

KIMBERLEY CENTRE FOR CULTURE, ART AND STORY

VISITORS TO BROOME AND THE KIMBERLEY

Welcome to the second Project Update for the Kimberley Centre for Culture, Art and Story (KCCAS). In late 2016, a vision was created for... An iconic multi-functional centre that is a major new attraction for Chinatown (Broome), interactively showcasing the full diversity and depth of Broome and the Kimberley region's people, natural history, art and culture for visitors and locals.

For KCCAS to be feasible, it will need to appeal to visitors to Broome. Following significant visitor research for the Project, this update takes a look at who the visitors to Broome are, and what they want.

KEY TAKEAWAY MESSAGES FROM THIS UPDATE

Here's the take away messages from this Update:

1. KCCAS must focus its design on providing highly appealing experiences to visitors not local residents
2. Most visitors to Broome and the Kimberley are seeking more immersive and interpretive experiences – one approach could be to deliver a cultural centre that is far more interactive and challenging in its content than conventional centres have been
3. There is a gap in the market to develop more Aboriginal experiences in Broome, as an introduction to marketing Indigenous tourism across the Kimberley – one approach could be a cultural centre that delivers this
4. There is a gap in the market to provide richer information about experiences in the Kimberley, including an improved visitor information service – one approach could be a shared cultural and visitor information centre
5. There will be operating challenges for the Centre around the seasonality of visitation to Broome, even allowing for higher shares of visits to the Centre when other attractions in the low seasons are more challenged by weather conditions



HOW IMPORTANT IS THE VISITOR ECONOMY TO BROOME?

Broome has around a quarter of a million visitors each year, who stay an average of six nights. There are around 16 visitors to Broome annually for every Broome Shire resident, which emphasises that KCCAS feasibility will be built on appealing to visitors rather than local residents.

Broome and the Kimberley are far more dependent on tourism (the visitor economy) for employment, than Western Australia is.

Table 1: Estimates of jobs in tourism related sectors, total jobs and share of the population in employment in the Kimberley region LGAs and for WA in 2011

| LGA or region | Share of employment in tourism related sectors | Total jobs in LGA or region | Share of total population in employment |
|---------------------------|--|-----------------------------|---|
| Broome (S) | 15% | 6,849 | 46% |
| Derby-West Kimberley (S) | 6% | 2,515 | 30% |
| Halls Creek (S) | 5% | 959 | 27% |
| Wyndham-East Kimberley(S) | 11% | 3,607 | 46% |
| Kimberley region | 12% | 13,930 | 40% |
| Western Australia | 7% | 1,073,646 | 48% |

Source: ABS Census 2011, Table builder software

The share of the total population in employment in the Kimberley region is lower than for WA. Other data, indicates that this is largely due to much higher Aboriginal unemployment and the 40% share of the Kimberley population that is Aboriginal.

However, Broome Shire reliance on tourism employment is far higher than State averages when measured with an alternative measure. This measure uses results from the WA tourism satellite account and the share of WA visitor spending in the Broome Shire. In 2015 Broome Shire had an estimated 1,750 jobs due to direct impacts of tourism spending using this methodology which represents around 25% of jobs in the Broome Shire. In Western Australia there were 64,000 jobs directly due to tourism spending in 2014/15, or 4.7% of WA total employment².

HOW HAS VISITATION TO BROOME GROWN COMPARED TO WA?

Tourism to Broome has fallen significantly in the last five years compared to tourism to Western Australia. For example:

- Broome Shire clearly lost visitation compared to WA as a whole – particularly in holiday visits as the critical purpose of tourism for visits to a cultural centre ; and
- Holiday overnight visitors to Broome fell in the most recent five years compared to the preceding five years by 7%, while this class of visitor increased by 21% to WA.

