



Tourism

SPECIAL REPORT



Photo by Natalie Su



Tourism pins hopes on east coast surge

PRIMED MARKET: Much of the additional hotel capacity in Perth last year, including the 204-room Ritz-Carlton Perth, remained vacant in the aftermath of



Jordan Murray

jordan.murray@businessnews.com.au

6-PAGE FEATURE

IF much of the media coverage in recent weeks was to be believed, Western Australia's tourism sector is mounting a major comeback across the board.

Having backed the sector with two WA-focused marketing

campaigns, the state government has put the best-possible spin on data showing a strong increase in accommodation bookings and visits to the regions.

But a broader look at the sector suggests the revival has been more scattershot, particularly with regard to niche tour operators, hotel rooms and meeting spaces in Perth.

The unpredictable nature of COVID-19's spread was a major contributor to these issues.

In March, the state government launched the 'Do it in WA' campaign, a \$5.2 million push for WA locals to visit the regions to prop-up businesses in the wake of Australia's ban on international arrivals.

Only a matter of weeks later, however, the government followed the advice of its chief health officer, Andrew Robertson, and banned inter-regional travel in WA, redirecting funding for the 'Do it in WA' campaign to keep tourism operators on life support.

To coincide with the lifting of most regional travel restrictions on May 29, the government launched the 'Wander out Yonder' campaign, which encouraged people from the metropolitan area to visit popular spots such as Broome and Margaret River.

Tourism Minister Paul Papalia promoted extraordinary occupancy rates in the South West, while data from Tourism Research Australia indicated visitation had

“What we’ve got is a two-speed economy - Evan Hall

dropped by a far smaller rate than the national average in June.

Missing peak

The perspective from observers was the industry had recovered behind WA's hard border, much to the frustration of Tourism Council WA chief executive Evan Hall.

“We lost Easter, the school holidays, and the best part of the opening season in the north,” Mr Hall told *Business News*.

“While everyone moved on, a lot of businesses did not survive


that period, and the reason was because tourism is so seasonal and driven by peaks and troughs.

“What you had were a lot of businesses that invested in marketing, recruiting staff and supplies for a peak period that never arrived.”

WA's hard border has generally been seen as an effective public health policy, because the state has recorded fewer than 800 cases of COVID-19 while defying national economic headwinds to grow by 1 per cent.

Data & Insights

1,274

ROOMS ADDED TO
PERTH'S HOTEL
MARKET IN 2019


It is unclear what effect a partial reopening of WA's border will mean for the state's beleaguered tourism sector.

COVID-19. Photo: Gabriel Oliveira

Not surprisingly, while convincing Perth residents to visit the regions wasn't the hardest sell given the pent-up demand, the government's \$500,000 pitch for 'a Perth staycation' had a harder time gaining traction.

In Perth, hotel occupancy rates, long heralded as a leading indicator for market performance, plummeted, despite the market adding more than 1,200 rooms in 2019, according to *Business News's* Data & Insights.

"What we got was a lot of media coverage that wasn't really representative of where the industry was at," Mr Hall said.

"Those who are not doing well are doing very badly, and those

that are busy are very busy, but that doesn't necessarily mean they're getting the value.

"Western Australians do not spend as much as interstate visitors.

"You've got volume but not necessarily the same spend."

Hotels are illustrative of this dynamic.

Mr Hall points out that many throughout the CBD would usually rely on out-of-state businesspeople to stay in business. Now, just small handfuls operate as venues for quarantining international travellers.

Though the service meets a public health need, it is far from sustainable operating practice, given each returning traveller

pays about \$2,500 to quarantine in a hotel room for 14 days.

For perspective, a back-of-the-envelope calculation using results from Crown Hotel's most recent annual report finds that, if that visitor spend was applied to the occupancy rate its three hotels in Perth recorded over the past financial year, it would earn just \$4 million in revenue per month.

Without revenues from gaming and other non-accommodation services to offset those losses, that would equate to a year-on-year loss of more than \$500 million for its WA businesses.

"What we've got is a two-speed economy," Mr Hall said.

"The businesses that are very busy are in regional accommodation and hospitality.

"For those geared up for an out-of-state visitor who's not self-reliant, they're the ones in trouble."

This was at least part of the reason why Mr Hall had so loudly campaigned for WA to reopen its border in recent months.

He's been careful in public appearances to couch his lobbying with the caveat that any easing of restrictions should be accompanied by sound guidance from health professionals.

By this past month, WA had become a willing outlier to a national consensus that all states and territories would reopen to the rest of the country by Christmas.

