

Northern Australia Tourism Development

Submission to the:

Inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia

Submission from: Kakadu Tourism*

Background:

**Kakadu Tourism is an Indigenous owned organisation operating a collection of tourism experiences within Kakadu National Park. These include Yellow Water Cruises, 4WD Kakadu tours, cultural experiences, the Crocodile Hotel, and Cooina Lodge and camping grounds. It is the largest collection of facilities catering to tourism in Kakadu and is focused on positive indigenous outcomes.*

In the past two years Kakadu Tourism has invested significantly in upgrading its operations, facilities and services to provide greater incentive for tourists to visit and enjoy a positive experience while visiting the region.

The substantial investment in property upgrades, new product and media/promotional support for the region has produced an encouraging turnaround in performance for Kakadu Tourism businesses in 2016, but overall visitor numbers to Kakadu are still in a declining trend, suggesting that overall numbers to the Top End remain – at best – static.

The most recent Tourism NT regional profiles show that on a three-year average to 2015, 27,000 international visitors holidayed annually at Kakadu National Park — half the number of overseas visitors that were heading there in 2008. This is despite near double-digit growth in international arrivals to Australia over the past five years and a significantly lower Australian dollar.

A key reason for the extended period of decline has been the accommodation and flight situation in Darwin, which is the primary gateway city to Kakadu (and other outback areas in the Top End). Major resources projects from 2009 to 2015 saw access to accommodation in Darwin severely restricted, particularly in the peak season, and both flights to and accommodation in Darwin became prohibitively expensive for leisure visitors leading many travel wholesalers to ignore the market as it was perceived as being too difficult to sell the region in a price-sensitive market.

In the past year, a combination of decline in the resources sector and the opening of new hotel accommodation have made Darwin more accessible, but after years of being off the wholesalers' radar, reigniting demand to the Top End is not only going to take some time, but require major stimulus.

Key barriers to growing Northern Australia travel include:

- Lack of, and expense of, flights to Darwin

- Poor flight schedules
- No significant increase in flight schedules during peak periods
- Poor tourism infrastructure in Top End
- Reputation as an expensive destination
- Intense seasonality
- Distances involved and lack of transport options – expense and restrictions with car rental
- Lack of access to major tourism attractions, particularly in shoulder and wet season periods
- Negative perception of service standards, due to difficulty of accessing quality personnel across the year
- Lack of demand drivers for first-time and repeat visitors to the region (such as a major calendar of events)
- Perceived lack of diversity of product and experiences
- Uncertainty about the quality of the Indigenous experience that tourists will be able to participate in during their visit

While Kakadu Tourism has been able to attract significant media coverage of the region, reigniting interest through connection to the 30th anniversary of Crocodile Dundee and other innovative promotions, the wider perception is that Northern Australia is just “too difficult” to experience, despite the knowledge that the region provides unique landscapes and (potential) experiences.

This requires a massive change in perception if Northern Australia is to truly harness its tourism potential.

Recommendations to reinvigorate Northern Australia tourism

Access - air

Improved access is the key to growing Northern Australia tourism.

The overall growth in international and domestic tourism in Australia over the past seven years has been built on a massive expansion of flights to and around Australia – with the exception of the Northern Territory. Even in the peak season, flight access to Darwin is restricted, meaning expensive seating and poor flight schedules.

Internal access within Northern Australia also needs to be significantly enhanced. Kakadu is a major attraction with an international reputation, but for many tourists – particularly from emerging destinations such as Asia – time is limited, so road journeys involving trips of three or more hours will make many Northern Australia destinations impractical for inclusion in tour itineraries. It is essential to provide upgraded internal access by improving the capacity for major centres within Northern Australia to cater for charter or scheduled flights.

This then requires infrastructure in these major centres to transport groups to hotels and to visit key attractions.

This is particularly important for the high-yielding incentive & meeting market. Northern Australia has the potential to be a very attractive destination in the incentive market, but the lack of access and infrastructure severely limits operators' ability to grow this market.

