



# Inquiry into opportunities and methods for stimulating the tourism industry in Northern Australia

## **City of Karratha Submission to the Joint Standing Committee on Northern Australia**

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City of Karratha

Welcome Road, Karratha WA, 6714

T 0891868500

F 0891851626

E [enquiries@karratha.wa.gov.au](mailto:enquiries@karratha.wa.gov.au)

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## 1 Introduction

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- 1- The City of Karratha makes this submission to the Federal Parliament's Joint Standing Committee on Northern Australia reference to its inquiry into opportunities and methods for stimulating the tourism industry in Northern Australia.

## 2 Executive Summary

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- 2- Northern Australia is vital to the rest of Australia. This importance is based on people, industry, resources, climate, natural attractions and geography. It is home to over 1.2 million people. It is a destination of choice for many domestic and international tourists.
- 3- The City of Karratha is rich in Aboriginal and European history and culture. This represents part of the appeal of the place. The Pilbara also has unique landscapes and allows a visitor to get in touch with nature.
- 4- Karratha itself, however, is one of the youngest and fastest growing Cities in Australia; established in the 1960s to serve the iron ore industry and expanded rapidly due to tremendous growth in the iron ore and oil and gas sectors. Karratha is now a thriving regional centre, with substantial investment in City Centre and community infrastructure. It is a modern and well services town and a great base for tourism in the region. The City of Karratha presents a great opportunity to increase domestic and international tourism expenditure through adding unique experiences to the mix.
- 5- The City's Operational Economic Development Strategy 2014-2016 identifies tourism as a main focus area to develop in order to diversify the City's economy, which is dominated by an impressive resources sector, which also forms part of a tourist experience in visiting the City.
- 6- The City will be the main arrival point and the main service centre for North Western Australia due several factors:
  - Substantial investment in foundation infrastructure that is increasing liveability.
  - Attractions such as rock art, Aboriginal cultural experiences, National Parks, the islands of the Dampier Archipelago, warm winters, beaches, waterways, reefs, fishing and marine life.
  - The City of Karratha's geographic proximity to other attractions such as Karijini National Park and Ningaloo and the Asia-Pacific region.
- 7- The City is working to stimulate the tourism industry. A study conducted by the City in December 2015 identifies the following priorities:
  - Developing the City's Nature-Based Tourism around key natural assets including Murujuga National Park, Millstream Chichester National Park, Dampier Archipelago and the coast.
  - Developing the City's Cultural Tourism around the heritage areas of Cossack and Roebourne.

- Industrial Tourism which would build on promoting the exiting iron ore industry.
  - Receiving cruise ships.
  - Enhancing local events.
  - The development of man-made attractions.
- 8- The development of the tourism sector in the City of Karratha faces some challenges, including its remoteness and the development of suitable tourism infrastructure, a suitably equipped local tourism industry and a destination marketing campaign.
- 9- The City of Karratha wants to work in cooperation with the Australian Government to increase the amount of tourism that occurs in Australia's North West, and in the City in particular.

### 3 Recommendations

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10-The City of Karratha makes the following recommendations:

- **Recommendation 1:** Invest in critical tourism infrastructure including financing the sealing of roads to national parks, building tourist accommodation, improving tourist amenities, building of marinas and enhancing the accessibility of the region by supporting interstate and international flights to the main tourist arrival points.
- **Recommendation 2:** Support the City with its destination branding and marketing strategy, which the City is committed to investing in over the next three years, and promote North Western Australia on the international stage.
- **Recommendation 3:** Support the development of the tourism business sector and establishment of new tourism businesses through the provision of funding and training.
- **Recommendation 4:** International Investment Attraction to the tourism sector in North Western Australia and having local representation at international tourism expos and shows to promote their locality.
- **Recommendation 5:** Work with native title holders to free up business investment opportunities.
- **Recommendation 6:** Establish a University in Karratha to serve North West Australia's need for skilled labour and to attract international students.

### 4 Overview of opportunities

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11- The Pilbara Tourism Product Development Plan commissioned by the Pilbara Development Commission in November 2014 and the Tourism Venture Feasibility Study commissioned in December 2015 by the City of Karratha both resolved to identifying a group of tourism ventures that present an opportunity for Karratha.