Perturbed by opinion polls that showed ongoing support for a hard border, Mr Hall sought to put his thumb on the scale, commissioning his own poll with Ipsos to measure broader sentiment about the duration and nature of WA's hard border.

"The only polling I'd seen was, 'Do people like the border?'" he said.

"We were trying to get the sense of whether the community thought this was a long-term thing.

"For that part of the industry that fundamentally cannot operate without interstate visitors or staff from interstate ... what would happen if we reach the end of March [2021], JobKeeper runs out, and the hard border is still in place?"

Mr Hall got the answer he was looking for. More than 70 per cent of respondents said they wanted the state government to set a date for the border to reopen, while a slightly smaller number said they would support travel to all states and territories, bar Victoria and NSW.

That polling and the media coverage that resulted were likely factors in the state government's change of stance just four days after its release.

Now, as of November 14, WA will reopen its border to all states and territories that go 28 days without recording a locally transmitted case of COVID-19.

It's a decision Mr Hall believes was well overdue.

"From August onwards, the message [the state government] was hearing was that tourism businesses were really busy," he said.

"That's certainly what consumers were seeing, but neither Perth customers nor ministers were visiting the tourism businesses that were empty.

"It gave a perception that was not quite real."

Many in the industry will likely breathe a sigh of relief, as welcoming a higher volume of interstate visitors should allow the industry to try to meet the \$15 billion quarter-on-quarter shortfall it finished with at the end of June.

Perth's hotels market also stands to benefit, with TFE Hotels and Prendiville Group's addition of 230 extra rooms to Perth's market this year now far more realistic than it would have appeared even three months ago.

Still, few to no international visitors for the foreseeable future may yet present a challenge, given interstate visitors spent just \$1,156 when they arrived in the state this past financial year, compared to a \$2,286 spend by international tourists, per Tourism WA.

It would appear the public and private sectors in Australia have made peace with the indefinite disappearance of international tourists.

While the federal government has telegraphed its bullish confidence in a COVID-19 vaccine being available at some point in the next year, its own budget indicates the border isn't likely to reopen until late 2021.

The rollout of an effective vaccine both nationally and globally may also delay the extent to which the border reopens, possibly delaying a full reopening for years.

Some, such as the nation's beleaguered airline, Qantas, have acknowledged this pessimistic reality while pushing to at least resume business in the domestic market.

Given the reality the industry now faces, one thing Mr Hall sees as favourable to WA as a tourism destination is its diversity of geography and offerings compared to the rest of Australia.

Any success, though, will depend on WA reopening its domestic border to NSW and Victoria, where more than half of Australia's population resides but are at present precluded from entering this state due to their rates of community transmission.

Assuming trends hold and both of those states effectively quash spread of the virus, WA should reopen to both by December, in time to infuse a struggling industry with significant cash flow.

Data from Tourism Research Australia, however, indicates WA could lose in this scenario, given it received just 9 million domestic visitors in the past financial year compared to 30 million in NSW and 23 million in Victoria.

Not that Mr Hall appears worried; if he's learned any lesson in the past six months, it's that expectations and perceptions hardly equate to an assured outcome.

"Most of the industry will survive and perhaps even prosper without international travel if we open to all states in Australia," Mr Hall said.

"The reason we'll do well is we have a north and a south; we have a winter and summer season, and there are a lot of visitors in Australia who've never been to WA before.

"The four -or five-hour flight might have been a barrier in the past, but it will make us seem like the international holiday [tourists] can't otherwise have."

