>
<tr><td>Midscale</td><td>Midscale hotels feature more amenities than economy hotels but at a lower price point than upper midscale hotels. Midscale hotels are predominately located in urban areas, close to commercial and transportation hubs. Many have refreshed designs with contemporary amenities that today's traveller expects.</td><td>Ibis Styles (Accor)
City Express (Marriott)
Garner (IHG)
Spark (Hilton)</td></tr>
<tr><td>Upper midscale</td><td>Upper midscale hotels offer spacious accommodation at a value-for-money price point. They are void of large-scale restaurants, meeting, and gym and leisure facilities (although these are often present in a smaller format), and typically offer free breakfast for guests.
Modern lifestyle-oriented upper midscale brands are best known for their playful personality and pops of colour that resonate well with younger travellers.</td><td>Standard upper midscale brands include:
Holiday Inn Express (IHG)
Mercure (Accor)
Hyatt Place (Hyatt)
Four Points (Marriott)
Modern upper midscale brands include:
Avid (IHG)
Tru and Hilton Garden Inn (Hilton)
Moxy and Aloft (Marriott)
Tribe (Accor)</td></tr>
<tr><td>Upscale</td><td>This category includes full-service hotels with premium amenities that cater to leisure travellers and business professionals. Guests at upscale properties are willing to spend more to stay comfortably in a convenient location or remarkable destination, but without splurging on over-the-top amenities that they may not have the time to enjoy.
There is a mix of traditional and lifestyle hotels within this class.</td><td>Traditional brands include:
Holiday Inn (IHG)
Novotel (Accor)
DoubleTree (Hilton)
Courtyard (Marriott)
Hyatt (Hyatt)
Lifestyle brands include:
Tempo and Canopy (Hilton)
Twenty-Five Hours (Accor)
voco and Hotel Indigo (IHG)
Centric (Hyatt)
AC Hotels (Marriott)</td></tr>
<tr><td>Upper-upscale</td><td>Positioned slightly under the luxury category, upper-upscale hotels are full-service properties with premium amenities and notable designs that cater to affluent travellers. They are usually located in major cities and resort destinations worldwide.
There is a mix of traditional and lifestyle hotels within this class.</td><td>Traditional brands include:
Hyatt Regency (Hyatt)
Crowne Plaza (IHG)
Marriott and Sheraton (Marriott)
Novotel (Accor).
Hilton (Hilton)
Lifestyle brands include:
Caption and Centric (Hyatt)
Hotel Indigo and voco (IHG)
Le Meridien, Westin and AC (Marriott)
Curio and Tapestry Collection (Hilton)
Movenpick, Pullman and Grand Mercure (Accor)</td></tr>
<tr><td>Luxury</td><td>Luxury hotels are known for their exceptional service, high-end finishes, premium amenities, and well-appointed rooms in notable locations around the world.
Within this class, there are three distinct segments:
ultra-luxury
classic luxury
