



Thursday, January 30 2025

Hopes for a better year for the accommodation sector

Peak industry body, Accommodation Australia, hopes solid occupancy figures during the holiday season will signal a better year for a sector hampered by a disappointing number of international tourists and increasing cost of living pressures.

For the year to December 2024, hotel occupancy rate was 71.3% compared with 69.5% in 2023 – an overall increase of just 1.8 percentage points¹.

“This is a solid result given international tourists remain at only 88% of pre-COVID levels and families across the nation are dealing with cost-of-living pressures,” Accommodation Australia CEO James Goodwin said.

Mr Goodwin said the slight increase in occupancy rates for 2024 was mainly due to some big events throughout last year like the Taylor Swift tour.

“These big concerts and events provided the sector with some much-needed ‘sugar hits’, but we can’t rely on international superstars to keep our hotels full all year round,” he said.

The average cost of a hotel room remained stable, only increasing \$2.50 to \$239.65, a rise of only 1.1% which remains well below the inflation rate.

“Hoteliers are absorbing rising operating costs to boost occupancy and there were actually falls in the nightly room rate in Tasmania, NT, ACT and Victoria,” Mr Goodwin said.

Looking ahead, Mr Goodwin said the sector hopes to improve growth across all areas.

“There has been a positive buzz around the holiday season with Sydney’s internationally renowned fireworks and the Australian Open in Melbourne all playing a role in boosting confidence in the first few weeks of the year.

“This a solid base from which we can consolidate, with 2025 the year we need to work with governments and other tourism stakeholders to focus on long-term, solid and enduring growth across leisure, events, and business travel to even out the peaks and lows of 2024,” he said.

	2024	2023
Australia	71.3	69.5
New South Wales	73.8	72.6
Queensland	71	68.8
Victoria	69	67
South Australia	68.8	68
Western Australia	76.6	73.4
Tasmania	71.8	70.5
Northern Territory	56.9	56.3
ACT	69.5	67.9

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¹ Source: STR Global <https://str.com/>