Data & Insights

WA's LARGEST HOTELS-RESORTS

Ranked by star rating, then by total number of rooms



Rank	Company name	Senior executive and title	Year est. in WA	Total staff in WA	Total No. of Rooms	No. of Business Convention Rooms	Largest Meeting Capacity	Star Rating	Hotel or resort operator
1	Crown Towers Perth	Mr Andrew Cairns Executive general manager	2016	6,000	500	15	1,550	6	Crown Hotels
2	Pan Pacific Perth	Mr Rob Weeden General manager	1973	338	486	18	700	5	Pan Pacific Hotels Group
3	Crown Metropol Perth	Mr Andrew Cairns Executive general manager	2003	6,000	395	15	1,550	5	Crown Hotels
4	The Westin Perth	Mr Peter Brampton General manager	2018	235	368	9	840	5	Marriott International
5	Hyatt Regency Perth	Mr Ribhu Chatterjee General manager	1988	429	366	15	1,000	5	Hyatt Hotels
6	Duxton Hotel Perth	Mr Riaz Mahmood General manager	1996	182	306	8	300	5	Duxton Hotels International
7	Parmelia Hilton Perth*	Mr David Constantine General manager	1968		284	10	450	5	Hilton Hotels and Resorts
8	InterContinental Perth City Centre	Ms Anna Edie Area general manager	2017	120	240	4	120	5	InterContinental Hotels & Resorts
9	Fraser Suites Perth	Ms Alexis Hvalgaard General manager	2012	90	236	5	300	5	Frasers Hospitality
10	The Ritz-Carlton Perth	Mr Dario Orsini General manager	2019	190	205	8	450	5	The Ritz-Carlton
11	QT Perth	Ms Lisa Parker General manager	2018	170	184	6		5	QT Hotels & Resorts
12	Pullman Bunker Bay Resort	Mr Leighton Yates General manager	2004	150	150	4	400	5	Accor Hotels
13	Peppers Kings Square Hotel	Ms Zoe Noonan General manager	2016		120	1	30	5	Mantra Group
14	Quay Perth Hotel	Mr Tony Keane General manager	2019		80			5	Louis T Collection
15	COMO The Treasury	Ms Gabi Vincent Director of sales and marketing	2015		48	4	80	5	COMO Hotels and Resorts
16	Aqua Resort	Ms Jane Ashcroft General manager	2010		41	1	21	5	Aqua Resort Management
17	Rendezvous Hotel Perth Scarborough	Mr Matthew Richardson General manager	1987	200	337	24	680	4.5	TFE Hotels

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41

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GET THE FULL LIST ONLINE [Q businessnews.com.au/bniq/hotels-resorts](https://businessnews.com.au/bniq/hotels-resorts)

* Parmelia Hilton is closed until February

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 WND: Would Not Disclose, NFP: Not For Publication, N/A: Not Applicable or Not Available.

Insight Brings Luxury Retreat Closer to Realisation of Dream



L to R: Stewart Blizard (Managing Director of Insight Advisory Group), Scotty Harvey (Financial Advisor at Insight Advisory Group), Emma Rashleigh and Paul Rashleigh (Directors of Amaroo Retreat & Spa)

Paul and Emma Rashleigh were looking for a valuation on their 53 acre luxury retreat and spa in Mount Helena, when they called in Insight's business transition expert Stewart Blizard.

Within two weeks, they'd replaced their accountant of six years with Insight and the relationship has flourished since, to the extent Paul says it feels just like another division of one of his companies.

"Stewart came out and I realised pretty quickly he did more than just valuations," Paul explains.

"My mind spins a million miles an hour with ideas and I can give them a call anytime for advice and bounce ideas off them. Stewart responds with honesty and clarity, and that's what I need."

Insight's support for Amaroo stretches from tax advice, to business strategies, and managing the company's payroll.

The services also include business projections and Paul recalls that when the forecast from Insight arrived in his in-tray, he laughed. He called them up describing it as 'Harry Potter' predictions because he

would have to be a wizard to achieve such optimistic turnover from just eight chalets.

Today, Paul admits Insight may well indeed be the wizards of Potter proportions; Amaroo is on its way to achieving those ambitious predictions with earnings for this financial year already exceeding those of the entire past financial year.

This is despite the catastrophe of COVID-19 that hit just as the operation opened its luxurious new restaurant and bar.

"Anyone will tell you that business is tough," Paul says.

"But when you throw in COVID-19 it's like you're climbing a mountain and you've just about reached the top and someone throws in another 200 metres.

"It was tough to close the bar and restaurant when it had just opened. We employ all local people and to watch the staff walk out and close that gate hurt.

"COVID was just hell. It really shook our foundations across every business. I've never worked so hard as I have in the last few months trying to keep the business running and keeping people employed."

However, Emma explains Paul thrives on a challenge and as COVID-19 hit and the restaurant closed, they built a massive wood fired pizza oven, selling more than a hundred pizzas the first two nights.

It was a challenge too for the couple in the first place, building a luxury tourist operation, in an area not known as a tourism destination.

It started as a small, wooden house with a dirt driveway that they fondly refer to as their 'love shack'. They had sold a much more glamorous home when they moved to the property that was only ever intended as a short-term home.

"There was no infrastructure in place at all to support a business like this, so we started from scratch, in everything, from building to marketing, everything," Paul says.

Three years into operation, the Amaroo Retreat and Spa is an award-winning business. It sits serenely in state forest less than an hour's drive from Perth's CBD. It has a generous menu of spa treatments, superb chalets, a pool, a bar, and a restaurant set in beautiful gardens.