luxury lifestyle.</td><td>Ultra-luxury brands include:
Ritz-Carlton, St. Regis and Bulgari (Marriott)
Park Hyatt (Hyatt)
Waldorf Astoria (Hilton)
Raffles and Fairmont (Accor)
Regent (IHG)
Classic luxury brands include:
Conrad (Hilton)
JW Marriott (Marriott)
Grand Hyatt (Hyatt)
InterContinental (IHG)
Sofitel (Accor)
Luxury lifestyle brands include:
W and Edition (Marriott)
Andaz (Hyatt)
Kimpton (IHG)
SO/Sofitel/Mondrian (Accor)</td></tr>
</table>

Appendix 4: Proforma statements of profit and loss for development scenarios

Table A4.1: Hotel (standalone) proforma: Statement of estimated profit + loss (2025 values)

	Year 1				Year 2				Year 3				Year 4				Year 5			
Room occupancy	69.3%				73.5%				78.3%				78.3%				78.3%			
ADR	$207.9				$219.20				$227.17				$233.23				$233.23			
RevPAR	$144.0				$161.02				$177.95				$182.70				$182.70			
	$ 000	**% Ratio to Sales**	**Amount per available room**	**Amount per occupied room night**	**$ 000**	**% Ratio to Sales**	**Amount per available room**	**Amount per occupied room night**	**$ 000**	**% Ratio to Sales**	**Amount per available room**	**Amount per occupied room night**	**$ 000**	**% Ratio to Sales**	**Amount per available room**	**Amount per occupied room night**	**$ 000**	**% Ratio to Sales**	**Amount per available room**	**Amount per occupied room night**
Operating revenue																				
Rooms	$ 6,309	55.2%	$ 52,573	$ 207.87	$ 7,072	55.3%	$ 58,935	$ 219.20	$ 7,794	54.7%	$ 64,951	$ 227.17	$ 8,024	55.3%	$ 66,868	$ 233.23	$ 8,002	55.3%	$ 66,686	$ 233.23
Food + beverage	$ 4,172	36.5%	$ 34,769	$ 137.47	$ 4,381	34.3%	$ 36,510	$ 135.80	$ 4,598	32.3%	$ 38,317	$ 134.01	$ 4,611	31.8%	$ 38,422	$ 134.01	$ 4,598	31.8%	$ 38,317	$ 134.01
Meetings, conferences + events	$ 751	6.6%	$ 6,254	$ 24.73	$ 1,115	8.7%	$ 9,290	$ 34.55	$ 1,626	11.4%	$ 13,552	$ 47.40	$ 1,626	11.2%	$ 13,552	$ 47.27	$ 1,626	11.2%	$ 13,552	$ 47.40
Other operated departments	$ 189	1.7%	$ 1,577	$ 6.24	$ 212	1.7%	$ 1,768	$ 6.58	$ 234	1.6%	$ 1,949	$ 6.81	$ 241	1.7%	$ 2,006	$ 7.00	$ 240	1.7%	$ 2,001	$ 7.00
Total operating revenue	**$ 11,421**	**100.0%**	**$ 95,173**	**$ 376.31**	**$ 12,780**	**100.0%**	**$ 106,503**	**$ 396.13**	**$ 14,252**	**100.0%**	**$ 118,768**	**$ 415.39**	**$ 14,502**	**100.0%**	**$ 120,848**	**$ 421.51**	**$ 14,467**	**100.0%**	**$ 120,555**	**$ 421.64**
Departmental expenses																				
Rooms	$ 2,208	35.0%	$ 18,401	$ 72.75	$ 2,405	34.0%	$ 20,038	$ 74.53	$ 2,572	33.0%	$ 21,434	$ 74.96	$ 2,648	33.0%	$ 22,067	$ 76.97	$ 2,641	33.0%	$ 22,006	$ 76.97
Food + beverage	$ 3,410	81.7%	$ 28,416	$ 112.35	$ 3,531	80.6%	$ 29,426	$ 109.45	$ 3,612	78.6%	$ 30,101	$ 105.28	$ 3,622	78.6%	$ 30,183	$ 105.28	$ 3,612	78.6%	$ 30,101	$ 105.28
Meetings, conferences + events	$ 450	60.0%	$ 3,753	$ 14.84	$ 512	45.9%	$ 4,268	$ 16.88	$ 712	43.8%	$ 5,933	$ 23.46	$ 712	43.8%	$ 5,933	$ 23.46	$ 712	43.8%	$ 5,933	$ 23.46