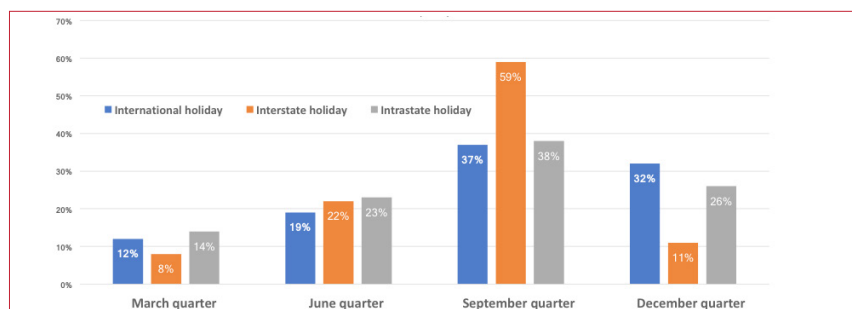
Figure 1: Growth in visitation to Broome compared to WA 2012 – 2016



WHAT IS THE CURRENT PROFILE OF VISITORS TO BROOME?

The Broome visitor market is very seasonal, due largely to the climate making certain times of the year uncomfortable.

Figure 2: Visitation to Broome by quarter of the year for the 5 years ending 2016 (source: TRA, NVS, IVS)



The local importance of the visitor economy, makes the very weak tourism growth a larger problem for the Broome economy. Feedback from local stakeholders is that high airfares and petrol prices are a major deterrent on visitors to Broome especially visitors coming for a holiday.

¹Tourism Research Australia estimates of overnight tourism spend in the area and State Tourism Satellite Account data

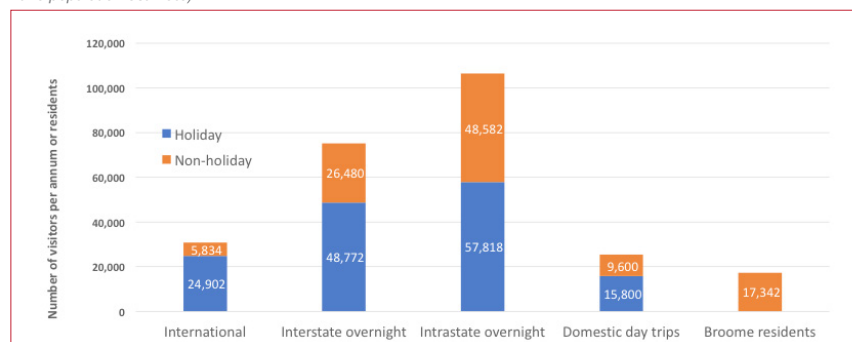
²Tourism satellite account for Western Australia

³Between the average of the five years of 2007 to 2011 and the average of the five years 2012 to 2016



The mix of visitors to Broome is highly unusual in Australia due mainly to the access challenges of reaching the destination. Domestic visitors to Broome are normally older, often being grey nomads. The family market to Broome is very small as is school age local population, which suggests that a KCCAS need not be particularly designed for children.

Figure 3: Estimated visitors and residents in Broome in 2016 (Source: 5 year averages of TRA, IVS and NVS and ABS 2016 population estimate)



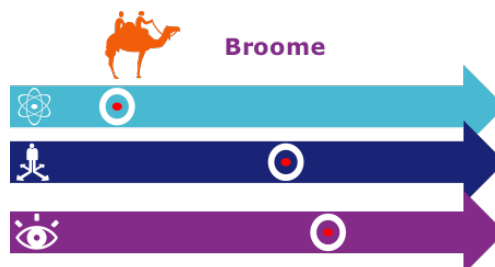
WHAT ARE THE CHALLENGES HOLDING VISITOR GROWTH BACK?

Like other parts of WA, three key challenges for growing tourism in Broome and the Kimberley are cost of access, significant time/distance required and lack of knowledge of the offer. Airfares to Broome are perceived as a critical constraint, turning off many potential visitors.