EXCLUSIVE OFFER

Visit amaroo retreat.com.au/book-accommodation-chalets-room, enter promo code BUSINESSNEWS and access 2 nights accommodation for \$500 (normally \$800). Includes a complimentary drink on arrival and continental breakfast.

T&C – Available Monday to Thursday, must book by 18/12/2020, subject to availability. Stay dates 04/01/2021 to 25/02/2021.

The Rashleigh's have another business, ABS Solutions, a commercial building and maintenance company that Paul started as a plumber at Perth airport 26 years ago.

Recently the couple built their new home near Amaroo that is giving rise to a new business venture, Rashleigh Signature Homes.

Stewart says Emma and Paul are a very entrepreneurial team and will always achieve great things in business. He says Insight plays a big role in consolidating their interests and ensuring they maintain focus.

"Staying focussed is important and we meet often to talk about business goals, develop strategies and to make sure they are staying on track," he says.

"It's important to have someone like us to talk to and work things through."

Insight Advisory Group is a multi-service financial advisory firm with clients across multiple industries including hospitality, manufacturing, and tech.

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RETURN: Martin North says it is important to ensure tourism operators look after guests so high tourism numbers are maintained long term.
Photos: Madeleine Stephens

Local focus a good fit for Great Southern

Can the Great Southern continue to attract large numbers of visitors after the state opens its borders?

Madeleine Stephens

madeleine.stephens@businessnews.com.au

BINTANGS in Bali and European escapes were replaced by shorter breaks close to home for many Western Australians in 2020, given the hard border restrictions.

Trading flights to Italy for a road trip up north, Western Australians flooded local tourism destinations as soon as regional restrictions were eased, with data showing intrastate visitor spending grew by \$72 million in July compared to the previous period.

The state government's 'Wander out Yonder' campaign helped increase the amount of traffic to industry websites and tourism operators by eight times the level of a year prior.

Significant increases in visitor numbers were reported in the Great Southern, which includes Denmark, Albany and Mt Barker.

One of the region's premiere attractions, the Valley of the Giants Tree Top Walk, had 14,000 visitors in the October holiday period, a 20 per cent increase on the same holiday period last year.

The walk also attracted 50 per cent more visitors in the July school holidays on 2019 figures.

Nearby, Albany's Historic Whaling Station also proved popular.

General manager Elise van Gorp said the centre, which reopened for business in June, had experienced high visitor numbers in traditionally quiet periods.

"While the July school holidays is traditionally our quietest school holiday period, it was

record-breaking this year," Ms van Gorp told *Business News*.

In a normal year, she said, 30 per cent of annual visitors were from interstate and 20 per cent from overseas.

Destination marketing organisation Amazing South Coast executive officer, Peter Grigg, said accommodation bookings remained strong, and instead of having a peak and a trough in between July and October, the region had maintained a high plateau.

"No peak or trough, it hasn't backed off; bookings have been very, very strong," Mr Grigg told *Business News*.

While welcomed broadly by regional tourism operators, the influx of visitors had caused issues, with some businesses

finding it hard to maintain staffing levels.

Quality Apartments Banksia Gardens Albany director Martin North said finding staff had been a problem.

Initially, he said, it was very quiet with too many staff and then it was incredibly busy with not enough staff.

"Some ads had no replies," Mr North said.

In response to worker shortages, the state government initiated the 'Work and Wander

out Yonder' campaign, encouraging young people to take a working holiday in regional WA.

Despite the increase in intrastate visitors, the Tourism Council WA said it was not enough to compensate for the \$286 million lost because of the absence of interstate tourists, who tended to spend more.

The effects of this shortfall had been felt by indigenous tour and retail business Kurrah Mia.

Owner and Menang elder Vernice Gillies said while Albany

“As operators, we have to make sure we look after this market, because it is a new market

- Martin North



HOLIDAYS: Visitors to Denmark's Tree Top Walk increased by 20 per cent in the October school holidays. **Photo: Tree Top Walk**

had been busy with tourists, she believed they were holding on to their money.

"Our shop for a while was bringing in absolutely nothing," she said.

"It's gradually picking up, people are wanting to buy smaller things for Christmas.

"They want to send things overseas and interstate, small things that won't cost a fortune to post."

Open for business

In late October, Premier Mark McGowan announced an end to WA's hard border from November 14, allowing visitors from the rest of Australia, apart from NSW and Victoria, to enter the state without undergoing two weeks of quarantine.

Amazing South Coast's Mr Grigg told *Business News* there were mixed reactions to the premier's announcement among business owners with whom he had spoken.

