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TOURISM IMPACT ASSESSMENT – KIMBERLEY LIQUEFIED NATURAL GAS (LNG) PROJECT

TWA 39/2009

COMMISSIONED BY TOURISM WESTERN AUSTRALIA, IN
PARTNERSHIP WITH THE WESTERN AUSTRALIAN DEPARTMENT OF
STATE DEVELOPMENT

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EXECUTIVE SUMMARY

A key contributor to the Kimberley economy, tourism in the region is valued at approximately \$637m¹, representing around 36% of the total Kimberley economy. Using the narrowest definition of tourism, it is one of the largest sector employers in the region, with 2,175 people employed¹. The tourism sector in Broome represents around 64% of the total generated revenue and is estimated at \$411m¹.

The key characteristic of the Kimberley tourism industry is its large number of highly integrated and interdependent sub segments, where tour operators rely heavily on accommodation providers to house their customers, while accommodation providers rely heavily on transportation services to deliver customers to the destination. The importance of overarching industry bodies such as Australia's Northwest Tourism and Tourism Western Australia cannot be underestimated in a region with such a high level of interdependent operations as it would be impractical for individual operators to secure these relationships in isolation.

The focus of this study looked to determine if key industry stakeholders considered that tourism and a proposed LNG Precinct development at James Price Point could co-exist and to determine the impacts this development may have on the industry. The study also looked to quantify these key issues with visitors and residents and develop mitigation strategies for both the negative impacts and enhance the positive impacts of the proposed development.

Overall, industry stakeholders and Broome residents considered that an LNG Precinct could co-exist with tourism. However, there were different levels of conviction with around two-thirds of industry stakeholders and around half of the resident population sharing this view. Although visitors were not specifically asked if these activities could co-exist, around 80% of those interviewed stated it would make no difference when considering plans to return to Broome.

Industry stakeholders, visitors and resident groups surveyed considered that the proposed development would have a negative impact on the Kimberley's reputation and image however, there was a majority view that the LNG development will increase the economic base and economic diversity of the region. Around one-third of visitors stated that they would be less likely to return to the destination if the reputation of the Kimberley was damaged however, when asked if they were prepared to consider cheaper and more regular flights to Broome, over 76% stated that cheaper flights were more important than no LNG Precinct development.

The Broome resident population was divided on the issue of the proposed LNG Precinct development. Around 40% of the surveyed population supported the development and approximately the same percentage was opposed. However, there was universal agreement that tourism and the future growth of tourism is good for Broome.

All stakeholder groups interviewed and surveyed believed that the proposed development will exacerbate the already acute pressures on housing in Broome; however there was also broad agreement that the proposed Precinct development will provide a catalyst for improved infrastructure and services. There was a strong view held by respondents that Broome needs to ensure that negotiations between the State, the Shire and the project proponent delivers real benefits to Broome in terms of employment opportunities, infrastructure projects (particularly marine infrastructure), timely release of land for housing and a substantial financial commitment to protect Broome and the Kimberley's reputation and image.

¹ Over the period 2008/2009.

FLY-IN / FLY-OUT WORKFORCE - IMPACTS

Aspect	Impact	Project Phase	Risk Factor	Potential Mitigation Strategies	Responsibility / Key Drivers	Desired Outcomes
High demand for short term accommodation in Broome	Availability of visitor accommodation for the leisure market. Knock-on effect resulting in decreased tour sales.	Construction	High	<ul style="list-style-type: none"> Development of transportable short-term workforce accommodation (prior to construction) to meet initial demands, but not within close proximity to the town centre. Development of a dedicated construction camp at the precinct site. Ensure it is a mandatory requirement that the construction camp is a 'closed camp'. 	Shire of Broome, Tourism WA, ANW, BVC, Proponents Shire of Broome, DSD, Proponents State Gov't, Proponents	Commitment gained from Government and the project proponents with regard to all requirements for worker's accommodation. Specific details to be incorporated as part of overall approvals process and State Agreements relating to the Project.
Presence and visibility of FIFO workforce (e.g. fluorescent uniforms, boots, orange flags on 4WD's etc)	Tourism values, character and appeal of Broome 'atmosphere', ambience and relaxed nature of Broome. Tourism branding and destination appeal.	Construction	Critical	<ul style="list-style-type: none"> Develop and implement processes that facilitate seamless transfers of FIFO personnel to/from the Precinct site. Construct a transit lounge in Broome for FIFO personnel who are being transferred to the Precinct site and vice versa. 	Broome International Airport, Airlines, Proponents Broome International Airport, Airlines, Proponents	Systems and processes relating to seamless transfer of FIFO personnel to be incorporated into project agreements with the State and implemented prior to commencement. Transit lounge to be constructed and operational prior to the first movement of FIFO personnel.

AIRPORT ACTIVITY – IMPACTS

Aspect	Impact	Project Phase	Risk Factor	Potential Mitigation Strategies	Responsibility / Key Drivers	Desired Outcomes
Increased helicopter activity and noise over the Cable Beach and Chinatown tourism precincts.	Character, ambience, holiday atmosphere and overall destination appeal of Broome	Construction & Operation	High	<ul style="list-style-type: none"> To relocate all helicopter movements outside the main town precinct of Broome 	Shire of Broome, Broome International Airport, Dept for Planning & Infrastructure	A new heliport site to be identified and construction.

LAND & HOUSING - IMPACTS

Aspect	Impact	Project Phase	Risk Factor	Potential Mitigation Strategies	Responsibility / Key Drivers	Desired Outcomes
Increased demand for land & housing resulting from the Kimberley LNG Project	Availability & affordability of land & housing.	Construction & Operation	Critical	<ul style="list-style-type: none"> Relevant stakeholders work collaboratively and proactively in quantifying the land and housing requirements to support the Kimberley KNG Project, with future needs reflected in an updated Town Planning Scheme for Broome Landcorp develop and implement a land release program that also explores options 'outside the norm' (e.g. leasing of land) as a means of controlling and managing land availability and affordability issues 	<p>Shire of Broome, Rubibi, WA Planning Commission, Project proponents, Landcorp</p> <p>LandCorp, Dept Premier & Cabinet, Shire of Broome, Rubibi</p>	<p>Land and housing needs quantified and reflected in an updated Town Planning Scheme for Broome</p> <p>A land release program that meets projected demand associated with the Kimberley LNG Project is developed and implemented, including alternative land tenure options</p>
Increased uptake of visitor accommodation by workers associated with the Kimberley LNG Project	Availability of affordable accommodation for staff. Availability of visitor accommodation for leisure visitors.	Construction	Critical	Shire of Broome develop and implement an appropriate policy with regard to a requirement for new visitor and worker's accommodation developments to include staff accommodation	Shire of Broome, WA Planning Commission	Local planning policy developed and implemented by the Shire of Broome with regard to mandatory staff accommodation requirements

TOURISM BRANDING - IMPACTS

Aspect	Impact	Project Phase	Risk Factor	Potential Mitigation Strategies	Responsibility / Key Drivers	Desired Outcomes
Current and potentially future negative publicity relating to the Kimberley LNG Project and its impact on the region's tourism values	Visitor perceptions of Broome & the Kimberley Destination appeal Core tourism values and attributes	Construction & Operation	Critical	<ul style="list-style-type: none"> Develop and publicly convey a standardised, factual response / message to combat false speculation regarding the proposed Kimberley LNG Project and its impact on Broome & the Kimberley as a tourism destination Development and implementation of mechanisms through which ongoing regular visitor research can be monitored for the purposes of measuring and monitoring visitor perception and destination appeal 	Tourism WA, BVC, ANW, Shire of Broome Tourism WA, ANW, BVC	Funding commitment from Government towards a sustained media campaign that conveys the 'facts' in relation to the impact of the Kimberley LNG Precinct on tourism in the region. To gain a funding commitment from Governments (indexed to CPI) for the life of the project. The purpose of which is to conduct regular market research in order to measure industry performance and monitor visitor perception.
Media reference to tourism in the broader Kimberley area being impacted to the same level as Broome by the Kimberley LNG Project	Visitor perceptions and destination appeal of the broader Kimberley Brand positioning	Construction & Operation	Critical	<ul style="list-style-type: none"> Develop a proactive and targeted tourism campaign that provides a clear distinction between Broome and the broader Kimberley region in terms of tourism values and attributes 	Tourism WA, ANW, BVC	Secure funding for the purpose of developing distinctive separate tourism branding for Broome vs the broader Kimberley.
Industry sentiment regarding the need to proactively address any potential impact the Kimberley LNG Project may have on the tourism industry.	Potential for the project to negatively impact visitor perception and destination appeal	Construction & Operation	Critical	<ul style="list-style-type: none"> Secure a commitment from Government that marketing support for the tourism industry will be sustained over the life of the Project. Strengthen existing Broome tourism associations through formal and informal mechanisms, with a focus on achieving collaboration and sense of solidarity that facilitates and increased level of 	ANW, BVC, Shire of Broome Tourism WA. ANW, BVC, Shire of Broome, Kimberley tourism operators.	Gain commitment from Government that base funding for regional tourism marketing will be provided and indexed at CPI for the life of the Kimberley LNG Project. Industry stakeholders to develop and implement an agreed operating model that facilitates increased industry collaboration, cooperative marketing activities and improved overall marketing effectiveness.

				<p>cooperative tourism marketing, thereby industry spend and overall marketing effectiveness.</p> <ul style="list-style-type: none"> Gain commitment from key stakeholders to ensure tourism marketing efforts are complemented by new and improved tourism infrastructure and amenities, thereby enhancing destination appeal of Broome. 	Tourism WA, ANW, DPI, DSD Shire of Broome.	Commitment from key stakeholders in the project to support tourism infrastructure developments in Broome over the life of the project. The type of developments considered in the context of infrastructure include Safe Boat Harbour, additional boat ramps, recreational areas, public amenities, improved access (e.g. disabled)
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DAMPIER PENINSULA - IMPACTS

Aspect	Impact	Phase	Risk Factor	Potential Mitigation Strategies	Responsibility / Key Drivers	Desired Outcomes
Sealing of the Cape Leveque Road	Control of access to the Dampier Peninsula Increased visitation to the Dampier Peninsula	Construction & Operation	Critical	<ul style="list-style-type: none"> Finalise / update and implement the Dampier Peninsula Access Plan with a focus on initiatives designed to regulate and control visitation to the area (e.g. permit systems etc) Engage Indigenous tourism businesses, traditional owners and other Indigenous people of the Dampier Peninsula in all aspects of visitor access, control and regulation Develop and implement initiatives and programs that will facilitate the introduction of rangers / wardens (Indigenous) on the Dampier Peninsula 	<p>Shire of Broome, Dampier Peninsula residents, Traditional Owner Groups, KLC, DPI, ARDI</p> <p>As above</p> <p>As above</p>	<p>Dampier Peninsula Access Plan to be finalised and implemented</p> <p>Permit system for accessing the Dampier Peninsula developed and implemented</p> <p>Dampier Peninsula Indigenous warden / ranger program developed, funded and implemented.</p>

DAMPIER PENINSULA - OPPORTUNITIES

Aspect	Opportunity	Phase	Ranking	Potential Strategies	Responsibility / Key Drivers	Desired Outcomes
Sealing of the Cape Leveque Road	Improved access to the Dampier Peninsula resulting in higher visitation levels.	Construction & Operation	Critical	<ul style="list-style-type: none"> Develop and implement Indigenous Tourism Masterplan for the Dampier Peninsula that addresses visitor needs, infrastructure needs, new product development, marketing and promotion, and business support requirements. 	Tourism WA, WAITOC, ARDI, DIA, Shire of Broome, KLC, Traditional Owners	Financial commitment from Government to fund the development and implementation of a tourism Masterplan for the Dampier Peninsula
	Opportunity to improve sustainability of Indigenous tourism businesses.	Construction & Operation		<ul style="list-style-type: none"> Design and develop a Visitor / Resource Centre that will be strategically located on the Dampier Peninsula for the purposes of controlling visitor access and acting as an administration base for new and existing tourism businesses. 	Traditional Owners, Shire of Broome, ALT, WA Planning Commission, DPI, DSD	Financial commitment gained from Government to design and construct a Visitor / Resource Centre on the Dampier Peninsula.

MARINE INFRASTRUCTURE - OPPORTUNITIES

Aspect	Opportunity	Project Phase	Ranking	Potential Strategies	Responsibility / Key Drivers	Desired Outcomes
Increased usage of Broome's marine infrastructure as a result of the Kimberley LNG Project	Strong sense of purpose to upgrade marine infrastructure to support the LNG project whilst at the same time addressing ongoing issues with marine and visitor safety	Construction & Operation	Critical	<ul style="list-style-type: none"> In conjunction with the Broome Port Authority prepare a business case supporting the development of a Safe Boat Harbour in Broome Identify suitable locations and prepare a business case for the development of supporting marine infrastructure in alternative locations (e.g. boat ramps, loading platforms etc) 	Broome Port Authority, Tourism WA, KMTA, Fisheries Dept, Broome Fishing Club, DPI	Business case prepared and submitted to key stakeholders seeking funding commitment for the development of a Safe Boat Harbour in Broome
	Maintaining availability and access for the tourism industry to marine infrastructure in Broome.	Construction & Operation	Critical	<ul style="list-style-type: none"> To work in conjunction with relevant authorities and project proponents in developing agreed standard operating procedures for all users of marine facilities in and around Broome. 	As above	Business case prepared and submitted to Government seeking funding commitment for the development of marine infrastructure in alternative locations
				<ul style="list-style-type: none"> Develop and endorse a memorandum of understanding between relevant marine authorities and users of facilities to ensure availability and accessibility of marine infrastructure is maintained for the marine tourism industry 	As above	<p>Agreed procedural code developed for all users of marine infrastructure</p> <p>An agreed MOU developed and endorsed by marine authorities and users of facilities</p>

AIR SERVICES - OPPORTUNITIES

Aspect	Opportunity	Project Phase	Ranking	Potential Strategies	Responsibility / Key Drivers	Desired Outcomes
Increasing level of corporate activity International travel requirements of the Oil and Gas sector	<p>Development of a regular international air service between Broome & Singapore.</p> <p>Improved access to the Kimberley region and increase in visitors from international origins.</p> <p>Opportunity to develop new tourism markets.</p>	Operational	High	<ul style="list-style-type: none"> Work in collaboration with the project proponents to quantify international travel needs associated with the Kimberley LNG Project Prepare and submit a business case to prospective carriers demonstrating route viability and sustainability prospects Peak tourism industry bodies and the project proponents to secure commitment from Government seeking financial support for the launch of the service and initial period of operation 	<p>ANW, Broome Chamber of Commerce, ANW, CME, DPI, BIA, Project proponents</p> <p>ANW, BCCI, Tourism WA, BIA</p> <p>Tourism WA, ANW, BCCI, BIA, Project proponents</p>	<p>International travel needs associated with the Kimberley LNG Project quantified</p> <p>Business case prepared and presented to prospective carriers</p> <p>Financial commitment provided by Government to support the launch of an international service between Broome and Singapore</p>

ACRONYMS & ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANW	Australia's North West
ARDI	Ardi Indigenous Tourism Operators Incorporated
BVC	Broome Visitor Centre
GRP	Gross Regional Product
KDC	Kimberley Development Commission
NDT	Northern Development Taskforce
OEDC	Organisation for Economic World Tourism Organization
SIA	Strategic Impact Assessment
TCWA	Tourism Council of Western Australia
TSA	Tourism Satellite Account
TWA	Tourism Western Australia
VFR	Visiting Friends and Relatives
WAITOC	Western Australian Indigenous Tourism Operators Committee

BACKGROUND & METHODOLOGY

1.1 BACKGROUND

The Western Australian Tourism Commission (Tourism Western Australia), in partnership with the Department of State Development, commissioned the Tourism Impact Assessment of the proposed Kimberley Liquefied Natural Gas (LNG) Project on Broome and the Kimberley region. KPP Business Development was awarded the Tender TWA 39/2009 on 27 March 2009.

The purpose of the Tourism Impact Assessment was to report on the potential negative and positive impacts of the proposed construction and ongoing operation of the proposed LNG Precinct in the vicinity of James Price Point on the tourism industry in Broome and the West Kimberley region.

As stated in the brief for the project, the focus of the Tourism Impact Assessment was to quantify the potential impacts and identify, through consultation, means to mitigate negative impacts where possible, and maximize potential benefits.

The Tourism Impact Assessment will provide information for consideration to the overall State-Commonwealth Bilateral Strategic Assessment Agreement (SAA) process currently underway in accordance with the Western Australian *Environmental Impact Act 1986*, and the Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999*.

In recent years Broome has become a high profile tourist destination, offering a variety of accommodation, land based tours, aerial scenic flights, tourist related retail, Indigenous cultural experiences and marine based tourism. Broome is also perceived as the gateway to the Kimberley and serves as a staging post for extended luxury Kimberley coastal cruising, adventure based land based tours, Indigenous and eco experiences and as a service town to many free and independent tourists.

In 2008 there were approximately 1,030 guest rooms available in Broome in hotels with 15+ rooms, approximately 19 Bed and Breakfasts and five caravan parks. Broome experiences occupancies in excess of 95% in the peak tourism season (June to October) and between 55% and 75% in the shoulder periods. Broome attracted approximately 250,000 visitors in 2008. (Source: Australian Bureau of Statistics).

Broome serves as the main port for close to 40 cruise operators that offer marine based luxury Kimberley coastal experiences. The Kimberley Region is home to 30 market and export ready tourism businesses, of which 20 are located in Broome and on the Dampier Peninsula.

The tourism and hospitality industries make important regional and State economic contributions. They also make a significant regional socio-economic contribution through the employment of staff (both Indigenous and non-Indigenous), the generation of support businesses and generally contributing to the development of regional Western Australia.

1.2 THE LIQUEFIED NATURAL GAS PROJECT – AN OVERVIEW

The Browse Basin is one of Australia's most hydrocarbon-rich offshore basins. The potential gas reserves for the Basin are reasonably expected to exceed those in the North West Shelf off the Pilbara coast, with current reserves estimated at 27.5 Trillion cubic feet (Tcf) of gas and in excess of some 600 million barrels of condensate (NDT Final Site Evaluation Report 2008). There are currently 29 exploration permits identified to be in force in the Browse Basin locality.

Liquefied Natural Gas (LNG) usually consists of over 80% methane and varying quantities of condensate and other gases including nitrogen, ethane, butane, propane and helium. It is produced by cooling natural gas to temperatures of around -160°C (-260°F) which reduces its volume by 600 times and enables it to be transported.

The Browse Basin gas reserves are considerable and the Gaffney Cline and Associates (GCA) *Browse Basin Gas Development Options Study* estimated that, based on discovered and estimated undiscovered gas, the Browse Basin could support production of up to 35 Mtpa to 50Mtpa of LNG. It is further estimated that the life of the LNG precinct could be between 40 and 99 years (NDT Final Site Evaluation Report 2008).

Key details of the LNG Precinct used by KPP in its consultation to identify potential impacts in the Tourism Impact Assessment were provided by the Western Australian Department of State Development (DSD):

- The James Price Point study area about 60km north of Broome covers about 25,000 hectares or 250 km², itself only a small part of the 13,000 sq km Dampier Peninsula.
- The site is now narrowed down to an area somewhere between Flatrocks to Quandong (10km south of James Price Point to 10km North of James Price Point).
- Preliminary layouts for the precinct have confirmed that 500 hectares will be required for each of the two proposed gas operators inclusive of internal key infrastructure separation buffers (i.e. operations area of 1000 hectares).
- The Precinct land area will also include a fenced safety exclusion zone and internal separation buffer between the two gas processing operators totalling 500 - 1000 hectares (ie. buffer area of 1000 hectares).
- Precinct Construction will take 4 to 6 years. Will involve a peak workforce of up to 3500 workers.
- Precinct Operations will require around 360 permanent workers and 160 Contractors.
- The precinct must be capable of accommodating production of 20-50Mtpa of LNG with two gas processors operating no more than 14, 3.7 MTPA LNG trains in total.
- Discussions with the KLC have also occurred on sites for worker accommodation, support services and road access.

- The five LNG trains currently on the Burrup peninsula currently occupy approximately 450 hectares inclusive of safety exclusion zones.
- Restrictions around any marine installations, jetties or channels will be kept to the minimum required for operational and safety reasons.
- Maximising public access to the coast and the ocean is an important consideration in selecting the site and its future design.

1.3 TOURISM IMPACT ASSESSMENT PARAMETERS

The Tourism Impact Assessment has been developed to answer two (2) key questions:

- How will the gas development impact tourism in the region – positively and negatively?
- What can be done to mitigate and manage the negative impacts and capitalise on any positive impacts?

1.3.1 PROJECT OBJECTIVES

A number of specific informational objectives needed to be addressed in the research, as follows:

- What is the current state of the tourism industry in the Kimberley region, in terms of structure and value, as well as visitor numbers and profile?
- What are the potential impacts at each stage of the development cycle (construction & operation) on tourism in the region?
- What measures could be implemented by government, the tourism industry or the LNG operators to mitigate the negatives and capitalise on the positive impacts identified?

After all information had been collected and analysed, an impact mitigation strategy was needed to be developed. Tourism Western Australia (Tourism WA) was keen to ensure that the Tourism Impact Assessment is an objective assessment of the situation and of what should be done to maintain the area as a tourism region.

1.3.2 RESEARCH REQUIREMENTS

The objectives of the study indicated the need for a combination of qualitative and quantitative research across a range of stakeholders, including:

- **Visitors**: Visitors to the Broome and Kimberley region
- **Community**: The local Broome community and associations focusing on the social and economic welfare of the region

- **Tourism industry:** Tourism organisations and operators focusing/operating in the region (including airlines)
- **LNG industry:** LNG development stakeholders

The research was to be designed to incorporate in-depth interviews with key stakeholders, as well as surveys of visitors and members of the Broome community as appropriate.

Potential research design was provided by Tourism WA, as shown in the table below²:

Phase	Potential methodology identified by TWA
1. Current state of the industry	Modelling of existing information on industry structure and value
2. Identification of potential impacts (positive & negative)	Discussions with stakeholders
3. Qualitative impact assessment	Discussions with visitors and local community groups in Broome
4. Impact validation through quantitative/survey research	Visitors: Face to face while in Broome. N=100 interviews (10 minutes, 3 open questions). Local community: Telephone survey. N=100 interviews (10 minutes, 3 open questions)
5. Strategy development	

Tourism WA highlighted the need to undertake the following activities as part of the project scope:

- Liaise with the Department of State Development in regard to the overall Social Impact Assessment and other relevant studies to minimise the amount of overlap when consulting with the local community and businesses.
- Review other case studies from around the world where industrial development has been introduced into a predominantly tourism based economy to identify potential impacts and possible mitigation measures.
- Identify current issues impacting on the growth or viability of the Broome tourism industry.
- Travel to Broome and the Dampier Peninsula to consult with local and regional tourism and hospitality operators and stakeholders to determine a socio-economic profile of the industry (employment numbers, value and size of the tourism industry), establish a detailed report of

² Noting that KPP modified their approach as detailed further in Section 1.5.

the operational requirements of the industry (for example, accommodation, transport and access, staffing levels and housing); and determine the distribution of visitors to other Kimberley destinations using Broome as the gateway.

- Liaise with tourism industry stakeholders to determine potential negative and positive impacts on the tourism industry from the construction and ongoing operation of the proposed LNG Precinct.
- Determine, based on information provided by the Department of State Development and the resources industry, the negative and positive impact to each sector of the industry and the potential loss or gain to the value of tourism in Broome and the immediate surrounds.
- Specific studies on the potential impacts, both positive and negative, are to be included on Indigenous tourism in Broome and on the Dampier Peninsula; and marine based tourism.

Existing tourism research and recent studies relevant to the project were to be referred to, including but not limited to:

- Broome Accommodation Study 2006 - to determine recent short stay accommodation occupancies and future requirements of tourism related visitation.
- Kimberley Regional Development Research Project 2006 (TNS Social Research).
- Tourism Management on the Kimberley Coast 2006 (TNS Social Research).
- Dampier Peninsula Access Management Plan 2005 (Sharon Griffiths and Associates).
- Findings from the Northern Development Taskforce Tourism Working Group.
- List of contacts for the tourism industry and stakeholders.

1.4 KEY ISSUES ARISING FROM PREVIOUS WORK

1.4.1 NORTHERN DEVELOPMENT TASKFORCE

The Northern Development Taskforce (NDT) was established by the then Western Australian Labor Government in June 2007, with the scope to coordinate and negotiate issues associated with the development of the Browse Basin gas reserves.

More specifically, the role of the taskforce was to manage across-government planning processes and stakeholder consultation regarding the selection and development of a suitable location or locations for the establishment of an LNG processing precinct in the Kimberley.

The NDT provided advice to a state Ministerial committee and its membership consisted of Director's General of 5 state government departments and the CEO's of the Kimberley Development Commission (KDC) and Tourism Western Australia (TWA). The NDT was informed by eight working groups including:

- Environment (General)
- Environmental Experts (Marine)
- Environmental Experts (Terrestrial)
- Tourism
- Fisheries
- Indigenous
- Industry
- Community

The process undertaken by the NDT involved the traditional owners through the Kimberley Land Council and included a series of workshops and public meetings in the Kimberley to keep stakeholders informed during the site selection process. The NDT identified 43 potential sites then, through a comprehensive technical and environmental review, narrowed these down to 11 and then to four. These four sites were then submitted to the State Environment Protection Authority (EPA) and the final site in the vicinity of James Price Point was selected. This site represents a technically feasible site with the lowest impact on the social and natural environment.

The James Price Point area about 60km north of Broome covers about 25,000 hectares or 250 km², itself only a small part of the 13,000 sq km Dampier Peninsula. The James Price Point area is currently unallocated Crown land but is subject to a combined Native Title claim from the Goolarabaloo and Jabirr Jabirr people.

The role of the NDT came to an end once the final site was identified. The Kimberley LNG Project is now managed by the Department of State Development. The current activity involves identifying an area that meets technical, environmental, social and Indigenous heritage criteria.

1.4.2 TOURISM WORKING GROUP

The Tourism Working Group (TWG) was one of eight (8) working groups of the NDT and consisted of 12 tourism-related personnel who were asked to take part in 3 local workshops arranged by the NDT. Its members included:

Vaughan Davies - Tourism Western Australia	Ms Tanya Barnes Tourism WA	Ms Gail Gower - Broome & The Kimberley Holidays	Ms Jenny Kloss - Derby Visitor Centre
Jeff Ralston - Pearl Sea Coastal Cruises	Mr Paul Adair - Broome Visitor Centre	Glen Chidlow - Australia's North West	Mr Robert Vaughan Kimberley Marine Tourism Association
Mr Chris Nisbett Kimberley Marine Tourism Association	Mr Gary Tuck - Kimberley Marine Tourism Association	Mr Kevin Blatchford - Kimberley Marine Tourism Association	DSD Team Members: Gillian Gallagher Nick Hopkins Duncan Ord
Phil Cox - Australian Pacific Touring			

TABLE 1: MEMBERS OF THE NORTHERN DEVELOPMENT TASKFORCE TOURISM WORKING GROUP

The Group compiled a list of 23 'LNG Impact' issues ranging from aspects of environmental degradation to their belief that there has been and continues to exist a lack of 'all of government' approach to planning for the Kimberley region.

Each of these issues was discussed, prioritised and grouped into the following points of major impact to the tourism industry:

These criteria were captured in the following matrix:

Issue / Impact	Criteria
Loss of wilderness and uniqueness	<p>The Kimberley coastline is highly regarded as a tourism experience due to its wilderness and largely untouched areas and a brand that has been developed over a long period. Site selection needs to:</p> <ul style="list-style-type: none"> • Avoid a site that impacts on the wilderness aspect of the Kimberley coast and offshore islands and associated tourism activities • Avoid a site that threatens or degrades the iconic outback/wilderness experience and causes a detrimental experience to visitors by way of loss of perceived remoteness due to visual industrial presence
<p>Impact on workforce</p> <ul style="list-style-type: none"> ▪ Shortages ▪ Quality ▪ Skills 	<ul style="list-style-type: none"> • Kimberley towns are much more reliant on tourism than those towns in the Pilbara. Site selection needs to:

<ul style="list-style-type: none"> ▪ Loss of tourism appeal ▪ Cost of living 	<ul style="list-style-type: none"> • Avoid a site that will cause detrimental impact on the tourism workforce due to unsustainable living costs associated with industrialisation.
Loss of tourism product <ul style="list-style-type: none"> • Flights • Operators (through diversion and financial loss) 	<ul style="list-style-type: none"> • Avoid a site that will have detrimental effects on the number and price of RPT aircraft seats available to leisure visitors.
Lack of management planning (all of government)	<ul style="list-style-type: none"> • Site must be determined by considering a holistic approach based on benefits to the entire Kimberley economy, including community, heritage, cultural, environmental and tourism values.
Accommodation <ul style="list-style-type: none"> ▪ Short stay ▪ Residential 	<ul style="list-style-type: none"> • Avoid a site that will promote short stay accommodation rooms in established tourist destinations being occupied by the workforce required to construct and operate industrial development. • Site must have capacity to establish sufficient workers accommodation.

In October 2008, the Site Evaluation Report published by the NDT recommended 4 sites, all of which were supported by the Traditional Owners, for further evaluation as having the potential to be used as a site for a multi-user LNG processing precinct. The sites identified by the Report were:

- Anjo Peninsula (situated in the far north of W.A.)
- North Head (located on the Dampier Peninsula)
- James Price Point (located on the Dampier Peninsula)
- Gourdon Bay (situated South of Broome)

In accordance with the Strategic Assessment Agreement between the State and Commonwealth Government, the NDT responded to the issues raised by public comment and continued in its efforts to further evaluate the sites, in adherence of the Environmental Protection Act 1986 (WA). Geo-technical assessments, environmental studies and further stakeholder consultation were undertaken in preparation for the final Site Evaluation Report.

In December 2008, the final Site Evaluation Report was published and it identified James Price Point as the preferred site for the proposed multi-user LNG processing precinct. However, the report acknowledged that the preferred site would require more environmental and regional impact assessment, as well as heritage surveys and negotiations over land tenure.

1.4.3 SOCIAL IMPACT ASSESSMENT³

Social Impact Assessment (SIA) is a process of research, planning and management to anticipate and manage change. It ensures a sound information base when making decisions about all phases of a project. The SIA for the Kimberley LNG project forms part of the Strategic Assessment Agreement negotiated between the Commonwealth Government and the State Government of Western Australia.

An SIA usually follows a number of iterative stages which include understanding the project, identifying key issues, developing a baseline profile through the collation of relevant secondary and some primary data such as information on local services and interviews with service providers to assess their capacity. The types of impacts that are being considered include:

- population impacts including the need for additional hard and soft services that result from a greater population and the opportunity of improved services for the existing population;
- economic impacts including potential impacts on small business and peoples' livelihoods as well as opportunities for employment;
- institutional impacts including the formation of interest groups around the project; and
- individual impacts including the possible disruption in daily movement patterns or recreation patterns.

Measures to mitigate, manage and monitor these impacts will ensure that unexpected events can be managed. These measures will be captured in a social management plan which will be integrated with the overall environmental management plan.

A broad process of consultation underpins the SIA and includes consultation with all levels of government; non-government organisations (Indigenous and non-Indigenous); service providers; business owners; service organisations; other organisations as well as community members. The purpose of consultation is to identify and document key issues, concerns and opportunities as well as local knowledge and suggestions. These will be captured in a management plan which represents the culmination of the SIA and provides a blueprint for the mitigation, management, monitoring and evaluation of social impacts.

The SIA will meet international best practice. It is being peer-reviewed by Dr Nick Taylor, a leading international SIA practitioner. The Tourism Impact Assessment project is one (1) of three (3) specialist impact studies that will provide information for consideration by the SIA. The other two studies are the Indigenous Social Impact Study being conducted by the Kimberley Land Council, and the Fisheries and Aquaculture Impact Study, being conducted by the Department of Fisheries.

³ Information sourced from the Working Draft of the *Kimberley LNG Social Impact Assessment Baseline Profile*– Updated 30 April 2009, prepared by the Western Australian Department for State Development.

1.5 METHODOLOGY

Ultimately, this project looked to address two (2) key issues:

1. How will the gas development impact tourism in the region – positively and negatively?
2. What can be done to mitigate and manage the negative impacts and capitalise on any positive impacts?

Broadly, to answer these fundamental questions, this project was clustered into five (5) key phases:

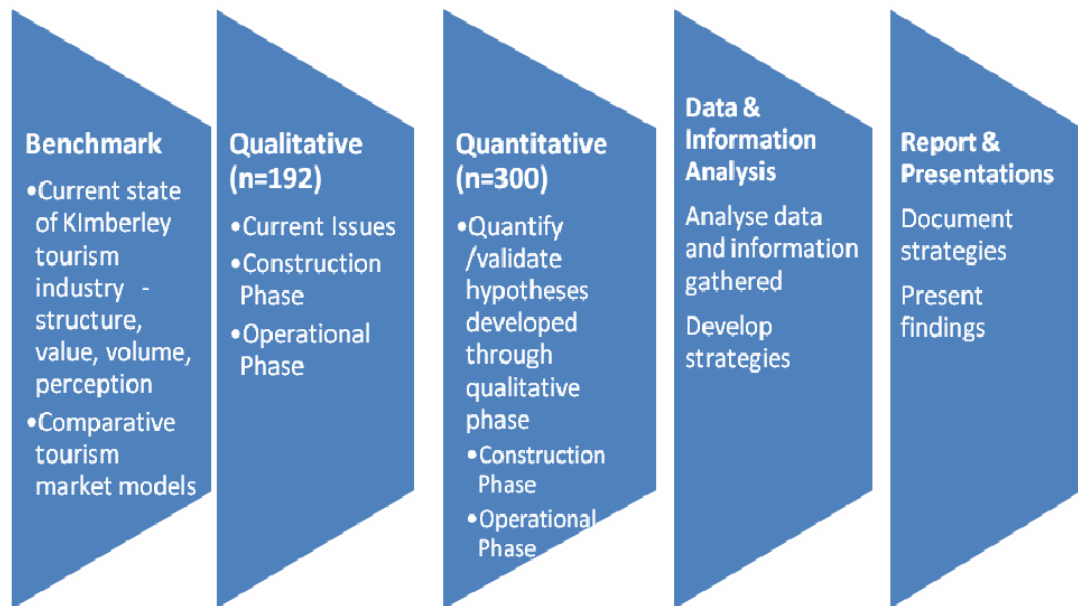


FIGURE 1: FIVE (5) KEY PHASES OF THE TOURISM IMPACT ASSESSMENT PROJECT

1.5.1 PHASE 1 – BENCHMARK (CURRENT STATE OF THE INDUSTRY)

This first phase was designed to provide a “snapshot” of the current state of tourism in terms of value, visitor numbers, structure and profile. This benchmark was an important component of the impact validation requirement of the potential impact to the destination.

As KPP had completed both the Broome and Derby Accommodation Studies for Tourism WA (2007 and 2008 respectively), Dampier Peninsular Visitation Study for Kimberley Development Commission (KDC) and reviewed potential tourism developments in the East Kimberley for the local Shire, the Company had a clear understanding of the structure of the industry in the region.

The key characteristic of Kimberley tourism sector is its large number of highly integrated and inter-dependent sub segments, where tour operators rely heavily on accommodation providers to house their customers, while accommodation providers rely heavily on transportation services to “deliver” customers to the destination and so on. This key characteristic has created a trend in the vertical integration of the industry’s sub segments. KPP believed that if this project was to provide a realistic

and defensible analysis of the size and structure and profile of tourism, the dynamics of horizontal integration also needed to be quantified (refer to Section 3.3 Structure of Kimberley Tourism Industry).

The Broome and Derby Accommodation Studies used visitor numbers by occupancy by rate to determine the size of the accommodation market and then a multiplier to estimate the size of the tourism sector in Broome. However, as this project looked to consult with stakeholders including airlines, land and marine tour operators, tourism service providers and so on, the tourism sub segments (as above) were used to ensure that all dependent and integrated segments were accounted, therefore providing more accurate multipliers for this and future projects.

In order to validate and update previous work completed by KPP, face-to-face consultation with industry stakeholders was required which also provided the opportunity to identify: current issues that may be impacting on growth and viability; positive and negative impacts through the construction and operational phases of the LNG Hub; and quantify the current and envisaged pressure on staff and staff housing.

KPP's previous work was updated and a snapshot was developed for the regional towns of Fitzroy Crossing and Halls Creek.

Through its previous work with the Northern Development Taskforce (NDT) and Woodside's Community Reference Panel, KPP had already undertaken a basic review of comparable global sites where industrial development had been introduced into a tourism-based economy. This research was expanded with more focus on mechanisms and strategies used at these sites to mitigate or capitalise on impacts from industrial development.

CONSULTATION PROCESS

Phases 1 and 2 of this study were overlapped to a large extent as stakeholders that were consulted to help quantify industry structure, size and profile also provided input to determine current issues impacting industry growth and viability and the perceived impacts through the various stages of the LNG Precinct development.

A detailed list of industry related stakeholders consulted for this project can be found in Appendix A.III. of this document. Government stakeholders (Tourism WA, Department of State Development) were also consulted at this stage.

DESK RESEARCH

In tandem with stakeholder consultation, a comparative review of case studies from around the world where industrial development has been introduced into a predominantly tourism based economy was also completed. Four comparative case studies were reviewed in detail including sites in Peru, Alaska, Florida and Canada.

OUTCOMES PLANNED TO BE ACHIEVED FROM THE PHASE ONE PROCESS

1. Verification of research and studies being undertaken in terms of the overall Social Impact Assessment project.
2. Quantification of the value, structure, visitor numbers and profile of tourism in the Kimberley.
3. The completion of 134 in-depth, face-to-face interviews with tourism operators including Indigenous operators, tourism industry service providers and identified government agencies.
4. Empirical research⁴ of the issues that currently impact on the tourism industry growth and viability.
5. Qualitative research (verisimilitude⁵) of the positive and negative impacts at various development stages of the LNG Hub on tourism from the tourism industry sector perspective.
6. The identification of potential impacts and mitigating strategies adopted.

1.5.2 PHASE 2 – QUALITATIVE (STAKEHOLDER CONSULTATION)

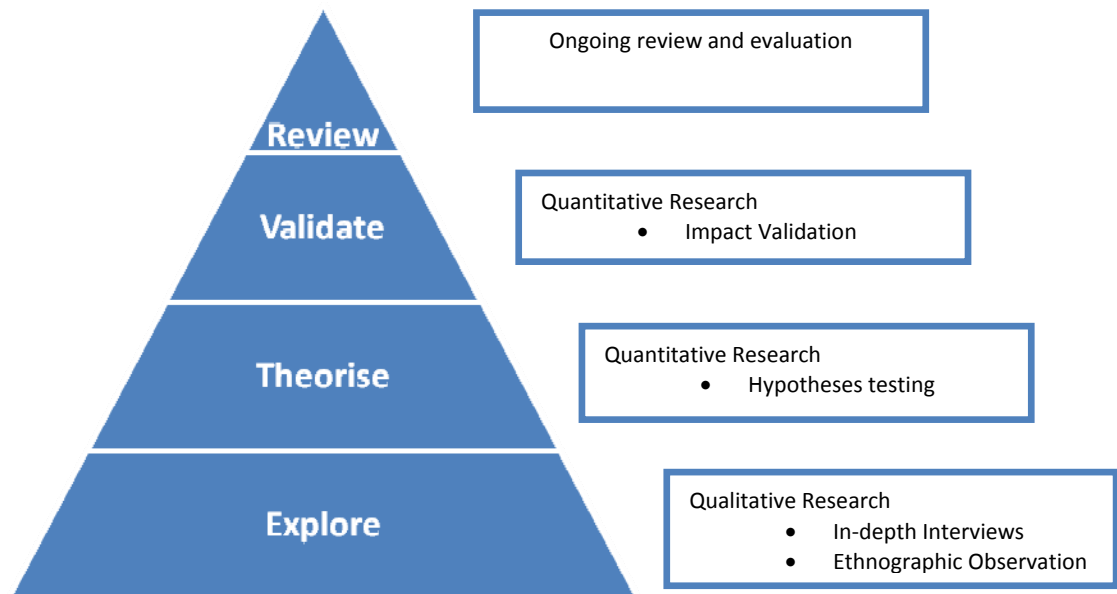
Phase 2 was seen to be the most critical phase of the project in meeting the defined study outcomes in terms of:

- Quantification of the positive and negative impacts from the development of a gas hub; and
- The development of hypotheses of management strategies that will ultimately form part of the recommended strategies.