Other operated departments	$ 114	60.0%	$ 946	$ 3.74	$ 123	58.0%	$ 1,025	$ 3.81	$ 129	55.0%	$ 1,072	$ 3.75	$ 132	55.0%	$ 1,103	$ 3.85	$ 132	55.0%	$ 1,100	$ 3.85
Total departmental expenses	**$ 6,182**	**54.1%**	**$ 51,515**	**$ 203.69**	**$ 6,571**	**51.4%**	**$ 54,757**	**$ 204.67**	**$ 7,025**	**49.3%**	**$ 58,539**	**$ 207.45**	**$ 7,114**	**49.1%**	**$ 59,286**	**$ 209.55**	**$ 7,097**	**49.1%**	**$ 59,140**	**$ 209.55**
Departmental profits																				
Rooms	$ 4,101	65.0%	$ 34,172	$ 135.11	$ 4,668	66.0%	$ 38,897	$ 144.68	$ 5,222	67.0%	$ 43,517	$ 152.20	$ 5,376	67.0%	$ 44,802	$ 156.27	$ 5,362	67.0%	$ 44,679	$ 156.27
Food + beverage	$ 762	18.3%	$ 6,353	$ 25.12	$ 850	19.4%	$ 7,085	$ 26.35	$ 986	21.4%	$ 8,216	$ 28.74	$ 989	21.4%	$ 8,238	$ 28.74	$ 986	21.4%	$ 8,216	$ 28.74
Meetings, conferences + events	$ 300	40.0%	$ 2,502	$ 9.89	$ 603	54.1%	$ 5,021	$ 18.68	$ 914	56.2%	$ 7,620	$ 26.65	$ 914	56.2%	$ 7,620	$ 26.58	$ 914	56.2%	$ 7,620	$ 26.65
Other operated departments	$ 76	40.0%	$ 631	$ 2.49	$ 89	42.0%	$ 743	$ 2.76	$ 105	45.0%	$ 877	$ 3.07	$ 108	45.0%	$ 903	$ 3.15	$ 108	45.0%	$ 900	$ 3.15
Total departmental profit	**$ 5,239**	**45.9%**	**$ 43,658**	**$ 172.62**	**$ 6,209**	**48.6%**	**$ 51,746**	**$ 192.47**	**$ 7,228**	**50.7%**	**$ 60,229**	**$ 210.65**	**$ 7,387**	**50.9%**	**$ 61,562**	**$ 214.73**	**$ 7,370**	**50.9%**	**$ 61,415**	**$ 214.80**
Departmental income	**$ 5,239**	**45.9%**	**$ 43,658**	**$ 172.62**	**$ 6,209**	**48.6%**	**$ 51,746**	**$ 192.47**	**$ 7,228**	**50.7%**	**$ 60,229**	**$ 210.65**	**$ 7,387**	**50.9%**	**$ 61,562**	**$ 214.73**	**$ 7,370**	**50.9%**	**$ 61,415**	**$ 214.80**
Undistributed operating expenses																				
Administration + general	$ 708	6.2%	$ 5,901	$ 23.33	$ 741	5.8%	$ 6,177	$ 22.98	$ 798	5.6%	$ 6,651	$ 23.26	$ 812	5.6%	$ 6,768	$ 23.60	$ 810	5.6%	$ 6,751	$ 23.61
ICT	$ 206	1.8%	$ 1,713	$ 6.77	$ 230	1.8%	$ 1,917	$ 7.58	$ 257	1.8%	$ 2,138	$ 8.45	$ 261	1.8%	$ 2,175	$ 8.60	$ 260	1.8%	$ 2,170	$ 8.58
Sales + marketing	$ 742	6.5%	$ 6,186	$ 24.46	$ 703	5.5%	$ 5,858	$ 21.79	$ 713	5.0%	$ 5,938	$ 20.77	$ 725	5.0%	$ 6,042	$ 21.08	$ 723	5.0%	$ 6,028	$ 21.08
Utility costs	$ 400	3.5%	$ 3,331	$ 13.17	$ 447	3.5%	$ 3,728	$ 13.86	$ 499	3.5%	$ 4,157	$ 14.54	$ 508	3.5%	$ 4,230	$ 14.75	$ 506	3.5%	$ 4,219	$ 14.76
Property + maintenance	$ 343	3.0%	$ 2,855	$ 11.29	$ 383	3.0%	$ 3,195	$ 11.88	$ 428	3.0%	$ 3,563	$ 12.46	$ 435	3.0%	$ 3,625	$ 12.65	$ 434	3.0%	$ 3,617	$ 12.65
Total undistributed operating expenses	**$ 2,398**	**21.0%**	**$ 19,986**	**$ 79.02**	**$ 2,505**	**19.6%**	**$ 20,875**	**$ 78.09**	**$ 2,694**	**18.9%**	**$ 22,447**	**$ 79.49**	**$ 2,741**	**18.9%**	**$ 22,840**	**$ 80.68**	**$ 2,734**	**18.9%**	**$ 22,785**	**$ 80.68**