12-Nature based tourism: City of Karratha has a group of natural assets that could be used as the main attractor for young people, young families and grey nomads who are looking to extend their visit to North Western Australia. The main attractions include:

- Murujuga National Park: The park lies within a larger National Heritage Listed place, created in July 2007 over the Burrup Peninsula and the Dampier Archipelago. The area contains one of the densest concentrations of rock engravings in Australia with some sites containing thousands or tens of thousands of images. A number of government bodies including Pilbara Development Commission, Department of Parks and Wild Life, Department of State Development, Pilbara Regional Council, Tourism WA and the City of Karratha work along with Murujuga Aboriginal Corporation to develop a business plan for developing the infrastructure of the park in an attempt to put on the radar of tourists. The business plan will revolve around finding means to promote the camping with Custodians experience and the cultural heritage experience of the park. The success of the project requires funding for the road access, the building of the life Centre and the establishing of amenities and accommodation.
- Millstream Chichester National Park: Millstream enjoys many advantages over Karijini in that it has a greater level of year-round water flows and its terrain is more accessible by a greater portion of the population. Activating the park and allowing it to attract a larger number of visitors requires the sealing of all park roads and the sealing of the Karratha- Tom Price Road. The sealing of the road will provide convenient two-wheel drive access and connection between the City, Karijini National Park and Millstream Chichester National Park as part of the already established Warlu Way tourist route. The park also lacks accommodation and basic amenities.
- The Dampier Archipelago comprises 42 islands, islets and rocks lying within a 45 km radius of the town of Dampier on the north-west coast of Western Australia. The islands of the Dampier Archipelago have significant conservation, historic and archaeological values. Dampier Archipelago has good potential to become the adventure tourism hub in Karratha. Adventure tourism involving high adrenalin activities that take place in a natural environment, e.g sea kayaking, diving, snorkling, etc. The activation of the project requires finding means to reserve and maintain the islands and promoting it to investors and tourists.

13-A rich Aboriginal and European culture is regarded as one the City's major tourism assets, especially given that Heritage and historic tourism is one of the most rapidly expanding tourism segments globally, in terms of number of visitors. In order to stimulate tourism in that realm, the concept of camping with custodian has been introduced. The aim of the concept is to showcase the way of life of the Aboriginal people as a "one of a kind" tourist experience.

The success of the experience requires funding support for projects like the Murujuga National Park and the marketing of the experience.

- 14-The built heritage of Cossack and Roebourne, as well as the Aboriginal art in Roebourne, contribute to the cultural tourism experience available in the City. A plan for the future development of Cossack as a tourist destination centred around the historic townsite has been developed and would contribute to a unique tourism experience in the City.
- 15-Industrial tourism: Rio Tinto, Woodside are world leaders in the resource sector that have their operations based in the City. These operations are massive on an international scale; the biggest trains in the world, the biggest ships in the world. This provides an opportunity to showcase these operations to visitors. A part of any visitor's trip to the City includes an experience of these massive industries. The history associated with these industries is also fascinating. The City and Rio Tinto are interested in establishing a rail museum in the City.
- 16-Cruise ships are one of the fastest growing tourism sectors worldwide and gradually WA has appeared on the cruise ship map. Western Australia has witnessed significant industry growth, with expenditure increasing from \$22 Million in 2005/06 to \$185.7 Million in 2011/12 and average growth over the period of 35% annually. Unfortunately, the City is not yet on the cruise ship map. The Cruise Ship strategic plan 2012-2020 doesn't include Dampier as a stop for cruise ships. The City has the capacity to host cruise ships through the Dampier Port, which is accessed via the islands of the Dampier Archipelago. Cruise passengers provide short, sharp injections into the local economy and if well managed can be the catalyst for a significant local industry.
- 17-Events and festivals can draw increased visitation and expenditure, repeat visitation, heightened regional awareness and word of mouth recommendations. The City of Karratha already has a successful year round program of festivals and events, some of which draw visitors from far and wide and some which are nationally significant – such as the Cossack Art Awards. Events that occur in the City have contributed positively to increasing the liveability of the City and activating the City Centre. The City now has facilities such as the Karratha Leisureplex and new Red Earth Arts Precinct that can host major events on a state-wide and even national scale. The City also has an environment that lends itself to accommodating specialty events in activities such as mountain biking and water sports. The events have contributed positively to the local economy of the city providing local shops and provider a medium to sell their products. In order for local events to attract a considerable amount of external attendees who are willing to spend extra nights in Karratha, events have to be paired with other component of the tourism industry which includes but not limited to: destination marketing and destination management.
- 18-Beaches: during the cooler months, tourists can escape the winter cold and enjoy camping on the City's coastline. The City already has beach camping areas at Cleaverville and 40 Mile and aims to open up access to camps at

other coastal locations and on the Dampier Archipelago. It is expected that camping will also be an option in the Murujuga National Park. In order for the beaches of Karratha to attract international tourists and a significant amount of domestic tourists, it requires developments and establishment of basic amenities such as toilets, showers and shaded areas. Investment in such infrastructure will make a difference to how the City is viewed by tourists.