- **Recommendation:** increasing flight services –international and domestic – to Darwin via incentives, subsidies, charters. Favourable landing charges could be offered, expansion of peak season services could be underwritten and complemented by major integrated promotional and marketing campaigns to ensure that the expanded services are sustainable.
- **Recommendation:** major investment in upgrading regional airports (such as Jabiru and Cooninda in Kakadu) to cater for medium sized jet aircraft, so that flights can be arranged from either gateway ports such as Darwin and Alice Springs or direct from major population centres (Australian and Asian cities). Runways will need to be enhanced and airport facilities significantly improved.

Access – ground

The viability of tourism in Northern Australia is severely restricted by the region's seasonality. Businesses often need to make the majority of their income in a window of four months during the 'dry' season, when in fact if infrastructure on the ground was more developed, the effective season could be expanded to eight months, and visiting the region could still be viable in the wet season if touring options remained open.

While there may always be difficulties in extreme weather conditions, in Kakadu's case, if there was year-round access to the key tourism icons – such as Gunlom, Ubirr, Twin & Jim Jim Falls, Nourlangie – this would allow tourism to grow sustainably, as it would enable tour packages to be (relatively) guaranteed. In 2016, not only were the major Kakadu icons inaccessible at the start of the season, but rains in September saw access cut off, despite the amount of rainfall being only moderate. The lack of certainty about access to tourism attractions discourages tour operators to prioritise Northern Australia's regions because of the uncertainty in being able to fulfil tour programs.

Having a year round tourism industry would also encourage more workers to establish themselves in the region on a permanent basis, enhance service standards, create reasons for complementary businesses to establish themselves and provide sustainable employment and training opportunities for Indigenous Australians.

For Kakadu, the end of uranium mining means that the region will depend on tourism as the major industry and employment provider. It is absolutely essential then that the region's world class attractions are actually available for visitors to experience.

- **Recommendation:** it is essential for Kakadu's major natural attractions to be accessible all year round (subject to extreme weather conditions). This means that roads to attractions such as Jim Jim & Twin Falls, Gunlom, Ubirr, Nourlangie are open for the vast majority of the year. Roads will need to be upgraded to make them less vulnerable to flooding so that 4WD access is available in all but extreme conditions.

- **Recommendation:** with improved road access it is important that complementary services (camping grounds, toilet facilities, communications) be upgraded to provide a complete tourism experience

Connectivity

One of the most critical aspects of travel in wilderness areas is communications and connectivity, particularly from a safety aspect but increasingly from a promotional opportunity. A journalist or 'influencer' being able to communicate with 200,000 followers as they experience one of the world's most inspiring sunsets on Ubirr is a priceless promotional opportunity. Unfortunately, in most areas around Northern Australia and in prime tourist areas like Kakadu, communications remain 'basic' or non-existent.

Private operators working on tight margins do not have the capacity to upgrade internet access because of the prohibitive costs. Federal and Territory governments need to develop the infrastructure to cover all major tourist attractions, major highways and tourist areas.

- **Recommendation:** establishment of wireless connectivity nodes with wide-scale coverage footprints all major tourist areas and attraction locations. Subsidising operators to be able to provide affordable/free internet access in tourism areas around Northern Australia

Development and diversification of tourism activities

A major study needs to be undertaken to identify the products and tourism activities that potential visitors want to experience in Northern Australia and then support the findings with the establishment of businesses to match market needs through incentives and marketing support.

'Nature' and Indigenous engagement will always be key drivers of tourism in Northern Australia, but at present the region's tourism potential is not supported by enough consumer-friendly products. Visitors want 'experiential' travel, but that requires significant investment in development of product, then marketing it domestically and internationally.

The activities could be bush-food related, fishing, bird watching, trekking, Indigenous heritage, art, photography etc. Importantly, they need to be authentic.

Recommendation: development of a 'menu' of authentic and unique tourism experiences to complement the landscape and heritage of regions such as Kakadu. These could be delivered under a "Premium Collection" of experiences to highlight the top-level nature of the experiences. These would be marketed in particular to markets such as Europe, America and to adventure-interested Australian travellers.