GROSS OPERATING PROFIT	**$ 2,841**	**24.9%**	**$ 23,672**	**$ 93.60**	**$ 3,705**	**29.0%**	**$ 30,871**	**$ 114.82**	**$ 4,534**	**31.8%**	**$ 37,782**	**$ 132.14**	**$ 4,647**	**32.0%**	**$ 38,722**	**$ 135.06**	**$ 4,636**	**32.0%**	**$ 38,630**	**$ 135.11**
Management fees																				
Base management fee	$ 114	1.0%	$ 952	$ 3.76	$ 192	1.50%	$ 1,598	$ 5.94	$ 249	1.75%	$ 2,078	$ 7.27	$ 254	1.75%	$ 2,115	$ 7.38	$ 253	1.75%	$ 2,110	$ 7.38
Incentive management fee	$ 199	1.7%	$ 1,657	$ 6.55	$ 259	2.0%	$ 2,161	$ 8.04	$ 317	2.2%	$ 2,645	$ 9.25	$ 325	2.2%	$ 2,711	$ 9.45	$ 324	2.2%	$ 2,704	$ 9.46
Total management fees	**$ 313**	**2.7%**	**$ 2,609**	**$ 10.31**	**$ 451**	**3.5%**	**$ 3,759**	**$ 13.98**	**$ 567**	**4.0%**	**$ 4,723**	**$ 16.52**	**$ 579**	**4.0%**	**$ 4,825**	**$ 16.83**	**$ 578**	**4.0%**	**$ 4,814**	**$ 16.84**
Income before fixed charges	**$ 2,528**	**22.1%**	**$ 21,063**	**$ 83.28**	**$ 3,254**	**25.5%**	**$ 27,113**	**$ 100.84**	**$ 3,967**	**27.8%**	**$ 33,059**	**$ 115.62**	**$ 4,068**	**28.0%**	**$ 33,897**	**$ 118.23**	**$ 4,058**	**28.1%**	**$ 33,816**	**$ 118.27**
Selected fixed charges																				
Property taxes	$ 57	0.5%	$ 476	$ 1.88	$ 64	0.5%	$ 533	$ 1.98	$ 71	0.5%	$ 594	$ 2.08	$ 73	0.5%	$ 604	$ 2.11	$ 72	0.5%	$ 603	$ 2.11
Insurance	$ 114	1.0%	$ 952	$ 3.76	$ 128	1.0%	$ 1,065	$ 3.96	$ 143	1.0%	$ 1,188	$ 4.15	$ 145	1.0%	$ 1,208	$ 4.22	$ 145	1.0%	$ 1,206	$ 4.22
Owners asset mgt fee	$ 96	0.8%	$ 800	$ 3.16	$ 98	0.8%	$ 820	$ 3.05	$ 101	0.7%	$ 841	$ 2.94	$ 103	0.7%	$ 862	$ 3.00	$ 106	0.7%	$ 883	$ 3.09
FF+E (fixtures, fittings + equipment)	$ 114	1.0%	$ 952	$ 3.76	$ 256	2.0%	$ 2,130	$ 7.92	$ 428	3.0%	$ 3,563	$ 12.46	$ 435	3.0%	$ 3,625	$ 12.65	$ 434	3.0%	$ 3,617	$ 12.65
Total selected fixed charges	**$ 382**	**3.3%**	**$ 3,179**	**$ 12.57**	**$ 546**	**4.3%**	**$ 4,548**	**$ 16.91**	**$ 742**	**5.2%**	**$ 6,185**	**$ 21.63**	**$ 756**	**5.2%**	**$ 6,300**	**$ 21.97**	**$ 757**	**5.2%**	**$ 6,308**	**$ 22.06**
EBITDA / Net operating profit	**$ 2,146**	**18.8%**	**$ 17,884**	**$ 70.71**	**$ 2,708**	**21.2%**	**$ 22,565**	**$ 83.93**	**$ 3,225**	**22.6%**	**$ 26,874**	**$ 93.99**	**$ 3,312**	**22.8%**	**$ 27,597**	**$ 96.26**	**$ 3,301**	**22.8%**	**$ 27,508**	**$ 96.21**

Notes:
Figures may not add due to rounding
In accordance with USALI standards, all figures presented exclude GST but include OTA and other commissions (captured under the sales and marketing department)
Source: THSA estimates

Table A4.2: Serviced apartment (standalone) proforma: Statement of estimated profit and loss (2025 values)

	Year 1				Year 2				Year 3				Year 4				Year 5			
Room occupancy	63.6%				69.0%				73.6%				73.6%				73.6%			
ADR	$293.9				$311.03				$322.75				$332.43				$332.43			
RevPAR	$187.0				$214.61				$237.66				$244.79				$244.79			
	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night
Operating revenue																				
