

Admin, LACO

Subject: FW: Inquiry into regional airfares in Western Australia

From: Deb Williams
Sent: Friday, 28 July 2017 3:33 PM
To: Committee, Economics & Industry Standing
Subject: Inquiry into regional airfares in Western Australia

Dear Committee Members

I write to you regarding the inquiry into the cost of regional airfares in WA. I have been the General Manager of Seashells Broome for the past 10 years. The property is strata titled and consists of 49 self-contained apartments and bungalows and has been operating since 1998.

Over the past 7 years Seashells Broome has experienced a steady decline in occupancy, this is a direct result of inflated flight prices into Broome. An example of how the cost of flights impacted our occupancy is; earlier last year the airlines ran a couple of flash deals from Perth to Broome, the price was between \$209 and \$249 per person, one way and included travel in September. The bookings we secured during these deals increased our occupancy in September by 6%. There have been minimal airline deals this year which has had a direct impact on our occupancy, especially during the low and shoulder seasons (Oct – May). An example of this is; there were no special deals available for travel during the month of April 17. One way flights were between \$450 and \$560 per person during the April school holidays. This holiday period was the quietest we have ever experienced and overall occupancy for the month was the lowest recorded.

We have seen a shift in room type occupancy over the past 3 years. Our 3 bedroom bungalows, which can accommodated up to 6 guests have not been as popular as in the past. We have not had a rate increase and there has not been an increase in accommodation beds in Broome so the only explanation for this is the flights are too expensive for larger family to travel to Broome. We constantly receive booking enquiries which don't eventuate to a confirmed booking due to the price of the flights. Many of these potential guests tell us they are going to Bali instead as they can have a holiday there with flights and accommodation included for less than the cost of flights alone to Broome. Guest feedback from those who do come to Broome is constantly, "we loved Broome but we won't be back as the flights are too expensive".

Broome's tourism not only impacts on the hospitality industry, but Broome as whole. The town has seen many shops and restaurants close down over the past few years simply due to a downturn in business, a downturn in people visiting Broome. Our peak season is becoming shorter and shorter, July and August produces good occupancy of around 95%, the months either side of this we see a rapid decline down as low as 24% occupancy in February. We are not alone in these statistic, our competitors report the same. We operator our business all year round, several years ago we would run at a loss for 1-2 months of the year, we now run at a loss for 4 months of the year. If we can increase our occupancy during the shoulder and low seasons this in turn would benefit not only our owners but also other businesses in town. We offer huge discounts during the off peak months in an attempt to encourage people to come to Broome, we need the airlines to do the same.

Kind regards

Deb Williams General Manager

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