

Karratha Tourism Ventures Feasibility Study

City of Karratha

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Executive Summary

The City of Karratha is seeking to grow its tourism base to promote economic diversification after many years of dominance by the mining and resources sector and, in return, increase economic benefits to communities and the region alike.

This report identifies the most suitable tourism products and infrastructure that will promote the uniqueness of the destination, encourage visitation and provide experiences that will ensure repeat visits.

However, identifying opportunities is only one step in destination development; the prioritising of these opportunities to encourage their timely realisation is the next step. The attraction of developing such tourism products (and ancillary services) undoubtedly lies in their ability to generate a sufficient return on investment to encourage investor appetite.

Destination Karratha

Karratha was established in 1960s due to the tremendous growth of the iron ore industry. Today, it is a busy, modern and well-serviced town and potentially a great base for exploring Millstream Chichester National Park, Karijini National Park and the 42 islands of the Dampier Archipelago.

Since 2010 the Pilbara Cities Initiatives, Karratha City of the North Plan and Royalty for Regions programmes have been instrumental in diversifying the economic landscape of the region to support anticipated high levels of population growth.

Tourist visitation to Karratha is characterised as follows:

- The number of visitors for the year ending in June 2015 was 425,000.
- Of these day visitors (38%), domestic overnight (58%) and international (4%).
- June to September being cooler months are peak visitation times.
- Travel for business purposes makes up approximately 50% of visitation.

Karratha has a plethora of good attractions. These include natural attractions such as the islands, beaches, waterways, reefs, marine life, national parks (e.g. Millstream), cultural attractions such as rock-art, indigenous communities, heritage attractions such as Cossack and Roebourne. There are also great activities such as fishing, walking, touring, sea-kayaking, food and wine, etc. The most unique opportunity in Karratha, incomparable in any other Australian shire, is the proximity and access to the Resources sector infrastructure. There are two resources tours, however, these are not particularly immersive or high touch experiences.

Tourism Opportunity Identification & Assessment

In consultation with stakeholders an initial list of tourism opportunities was identified. This list was categorised and the individual opportunities further described and subjected to a high level assessment process. The assessment process allowed an independent ranking of opportunities to facilitate a more focussed examination, prioritisation and further development of five opportunities.

The ranked assessment of all identified opportunities categorised by time scale and theme is shown in **Table E.1**. Those opportunities which were identified as having a high potential to be implemented with almost immediate effect were weighted more positively. In addition, opportunities for which the City of Karratha were considered to be more readily able to provide funding assistance to, also received a more positive weighting.

Table E.1 Ranked Assessment of Identified Opportunities Categorised by Theme

Opportunity	Weighted Average Score	Total Score	Nature	Heritage & Culture	Adventure	Industrial	Events
<1 year							
Guided walks	1.60	9.30	X	X	X		X
Outback experience tour	1.58	9.60	X	X	X		
Indigenous cultural tours	1.58	10.60	X	X			
Resource tours	1.58	10.60				X	
Rock art tour	1.58	10.60	X	X			
History tours	1.58	10.60	X	X			
National Park tours	1.58	10.20	X	X	X		
Weekly market	1.56	8.50					X
Staircase to the moon activities	1.52	8.90					X
Mountain bike riding	1.50	8.50					X
Rock climbing & abseiling	1.46	8.30	X		X		
Sea kayaking	1.46	8.30	X		X		
Destination marketing program	1.42	9.10					
Heritage trails	1.40	8.70	X	X			
Movie trails	1.40	8.70		X			
Independent walks	1.40	8.30	X	X			
4 wheel drive safaris	1.38	8.20	X	X	X		
Outdoor leadership groups	1.38	7.60	X	X	X		
Photography tours	1.38	9.60	X	X			
Holiday homes	1.38	7.60					
Events calendar	1.36	8.50					X
4 wheel drive trails	1.26	7.30	X	X	X		
Volunteer/working holidays	1.18	6.60	X	X			
Pastoral and station stay	1.18	6.60	X	X			
Paragliding	1.18	6.90	X		X		
Quad bikes	1.14	6.70	X		X		
Land zoning	1.06	6.00	X	X			
Diving and snorkelling	1.02	6.10	X		X		
Charter/game fishing	1.02	6.10	X		X		
Investment attraction	0.82	4.40					
Investment incentives	0.38	2.60					
1-2 years							
International air routes	1.58	9.90					
Nature-based camping at Millstream	0.98	7.20	X	X	X		
Free campground	0.86	5.60	X	X			
Improved road – Route 142 to Millstream	0.58	5.20					
Expanded visitor centre	0.56	4.10					
Island glamping facility	0.48	3.40	X	X			
Marina	0.38	2.90					
3-5 years							
Cruise ship tender wharf	0.96	6.10					
Botanical garden	0.94	6.70	X	X			
Karratha Arts and Community Precinct	0.90	6.20	X	X			
Wildlife park	0.70	4.80	X	X	X		
Aquarium	0.70	4.80	X	X	X		
5 star tourist park	0.60	4.70					
4 star hotel	0.52	4.60					

Opportunity	Weighted Average Score	Total Score	Nature	Heritage & Culture	Adventure	Industrial	Events
Luxury boutique spa resort	0.44	3.90					
Backpackers hostel	0.36	3.50					
3 star hotel	0.32	3.30					

Source: AEC

Opportunity Themes

The opportunity assessment highlighted several key themes that, whilst not unique in their presence, are unique in terms of what Karratha has to offer. Five recurrent tourism themes were identified which, if thoughtfully created and packaged, will not only promote the tourism offering in Karratha and encourage increased overnight from diverse leisure markets, but will also fit well with the overall product offering of the Pilbara and North West regions generally:

Adventure Tourism

Description: Adventure tourism is a type of niche tourism involving exploration or travel to remote areas, where the traveller should expect the unexpected. Adventure tourism is rapidly growing in popularity as tourists seek unusual holidays, different from the typical beach vacation.