Rooms	3,755	99.0%	68,268	293.91	4,320	99.0%	78,547	311.03	4,771	99.0%	86,745	322.75	4,928	99.0%	89,592	332.43	4,914	99.0%	89,348	332.43
Food + beverage	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-
Meetings, conferences + events	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-
Other operated departments	38	1.0%	683	2.94	43	1.0%	785	3.11	48	1.0%	867	3.23	49	1.0%	896	3.32	49	1.0%	893	3.32
Total operating revenue	**3,792**	**100.0%**	**68,951**	**296.85**	**4,363**	**100.0%**	**79,332**	**314.14**	**4,819**	**100.0%**	**87,613**	**325.97**	**4,977**	**100.0%**	**90,488**	**335.75**	**4,963**	**100.0%**	**90,241**	**335.75**
Departmental expenses																				
Rooms	1,427	38.0%	25,942	111.69	1,620	37.5%	29,455	116.63	1,718	36.0%	31,228	116.19	1,774	36.0%	32,253	119.67	1,769	36.0%	32,165	119.67
Food + beverage	-		-	-			-	-			-	-			-	-			-	-
Meetings, conferences + events	-		-	-			-	-			-	-			-	-			-	-
Other operated departments	21	55.0%	375	1.62	24	55.0%	432	1.71	26	55.0%	477	1.78	27	55.0%	493	1.83	27	55.0%	491	1.83
Total departmental expenses	**1,447**	**38.2%**	**26,317**	**113.30**	**1,644**	**37.7%**	**29,887**	**118.35**	**1,744**	**36.2%**	**31,705**	**117.96**	**1,801**	**36.2%**	**32,746**	**121.50**	**1,796**	**36.2%**	**32,657**	**121.50**
Departmental profits																				
Rooms	2,328	62.0%	42,326	182.23	2,700	62.5%	49,092	194.39	3,053	64.0%	55,517	206.56	3,154	64.0%	57,339	212.75	3,145	64.0%	57,183	212.75
Food + beverage	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
Meetings, conferences + events	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
Other operated departments	17	45.0%	307	1.32	19	45.0%	353	1.40	21	45.0%	390	1.45	22	45.0%	403	1.50	22	45.0%	402	1.50
Total departmental profit	**2,345**	**61.8%**	**42,633**	**183.55**	**2,719**	**62.3%**	**49,445**	**195.79**	**3,075**	**63.8%**	**55,907**	**208.01**	**3,176**	**63.8%**	**57,742**	**214.25**	**3,167**	**63.8%**	**57,585**	**214.25**
Departmental income	**2,345**	**61.8%**	**42,633**	**183.55**	**2,719**	**62.3%**	**49,445**	**195.79**	**3,075**	**63.8%**	**55,907**	**208.01**	**3,176**	**63.8%**	**57,742**	**214.25**	**3,167**	**63.8%**	**57,585**	**214.25**
Undistributed operating expenses																				
Administration + general	311	8.2%	5,654	24.34	349	8.0%	6,347	25.13	381	7.9%	6,921	25.75	393	7.9%	7,149	26.52	392	7.9%	7,129	26.52
ICT	72	1.9%	1,310	5.64	83	1.9%	1,507	6.49	87	1.8%	1,577	6.79	90	1.8%	1,629	7.01	89	1.8%	1,624	6.99
Sales + marketing	228	6.0%	4,137	17.81	240	5.5%	4,363	17.28	251	5.2%	4,556	16.95	259	5.2%	4,705	17.46	258	5.2%	4,693	17.46
Utility costs	133	3.5%	2,413	10.39	153	3.5%	2,777	10.99	169	3.5%	3,066	11.41	174	3.5%	3,167	11.75	174	3.5%	3,158	11.75
Property + maintenance	152	4.0%	2,758	11.87	175	4.0%	3,173	12.57	193	4.0%	3,505	13.04	199	4.0%	3,620	13.43	199	4.0%	3,610	13.43
