



**Australian Parliamentary Joint Standing Committee on
Northern Australia**

**Inquiry into Opportunities and Methods for Stimulating the
Tourism Industry in Northern Australia
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Australia's North West Tourism

Australia's North West Tourism (ANW) is the peak tourism marketing body for the Kimberley and Pilbara regions of Western Australia. It is a non-profit member-based organisation with a primary role of increasing awareness of the tourism aspects of the region to both domestic and international markets, and ultimately increasing visitation. It is one of five Regional Tourism Organisations which cover the State of Western Australia.

ANW's Board is comprised of elected representatives from its membership, as well as ex officio appointments from local government. The main source of funding for the organisation comes from the State Government via Tourism Western Australia. Other funding sources include Local Government contributions, membership levies and corporate partnerships.

The office of ANW is based in Broome and its core marketing functions include:

- Conducting media campaigns
- Attracting and hosting media visits to the region
- Attending trade and consumer shows
- Producing marketing collateral
- Maintaining an informative region-wide website
- Conducting social media communication and marketing
- Member and consumer newsletter communications
- Organising and hosting trade familiarisations to the region

The North West Region

The North West region is nearly one million square kilometres in size, and is comprised of the Kimberley and Pilbara sub-regions. It is renowned for its pristine wilderness, rugged outback landscapes, waterfalls, gorges, outstanding national parks including world heritage status, unique flora and fauna, and a range of Aboriginal cultural tourism experiences. The region has seen significant investment into tourism infrastructure by the private sector, and there are a number of world class tourism operators providing experiences such as:

- Remote luxury lodges and eco-tourism facilities
- Expedition cruising along the Kimberley coast
- Extended 4WD coach tours
- Fixed wing and helicopter aerial tours and scenic flights
- A range of accommodation options including 3, 4 and 5 star hotels and resorts, as well as backpacker facilities

The region caters for the fly and drive markets, as well as receiving visitors from cruise ships in both Port Hedland and Broome. Visitation is predominantly from domestic visitors, with international visitor numbers comprised mainly from the German, UK, New Zealand and USA markets.

The region is geographically remote in terms of its proximity to major population centres in Australia, and its own population is less than 100,000 people. Much of the region is located closer to South East Asia than it is to Sydney or Melbourne, yet a lack of air connectivity means that this market has been difficult to capture.

The region has very distinct seasons where weather conditions somewhat dictate visitor numbers. The region receives the vast majority of its visitors during the peak months between May and September – a small window in which operators need to generate sufficient revenue to carry over the quieter months from October to April.

The entire North West shares many of the same natural assets in terms of landscape, however there is a difference in the level of product development between the Kimberley and Pilbara. The Kimberley has developed a strong tourism brand and has a high level of tourism product available. The Pilbara is coming out of the mining boom with a firm focus on enabling economic diversification, and the development of tourism product is at the forefront of this.

Terms of Reference

1. Domestic and international tourism comprising: recreational, environmental, cultural, educational, and industrial tourism

The attractions in the North West, and the reasons why people travel to this remote region, are very much related to the landscape and the natural beauty of the region. Although some are on freehold title, the land on which the majority of these assets sit is in one of the following categories:

- Pastoral leases
- Aboriginal Lands Trust land
- National Parks and protected areas under Department of Parks and Wildlife

In addition to Native Title, each category brings with it its own set of rules and regulations, and whilst it is acknowledged that there needs to be some level of rigour in this area, the complexity is higher than elsewhere in Australia.

What has been highlighted though, by a growing number of operators, is the difficulty in developing tourism enterprises. It is not uncommon to hear of developments experiencing several years delay before all approvals are obtained and the business can commence.

Of particular note is the red tape associated with diversifications on pastoral land and the lack of suitable tenure for Aboriginal lands. Certainty of land tenure is essential to businesses in their quest to raise finance to enable investment in tourism development. Without this certainty they are unable to borrow against their asset.

Much of this has already been identified in the Northern Australian White Paper, however it is reiterated here due to its relevance in stimulating the tourism industry in Northern Australia.

Recommendation 1: Provide clarity, assistance and a more streamlined approach in relation to approvals processes that enable private sector investment in tourism infrastructure in the region.

Recommendation 2: Alleviate the complexities of land tenure that currently do not support landholders who do not have freehold title, including Aboriginal people and pastoralists, and are looking to develop tourism product on their leases.