The hypotheses developed through this phase were used to form the basis of information that was tested through the quantitative phase of the project.

⁴ Empirical research refers to the process of developing systematized knowledge gained from observations that are formulated to support insights and generalisations about the subject under study

⁵ In research, verisimilitude refers to the probability that the research findings are consistent with “real world” occurrences



Specifically, this phase of the project explored views of stakeholders, the Broome community and visitors in terms of positive and negative impacts of gas development through each development stage. KPP approached the research with a “global view” which was holistic and based on the following principles:

1. There is no one or predominant reality in terms of the impacts (positive and negative) of the development of a gas precinct on tourism; and
2. Reality is based on the perceptions of individuals which will vary greatly and change over time.

The systematic reasoning process used in qualitative research involved perceptually putting pieces together to make a whole. From this process hypotheses were produced. However, as perception varies with the individual, a wide range of hypotheses were developed for this project.

A systematic approach was crucial to ensure sound reasoning processes were used to develop propositions that were tested through the quantitative phase. The most robust approach devised by KPP was based on ‘clusters’ of stakeholders. Although one-on-one in depth interviews were used, respondents were ‘clustered’ for data analysis. Details of these clusters are provided in Section 4.1 Research Overview.

The list of cluster respondents interviewed by KPP are provided in the Appendix A.III.

PHASE 2 OUTCOMES

Outcomes from this project phase were planned as follows:

1. Documentation of all interviews and an analysis of key impacts on tourism (positive and negative) through each development phase of the LNG Hub
2. Completion and documentation of a matrix of the positive and negative impacts on tourism, by cluster group
3. The foundation upon which quantitative research design can be developed
4. Initial mitigation strategies to be tested/validated through the quantitative research phase of the project based on interviews conducted and strategies adopted in other similar environments (from desk research findings)
5. Completion of documentation review and consultation as required by the proscribed timing schedule

1.5.3 PHASE 3 – QUANTITATIVE PHASE (VALIDATION)

As the methodology for this project was based on a systematic approach to collecting information, analyzing information and developing a range of views, this phase looked to validate learnings and hypotheses developed from previous phases.

The key to this project phase was the design of the survey questions to ensure that all views (hypotheses) were tested and that results were applied to validate or reject previous findings.

As defined by the brief, respondents were clustered into two (2) groups: local community (residents) and visitors.

Group 1 – Local Community (Residents)

This survey was conducted online to a database of Broome residents. KPP has been collecting resident email addresses for its quarterly Consumer Confidence Surveys that have been conducted since 2006. When the Consumer Confidence surveys were first undertaken, the Broome directory listed name, address, postal address and email addresses for residents. Initially, all these listings were keyed into a database which has been updated over time. This database is not a panel but rather a random selection of residents. Residents who are invited to participate in the quarterly review are selected using a rotation of every 9th record in the dataset. Historically, 1 in 3 responded and around 5% of emails bounced back.

The methodology used for this survey followed processes previously adopted. Based on KPP's tender requirements, we sought a minimum sample of 100 residents to verify (validate) or reject hypotheses

developed through the qualitative research phase of this project. More information about the methodology undertaken for the Residents Survey is provided in Section 5.

Cluster 2 – Visitors to Broome

The brief suggested that 100 visitors be surveyed while they are visiting Broome. As this is the group that will have the greatest impact on any changes to tourism in the region, KPP increased the number of interviews to 200 visitors. KPP undertook face to face surveys with both incoming and outgoing visitors to measure any change in perception. More information about the methodology undertaken for the Visitors Survey is provided in Section 6.

PLANNED OUTCOMES

1. Validation (rejection) of propositions developed through quantitative phase of the project.
2. Results of mitigation strategies developed through the quantitative research phase of the project.
3. Completion of all information, data and consultations.

1.5.4 PHASES 4 & 5 – STRATEGY DEVELOPMENT (DOCUMENTATION & PRESENTATIONS)

These final phases involved a complete analysis on all information and data sources, the development of strategies and documentation of the report.

COMPARATIVE REVIEW

2.1 BACKGROUND

Tourism and mining have coexisted in the Kimberley since at least 1959. Based on data published by the Kimberley Development Commission (KDC) the mining sector is valued at around \$600m whereas tourism is valued at around \$257m⁶.

Some of the larger projects include BHP, which mined iron ore at Koolan Island off the northern Kimberley coast of Western Australia from 1959 to 1993. During this time around 70 million tonnes of high grade iron ore was mined.

Production at Koolan Island recommenced in early 2007 with the first shipment exported in June 2007 and is expected to reach its targeted ore production rate of 4Mtpa in 2010.⁷



FIGURE 2: KOOLAN ISLAND

In 1983, commercial production at the Argyle mine commenced and over the next decade over 670 million carats of diamonds had been produced from the mine. Over time, the Argyle Mine has also become a destination for tourists to the East Kimberley.

In addition to these larger miners, oil drilling at Blina, nickel and copper mining at Pillara and Sally Malay have been part of the Kimberley economy, for decades in some instances.

It is not the intention of this report to make comparisons between the proposed Gas Processing Precinct at James Price Point and other mining activity in Kimberley as both scale and location vary significantly. However, there is historical evidence to suggest that mining and tourism have been able to coexist for some time.

⁶ Kimberley Development Commission An Economic Profile, August 2008. Accessed online http://www.kdc.wa.gov.au/documents/kdc/KDC_Economic_Profile.pdf on 4 April 2009.

⁷ Mt Gibson Iron, 2009, accessed online <http://www.mtgibsoniron.com.au/> on 4 April 2009.

A number of case studies were reviewed as part of this project including Colorado, Shetland Islands and Norway but for the purpose of this study, four (4) have been reviewed specifically:

1. Alaska - as it allows a comparison of Alaska's "wilderness" values to the potential impacts on "brand Kimberley".
2. Florida - as it is at much the same stage as Western Australia in terms of the debate on the impact of oil drilling on the Florida coast which relies heavily on tourism.
3. Peru – Construction of new gas port, plant and pipeline is almost completed and runs within a couple of hundred miles of significant tourism destinations such as Machu Picchu.
4. Canada – British Columbia where a new gas facility (Kitimat) is to start construction in mid 2009 has relied heavily on previous developments in Canada to develop co-existence strategies.

2.2 LITERATURE REVIEW - CO-EXISTENCE OF TOURISM AND OIL & GAS DEVELOPMENTS

There is little recent literature and documented evidence regarding coexistence between tourism and on and off shore mining development. Some of the specific literature reviewed can be summarised as follows:

California

While tourism and petroleum sectors have coexisted with relatively little conflict in both California and Alaska (Williams, 2001),⁸ a Minerals Management Service (MMS) report (1999) suggests the impact of a potential oil spill on recreation and tourism is a major concern in California, with some recreation groups voicing opposition to new oil development.

Alaska

Problems with old, leaky pipelines in Cook Inlet Alaska have fishing, tourism and environmental interests concerned, including opposition from small communities surrounding the city of Kenai who do not benefit to the same extent from oil development.⁹

A study of Valdez Alaska suggests that while tourism would remain without the oil industry a number of services such as hotels and restaurants would be likely to shut down.¹⁰

⁸ WILLIAMS, J. 2001. "Keynote Speaker" *2001 Conference of Coastal Communities* (Richmond, BC), cited in *Offshore Oil and Gas and the Quest for Sustainable Development- A Rural Development Perspective*. Accessed online at <http://www.sfu.ca/cstudies/science/resources/coastalstudies/linking/pdf/voddenoandpaper.pdf> on 4 April 2009

⁹ ROSEN, Y. 2001 "Life extended for Cook Inlet oil and gas fields" *World Environment News* Sept. 11, cited in *Offshore Oil and Gas and the Quest for Sustainable Development- A Rural Development Perspective*. Accessed online on 4 April 2009 at <http://www.sfu.ca/cstudies/science/resources/coastalstudies/linking/pdf/voddenoandpaper.pdf>

Canada

Tourism experts raise concerns that in British Columbia, just as communities have been willing to take tourism seriously as an alternative to resource extraction, the promise of oil may divert community attention and resources from tourism initiatives and other diversification efforts.¹¹

Scotland

In 1994 Butler and Fennell raised the vulnerability of tourism off the coast of the Shetland Islands of Scotland. The Shetland Islands share many of the same marketable characteristics of Kimberley Coast including remoteness, wilderness and cultural history. For a decade following development of the offshore industry in Shetland nearly all pleasure tourism stopped. An aggressive marketing campaign began to bring tourists back, only to be undone by the 1993 spill of the oil tanker Braer. After what was considered a reasonably successful cleanup, Shetland was still suffering as tourism revenues dropped significantly and the area had to begin another marketing campaign. However, by the late 1990s studies suggested that improved infrastructure such as roads, expanded airports and harbours is thought to have contributed to the tourism sector, as well as improved access to other markets, health care and other services.¹²

The U.S. Minerals Management Service suggests that, *"virtually no research has been done on how tourists (and potential tourists) perceive drilling platforms or other industry structures... The effects of platform aesthetics on tourism and recreation has been based largely on assumptions about tourist perceptions"*.

¹⁰ Robbins, E. 1992 "Effects of the 1989 Exxon Valdez Oil Spill on Cordova" Report to the Minerals Management Service. Accessed online at <http://www.unu.edu/unupress/unupbooks/uu211e/uu211e0n.htm> on 4 April 2009.

¹¹ Gill, A. 2000. Coastal and Marine Tourism in British Columbia: Implications of Oil and Gas Development for the Tourism Industry. Paper presented at the Exploring the Future of Offshore Oil and Gas Development in B.C., Simon Fraser University 17-18 May 2000.

¹² CEF Consultants LTD. 1998b "Communities and Change" a Series of Papers on Energy and the Offshore No. 8 cited in Vodden, K., Peirce, J. And House, D., Offshore Oil and Gas and the Quest for Sustainable Development: A Rural Development Perspective. Based on papers presented to the Canadian Association of Geographers, Toronto, May 2002 and to the National Ocean Management Research Network Conference, Ottawa, October 2002. Accessed online at <http://www.sfu.ca/cstudies/science/resources/coastalstudies/linking/pdf/voddendoandpaper.pdf> on 4 April 2009.

2.2.1 ALASKA

TOURISM OVERVIEW

Tourists began visiting Alaska more than a century ago. The 1899 Harriman expedition might be considered the birth of tourism in Alaska – a ship full of people on holiday to see the sights; do a little hunting and fishing; and have an adventure in the last frontier. In the first half of the 20th century, tourism in Alaska continued the pattern of visiting coastal communities aboard ship.

With the end of World War II, Alaska saw an influx of new residents. The opening of the Al-Can to private traffic, improved air access to gateway communities coupled with a growing middle class, able to afford an Alaska adventure. This led to small but steady growth in



FIGURE 3: REGIONS OF ALASKA

Alaska's tourism industry – particularly in the road accessible interior and south-central regions. The last decade has seen large growth in the Cruise Industry worldwide, and Alaska has benefited as larger, faster and cleaner cruise ships have brought millions of visitors to that state annually. By 2006, tourism's total economic contribution to Alaska's economy exceeded \$1.6 billion and was the State's 3rd largest employer accounting for 39,000 full time jobs and 47,000 indirect jobs.

OIL & GAS OVERVIEW

As tourism expanded, so did crude oil production. Excluding Federal offshore production, Alaska ranks second in the United States in crude oil production. Prudhoe Bay on Alaska's North Slope is the highest yielding oil field in the United States, typically producing approximately 400,000 barrels per day. The Trans-Alaska Pipeline pumps up to 2.1 million barrels of crude oil per day, more than any other crude oil pipeline in the United States. Alaska has six oil refineries, most of which are "topping" plants.

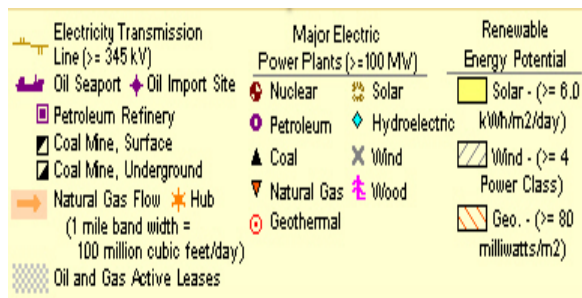


FIGURE 4: ALASKAN INDUSTRIAL INFRASTRUCTURE

TOURISM MARKETING

According to Travel Alaska, the State's regional tourist centre, tourists can expect a wilderness experience throughout the State from the coastal glaciers to the interior's wildlife. Tourists can also expect strong cultural experiences, particularly in the Far North which is *"...home to the Inupiat Eskimos, many who still live a subsistence lifestyle and still preserve their history verbally from generation to generation. The Far North is filled with a rich history and natural wonders, from the gold rush days of yore to the Gates of the Arctic National Park and Preserve."* Although the region is also the location of the US's highest yield oil field, the marketing body or the tourism industry.

Travel Alaska describes Valdez.....*"In the heart of Prince William Sound and less than 25 miles east of the Columbia Glacier you will find the city of Valdez nestled beneath the Chugach Mountains. The crashing glaciers and towering mountains that rise from the sea make Valdez absolutely picturesque, not only as a premier summer destination, but also as an incredible winter getaway."* Although this region is the base of three refineries from oil piped from the North and a major oil seaport, it does not appear to have detracted from the concept of a wilderness experience for tourists.

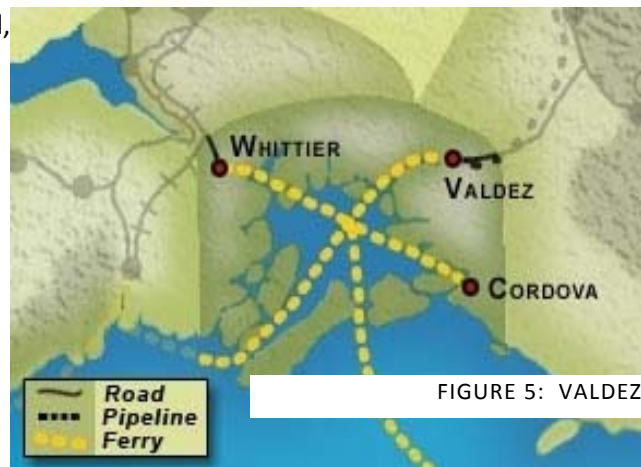


FIGURE 5: VALDEZ

MITIGATING STRATEGIES ADOPTED

There appear to be no strategies that focus on tourism's coexistence with oil and gas. Rather the strategies developed and implemented in Alaska are based around the collection and distribution of revenue raised from oil and gas. Some of the key agreements can be summarised as follows:

1. In Alaska one First Nations community formed a county-like jurisdiction, the North Slope Borough, for the purposes of collecting taxes from oil and gas facilities, which are then reinvested in the community economy.¹³
2. In Valdez, the local mayor and council recognized the need to build economic alternatives that are long-term and involve more local control than the oil industry. Oil-based tax dollars have been reinvested into infrastructure for the tourism and fishing sectors.¹⁴
3. Revenue sharing has become a significant component of impact and benefit agreements signed between Aboriginal communities and the mining industry in the north.¹⁵

¹³ SHRIMPSON, M. and Storey, K. 2000 *Managing the Relationship Between the Offshore Oil Industry and the Frontier Regions*. Accessed online at http://www.energybc.ca/SPE_61166.pdf on 4 April 2009.

¹⁴ Robbins, E. 1992. *Effects of the 1989 Exxon Valdez Oil Spill on Cordova*. Report to the Minerals Management Service. Accessed online at <http://www.unu.edu/unupress/unupbooks/uu211e/uu211e0n.htm> on 4 April 2009.

¹⁵ O'REILLY, K. and EACOTT, R. 1998. *Aboriginal Peoples and Impact and Benefit Agreement*. Summary of the Report of a National Workshop Working Paper 7 (Northern Minerals Programme). Accessed online at <http://www.carc.org/pubs/v25no4/2.htm> on 4 April 2009.

2.2.2 FLORIDA

Many of the arguments and concerns raised in the Kimberley regarding the location and development of a gas precinct are mirrored in the debate underway in Florida.

Background

The US Congress allowed a 26 year moratorium on drilling off the Atlantic and Pacific coasts to expire in September 2008 although the coastal waters off Florida's western beaches remain off limits to energy development, at least until 2022. However, Congress allowed the opening of 8.3 million acres of the east-central Gulf near the eastern Panhandle to drilling in exchange for the no-drill zone. There is strong debate between business, tourism operators and environmentalists regarding the impact of oil platforms on tourism.

Key Issues

While tourism is Florida's key revenue generator accounting for around \$90million to \$100m per day, the State relies heavily on motorists that are being hit hard by rising fuel costs. This is a key argument being developed by business which suggests that the state's reliance on tourism as the key economic contributor is fraught with danger and a broader economic base is essential for long term prosperity. Business estimates revenue from the proposed drilling platforms will contribute around \$7b per year to the State. However, environmentalists are concerned about potential oil spills, lost wetlands, threats to wildlife and pollution from drilling. The Gulf Coast Environmental Defense, suggest that *"Tourism in Florida is a \$90 million to \$100 million a day industry and tourism is all about perception, perception of sugary white beaches, emerald waters and a clean environment. The state should promote alternative energies and energy independence. And Americans should exhaust foreign sources of oil before exploiting any untapped reserves off the Florida coast and elsewhere"*¹⁶

However, ongoing consultation between the Florida Petroleum Council, the drilling advocacy group American Solutions, environmental preservation group Gulf Coast Environment Defense and Shell Oil about the benefits and risks of drilling, has recently agreed on a compromise solution. Peak tourism bodies favour drilling that is out-of-sight of the Florida coastline, where it can't be seen by tourists who may think it's not compatible with a nice day at the beach.

Additional caveats in the tourism industry's new stance on drilling include requiring "zero discharge natural gas systems," a moratorium on new leases to drill in the eastern Gulf of Mexico and deference to the needs of the military establishments in the Panhandle.

In a telephone discussion in April 2009 with Robert Skrob, executive director of the Visitors Bureau Association, said the tourism industry's apparent change of heart on drilling was born of necessity. *"Even with the declining gas price, this summer taught us how reliant we are on foreign oil,"* he said. *"Our industry had to balance the need for transportation for visitors to get to Florida with the need to protect our natural beauty. Increased production of oil off our coast that is out of sight might be a part of that."*

¹⁶ USA Today 2/1/08 Florida's Dilemma: Can offshore Drilling and tourism coexist?

2.2.3 PERU

TOURISM OVERVIEW

Tourism is considered to be one of the most important economic activities in Peru¹⁷, and is the country's second largest source of foreign income valued at around \$US2b. It represents 13% of service sector jobs and is providing 43,000 new jobs per year. 100,000 people are employed directly, and 400,000 indirectly. This sector generates one hundred million US dollars annually for the State by means of the General Sales Tax (IGV).



FIGURE 6: PERU LNG PIPELINE

Peru's inflation in 1990 was 7,481.7%. Annual inflation had been cut to 6.46% by the year 1997 and to around 3% by 2008 in which year the GNP rose by 7.4%. Foreign income from tourism, compared with exports, grew from 6.2% in 1985 to 11.9% in 1997 and 16.5% by 2006.

It is estimated that Peru received around 1.3m tourists in 2005, with annual increments of around 60,000. The average length of time a tourist spends in Peru is 13 days, spending an average of US\$1684, not including fares.

Ecotourism is considered as one of tourism largest growth sectors and is believed to be underpinning the growth of tourism in Peru.

Tourism based on cultural resources is the key characteristic of Peru's tourism. Guided tours of the centre of Lima focus on historic buildings dating from the 17th, 18th and 19th centuries. Cusco is a place where Inca and Spanish styles of architecture and culture merged whereas Machu Picchu is identified with Peru all over the world. The archaeological remains provide a perfect example of Inca architecture and planning. Near Trujillo, in the department of La Libertad, there are the ruins of Chan Chan, an enormous city built from adobe and which was inhabited by people of the Mochica and Chimu cultures.

LNG DEVELOPMENT

The liquefied natural gas (LNG) project being developed by Peru LNG S.R.L. consists of the development, construction and operation of a liquefied natural gas plant comprised of a greenfield 4.45 million tons per annum liquefaction train (the LNG Plant) and related marine facilities at Pampa

¹⁷ Ceballos-Lascurain, H. 2007. Integrating Biodiversity into the Tourism Sector- Best Practice Guidelines accessed online at <http://www.cbd.int/doc/case-studies/tour/cs-tour-unep.pdf> on 4 April 2009.

Melchorita south of Lima, as well as a 408-km, 34-inch natural gas pipeline (Refer Figure 6: Peru LNG Pipeline).

In February 2008 the International Finance Corporation (IFC), a member of the World Bank Group, approved financial and advisory support for Peru LNG, “...a natural gas export project that will support growth in some of Peru’s poorest regions and will be the largest foreign direct investment in the country’s history.”

Totalling \$3.8 billion, this investment is the first liquefied natural gas export project in Latin America. It is expected to transform Peru into a net hydrocarbon exporter after operations begin in 2010.

MITIGATION STRATEGIES

In addition to the \$300 million loan, IFC is advising Peru LNG on optimizing the project’s environmental approach and ensuring that local communities benefit. On completion of extensive consultation¹⁸, the IFC determined that tourism would benefit from this project through improved infrastructure and services. It was determined that the gas train at Camp Malvinas was a couple of hundred miles from Machu Picchu and would not be visible to tourists travelling to the region. Therefore, no strategies are being developed.

Of greatest concern appears to be the potential re-settlement of some communities that are in the path of the pipeline, however the terms of agreements require the pipeline to follow the “Footprint Minimization Plan” in which there are provisions requiring that physical displacements be minimized. If such displacement is unavoidable people will be resettled in their own plot or their own community.

¹⁸

Component	Milestones
LNG Plant	<ul style="list-style-type: none"> • 42 workshops with over 1,900 participants • Over 17,500 visitors to PLNG offices in Chincha and Cañete • 41 press communications in local radio and newspapers
Quarry	<ul style="list-style-type: none"> • 14 workshops • Over 550 participants
Pipeline	<ul style="list-style-type: none"> • 125 workshops conducted with over 11,000 participants; • Land and easement (L&E) information with over 300 workshops and individual meetings conducted with landowners and possessors, government representatives and ombudsman; • Over 100 meetings to inform communities on archaeological and environmental programs.

2.2.4 CANADA

TOURISM OVERVIEW

Tourism is an important sector of the economy of British Columbia accounting for around \$5.5b (or 4%) of the province's gross domestic product (GDP).¹⁹ Employment in the sector totals around 120,400 which accounts for 1 in every 15 jobs in the province. The tourism sector is expanding by around 4.6% per annum²⁰ and has done so since around 2002. It is also reported that there have been solid gains in tourism retailing (around 6%); accommodation and food services (5.7%); transportation (3.6%) and other tourism services (3.5%).

The coastal areas around and including the Queen Charlotte Islands and Vancouver Island are becoming more dependent on tourism. (Refer Figure 7: Vancouver Island for location points). The area includes one national park, eight provincial parks, 13 ecological reserves and prospective marine protected areas. Specific destination activities that are active and growing in the area are tours for scuba diving, kayaking, sailing, sport fishing, hunting, whale watching, nature tours, hiking,



FIGURE 7: VANCOUVER ISLAND

¹⁹ BC Stats & Statistics Canada, accessed at <http://www.bcstats.gov.bc.ca/> on 4 April 2009.

²⁰ Tourism British Columbia, webpage accessed at <http://au.britishcolumbia.travel/en-CA/default.htm> on 4 April 2009.

camping, cultural and anthropological tours, wildlife viewing and photography (Tourism British Columbia, 2009).

In the Skeena-Queen Charlotte, Mount Waddington and Kitimat-Stikine regions, tourism directly and indirectly accounts for 7%, 8%, and 5% of employment respectively (B.C. Stats 2007c). British Columbia Travel (the official tourism site of British Columbia) reports that ecotourism is the fastest growing component of tourism in the region. The cruise ship industry is another important component of the sector as an increasing number of vessels travel through BC's Inside Passage to view the spectacular scenery, and a number of coastal communities in addition to the major centres, are pursuing this tourism as a tool for economic development.

OIL AND GAS DEVELOPMENT²¹

Interest in oil and gas development on the British Columbia coast dates back to the early 1900s, with drilling of the first exploratory wells on the Queen Charlotte Islands. In the 1960s eight exploratory wells were drilled in the Queen Charlotte Basin, along with six others along the west coast of Vancouver Island. By the early 1970s, however, concerns led to a federal moratorium on exploration and crude oil tanker traffic from Alaska travelling through the Queen Charlotte Basin area. However, as the Atlantic Accord was being signed on Canada's east coast, federal and provincial governments jointly sponsored an independent environmental review panel on the issue, resulting in a report with 92 recommendations and conditions for proceeding. In 1987-88 the governments negotiated a draft Pacific Accord but the process was cut short by the Exxon Valdez and Nestucca oil spills and the public pressures that resulted. The moratorium was reinstated. With a decline in other industries along the BC coast, the latter part of the 1990s once again brought calls for exploration to proceed.

KITIMAT LNG²²

Kitimat LNG Inc. expects to begin construction on Kitimat LNG Terminal in mid 2009, with commercial operation beginning at the end of 2013. Kitimat LNG's terminal proposal suggests a number of benefits for the province of British Columbia, the District of Kitimat, First Nations and the region including:

- regional economic diversification and increased use of local personnel, goods and services
- 1,500 employment years of construction work and 100 permanent jobs
- gains in jobs, revenue, training and capacity-building for our First Nations partners and their communities

The Kitimat LNG Terminal will receive natural gas supplies via pipeline from the Western Canadian Sedimentary Basin.²³

²¹ Based on papers presented to the Canadian Association of Geographers, Toronto, May 2002

²² & ²¹ Whiticar, MJ. EnergyBC Webpage. Accessed at <http://www.energybc.ca/econ6b.html> on 4 April 2009.

ISSUES IDENTIFIED

The area around Hecate Strait and the Queen Charlotte Sound is populated by approximately 60,000 people, with over half of these people living in either Prince Rupert, Kitimat or Port Hardy. The remaining population is distributed in dozens of small communities. Up to a third of the total population is of First Nations ancestry (BC Stats, 2004). The heavy reliance of such communities on natural resource industries has raised concerns among local residents that existing industries must be protected from potential damage or loss of operation because of offshore oil and gas development. A concern is that skilled labour from traditional industries may be *siphoned off* to better-paying employment on the rigs and platforms, leaving fewer workers to support the other industries.

MITIGATION STRATEGIES

- 1 Fisheries and Marine Tourism - Experience from other offshore regions was reviewed by the province and showed that many of the adverse effects can be avoided or minimized if fishers, tourism operators and offshore operators work together to identify important areas and potential problems prior to the commencement of activities. It was noted that the fishing and marine tourism industries could benefit from offshore oil and gas development through improvements in weather forecasting, environmental data collection, onshore/offshore communications, vessel maintenance, and search and rescue services.
- 2 Increased Port Traffic – It was identified that an obvious eventual by-product of oil and gas exploration in the area would be increased vessel traffic. The establishment of a formal vessel traffic management system before seismic surveys began was proven to help mitigate many potential problems in other offshore regions. A potentially positive by-product of the industry's presence would be encouragement towards upgrading of local vessels' navigational and monitoring equipment. Any upgrades to services or equipment in local ports would also benefit local shipping in both the short and long term.
- 3 Tourism – British Columbia recognised that the coastal regions were becoming increasingly dependent on tourism and that eco-tourism and the cruise ship industries were becoming increasingly important components of the industry. In developing strategies, it was recognised that the oil and gas industry could have both positive impacts (e.g. revenues to be used to improve local infrastructure and city aesthetics) and negative impacts (e.g. industrial accidents and pollution).

STATE OF TOURISM

3.1 BACKGROUND

This section of the Study aims to provide a “snapshot” of the current state of tourism in terms of value, visitor numbers, structure and profile²⁴. This benchmark is an important component of the validation requirement of the potential impact to the destination, through loss of wilderness value and sense of uniqueness.

In addition to profiling the industry, the brief requires reporting of the operational parameters of the industry in terms of accommodation, transport, access, staffing levels and housing.

The third part of the brief, pertaining to this section of requirements, calls for an understanding of the distribution of visitors to other Kimberley destinations, using Broome as the gateway. The response to this third point has been included in the Visitor Survey section of this document.

As KPP has completed both the Broome and Derby Accommodation Studies for TWA, Dampier Peninsular Visitation Study for Kimberley Development Commission (KDC) and reviewed potential tourism developments in the East Kimberley for the local Shire, the Company has a clear understanding of the structure of the industry in the region.

The Broome and Derby Accommodation Studies used visitor numbers by occupancy by rate to determine the size of the accommodation market and then a multiplier to estimate the size of the tourism sector in Broome and Derby. However, as this project looked to consult with stakeholders including airlines, land and marine tour operators, tourism service providers and so on, these tourism sub-segments were used to ensure that all dependent and integrated segments of the industry were included, therefore providing more accurate multipliers for this and future projects.

3.2 DATA SOURCES & CONSULTATION

The value of tourism has been historically difficult to measure. One of the key problems is that tourism is not designated as an “industry classification” in national or state economic accounts, as it is made up of many industries that contribute partly to the overall economy of the permanent residents of a community, while servicing the visitor sector.

The Tourism Satellite Account (TSA) standard was developed by the World Tourism Organisation and ratified by the United Nations as the benchmark for measuring travel and tourism in a way that is consistent with other economic accounts. This project was implemented in 2000 to help provide an

²⁴ The definition for “profile” as noted in the brief, is to include employment numbers, value and size of the tourism industry.

accurate understanding of the tourism industry in Australia, defining and measuring travel and tourism in a framework that will allow comparisons with other industries.

*“The purpose of a tourism satellite account is to analyse in detail all the aspects of demand for goods and services associated with the activity of visitors; to observe the operational interface with the supply of such goods and services within the economy; and to describe how this supply interacts with other economic activities”.*²⁵

TSA statistics are only as good as the input by operators. To some extent it fails to separate local economy activity from visitor activity. However, it provides a useful benchmark to validate data collection from local operators.

In order to validate and update previous work completed by KPP, face-to-face consultation with industry stakeholders was undertaken. This also provided the opportunity to identify current issues that may impact on growth and viability; positive and negative impacts through the construction and operational phases of the LNG Hub; and quantify the current and envisaged pressure on staff and staff housing. Detailed results from these consultations can be found in the “Quantitative Research Findings” section of this document.

In terms of Broome and Derby markets, KPP’s previous work was updated and a snapshot developed for the regional towns of Kununurra, Fitzroy Crossing, Halls Creek, the Dampier Peninsula and Kimberley coastal operators.

A detailed list of stakeholders can be found as Appendix I to this document. A total of 173 stakeholders were consulted as part of this process.

²⁵ Organisation for Economic World Tourism Organization, 2009, cited in webpage <http://urpl.wisc.edu/people/marcouiller/projects/clearinghouse/Satellite%20Accounts.htm> accessed 10 April 2009.

3.3 STRUCTURE OF KIMBERLEY TOURISM INDUSTRY

The key characteristic of Kimberley tourism sector is its large number of highly integrated and inter-dependent sub segments, where tour operators rely heavily on accommodation providers to house their customers, while accommodation providers rely heavily on transportation services to “deliver” customers to the destination and so on. This key characteristic has created a trend in the vertical integration of the industry’s sub segments. However, if this project is to provide a realistic and defensible analysis of the size, structure and profile of tourism, the dynamics of horizontal integration also needs to be quantified,²⁶ i.e.

Structural & Operational Inputs

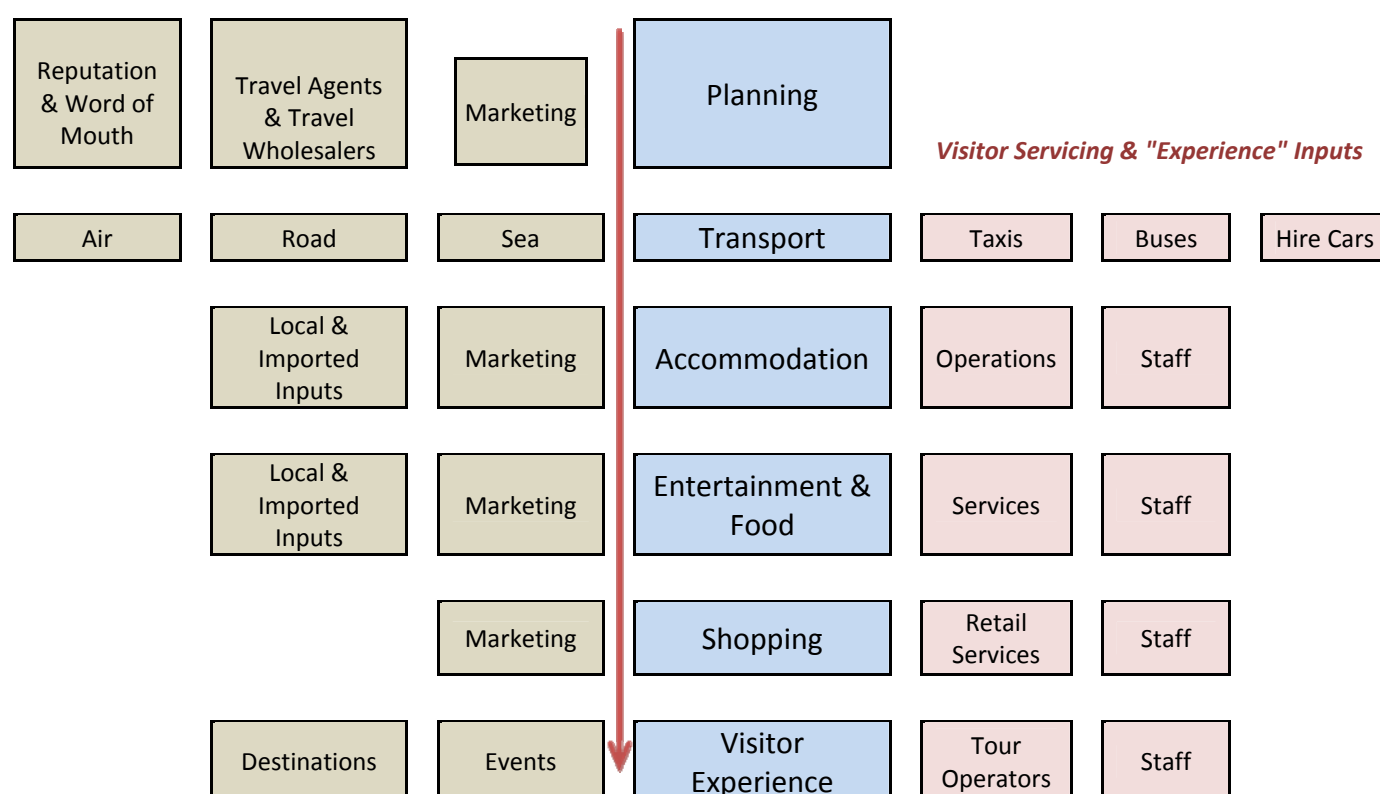


FIGURE 8: VERTICAL & HORIZONTAL INTEGRATION OF THE TOURISM INDUSTRY

The quantification of horizontal integration also allows a realistic basis on which to calculate the multiplier effects by different regions within the Kimberley.

²⁶ During the process of determining industry structure, many international models were reviewed including Slob, F. and Wild, J. Tourism and Sustainability in Brazil (http://www.businesshumanrights.org/Links/Repository/825147/link_page_view), the Michigan Tourism Economic Estimator (<http://www.msu.mu>), Gambia Tourism Value chain (<http://www.odi.org.au/projects>), and the Handbook of Value Chain Research (<http://www.idi.ac.uk/globalvaluechains>).

3.4 SUMMARY OF FINDINGS

- The tourism industry is a significant contributor to the Kimberley economy accounting for around \$637.3m in 2008 or around 35.8% of the total economy valued at \$1.778b²⁷.
- Passenger numbers through Broome International Airport have increased by 109% over the past eight (8) years (Refer Appendix VI.1.1).
- Cruise ship movements through the Port of Broome will increase by 25.8% in F09/10 over the previous year with an estimated 24,000 transit passengers forecast for the current year (Refer Appendix VI.1.2).
- The tourism *Core Industry*, that is the direct impact of end providers of goods and services to visitors, generated \$369m in 2008 or 20.7% of the total Gross Regional Product (GRP) of the Kimberley.
- The multiplier impact increases tourism's economic contribution to the Kimberley economy by \$637.3m.
- Using the narrowest definition of "core industry", tourism is one of the largest sector employers in the region, with 2,175 people employed over 2008.
- It is estimated that 274,200 people visited the Kimberley in 2008.
- The rate of occupancy varies significantly by region. However, towns outside Broome offer a higher ratio of caravan and camping facilities and occupancy of these facilities is highly seasonal.
- The rate of occupancy has declined in Broome when compared with the 2006 Broome Accommodation Study findings. This is in line with forecasts produced at that time, when increased inventory was forecast to have short term impacts on occupancy and yield.
- There is a strong interdependency in the Kimberley tourism industry between tourism groups, operators, accommodation providers and support services.

²⁷ Kimberley Development Commission, 2009. *An Economic Profile March 2009*. State Government of Western Australia.

3.5 DETAILED FINDINGS

3.5.1 BROOME TOURISM - CORE INDUSTRY

The estimation of market value has been based on previous work completed by KPP for TWA, face-to-face consultation with accommodation providers, tour operators, retail, transport and food service operators. Data collected was validated by a number of data sources including the Australian Bureau of Statistics' Tourism Satellite Account (TSA) for 2008.

The *Tourism Core Industry* is defined as the end providers of goods and services to visitors. Therefore, the following have been included in estimating core industry value. It should be noted that end providers of goods and services that are not based in Broome have not been calculated as part of the value of tourism, as the income is not retained in this market. (e.g. Major airlines, Perth- and Sydney-based cruise operations and so on).

- Accommodation Providers
- Tours
- Entertainment and Food Providers
- Transport Service providers
- Retailers

3.5.2 BROOME ACCOMMODATION MARKET

Broome has an extensive range of visitor accommodation which includes Luxury Hotels (4-5 star rating); Standard Hotels (3-3.5 star rating); Self Contained Apartments (4-4.5 star rating); Bed & Breakfasts, Backpacker Hostels and Caravan Parks.

By July 2009 there will be 58 accommodation establishments with a total 3,571 available rooms (including camp and caravan sites). This represents a 13.73% increase in accommodation establishments and 17.90% increase in available rooms since November 2006. There has been substantial change in the total number of rooms available in the Broome accommodation market since the 2006 Broome Accommodation Study²⁸ was completed.

Available Rooms ²⁹	Luxury Hotels	Standard Hotels	Self Contained Apartments	B&B	CCC	Backpacker	Total Inventory
2006/07	463	150	357	49	1,551	459	3,029
2009/10	908	150	420	49	1,542	502	3,571
Change %	95.98	0.00	17.70	0.00	-0.58	9.45	17.90

LUXURY HOTELS

²⁸ Tourism Western Australia, 2006. Broome Accommodation Study. Prepared by KPP Business Development.

²⁹ Includes Pinctada Resort (opened May 09); Eco Beach Resort (opened June 09) and Oaks (to open July 2009)

This category currently comprises of seven (7) properties and includes three (3) Apartment Hotel style accommodation where guests are offered a complete self contained unit, however the establishment also offers meals and beverages.