Total undistributed operating expenses	**895**	**23.6%**	**16,272**	**70.06**	**999**	**22.9%**	**18,167**	**72.46**	**1,079**	**22.4%**	**19,625**	**73.94**	**1,115**	**22.4%**	**20,269**	**76.18**	**1,112**	**22.4%**	**20,214**	**76.16**
GROSS OPERATING PROFIT	**1,450**	**38.2%**	**26,361**	**113.49**	**1,720**	**39.4%**	**31,278**	**123.85**	**1,996**	**41.4%**	**36,282**	**134.99**	**2,061**	**41.4%**	**37,473**	**139.04**	**2,055**	**41.4%**	**37,371**	**139.04**
Management fees																				
Base management fee	38	1.0%	690	2.97	65	1.50%	1,190	4.71	84	1.75%	1,533	5.70	87	1.75%	1,584	5.88	87	1.75%	1,579	5.88
Incentive management fee	101	2.7%	1,845	7.94	120	2.8%	2,189	8.67	140	2.9%	2,540	9.45	144	2.9%	2,623	9.73	144	2.9%	2,616	9.73
Total management fees	**139**	**3.7%**	**2,535**	**10.91**	**186**	**4.3%**	**3,379**	**13.38**	**224**	**4.6%**	**4,073**	**15.15**	**231**	**4.6%**	**4,207**	**15.61**	**231**	**4.6%**	**4,195**	**15.61**
Income before fixed charges	**1,310**	**34.6%**	**23,826**	**102.58**	**1,534**	**35.2%**	**27,899**	**110.47**	**1,772**	**36.8%**	**32,209**	**119.84**	**1,830**	**36.8%**	**33,266**	**123.43**	**1,825**	**36.8%**	**33,175**	**123.43**
Selected fixed charges																				
Property taxes	19	0.5%	345	1.48	22	0.5%	397	1.57	24	0.5%	438	1.63	25	0.5%	452	1.68	25	0.5%	451	1.68
Insurance	38	1.0%	690	2.97	44	1.0%	793	3.14	48	1.0%	876	3.26	50	1.0%	905	3.36	50	1.0%	902	3.36
Owners asset mgt fee	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-	-
FF+E (fixtures, fittings + equipment)	38	1.0%	690	2.97	87	2.0%	1,587	6.28	145	3.0%	2,628	9.78	149	3.0%	2,715	10.07	149	3.0%	2,707	10.07
Total selected fixed charges	**95**	**2.5%**	**1,724**	**7.42**	**153**	**3.5%**	**2,777**	**10.99**	**217**	**4.5%**	**3,943**	**14.67**	**224**	**4.5%**	**4,072**	**15.11**	**223**	**4.5%**	**4,061**	**15.11**
EBITDA / Net operating profit	**1,216**	**32.1%**	**22,102**	**95.16**	**1,382**	**31.7%**	**25,122**	**99.48**	**1,555**	**32.3%**	**28,267**	**105.17**	**1,606**	**32.3%**	**29,194**	**108.32**	**1,601**	**32.3%**	**29,115**	**108.32**

Notes:
Figures may not add due to rounding
In accordance with USALI standards, all figures presented exclude GST but include OTA and other commissions (captured under the sales and marketing department)
Source: THSA estimates

Table A4.3: Consolidated hotel +serviced apartment proforma: Statement of estimated profit and loss (2025 values)

	Year 1				Year 2				Year 3				Year 4				Year 5			
Room occupancy	67.5%				72.1%				76.9%				76.9%				76.9%			
ADR	$207.9				$219.20				$227.17				$233.23				$233.23			
RevPAR	$144.0				$161.02				$177.95				$182.70				$182.70			
	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night	$ 000	% Ratio to Sales	Amount per available room	Amount per occupied room night
Operating revenue																				