- 19-The Caravan and self-contained traveller market is important to both WA and to the Pilbara. The current length of stay for leisure visitors to the Pilbara is 4.2 nights in total and just 2.9 for domestic overnight leisure visitors. This data highlights that most of this caravan market is likely driving through the Pilbara, staying a minimum amount of time. If more tourism products and activities is made available for caravanners and self-contained travellers, then they are likely to stay longer. There is anecdotal evidence to suggest that the savings that these travellers often realise by spending 1-3 nights in a low cost camping area is then available to spend on tourism experiences, meals or other goods and services that they can procure from the local market. The City is targeting coastal camping as a part of the tourism market that it can easily grow.
- 20-Tourism destination marketing is the process of communicating with potential visitors to influence their destination preference, intention to travel and ultimately their final destination and product choices. Tourism WA has been the main driver for developing and implementing marketing and communication strategies to build awareness and desire to visit Western Australia to domestic and international markets. Tourism WA has produced Australia's North West Destination Development Strategy 2007-2017, however, there is not a destination marketing strategy for the Pilbara region. This leaves the Pilbara out of the picture when tourists are considering their holiday plans. The City of Karratha is currently investing a considerable amount of money to prepare its own tourist destination marketing strategy. It would be fantastic if the Australian Government could support the City with its tourist destination marketing.
- 21-Visitor Information Centres were originally established to provide visitors with information about a place. Today Visitor Information Centres are the "shop window" for the place and its local tourism industry. The City of Karratha funds the Karratha Visitor Centre to provide information to visitors. Visitor Centres need to be supported in order to provide visitors with information and extend their stay in Northern Australia.

## 5 Communication and transport infrastructure

- 22-Northern Australia is remote and essential services tend to be concentrated in larger townships. Karratha is rapidly evolving into the City of the North West. It is important at a national level to have a designated regional centre in North Western Australia as the direct connection from the eastern states and from overseas. The Karratha Airport is already one of the busiest airports in

Australia. The City of Karratha is working to internationalize its airport by chartering direct flights to Singapore. A decision needs to be made about which centre will be utilised and that centre and the links to it then need to be supported to make the links viable. Karratha is the logical centre for a direct connection from the eastern states and from overseas into North Western Australia.

- 23-For its part, the Australian Government has already committed nearly \$5 billion of its \$50 billion nationwide investment in transport infrastructure to the north. The recent and long overdue \$172.2 Million upgrade to North West Coastal Highway (the link between Perth and Karratha) between Carnarvon and Karratha makes this road a much safer journey for travellers, with many amazing coastal locations to visit along the way.
- 24-Karijini National Park is already a tourist destination of international significance. The distance from Perth to Karijini National Park is approximately 1,500km. The road between Karratha and Karijini is partly unsealed, which is an obstacle to tourists wanting to travel between these two destinations. Even with the road in its current condition, it is only 3.5hrs from Karratha to Karijini. A full sealed road would reduce travel time to 2hrs and make it a much safer trip.
- 25-Cruise ships already stop at Broome, Port Hedland and Geraldton. Dampier would be a great addition to cruise ship routes along the west coast, with the opportunity to cruise in through the islands of the Dampier Archipelago, witness and learn about the industries that operate from the area and the rich European heritage, and experience the strong Aboriginal culture of the area. The West Pilbara is recognised Australia-wide as a great place for fishing. Small marinas exist at Dampier and Point Samson, which provide convenient access to fishing grounds. The construction of a new marina at Dampier will improve facilities for visitors and access to the islands of the Dampier Archipelago. The City is establishing a camp area on East Lewis Island so visitors will be able to experience these beautiful islands.
- 26-A high speed rail link between Perth and the North West would increase the accessibility of Australia's North West.
- 27-The fact that Karratha is a large regional centre and the presence of large industries in the City of Karratha mean that mobile phone coverage across the municipality is quite good. The roll out of the NBN, which is currently being rolled out in Karratha, is seen as a positive in terms of making it more convenient for visitors in the City of Karratha.
- 28-**Recommendation 1:** Push investments in critical tourism infrastructure including financing the sealing of roads to national parks, building tourist directed accommodation, improving tourist amenities, building of marinas and enhancing the accessibility of the region through international flights and affordable domestic airfares.
- 29-**Recommendation 2:** Destination branding and marketing. There is a need for developing a branding strategy for tourism in the North. There is also a need to target international markets.



**30-Recommendation 3:** Develop the tourism business sector. Encourage business start-ups is essential through provision of funding and training.