The Pilbara region has recently gone through one of the greatest mining and construction booms that the State of Western Australia has seen. During this period the region found it difficult to maintain a healthy tourism industry as accommodation became expensive and hard to find and as tourism operators left the industry to take up more secure and higher-paying roles in the resources sector. This resulted in a dearth of tourism product in the Pilbara.

In recent years however, the focus in the Pilbara on a one-stream economy has changed, and there is a renewed intent to include tourism as a significant driver of the region's economy. The lack of affordable accommodation is no longer a factor and the region is primed to welcome an increasing number of visitors. It relies heavily on the drive market and there is now the opportunity to develop product that will encourage travellers through the region to stay longer and avail of the region's natural attractions. To do so the Pilbara needs to attract tourism operators and investors who are proficient in providing attractions and activities that cater to this market.

Recommendation 3: Provide incentives for tourism operators to develop new product in the Pilbara and help establish this region as a tourism destination of renown.

2. The role of peak bodies, local communities, and all levels of government in developing and promoting tourism opportunities nationally and internationally, including regulations and workforce issues that may inhibit tourism development

The tourism industry is quite complex in terms of the very large diversity of small businesses that operate in the sector. This complexity is exacerbated by the large number of member organisations, government agencies and other industry bodies that intersect with the tourism sector. A new entrant to the industry is often surprised and confused as to the multiple layers and organisations that they are required to engage with to successfully conduct their business.

The licencing requirements for operators are also complex, and with more areas of the North West being set aside for marine and terrestrial reserves, this is likely to increase.

Often tourism is seen as an industry to turn to when the prevailing industry in a region or a town experiences a downturn. This can lead to an ad hoc approach to planned tourism development and marketing.

Whilst there is overlap and duplication in the delivery of some services, such as destination marketing, there are other areas of the tourism sector, such as product development, that are lacking in terms of investment. A change to the structure of the State government authority in relation to its responsibility for product development has been particularly noticeable in the North West.

Recommendation 4: The entire industry could benefit from a more structured approach to the delivery of services and support for the tourism industry that removed duplication and provided clear delegation of responsibilities.

Recommendation 5: Appropriately fund those organisations so they are able to effectively deliver on industry expectations.

3. Communication and transport infrastructure (particularly air, sea, road and rail transport and port infrastructure) which may facilitate and grow tourism

Aviation is the lifeblood of the North West of WA, without which the region would grind to a halt. However whilst certain towns in the region enjoy reasonable air access (schedules and frequency) to Perth and/or other capital cities, the cost of air travel has had a major impact on the ability to stimulate tourism into the region. It is a constant source of complaint, either by existing customers or those who may be considering a holiday in the North, and appears to be the largest impediment to growing visitor numbers. This has been supported in recent research in the Kimberley and a link to this report appears below:

<http://s3-ap-southeast-2.amazonaws.com/wh1.thewebconsole.com/wh/7031/images/263103566-Broome--Kimberley-Perceptions-Research-Presentation-INDUSTRY-V---.pdf>

Most airlines will use sophisticated network and capacity planning (supply) and passenger and revenue forecasting (demand) processes to achieve optimal performance on a particular route and in particular markets. Together with knowledge of costs and competitive factors, these processes will determine the various fare levels available on a particular flight.

However, this approach by airlines will not necessarily lead to fare levels for tourism traffic that will grow this market segment. For example, on the Pilbara routes from Perth during periods of peak resource sector activity, airfares are often very high for leisure travellers who are competing with a high volume of corporate travellers for available seats. Fares today from Perth to Pilbara and Kimberley ports are still generally considered expensive by residents in the regions and by holiday makers wishing to fly within WA. Admittedly sale fares are sometimes available, but they are not always easy to use or available when tourists are planning to take their holidays. It is generally believed intra WA fares still cost significantly more on a per kilometre basis than what would be considered reasonable, particularly when compared to fares on the East Coast of Australia, or between Perth and destinations in South East Asia.

It is acknowledged that while government cannot dictate airline prices, it does have the ability to encourage competition and market development. Low cost carriers in other markets have changed the way people travel, and their expectations of what they are prepared to pay to travel. Competition on domestic routes to the North, with a mix of full service and low cost carriers, would encourage more price competitiveness.

Recommendation 6: Encourage domestic aviation competition where possible on key routes to the North to keep airfares to a minimum. Work with airlines to develop joint strategies to specifically develop tourism growth on key regional routes from key source markets.