Rooms	10,064	66.2%	57,506	233.36	11,392	66.5%	65,099	246.84	12,565	65.9%	71,800	255.95	12,952	66.5%	74,010	263.10	12,916	66.5%	73,808	263.10
Food + beverage	4,172	27.4%	23,842	96.75	4,381	25.6%	25,036	94.93	4,598	24.1%	26,274	93.66	4,611	23.7%	26,346	93.66	4,598	23.7%	26,274	93.66
Meetings, conferences + events	751	4.9%	4,289	17.40	1,115	6.5%	6,370	24.15	1,626	8.5%	9,293	33.13	1,626	8.3%	9,293	33.04	1,626	8.4%	9,293	33.13
Other operated departments	227	1.5%	1,296	5.26	255	1.5%	1,459	5.53	282	1.5%	1,609	5.73	290	1.5%	1,657	5.89	289	1.5%	1,653	5.89
Total operating revenue	**15,213**	**100.0%**	**86,932**	**352.77**	**17,144**	**100.0%**	**97,963**	**371.45**	**19,071**	**100.0%**	**108,976**	**388.47**	**19,479**	**100.0%**	**111,307**	**395.69**	**19,430**	**100.0%**	**111,028**	**395.78**
Departmental expenses																				
Rooms	3,635	36.1%	20,771	84.29	4,025	35.3%	22,998	87.20	4,290	34.1%	24,512	87.38	4,422	34.1%	25,268	89.83	4,410	34.1%	25,199	89.83
Food + beverage	3,410	81.7%	19,485	79.07	3,531	80.6%	20,177	76.51	3,612	78.6%	20,641	73.58	3,622	78.6%	20,697	73.58	3,612	78.6%	20,641	73.58
Meetings, conferences + events	450	60.0%	2,573	10.44	512	45.9%	2,927	11.88	712	43.8%	4,068	16.51	712	43.8%	4,068	16.51	712	43.8%	4,068	16.51
Other operated departments	134	59.2%	767	3.11	147	57.5%	839	3.18	155	55.0%	885	3.15	160	55.0%	911	3.24	159	55.0%	909	3.24
Total departmental expenses	**7,629**	**50.1%**	**43,596**	**176.91**	**8,215**	**47.9%**	**46,941**	**178.77**	**8,768**	**46.0%**	**50,105**	**180.62**	**8,915**	**45.8%**	**50,945**	**183.15**	**8,893**	**45.8%**	**50,817**	**183.15**
Departmental profits																				
Rooms	6,429	63.9%	36,735	149.07	7,368	64.7%	42,101	159.64	8,275	65.9%	47,288	168.57	8,530	65.9%	48,742	173.28	8,507	65.9%	48,609	173.28
Food + beverage	762	18.3%	4,356	17.68	850	19.4%	4,858	18.42	986	21.4%	5,634	20.08	989	21.4%	5,649	20.08	986	21.4%	5,634	20.08
Meetings, conferences + events	300	40.0%	1,715	6.96	603	54.1%	3,443	13.06	914	56.2%	5,225	18.63	914	56.2%	5,225	18.57	914	56.2%	5,225	18.63
Other operated departments	93	40.8%	529	2.15	109	42.5%	620	2.35	127	45.0%	724	2.58	131	45.0%	746	2.65	130	45.0%	744	2.65
Total departmental profit	**7,584**	**49.9%**	**43,336**	**175.86**	**8,929**	**52.1%**	**51,023**	**193.47**	**10,302**	**54.0%**	**58,871**	**209.86**	**10,563**	**54.2%**	**60,362**	**214.58**	**10,537**	**54.2%**	**60,211**	**214.63**
Departmental income	**7,584**	**49.9%**	**43,336**	**175.86**	**8,929**	**52.1%**	**51,023**	**193.47**	**10,302**	**54.0%**	**58,871**	**209.86**	**10,563**	**54.2%**	**60,362**	**214.58**	**10,537**	**54.2%**	**60,211**	**214.63**
Undistributed operating expenses																				
Administration + general	1,019	6.7%	5,823	23.63	1,090	6.4%	6,230	23.62	1,179	6.2%	6,736	24.01	1,205	6.2%	6,887	24.48	1,202	6.2%	6,870	24.49
ICT	278	1.8%	1,586	6.44	313	1.8%	1,788	7.26	343	1.8%	1,962	7.96	351	1.8%	2,004	8.13	350	1.8%	1,999	8.11