Karratha Vision: To develop an adventure activity tourism industry hub in Karratha with the Dampier Archipelago being the primary destination for partaking in such experiences and supported by an accommodation, service and activity hub at a central and easily accessible location.

Adventure tourism incorporates high-adrenalin activities that take place in a natural environment, e.g. sea kayaking, mountain bike riding, quad biking, paragliding, diving, snorkelling, etc. Adventure tourism is central to positioning Karratha as the "Playground of the Pilbara".

Heritage & Cultural Tourism

Definition: Cultural heritage tourism is traveling to experience the places, artefacts and activities that authentically represent the stories and people of the past and present. It includes cultural, historic, and natural resources."

Karratha Vision: To establish low-impact guided cultural tours in and around Karratha that highlight the Aboriginal culture and history of the region and convey the historical, cultural and natural stories of the region.

Nature-based Tourism

Description: Nature tourism is responsible travel to natural areas, which conserves the environment and improves the welfare of local people i.e. it is tourism based on the natural attractions of an area. Examples include birdwatching, photography, stargazing, camping, hiking, fishing, and visiting national/conservation parks.

Karratha Vision: Karratha, with the Dampier Archipelago and Millstream Chichester National Park as its natural attributes, is well placed due to its natural and built assets to be developed as a hub for nature experiences such as bushwalking and geotourism. Given that guided walks rank at the top our opportunity assessment exercise, we have explored this opportunity within areas of special natural interest to yield maximum "wow" factor.

A series of well-promoted walks, most of which are less than two hours duration but also featuring some longer, iconic walks, would contribute to positioning Karratha as a "Lost Wilderness Wonder" and complement the more adrenaline activities associated with the proposed adventure hub. Tracks could be extended to walking, cycling and even equestrian users.

Industrial Tourism

Description: Industrial tourism is tourism in which the desired destination includes industrial sites peculiar to a particular location. The concept is not new, as it includes wine tours in France, visits to cheesemakers in the Netherlands, Jack Daniel's distillery tours in the United States etc. but has taken on renewed interest in recent times, with both industrial heritage sites and modern industry attracting tourism

Karratha Vision: To establish an interactive interpretation centre and tours that communicate the importance and relationship of the mining and resource sector in Karratha and allow visitors an immersive experience of the scale, nature and people in the various resources industries exposed in Karratha to day and overnight domestic and international visitors.

Other Themes

The opportunity assessment has identified other opportunities that could be implemented within a one-year timeframe including:

- **Destination marketing program.** Position Karratha as a "new tourism destination" within the Pilbara and North West of Western Australia that will encourage increased visitation and tourism spend from the day visitor and overnight domestic and international market sectors.
- **Investment attraction and facilitation.** To enhance the economic development of Karratha by strengthening its role as a tourism destination and, in doing so, go beyond its role as the mining gateway of the Pilbara and day trip destination. This will require significant investment in new attractions, infrastructure and supporting facilities and amenities in order to attract and cater to overnight destination visitors.

Opportunities with Investment Potential

There is potential for further investment and fresh ideas that will lead to innovative new features that complement the natural, historic and cultural landscape of Karratha. To fully realise this potential five opportunities were chosen that have potential to be creatively explored further and developed into well-considered proposals that will encourage increased visitation to Karratha and the wider Pilbara region. Please note that although our ranking assessment methodology yielded opportunities which were presented before the TAG (as part of the short-list of opportunities), further pragmatic discussions between Council and AECgroup resulted in identification of the following five projects which are considered to have immediate investment potential:

1. **Island Glamping** in the form of luxury-glamping or eco-camping on the Dampier Archipelago.
2. **Watersports Hub** that will develop Karratha as the water playground of the Pilbara.
3. **Cultural Tour** that further highlights the unique indigenous offerings of the Karratha region.
4. **Karratha Events Unit** dedicated to promoting, managing and delivering signature events to Karratha via a consistent monthly and annual calendar of events.
5. **Mining Hall of Fame** that will showcase the Pilbara's rich, diverse and unique resources sector to the public.

These five development opportunities have been considered further with respect to the overall vision of the tourism product, anticipated demand and market appeal, indicative pricing points, estimated capital investment, operational costs, and likely involvement of government agencies and other related industry bodies in realising these development opportunities.

A Note of Caution

What Karratha is missing is the tour operators that allow visitors to connect with all of these potential experiences, the accommodation and overall product quality, service standards and pricing that tourists expect, and the marketing and promotion to connect tourists with those products. It was not within the scope of this project to provide a critique of the current marketing and promotional efforts undertaken by the City of Karratha and associated tourism associations. Nor was it within the remit to provide an assessment of the future marketing potential of the investment opportunities identified as a result of our weighted ranking assessment methodology.

The quality and pricing issue is largely due to high demand from the mining sector and minimal increase in supply. This has resulted in high priced accommodation and other services and a low reinvestment in product quality. Short supply also tends to foster a service culture where customers are expected by suppliers to modify their needs to suit the supplier.

These issues warrant consideration before new investment in products is sought to provide leisure visitors with the unique Karratha experience.

It is AEC's view that until, and unless, a range of contemporary, quality accommodation at competitive prices is available in Karratha that, irrespective of new products developed, visitors will continue to visit other regional destinations with more competitive accommodation and similar tours and attractions.