Upgrading tourism product

Northern Australia has access to some of the most remarkable natural attractions in Australia, but in many cases they are difficult to access. What is required is development of more tourism-friendly access to key sites through creation or upgrading of trekking routes, opening up of more rock art sites, better access to and facilities at rock pool sites (with more investment in crocodile clearance and preventative actions to increase water hole access and use across the year), and better signage throughout the Park.

The impact of investment in tourism facilities is evident across Australia. For instance, a standout example is in the Torndirrup National Park near the former whaling town of Albany on the south coast of Western Australia, where a \$6 million upgraded path and a new steel lookout suspended over the sea was completed at The Gap and Natural Bridge in early April. By the end of September, more than 185,000 people had taken the dog-legged walkway to watch waves hit the cliffs, more than double the number of visitors recorded there in the same six-month period in 2014.

‘The great walking treks of Kakadu’ should be developed, with appropriate camping and tourist facilities to complement the development of the product. ‘The world’s greatest rock art collections’ could be another unique product that would capture the attention of tourists wanting something special and highly distinctive to attract them.

- **Recommendation:** development of unique trekking, art and touring product, complemented by extensive promotion by national and tourism bodies.

Events – annual calendar of authentic and accessible events

Northern Australia has vast potential for being a destination of remarkable events that attract visitors from around the world. Events also have the potential to put a destination constantly in the spotlight so that it remains front of mind for tourism throughout the year. Northern Australia – and particularly the Top End – has a very ‘moderate’ events calendar, largely because with such a small local population and the high cost of visiting, events have had difficulty developing and sustaining themselves.

Festivals such as Garma, the Kimberley Moon Festival/Ord River Muster and Field of Light at Uluru have highlighted the potential of events tourism that make the most of the natural locations.

Similar innovative and consumer-friendly/accessible events need to be developed, marketed and made permanent inclusions in a dynamic Northern Australia festival calendar.

These events need to be both broad-scale and specific. Kakadu, for instance, needs assistance to develop its Bird Festival into a significant international event that would attract international visitors to Australia specifically for this event. It is a high-yield tourism attraction that needs to be progressed from its current status to maximise its potential.

Indigenous events such as Mahbilil need to be expanded and made more professional. Cycle races – such as a Jabiru to Cooina race – need to be instigated as part of an annual calendar of activity-related events. Fishing competitions, high level photography tours,

bush-tucker festivals and art events need to be elevated from their present status into major events capable of attracting international and domestic tourists.

For instance, Kakadu has some of the world's most significant rock art. A co-ordinated Festival in a shoulder season period could be established to provide a focus on this exceptional asset. It would require Federal/Territory co-ordination, and some flexibility in access to sites, but would showcase one of the region's primary attractions on a national and international stage.

- **Recommendation:** significant increase in funding for development of a major events calendar for regions in Northern Australia to interest initial visitors and attract return visitors. The events need to reflect the local environment, with a strong Indigenous vein, but also adventure and experiential activities.

Indigenous employment initiatives and training academy

With mining related work set to cease in Kakadu in 2021, it is imperative that training and development of Indigenous youth for the tourism sector be started in earnest.

Firstly, there needs to be greater incentives and support for tourism operators to provide long-term career opportunities for Indigenous Australians in northern Australia. With major seasonality, there are difficulties providing year-round opportunities for labour, so operators require support to employ, train and retain Indigenous employees.

A longer term solution to the issue is the establishment of an Indigenous tourism training academy in northern Australia.

The Indigenous Academy in Uluru has had a profound impact on Indigenous engagement and participation in Uluru, and the same can apply for the Top End, with a training academy established in Jabiru to provide opportunities for Indigenous residents of Northern Australia to learn a tourism career and then use the skills in the local region or beyond. They would, in particular, provide the nucleus of employees to establish Kakadu as one of Australia's premier regions for Indigenous-driven tourism.

The Academy would also train established workers in the industry to broaden and enhance their skills – their abilities and confidence in dealing with tourists, while maintaining their identity and character.

The Academy would operate with local businesses to provide practical experience working in the industry.

A secondary benefit will be to help retain Jabiru's position as an important and 'living' regional centre in the wake of ERA's departure and the closure of the mines.