Sales + marketing	970	6.4%	5,542	22.49	943	5.5%	5,388	20.43	963	5.1%	5,504	19.62	984	5.1%	5,622	19.99	981	5.1%	5,608	19.99
Utility costs	532	3.5%	3,043	12.35	600	3.5%	3,429	13.00	667	3.5%	3,814	13.60	682	3.5%	3,896	13.85	680	3.5%	3,886	13.85
Property + maintenance	494	3.2%	2,825	11.46	558	3.3%	3,188	12.09	620	3.3%	3,545	12.64	634	3.3%	3,624	12.88	633	3.3%	3,614	12.88
Total undistributed operating expenses	**3,293**	**21.6%**	**18,819**	**76.37**	**3,504**	**20.4%**	**20,024**	**76.40**	**3,773**	**19.8%**	**21,560**	**77.82**	**3,856**	**19.8%**	**22,032**	**79.33**	**3,846**	**19.8%**	**21,977**	**79.33**
GROSS OPERATING PROFIT	**4,290**	**28.2%**	**24,517**	**99.49**	**5,425**	**31.6%**	**30,999**	**117.54**	**6,529**	**34.2%**	**37,311**	**133.00**	**6,708**	**34.4%**	**38,330**	**136.26**	**6,691**	**34.4%**	**38,234**	**136.29**
Management fees																				
Base management fee	152	1.0%	869	3.53	257	1.5%	1,469	5.57	334	1.8%	1,907	6.80	341	1.8%	1,948	6.92	340	1.8%	1,943	6.93
Incentive management fee	300	2.0%	1,716	6.96	380	2.2%	2,170	8.23	457	2.4%	2,612	9.31	470	2.4%	2,683	9.54	468	2.4%	2,676	9.54
Total management fees	**452**	**3.0%**	**2,585**	**10.49**	**637**	**3.7%**	**3,639**	**13.80**	**791**	**4.1%**	**4,519**	**16.11**	**810**	**4.2%**	**4,631**	**16.46**	**808**	**4.2%**	**4,619**	**16.47**
Income before fixed charges	**3,838**	**25.2%**	**21,931**	**89.00**	**4,788**	**27.9%**	**27,360**	**103.74**	**5,739**	**30.1%**	**32,792**	**116.89**	**5,897**	**30.3%**	**33,699**	**119.80**	**5,883**	**30.3%**	**33,615**	**119.83**
Selected fixed charges																				
Property taxes	76	0.5%	435	1.76	86	0.5%	490	1.86	95	0.5%	545	1.94	97	0.5%	557	1.98	97	0.5%	555	1.98
Insurance	152	1.0%	869	3.53	171	1.0%	980	3.71	191	1.0%	1,090	3.88	195	1.0%	1,113	3.96	194	1.0%	1,110	3.96
Owners asset mgt fee	96	0.6%	549	2.23	98	0.6%	562	2.13	101	0.5%	576	2.05	103	0.5%	591	2.10	106	0.5%	606	2.16
FF+E (fixtures, fittings + equipment)	152	1.0%	869	3.53	343	2.0%	1,959	7.43	572	3.0%	3,269	11.65	584	3.0%	3,339	11.87	583	3.0%	3,331	11.87
Total selected fixed charges	**476**	**3.1%**	**2,722**	**11.05**	**698**	**4.1%**	**3,991**	**15.13**	**959**	**5.0%**	**5,480**	**19.54**	**980**	**5.0%**	**5,600**	**19.91**	**980**	**5.0%**	**5,602**	**19.97**
EBITDA / Net operating profit	**3,362**	**22.1%**	**19,209**	**77.95**	**4,090**	**23.9%**	**23,369**	**88.61**	**4,780**	**25.1%**	**27,312**	**97.36**	**4,917**	**25.2%**	**28,099**	**99.89**	**4,902**	**25.2%**	**28,013**	**99.86**

Notes:
Figures may not add due to rounding
In accordance with USALI standards, all figures presented exclude GST but include OTA and other commissions (captured under the sales and marketing department)
Source: THSA estimates

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