New Entrants to this category are:

Luxury Hotel Pinctada Cable Beach Resort & Spa was added to the category on 1 May 2009 and with it, 72 additional rooms³⁰

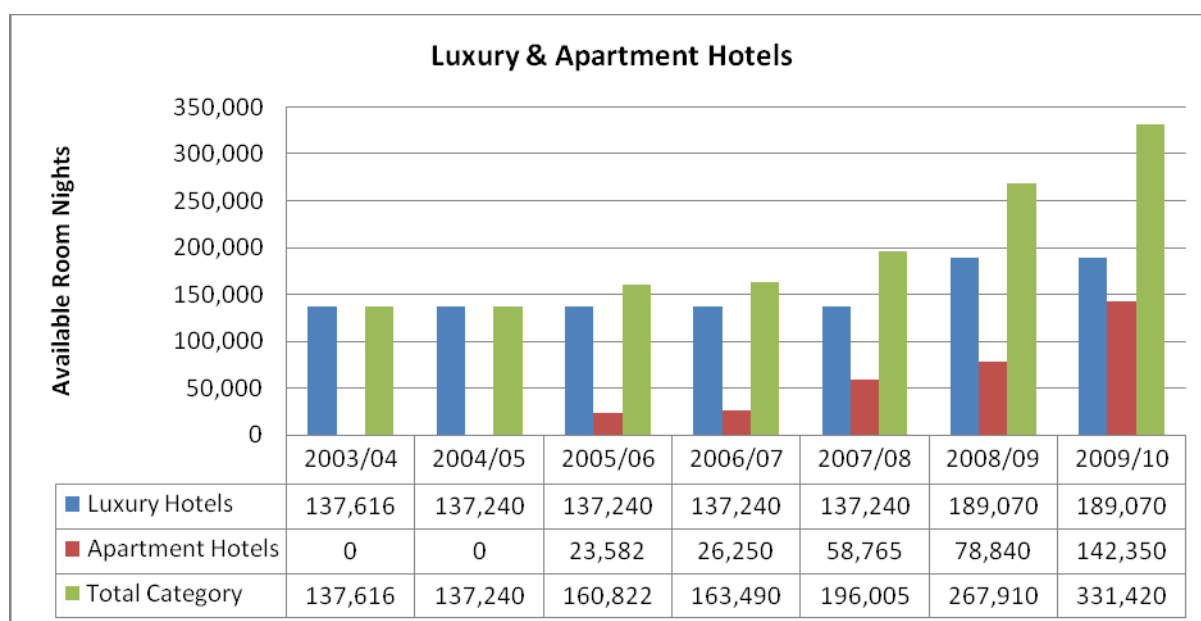
Eco Beach Resort was added in June 2009 adding 55 rooms³¹

Apartment Hotels The Oaks due to open mid July 2009 with 174 additional rooms

In addition, existing operators have added inventory over the last couple of years:

- Mercure 70 additional rooms
- Rendezvous 81 additional rooms

Based on these additional rooms and new developments, Broome now offers 908 rooms in this category representing additional inventory of 142.6% increase since F2005/06.³²

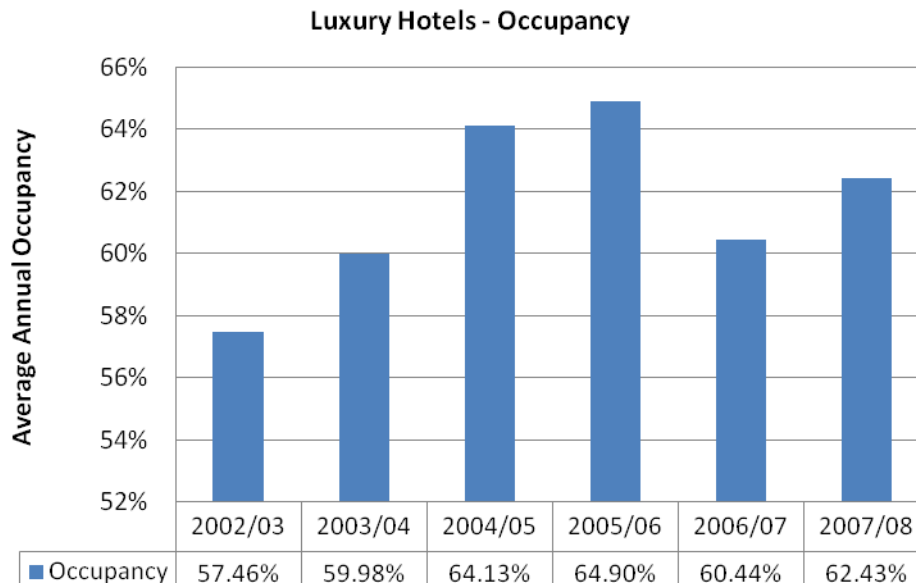


³⁰ Note that Pinctada is added to F08/09 inventory although rooms were available for two (2) months only in that financial year

³¹ Note that Eco Beach is included in F08/09 inventory although rooms were available for one month only in that financial year

³² 70 rooms were added over the 2008 dry season at the Mercure; 42 were added at Rendezvous on 6/4/07 and an additional 42 on 1/7/07

Occupancy rates rose consistently from 2002/03 with a significant increase over 2004/05 and levelled out over 2005/06. The following year saw a decline but it is anecdotally suggested this may be a lag impact of increased inventory. A recovery of this trend was evident by 2007/08.



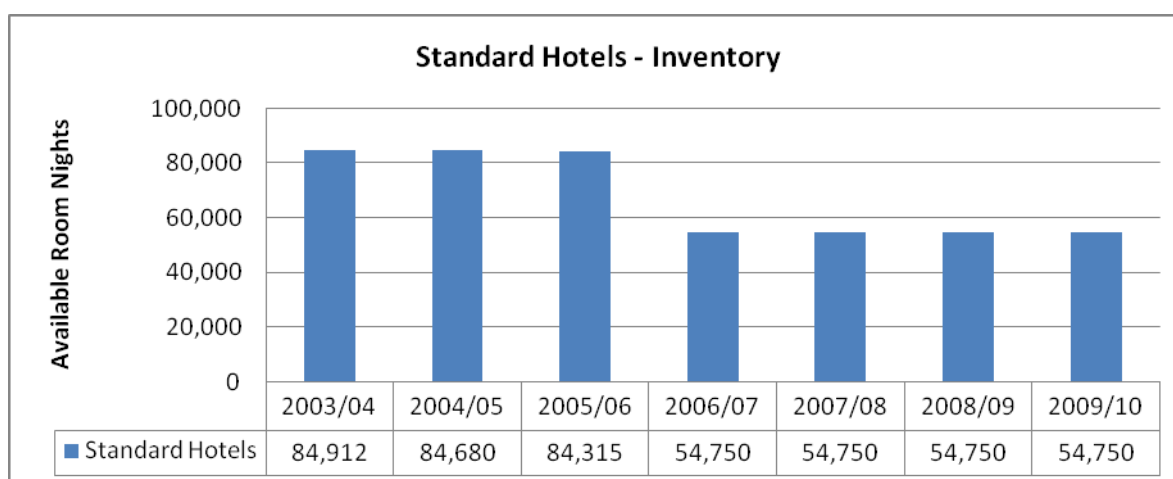
F2006/07 saw a decline in yield which is linked to the occupancy decline of that year. However, occupancy declined by 7.37% whereas yield declined by only 2.4%.



STANDARD HOTELS

There have also been substantial changes to inventory in this accommodation category with 90 rooms withdrawn by the Tropicana in F2006/07 and the addition of eight (8) rooms at the Broome Motel.³³ These changes have resulted in a 54.66% reduction of available room nights, and leave 150 rooms in this category.

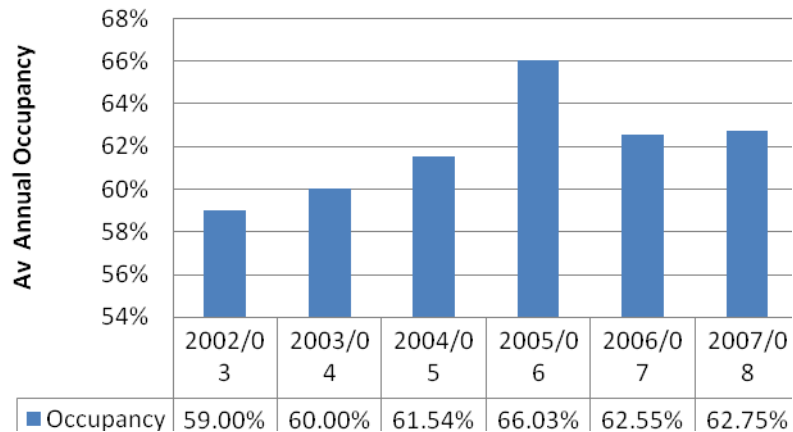
At the time of documentation of the 2006 Broome Accommodation Study, KPP understood that Eco Beach Resort would add 55 rooms to this category and a proposal to add 200 rooms by a developer was also to be added. Eco Beach Resort has now been completed and in its final configuration of amenities and facilities has been added to the Luxury category, whereas the proposed Taiji development did not proceed.



As was the case for Luxury Hotels, occupancy peaked in 2005/06. Although there was little change in the rate of occupancy over the dry season, substantial falls in wet season occupancy have impacted on the overall annual average occupancy rate. Specifically, wet season occupancy had achieved 43.65% in 04/05 and 46.91% in 05/06. This level dropped back to 38.27% in 06/07 and remained at around the same level in 07/08 wet season.

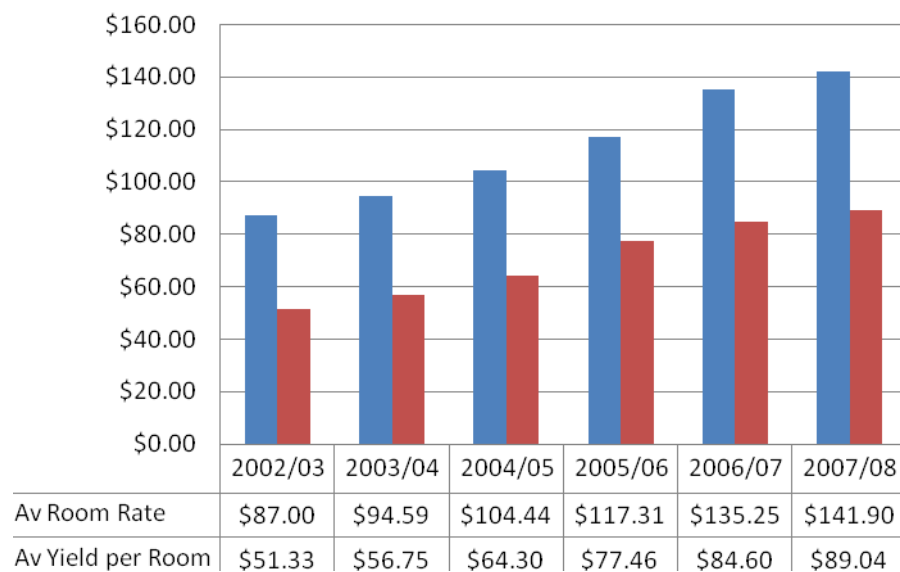
³³These changes in inventory were reported in the 2006 Broome Accommodation Study.

Standard Hotels - Occupancy



Although occupancy declined as noted above, average room rate and yield strengthen each year. Based on historic trends and increasing demand, yield is forecast to continue to grow at 6%-7% per year. Unmet demand will put greater pressure on this category, which continues to provide a strong opportunity for potential developers and investors.

Standard Hotels - Yield



SELF CONTAINED ACCOMMODATION

Five (5) properties have been added to this category since 2006 as follows:

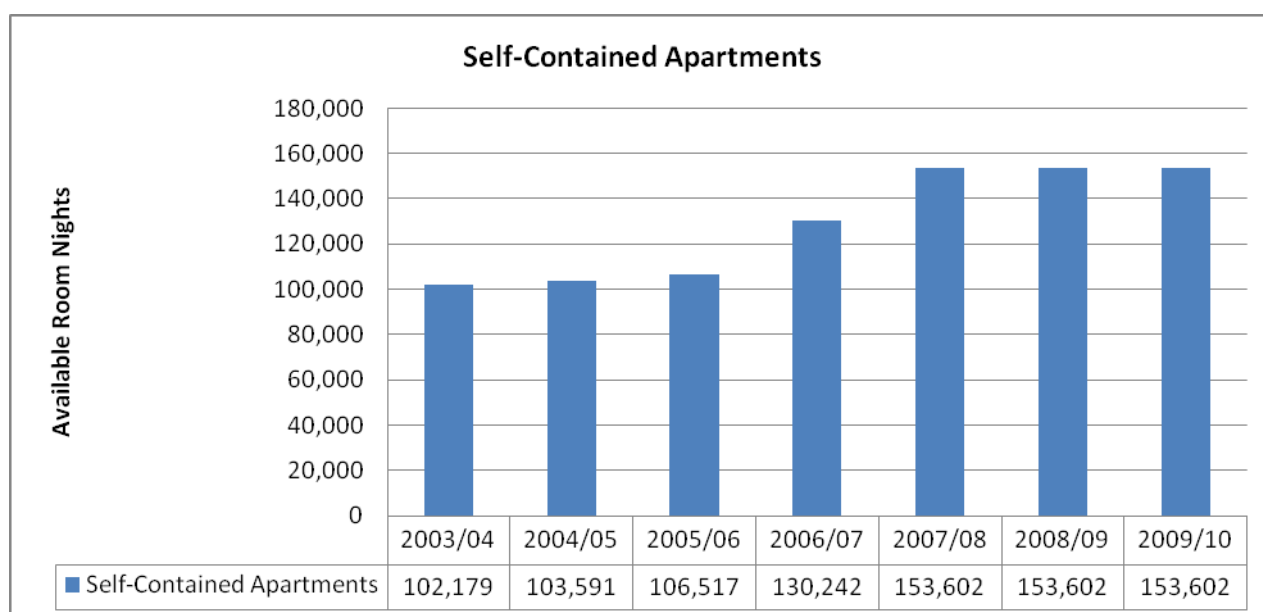
- Frangipani 62 rooms
- The Pearle 35 rooms
- Captains by the Bay 16 rooms
- Lugger Apartments 8 rooms
- Kennedy House 5 rooms

In addition to these new developments, Shiba Lane Apartments completed its development, adding 3 rooms to the 14 completed in F2005/06.

The additional 26 rooms that had been planned for construction by Seashells Resort for inclusion into inventory in early 2008 have not proceeded at this stage.

At the time of writing the 2006 Broome Accommodation Study report, KPP was also of the understanding that Pinctada Resort (72 rooms) would be built as self-contained accommodation units; however, this has now opened as a fully serviced luxury hotel. KPP was also of the understanding that Lot 2230 (48 rooms) would be added to inventory but this development has not proceeded at this stage.

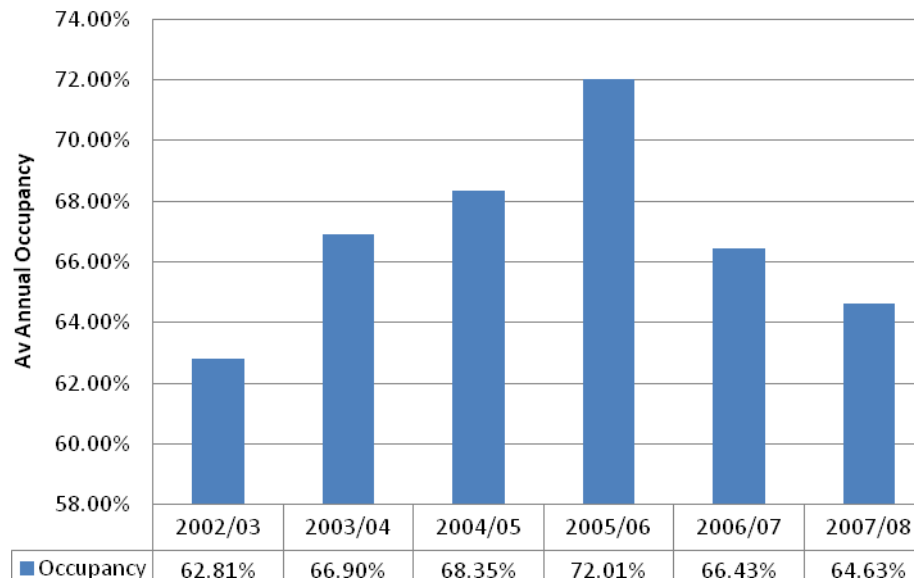
At 1 June 2009 there were 420 accommodation units in this category, an increase of 43% (or 293 rooms) since November 2006.



As was becoming apparent in 2006, the increase in inventory in this category was forecast to put pressure on occupancy and ultimately yield. Although occupancy fell by over 8% over 05/06 to 06/07 and did not recover over the following year, the larger pool in this category has yielded growth in visitor numbers.

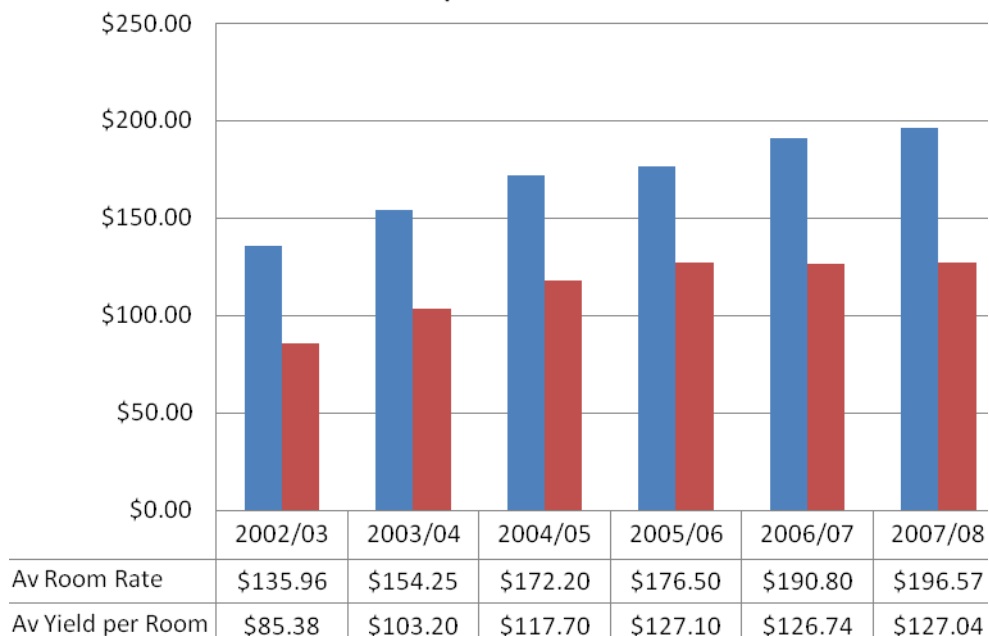
This category has seen a small decline in yield over 2006/07 but this stabilized over 2007/08.

Occupancy- Self Contained Apartments



This category is potentially the most vulnerable (in terms of yield) as owner/investors of the apartments may put pressure on management to force occupancy. Room rates continue to reflect market trends and therefore, the potential to improve yield is achievable.

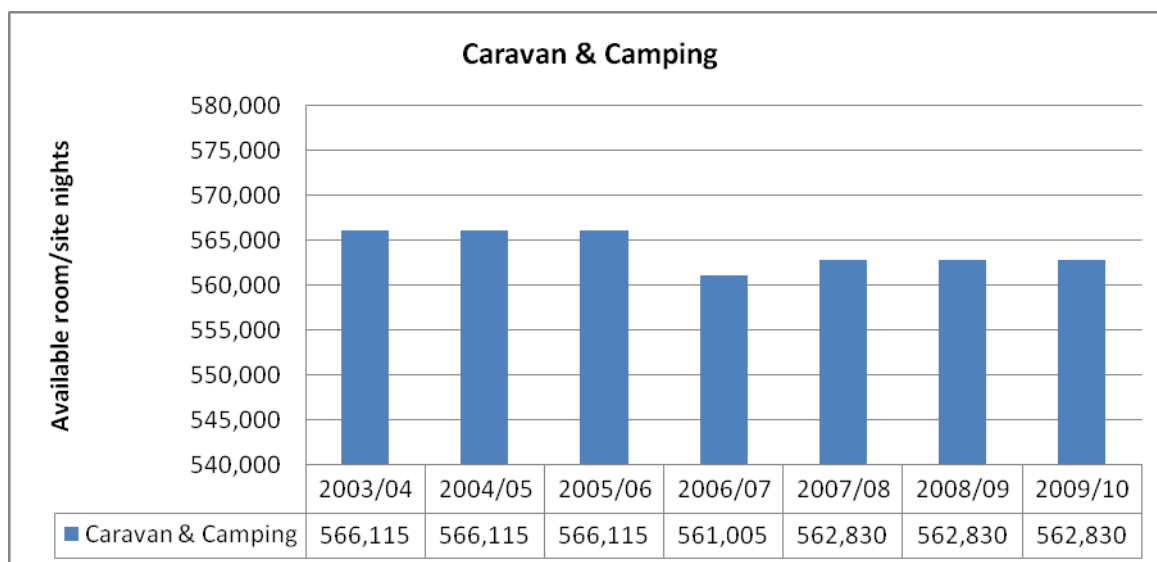
Self Contained Apartments - Yield



CARAVAN, CABINS AND CAMPING

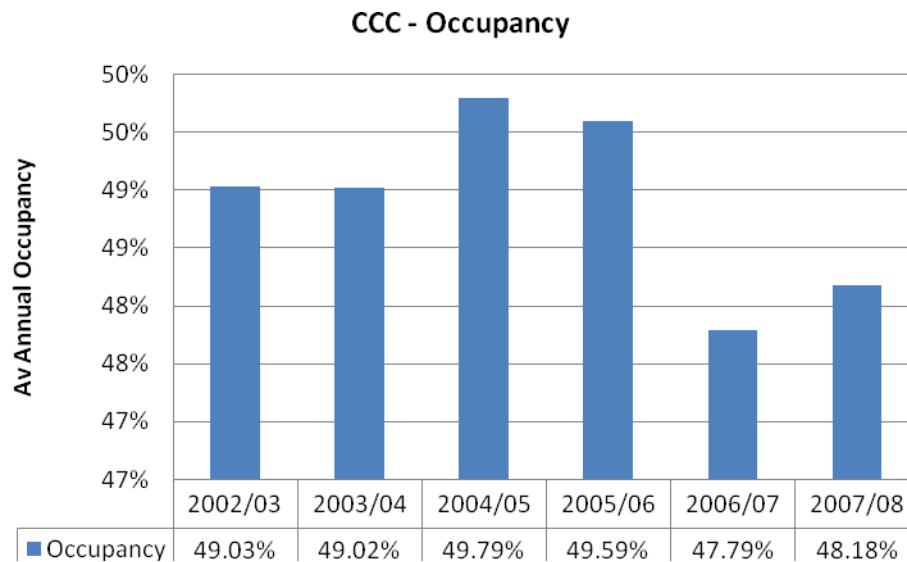
The Caravan Park category consists of nine (9) properties with 1,542³⁴ sites including cabins, camp sites and powered sites. In addition, there are three (3) overflow sites which historically open in mid to late June and remain open until mid September, depending upon demand. The overflow sites are located at PCYC, the Pistol Club and the 7th Day Adventist property.

There has been little change in available visitor inventory from 2006 where 1,551 sites/rooms were reported against 1,542 in 2008. There has been some reconfiguration at some Parks such as the addition of eight (8) units at Broome Caravan Park and an addition of five (5) onsite vans at Roebuck Bay Caravan Park. Some reconfigurations have been at the expense of camp or caravan sites such as the addition of 44 cabins at Palm Grove with a net loss of 22 sites. However, there is development in the area of reconfigured Parks to meet changing consumer demand, in line with suggestions reported in the 2006 Broome Accommodation Study.

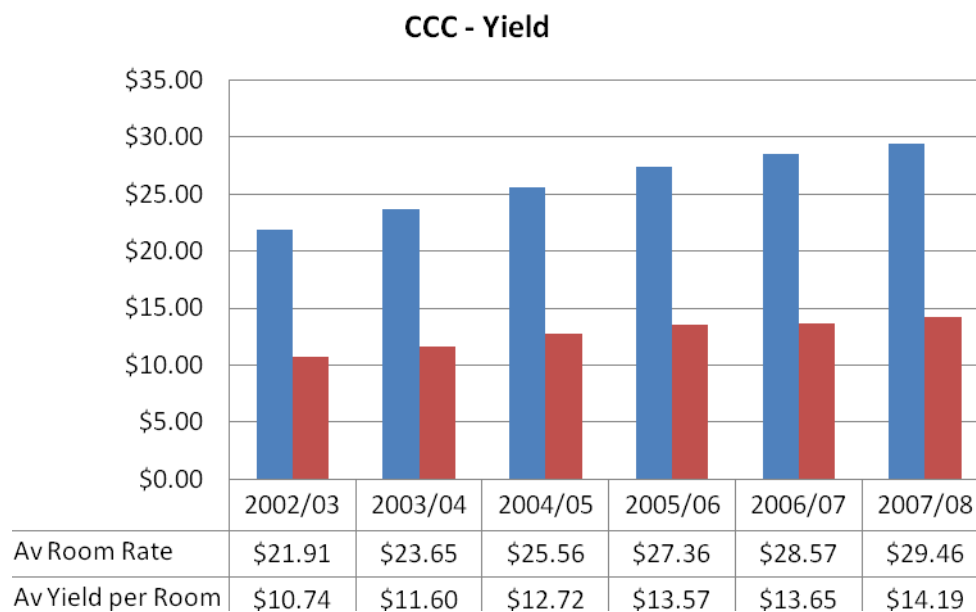


Levels of occupancy declined over 2006/07 in line with other accommodation operators in Broome however, this recovered to a large extent in 2007/08 season. Whereas unmet demand during the peak season months has been an issue for some time, it is reported that this demand has also declined with fewer visitors being “turned away”.

³⁴ 1,527 does not include sites and/or vans used as permanent accommodation. This number refers only to available visitor accommodation.



Average room rates and yield continued to increase despite a fall in average annual occupancy over 2006/07. Although the increase in yield was marginal at 3.9% in 2007/08, it was around 4 times higher than the increase in occupancy.



BROOME VISITORS BY ACCOMMODATION TYPE

Visitor numbers have not grown to the levels forecast in 2006. However, the estimated visitor number by the end of the 2012 season was forecast at 342,905, which is still believed to be achievable, particularly in light of increased commercial activity. KPP had forecast the current downturn to occur over 2009/10 rather than 2008/09 and therefore the decline has occurred a year earlier, which is reflected in the poor growth evident over the past two (2) years. Based on information provided by accommodation providers, it is estimated that 260,990 visitors arrived in Broome over calendar 2008 as follows:

Category	Rooms Occupied / sold	Average stay	Ave no. of people	Est visitor numbers 2008
Luxury Hotel	122,364	3.35	1.99	72,597
Standard Hotels	34,354	3.04	1.97	22,262
Self Contained	99,270	4.05	2.54	62,239
B&B	13,379	4.00	1.70	5,686
CCC	271,148	16.00	2.73	46,321
Backpacker	109,997	8.00	1.00	13,750
TOTAL	650,513			222,855
VFR (est 14%)				31,200
Overflow				6,935
TOTAL VISITORS				260,990

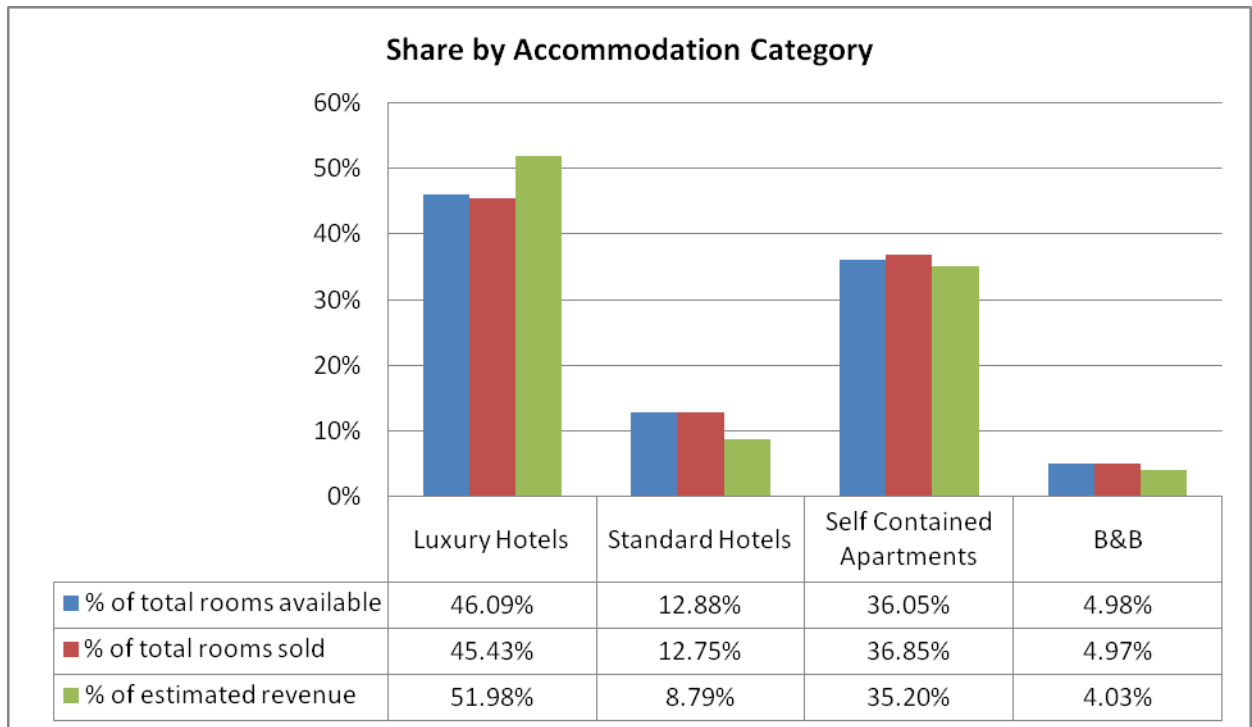
TABLE 2: VISITORS BY ACCOMMODATION TYPE 2008

ESTIMATED REVENUE FOR BROOME ACCOMMODATION SECTOR

Estimated Revenue (\$m)	Luxury Hotels	Standard Hotels	Self Contained Apartments	B&B	CCC	Backpacker	TOTAL
F05/06	\$22,500.00	\$6,600.00	\$13,300.00	\$1,700.00	\$7,700.00	\$2,400.00	\$54,200.00
F07/08	\$28,816.00	\$4,874.00	\$19,513.00	\$2,234.00	\$7,987.00	\$2,749.00	\$66,173.00

TABLE 3: ESTIMATED REVENUE FROM BROOME ACCOMMODATION SECTOR F05/06 AND F07/08

SHARE OF ACCOMMODATION MARKET BY ACCOMMODATION CATEGORY



3.5.3 BROOME TOURISM - EMPLOYMENT

Based on information provided by accommodation providers, land and marine based tour operators, retailers and providers of goods and services to visitors, it is estimated that there are 1,361³⁵ employed directly in servicing the visitor market. This estimate has been compared with ABS Tourism Satellite Account statistics, which suggests that 997 people were employed in accommodation properties in the September 2008 quarter and 812 in the March 2008 quarter.

Value of wages has been averaged at \$17.50 per hour based on a combination of part time staff (20 hours), permanent full time staff and management.³⁶

Estimates of servicing the local versus visitor market have been based on information provided by operators.

On the basis of this analysis, 16.8% of the Shire of Broome's labour force³⁷ is employed directly in the servicing or provision of goods and services to visitors.

Providers of Goods & Services to Visitor Market	Total	Servicing Local Market	Servicing Visitor Market	Tourism Direct Wages
Marine Based	138	14	124	\$4,173,120
Land Based Operators	154	15	139	\$4,656,960
Retailers	305	92	214	\$7,173,600
Hire Cars	43	4	39	\$1,300,320
Transport service providers	20	11	9	\$302,400
Restaurants	198	59	138	\$4,645,200
Pubs	90	55	35	\$1,176,000
Accommodation providers	781	117	664	\$22,305,360
TOTAL	1729	367	1361	\$45,732,960

TABLE 4: TOURISM EMPLOYMENT (DIRECT)

³⁵ Full-time equivalent positions

³⁶ Average rate based on 42.3% of wages expenses being permanent full time Management and staff and 57.7% being employed for 25 hours per week for 20 weeks per year

³⁷ The labour force of the Kimberley region at September 2008 was estimated to be 17,729 (Department of Education, Employment and Workplace Relations) of which 8,070 were employed within the Shire of Broome

3.5.4 BROOME TOURISM – CORE INDUSTRY & MULTIPLIER VALUE

The *Tourism Core Industry* is defined as the end providers of goods and services to visitors. Therefore, the following have been included in estimating core industry value for Broome. It should be noted that end providers of goods and services that are not based in Broome have not been calculated as part of the value of tourism, as the income is not retained in this market (e.g. Major Airlines, Perth- and Sydney-based cruise operations, Chain retailers such as Coles, Woolworths and so on).

Core Industry Goods & Services

- Accommodation Providers
- Tours
- Entertainment and Food Providers
- Transport Service providers
- Retailers

Total Tourism Multiplier

- Core Industry Goods & Services
- Wages
- Fuel

The Broome core industry tourism sector is estimated at \$238.4m while the total sector, or multiplier value, is estimated at \$407.9m.

Tourism Activity	Core Industry Value	Sector Multiplier Value	Industry Multiplier
Accommodation	\$66,175,000		
Tours	\$60,881,000		0.92
Restaurants / cafes / pubs	\$43,675,500		0.66
Hire Cars/Taxis	\$12,110,025		0.183
Retail	\$55,587,000		0.84
Wages		\$45,729,600	0.69
Fuel		\$123,747,250	1.87
Multiplier			5.16
Total Value	\$238,428,525	\$169,476,850	\$407,905,375

TABLE 5: BROOME TOTAL TOURISM MULTIPLIERS

Data sources and assumptions to estimate these values are based on the following:

Tours	0.92	Actual turnover (F07/08) from 15 Marine Operators (\$26.494m) and 15 Land Based Operators (\$23.242m). Data extrapolated from sample to calculated tours valued at \$60.881m. These totals include the cruise market.
Restaurants Cafes & Pubs	0.66	Based on actual turnover of 6 restaurants (\$9.253m) & 1 pub. Extrapolation of multipliers based on 50% of trade only (visitors) & assumes locals account for 50%.
Hire Cars/Taxis	0.183	Based on actual turnover data from 5 out of the 6 Hire Car companies and actual turnover of 1 out of the 3 taxi companies. Multipliers for Hire Cars based on 90% visitor and 10% local while taxis have been based on 55% local and 45% visitors. Only visitor turnover counted in multipliers.
Retail	0.84	Based on actual turnover of 12 retailers (\$18.678m) & value calculated on this being a representative sample. Estimates based on 30% local and 70% visitor sales split. Includes Pearl retailers etc .
Fuel	1.87	Based on every "caravaner" spending \$180 per trip and every land based, marine based and scenic flight operator doing 15 trips in the season.
Wages	0.53	Based on actual staff numbers provided by operators and suppliers of goods and services to the visitor market, calculating the visitor component only. Estimates based on an average wage of \$17.50 per hour.

3.5.5 KIMBERLEY TOURISM – EMPLOYMENT

Based on information provided by accommodation providers, land and marine based tour operators, retailers and providers of goods and services to visitors, it is estimated that there are 2,173³⁸ employed directly in servicing the visitor market. This estimate has been compared with ABS Tourism Satellite Account statistics which suggests that up to 1,424 people in the Kimberley were employed in accommodation properties in the September 08 quarter and 1,249 in the March 2008 quarter. This compares with KPP's estimate of 1,239. This result demonstrates that the data collection and extrapolation methods used by KPP are within an acceptable range, and therefore estimates for other industry sectors should also be within an acceptable range.

Value of wages has been averaged based on a combination of part time staff (25 hours over 18 weeks), permanent full time staff and management as indicated by providers.³⁹

Estimates of servicing local versus the visitor market have been based on information provided by operators, which was averaged across the Kimberley. On the basis of this analysis, 12.25% of the Kimberley labour force⁴⁰ is employed directly in the servicing or provision of goods and services to visitors.

Wages	Total	Local Market	Visitor Market	Tourism Direct Wages
Marine Based	231	16	215	\$7,200,603
Land Based Operators	259	19	240	\$8,037,882
Retailers	468	164	304	\$10,188,016
Hire Cars	69	6	63	\$2,098,379
Taxis	38	23	15	\$509,066
Restaurants	247	69	178	\$5,956,071
Pubs	154	96	58	\$1,942,488
Accommodation Providers	1239	139	1100	\$36,840,294
TOTAL	2705	532	2173	\$72,772,800

TABLE 6: KIMBERLEY TOURISM INDUSTRY EMPLOYMENT VALUE (DIRECT)

³⁸ Full-time equivalent positions

³⁹ Average rate based on 38.7% of wages expenses being permanent full time Management and staff and 61.3% being employed for 25 hours per week for 18 weeks per year

⁴⁰ The labour force of the Kimberley region at September 2008 was estimated to be 17,729 (Department of Education, Employment and Workplace Relations)

Based on data provided by accommodation and service providers, around 2.6% of the staff employed are Indigenous people. This low representation is explained by operators as a general lack of interest by Indigenous people to work in the hospitality sector and a lack of reliability. It should be noted that these are anecdotal comments and have not been tested or validated.

3.5.6 KIMBERLEY TOURISM - CORE INDUSTRY & MULTIPLIER VALUE

The overall tourism multiplier for the Kimberley is estimated at \$4.42 (the sum of direct industry multipliers): that is, for every dollar spent in accommodation, a further \$4.42 is spent on tours, shopping, entertainment and vehicles. The accommodation estimate of \$117,576,000 is based on information provided by operators and validated (as far as possible) against ABS Tourism Satellite Accounts. Unfortunately, not all operators provide accommodation takings data to ABS and therefore, the validation process required some judgment in identifying those accommodation providers that did not submit takings information. In these instances, KPP made direct approaches to accommodation providers and data was confirmed as far as possible.

Tourism Activity	Core Industry Value	Sector Multiplier Value	Industry Multiplier
Accommodation	\$117,576,000		
Tours	\$88,911,398		0.76
Restaurants / cafes / pubs	\$72,999,375		0.62
Hire Cars/Taxis	\$17,844,225		0.15
Retail	\$71,668,946		0.61
Wages		\$72,772,800	0.62
Fuel ⁴¹		\$195,588,200	1.66
Multiplier			4.42
Total Value	\$368,999,944	\$268,361,000	\$637,360,944

TABLE 7: KIMBERLEY TOTAL TOURISM MULTIPLIERS⁴²

⁴¹ Fuel includes servicing, repairs and vehicle maintenance

⁴² The application of multipliers has been based on industry-direct expenditure and has not been extended to include subsequent indirect expenditure that may otherwise be accounted for under traditional methods determining economic values

Example calculation:

Accommodation = \$117,576,000

Multiplier = \$4.42

Therefore: \$117,576,000 x \$4.42 = \$519,685,920

Plus accommodation value of \$117,576,000 = Total industry value of \$637,360,944 (keeping in mind that there is slight variation due to rounding)

REGIONAL VARIATIONS – CORE INDUSTRY MULTIPLIERS

There are substantial variations in the multipliers by sub-region within the Kimberley. The multiplier for Broome is higher than other regions; however, it should be noted that both cruising and guided tours have been included in Broome rather than spread across the Kimberley. The Shire of Broome includes the Dampier Peninsula, while Kununurra includes El Questro, coastal camps and Home Valley. The Fitzroy/Derby region includes the Gibb River Road, although part of this is within the Shire of Wyndham-East Kimberley.

The following table outlines the respective multipliers applied to each Shire in the Kimberley region and have been used to calculate the overall value of tourism based on direct spend (Core Tourism Industry).