- **Recommendation:** Federal, State & Territory governments to provide more Indigenous Employment incentives/programs to encourage operators in the tourism and hospitality sectors to employ, train & retain indigenous employees. This will also

ensure that employers are encouraged to maintain these tourism employees over the “wet” season and provide sustainable career paths.

- **Recommendation:** An Indigenous tourism training academy should be established at Jabiru to provide training and career development in the tourism industry for Indigenous youth and existing workers. The Academy would be established in Jabiru and work in conjunction with Kakadu Tourism and Territory/Federal education bodies to provide training in tourism and hospitality operations, including a “train the trainer” course to enable long-term solutions to Indigenous employment and skills development.

Access to labour

The seasonality of Northern Australia tourism means that the region will always rely (to a large extent) on seasonal and temporary workers. A reduction in seasonality – by implementing measures outlined in this paper – would allow for greater development of local staff, and the establishment of an Indigenous Academy would provide a regular flow of potential employees, but a wider solution to employment and skills issues is required if Northern Australia is to meet the service requirements of a highly competitive modern day tourism industry.

Issues such as the ‘backpacker tax’, restriction of temporary working visas and the cost of travelling to and working in Northern Australia work against the region attracting a constant flow of appropriately-skilled workers to drive the tourism industry.

It will be essential to create a new level of professionalism in Northern Australia destinations such as Kakadu if it is to fulfil its tourism potential. This will require a ‘whole of Government’ approach to stimulate the flow of workers to Northern Australia. This might require tax breaks, relocation assistance, a dedicated scheme to get young Australians in major cities to spend a ‘gap year’ working and travelling in Northern Australia, and other measures. It will require creativity and co-operation across Federal, State and Territory governments to implement and drive the strategy.

- **Recommendation:** Development and implementation of a ‘whole of Government’ employment strategy to encourage greater number of temporary and long-term workers to Northern Australia to work in, and develop, the tourism industry

Indigenous Arts & Photography Centre

Kakadu’s renown for Indigenous art provides the region with a unique attraction that can be developed into a substantial integrated operation that provides interpretive tours to rock art sites, a major exhibition and retail centre for Indigenous artists, year-round training and workshop studios for visitors to learn from Indigenous art masters and a complementary facility for landscape photography, which is one of the major drawcards for visitors to Northern Australia.

The Centre could showcase Festivals and also be a key attraction during the wet season and shoulder periods of the tourism season.

The Centre would provide training for Indigenous artists, bringing in Indigenous artists from around Australia to develop the Centre's potential as one of Australia's most important venues for Indigenous art and outback photography.

- **Recommendation:** establishment and long-term funding of an Indigenous Arts & Photography Centre at Jabiru

Jabiru as a 'centre of excellence' for Indigenous tourism

With Jabiru providing a unique base within a world-renowned National Park, and with the town's previous function as a support centre for mining set to end, a new vision for the town as a 'centre of excellence' for Indigenous tourism should be a priority. This would see many of the existing facilities utilised to support tourism enterprises such as the proposed Indigenous Academy, the upgraded Jabiru airport, and other potential businesses such as a bush foods restaurant and training centre, new Indigenous art centres, an Indigenous Film Centre, and an Indigenous Adventure Travel Centre.

This would help establish Jabiru as a major base for tourism, with year-round attractions. The available housing would also be utilised for workers on tourism infrastructure projects in the region, providing a long-term vision and future for the town to support the growth of Kakadu as one of Australia's premier tourism regions.

The proposal has the significant benefit of having a town that is already in place with facilities that can be easily switched from a mining orientation to tourism. The town already caters for a large population of Indigenous families and the transformation of the town into a year-round tourism centre will provide certainty for support of the local Indigenous population, along with sustainable job opportunities.

- **Recommendation:** a 'whole of Government' commitment to establish Jabiru as a Centre of Excellence for Indigenous tourism in Northern Australia, with long-term funding for the creation and development of new businesses to make the destination a showcase for sustainable Indigenous tourism enterprises

Intensive and long-term media promotion and famil program

The success of Kakadu Tourism's 'Crocodile Dundee' inspired media program during 2016 (commemorating the 30th anniversary of the Crocodile Dundee film, which was largely set and filmed in Kakadu) highlights the benefits of a "seeing is believing" approach to media promotion of Northern Australia.