Apart from the issue of the cost of travel on existing routes, the ability to develop new (domestic and international) routes is also critical to growing the tourism market in the North. Whilst route development was once seen as the responsibility of airlines, the aviation industry of today is extremely conscious of the need to provide an appropriate financial return. Airlines are no longer in the business of route development on their own, and they often now require significant risk mitigation before embarking on any new route operation. Airlines understand what gives them the best return, and a constant mantra is 'why would we risk additional flights to service and grow the leisure market in the North West if we can get a better return on aircraft flying on more established routes in other mature markets?'

Government can play a significant role in working with airlines to mitigate their risk in developing new routes to the North. This role cannot be expected to be taken up by private enterprise and local government on their own. State and Federal Governments can play a much more active role in this space. The Western Australian Government has a State Aviation Strategy that refers to this role and the outcomes of this need to be implemented.

Recommendation 7: Work with airlines and tourism bodies to develop new routes into the North West region that will stimulate tourism. Melbourne to Kununurra would be a perfect example of this.

The North West of Western Australia has two airports which are deemed to be international airports under the Customs Act – Broome and Port Hedland. Port Hedland operates a weekly service to Denpasar which is primarily outbound holiday-makers from the North West who are heading to Bali. Broome has no regular international services.

Broome is an aviation hub in the North West, with direct flights from Melbourne, Sydney, Brisbane, Perth, and from Darwin via Kununurra. It is the gateway to the Kimberley region as well as a stand-alone holiday destination. It has multiple resort accommodation properties and also has strong brand awareness in the domestic and international markets.

It has been a long-held ambition of the tourism industry in the North West to establish international flights from Singapore, to enable the development of the inbound market. Broome is the logical port for this in terms of its location (under 4 hours flying time) and the reasons above. It also has a large range of tourism operators who are active in international markets and who are working with

wholesalers and inbound tourism operators. International connectivity would allow the North West to further develop existing markets in Europe and the UK, whilst being able to tap into new markets in Asia – which is very much the focus of Tourism Australia. Broome also shares historical ties with many Asian nations through its unique history as a pearling town.

Recommendation 8: Support the development of international flights between Singapore and Broome that enables connections to/from Asia, Europe and the UK.

Road networks are crucial pieces of infrastructure that are of great relevance to the tourism industry. The North West has had considerable road improvements in recent years, but is still very reliant on a singular road network.

The following would be recommendations that would immediately help stimulate tourism in the North West:

Recommendation 9: The sealing of the Tanami Road between Alice Springs and south of Halls Creek. This has already been identified in the Northern Australia White Paper as a priority project.

Recommendation 10: The sealing of roads within Karijini and Millstream National Parks to enable better access to tourists.

Just as important as providing better access on some roads is the recognition of those roads that are attractive to tourists who are seeking an outback adventure. The Gibb River Road is renowned as one of Australia's great drive adventures, travelling through the heart of the Kimberley and passing through spectacular landscapes. The sealing of this road would take away that adventure experience, and it would also lead to disappointment for those travelling in conventional vehicles as many of the attractions and points of interest lie some way off the main road on unsealed tracks. Being the shortest route between Derby and Kununurra, it could also potentially take traffic off the Great Northern Highway, causing economic pain to Halls Creek and Fitzroy Crossing.

Recommendation 11: Maintain the Gibb River Road as an unsealed 4WD adventure route.

One of the key infrastructure requirements for the region is the improvement to port facilities. From a tourism perspective there is great opportunity to expand and grow the visitation of large cruise passenger vessels – should there be the infrastructure to allow it. Cruise vessels bring a large number of people to a port town – often over 2,000 at a time – providing significant economic stimulus to retailers and tourism operators.

Large cruise passenger vessels currently berth in the North West at both Broome and Port Hedland ports.

The north of Western Australia is located in close proximity to South East Asia - one of the world's busiest cruise regions. The North West is well-placed geographically to capitalise from the opportunity to encourage further cruise ship visits, however the port infrastructure, particularly in Broome, is not capable of adequately meeting expectations. Cruise vessels are currently by-passing

Broome as their size precludes them from berthing at the port due to lack of adequate berthing facilities. This is a lost opportunity for the Broome community.

By providing adequate cruise passenger facilities in the north of Western Australia, it ties into an overarching sea linkage for the north of Australia and complements the facilities already in place in Darwin and Cairns.

Any investment in port infrastructure needs to consider the adequate requirements of the cruise ship industry and the potential that exists in this market. This requires a long-term view to be taken to allow for the future economic opportunity that will come from appropriate development for all port users.

Recommendation 12: Invest in adequate port upgrades in the North West to allow for better cruise ship berthing and customer experience.