	Accommodation	Tours	Restaurant/cafes/pubs	Hire Cars/Taxis	Retail
Broome	\$68,011,000	0.90	0.65	0.18	0.82
Fitzroy / Derby	\$12,525,000	0.18	0.66	0.03	0.23
Halls	\$5,800,000		0.47		0.06
Kununurra	\$31,240,000	0.82	0.57	0.17	0.40

Region (by Shire)	Accommodation	Tours	Restaurants /cafes /pubs	Hire Cars/Taxis	Retail	Multiplier	Total Value
Broome	\$68,011,000	\$61,063,498	\$44,197,475	\$12,110,025	\$55,918,398	2.55	\$241,300,396
Fitzroy/Derby	\$12,525,000	\$2,254,500	\$8,266,500	\$350,700	\$2,880,750	1.10	\$26,277,450
Halls Creek	\$5,800,000	\$0	\$2,726,000	\$0	\$331,398	0.53	\$8,857,398
Kununurra	\$31,240,000	\$25,593,400	\$17,809,400	\$5,383,500	\$12,538,400	1.96	\$92,564,700
KIMBERLEY	\$117,576,000	\$88,911,398	\$72,999,375	\$17,844,225	\$71,668,946	2.14	\$368,999,944

TABLE 8: KIMBERLEY REGIONAL CORE TOURISM INDUSTRY VALUES

The total value of the tourism industry, for the purpose of this report, includes core industry and direct activity only. Both core industry and direct activities are based on visitor servicing and the provision of goods and services to visitors. The percentage of turnover (local trade versus visitor trade) has been based on information provided by operators.

Region (by Shire)	Core Industry Value	Wages	Fuel	Multiplier	Total Value
Broome	\$241,300,396	\$46,544,050	\$123,747,250	\$5.05	\$411,591,696
Fitzroy/Derby	\$26,277,450	\$6,888,750	\$23,922,750	\$3.56	\$57,088,950
Halls Creek	\$8,857,398	\$2,958,000	\$10,904,000	\$2.92	\$22,719,398
Kununurra	\$92,564,700	\$16,382,000	\$37,014,200	\$3.67	\$145,960,900
KIMBERLEY	\$368,999,944	\$72,772,800	\$195,588,200	\$4.42	\$637,360,944

TABLE 9: KIMBERLEY REGIONAL TOTAL TOURISM MULTIPLIERS AND VALUES

3.5.7 KIMBERLEY TOURISM – VISITOR NUMBERS

It is estimated that around 274,200 individuals visited the Kimberley over 2008. Based on accommodation data supplied by operators, estimated visitation by region can be summarised as follows:

Locality	Total
Broome	260,990
Derby	44,689
Fitzroy Crossing	58,133
Halls Creek	47,300
Kununurra	109,060

Limited records are kept in terms of “type of visitor”, be they corporate or leisure customers. However, KPP developed a number of assumptions to determine the number of individual visitors rather than the aggregate. These assumptions included the following:

1. Visitors travelling to Dampier Peninsula are counted in Broome visitor numbers as it is unlikely that there is not at least one (1) night stopover in Broome even if the Peninsula is the key destination.
2. People who arrive in Kununurra by car are the same people as those travelling to Halls Creek and Fitzroy Crossing and (possibly) to Broome and Derby.
3. 45% of the “visiting friends and relatives” (VFR) group to Broome visit other Kimberley destinations; however, they are already accounted for in the Broome visitor numbers.
4. People arriving by guided land based tour (to Broome) also visit Fitzroy Crossing, Halls Creek and Kununurra.
5. 50% of visitors arriving to Broome by ship also spend 1 – 2 nights in Kununurra.
6. 43% of caravanners arrive in Broome as their sole Kimberley destination. The rest travel on (or back from) Fitzroy Crossing, Halls Creek and Kununurra.
7. Of the total VFR group to Derby, 4.5% remain in Derby for the duration of their stay.
8. Of the total VFR group to Kununurra, 8% do not leave Kununurra.
9. Of the total VFR group to Fitzroy Crossing all travel through Broome and are counted in Broome visitor numbers.
10. 28% of visitors to Broome do not go to any other destination.
11. 32% of visitors to Halls Creek and Fitzroy Crossing are commercial/corporate visitors.
12. 100% of people (tourist visitors) to Fitzroy Crossing and Halls Creek have stayed in Kununurra or Broome and are therefore not re-counted.

3.5.8 KIMBERLEY TOURISM – PROVISION OF ACCOMMODATION & TRANSPORT TO EMPLOYEES

There is a wide range of mechanisms used by accommodation providers and tour operators to provide housing for staff. These include the purchase of properties specifically to house staff, subsidised rent and purpose built housing. Information provided by accommodation and service providers can be summarised as follows:

	Employees	Specifically Built Housing	Subsidised Housing	Company owned Housing	No Provision
Accommodation Providers	1100	2.70%	37.87%	17.20%	42.23%
Marine Based Tour Operators	215		2.10%	4.40%	93.50%
Land Based Tour Operators	240		4.45%	3.10%	92.45%
Retailers	304		3.20%		96.80%
Transport Services	78		2.33%	4.70%	92.97%
Entertainment & Food Services	236		8.30%	4.81%	86.89%

TABLE 10: PROVISION OF ACCOMMODATION & TRANSPORT FOR EMPLOYEES

The issues relating to housing, in terms of both cost and availability are of increasing concern to operators and there is a majority view in Broome that the proposed LNG Precinct development will increase these pressures.

Transport services provided to staff in getting to and from work were also raised with accommodation and service providers. Overall, this appears to be relatively uncommon and not seen as a priority issue for operators. Some providers (particularly transport services operators and land based tour operators) supply vehicles for use by staff, whereas some of the larger accommodation providers supply staff transport on a needs basis.

3.5.9 INDIGENOUS TOURISM- BROOME & DAMPIER PENINSULA

Indigenous tourism in the Kimberley region is arguably at a crossroad. In some instances Indigenous tourism products are on the threshold of bigger and better things, whilst at the other end of the scale Indigenous tourism operators are limited in their capacity to grow by a lack of financial resources, supporting infrastructure, planning processes and other impediments.

Tourism WA has a focus on developing a strong and dynamic aboriginal tourism industry and Broome and the Kimberley will be the focus of much of this work. Western Australia is already recognised as a nature based tourism destination however with the ability to deliver authentic, quality aboriginal tourism experiences this will provide the State with a unique selling position that will set us apart from other nature based tourism destinations.

In 2008, Tourism WA released a *WA Indigenous Tourism Product Manual* as a means of visitor and tourism industry stakeholders being able to identify Indigenous tourism products in Western Australia. Interestingly, this manual provides two (2) sets of characteristics that seek to define mandatory requirements for an Indigenous tourism business to be considered either 'market ready' or 'export ready'. These characteristics are outlined below:

Market Ready Characteristics

- Reasonable understanding of the tourism industry
- High level of community, family and or individual motivation
- Strong understanding of customer service environment
- Participating in the local, regional tourism industry
- Well progressed with business planning but not yet addressed specific tourism marketing requirements
- Community/family-based model but has strong business focus
- Undertaken some level of training
- Exposure/experience in the international market
- Have administrative procedures in place (for bookings and bookkeeping)
- Website and email (responds within 24 hours)
- Can facilitate industry and media famils with assistance
- Operates seven days or to a regular departure schedule (depending on seasonality)
- Is commissionable to suit domestic market
- Relevant licences and insurances

Export Ready Characteristics

- Documented business plan which includes a marketing plan
- Consistently delivers on the programs it commits to in relation to stated opening hours or program delivery
- Data collection mechanisms in place to know visitor numbers per year and major market information
- Booking mechanisms in place for domestic and International markets (i.e. email facilities) and responds within 12 hours and is available to take bookings seven days per week
- Understand the distribution system and pricing and commission structures (i.e. commissionable) to suit the international market
- Understand the needs of the domestic and international markets
- Works cooperatively with the state tourism body
- Works cooperatively with the regional tourism organisations/association (RTO/RTA) and the local tourism association (LTA)
- Strong understanding of customer service environment
- Must be saleable in a manner and at a cost suitable to wholesalers

- Website maintained with current information available on products, times, prices etc
- Relevant licences and insurances

With regard to Broome and the Dampier Peninsula the Product Manual highlights that there are five (5) Indigenous tourism products that are considered 'export ready' and thirteen (13) Indigenous tourism products that are considered 'market ready'. It is noted that the products that comprise these lists include tour operators, accommodation providers and retailers.

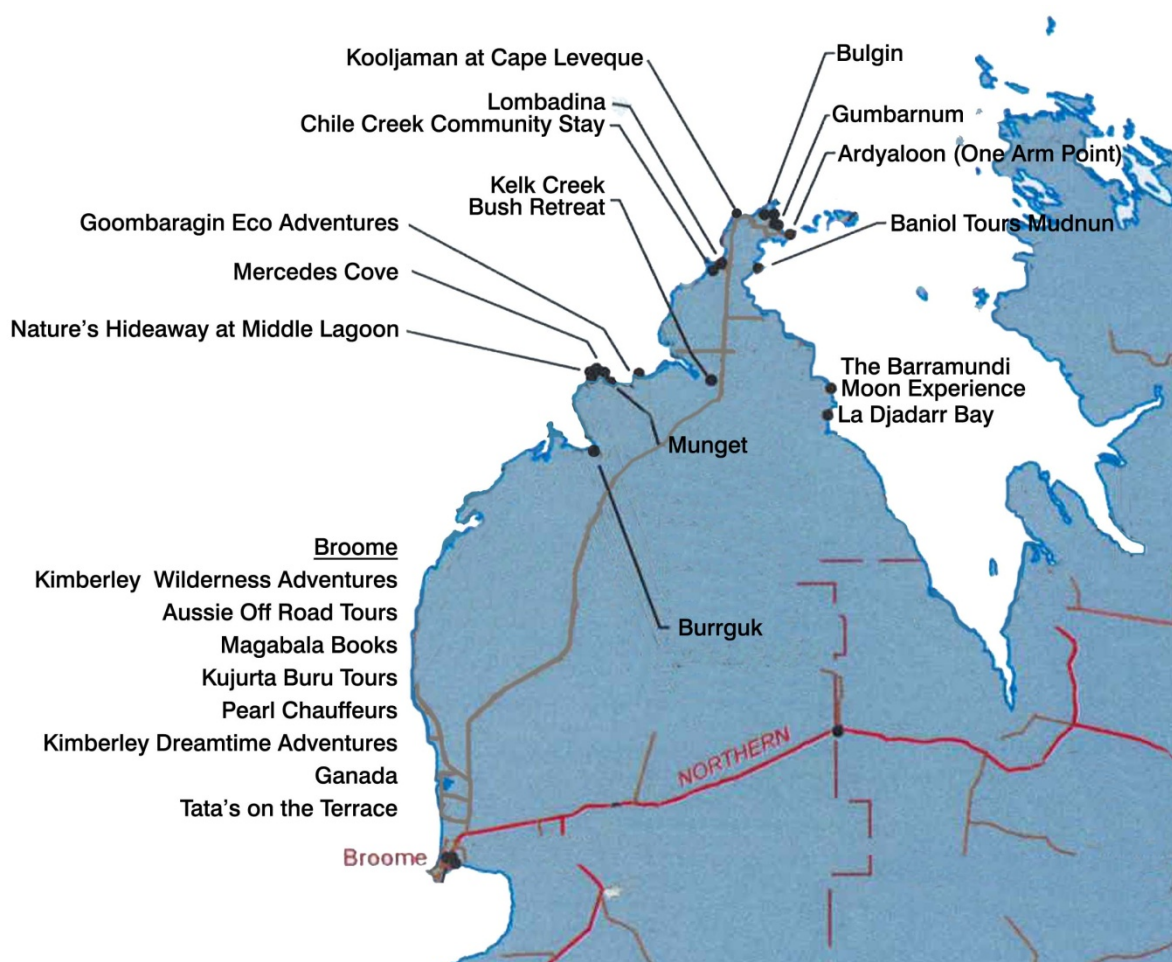


FIGURE 9: INDIGENOUS TOURISM PRODUCT - BROOME & DAMPIER PENINSULA

From a State perspective these figures perhaps indicate that the Broome and the Dampier Peninsula hold a position of high prominence in terms of the availability and delivery of Indigenous tourism products compared to other regions in the State.⁴³ However, a recent audit conducted by Tourism WA of thirteen (13) Indigenous tourism operators in Broome and the Dampier Peninsula produced the following findings.

- 38% either don't have a business plan or have one that is outdated
- 53% either don't have a marketing plan or have one that is outdated

⁴³ Assessment of the Perth and South West Region indicates that three (3) 'export ready' and fourteen (14) 'market ready' products exist.

- 77% do not have the required marketing collateral to be working effectively
- 61% do not have effective methods to distribute their product
- 31% of operators believe their branding needs improvement
- 38% are accredited
- 77% believe they have the appropriate financial management processes in place
- 50% are reliant on CDEP to operate their tourism business

These findings do not suggest that all Indigenous tourism businesses in the area are inadequately prepared for business, but they do clearly indicate that significant gaps exist in a number of them, and their sustainability in the long term must be questioned.

These gaps are further evident through the results of the business audit where participants were asked in what areas of their business further assistance was required. The results can be summarised as follows:

- 92% of operators require assistance with physical resources i.e. vehicles, utilities and communications etc.
- 62% require assistance for professional services i.e. business planning, accounting etc.
- 85% require assistance with marketing i.e. planning, collateral and online etc.
- 54% require assistance for training and skill development.
- 62% require financial support.

While not indicative of all Indigenous tourism operators in the region as there a number of other smaller operations not included in the audit, the results of the business audit highlight the need for increased and adequately funded support for Indigenous tourism. Feedback gained through the qualitative phase of this study provided strong evidence to the belief that Broome and the broader Kimberley region is ideally positioned to become the premier provider of Indigenous tourism experiences in the nation. The view put forward by a senior Traditional Owner from the Dampier Peninsula that the Kimberley LNG Project will provide ‘opportunity to create something better’ with regard to Indigenous tourism emphasises the urgent need to embrace both the challenges and opportunities in this regard.

Many Indigenous businesses require basic physical resources such as plant and equipment, visitor amenities and utilities. History has shown that considerable support has been available to Indigenous tourism businesses in the past from a planning perspective. However, plans alone will not ensure business success. The real need for Indigenous tourism in the region, and the statistics above support this view, is adequate support and funding for the implementation of plans.

The development of Indigenous tourism in Broome and the Dampier Peninsula holds a sense of great opportunity. In the context of the proposed Kimberley LNG Precinct and ongoing changes to programs such as CDEP, the need to act has never been more urgent. This statement underpins the recommendation for the development of a Masterplan for Indigenous tourism on the Dampier Peninsula, which must be supported by an end-to-end support process for implementation that is

appropriately funded. An obvious question that will be asked with regard to implementing such a plan is 'how much will it cost?' The simple answer being - 'whatever it takes'.

Tourism WA has an Aboriginal Tourism Strategy "Looking, Listening, Learning 2006 - 2010". The strategy ultimately aims to ensure sustainable Aboriginal participation in the tourism industry; and to see Aboriginal people having ongoing opportunities to add cultural and commercial value to the WA tourism industry for mutual benefit. The strategy has received limited funding and support in the past which has limited its implementation. In 2009/10 Tourism WA will review its Aboriginal Tourism Strategy for Western Australia and the mitigation strategies from the Kimberley KNG Project – Tourism Impact Assessment need to be taken into consideration throughout the review.

IMPACTS OF LNG ON TOURISM – RESULTS OF QUALITATIVE RESEARCH

4.1 RESEARCH OVERVIEW

KPP undertook a comprehensive qualitative and quantitative research process with a range of stakeholders, Broome residents, and visitors.

The quantitative research conducted was seen to be a key phase of the project to meet the defined study outcomes in terms of:

- Quantification of the positive and negative impacts from the development of a gas hub; and
- The development of hypotheses of management strategies that will ultimately form part of the recommended strategies.

The hypotheses developed through the qualitative phase of the project formed the basis of information tested through the quantitative phase of the project.

KPP engaged Dr Jonelle Cleland to provide direction and support in the design of both the qualitative and quantitative research phases of this project to ensure validity of process and interpretation of results. Dr Cleland is currently employed as Research Associate at the University of Western Australia.

As a systematic approach was crucial to ensure a sound process was achieved to develop propositions to be tested through the quantitative phase, it was considered that “clusters of stakeholders” would be the most appropriate approach. At the time of writing the Tender Response, KPP considered that seven (7) clusters would be adequate to address the information requirements of the brief. However, as the project progressed, it became evident that a broader stakeholder group would be required to ensure that an accurate reflection of views was captured. The first seven (7) clusters are listed below, as documented in the Tender Response (Refer Appendix I for a detailed listing).

- Cluster 1 (n=8): Tourism Associations (ANW, Broome Visitor Centre, AARDI, WAITOC, Tourism Council of WA, Recreational Fishing WA)
- Cluster 2 (n=1): Project proponents (Woodside)
- Cluster 3 (n=20): Community and Special Interest Groups (Shire of Broome, KLC, Save the Kimberley, Turf Club, Environs Kimberley, Golf Club, Fishing Club)
- Cluster 4 (n=6): Business Groups (Chamber of Commerce, Kimberley Development Commission, Real Estate Institute of WA)
- Cluster 5 (n=8): Oil & Gas Suppliers (Port of Broome, Broome International Airport, Airlines)

- Cluster 6 (n=5): Indigenous employment agencies (IBA, ICC, KRCI etc)
- Cluster 7 (n=20): Visitors to Broome

Based on initial stakeholder lists developed, it was estimated that 70 in-depth interviews would be conducted through this phase. However, as part of the process of quantifying the “State of Tourism” it was appropriate to also elicit perceptions of the impacts of the proposed LNG Precinct development from both accommodation providers and providers of goods and services to the visitor market. In addition, specific groups of particular interest to TWA included Marine and Land based operators and Indigenous business operators. Ultimately, an additional six (6) cluster groups were added to the original set as follows:

- Cluster 8 (n=26): Accommodation Providers
- Cluster 9 (n=12): Land Based Tourism Operators
- Cluster 10 (n=20): Marine Based Tourism Operators
- Cluster 11 (n=12): Indigenous Tourism Operators
- Cluster 12 (n=32): Service Providers (including transport service providers, retailers and restaurant operators)
- Cluster 13 (n = 17): Derby & Fitzroy Crossing Tourism Operators & Accommodation Providers
- Cluster 14 (n = 15): East Kimberley Tourism Operators & Accommodation Providers

The only cluster group that was ultimately not included was Cluster group 2 (Project Proponents) as information was provided to KPP by the Department of State Development based on briefings from the proponent.

In all, 192 face-to-face interviews were completed.

As the issue of the proposed LNG Precinct development and its impact on tourism (amongst other impact issues), has been of high attention to the Broome community over the past year, a high level of attention was focused on ensuring all views, opportunities and concerns expressed by respondents were recorded as part of this report. In many instances, respondents asked that their verbatim comments be recorded and documented. As these results and comments are extensive, all information gathered has been documented and attached as Appendix 111 to this document.

4.2 KEY FINDINGS

Interviews with key stakeholders as identified in the 14 cluster groups (refer section 4.1 of this report) focused on both the perceived positive and negative impacts on tourism as a result of the proposed LNG Precinct development. Interviews were conducted face-to-face and generally ran for 45 – 60 minutes. Discussions were directed by KPP around both the potential impacts over the construction phase and operational phase of the development, to determine perceptions of the changes and impacts that may occur over time.

Although interviews looked to elicit perceptions and mitigation strategies and were therefore unstructured in format, a number of key issues were raised with respondents over the course of interviews, to ensure comparisons could be made between different stakeholder groups and that information gathered would be able to be collated to present representative findings. Specifically, issues that were raised included:

- Perception of co-existence (tourism and LNG Precinct)
- Impact on visitor numbers
- Impact on the “Kimberley Brand” reputation
- Impact on the availability of staff
- Impact on operating costs
- Overall impact on cost of living

Although there were varying levels of conviction, all stakeholder groups believed that tourism could co-exist with the proposed LNG Precinct development. The Business and Oil & Gas Supplier clusters were 100% certain that these two (2) activities could co-exist. Marine based and Indigenous tourism operators formed the cluster groups least confident that the two (2) activities were compatible, although over 50% of both these clusters believed co-existence was possible.

The general theme of discussion was relatively consistent across all groups in that there was a sense that the Precinct would be developed somewhere around James Price Point and “...the development is inevitable”. Many groups saw this “inevitability” as a significant benefit

for Broome and the close region, and expressed this advantage in terms of expanded economic diversity, regional growth and a greater diversity of employment

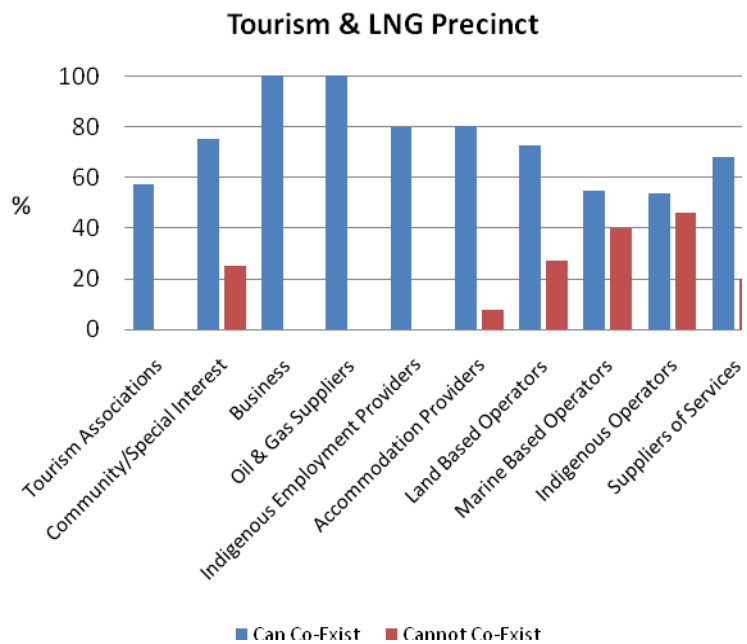


FIGURE 10: TOURISM & LNG PRECINCT

opportunities. Sporting and Recreational Clubs translated these benefits to increased membership and sponsorship opportunities and saw this increased revenue base would help to develop new recreational facilities for the future.

Environment groups that formed part of the Community & Special Interest Group cluster strongly believed that there could be no co-existence between LNG and tourism and no positive impacts could result in the proposed development: *“Fossil fuels should be kept in the ground and monies invested in renewable energy sources”*.

There were conflicting views within the Marine Tourism Operator cluster group, although there was an overall positive view that tourism could co-exist with LNG. It was also clear that the larger the operator, the more positively they saw the ability for the two (2) activities to co-exist. This should not be interpreted as support for the proposed project but rather, a view that the two (2) activities can co-exist given appropriate planning and implementation strategies. Views within this group ranged from the *“.....complete breakdown in the entire coastal ecology”* to *“Broome needs something like LNG or another industry to keep it growing”*. There was consensus around the need to dramatically improve wharf facilities and a hope that this project may fast-track that infrastructure.

Specific impacts on visitor numbers were explored with respondents with the intention of understanding the current perceptions of impacts through the construction and the operational

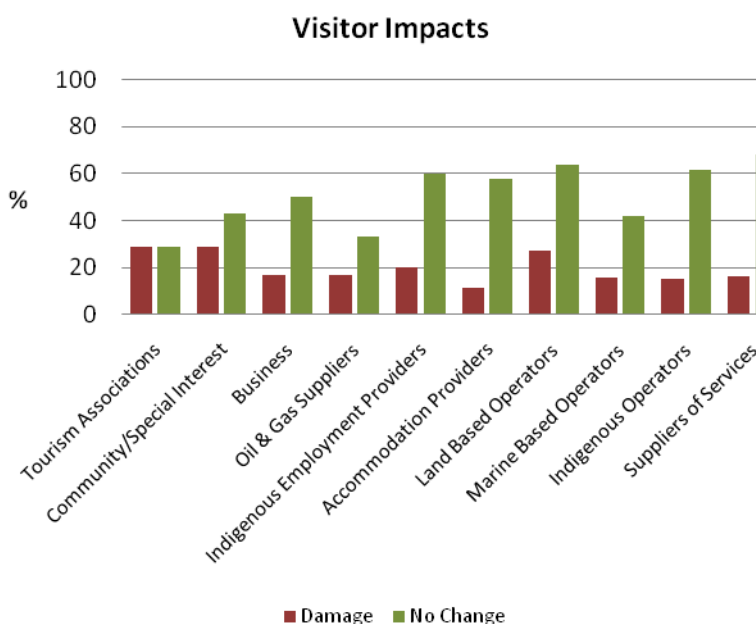


FIGURE 11: VISITOR IMPACTS

workforce (vis a vis the operational phase) and therefore would create greater movement of people, equipment and supplies in and around Broome. Over half of all respondent clusters (54%) did not consider that there would be major changes to visitor numbers while around a quarter of respondents believed the impact would be positive as there would be an increase in business travel

phases of the project. To some extent, this was difficult for many respondents as there was a sense of poor and conflicting information regarding the proposed project. Generally, there was a view that there was no accurate knowledge of the size of the Precinct and its buffer zone, the development timeframe, where construction versus operational employees would be accommodated and so on. However, respondents tended to focus on the construction phase of

the project as this was seen as requiring a larger and more mobile

and little impact on the leisure market. Providers of accommodation and services to visitors generally viewed this development as the catalyst required to extend the trading season outside the traditional dry and shoulder seasons and open up the market for 12 months a year: *“The industry will have a greater chance to develop a year round market”*.

The heightened activity and presence of a large workforce was also seen by tourism service providers as the opportunity to secure trading over the full year: *“....It gives us a larger base of consumers 12 months of the year to sustain coffee shops, restaurants and so on. It gives a higher base population to allow seasonal businesses to cover expenses all year round. What we badly need for tourism in Broome is more activity. We should open Chinatown till 9pm”*.

Overall, most stakeholders considered that whatever negative impacts there may be on visitor numbers during the construction phase this would “..settle down” over the operational phase of the Precinct.

A number of stakeholder groups including Tourism Associations, Business and Accommodation providers considered that the proposed development would help secure international air services to Broome which would not only increase the potential visitor market but help secure greater economic diversity (through trade) for the region. The introduction of direct international services was seen as providing significant growth opportunities for the destination.

However, discussions around the potential damage to the Kimberley’s image and reputation created a far greater division of views. Although Business, Suppliers to Oil & Gas and Accommodation Providers saw that there would not be any substantial change to the Kimberley’s image and reputation, over 50% of all other stakeholder groups considered that damage to the brand was inevitable: *“The Kimberley and Broome has been marketed over many years as a wilderness destination and Broome has an exotic pearling outpost image. If that is lost, a lot marketing effort would be greatly reduced”*.

A common theme, particularly from business, tourism support services and operators, regularly referred to the Kimberley’s history of mining, and the little damage that this history had done to the brand: *“People need to remember that mining is not new to the Kimberley. There are dozens of mine sites already developed and their impact has been minimal, particularly to the Kimberley reputation as a brand”*. The discussions tended to be more focused on appropriate and adequate planning for the project, rather than potential impacts.

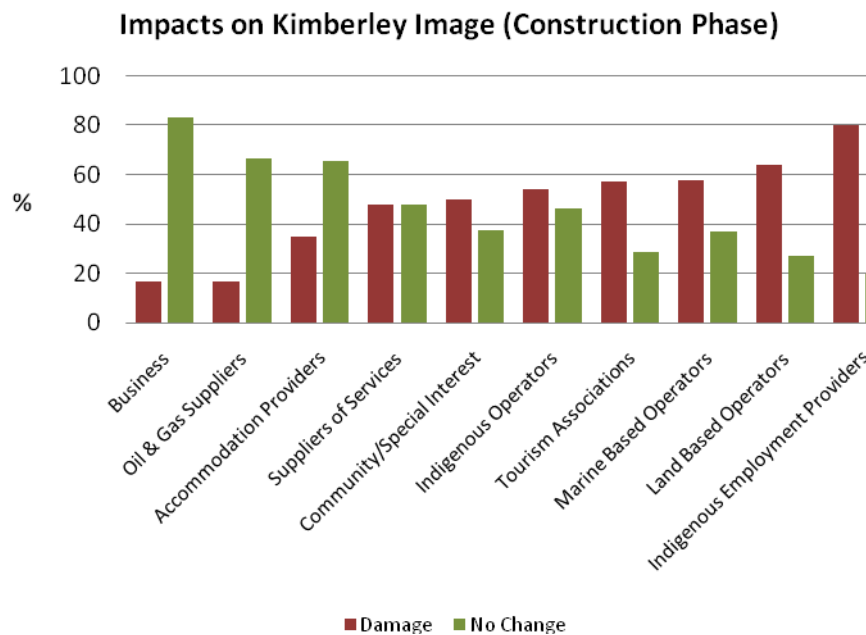


FIGURE 12: IMPACTS ON KIMBERLEY IMAGE

However, Indigenous tourism operators were divided in their views although the majority (54%) believed the proposed development would negatively impact on the region's image. This view was also supported by Indigenous Employment Providers, but the issues of focus for both of these groups were social impacts rather than tourism specific issues. Specifically, the impact (both positive and negative) of the sealing of the Cape Leveque Road was central to discussions. Although this would allow easier visitor access to Indigenous tourism products on the Dampier Peninsular, there was an overshadowing concern that visitation would not be able to be adequately controlled and this would lead to culturally inappropriate behaviour and easier access by visitors to sites that are of cultural significance. There was also a sense that the image of the region would be compromised in with the sealing of the road in that *"...the red dirt roads are part of where we are and who we are"*.

As noted in the chart above, over half of respondents from the Tourism Associations, Marine and Land Based Operator cluster groups perceived that the proposed LNG Precinct development would negatively impact the brand's image but there was a broad range of views in terms of the reasons for any damage and to the longevity of the negative impact. These views are best expressed by direct quotes.

"The Kimberley brand will be shot to pieces and never recover"

"In the short term there might be some negative impact to the Kimberley's reputation because of a vocal minority but in the long term there will be no damage whatsoever".

The single and greatest issue identified by most respondents focused on pressures the proposed project will put on housing and the rental markets in Broome. There was a strong view that *“...landlords and real estate agents keep whacking prices up”* and the government’s failure to release land as needed, *“...is pushing up demand and forcing price increases beyond their real value”*. The issues relating to housing and housing and rental affordability were of far greater concern to respondents than issues of staff availability, costs of operating or the impacts of the LNG development on the overall cost of living.

Staff availability and staff costs appear to be an existing and accepted frustration by tourism service providers operating in the Kimberley, and the proposed LNG Precinct development is not seen to have any significant impact on these issues. In fact, just on 70% of respondents didn’t see any change would occur as a result of the proposed development.

Over the course of interviews, the Pilbara was frequently used as the example of what stakeholders did not want to see for Broome and the Dampier Peninsular. Stakeholders were firmly of the view that tardy land releases and reactive rather than proactive planning has created substantial social problems in the Pilbara, and the Kimberley development had an advantage by learning from these experiences. In terms of tourism specifically, many people cited the loss of tourism product in the Pilbara to be the result of a lack of commitment to support the sector. There is genuine concern that accommodation providers for example, will go the way of accommodation providers in the Pilbara, where long term FIFO accommodation contracts take priority over availability of visitor beds.

Stakeholder research has demonstrated a wide view of perceptions and the perceived impacts, both positive and negative of the proposed LNG Precinct development. Issues discussed covered employment opportunities, opportunities for the sustainability of Indigenous tourism products, the negative environmental impacts of any Kimberley coastal development and many other issues. However, the focus of this study is an assessment of impacts and mitigation strategies as they affect tourism, it is not intended that this study detail the plethora of issues raised over the course of interviews. More correctly, the Social Impact Assessment, the Aboriginal Social Impact Assessment and the Fisheries, Pearling and Aquaculture Impact Assessment Studies concurrently underway will address many of the issues raised. However, issues raised and comments made through the interview process have been documented and included as Appendix IV to this report.



FIGURE 13: STAFF COSTS & AVAILABILITY

4.3 KEY THEMES & STRATEGIES

Respondents representing the varying cluster groups (refer Section 4.1) were focused on discussing strategies for the future rather than the pros and cons of the proposed LNG Precinct development. Discussions were led in this direction deliberately, as this project brief looked to develop an understanding of impacts and strategies on the basis of the development proceeding, not to measure perception about whether the Precinct should or should not be developed.

Each stakeholder cluster held views on positive and negative impacts of the proposed development on tourism and offered solutions and strategies. These are documented by cluster group and attached in Appendix IV to this report. However, key themes and strategies that emerged can be summarised as follows:

Key Theme	Issue	Level of Impact	Strategy	Agency
Impact on Brand	Funding	HIGH	Adequate funding to promote the destination on a continuous rather than sporadic basis. Keep destination message “top of mind” in the market.	TWA
	Information	HIGH	Divert part of royalties from the project to destination marketing, product & infrastructure development	Federal/State Governments TWA/ANW
			Adequate funding to ensure negative publicity does not outweigh tourism positives of the destination	TWA
	Product Development	MODERATE	Leverage funds to develop & support Dampier Peninsular Indigenous tourism	State/TWA
Planning	Controlled access	HIGH	Introduce control of vehicle movements on the Dampier Peninsular to protect country & culture	Shire/ARDI KLC/ALT
			Enforce ALT permit system to control access and protect culturally sensitive areas	ALT
	FIFO Impacts	MODERATE	Work with project proponent to move FIFO workforce through Broome with minimal impact	Proponent / State / Shire
	Worker’s Accommodation	HIGH	Build adequate worker’s accommodation at the Precinct to ensure there is no pressure on leisure travellers’ accommodation	Project Proponent
	Land Release	HIGH	Ensure that adequate & affordable land is made available in a timely manner	State / Landcorp
	Education	MODERATE	Plan for appropriate education & training in the region to ensure future employment needs can be met locally	State Government
Environment	Protection of marine, land and visual environment	HIGH	Establish adequate guidelines, controls and measures to protect	EPA / Marine Impact Assessment Study
Prid Pro Quo	Safe Boat Harbour/All weather boat ramps	MODERATE	Shire to be proactive in taking a lead role to ensure that Broome leverages the infrastructure it needs to support the town and the tourism industry	Shire / State / Proponent
	Buy Local	MODERATE	Work with project proponent to maximise opportunities and benefits for local businesses	Shire / State / Proponent

4.4 SUMMARY OF (WEIGHTED) PERCEPTIONS

All data collected was weighted to establish an overview of current perceptions on the short term (construction phase) of the proposed LNG Precinct at James Price Point. Responses were weighted by the number of respondents.

- Kununurra, Derby, Fitzroy Crossing and Halls Creek respondents were not included as impacts for these towns had generally been rated as “no impact” and inclusion would skew the results.
- Visitor responses were not included as they form a separate study within this project and have been included in Section 6 of this document.
- Weighted average is based on the number of respondents per cluster group. i.e. there were 143 interviews conducted (excluding those noted above). Of these, accommodation providers totaled 26 and therefore represent 18.1% of the total. Response from this group was therefore divided by 18.1%.

TO WHAT DEGREE DO YOU THINK THAT A GAS PRECINCT AT JAMES PRICE POINT CAN CO-EXIST WITH TOURISM?

As demonstrated in the following table, there was no cluster group that suggested outright that the proposed LNG development could not co-exist with tourism. Overall, the weighted average suggests that 70.6% of respondents across all clusters, considered these two (2) activities could co-exist.

Cluster	Can Co-Exist Weighted %	No Change Weighted %	Can't Co-Exist Weighted %
Tourism Associations	2.8	2.1	0.0
Community/Special Interest	4.6	0.0	1.5
Business	4.3	0.0	0.0
Oil & Gas Suppliers	4.3	0.0	0.0
Indigenous Employment Providers	2.9	0.7	0.0
Accommodation Providers	12.8	1.9	1.2
Land Based Operators	5.4	0.0	2.0
Marine Based Operators	6.8	0.6	4.9
Indigenous Operators	5.0	0.00	4.3
Suppliers of Services	21.8	3.8	6.4
Total Weighted Average %	70.6	9.2	20.2

TABLE 11: CO-EXISTENCE OF TOURISM & LNG – WEIGHTED AVERAGES

**HOW WOULD YOU RANK THE FOLLOWING ASPECTS OF YOUR ORGANISATION
IN TERMS OF SHORT TERM IMPACTS (DURING CONSTRUCTION) OF A GAS
PRECINCT ON VISITOR NUMBERS?**

The following chart shows the weighted average response (%) of perceived impacts over the short term. As demonstrated, the majority view (54.6%) suggested there would be no impact, whereas 27.6% believed the impacts would be positive.

Cluster	Negative Impact Weighted %	No Change Weighted %	Positive Impact Weighted %
Tourism Associations	1.6	1.6	2.4
Community/Special Interest	2.0	3.0	2.0
Business	0.8	2.5	1.6
Oil & Gas Suppliers	0.8	1.6	2.5
Indigenous Employment Providers	0.8	2.5	0.8
Accommodation Providers	2.1	10.5	5.6
Land Based Operators	2.3	5.3	0.8
Marine Based Operators	2.2	5.9	5.9
Indigenous Operators	1.6	6.7	2.4
Suppliers of Services	3.6	15.2	3.6
Total Weighted Average %	17.9	54.6	27.6

TABLE 12: WEIGHTED AVERAGE RESPONSES - VISITOR NUMBERS

**HOW WOULD YOU RANK THE FOLLOWING ASPECTS OF YOUR ORGANISATION IN
TERMS OF SHORT TERM IMPACTS (DURING CONSTRUCTION) OF A GAS PRECINCT
ON KIMBERLEY REPUTATION?**

The following chart demonstrates the weighted average view across all clusters and respondents of the perceived short term impacts on the Kimberley brand. There is a relatively even split between those who do not believe there will be any impact (47.3%) and those that believe there will be a negative impact (47.8%).

TABLE 13: WEIGHTED AVERAGE RESPONSES - KIMBERLEY REPUTATION

Cluster	Negative Impact Weighted %	No Change Weighted %	Positive Impact Weighted %
Tourism Associations	3.2	1.6	0.8
Community/Special Interest	3.5	2.6	0.9
Business	0.8	4.1	0.0
Oil & Gas Suppliers	0.8	3.3	0.8
Indigenous Employment Providers	3.4	0.8	0.0
Accommodation Providers	6.3	11.9	0.0
Land Based Operators	5.3	2.3	0.8
Marine Based Operators	8.1	5.2	0.7
Indigenous Operators	5.6	4.8	0.0
Suppliers of Services	10.7	10.7	0.9
Total Weighted Average %	47.8	47.3	4.9

RESIDENTS SURVEY - QUANTITATIVE

5.1 BACKGROUND TO THE RESIDENTS SURVEY

The brief required that 100 Broome residents be interviewed as part of this study.

The aim of this study cluster is to quantify the perceptions of the resident population in terms of the impact of a proposed LNG Precinct at James Price Point. Specifically, this part of the study seeks to achieve the following:

1. Validation /rejection of propositions developed through the qualitative phase of the project;
2. Validate/ reject the results of mitigation strategies developed through the qualitative research phase of the project;
3. Complete the information, data and consultations.

5.2 METHODOLOGY

In the design of the survey, KPP referred to the ABS's Framework for Australian Tourism Statistics, which provided guidance on standard elements and measures to include in tourism surveys⁴⁴.

This survey was conducted online to a database of Broome residents. KPP has been collecting resident email addresses for its quarterly Consumer Confidence Surveys that have been conducted since 2006. When the Consumer Confidence surveys were first undertaken, the Broome directory listed name, address, postal address and email addresses for residents. Initially, all these listings were keyed into a database which has been updated over time. This database is not a panel but rather a random selection of residents. Residents who are invited to participate in the quarterly review are selected using a rotation of every 9th record in the dataset. Historically, 1 in 3 responded and around 5% of emails bounced back.

The methodology used for this survey followed processes previously adopted. Based on KPP's tender requirements, we sought a sample of 100 residents to verify (validate) or reject hypotheses developed through the qualitative research phase of this project. It was initially planned that invitations to participate would be emailed out over a couple of days. However, within the first 48 hours, over 47% of invitees had responded, and therefore no further invitations were sent.

⁴⁴ Australian Bureau of Statistics, 2009. Framework for Australian Tourism Statistics. Accessed online at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/9502.0.55.001> on 1 April 2009.