A recent study⁴ by tourism consultants TNS, suggested that given that costs of access and time/distance are hard to change, one way to tackle the challenges is to improve the perceived value of reaching the destination, by enhancing the tourism offer on three dimensions. It was recommended to improve the density, diversity and uniqueness of tourism across the region. ⁴TNS (2016) Identity and Perceptions of Broome and the Kimberley (Report)

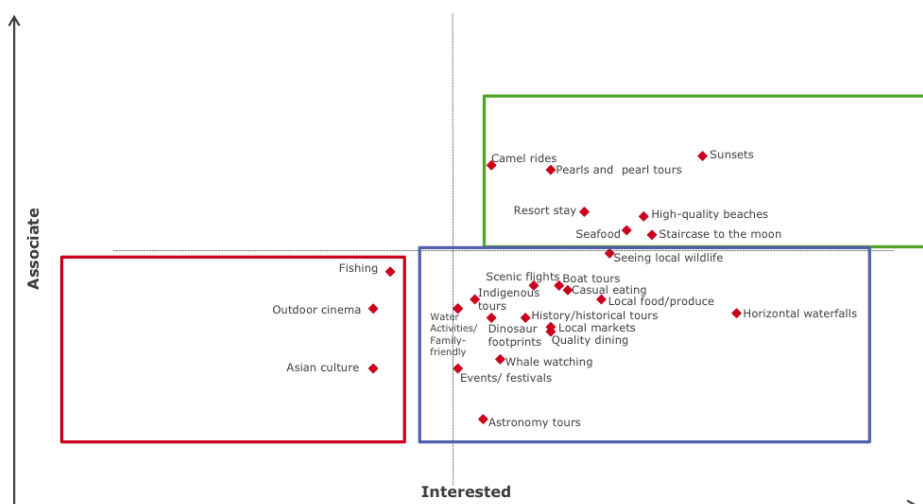
Figure 4: How to overcome tourism constraints for Broome and the Kimberley region (Source TNS 2016)

Three main factors are required to overcome these barriers ...



The TNS study found Broome was weakest in Density of experiences – some tourism stakeholders have suggested that current experiences in Broome can be pretty much exhausted within two days. Challenges with Density and Diversity of experiences is reflected in marketing being dominated by words like relaxing, beach, pearls, camels and Cable Beach. The study further analysed the tourism offer in Broome by mapping them on a matrix that compared the level of “interest” and the level of “association” with Broome. Figure 5 suggests a strong interest and association with natural attractions, but a weaker interest and association with cultural tourism.

Figure 5: Comparison of level of visitor interest and the level of association with Broome (Source TNS 2016)



(2016) Identity and Perceptions of Broome and the Kimberley (Report)

SOLUTION – STRENGTHEN BROOME AS THE GATEWAY TO THE KIMBERLEY

The TNS study identified that Broome can increase the density, diversity and uniqueness of its experiences by offering itself as the front door and major centre of the Kimberley region. Kimberley region was found by TNS to have very strong uniqueness of its experiences – the strongest of six major tourism regions TNS have so far analysed in WA (Broome, Perth region, Margaret River region, Ningaloo region and Albany region). By providing a front door in Broome to Kimberley experiences a new cultural centre would also increase the diversity and density of experiences in Broome.

Whereas 9% of the TNS market research sample were interested in future in visiting Broome alone and 7% the Kimberley alone, 83% were interested in visiting both Broome and the Kimberley. TNS found the Kimberley adds uniqueness, adventure and extraordinary experiences to a Broome holiday. Broome adds coastal experiences and relaxation to a Kimberley holiday.

TNS concluded that the current relationship of Broome and Kimberley tourism was that Broome is the gateway to the Kimberley. They argued that the future relationship should be a far closer association with framing of Broome as ‘the’ town of the Kimberley (e.g. “Capital of the Kimberley”).

Only 10% of non-visitors to the region knew much about the Broome/Kimberley area. TNS also identified weaknesses in Broome in tourists being able to access information about available experiences. Preliminary discussions with the Broome Visitor Information Centre (VIC) highlighted that their funding model forces a focus on getting transactions (that generate commission income) rather than promoting available opportunities. While this is a common problem of VICs in Australia, in Broome it undermines the development of the tourism industry and closer links to making the most of Kimberley tourism product.