"I know some businesses welcomed it, and others are going: 'Well, we have been extremely strong just with West Australians at the moment', and some are reluctant to change that," Mr Grigg said.

He said there would be extra competition when the rest of the world opened up.

"I would think once the world starts to relax, the number of special deals, discounts, two-for-ones, 50 per cent off deals, right around the world, right across all cruise ships, they will be out there chasing every customer that they can," he said.

Mr Grigg said Amazing South Coast was trying to increase its marketing so people returned to the Great Southern, even when Western Australians were able to travel interstate.

"It means for us, and for similar bodies, as destination marketing



MUSEUM: Pre-COVID-19, 30 per cent of visitors to Albany's Historic Whaling Station were from interstate and 20 per cent from overseas.

organisations, we need to make sure we are not relaxing our marketing intent, but are actually building it so we are front and centre when people have a week or two off ... and they are looking for something to do, they are not going north, they are not going east, they are going south," Mr Grigg said.

The Lake House Denmark managing director Garry Capelli said many who came to the region this year were first-timers, and he expected they would return if they had enjoyed their visit.

"If they have a good experience the first time, people are more likely to go back to that memory," he said.

"Human beings are creatures of habit and they tend to like doing the same things."

Quality Apartments Banksia Gardens Albany's Mr North said it was important to ensure tourism operators looked after guests so tourism numbers could increase in the long term.

"As operators, we have to make sure we look after this market, because it is a new market," he said.

"We are seeing a lot of younger people come through. Our demographic is normally a bit older so I think we have a great opportunity to showcase our region and give customers a good experience in the hope that they will come back."

Expansion

Of course, the Great Southern was not exactly a hidden wonder, waiting to be discovered.

In 2019, *Lonely Planet* named southern WA as the number one

destination on its 'Best in Asia Pacific' list.

According to the state government, overnight visitors to Albany grew 26 per cent from March 2018 to March 2019.

During the same period, overnight domestic visitor numbers increased from 346,000 to 441,000, an increase of 27 per cent.

Numbers could increase further, with a 108-room Hilton hotel on Albany's waterfront due to open early next year, owned by local businessman Paul Lionetti (see page 16).

Mr North said while the new hotel may take some of Banksia Gardens' business, hopefully it would encourage more people to visit the region.

"I think sometimes competition is a good thing," he said.

"We need to bring more people to our region, that is very important, and I think that if there is a centrally located property near the convention centre, it does open us up to take on bigger events.

"I think when there are some bigger events there is often some spill, which means all properties will see a benefit from that."

The state government is developing the site around the old Esplanade Hotel at Middleton Beach, which was acquired and demolished by a Singaporean company in 2007.

In July, the government said it was hoping to build six villas for commercial or residential use.

• *Business News* was recently hosted by *Taste Great Southern* on a tour of the region



LUNCH: The Lake House Denmark has been welcoming tourists for 15 years.

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Showing 6 of 4,115

Burt joins tourism board

Alexandra Burt is the co-founder and proprietor of The Landsmith Collection. By Mark Beyer Tourism ... public profile by joining the board of Tourism Australia. Ms Burt is one of two new appointments, along ... Landsmith Collection, an entity that houses a variety of winery, tourism and property assets. As well as ...

Tourism jobs on offer if virus limits lift

Tourism Australia is launching a drive to encourage people to holiday interstate once borders ... reopen. Photo: Madeleine Ragsdale By AAP Tourism The goal of smart cities is to produce positive social, ...

Silver lining as WA tourism takes a hit

time last year. Photo: Gabriel Oliveira By Jordan Murray Tourism Ben Elton isn't the usual go-to when ... he said. "If you can redirect them, you can get powerful results." Tourism WA Tourism Council WA Evan ...

Tourism WA MD resigns

Brodie Carr served out just two years of his five-year term By Business News Tourism Brodie Carr ... will reportedly step down as managing director of Tourism WA so his wife can move closer to her family ... in France. Mr Carr had been appointed to a five-year term at Tourism WA in 2018 after co-founding and ...

\$150m for tourism recovery

package. Photo: Attila Csaszar By Jordan Murray COVID-19 Tourism Ben Elton isn't the usual go-to when it ... them, you can get powerful results." Tourism Council WA Recfishwest Zoological Parks Authority Paul ...

Tourism WA, Virgin partner on discount airfares

Murray Tourism Ben Elton isn't the usual go-to when it comes to investment advice, but he waded in on the ... Virgin Australia Holdings Deloitte Tourism WA Department of Transport Mark McGowan Paul Papalia ...

Photo by Natalie Su