INTERVIEW SAMPLE

Survey Invitations sent	=	254
Responses	=	612
Verified Responses ⁴⁵	=	119 (46.9%)

It became evident within the first couple of days of the questionnaires being distributed that recipients who felt strongly about this issue would forward it to others who shared the same concerns. As noted above, over 600 responses were received of which only 119 were returned with a unique survey number that had been generated when the invitations were sent. Only those surveys having a system-generated, unique, source code were included in the final analysis. It is interesting to note that of the 493 unverified responses returned, 2 were supportive of the LNG Precinct development while 491 were strongly opposed.

DATA ANALYSIS

Questions were based on “ticking boxes”: However, open-ended comments were also sought for each question. Questionnaire results were recorded by the respondent in an online survey that was submitted on completion. The average survey completion time was just over 12 minutes. Of the surveys started online, 99.3% were completed. A series of validations were built into the questionnaires so that respondents were “forced” to answer all questions. No survey was rejected for failure to meet validation requirements.

Upon submission of surveys, information was imported into InfoPath⁴⁶, where a custom document inspection form had been developed to collate both quantitative data and open-ended comment text.

Information was cross tabulated using two (2) variables at a time, to determine specific profile information that may influence results one way or another. Analysis against the key variables was tabulated against all other questions.

This information was then analysed and key findings documented.

⁴⁵ Verified Responses: Each survey invitation was emailed with a unique survey number. Multiple responses from the one IP address were discarded from the analysis of results, if they did not have a system generated survey number.

⁴⁶ InfoPath software was developed by Microsoft and is based on Extensible Markup Language (XML). InfoPath creates an .xsn file, which is a cabinet (.cab) file that contains the files necessary for the form to function, such as XML Schema (XSD) (XML Schema: A formal specification, written in XML, that defines the structure of an XML document, including element names and rich data types, in which elements can appear in combination, and which attributes are available for each element and XSL Transformation (XSLT) (XSL Transformation (XSLT): A language that is used to transform XML documents into other types of documents, such as HTML or XML. XSL.

SAMPLE PROFILE

ABS Census data (2006)⁴⁷ was used to determine if survey respondents were an acceptable representation of the overall Broome population.

SEX

The split between male and females falls well within an acceptable range as shown in the following chart. The column headed “Broome” is based on Census 2006 results.

Sex	Survey	Broome
Male	52.38%	51.6%
Female	47.62%	48.4%

AGE

The following chart demonstrates the age profile of the survey sample compared with ABS 2006 Census results for Broome. Again, the survey falls within an acceptable range to be representative of the resident community.

Age	Survey	Broome
18 - 21	7.76%	6.37%
22 - 29	16.79%	18.87%
30 - 39	23.20%	25.82%
40 - 49	22.41%	22.44%
50 - 59	19.72%	16.25%
60 +	10.12%	10.26%

INCOME

To ensure that the survey was a true representative sample of the Broome resident community, respondents were asked to indicate their pre-tax household income. Although the survey sample is slightly higher in the \$100,000+ group than the 2006 Census result, it is seen to be an acceptable reflection of wage increases over the past 2 ½ years, particularly in light of the slightly reduced sample in the \$76,000-\$99,000 income bracket.

Household Income (pre- tax)	Survey	Broome
Less than \$40,000	19.64%	19.55%
\$41,000 - \$75,000	26.79%	28.35%
\$76,000 - \$99,000	21.54%	22.59%
\$100,000+	32.04%	29.51%

⁴⁷ Cat. No. 2068.0 – 2006 Census Tables 2006 Census of Population and Housing, Broome (Urban Centre/Locality) – WA Gross Household Income (Weekly by Household Composition) Family and Group Households. Age by Sex. Count of Persons based on place of usual residence.

SURVEY STRUCTURE

The survey was divided into three (3) clear sections.

1. The first section sought to establish the overall perception of tourism in Broome by the resident population.
2. The second section focussed on the proposed LNG Precinct development and looked to understand perceptions about the impacts on tourism, lifestyle and possible mitigation strategies.
3. The third section requested profile information to ensure respondents reflected a reasonable representation of the Broome population.

5.3 KEY FINDINGS

In the first instance, the survey of residents looked to quantify current views of tourism's value to Broome and the near region. An overwhelming 90% of respondents said that tourism was good for Broome while almost 80% supported continued growth of tourism. Of those who disagreed, over 40% had lived in Broome for more than 21 years.

The issue of the proposed LNG Precinct development has generated a high level of interest within the Broome community as evidenced by the level of response to this resident survey. There is a significant minority who are opposed to any development on the Kimberley coast:

"A huge ugly development that threatens whales among other fauna and flora is tourism suicide"

There is an equally significant minority who support future growth and the perceived benefits of the proposed LNG Precinct development:

"Born in Broome, I have seen many changes and feel with attention and care, change is necessary for the town to proceed and be sustainable as a progressive town of the future"

Although positive and negative views held are relatively even, those opposed to the proposed development hold far stronger views and rate issues accordingly. There is a core of around 30% who ranked every issue to its maximum (i.e. strongly agreed or strongly disagreed).

Despite some clear indications of divided community sentiment toward the proposed development coming through in this survey, the focus of the survey was to quantify the impact of the proposed LNG Precinct development on tourism. It will be the function of the Social Impact Assessment study to measure and report on how the issues of community sentiment toward the proposed development will impact on social cohesion.

There is universal agreement that tourism and future growth in tourism is good for Broome, though people who have lived in the town for a long time may lament the changing character of the town. There is also broad agreement (just over 73% of respondents) that housing pressures in Broome will

be exacerbated by the proposed development, but there is also broad agreement that infrastructure and services will improve.

A key issue of this survey was to gauge perception of Broome residents in terms of the capacity of tourism to co-exist with an LNG Precinct. Just over 50% of respondents agreed that the two (2) activities could co-exist while just over 45% did not believe that co-existence could be achieved. Analysis of these responses were cross tabulated against information provided by respondents in order to determine if there was a particular demographic profile that characterized views held. Analysis proved that people least likely to believe that tourism and an LNG Precinct could co-exist have lived in Broome for over 11 years, are more likely to be of households with a pre-tax income of less than \$40,000 per year and over 50 years of age. There is also a clear relationship between household income and agreement or disagreement regarding co-existence as shown on the accompanying chart.

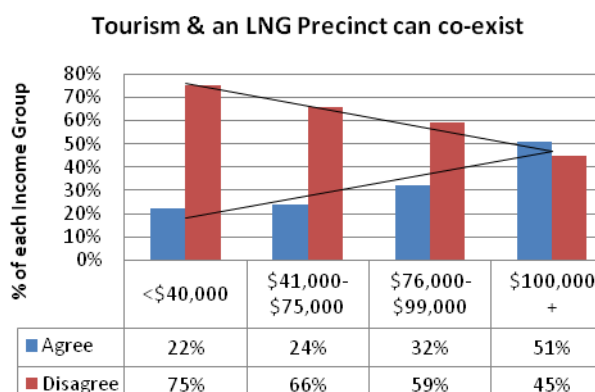
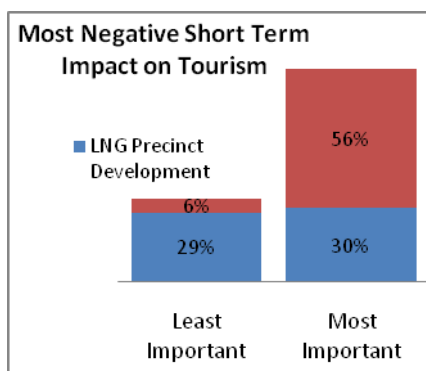


FIGURE 14 - COEXISTENCE OF TOURISM AND LNG PRECINCT

Research findings suggest that there are conditions attached to being “pro or anti gas” in Broome. Being “pro gas” suggests being “anti environment” while being “anti gas” translates to being “anti business.” These results need to be moderated to some extent, as respondents are likely to have overstated their views to ensure their message was clear. Evidence of this conditional position was tested throughout the survey. Analysis of responses to statements such as “*Broome needs the LNG Precinct development so that the town can expand its economic base*” versus “*The Kimberley coast will be ruined as a direct result of the proposed LNG Precinct development*” suggests that if you believe one of these statements, you are forced to reject the other. In this instance, the same 47% disagreed with the first statement and agreed with the second statement.



and residents who believe it is the least important issue in terms of short term impact on tourism.

The Resident Survey looked to focus on impacts on tourism, and therefore investigated residents’ views on the range of issues (beyond the LNG Precinct Development) that would *most negatively* impact on Broome’s tourism market in the short term. Respondents were asked to consider six (6) issues and rank the issues from 1 – 6 (1 being the most negative). As noted on the accompanying chart, there are fairly equal numbers of residents who believe the LNG Precinct is the most important issue likely to impact on tourism in the short term,

However, there was commonality of views when mitigation strategies were assessed with two-thirds of all respondents agreeing that:

- *“more money would need to be spent in tourism marketing”*
- *“the LNG development should proceed only if it is regulated by the most stringent environmental standards”*
- *“Broome is a tourist town and we do not want a fly-in-fly-out culture to develop”*

This survey ultimately asked respondents to make a choice in order to quantify the issues people are prepared to ‘trade’, giving an indication as to the strength of their conviction. The results for *“increased business and employment opportunities”* scored almost equally to the *“no LNG Precinct development at Prices’ Point”* but 17% of respondents were prepared to trade both these options for cheaper and more frequent flights to and from Broome. The reverse question asked “to trade” damage to Broome’s tourism industry against damage to the Kimberley coast. Over half of respondents were prepared “to trade” coastal damage in favour of Broome’s tourism industry.

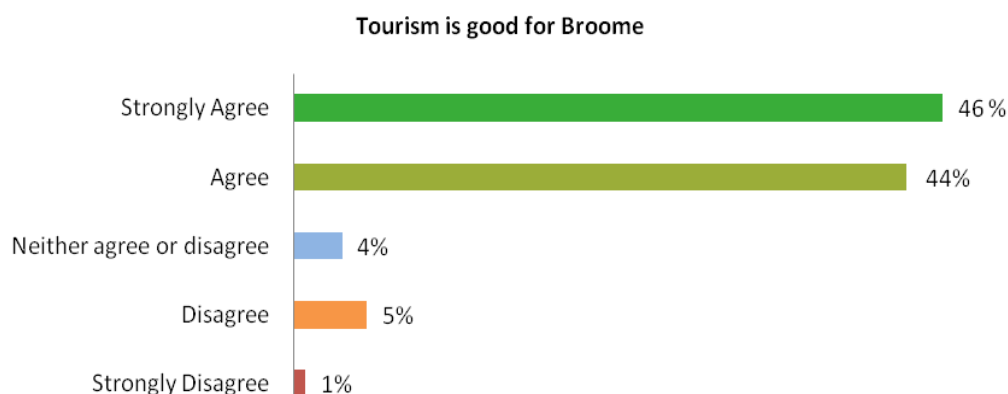
5.4 DETAILED RESULTS - RESIDENTS SURVEY

5.4.1 SECTION 1 – PERCEPTION OF TOURISM

The detailed results from the Resident's Survey have been documented in this section. There has deliberately been no attempt made to interpret results to ensure objectivity as required by the brief. Profile analysis using demographic information gathered from respondents has been used to analyse responses but no interpretation of those results have been undertaken.

A series of statements were suggested to participants who were asked to agree or disagree with the statements.

The first question looked to get a sense of how residents viewed tourism in Broome. 90% of respondents stated that tourism was good for Broome. Of the respondents who disagreed with this view (i.e. 5%), over 40% had lived in Broome for over 21 years. Although there is no supportable evidence, anecdotally this view has changed markedly over the past five (5) years where it is suggested by tourism industry stakeholders that *"...more than half the population were terrified by the negative impacts tourism would have on Broome"*.

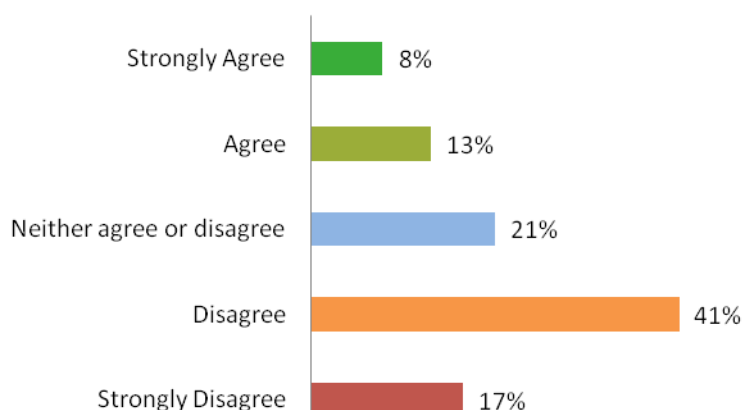


Tourism is ruining the character of Broome

This view was then tested in the negative to determine if there was a perception that the character of Broome was threatened by tourism. 58% of respondents stated they did not believe that Broome's character had been "ruined" by tourism. A further 21% did not agree or disagreed with the statement.

Results show a clear relationship between length of years in Broome and the perception of the changing character of the town. Of the respondents who believe tourism is ruining the character of Broome (i.e. 21%), 26% are people who have lived in Broome for 11 to 20 years and 39% of residents who had live here more than 21 years also agreed.

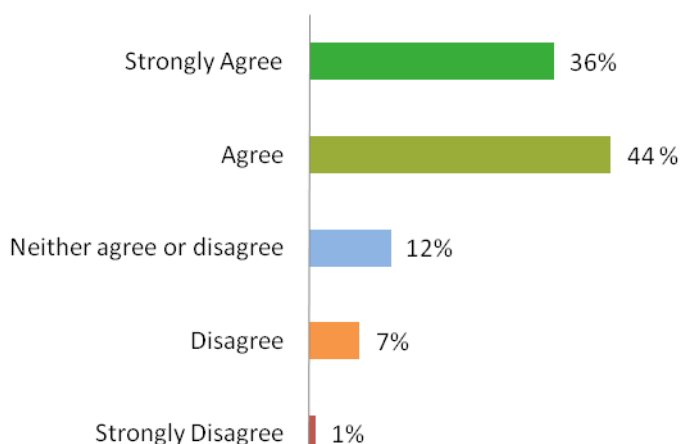
The increasing number of tourists is ruining the character of Broome



Continued tourism growth is good for Broome

Perceptions about tourism's impact on and value to Broome were further tested to establish if there was a general acceptance that future growth was in the best interest of the town.

Continued growth of tourism is good for Broome



80% of respondents stated that continued growth of tourism was good for Broome. Again, of those who disagreed with this statement (i.e. 8%), over 40% had lived in Broome for over 21 years. The recurring themes taken from the open text comments in relation to this statement can be best summarized by the following quotes:

"Towns must grow to create opportunities for its residents. It is all about management"

Resident Profile by Number of Years in Broome

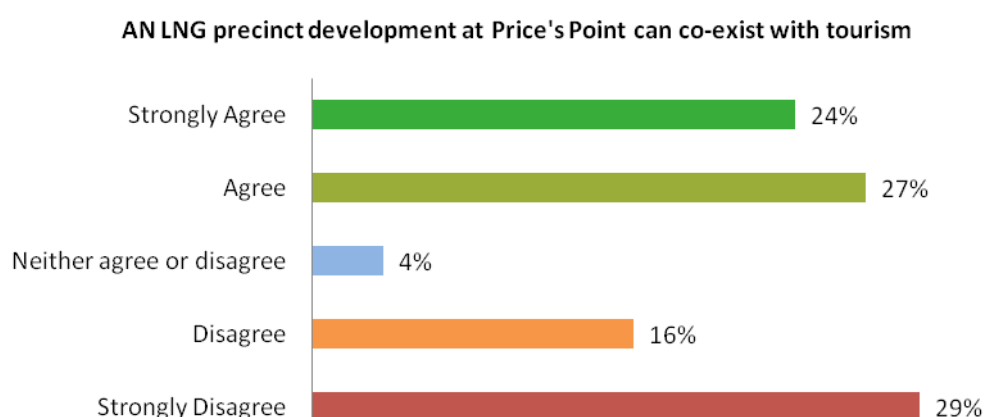
As the group of residents who have lived in Broome for many years is an important group in terms of their views towards tourism growth, it is worth noting the sample structure for reference.

< 2 years	2-5 years	6-10 years	11-20 years	21+ years
12%	15%	21%	31%	21%

5.4.2 SECTION 2 – LNG DEVELOPMENT

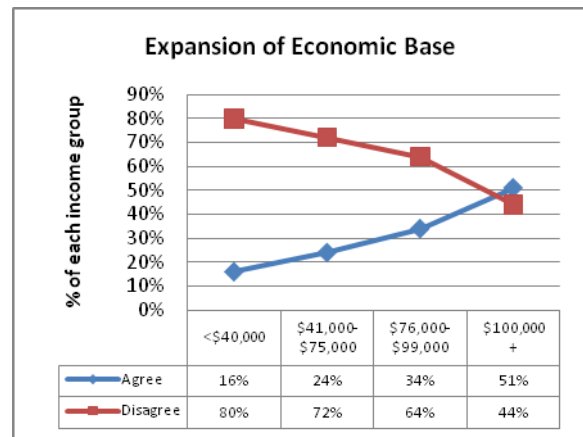
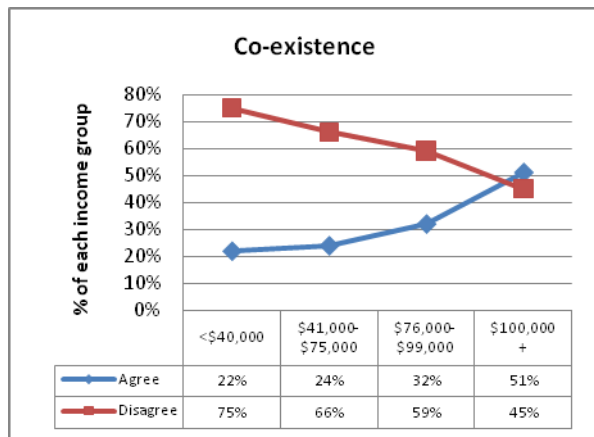
The LNG Precinct development at Prices Point can co-exist with tourism

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree. 51% believed these activities could co-exist, 4% neither agreed nor disagreed with the proposition while 45% believed the two (2) could not co-exist. This statement was the first hypothesis tested to validate the strong division of views held within the community.



Analysis of this perception suggests the following cross tabulated profiles of residents who **disagree** that the two (2) activities can co-exist:

- 79% of people aged 60-64 and 49% of people aged 50-59.
- Over 51% of people who have lived in Broome for more than 11 years, and 54% of people who have lived in Broome over 21 years.
- 75% of people with a pre-tax household income of less than \$40,000.
- The strongest explanatory variable on the perception of co-existence of the two (2) activities is pre-tax household income. The lower the household income the stronger the disagreement with the concept of co-existence of the two (2) activities, while the higher the income, the stronger the perception of co-existence.

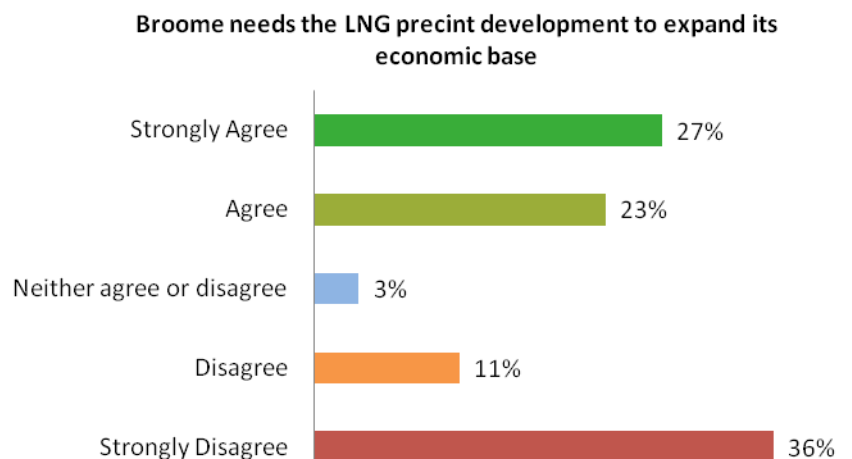


Broome needs the LNG Precinct development so that the town can expand its economic base

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

50% of respondents agreed or strongly agreed with the statement that Broome needed the LNG development so that the town can expand its economic base. Although this was the majority view, the strongest single response (36%) came from those who strongly disagreed with this statement.

The strongest single negative response came from people who had lived in Broome for more than 11 years (53%) and those who had lived in Broome for over 21 years (54%).



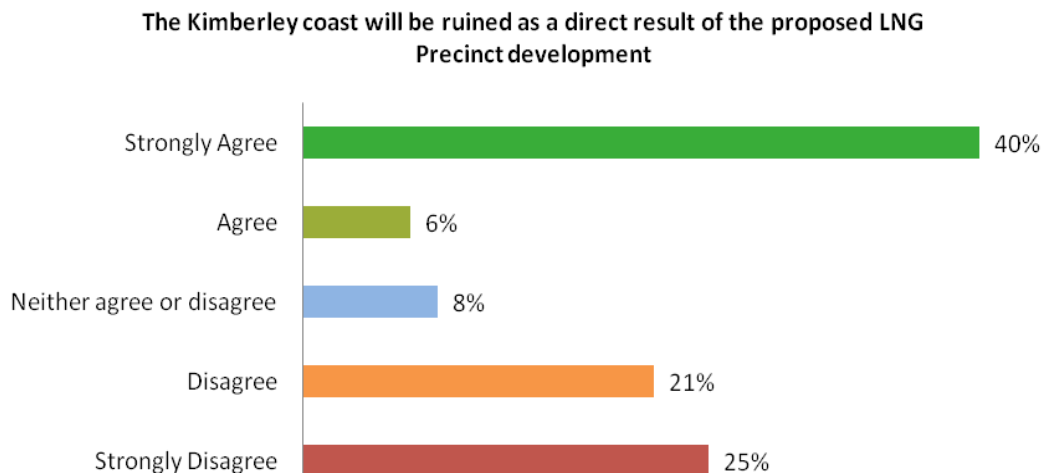
As with the question of co-existence, the relationship between response and income group proved to have the strongest correlation. Statistically, it can be proved to 99.18% certainty that household income is a key explanatory variable of the dependant variable (that is, Broome needs the LNG Precinct to expand its economic base).

“Maybe our kids won't have to leave Broome to find work...this will keep more family units intact....how can this be wrong??”

The Kimberley coast will be ruined as a direct result of the proposed LNG Precinct development

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree. Although the relationship between potential damage to the Kimberley coast as an outcome of the proposed LNG development does not have a direct relationship to tourism impacts as required by the brief, this was a key theme that emerged from the qualitative research and therefore needed to be further tested in this quantitative stage.

Response to this statement was evenly divided with 46% who agreed with the statement and 46% who disagreed. As has been consistently found throughout this survey, those who are positioned against this proposed development operate at the extreme end of the spectrum of opinions.



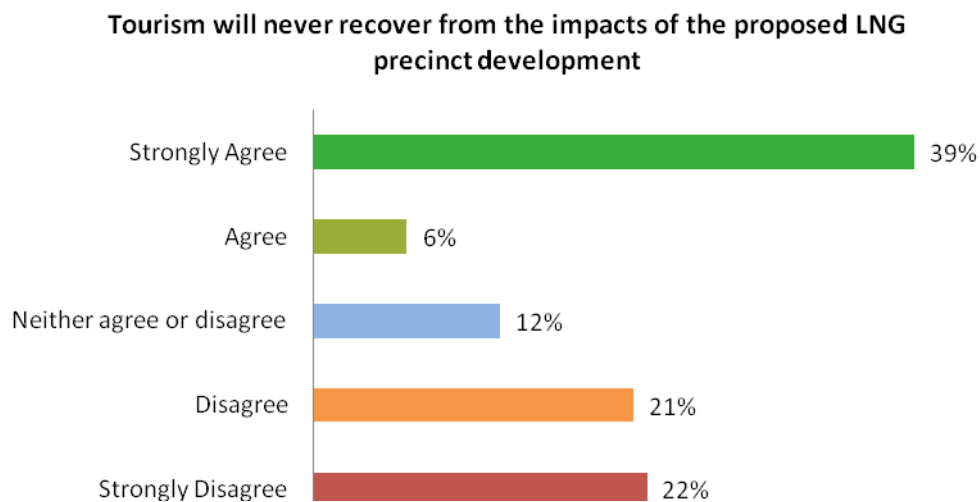
Responses were analyzed against age, gender, number of years in Broome and income grouping. The spread of responses were relatively consistent across age and number of years in Broome, although there is an indication that the more years people have lived in Broome the more they agree to the statement that the Kimberley coast will be damaged because of this proposed development. However, the strongest relationship is again between response and income grouping.

Tourism will never recover from the impacts of the proposed LNG Precinct development

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

Specifically addressing the impacts of the proposed precinct development on tourism, 45% of respondents agreed that the industry will never recover, whereas 43% disagreed and 12% did not agree or disagree.

The profile of respondents is similar to previous questions with income grouping being a key discriminator, with one exception: People who have lived in Broome for less than 2 years are more likely to agree with this statement rather than disagree with it.



Key themes that recur in open text comments from those who agree, and those who disagree with this statement can be summed up with the two (2) following quotes:

“Minimizing negative effects on tourism is all about proactive management of the issues”

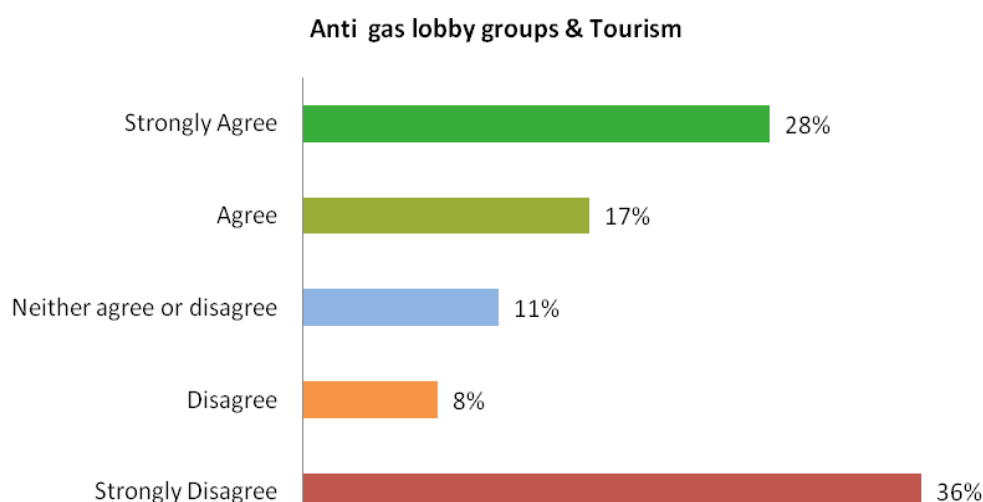
“A huge amount of money is spent by the government and private enterprise to attract people to Broome and the Kimberley. All of that money would be wasted if Broome changes to a mining town with pollution, increased fly-in fly-out workers and expanding heavy industry. Will the stars still be seen with increased light pollution, will Cable Beach continue to win cleanest beach in WA with huge tankers discharging bilge off the coast and tidal scour eroding our beaches? The Kimberley coast was recently voted one of the most popular holiday destinations in WA. Is the government willing to risk an asset that could continue reaping returns to the state many, many years after the gas runs out?”

The anti gas lobby is doing more harm to tourism than the LNG Precinct would ever create

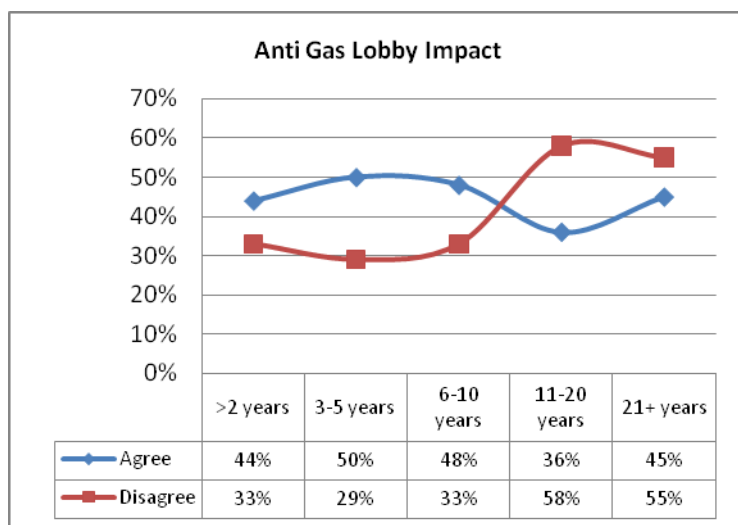
Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

A recurring theme from the qualitative research was the view that the “anti gas lobby” were doing more harm to tourism than the LNG precinct would ever create.

44% of respondents disagreed with this statement while 45% agreed. This chart shows how equally divided the sentiment and perceptions held by Broome residents are in relation to the proposed development.



Profile analysis of responses to this question was completed but shows a similar pattern to previous

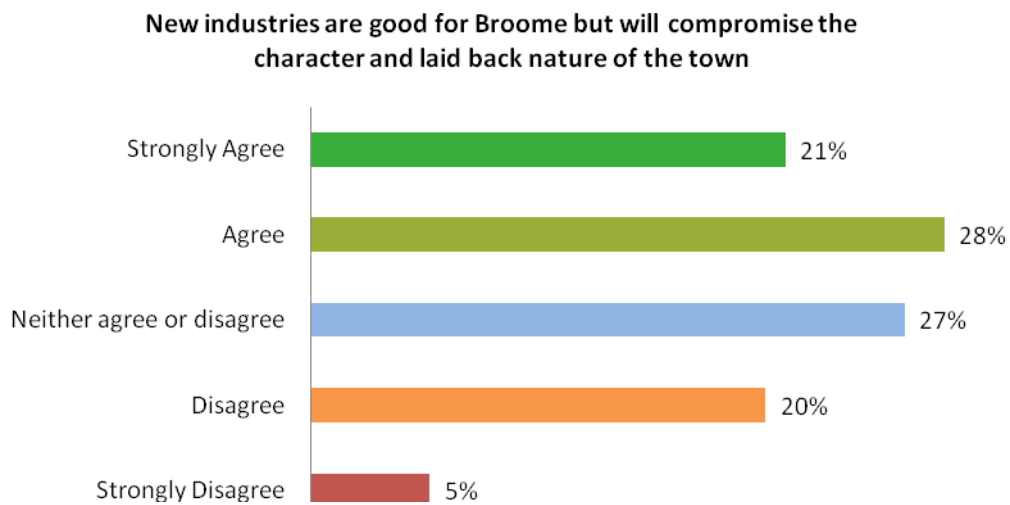


question analysis, in that there is a strong relationship to household income and response. There is also a relationship between response and length of time in Broome. The longer people have lived in Broome, the less likely they are to accept that the anti-gas lobby are potentially harming tourism. However, the different views start to converge amongst those who have lived in Broome for over 11 years.

New industries are good for Broome but will compromise the character and laid back nature of the town

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

There was a strong view held by respondents in the previous research stage that economic diversity and the growth of the Broome economy was good for their business but there was also a sense of “loss” for the lifestyle that would be compromised. This concept was tested and found to be consistent, where 49% agreed, 25% disagreed.



Some of the comments noted as text with this question included:

“The loss of access to Quondong Point would be my greatest regret”

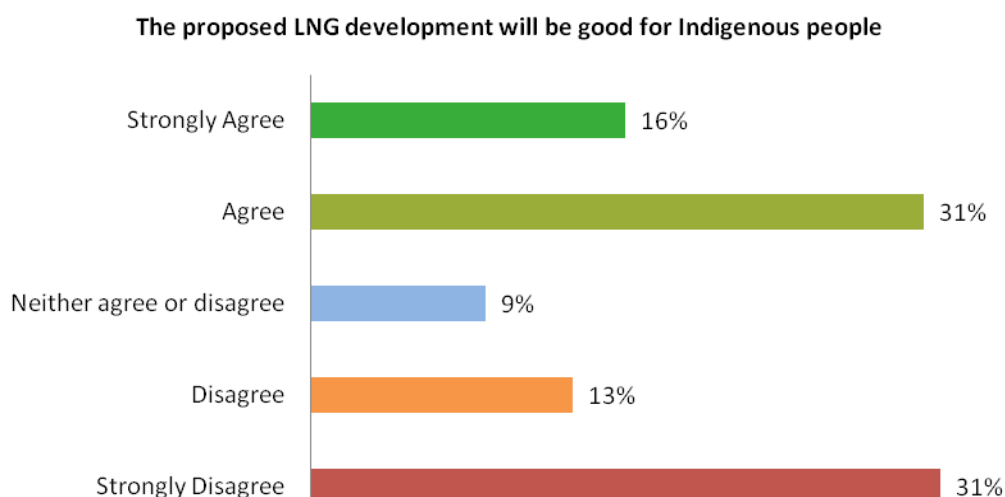
“I strongly feel that there should be no industrialization at all in the Kimberley. Leave the area alone. Keep it as is for locals to enjoy forever”

“The precinct will result in more interstate and probably international flights which will be good for residents and tourists”

The proposed LNG development will be good for Indigenous people

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

44% of respondents did not agree that the proposed development would be good for Indigenous people, whereas 47% considered the opposite to be true. Interestingly, the strong positive view is held by 18-39 year olds (59%) and those who have lived in Broome for less than 10 years (68%).



“As a Djugun traditional owner of Broome I believe development of the LNG Precinct will totally destroy one of the last Great Wilderness areas of the world that tourists come from far and wide to see. Eventually the gas basin will run dry and what will be left - destruction of our natural wonder. Culturally I have an obligation to ensure the natural biodiversity of the ecological systems stays naturally intact for the health of future generations. I strongly agree that tourism has long term sustainable benefits and with good planning and development leaves less of a footprint on heritage”

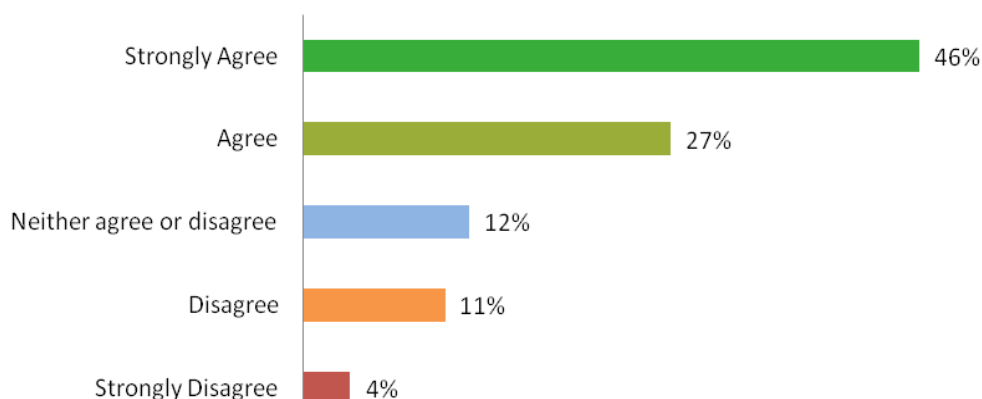
“As long as the plant is to be sited in a precinct/hub that is expertly managed, the two industries can co-exist...everyone shouted tourism down many moons ago; for better or for worse, we need to make sure that the two can operate side by side. Local non-Indigenous people that frequent the JPP area will be most emotionally affected. We should not allow the vocal minority to sway the majority who will benefit, whether it is Indigenous people, other land owners or future generations of residents and visitors”

There is already an inadequate supply of affordable housing in Broome. This development will just make it worse

Respondents were asked to consider this statement and rank their perception on a scale of Strongly Agree to Strongly Disagree.

Although the issue of housing is more appropriately covered by the Social Impact Assessment that is being undertaken in tandem with this project, the issue of housing was a recurring theme of interviews held in the early stages of this study. In summary, 73% of respondents agreed that the housing pressures in Broome would be exacerbated by the proposed development. This theme was consistent amongst most respondents in the qualitative stage of this project and validated through this research stage. It should be noted that these interviews were held prior to the announcement of the development of North Broome and with it, the release of over 1,000 residential blocks.

**There is already an inadequate supply of affordable housing in Broome.
This development will just make it worse.**



A series of statements around improved services, infrastructure, the cost of living, capacity and availability of new training and jobs were also investigated. As these were not specific to any potential environmental impacts, it was hypothesized that responses would be relatively uniform, in line with findings from the qualitative phase. The quantitative phase of the project validated previous findings. As noted above, these issues will form part of the Social Impact Assessment study and therefore, detailed analysis has not been undertaken as part of this project.

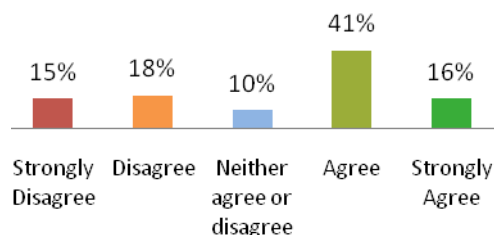
The following comment generally sums up the majority view:

“Government has never been able to establish the appropriate support infrastructure in the past - see the Pilbara - and the idea that they will get it right here is an absolute joke”

The LNG development will contribute to better infrastructure and services

It was agreed by 57% of respondents that the proposed LNG precinct development will contribute to better services such as health, education and infrastructure such as roads, airport and port facilities. One in three people who had lived in Broome for over 21 years disagreed with this statement.

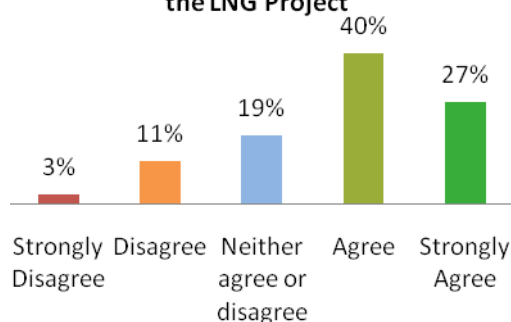
LNG will contribute to better Infrastructure & Services



The cost of living in Broome will increase due to the development of the proposed LNG precinct development

67% of respondents agreed with the statement that the cost of living in Broome would increase as a direct impact of the proposed LNG precinct development.

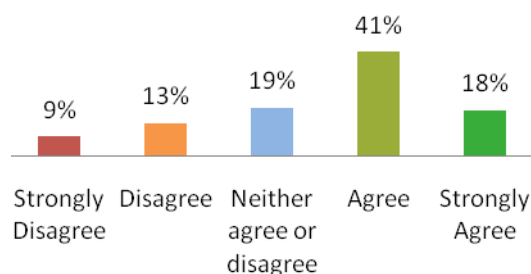
The cost of living will increase due to the LNG Project



There will be more training and jobs as a direct result of the LNG precinct development

59% of respondents agreed with the statement that there would be more training and job opportunities as a direct result of the proposed LNG precinct development.

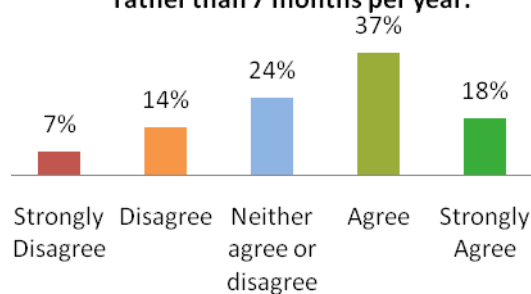
More training and jobs as a direct result of the LNG Project



Broome will operate at capacity for 12 rather than 7 months a year

55% of respondents agreed that Broome would operate at capacity for 12 rather than 7 months a year as a direct result of the proposed LNG precinct development.

Broome will operate at capacity for 12 rather than 7 months per year.




In the next phase of the survey, respondents were asked to make choices and start to rank internal and external issues that would most impact Broome's tourism market. Specifically, respondents were asked to:

“Rank the factors that will impact most NEGATIVELY on Broome's tourism market in the short term where 1 is the most negative and 5 is the least negative?”

As the table below shows, the “Global financial crisis” is seen by the majority (56%) as having the strongest negative impact on Broome's tourism over the short term. The development of the proposed LNG Precinct was seen as the single most negative issue to impact on tourism by 30% of respondents.