## 6 Issues inhibiting tourism development

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**31-Accommodation:** It is generally agreed that the most critical issue affecting the Pilbara is the lack of tourist accommodation in the region which places a significant constraint on the tourism industry's ability to expand. The key driver of this lack of accommodation capacity is the influence of the resource sector in the area. Most of the hotel and caravan park accommodation available in Karratha were largely booked out in advance and for long periods of time by mining and construction companies during the boom. Although this challenge is currently fading away by the end of the boom period, other challenges still exist. Development of low impact eco style accommodation in Millstream National Park and on the Burrup Peninsula, and the development and formalisation of accommodation at popular coastal and rivermouth sites such as Point Samson, Cossack and Cleaver Ville are also seen as ways to alleviate accommodation shortages in the region. Accommodation at the different locations would increase the number of nights the tourists stay in Karratha.

**32-Activities, amenities and tour operators:** According to a survey carried out by Tourism WA, Stakeholders agree that attractions in the Pilbara hold the most appeal amongst adventure travellers with activities such as fishing, four wheel driving and camping core to the tourism offer in the region. However, beyond the natural tourism experiences, stakeholders feel that there is room to improve the quantity and quality of interpretation to improve visitor understanding and experiences in the region. It is generally agreed that outside of the major townships, visitor amenities (such as public toilets, showers, roadside facilities and visitor servicing) are almost non-existent. There are significant number of nature and cultural based adventure tour operators based throughout Australia that package premier adventure holidays in Western Australia. However, Karratha is not on their radar. There are probably a number of reasons including being dramatically overshadowed by Broome and the Kimberley's, as well as the commercial/industrial look and feel of Karratha which presently does not present the right image for leisure visitors.

**33-Land tenure:** Land arrangements are more diverse across the north than the south. Northern Australia has proportionately more determined native title, more Indigenous land and more pastoral leases than southern Australia (PM&C, 2015). Together, these interests in land make up an area in the north which is about double that of New South Wales and Victoria combined (PM&C, 2015).

The land tenure issue poses serious barriers to investment and economic development in the north included:

- The capacity for external investors to negotiate multiple tenures and jurisdictions in securing approval for development proposals.
- A lack of flexibility to diversify and uncertainty over future security of leases for the pastoral and agriculture sector.
- Delays on permits, challenges negotiating native title access and inconsistent water regimes for the mining industry, and;
- A backlog of unresolved claims, and an inability to use land as security for finance and mortgage purposes by Indigenous land owners.

To support and enable sustainable northern development, land tenure arrangements should be ahead of the game, actively identifying areas with opportunities and working with interested parties to resolve initial barriers and reduce the time required for investors to negotiate agreements.

WA requires supporting tenure mapping of Western Australian communities to support changes that make land tenure more consistent with freehold, reducing costs and burdens associated with land use and development.

**34- Qualified workforce:** The north's skill sets reflect its industry structure, with its share of (largely) 'blue collar' jobs well above the national average. Collectively, technicians, trade workers, machine operators, drivers and labourers represent over 40 per cent (around 267,000) of northern jobs — well above the national average of around 30 per cent (Department of Employment, 2015b). There are significant personal and financial barriers for labour to move to, and within, the north. Despite the fact that those challenges are common amongst all sectors and industries in the North, the tourism sector suffers more than other sectors in the Pilbara. The tourism and hospitality sector in Karratha tended to solve their problem by filling the gaps with 487 visas. In 2015, The Western Australian Government started working with the Department of Immigration and Border Protection and the Pilbara Regional Council on a proposed Designated Area Migration Agreement (DAMA) for the Pilbara. The project remains on the table of discussion and negotiation and no positive steps were undertaken to implement the initiative. One way to work around the issue is to encourage people off welfare. Encouraging aboriginal communities to gain the skills to fill those jobs is a solution for the issue and plays a role in empowering the community. The other aspect is education and training in the Pilbara. The offering of courses in the local TAFE has been limited. Most of the young people who live in the Pilbara and wish to undergo undergraduate studies have to leave to Perth or other major city to pursue their studies. The establishment of a university in the Pilbara is becoming crucial to keeping the skills in the region. Although a proposal and feasibility for a Pilbara university has been developed in 2016, the project is waiting for State funding.

- 35- **Recommendation 4:** International Investment Attraction to the tourism sector. Promoting the region to international investors through a marketing campaign and a group of incentives is required. The representation of Local government in international tourism expos and shows would assist in promoting their locality.
- 36- **Recommendation 5:** Resolve land title complexities. Ensuring a more efficient land title process would create more certainty and clarity for investors. In addition, supporting native title holders to engage with potential investors would add to the investment potential.
- 37- **Recommendation 6:** Establish a University in the Pilbara to serve the region's need for skilled labour and to attract international students from the Asia- Pacific and Middle East Regions.

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