HOW MANY VISITORS MIGHT COME TO A KCCAS?

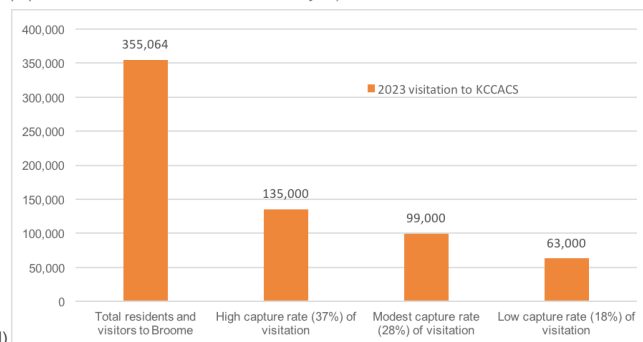
While a concept has not yet been developed, it is useful from the onset of the Project to generate “ballpark” expectations of visitation. High, medium and modest expectations for KCCAS visitation were framed on the basis of the analysis of the market for visitation to Broome, and feedback from stakeholders and the TNS study on the existing density of attractions. We suggest that total visitation to KCCAS in 2023 will be between 63,000 and 135,000⁵. In comparison the National Anzac Centre in Albany WA, received approximately 140,000 visits over its first two years of operation.

Capture rate estimates are based on KCCAS as a paid attraction capturing the following shares of annual visitors by purpose of visit:

- 40 – 75% for international holiday markets;
- 25 – 60% for interstate holiday markets;
- 15 – 30% for intrastate holiday markets;
- 10 – 20% for day visit holiday markets;
- half the above rates for non-holiday visitors; and
- 14 – 36% for local residents.

⁵This forecast assumes entry to main attraction requiring a visitor charge (though this is yet to be determined)

Figure 6: Estimated visitors and residents in Broome in 2023 and “ballpark” estimates of visitation to KCCAS (Source: Official TRA forecasts for visitor growth to Regional WA, ABS population forecasts and consultant’s analysis)

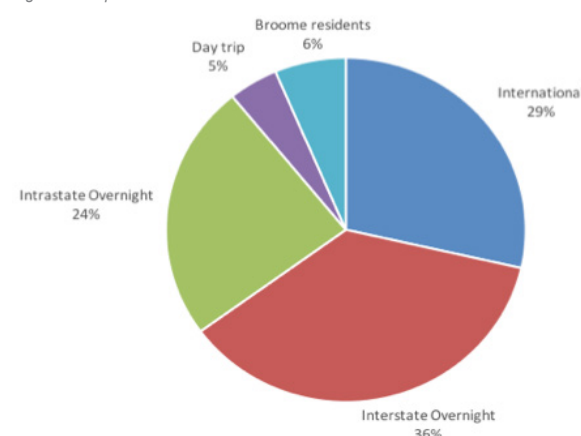


WHO MIGHT BE THE TARGET MARKET FOR A KCCAS?

While local residents can provide supplemental visitation and income to cultural visitor centres, the target market for a KCCAS should be visitors not residents. The main reason for this is the very small population of Broome (see Figure 7).

The main target market should be older visitors (55+) from interstate, as this is the largest segment coming to Broome with the strongest interest and take-up of cultural tourism. In addition, this market largely travels to Broome by air and 72% of them have household incomes over \$110,000, so they can afford premium cultural tourism experiences. Supplementing this should be younger markets from Europe – this market largely travels to Broome by road.

Figure 7: Proportion of visitors to Broome



NEXT UPDATE:

In Update 3, we will report on visitor research specific to cultural experiences in Western Australia.

PROJECT CONTACTS:

How to be involved:

See Project Update 1 at: <https://kccas.smcARTHUR.com>

Project contacts:

For further information relating to the Kimberley Centre for Culture, Art and Story please contact:

For general enquiries or information relating to the Broome Chinatown Revitalisation please visit the project website

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For general enquiries or information relating to the Broome Chinatown Revitalisation please visit the project website

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