The issues of least importance, in terms of their short term negative impacts on Broome's tourism market, were shared equally by *Global Health and Safety Issues* and the *LNG Precinct Development*. Both these issues were each ranked 5th (or least important) by 28% of respondents.

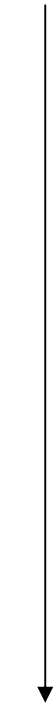
Highest proportion of respondents  Lowest proportion of respondents	Most Important	2 nd most important	3 rd most important	4 th most important	Least Important
	<ul style="list-style-type: none"> Global financial crisis (56%) 	<ul style="list-style-type: none"> Price of Fuel (33%) 	<ul style="list-style-type: none"> Price of Fuel (29%) 	<ul style="list-style-type: none"> Global safety and health issues (28%) 	<ul style="list-style-type: none"> Global safety & Health Issues (28%) AND
	<ul style="list-style-type: none"> LNG Precinct Development (30%) 	<ul style="list-style-type: none"> Global safety & health issues (21%) AND 	<ul style="list-style-type: none"> Global safety & health issues (22%) AND 	<ul style="list-style-type: none"> Competition from other destinations (24%) 	<ul style="list-style-type: none"> LNG Precinct Development (28%)
	<ul style="list-style-type: none"> Competition from other destinations (9%) 	<ul style="list-style-type: none"> Competition from other destinations (21%) 	<ul style="list-style-type: none"> Competition from other destinations (22%) 	<ul style="list-style-type: none"> LNG Precinct Development (21%) 	<ul style="list-style-type: none"> Competition from other destinations (24%)
	<ul style="list-style-type: none"> Price of Fuel (5%) 	<ul style="list-style-type: none"> Global financial crisis (18%) 	<ul style="list-style-type: none"> LNG Precinct Development (14%) 	<ul style="list-style-type: none"> Price of Fuel (19%) 	<ul style="list-style-type: none"> Price of Fuel (15%)
	<ul style="list-style-type: none"> Global safety and health issues (0%) 	<ul style="list-style-type: none"> LNG Precinct Development (7%) 	<ul style="list-style-type: none"> Global financial crisis (13%) 	<ul style="list-style-type: none"> Global financial crisis (8%) 	<ul style="list-style-type: none"> Global financial Crisis (5%)

The next question asked respondents to rank internal and external issues that would most impact Broome's tourism market in the long term. Specifically, respondents were asked to:

“Rank the factors that will impact most NEGATIVELY on Broome's tourism market in the long term, where 1 is the most negative and 6 is the least negative?”

Just on one quarter (25%) ranked the LNG Precinct as the issue perceived to have greatest negative impact on tourism in the long term. Around one fifth of respondents ranked global safety and health issues, industrialisation of the Kimberley coast and competition from other destinations relatively evenly.

Highest
proportion of
respondents



Lowest
proportion of
respondents

Most Important	2 nd most important	3 rd most important	4 th most important	5 th most important	Least Important
<ul style="list-style-type: none"> LNG precinct development (25%) 	<ul style="list-style-type: none"> Global economy (30%) 	<ul style="list-style-type: none"> Competition from other destinations (25%) 	<ul style="list-style-type: none"> Threat of Increased industrialization of Kimberley coast (29%) 	<ul style="list-style-type: none"> LNG Precinct Development (31%) 	<ul style="list-style-type: none"> Climate Change (34%)
<ul style="list-style-type: none"> Global safety & health issues (20%) 	<ul style="list-style-type: none"> Threat of increased industrialization of the Kimberley coast (28%) 	<ul style="list-style-type: none"> Global Economy (25%) 	<ul style="list-style-type: none"> Competition from other destinations (19%) 	<ul style="list-style-type: none"> Climate Change (23%) 	<ul style="list-style-type: none"> Competition from other destinations (20%)
<ul style="list-style-type: none"> Threat of increased industrialization of Kimberley coast (18%) 	<ul style="list-style-type: none"> LNG Precinct Development (17%) 	<ul style="list-style-type: none"> Climate Change (9%) 	<ul style="list-style-type: none"> Global Economy (17%) 	<ul style="list-style-type: none"> Global Safety & Health issues (19%) 	<ul style="list-style-type: none"> LNG Precinct Development (19%)
<ul style="list-style-type: none"> Competition from other Destinations (17%) 	<ul style="list-style-type: none"> Global safety and health issues (14%) 	<ul style="list-style-type: none"> Global safety and health issues (17%) 	AND <ul style="list-style-type: none"> Climate Change (17%) 	<ul style="list-style-type: none"> Competition from other Destinations (10%) 	<ul style="list-style-type: none"> Global Safety and health (15%)
<ul style="list-style-type: none"> Global economy (17%) 	<ul style="list-style-type: none"> Competition from other destinations (7%) 	<ul style="list-style-type: none"> Threat of increased industrialization of Kimberley coast (18%) 	<ul style="list-style-type: none"> Global Health & Safety Issues (15%) 	<ul style="list-style-type: none"> Global Economy (9%) 	<ul style="list-style-type: none"> Threat of Increased industrialization of Kimberley coast (9%)
<ul style="list-style-type: none"> Climate Change (3%) 	<ul style="list-style-type: none"> Climate Change (4%) 	<ul style="list-style-type: none"> LNG Precinct Development (6%) 	<ul style="list-style-type: none"> LNG Precinct development (3%) 	<ul style="list-style-type: none"> Threat of industrialisation of Kimberley Coast (8%) 	<ul style="list-style-type: none"> Global economy (3%)

5.4.3 MITIGATION STRATEGIES

The qualitative phase of research provided some clear indications of what Broome residents believed would be required to mitigate the negative impacts of the proposed LNG precinct development on tourism.

Based on these findings, a number of hypotheses were developed and tested in the quantitative stage to validate findings. Results closely matched findings from the qualitative phase of the research.

As noted in the chart below, two-thirds of all respondents agreed that “*more money would need to be spent in tourism marketing*”, that “*the LNG development should proceed only if it is regulated by the most stringent environmental standards*” and “*Broome is a tourist town and we do not want a fly-in-fly-out culture to develop*”.

Statement	Agree	Disagree
More money will need to be spent in tourism marketing to counter the negative publicity around the development.	65%	19%
Blokes in fluoro jackets, driving 4WD's with orange flags have to be excluded from Broome to protect the towns' image as a tourist centre, not a mining town.	42%	31%
No amount of money or publicity can help the damage that will be created for tourism as a direct result of the development of an LNG Precinct at Prices Point	45%	46%
The LNG Precinct can co-exist with tourism if the Shire and government's plan is proactive and not reactive to the changes in demand for services and infrastructure.	55%	41%
The LNG development should proceed only if it is regulated by the most stringent environmental standards.	63%	31%
Broome is a tourist town and we do not want a fly-in-fly-out culture to develop.	66%	17%

5.4.4 TRADE-OFFS

The final stage of this survey looked to determine what respondents were prepared to “trade” for the things that were important to them (giving some indication as to the level of ‘conviction’ of the responses). Specifically, KPP developed the hypothesis (from qualitative phase of research) that both cheaper and more frequent air services and increased business and employment opportunities were of high importance to many respondents. We therefore looked to “trade” their value against the development of the proposed LNG precinct development.

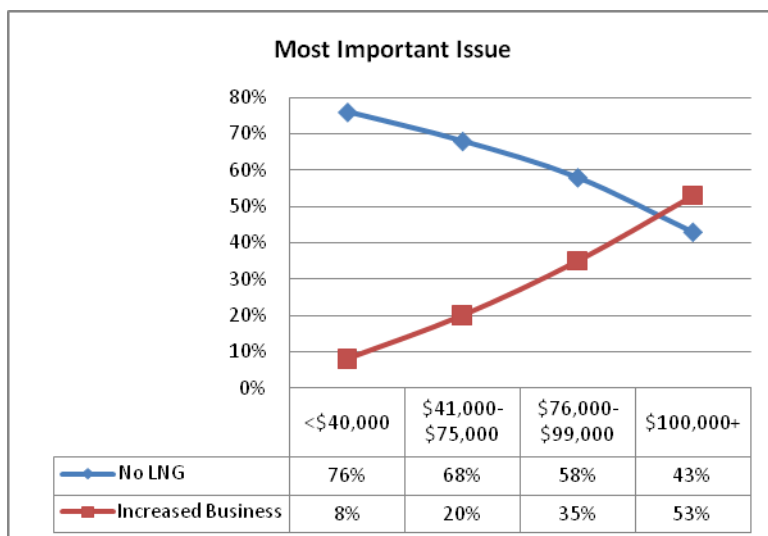
The results for increased business and employment opportunities scored equally to the “no LNG precinct” as noted below with 17% of respondents prepared to trade both these options for cheaper and more flights to and from Broome.

Which of the following is the most important to you?

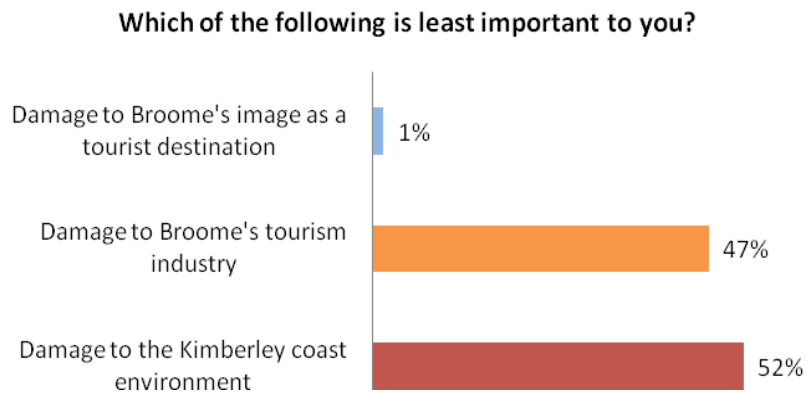


Results were analysed against respondent profiles to find that household income is a key profile variable. As shown on the accompanying chart, 76% of households with pre-tax income of less than \$40,000 state that “No LNG development” is their most important issue.

On the contrary, increased business and employment opportunities are the most important issue for only 8% of people who live in households of less than \$40,000.



The second part of this question looked to validate the “trade off” from the previous question and asked respondents to rank the issue of least importance. These results suggest that over half of respondents are prepared “to trade” coastal damage in favour of Broome’s tourism industry.




The final question of the survey asked respondents to rank the issues of most and least concern on the assumption that an LNG precinct would be developed at Price's Point. The scale was from 1 to 5, where 1 is the issue of most concern and 5 is the issue of least concern.

Around one third of respondents ranked lack of infrastructure and services to meet demand (34%) while another third (35%) ranked damage to the Kimberley coast as issues of greatest concern. Around one fifth (19%) ranked potential damage to Broome's tourism industry as the issue of greatest concern.

One third of respondents (33%) ranked the potential damage to the Kimberley coast as the issue of least concern.

Highest proportion of respondents



Lowest proportion of respondents

Issue of Most Important	2 nd Most Important	3 rd Most Important	4 th Most Important	Least Important
• Potential Damage to Kimberley Coastal Environment (35%)	• Threat to lifestyle and laidback nature of Broome (30%)	• Threat to lifestyle and laidback nature of Broome (27%)	• Increased activity in Broome due to increased population, tourists and visitors (28%)	• Potential Damage to Kimberley Coastal Environment (33%)
• Lack of services & Infrastructure (roads, medical, education, airport, hospital) to meet demand (34%)	• Lack of services & Infrastructure (roads, medical, education, airport, hospital) to meet demand (26%)	• Lack of services & Infrastructure (roads, medical, education, airport, hospital) to meet demand (22%) <u>AND</u>	• Potential Damage to Broome's Tourism Industry (27%)	• Potential Damage to Broome's Tourism Industry (28%)
• Potential Damage to Broome's Tourism Industry (19%)	• Increased activity in Broome due to increased population, tourists and visitors (16%)	• Increased activity in Broome due to increased population, tourists and visitors (22%)	• Threat to lifestyle and laidback nature of Broome (25%)	• Increased activity in Broome due to increased population, tourists and visitors (26%)
• Threat to Lifestyle & Laid Back nature of Broome (8%)	• Potential Damage to Broome's Tourism Industry (17%)	• Potential Damage to Broome's Tourism Industry (16%)	• Lack of services & Infrastructure (roads, medical, education, airport, hospital) to meet demand (11%)	• Threat to lifestyle and laidback nature of Broome (6%)
• Increased activity in Broome due to increased population, tourists and visitors (4%)	• Potential Damage to Kimberley Coastal Environment (11%)	• Potential Damage to Kimberley Coastal Environment (13%)	• Potential Damage to Kimberley Coastal Environment (9%)	• Lack of services & Infrastructure (roads, medical, education, airport, hospital) to meet demand (7%)

VISITORS SURVEY - QUANTITATIVE

6.1 BACKGROUND TO VISITORS SURVEY

The brief suggested that 100 visitors be surveyed while they are visiting Broome. As this is the group that will have the greatest impact on any changes to tourism in the region, KPP proposed that the number be increased to 200. In addition to achieving a larger and therefore more statistically valid sample, KPP also saw the need to measure the changes that occur pre and post holiday in Broome. i.e. Do visitors change their view of Broome as a destination once they have holidayed at the destination?

The aim of this study cluster was to quantify the perceptions of visitors on arrival to and on departure from Broome regarding the impact of an LNG Precinct at James Price Point on their perception of Broome as a tourist destination and to measure changes in perception should they occur.

6.2 METHODOLOGY

INTERVIEW CONTENT AND STRUCTURE

Interview structure and content was developed from findings of interviews conducted with 20 visitors (10 on arrival and 10 on departure). Interviews were held during May 2009 in Broome, Perth, Melbourne, Sydney and Kununurra.

The first nine (9) questions focused on the planning of the holiday to Broome and the Kimberley, how they got here, what they did while they were here, other destinations visited and their overall level of satisfaction with the experience.

The following six (6) were focused specifically on the proposed LNG Precinct at James Price Point and respondents were asked to assess the impact this may have on future visitation.

The final four (4) questions were profiled specifically to ensure a representative survey sample and included age, sex, household income and place of origin.

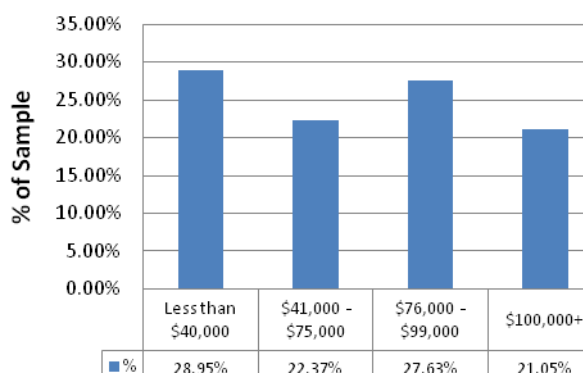
SAMPLE

A total of 200 visitors were interviewed as follows:

- 104 on departure
- 79 on arrival
- 17 during holiday in Broome

The sample was reflective of the visitor to Broome profile with the majority falling into the 40 – 59 year age groups as shown on the accompanying chart.

Sample by Household Income (pre tax)

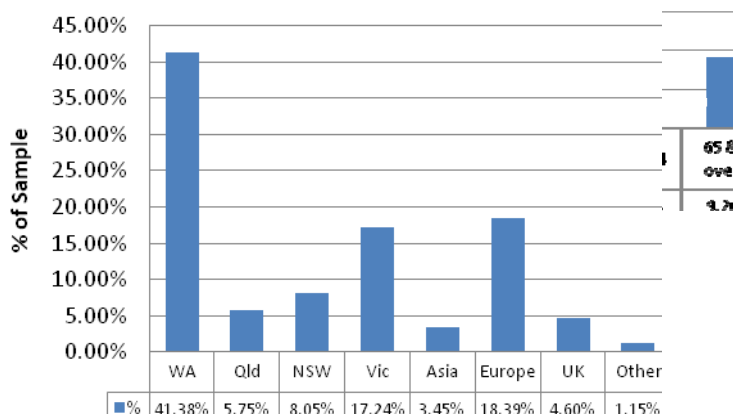


The sample was relatively consistent with Broome's visitor profile with the majority of respondents living in Western Australia. The international component of the sample at 27% is higher than the expected annual representation of this group of the total. However, over 72% of the sample is from within Australia of which 57% are from Western Australia. The split between WA and the rest of Australia is reflective of the expected annual origin of inter versus intrastate visitors.

Sample by Age Profile

The sample was relatively evenly spread across pre 30,000 household income groups and reflective of the Australian population.⁴⁸ The "less than \$40,000" group is higher than for total Australia (which is 25.7%) however this is reflective of the increase in Broome's backpacker market early on in the tourist season. Also a number of retirees classified themselves within this group.

Sample by Place of Origin



DATA ANALYSIS METHODS

Questionnaires were completed on both a one-on-one, face-to-face basis

⁴⁸ Census 2006, Australian Bureau of Statistics

with the interviewer, or in the case of Caravan Park, left with the visitor for 15 minutes and then collected by the interviewer. The scope of topics and issues to be covered were developed through previous interviews with visitors.

Interviews were held at:

- Melbourne, Perth, Sydney, Kununurra and Broome airports
- Roebuck Bay Caravan Park
- Broome Visitor Centre
- Mecure Hotel (Broome) with the departure of an APT tour
- Cable Beach Club (Broome) on arrival of a Kimberley Coast extended tour
- Cable Beach

Questions were based on “ticking boxes” however open ended comments were sought for each question. Questionnaire results were recorded by the interviewer or the respondent at the time of the interview. This information was entered into InfoPath⁴⁹, where a custom document inspection form had been developed to collate both quantitative data and open ended comment text.

Information was cross tabulated using two (2) variables at a time, to determine specific profile information that may influence results one way or another. Banner analysis against the key variables were tabulated against all other questions. This information was then analysed and key findings documented.

6.3 KEY FINDINGS - VISITORS SURVEY

Around half of all visitors to Broome arrive by air while around one-third arrive by car. Climate and beaches are key motivators for people planning a holiday to a “holiday destination” and reputation (opinion of others) and “*being different to other Australian destinations*” are key drivers for choosing Broome. A significant majority of visitors to Broome go to other Kimberley locations and destinations. Less than 16% of visitors to Broome do not visit any other Kimberley location, however, this is skewed by those who visit friends and family in Broome (and tend not to leave the town) and those in higher income groupings who are in Broome “*just to relax*”. Over 80% of visitors to Broome say that the destination met or was better than their expectation. However, there is a consistent theme of “*appalling service*”.

Relatively few visitors have ever heard of the Browse Basin and if they had, they are more likely to live in Western Australia than other parts of the country. From a visitor perspective, there is generally indifference towards the proposed LNG Precinct with the significant majority of visitors saying it wouldn’t make any difference to future planning of visits to Broome or recommending the

⁴⁹ InfoPath software was developed by Microsoft and is based on Extensible Markup Language (XML) (Extensible Markup Language (XML)).

destination to others. One comment appears to have summed up the sentiment: *“Will I see it when I’m lying on the beach?”*

Of greater importance to the majority of visitors is cheaper and more regular air services to Broome. When asked to rate the importance of cheaper, more regular flights to the option of no development of an LNG Precinct on the Kimberley coast, cheaper fares and more regular services were chosen consistently.

This is not to suggest that visitors have no concerns about the LNG Precinct development or damage to the Kimberley coastal environment. However, these concerns are not reflected in the intention to visit Broome again or recommend the destination to others.

There was surprisingly little variation between the perceptions of the impact of the proposed LNG Precinct between visitors arriving and leaving Broome. KPP had developed the hypothesis that visitors may be indifferent to the coastal environment when they arrive but visitation to the region would create a greater sense of connection to the region’s environment. This hypothesis could not be proved with the exception of a small part of the sample who had returned from a tour of the Kimberley coast with Odyssey Expeditions. This group was extremely passionate about the negative impacts of the proposed development.

The profile of those who believe the proposed LNG Precinct development will have negative impacts on Broome and damage the Kimberley coast environment tend to be international rather than domestic visitors. They also tend to be younger (18-29 years of age) and from lower household income groups.

Based on the research conducted, the proposed LNG Precinct development does not appear to have significant negative impacts on tourism in terms of visitor perception. However, as reputation is a key driver of the decision making process in choosing Broome over other destinations, a strong “anti gas” campaign could impact negatively on tourism. As many respondents noted in the qualitative research phase of this study *“...the anti gas lobby are doing more harm to Broome’s reputation than the Precinct would ever do”*.

It should be noted that this study has been based on the proposed LNG Precinct alone. The impacts of the location of a supply base for the Precinct have not been included in this work, although there is a perception that *“it (the supply base) will be more damaging to Broome’s reputation than the Precinct 60kms up the road”*.

6.4 DETAILED RESULTS - VISITORS SURVEY

6.4.1 KEY FINDINGS – SURVEY PART 1

A snapshot of the key trends in this section of the survey can be summarized as follows:

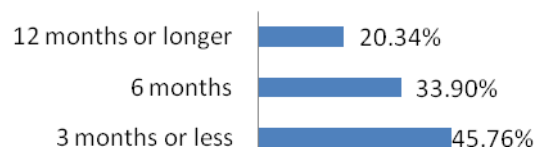
- Generally, people come to Broome for its weather, its beaches and for relaxation.
- A significant proportion of the sample (46%) planned the trip less than 3 months ago.
- Only 16% of respondents did not leave Broome during their holiday.
- Over 80% of respondents indicated that Broome lived up to or exceeded expectations.
- Almost 76% of all respondents said they would plan another holiday and recommend the destination to friends and family.

Results by question can be summarized as follows:

Q1 - What are the things that are important to you when planning a holiday?

Results show that respondents from Australia are more likely to consider climate (pleasant, warm weather) than international visitors when planning holidays. Over 20% of Australians look at climate as a key consideration, whereas this averages around 14% -15% for international visitors. However, over 25% of visitors from the UK and Europe say that “sandy beaches” is the key consideration compared with 9% - 13% for domestic visitors. Only visitors from Asia rated “attractive and/or rugged scenery” as the key consideration. Of all international visitors, only those from Asia or Europe rated “cultural and/or eco-experience” as a consideration when planning a holiday. Interestingly, intrastate visitors are twice as likely as people from NSW, Queensland or Victoria to consider personal safety when planning a holiday destination.

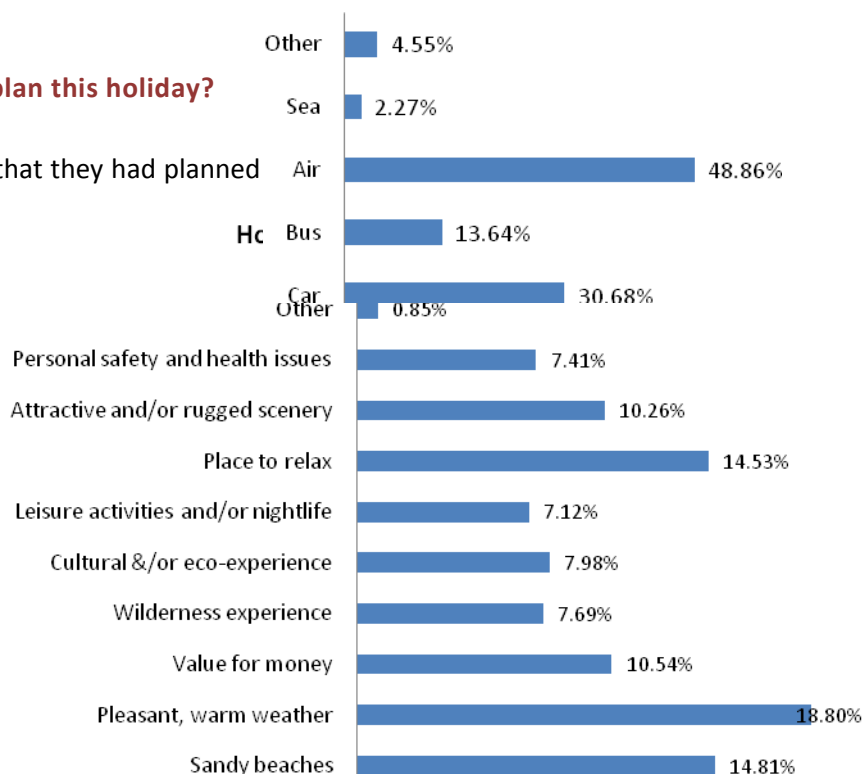
Planning Time



Q2 - How long ago did you start to plan this holiday?

Over 67% of visitors from Asia stated that they had planned with 37% of visitors from Europe and 25% from the UK. Not surprisingly, over half (53%) of Western Australians planned this trip within the past three (3) months compared with one third of Victorian visitors. Interstate visitors generally planned this trip around 6 months ago. There is also a clear relationship between age and length of planning time with 46% of people 50 – 59 and 54% of all people 60+ having planned this holiday over 12 months ago.

Mode of Transport



Q3 - How did you get to Broome?

53% of all visitors from Europe arrived in Broome by car. This was the only group of international visitors to have used this mode of transport. 33% of visitors from Asia and 25% of visitors from the

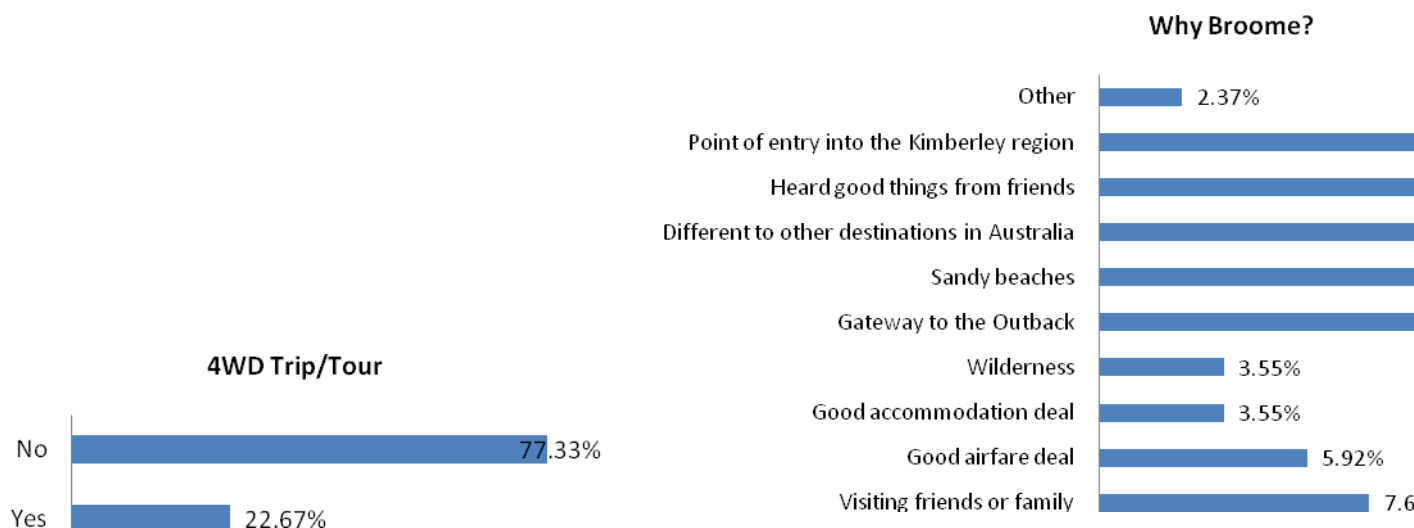
UK arrived by bus compared with 47% of visitors from NSW. The majority of Western Australians, Victorians, Queenslanders and visitors from Asia arrived in Broome by air.

Q4 - While in Broome, did you take a 4WD trip or tour?

Around 50% of people aged 60 – 64, and 73% of people aged 65+, took a 4WD trip or tour on this holiday. It is assumed that this captures those taking a guided bus tour through the Kimberley. Visitors from NSW and Victoria are 1.7 times more likely to take a 4WD trip or tour than intrastate visitors.

Q 5- What were the reasons you chose to come to Broome for this holiday?

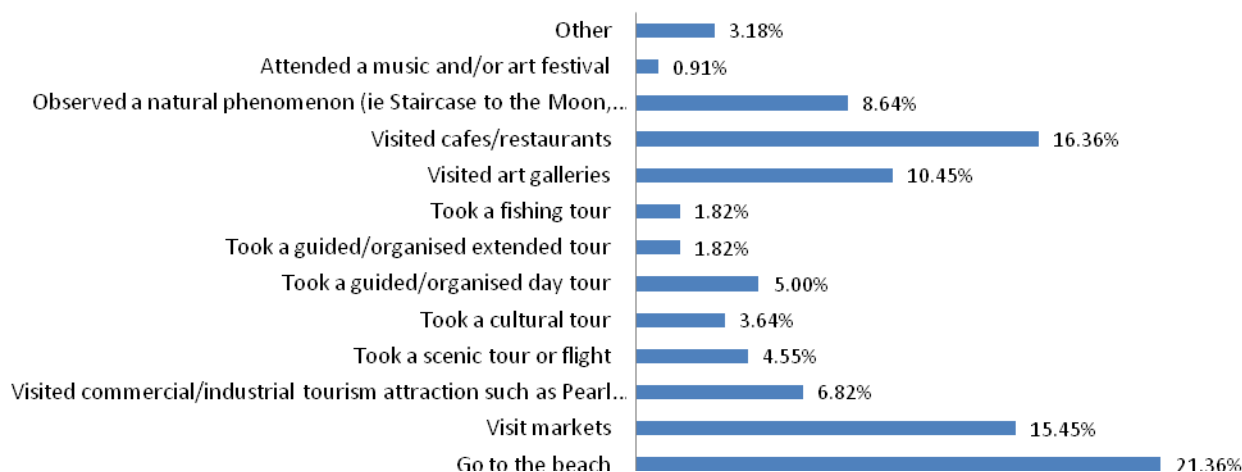
A list of reasons why visitors choose to come to Broome on this holiday was presented to respondents. The single strongest response (in terms of frequency) was *“Different to other destinations in Australia”* followed by *“Heard good things from friends”* and *“Sandy Beaches”*.



Respondents saying that Broome offered a “different destination” were dominated by people from NSW and Queensland, and Victorians to a lesser extent. No international visitor rated this variable with any significance.

Around one-quarter of all visitors from NSW, Victoria and the UK say they had heard good things about the destination from friends or family. Interestingly, not one Queenslanders reported hearing anything good about Broome from friends or family.

Activities in Broome



Around 25% of visitors from NSW and the UK stated that they came to Broome as it is the point of entry into the Kimberley region. Almost all those visiting friends or family in Broome are intrastate visitors.

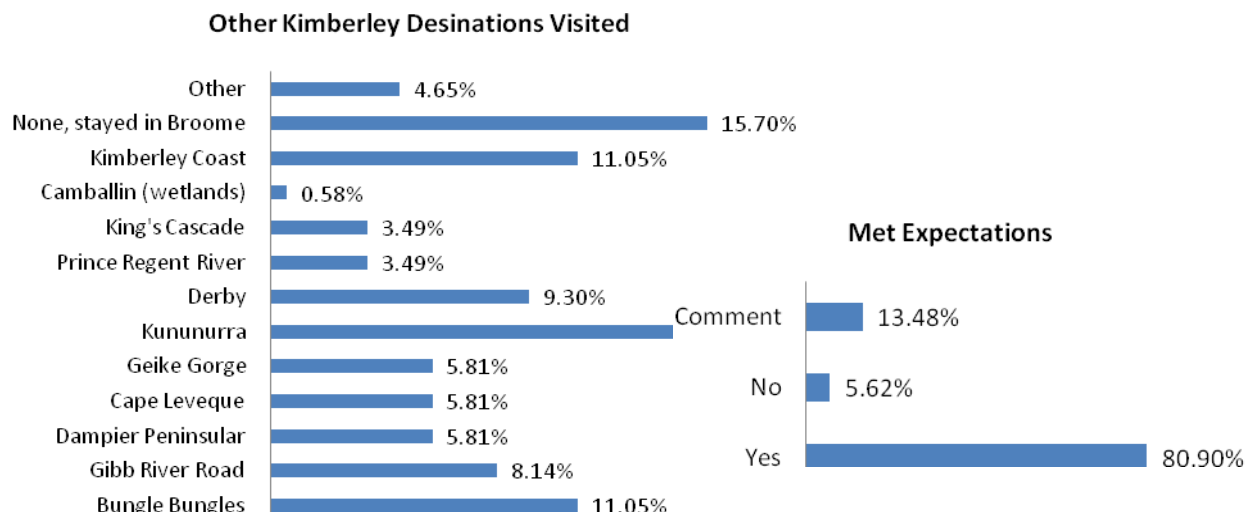
Q 6 - What did you do while you were on holidays in Broome?

There appears to be relatively low activity around Broome by the visitors interviewed. Only 21% went to the beach, around 10% visited art galleries and around 16% ate a meal outside where they stayed. This is generally reflective of the anecdotal information we're hearing that there are *"people around but they're not spending"*. Around 7% of visitors took a tour of any type and this group took two or more tours and they were principally visitors from NSW and Victoria. Based on the sample surveyed no international visitor took any tour except for those from the UK.

It should be noted that just on 85% of respondents had been elsewhere in the Kimberley and it is likely that they are in Broome, simply to *"relax by the pool"*.

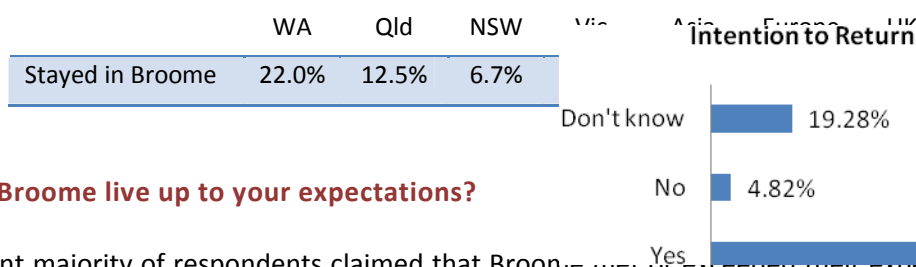
Q 7 - What other destinations did you visit on this holiday?

Visitors who stayed in Broome for their holiday are spread across all groups. For example, based on country or state of origin, the following percentage of respondents claimed to have stayed in Broome. However, visitors from households with an income of \$75,000+ were more likely to stay in Broome than any other income group with the exception of visitors from the UK of whom, 64% were visiting family in Broome.



As the age profile for visitors who also visited Kununurra and the Bungles is generally 50+, it is likely that these people were part of a guided bus tour of the Kimberley.

Around 18% of visitors from households that have an income of \$100,000+ took a Kimberley Coast tour during this holiday.



Q 8 - Did Broome live up to your expectations?

A significant majority of respondents claimed that Broome met or exceeded their expectations. The 13.5% that made comments rather than answered yes or no, noted issues such as:

"It was better than I thought it would be except for the lousy service"

"My expectations weren't high"

"Quieter than expected. Nightlife wasn't great"

"Fantastic except for the standard of service which is appalling"

The issue of poor service was a recurring theme amongst both domestic and international visitors.

Q 9 - Will you plan another holiday in Broome / the Kimberley or recommend the destination to family and friends?

100% of visitors from NSW and 90% of intrastate visitors claimed they would plan another holiday in Broome or recommend the destination to others. Visitors from Queensland are the least likely to

return or recommend the destination. Visitors most likely not to return are those aged 20-25 and those from households with an income of less than \$40,000 per year.

6.4.2 KEY FINDINGS - SURVEY PART 2

As noted earlier in this report, a total of 200 visitors were interviewed as follows:

- 104 on departure
- 79 on arrival
- 17 during holiday in Broome

Based on the questions answered⁵⁰, these respondents were divided into two (2) groups for the purpose of analysis. The result of this clustering provided 89 in the “arrivals group” and 111 in the “departures group”.

The principle purpose of separating respondents into these groups was based on KPP’s view that there was a need to measure change that occurs in the perception of visitors of the impact on tourism of the proposed LNG Precinct when they first arrive and compare that to perceptions as they leave. i.e. Do visitors change their view of Broome as a destination once they have holidayed at the destination?

Q 10 - Have you heard of the Browse Basin?

⁵⁰ Surveys that could not be completed as respondents had only just arrived or had only recently arrived were grouped in the “arrivals” group rather than the “departures” group for the purpose of analysis. This related specifically to questions relating to activities that were undertaken in Broome, the level of expectations being met and the likelihood of a plan to return. Where respondents were unable to answer these questions, the assumption was made that they were only recently arrived and therefore fitted more appropriately in the “arrivals” group for analysis.

In the first instance, the survey looked to quantify the level of knowledge regarding the Browse Basin gas fields and the proposed LNG Precinct development at James Price Point. A significant majority (over 60% of the sample) had not heard of Browse Basin, around 34% had heard of the Browse and the remainder of the sample was not sure.

There was insignificant variation between arrivals and departures in terms of any knowledge of the Browse Basin.

The only group of any significance that had heard of Browse were people from Western Australia, of whom about 56% claimed some knowledge of the proposal.

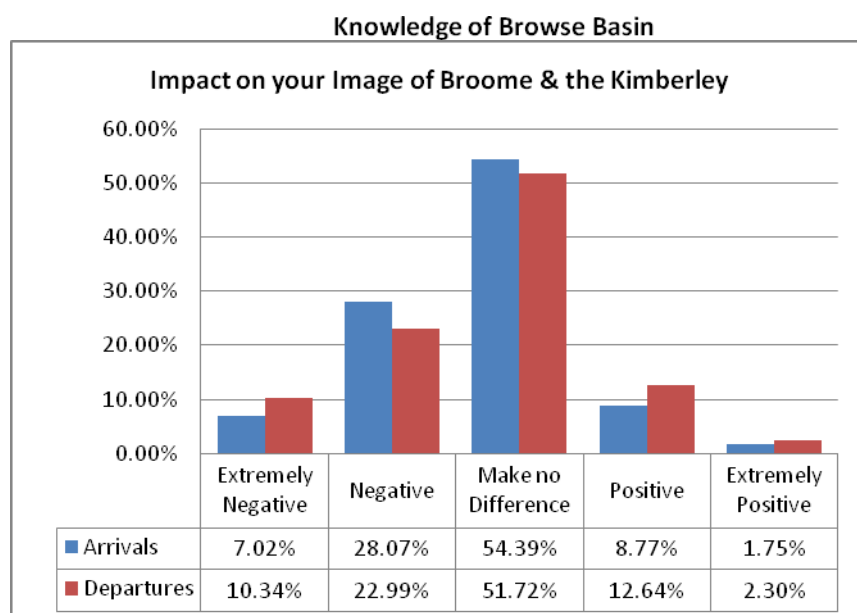
Q 11 - The Browse Basin is a significant natural gas reserve around 350kms northwest of Broome. The State Government is considering the development of a Liquefied Natural Gas (LNG) Precinct on the Kimberley coast to enable processing of natural gas from the offshore Browse Basin. The location of the Precinct being considered is at James Price Point which is about 60kms north of Broome. To what level would this type of development impact on the following?

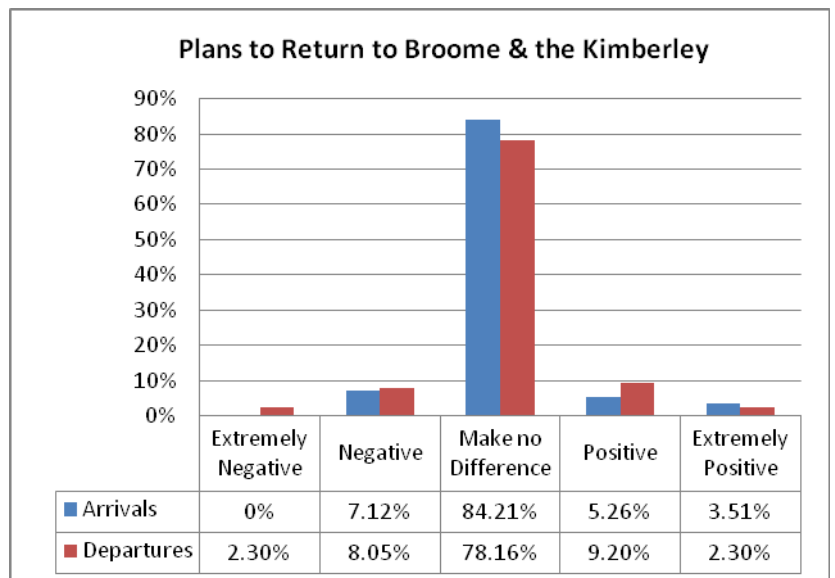
A series of statements and issues were listed and respondents were asked to consider the impact on these issues on a scale of extremely negative through to extremely positive.