The cost of operating media familiarisations – especially for broadcast media – is high, but the results are overwhelmingly positive and have the ability of attracting audiences across the globe through the power of the imagery contained in these broadcasts.

Tourism NT has limited funds to support media families, and the costs of organising major media families is prohibitive for individual operators working with very small promotional budgets and limited staffing.

What is required is a concerted campaign running over at least three years that brings media in from a wide range of channels – newspapers, magazines, TV, online, pictorial, industry, domestic, international – to capture the attractiveness of Northern Australia and inspire their readers/viewers to follow suit. A journalist experiencing a remarkable adventure is likely to resonate far more strongly than a paid advertisement. However, integrated into the program would need to be some advertising and marketing spend in key publications and media outlets to complement the coverage from the media families.

The fund would identify key media outlets to support, for instance nature-based and adventure travel channels that have a specific affinity with travel to destinations such as Northern Australia.

- **Recommendation:** establishment of a 'Northern Australia tourism media promotion fund' aimed at developing a three year campaign to provide and fund international and domestic journalists with family itineraries to experience and report on the tourism wonders to be managed through Tourism Australia

Film funding

The single most important promotional event for Kakadu (and Northern Territory) tourism was the filming (and global success) of *Crocodile Dundee* in the 1980s and 1990s. It exposed the remarkable landscape, the laconic characters and the Indigenous spirituality of the region to tens of millions of people across the world, particularly in key markets such as USA, UK and Europe.

Films such as 'Australia' and 'Last Cab to Darwin' have kept Northern Australia in the public spotlight, but one of the most effective ways of selling a destination to the wider audience is by supporting TV and film producers who can showcase the region as an integral aspect of their film/TV show.

Whether this is mass-consumer style like "Survivor" or more specific programs like the Kakadu documentary, exposing the attractions of Northern Australia through film & TV should be an absolute priority. A fund to support productions of TV and films in the region will have long-term and profound benefits for the region.

Complementing the funding programs for film production could be the establishment of an Indigenous Film Centre in Jabiru to showcase Indigenous film and TV for visitors as well as provide facilities to support film production and training.

- **Recommendation:** greater focus on attracting international and domestic media – particularly film and broadcast – to showcase the regions in Northern Australia. This fund should also support hosting of domestic TV shows (Today, Sunrise, Getaway etc) to ensure the region is promoted to a wide audience. Also, funding of more

specific-interest areas – nature (birds, fishing), culture (Indigenous culture), food, heritage and art.

Summary

The example of Uluru highlights the potential of a far-sighted, well funded and fully integrated tourism strategy, which has managed to transform a rapidly declining tourism destination into a popular and vibrant destination that provides wider benefits to Indigenous Australians.

Uluru is a single destination and has the benefits of world-class tourism infrastructure, while ‘Northern Australia’ is a vast area with variable and often outdated tourism infrastructure managed under different governments and administrations. This does pose issues which in the past have meant that solutions to developing tourism in Northern Australia have largely been shelved or put in the “too hard” basket.

A decisive and long-term solution to the issue of developing Northern Australia’s tourism potential is to concentrate on specific areas such as Kakadu which have already established tourism industries, but which require significant impetus and resources to transform the sector into a major operator and employer capable of attracting and satisfying tourists, while also providing economic opportunities for the local community.

The recommendations of Kakadu Tourism to develop Kakadu’s tourism potential could be a ‘model’ for other regions in Northern Australia, especially as there is an imminent deadline of 2021 for Kakadu to cease all its mining related activity and re-invent Jabiru as a service town supporting other industries.

We would strongly recommend the Inquiry to examine our proposals and we would welcome the opportunity to discuss these ideas in more detail with the Inquiry.

We believe that a visit to, and hearings in, Kakadu would greatly assist Inquiry members in understanding the issues, challenges and opportunities involved in developing Northern Australia’s tourism potential. We would welcome the opportunity of co-ordinating such a visit.

Chair
Kakadu Tourism