Luxury hotel could provide economic boost for Darwin

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A luxury hotel in Darwin would help attract more tourists and develop the city’s reputation as a unique business events destination by broadening the range of accommodation available, Chief Minister Adam Giles said today.

Mr Giles said there was significant interest from both local and overseas investors to develop a high end hotel in Darwin and the Northern Territory Government would soon open an Expression of Interest (EOI) process.

“A luxury hotel development would provide a massive boost to the Territory’s economy because of its potential to fill a gap in demand for high-end business and recreational visitor accommodation,” he said.

“Visitor numbers to the Darwin region are growing rapidly and projected to keep growing, so we need more accommodation across the different star ratings.

“A five or six star hotel would help market Darwin as a travel destination through increasing the range of accommodation offerings.

“It would also provide an opportunity to attract visitors with high spending and investment potential who may seek to invest in the Northern Territory.

“The Territory’s economy is performing well with the lowest unemployment in the country and the highest labour force participation rate. A luxury hotel development would mean more economic growth and more jobs for Territorians.

“It’s all part of the Country Liberals Government’s plan to create jobs and opportunities, drive the development of North Australia and build a $2.2 billion visitor economy by 2020.”

Mr Giles said internationally recognised hotel chains such as the Shangri-La Hotel groups and Accor (Sofitel/Pullman) had shown interest in establishing a brand presence in Darwin, should they find the right commercial arrangement or development partnership.
“While there are a number of new accommodation projects in the pipeline over the next few years, these developments are largely targeting the mainstream market, delivering the equivalent of four stars,” he said.

“The EOI process would help facilitate the development of a luxury hotel, achieving standards not previously seen in Darwin.

“A new hotel of this calibre would give Darwin a significant edge in the lucrative business conference market – which currently injects around $89 million into the economy each year.”

The EOI process is likely to comprise a two phase process involving an initial non-binding offer phase, followed by a short-listing process. Short listed bidders would then be invited to submit fully developed and costed final bids.

Assuming a suitable bid is received, it is anticipated that a contract would be awarded in 2016.

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