Your image of Broome and the Kimberley

Overall, there was not a significant shift in perception between the two survey groups although there was an increase in the percentage of those who believed it would be extremely negative. However, this was balanced out by a decline in those who believed it would have a negative impact. Overall around one third of all respondents believed the proposed Precinct would have a negative impact on the image of Broome and the Kimberley, while over half did not see that there would be any

impact. Western Australians (31%) and visitors from Europe (25%) were more likely to perceive a negative impact than visitors from other locations. 50% of visitors aged between 18 -21 and 38% of visitors aged 22 – 29 believed the proposed development would have a negative impact on the image of the region.





Your plans to return to Broome and the Kimberley

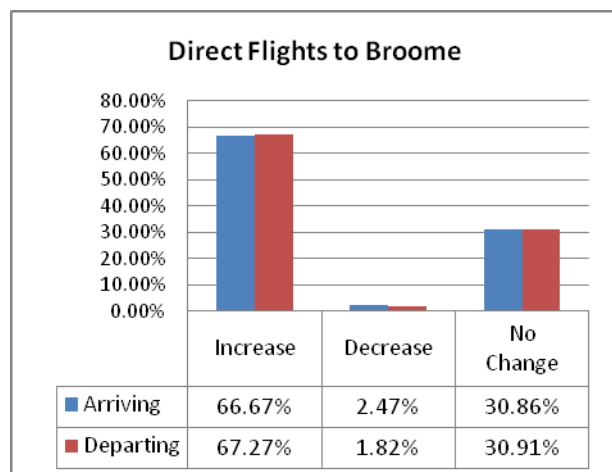
Around 7% of visitors arriving compared with around 10% of departing visitors suggested that the proposed Precinct development would negatively impact on their plans to return to the region. However, nearly 9% of arriving visitors compared with about 11.5% of departing visitors suggested that the proposed development would have a positive impact on plans to return. Overall, a significant majority did not consider that the proposed development would have any impact on future plans.

The likelihood of your recommending Broome & the Kimberley to family and friends

Over 82% of departing visitors suggested that the proposed Precinct development would have no impact on their likelihood of recommending the destination to friends. There were less departing than arriving visitors who believed that the development would have a negative impact on future recommendations of the destination.

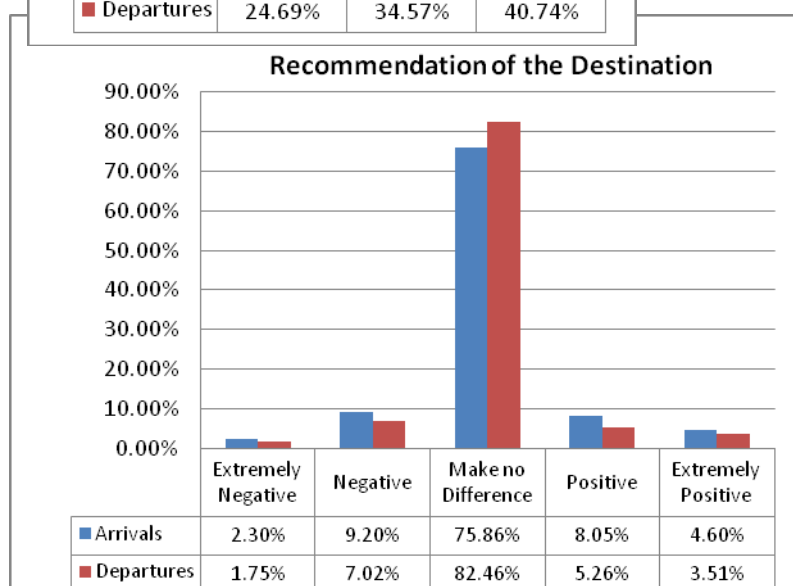
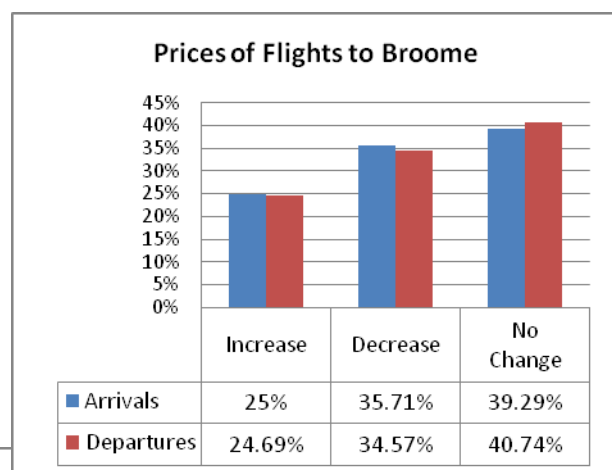
At the conclusion of this question, an overall rating was prompted. There was little variation

between arriving and departing visitors. Nearly 79% of departing visitors did not believe that the proposed LNG Precinct would make any difference to the image of the region or their plans to return; about 10% believed it would be negative while 10.5% believed it would have positive impacts.



Q 12 - People have talked about the type of impacts Broome might see if this development went ahead. What do you think the impacts might be on the following?

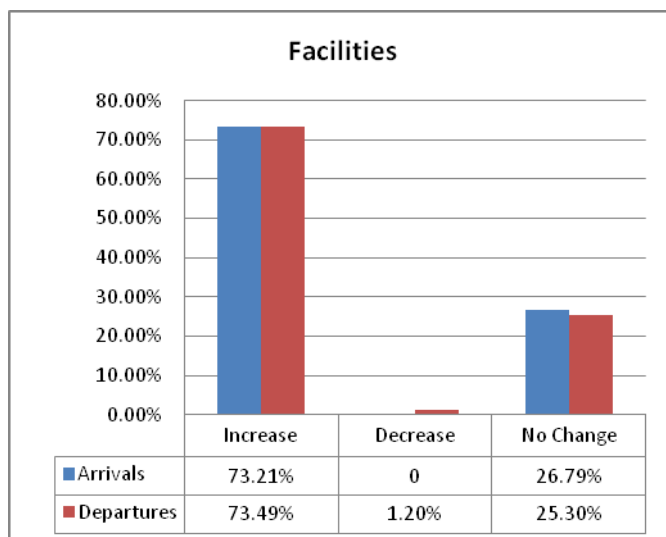
Whereas the previous question asked respondents to consider impacts on a personal level (image, intention to visit again and recommend the destination), this question asked respondents to consider what the impacts of the proposed development might be on the destination itself.



Direct Flights to Broome

There was little variation between responses from arriving versus departing visitors. Around two-thirds of the sample considered that the proposed LNG Precinct would increase direct flights to Broome, while just under one-third considered there would be no change.

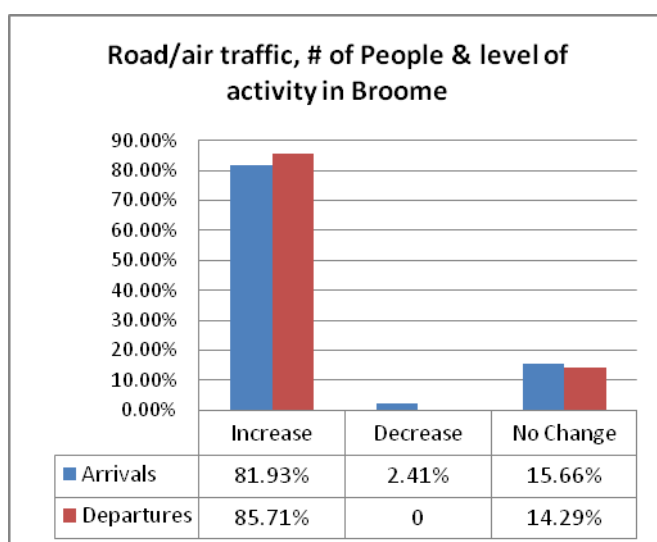
Prices of Flights to Broome



Again, there was no change between the responses from arriving versus departing visitors. Around 40% of respondents did not believe that the proposed LNG Precinct development would have any impact on the price of flights to Broome whereas around one-third considered that prices were likely to decrease.

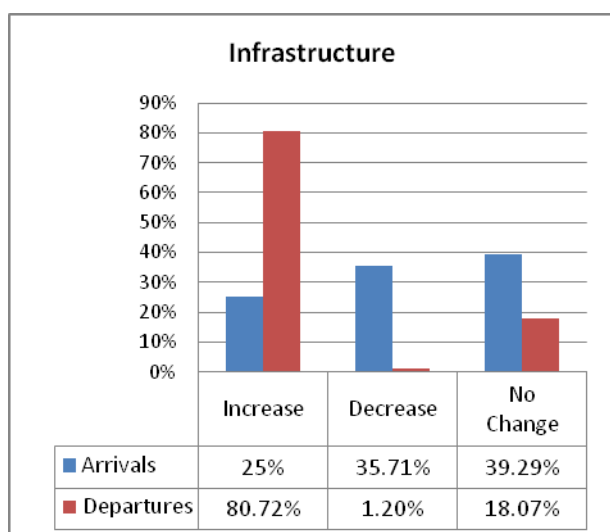
Infrastructure

There was substantial variation between the arrivals and departure groups when asked about the perceived impact on an LNG Precinct on infrastructure in Broome. Interestingly, it was universally only international visitors (on arrival) who considered that the proposed Precinct would reduce infrastructure in Broome. In terms of increased infrastructure, 83.33% of Western Australians, 100% of Queenslanders and 80% of Victorians believed that increased infrastructure would be an impact of the proposed development.



Facilities

A significant majority of both arriving and departing visitors considered that facilities in Broome would increase as an impact of the proposed development. Around one-quarter considered there would be no change.



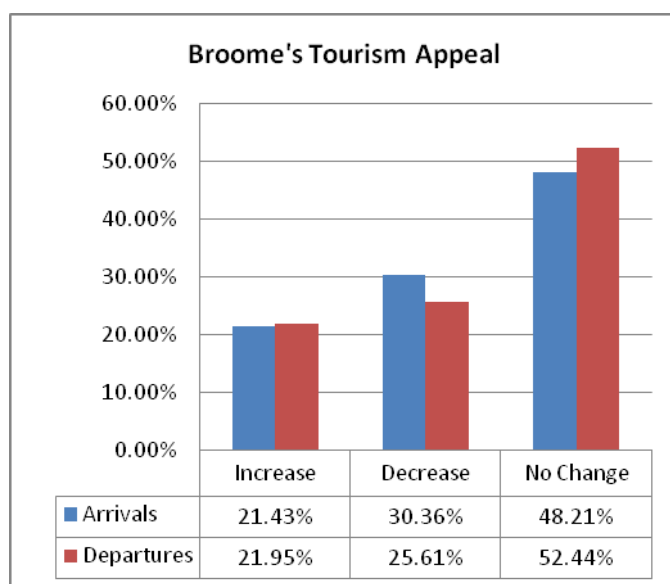
Road & Air Traffic, Numbers of People and Level of Activity in Broome

These three issues were raised separately but the results are common and therefore have been combined for reporting purposes. A

significant majority – over 80% of both arriving and departing visitors believed that there would be more general movement of vehicles and people and generally more activity in Broome as an impact of the proposed LNG Precinct.

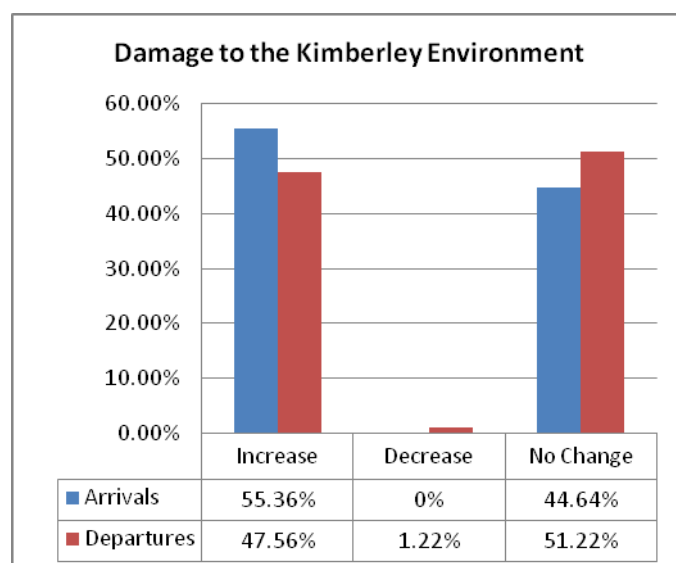
Broadscale damage to the Kimberley Environment

Although results suggest a shift of perception between visitors arriving and departing Broome, there appears to be a slight decrease in the numbers of people who believe that damage to the Kimberley environment from when they arrive to when they leave and an increase in the numbers who believe there will be no change. However, the numbers are significant with around half of the sample considering that damage will increase as an impact of the proposed development. International visitors particularly from Europe are more likely to believe that damage will increase than domestic visitors (About 93% versus about 26% of West Australians, 20% of Victorians and 57 % of visitors from NSW). There is also a strong age bias in that about 84% of people between 21 and 29 believe damage to the Kimberley environment will increase. Around 64% of people aged 40+ believe there will be no change.



Broome's Tourism Appeal

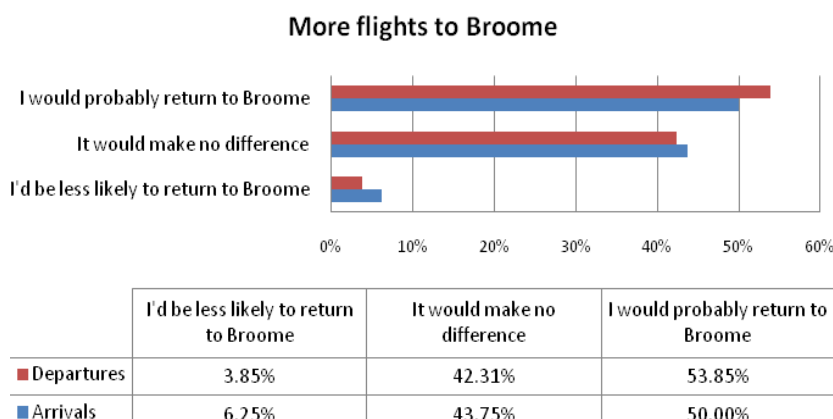
Around half of all visitors, arriving and departing consider that there will be no change to Broome's tourism appeal as an impact of the proposed LNG Precinct development. On departure, around one-quarter of visitors viewed that Broome's appeal would decrease. This view is heavily weighted towards international visitors. 75% of visitors from the UK and about 43% of European visitors held this view compared with 20% of Western Australians and Victorians. Overall, about 64% of people in all visitor groups, aged above 40+, suggested no change.



Q 13 Assuming the following impacts, how would each influence your decision regarding a return visit to Broome?

Respondents were asked to consider the same issues and statements as raised in the previous question, but rather than consider what impacts the proposed development might have on the destination, the impact on how future inclination to return to Broome was investigated.

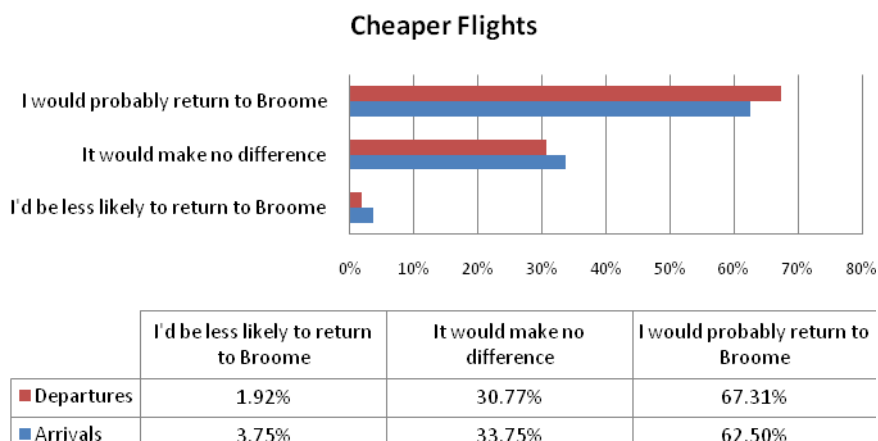
More Flights to Broome



There is insignificant (statistical) difference between the arrivals group compared with the departing group of respondents. Around half of respondents suggest that more flights to Broome would increase their likelihood of a return trip. International visitors skew the “*it would make no difference*” response with about 67% of visitors from Asia, 75% of visitors from the UK and 62.5% of visitors from Europe suggesting it would make no difference. The only domestic visitors who overwhelmingly also scored around 71% against this variable were visitors from NSW.

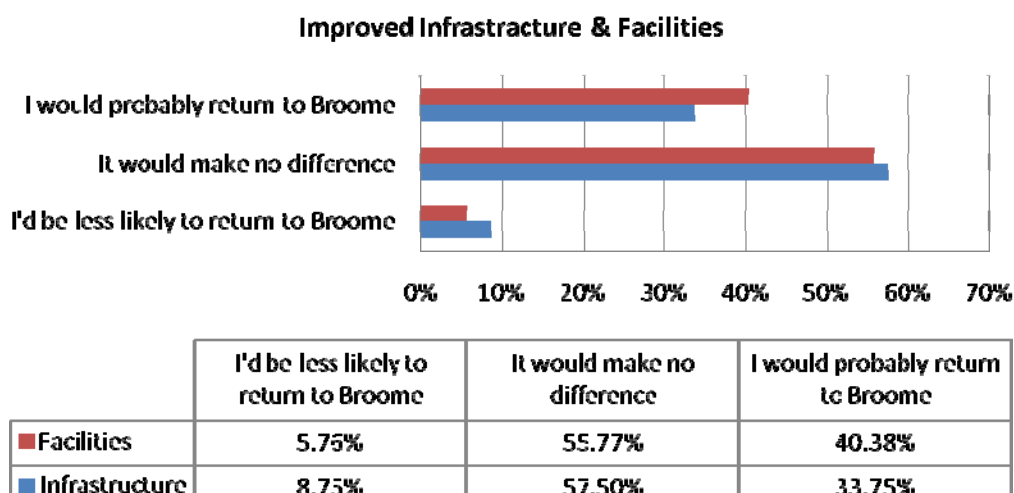
Prices of Flights to Broome

Again, there was little variation in responses between the arriving and departing Broome visitor groups although there was a slight increase in the intention to return if flights were cheaper amongst the departing group. Around two-thirds of all respondents claimed that they would probably return if flights were cheaper and the



remaining third state it would make no difference. As with the previous question, international visitors skewed the “*make no difference*” variable. Of particular interest though is the overwhelming response from visitors from NSW and Victoria where around 75% and 80% (respectively) stated the probability of a return to Broome if flights were cheaper. Across all domestic visitors, 100% of the 30 – 39 year age group stated their probability of a return to Broome if cheaper flights were available.

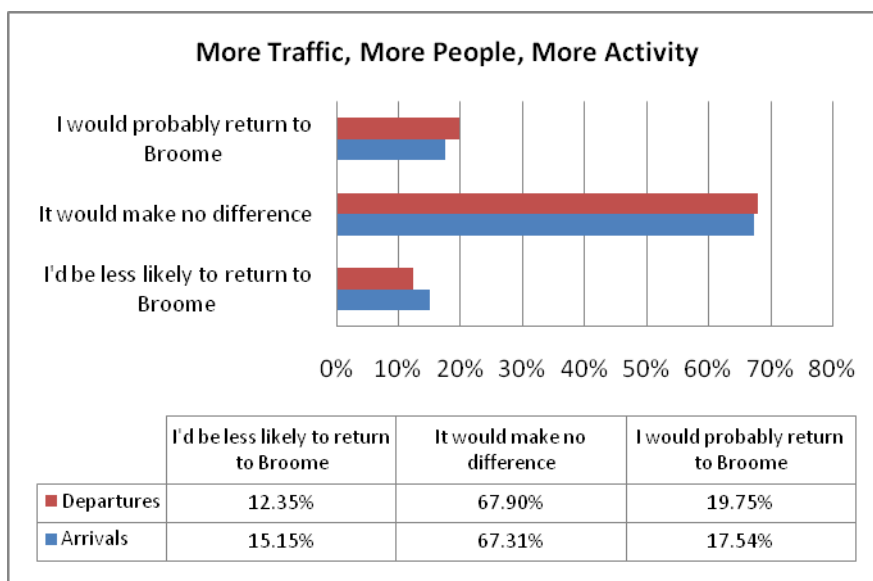
Improved Infrastructure & Facilities



As the variation between arriving and departing visitors to Broome was (statistically) insignificant, these questions have been combined for reporting purposes. Over half the respondents stated that improvements in infrastructure and facilities would make no difference to their intention of returning to Broome. Domestic rather than international visitors are more likely to return to Broome should facilities improve. Specifically, about 46.5% of Western Australians, 58% of Victorians and 60% of Queenslanders stated this to be a discriminator in future plans to return to Broome. About 64% of all respondents (domestic and international) aged between 30 and 39 claimed a likelihood of returning if facilities improved.

Road & Air Traffic, Numbers of People and Level of Activity in Broome

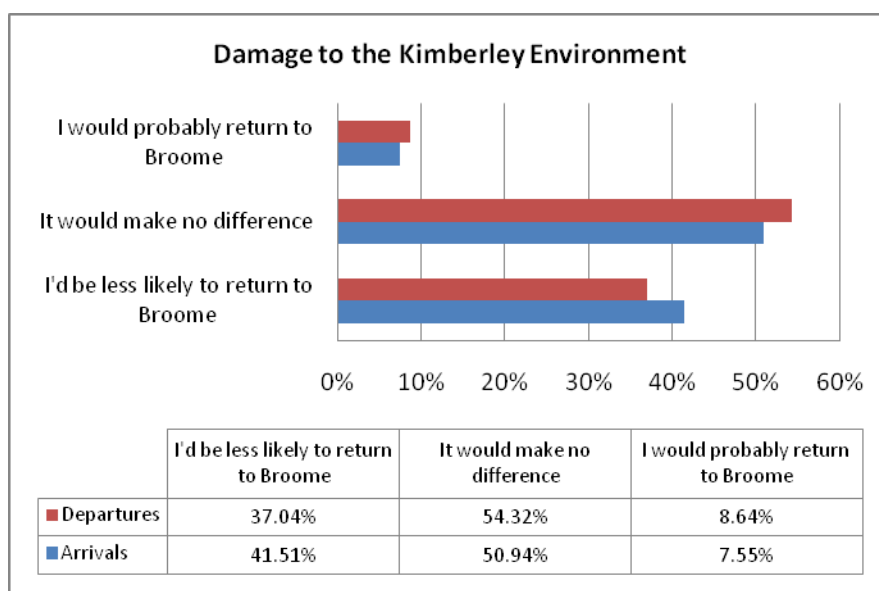
These three (3) issues were raised separately but the results are common and therefore have been combined for reporting purposes. A majority – over 80% of both arriving and departing visitors believed that there would be more general movement of vehicles and people and generally more activity in Broome as an impact of the proposed LNG Precinct (refer Q 12 of this survey) however, over 67% stated that it would make no difference in terms of influencing plans to return to Broome. The “less likely to return” response was dominated by visitors from NSW and European visitors (about 29% and 38% respectively). There was no particular age group or income group that skewed results.



Broadscale damage to the Kimberley Environment

Although over half of arriving and departing visitors suggest that damage to the Kimberley coastal environment would not impact on their decision to return, over a third of departing visitors suggested this would negatively impact on future plans. It is however, interesting to note the slight decrease in this response from arrival compared with departing visitors.

This negative impact was significantly skewed by international visitors rather than domestic visitors.



	WA	NSW	Qld	Vic	Asia	Europe	UK
Less Likely to Return	14.81%	42.86%	40%	13.33%	100%	75%	100%

This negative impact is also skewed by age of respondent, where 100% of all visitors (international and domestic) between 18 – 21 suggested they would be less likely to return to Broome if there was broadscale damage to the Kimberley Environment.

	18 - 21	22 - 29	30 - 39	40 - 49	50 - 59	60 - 64	65+
Less likely to return	100.00%	66.67%	36.36%	20.00%	18.75%	15.38%	16.67%

There is no particular activity or places visited that appear to evoke a negative response although 14.75% of visitors who visited the Kimberley coast stated a lesser likelihood of returning.

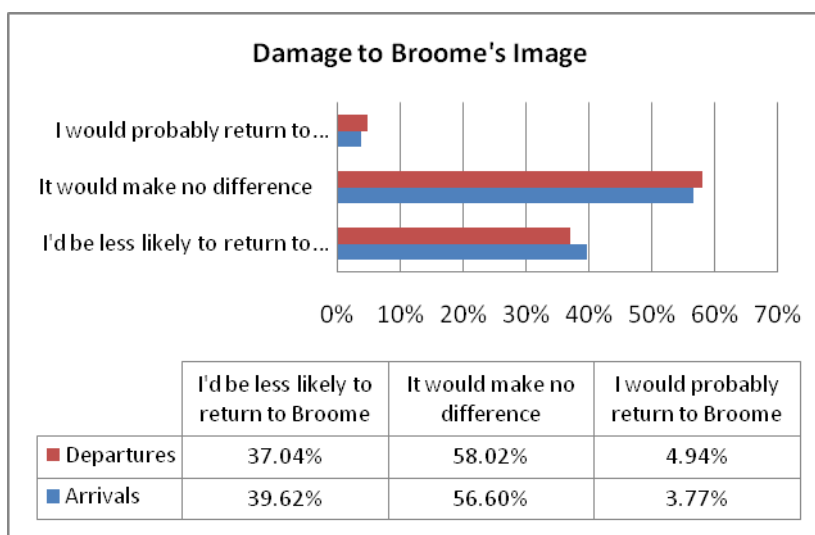
Other Destinations Visited	Less Likely to Return
Bungles	4.92%
GRR	4.92%
Dampier Peninsula	6.56%
Cape Leveque	4.92%
Geike Gorge	4.92%
Kununurra	13.11%
Derby	9.84%
Price Regent River	3.28%
Kings Cascade	3.28%
Kimberley Coast	14.75%

There is a skew toward households with pre-tax income of less than \$40,000 and \$41,000-\$75,000.

Pre Tax Household Income	Less Likely to Return
<\$40,000	42.31%
\$41,000-\$75,000	30.77%
\$76,000-\$99,000	11.54%
\$100,000+	15.38%

Broome's Image and Tourism Appeal

There is little variation between the arrivals group and the departing visitor group where over 55% stated that damage to Broome's image as a tourist destination would make no difference to plans to return. However, around 38% of visitors said that damage to Broome's image would negatively impact on plans to return. This negative impact was significantly skewed by international visitors rather than domestic visitors, with the exception of Queenslanders.



	WA	NSW	Qld	Vic	Asia	Europe	UK
Less Likely to Return	22.22%	28.57%	60%	6.67%	100%	75%	75%

As with the previous question, age and household income were strong explanatory variables against a “less likely to return” response.

	18 - 21	22 - 29	30 - 39	40 - 49	50 - 59	60 - 64	65+
Less likely to return	100.00%	66.67%	45.45%	10.00%	25.00%	7.69%	16.67%

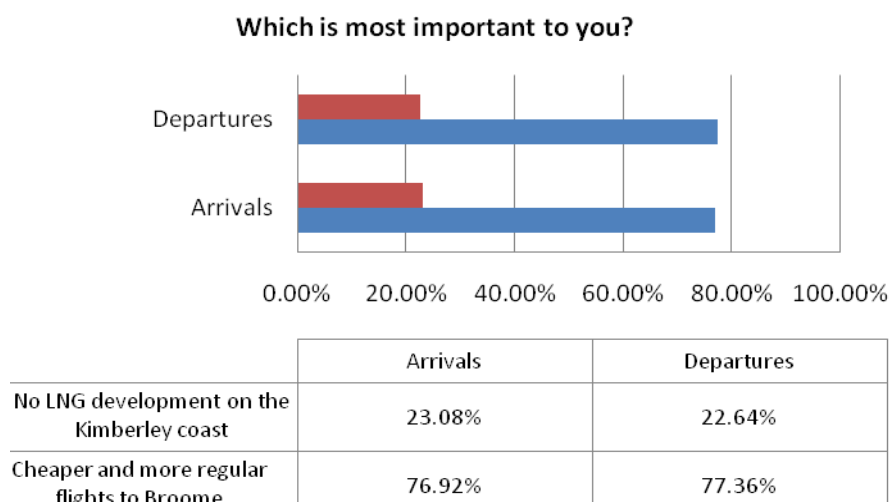
Pre Tax Household Income	Less Likely to Return
<\$40,000	38.46%
\$41,000-\$75,000	30.77%
\$76,000-\$99,000	15.38%
\$100,000+	7.69%

Key themes that emerged from this set of questions in general comments included:

“(LNG Development) will result in more activities and make for a more positive town in the future”
 “Region needs to keep moving ahead”
 “Please don't touch Australia anymore”
 “I'm reluctant to see change. I like things to stay the same”
 “I think it can be controlled carefully”
 “Affects a very small part of the region that I would not go to anyway”
 “Extensive environmental impact studies are required”
 “Hope it doesn't damage the natural beauty of the coastline or cause any disasters, like leaks or anything like that”

Q 14 - Which of the following is most important to you?

The last two (2) questions asked people to make a choice as to the things in and around Broome that are most and least important to them. The intention of these paired comparisons was to validate key findings of the qualitative phase of research and test the consistency of response through the quantitative phase.



As shown on the chart above, there was little difference between visitors arriving and those departing in terms of their response. Over three-quarters of all respondents claimed that cheaper and more regular flights to Broome were of more importance than stopping the development of an LNG Precinct on the Kimberley Coast.

Respondents that stated that no LNG development was more important than cheaper flights were heavily skewed to visitors from Asia, Europe and NSW. This result is consistent with responses to the likelihood of a return visit should there be damage to the Kimberley Coast environment, with the exception of the UK and Queensland respondents. Although both the Queensland and UK respondents stated a lesser likelihood of returning (should there be damage to the Kimberley Coast environment), when asked to “choose” both groups stated that cheaper and more regular air services were more important than an LNG development. Of course, this can also suggest that there is no relationship in the minds of these respondents to the development of an LNG Precinct and coastal damage.

	WA	Qld	NSW	Vic	Asia	Europe	UK
No LNG	8%	0%	42.86%	6.67%	66.67%	60%	0%

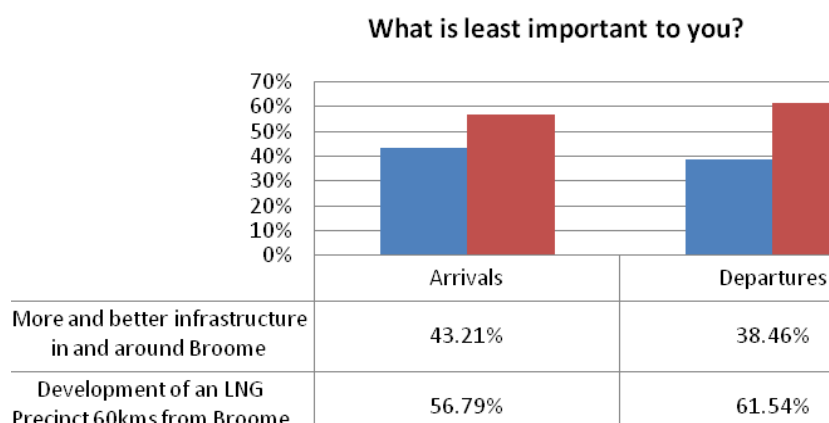
As has been the pattern throughout this research, younger age profiles have a stronger negative view to development of an LNG facility than older age groups.

	18 - 21	22 - 29	30 - 39	40 - 49	50 - 59	60 - 64	65+
No LNG	25.00%	55.00%	7.69%	9.09%	15.38%	18.18%	0%

Q 15 - Which of the following is least important to you?

The comparison between improved infrastructure around Broome and development of an LNG Precinct was asked to force some level of choice as both these issues were relatively unimportant to respondents of the qualitative research phase. The quantitative phase validated these findings in question 12 where the majority of respondents stated that improved infrastructure would make no difference to future planning of a return visit to Broome.

Over half of respondents also stated that damage to the Kimberley coast environment would make no difference to plans of a return visit. This question therefore sought to determine, which of these two (2) issues were of least importance. As noted in the chart below, over 60% of departing visitors stated that the development of an LNG Precinct is less important to them than more and better infrastructure.



The 38.46% of respondents who state that infrastructure improvements are of lesser importance have been consistent in profile throughout this study. (i.e. Visitors who perceive negative impacts from the proposed LNG development). They are more likely to be international visitors, have a younger age profile and are in lower household income groupings.

ORIGIN	WA	NSW	Qld	Vic	Asia	Europe	UK
Infrastructure development is least important	22.22%	28.57%	20%	13.37%	100%	66.67%	33.33%

AGE	18 - 21	22 - 29	30 - 39	40 - 49	50 - 59	60 - 64	65+
Infrastructure development is least important	100.00%	65.0%	36.36%	25.00%	23.08%	15.69%	28.57%

Pre Tax Household Income	Less Likely to Return
<\$40,000	65.00%
\$41,000-\$75,000	47.06%
\$76,000-\$99,000	13.37%
\$100,000+	7.69%

STRATEGIC DISCUSSION & CONCLUSIONS

7.1 STRATEGIC PLANNING CONTEXT

The Tourism Impact Assessment undertaken in relation to the Kimberley Liquefied Natural Gas (LNG) Project was commissioned to determine the level to which the proposed gas development will positively or negatively impact on tourism in the region. Specific key outcomes of this study included:

- i. Quantification of perceived impacts (positive and negative) of the proposed LNG Precinct as they relate to the region's tourism industry.
- ii. Development of strategic objectives and associated strategies to mitigate against, or capitalize on the impacts identified.

In line with the approved methodology and project design, the impact assessment process focused on two (2) key stages of development of the LNG precinct: the construction phase and the operational phase. 'The industry' was consulted at length on the concept of a LNG Precinct being located at James Price Point with these two (2) key phases in mind. 'The industry' referred to in this study includes a combination of the following in the Kimberley region:

- Accommodation Providers
- Tour operators (Land and Marine based)
- Restaurants & Bars
- Retailers
- Service providers and suppliers
- Industry groups and associations

As part of its consultation process, KPP verbally provided stakeholders and tourism operators with consistent background information about the proposed LNG Precinct including location, area of development, workforce projections and the proposed timeframe for development. The information was sourced from the Department of State Development (DSD), and consistency of background information used throughout the process ensured participants were able to convey views and opinions based on the same information.

In addition to collating the industry's views and opinions of the LNG Precinct, the qualitative research phase also focused on identifying potential strategies through which impacts could be mitigated or capitalized upon. This approach was adopted to ensure the industry played a key role in identifying impacts, and also in developing strategies through which impacts could be addressed. Put simply, the qualitative phase was designed to provide an opportunity for the tourism industry in the

region to have meaningful input into the impact assessment process. This in turn provides the State Government and the project proponents with a clear understanding of the Kimberley tourism industry's expectations in regards to impact mitigation and management.

The consultation process successfully determined what tourism operators and stakeholders believe are the critical elements that need to be addressed to ensure the integrity and long term future of the industry is secured.

The vast majority of industry operators who provided input into the study considered the construction phase to be the most critical in terms of potential impacts. It was invariably suggested that the operational phase is somewhat insignificant in the context of potential impacts if the construction phase is not well managed, as the industry may suffer to the point where it is irrecoverable.

As expected, the views and opinions gathered from the industry are highly subjective and based on perception. With this in mind it must be noted that industry sentiment towards the project, and associated potential impacts, is varied and subject to influence by 'personal' views of the proposed LNG precinct.

A primary aim of the tourism impact assessment was to quantify the level of impact the project will have on 'the tourism industry', from the industry's perspective. It is fair to say that a number of individuals, tourism businesses and organisations contacted through this process had difficulty distinguishing between impacts on their tourism business as against whether they personally believe the proposed LNG precinct should proceed. Despite the challenges of working on perception based feedback from industry, the development of strategies has been based on an objective assessment of the range of opinions, views and perceptions gathered through extensive consultation with the tourism industry in the Kimberley.

In the following sections, strategy development has focused on describing industry sentiment in relation to impacts identified through the qualitative research phase. The impacts noted represent those that were commonly reported by the industry, together with associated reasoning as to how they apply to the regional tourism industry. The potential negative impacts and opportunities arising from the LNG project have been reported.

For each impact identified, a series of strategic objectives have been recommended. These strategic objectives represent overall goals and outcomes sought by the industry in addressing each of the impacts or capitalising on opportunities. A supporting rationale to demonstrate purpose and industry intent and broad tactical strategies have then been developed to achieve the strategic objectives.

7.2 PROJECT IMPACTS

The impacts identified through the consultative process with operators, cluster groups and visitors tended towards the identification of more negative impacts than positive impacts. It is important to keep in mind that all of the impacts identified through this study are perception based. The weighting toward more negative perceptions could possibly reflect the many 'unknowns' about the project, particularly given the limited amount of 'official' detailed information and the level of speculation about the project in the public arena.

In analysing the impacts reported, considerable time was spent isolating common themes as they relate to the tourism industry. It is noted that a number of respondents conveyed concerns over impacts that fall outside the scope of this study and it is assumed that these will be captured through the overall Social Impact Assessment.

In the context of discussions held and the process of identifying potential impacts it was clear that many industry participants had limited detailed knowledge of the proposed LNG Precinct. Consequently, for a large number of the operators the information provided by KPP was the 'first they had heard' or the few known facts they had about the project.

Many operators were critical of the fact that there was a distinct lack of information regarding the project and for citing that for this reason 'local' speculation was rife and often incorrect. This was considered by the majority of respondents to be a major shortcoming in their ability to provide an informed position on the project.

Key common themes regarding the potential impacts (both positive & negative) that the gas development could have on the tourism industry in the region can be summarised under the following headings:

- Fly-in / Fly-out workforce
- Airport activity
- Land and housing
- Tourism branding
- Dampier Peninsula / Sealing of roads
- Marine infrastructure
- Air Services

Within each of these categories a number of points have been raised that are considered likely to have an impact on the tourism industry or represent opportunities to leverage benefits. Each of these categories is analysed in more detail in the following section including associated rationale and strategies to address each aspect.

7.2.1 FLY-IN / FLY-OUT (FIFO) WORKFORCE

Throughout the qualitative research phase, Kimberley tourism industry operators and stakeholders clearly indicated that there is likely to be considerably more impacts for the industry through the construction phase. In the context of the construction phase, particular reference was made to the substantial fly-in / fly-out workforce required to build the precinct and the impact this may have on Broome's reputation as a tourism destination⁵¹.

It should be noted that tourism operators and organisations interviewed through the qualitative research phase were advised that plans for the LNG precinct included the development of a worker's camp to house the FIFO workforce during the construction phase. Despite this, industry stakeholders remain skeptical as to whether this will happen and are of the view that visitor accommodation in Broome will still be impacted, particularly through the construction phase. Comments offered by respondents included;

"3,500 FIFO workers must be kept at site – need a commitment from Woodside"

"During construction, all workers should be housed at the Precinct"

"Mine-related personnel should be fly-in, fly-out and accommodated at the precinct"

The industry clearly perceives that a fly-in / fly-out workforce could have a negative impact on tourism in Broome for a number of reasons. Although not a universal view there is a strong sense of concern amongst many operators that visitor accommodation that would typically be used by leisure visitors (tourists) could be 'soaked up' by the FIFO workforce.

As one of the key criteria (availability of accommodation) for any successful tourism destination, any reduction in visitor accommodation inventory for the leisure market will undoubtedly have a 'ripple effect' across the industry, with a subsequent reduction in visitor numbers, and this will flow on in terms of tours, retail sales etc.

It was felt that many professionals such as engineers and technical experts will also be required during construction, with the likelihood that these personnel are more likely to be accommodated in Broome. Compounding concerns in this area is the view that the personnel engaged to build the 'construction camp' at the site will require accommodation during this period. However, on the basis that there is no current information to suggest how they will be accommodated it has been assumed by many in the tourism industry that existing accommodation properties in Broome will be utilised.

This view was not universal across the range of groups consulted. One respondent from the oil and gas industry acknowledged the potential impact on existing tourism accommodation but also suggested that mobile accommodation was clearly an option to consider as evidenced in the following comment;

⁵¹ Information provided by Department of State Development indicated that the FIFO workforce would peak at around 3,500 during the construction phase.

“There will be no adverse impacts from construction on Broome as long as it is a fly-in fly-out project and the workers are not housed in Broome. They’ve got to have their own construction camp and the workers will fly in and fly out to Prices Point. It will take time and people to build the construction camp, but there is enough mobile accommodation to accommodate people building the construction camp”

The tourism industry is also concerned about the potential level of contact a FIFO workforce will have with leisure visitors to Broome through airports, tourism properties, retail shopping areas etc. The industry has expressed concerns in relation to the behavioural patterns and characteristics of a FIFO workforce. More specifically, these concerns stem from the distinct likelihood that the workforce will be mixing with leisure visitors to Broome who are seeking a relaxed holiday experience. The comments below provide evidence of the concerns around this issue, noting again it is an impact based on personal perceptions:

“No mine-related people should be allowed in Broome”

“Standards of behaviour of workers will need to be developed and enforced by Woodside”

Anecdotally, a considerable number of industry stakeholders were concerned about the visibility of the FIFO workforce in terms of the impact it may have on the character, atmosphere and ambience of Broome.

Fluorescent jackets, 4WD’s with orange flags and reverse alarms, and pindan covered boots are representative of the typical elements the tourism industry associated with a FIFO workforce as evidenced through the following comments provided;

“People’s perceptions of Broome are likely to be influenced by the visibility and presence of FIFO workers, 4WD’s with orange flags that ‘beep’ when they reverse etc”

“No mine-related vehicles or uniforms in the town of Broome, so as to protect the holiday/aesthetic appeal of Broome (convertible cars, bikinis & board shorts)”

A common view shared by the tourism industry in Broome is that the presence and visibility of a large FIFO workforce will potentially have a negative impact on the qualities and values of Broome’s character and appeal as a tourism destination. Results of the resident’s survey supported this view with around 66% of residents surveyed agreeing that Broome is a tourist town that did not want a FIFO culture to develop.

Taking into account the negative impacts identified by industry operators and stakeholders through the qualitative research phase, a series of strategic objectives and mitigation strategies have been developed.

STRATEGIC OBJECTIVES

- To ensure personnel associated with all construction elements of the LNG Precinct are accommodated on site (James Price Point).
- To minimise the potential negative impact a FIFO workforce may have on Broome's tourism industry in terms of visible presence, destination appeal, interaction with visitors and availability of tourism accommodation.
- To ensure a FIFO culture does not develop in Broome - this culture relates to typical elements referred to in the body of the document

RECOMMENDED MITIGATION STRATEGIES

- Insist the proposed construction camp is located at the LNG precinct site and that it is essentially a 'closed camp', thereby restricting off-site mobility for personnel whilst they are 'on duty'.

Responsibility / Key drivers: Shire of Broome, Tourism WA, ANW, BVC

- Insist that all levels of Government and Shire of Broome negotiate strongly to ensure that any temporary / short term accommodation requirements are developed to meet initial construction needs, and are not located within close proximity to the Broome townsite.

Responsibility / Key Drivers: Shire of Broome, Tourism WA, ANW, BVC

- Develop and implement processes that facilitate the seamless transfer of FIFO personnel through Broome to the Precinct, including initiatives such as separate areas for airport check-in, baggage segregation and collection etc.

Responsibility / Key Drivers: Tourism WA, ANW, BVC, Shire of Broome, Broome International Airport, Project Proponents (Woodside)

- Construct a transit lounge for FIFO personnel arriving into Broome before being transferred to site and vice versa

Responsibility / Key Drivers: Broome International Airport, Tourism WA, Shire of Broome

RATIONALE

The strategies recommended in relation to the FIFO workforce are designed to address the primary concerns held by the region's tourism industry. More specifically these strategies seek to achieve the following outcomes:

- i. Preservation and protection of the core values, qualities and attributes of Broome's tourism industry
- ii. To minimise the presence and visibility of the FIFO workforce
- iii. To minimise the level of contact between the FIFO workforce and Broome's tourism visitors
- iv. To ensure a FIFO 'culture' does not develop in Broome
- v. To preserve the destination appeal of Broome

Broome's tourism industry is clearly of the view that every effort should be made to ensure that the visibility and presence of the FIFO workforce is minimised. Industry feedback suggests that despite the fact that the majority of tourists are unlikely to physically see the LNG Precinct, they will see it indirectly through the presence and regular movement of a large FIFO workforce.

Strong industry views have been expressed that processes need to be developed to reduce the possibility of FIFO workers and leisure travellers coming into contact. This extends beyond airports in terms of seamless transfers etc and includes limiting access to the main shopping / tourist precincts of Broome whilst personnel are officially on duty. Both the tourism industry and local residents have openly proclaimed that they do not want a FIFO culture to develop in Broome. Put simply, this perhaps implies that the FIFO workforce needs to be 'invisible'.

Broome's tourism values and attributes have been founded on a relaxed holiday atmosphere and unique ambience. The tourism industry conveyed a strong need to ensure these strengths were preserved and this cannot be achieved if a FIFO culture develops in the town.

7.2.2 AIRPORT ACTIVITY

The location of Broome International Airport was the subject of a considerable number of discussions with the tourism industry in Broome. As a result of these discussions it is evident that industry stakeholders expect the level of activity at Broome International Airport to increase significantly. This anticipated increase is perceived to primarily occur through jet aircraft and helicopter movements.

From a tourism perspective it is acknowledged that the current location of the airport is attractive to many visitors, not only due to its close proximity to the Town but also the novelty of aircraft arriving and departing over the town centre.

Concerns raised by tourism industry stakeholders with respect to increased airport activity focused more on the movement of helicopters rather than jet aircraft⁵². Industry sentiment is clearly based on the perception that helicopter movements will undoubtedly increase and the view that these aircraft are noisier and therefore more intrusive to the ambience and holiday atmosphere of Broome.

These concerns have been raised in the knowledge that the flight path for the airport predominantly tracks directly over the main swimming area of Cable Beach and the Chinatown retail precinct, both of which are very popular attractions for tourism visitors to Broome.

The level of concern raised by industry operators is perhaps justified given that information provided by suppliers to the oil and gas industry indicates that up to twenty five (25) additional helicopter movements per week (based on 4 to 5 rigs) could be required to transport personnel to and from the rigs and supply the rigs on a daily basis.

Suppliers to the oil and gas industry have indicated it would be more efficient and preferable for an aerodrome (including a heliport) to be located within a 40 minute radius (helicopter flying time) of the gas fields (i.e. meaning that rig personnel would be transported by charter jets to the aerodrome where they would then be taken by helicopter to the rig). In order to facilitate this, a new aerodrome would need to be constructed at a suitable location in the north Kimberley. Given the level of opposition from both tourism operators and other groups to any development in the North Kimberley, this is an unlikely scenario.

An alternative mitigation strategy is to relocate the heliport from the existing airport to a site outside the town where activity will not be as intrusive to tourists from a noise perspective.

It is acknowledged that any relocation is highly dependent on a number of factors however in the context of this study and industry sentiment the level of airport activity is a key element to be addressed.

⁵² It is assumed that any impacts of increased airport activity on Broome residents will be addressed through the Social Impact Assessment

STRATEGIC OBJECTIVES

- To minimise the impact (noise and visibility) that increased airport activity will have on the ambience, character and holiday atmosphere of Broome.
- To lobby for the relocation of helicopter activity away from the existing airport in Broome.

RECOMMENDED MITIGATION STRATEGIES

- To relocate all helicopter movements to a site outside the main town precinct.

Responsibility / Key Drivers: Broome International Airport, Shire of Broome, Tourism WA, Department for Planning & Infrastructure

RATIONALE

The relocation of the heliport is considered by the industry to be a major initiative towards addressing the impact of additional noise from helicopter movements. The industry is clearly concerned about the impact of the anticipated increase in activity will have on the ambience of Broome and the tourism attributes for which it is widely recognised.

With this in mind it is logical to assume that the relocation of the heliport would not only address tourism industry concerns regarding negative impacts on Broome's tourism appeal, but will also represent the first phase of the airport relocation.

It is acknowledged that a suitable and available site must first be identified in order to facilitate this initiative. However, the airport relocation has been the subject of ongoing debate in Broome for some time and is not inconceivable given the level of work already completed and the timing to the proposed LNG Precinct.

The relocation of the heliport would achieve the following outcomes:

- Minimise noise pollution associated with the LNG Precinct (helicopter movements), thereby reducing the potential impact on the ambience and core tourism values of Broome.
- The relocation of the heliport will act as the catalyst for the ultimate relocation of all airport infrastructure from the current site. This in turn provides the opportunity for long term airport infrastructure needs to be considered through the planning processes (e.g. catering to international services etc)

- iii. Although not directly related to the purpose of this study, the ultimate relocation of Broome International Airport provides scope for additional land releases for residential housing.

7.2.3 LAND & HOUSING

The availability of affordable land and housing has been a major concern in Broome for a number of years. This topic was invariably reported by all sectors of the tourism industry as one that would be

greatly impacted by the proposed LNG Precinct. Furthermore, 73% of respondents to the resident's survey agreed that the housing pressures in Broome would be exacerbated by the proposed development.

The tourism industry in Broome is acutely aware of land and housing pressures in Broome by virtue of the fact that the majority of accommodation providers and tour operators also reside in the town. More recently (prior to the global economic crisis), like many other industries, tourism in Broome felt the effects of staff shortages and even if staff positions could be filled, finding affordable accommodation presented an even greater challenge. The prospect of an LNG Precinct located at James Price Point has once again raised concerns for the industry with regard to land and housing issues.

Many industry operators cited examples in the Pilbara towns of Port Hedland and Karratha where residential house prices and rents are extraordinarily high. The industry was clear in their view that they did not want to see this scenario develop in Broome.

Positions and careers in the tourism and hospitality industry are not considered high income earning vocations in comparison to the resources sector. With this in mind, many respondents stated that if rents and house prices in Broome were to reach the levels experienced in the Pilbara it could have a crippling effect on the tourism industry in Broome. This point is echoed through the following comment made by a local Broome tourism operator;

'The government must release more land and learn from the Pilbara experience'

The business community of Broome also made direct reference to potential land and housing issues arising from the Kimberley LNG Project. Again, this appears to be symptomatic of similar pressures experienced in recent times with the following comments made;

'The State Government should get off its bum and have land cleared – in terms of all environmental, heritage and zoning requirements, provision of power, water and sewerage – with everything ready to go. They have a two-year window in which to do it.'

'In the process, ensure that the Landcorp's of this world don't come in and drive the market through the roof.'

When discussing the impacts the Kimberley LNG Project may have on land and housing in Broome, concerns were also raised about existing visitor accommodation being 'soaked up' by employees and contractors engaged in the project.

Some accommodation providers indicated they would closely consider accommodating personnel associated with the project, thereby relinquishing the traditional tourism market. The general sentiment from an industry perspective was that this should not be allowed to occur. Consequently, strong reference was made to the fact that short term worker's accommodation requirements need to be accurately identified well in advance of the project commencing and the Shire of Broome must work with the State to proactively address associated town planning elements.

In terms of short term worker's accommodation and new visitor accommodations developments, comment from industry operators and stakeholders suggest there is an expectation that new developments in this field would be inevitable as property developers react to meet market demand.

It is understood that plans for such developments are already before the Shire of Broome's town planners. A strong message from the tourism industry was the need to ensure that it becomes a mandatory requirement for any new accommodation developments to incorporate adequate levels of staff accommodation. This approach is not too dissimilar to planning requirements relating to car parking bays at licensed premises.

It was widely acknowledged by industry operators and stakeholders that there are limitations as to what can be done to influence outcomes in this field. For many respondents, the affordability of land and housing to meet residential and industrial needs can only be facilitated by realistic and timely land releases by the State. However, regular reference was made to the need for Landcorp and Government to 'look outside the square'. This comment was made on the basis of looking at alternative options to what has traditionally been done in the past, such as 99 year leases over residential land and other similar initiatives.

The vast majority of respondents were very sceptical of the State's ability to adequately deal with land and housing needs in Broome should the Kimberley LNG project proceed. In simple terms, the industry conveyed a clear message to the State that a proactive approach to land releases is required – it is not acceptable to wait until pressure builds before taking action. This message is emphasized through the following comments;

"Make plenty of land available for residential development and keep it affordable"

"The government must release more land and learn from the Pilbara experience"

"The government must open up significant areas of land for residential development"

Housing and land issues are not unique to Broome. However, there is a distinct high level of concern over the impact the proposed LNG Precinct will have in this area. There is a strong sense of urgency and the need for sound forward planning with regard to the availability and affordability of land and housing in Broome. Any failure to properly address the land and housing requirements associated with the LNG Precinct is considered a considerable risk for tourism in Broome to the point that it will impact across all sectors of the industry.

After commencing this study information came to light through Landcorp with regard to the Broome North housing project. The area identified for this project covers a total of 725 hectares and is located north of Gubinge Road, bordered by Broome Road to the east and Lullfitz Drive to the west. It is separated into two (2) areas north and south of Fairway Drive. This parcel of land is expected to yield around 1,000 lots in addition to potential for schools, retail and tourism areas and the expansion of the Blue Haze industrial area. Landcorp has advised the following timelines for this project:

Jun – Dec 2009: Community consultation and preparation of masterplan

2010: Approvals and planning process

2011: First lots released to market

The proposed Broome North housing project appears to provide scope for land and housing issues associated with the Kimberley LNG Precinct to be addressed. Despite the recent announcement of this project, a clear message from participants in this study was the need to ascertain a ‘rock solid’ guarantee from the State that adequate and affordable land and housing will be available to meet Broome’s current and future needs.

Based on the potential impacts raised and feedback provided across all tourism sectors the following strategic objectives have been determined. From an industry perspective, leaving future land and housing needs to simply be addressed through market forces will ultimately be to the detriment of Broome’s tourism industry. The strategies are somewhat reflective of plans already proposed through the Broome North project. However due to the importance and sensitivity of this issue to the tourism industry the need for a thorough planning process with regard to this aspect have been reiterated.

STRATEGIC OBJECTIVES

- That all levels of Government work collaboratively in developing a proactive land release plan to meet the residential, commercial and industrial requirements arising from the proposed LNG Precinct
- To protect the integrity of Broome tourism accommodation properties through policy development at a Local Government level
- To pilot new and creative approaches to ensure the efficient and timely release of affordable land and housing

RECOMMENDED MITIGATION STRATEGIES

- The relevant Government agencies and Shire of Broome to work collaboratively and proactively in quantifying the land and housing requirements to support the Kimberley LNG Project with future residential and housing needs reflected in an updated Broome Town Planning Scheme.⁵³

Responsibility / Key Drivers: Shire of Broome, WA Planning Commission, Department of Premier & Cabinet, Project Proponents, Landcorp, Rubibi.

⁵³ It is assumed that the forecast requirements with regard to land and housing will also be captured through the overall Social Impact Assessment, however the relevance of this factor to the ongoing ‘health’ of the tourism industry has been emphasized by industry stakeholders.

- The State (LandCorp) to develop, well in advance of the proposed LNG precinct, a land release program that also explores options outside 'the norm' (e.g. leasing of land) as a means of controlling and managing land availability and affordability issues

Responsibility / Key Drivers: Landcorp, Department of Premier & Cabinet, Shire of Broome, Rubibi.

- That the Shire of Broome develop and implement an appropriate policy or scheme amendment canvassing the requirement for new visitor accommodation and worker's accommodation developments to incorporate staff accommodation.

Responsibility / Key Drivers: Shire of Broome, WA Planning Commission, Department for Planning & Infrastructure.

RATIONALE

The mitigation strategies put forward by the industry with regard to potential land and housing impacts arising from the proposed LNG Precinct are premised on the notion of learning from mistakes made elsewhere. Many respondents cited the Pilbara as an example of where the lack of forward planning has resulted in problems with land and housing affordability and availability. The view was openly expressed that if this was to occur in Broome it would be to the detriment of the tourism industry.

As evidenced by stakeholder feedback, there is a high level of scepticism in terms of the ability of relevant authorities and Government agencies to adequately address land and housing needs. Results of visitor surveys indicate that they anticipate improved infrastructure and facilities will accompany the LNG Precinct but in the end this will have little bearing on whether they intend to return to Broome.

The response from visitors that infrastructure improvements will naturally flow into the community is perhaps indicative of the broad assumptions made in relation to industrial projects of this scale. It would appear the Broome tourism industry and residents do not share the same degree of confidence. It is likely that observations made of trends in the neighbouring Pilbara region over the past two (2) decades serve as a constant reminder that infrastructure improvements (particularly housing) will not necessarily 'naturally flow' into the community. Without specific Government commitments it cannot be assumed that issues will be dealt with appropriately.

Land and housing issues affect the whole region, and are not confined to the tourism industry in isolation. However recent pressures in this field and the impact they have historically had on the tourism industry serve cause for potential impacts to be treated with utmost caution.

The Broome North housing project may initially appear designed to meet the future land and housing requirements of Broome should the proposed LNG precinct proceed. However, industry feedback suggests that this does not provide any guarantees that pressures in this field will ease. It is certainly a step in the right direction however the need to quantify and communicate what the future housing needs may be is a logical first step in this process, and one that is reflected in the proposed strategies.

The key outcomes to be achieved through implementing recommended strategies primarily focus on protecting the overall integrity of Broome's tourism product, particularly visitor accommodation properties.

The mitigation of negative impacts relating to land and housing seek to achieve the following outcomes:

- i. Ensure that land and housing in Broome remain available and affordable to Broome's tourism and hospitality industries
- ii. Limit the potential for excessive price increases to impact on the viability of local tourism operators
- iii. Protect the integrity of Broome's traditional visitor accommodation through the development of appropriate short term worker's accommodation
- iv. Engender a responsible and strong commitment from Government that land and housing needs arising from the LNG Precinct will be addressed well in advance of the project
- v. That Landcorp adopt a proactive and responsible approach towards land releases in Broome

7.2.4 TOURISM BRANDING

Throughout the qualitative research phase it has been widely acknowledged that tourism is good for Broome. This point is perhaps best demonstrated through the results of the resident's survey whereby 90% of respondents agreed that tourism was good for Broome. Furthermore nearly 80% of respondents agreed that continued growth of tourism was good for Broome. Logically, tourism

operators and stakeholders rated tourism branding and associated visitor perception as the most critical element in terms of potential impacts on the local tourism industry.

Discussions with tourism operators and industry associations saw constant reference made to the fact that considerable time, effort and financial resources have been invested over many years to establish and maintain a strong position in the highly competitive tourism market.

The strength of this market position has been founded on consistent, sustained and focused marketing activities that have collectively built a recognised tourism brand for Broome and the Kimberley.

It was evident through the interviews conducted with the industry that opinions with regard to the tourism values of Broome were varied. Some operators referred to Broome as being known for its wilderness values and unique natural attractions.

Conversely, many respondents considered the wilderness values and attributes were more aligned to areas of the Kimberley region that lie further afield, with the key tourism values for Broome being its relaxed holiday atmosphere, beaches and multicultural heritage. The following quote is typical of this view;

“The Kimberley’s reputation could suffer if the greenies get their way. The part of the coast they are talking about is geophysically NOT the Kimberley. It’s the Canning Basin – different formation, different country. While we are politically in the Kimberley by a ruler, Broome is not the Kimberley. We are north Pilbara”

Based on visitor statistics for Broome it would appear that a considerable number of visitors to Broome also seek the wilderness and the rugged outback experience of the broader Kimberley region. The State of the Industry component of this study indicated that around 72% of visitors to Broome travelled on to (or from) other Kimberley destinations, adding evidence to support the view that Broome is a major gateway into the Kimberley region.

Despite differences of opinion on the tourism attributes of Broome, a common response from tourism operators and stakeholders interviewed was a high level of concern for the impact the Kimberley LNG Project could have on tourism branding. These concerns relate directly to how the destination and appeal of Broome may be perceived by the broader population. This is reflected in the following feedback:

‘The gas hub has the potential to damage the Kimberley’s remote, pristine image very badly, which could impact on visitor numbers in the longer term, if it’s not managed correctly.’

“The Kimberley and Broome has been marketed over many years as a wilderness destination and Broome has an exotic pearling outpost image. If that is lost, a lot of marketing effort would be greatly reduced.”

However, this sentiment is not supported through the results of visitor surveys, where 53% of respondents claim the LNG Precinct is not expected to change their perception of Broome. Furthermore, having been provided with details of the proposed LNG Precinct through the survey process, 81% of visitors surveyed responded that it would make no difference to their plans to return to Broome and the Kimberley. A large proportion of visitors (64%) also indicated that the proposed LNG Precinct would make no difference in terms of them recommending Broome and the Kimberley to family and friends.

Reference to the results of visitor surveys is not intended to discount the relevance of concerns raised by industry stakeholders. It is widely acknowledged that successful tourism branding is based on appealing to the emotive senses of visitors to influence perception. There is no doubt that positive perception of a remote region such as the Kimberley takes a long time to develop through concerted effort, and damage to that perception could be difficult to mitigate if it does occur. With this in mind, of particular interest was the view of many operators that the current negative publicity being generated by parties opposing the LNG Precinct is perceived to be impacting the region's tourism values. The following comments were recorded that demonstrated this industry sentiment;

"There would be negative outcomes if Environs Kimberley continues to run scare campaigns – which is what they are running – talking about aluminium smelters and petrochemical plants. Tourism operates on perceptions"

"The way the anti-gas lobby is painting it, they are creating a negative impact already. That needs to be countered by some advertising."

"The "no gas" people are expressing opinions without having all the facts. Some real basic information needs to be put out there sooner rather than later; otherwise tourists may see the gas plant as a negative."

"The negative publicity created by people opposing the project needs to be acknowledged, whether it is real or perception – the State and TWA need to be prepared to support the tourism sector through greater marketing support and a strong positive message needs to be put into the market to offset the negative publicity."

"Tourism WA must take steps to assist Broome Tourism Operators in counteracting the negative press that is being promoted by the Anti-LNG Lobby"

When questioned as to what actions need to be taken in relation to tourism branding, an overwhelming response from industry operators and stakeholders was the need for Government to make an ongoing commitment to the Kimberley tourism industry. More specifically this commitment must be by way of additional funding for tourism marketing, with the following comment indicative of this industry sentiment;

"TWA & the State need to acknowledge that more money will be required for marketing to counteract negative influences – this must be a commitment that is made as part of the project – not after the fact."

Industry leaders supported this view drawing comparisons from the impact of considerable negative press associated with the 'lead scandal' that impacted tourism in Esperance in 2007. The negative publicity relating to this issue had a significant impact on visitor perception of Esperance to the point where the State Government provided financial support towards a tourism marketing campaign. The purpose of this initiative was to positively influence visitor perception of Esperance as a tourism destination.

Tourism industry operators and stakeholders stressed the need to ensure that marketing support is proactive not reactive. Furthermore clear distinctions need to be made between Broome and the Kimberley from a branding perspective.

Based on feedback provided by the Kimberley tourism industry, the following strategic objectives and mitigating actions are recommended.

STRATEGIC OBJECTIVES

- To seek a firm commitment from the Government that it will provide all the support necessary (financial and other) to ensure that the market position and branding of the Kimberley tourism industry is not compromised.
- To proactively convey a consistent and positive message in the marketplace that the tourism values and attributes of Broome and the Kimberley will remain unchanged as a result of the proposed Kimberley LNG Project.
- To offset the impact that current negative publicity is perceived to be having on visitor perceptions of Broome and the Kimberley
- To strengthen and maintain the market perception of tourism in Broome and the Kimberley

RECOMMENDED MITIGATION STRATEGIES

- Develop a proactive and targeted tourism campaign for Broome and the Kimberley that provides clear distinction between Broome and the broader Kimberley region in terms of tourism values and attributes.

Responsibility / Key Drivers: Tourism WA, Australia's North West Tourism, Broome Visitor Centre, Shire of Broome

- Obtain a firm commitment from Government that marketing support for the tourism industry will be sustained over the life of the Kimberley LNG Project.

Responsibility / Key Drivers: Australia's North West Tourism, Broome Visitor Centre, Shire of Broome

- Strengthen existing Broome tourism industry associations through formal and informal mechanisms, with a focus on achieving collaboration and sense of industry solidarity that facilitates an increased level of cooperative tourism marketing, thereby maximizing industry spend and overall marketing effectiveness.

Responsibility / Key Drivers: Tourism WA, Australia's North West Tourism, Broome Visitor Centre, Shire of Broome, Kimberley tourism operators

- Develop and publicly convey a standardised, factual response / message to combat false speculation regarding the Kimberley LNG Project and its impact on Broome and the Kimberley as a tourism destination.

Responsibility / Key Drivers: Tourism WA, Shire of Broome, Australia's North West Tourism, Broome Visitor Centre

- To ensure tourism marketing efforts are complemented by new and improved tourism infrastructure and amenities, thereby enhancing the destination appeal of Broome.

Responsibility / Key Drivers: Tourism WA, Department for Planning & Infrastructure, Shire of Broome, Department for State Development

- Development and implementation of mechanisms through which ongoing regular visitor research can be conducted for the purposes of measuring and monitoring visitor perception and destination appeal.

Responsibility / Key Drivers: Tourism WA, Australia's North West Tourism, Broome Visitor Centre

RATIONALE

Although acknowledging the right of all people to voice their views about the proposed gas precinct, the tourism industry in general is clearly concerned about the impact that current negative publicity is perceived to be having on the destination's image. This view was also shared by residents where 64.66% agreed more money will need to be spent in tourism marketing to counter the negative publicity around the development.

This concern underpins the recommendation that Government provides funding support to the region's tourism stakeholders in delivering consistent and factual information regarding the anticipated impact of the Kimberley LNG Project on the industry. The delivery of these messages would expect to be facilitated through a targeted and well executed media campaign.

The tourism industry in the Kimberley region recognises that it is the visitors that drive the industry. Despite the fact that visitor survey results suggest that perceptions of Broome and the Kimberley will not change, the industry has voiced strong views regarding the need to 'act now' in terms of reiterating the key tourism values of Broome and the broader Kimberley. It will simply be too late and more costly to address issues relating to visitor perception retrospectively should this be negatively impacted.

It is understood that the regional tourism organisation responsible for marketing the Kimberley as a destination receives base funding from the State on an annual basis, and has done since 2004. This level of funding has remained fairly constant despite the fact that the value of tourism to the regional economy has grown at an average of 7-8% over the past five (5) years. The industry belief that increased marketing support will be required should the Kimberley LNG Project go ahead has been well documented in this study. This mindset underpins the strategy to seek a firm financial commitment from Government towards tourism marketing over the life of the project.

The strategy recommended in terms of branding Broome and the Kimberley independently of each other seeks to address concerns in relation to the broader Kimberley being tainted by any negative impacts the Kimberley LNG Project may have on tourism in Broome. A consistent comment from many stakeholders on the region's tourism industry referred to the fact that Broome and the broader Kimberley have distinctively different tourism attributes and values. A strategy that could be considered to address this impact requires a financial commitment from Government to develop and incorporate distinctive brands into the tourism marketing activities for the region.

A collaborative industry approach to tourism marketing and branding has been recommended on the basis that smaller operators are likely to find it increasingly difficult to counteract any negative impacts on destination appeal arising from the proposed LNG Precinct at James Price Point. Cooperative marketing campaigns and a positive message championed by peak tourism bodies will maximise market reach and efficiencies in marketing spend.

The notion of increased industry collaboration also extends to the development of factual information and a consistent message in response to what is considered 'scare-mongering' by parties opposed to the project.

Successful tourism destinations are founded on a series of key elements (5 A's of Tourism) that in combination represent the overall experience offered to visitors. Further adding to destination appeal is ambience / atmosphere, which is generally considered the 'sixth A' of successful destination development. Broome has been highly successful over the past decade in developing these areas.



FIGURE 15: KEY FACTORS IN THE DEVELOPMENT OF SUCCESSFUL TOURISM DESTINATIONS.

Reference to key tourism elements is made in order to demonstrate that tourism addressing tourism branding / marketing alone will not secure the future of the industry. Instead, marketing and branding efforts must be accompanied by appropriate tourism infrastructure, facilities and amenities. This point is made to again highlight the importance of protecting existing tourism infrastructure against potential over-use by the oil and gas sector, as referred to earlier in this report.

The strategies recommended to mitigate against negative impacts on tourism branding and visitor perception will be highly dependent on measuring and monitoring industry performance. Therefore it is imperative that mechanisms are developed and implemented that enable visitor perception and industry performance to be measured on a regular basis. The notion of initiating a media campaign in the short term to combat negative publicity about the region and its tourism values is not foolproof. A well executed campaign may leave the tourism industry comfortable in the knowledge that visitor perceptions are not being negatively influenced however it would be naïve to assume that this may continue unchanged.

It is for this reason that the recommendation has been put forward regarding the need to regularly monitor visitor perception. It is recommended that market research studies be regularly conducted over the life of the project. The 'life of the project' reference has been premised on the precinct concept, thereby leading to the likelihood that other oil and gas operators will enter the region at some point in the future.

Financial support for this process needs to be secured through Government and indexed to CPI over the life of the project. The clear objective of this strategy is to monitor and measure visitor perception with regard to the Kimberley LNG Project. Furthermore, the collection of this data will enable the industry to adjust to changing circumstances and conditions thereby building greater resilience and reduce the impact of ongoing sustainability pressures.

Over 70% of visitors surveyed indicate they believed that increases in infrastructure and facilities will occur as a result of the LNG Precinct. This statistic implies that there is a sense of 'expectation' that infrastructure requirements will be met by the State and the Project Proponents. In turn, this must include meeting the needs of the tourism industry in order to maintain destination appeal.

The need for tourism infrastructure was a common theme in discussions with industry operators. When asked what type of infrastructure is required the need for a Safe Boat Harbour was consistently put forward. Previous studies undertaken with regard to the development indicate that the development of a Safe Boat Harbour would come at a substantial cost. Despite this, industry operators believe it is imperative that this type of infrastructure accompanies the Kimberley LNG Precinct. Furthermore, additional tourism infrastructure such as recreational areas, improved access roads, new attractions, public amenities, viewing platforms etc will undoubtedly be required as the industry moves through various stages of the development cycle. With this in mind, the strategy to address tourism infrastructure would require a substantial financial commitment.

In terms of access, it is assumed that airlines will respond to market demand from the resource sector. Additionally, respondents from the airline industry suggested that demand from the leisure market will continue to be met in Broome, particularly with three (3) major carriers servicing the town.

In summary, the direct impact of the LNG precinct on visitor perception and destination appeal is not anticipated to be significant *once they are here* (e.g. visibility of the processing plant etc). However it could be considered naïve and risky to suggest that tourism branding should not be proactively addressed. This is particularly important when the level of 'anti-gas' media coverage is likely to be in the process of 'ramping up' as the LNG development becomes imminent. Based on industry feedback, the indirect impact of the negative publicity underpins the need for collaboration and industry driven initiatives to strengthen and maintain market position.

The mitigation of negative impacts relating to tourism branding seeks to achieve the following outcomes:

- i. Reaffirmation of the core values and attributes associated with Broome's destination appeal
- ii. Development of a distinct Kimberley brand, and a distinct Broome brand.

- iii. Positive, consistent and factual messages to counteract current negative publicity
- iv. A firm commitment from Government to provide tourism marketing support as required for the duration of the project
- v. Greater industry collaboration with regard to cooperative marketing and the representation of the long term interests of the industry
- vi. Increased ability for Broome and the broader Kimberley to monitor the 'pulse' of the tourism industry (e.g. visitor perception, performance etc)

7.3 PROJECT OPPORTUNITIES

7.3.1 DAMPIER PENINSULA

The Dampier Peninsula / Cape Leveque road was the subject of much discussion amongst industry operators and stakeholders, and not surprisingly it was particularly of interest to Indigenous operators located on the Dampier Peninsula. The majority of those consulted believed that if an LNG

Precinct at James Price Point goes ahead, it is inevitable that the entire length of the Cape Leveque Road will eventually be sealed.

Opinions were divided as to whether this would be advantageous or detrimental to the Indigenous tourism businesses operating on the Dampier Peninsula. It was suggested that Indigenous tourism businesses that currently struggle to sustain their operation would benefit from a sealed road, as it will make the area more readily accessible to the vast majority of visitors. This will help to generate the critical mass of visitors required to ensure business success.

However, the view was also shared that the sealing of the Cape Leveque road will 'open the flood gates' and there is a very real concern that these small tourism operations (and the Peninsular in general) will be overrun with visitors.

Interestingly, when speaking with one of the traditional owners representing a particular area on the Dampier Peninsula the perspective was put forward that the LNG Precinct and the potential sealing of the road represents a prime opportunity for their people to 'create something better' for tourism.

This is not a universal view, and this diversity of opinion in terms of how the Kimberley LNG Project may impact Indigenous tourism is reflected in the following comments provided by respondents;

"As a business person you will need to decide whether you're going to make the best of it or are you going to make the worst of it."

"Visitor numbers will certainly increase. Whether that's good or not depends on how well they are managed."

"LNG development will cause an increase in ignorant visitors (to the region) who just want to get away and relax, instead of wanting to enjoy an Indigenous cultural experience"

"New attitudes will be brought to the region that will impact on our people located on the Dampier Peninsula. They will have limited understanding of how we function and our heritage"

"...coexistence is not possible in any form"

In terms of the potential sealing of the Cape Leveque Road, the key issue from a tourism perspective relates to controlling access and visitor movements in the area. Feedback from Indigenous groups on the Peninsula indicates that they consider tourism to be a key part of their future sustainability, however many respondents stated that tourism on the Peninsula must be developed on their terms.

The issues associated with an expected increase in visitor movements throughout the Dampier Peninsula was also highlighted by non-Indigenous Broome based operators, with the following comment reflecting a similar sentiment;

"The turn-off to the precinct from the Leveque Road should be developed for Tourism purposes, with a service station and utilized as a permit office for access to the Indigenous"

lands of the Peninsular. This would aid in the better management of conservation of these culturally and environmentally sensitive areas, and it would also generate income for the promotion of Indigenous culture and training.”

This comment cuts across other considerations not directly related to this study and it is assumed they will be captured through the other impact assessments running in parallel with this study.

Despite the differences of opinion surrounding the LNG Precinct and the likelihood of the Cape Leveque Road being sealed, a number of strategic objectives and associated recommendations have been put forward to both mitigate against and capitalise on the potential impacts of the gas precinct.

STRATEGIC OBJECTIVES

- To develop mechanisms through which access and tourism visitation to the Dampier Peninsula can be controlled, in a manner that is appropriate and acceptable to the people of the area
- To leverage opportunities arising from the Kimberley LNG Project that will help to sustain existing tourism businesses on the Dampier Peninsula
- To leverage opportunities arising from the Kimberley LNG Precinct through which new tourism products can be developed
- For the Dampier Peninsula to be recognised as the premier provider of authentic Indigenous tourism experiences in Australia.

RECOMMENDED STRATEGIES

- To finalise / update and implement the Dampier Peninsula Access Plan with a focus on initiatives designed to regulate and control visitor access to the area (e.g. permit systems etc)

Responsibility / Key Drivers: Shire of Broome, Dampier Peninsula residents, traditional owner groups, Kimberley Land Council (Land & Sea Unit), WA Planning Commission, Department for Planning & Infrastructure, ARDI Indigenous Tourism Operators Association

- To engage the Indigenous tourism businesses, traditional owners and other Indigenous people of the Dampier Peninsula in all aspects of visitor access, control and systems of regulation.

Responsibility / Key Drivers: Department for Planning & Infrastructure, Shire of Broome, Kimberley Land Council (Land & Sea Unit), Tourism WA, ARDI Indigenous Tourism Operators Association, WA Indigenous Tourism Operators Committee.

- To develop and implement initiatives and programs that will facilitate the introduction of rangers / wardens (Indigenous) on the Dampier Peninsula.

Responsibility / Key Drivers: Shire of Broome, traditional owner groups, Kimberley Land Council (Land & Sea Unit), Department for Planning & Infrastructure, Aboriginal Lands Trust, Department for Indigenous Affairs.

- To develop an Indigenous Tourism Master Plan for the Dampier Peninsula that addresses visitor access, infrastructure needs, new product development, marketing and promotion and business support requirements.

Responsibility / Key Drivers: Tourism WA, WA Indigenous Tourism Operators Committee, ARDI Indigenous Tourism Operators Association, Department for Indigenous Affairs, Shire of Broome, Kimberley Land Council, traditional owners

- To design and develop a Visitor Centre / Resource Centre that will be strategically located on the Dampier Peninsula for the purposes of controlling visitor access and acting as an administration base for new and existing tourism enterprises.

Responsibility / Key Drivers: Aboriginal Lands Trust, traditional owner groups, Shire of Broome, WA Planning Commission, Department for Planning & Infrastructure, Department for Industry & Resources, Department for State Development

RATIONALE

A number of Indigenous tourism operators based on the Dampier Peninsula do not believe the industry can co-exist with the proposed LNG Precinct. However, at the same time opportunities are thought to exist through which the future development of tourism on the Dampier Peninsula can occur.

The common theme through all discussions held with Indigenous tourism operators, and other groups located on the Dampier Peninsula, was controlling visitor access to the area. Visitor access to the Dampier Peninsula has been a point of contention for some time, hence the ongoing development of the Dampier Peninsula Access Management Plan.

These concerns have again been heightened by the expectation that the Cape Leveque Road will ultimately be sealed as a result of the Kimberley LNG Project. Visitor access issues are not solely confined to the leisure market and also extend to personnel engaged in the proposed Kimberley LNG project. For this reason a number of respondents expressed the view that personnel at the LNG Precinct must be restricted from having any free access to other areas of the Dampier Peninsula. This opinion underpins the strong view that mechanisms for controlling access need to be implemented including rangers / wardens, permit systems, and strategically placed infrastructure that will also serve to meet the needs of Indigenous business.

In terms of controlling access, infrastructure development on the Dampier Peninsula relates primarily to the construction of a Visitor / Resource Centre. Feedback from industry stakeholders suggests that this facility should be strategically located and appropriately funded as part of commitments to mitigating negative impacts and capitalizing on opportunities arising from the Kimberley LNG Project. As reported, the development and implementation of ranger / warden programs on the Dampier Peninsula will complement new infrastructure with respect to addressing concerns held over the controlling visitor access to the area.

One of the key traditional owner groups for the area associated with James Price Point has indicated a strong desire to address access and believes that this should ultimately be left to their people to manage. Although having a clear understanding of what they aim to achieve, support from the State and relevant agencies will be critical through the initial stages.

It is important to note that this traditional owner group was very clear in stating that it does not represent all people on the Dampier Peninsula. However, they believe that there are considerable benefits to be gained for Indigenous tourism through the project, including greater control over visitation, investment attraction and the opportunity for the Dampier Peninsula to be the premier provider of Indigenous tourism products in Australia. This point is reiterated in the comment that they intend to leverage opportunities for the common good and have a clear view that it must be on their terms.

The comment put forward that the Kimberley LNG Project provides opportunity to 'create something better' in terms of Indigenous tourism enterprises on the Dampier Peninsula demonstrates a belief that Indigenous tourism can benefit from the Project. The specific needs of Indigenous operators following a recent business audit by Tourism WA have been noted in Section 3.5.9 of this report. These needs, in conjunction with the prospect of new opportunities underpin the strategic recommendation that a Tourism Masterplan must be developed for Indigenous tourism on the Dampier Peninsula. It is envisaged that this piece of work will have the key objective to develop a clear path forward for Indigenous tourism on the Dampier

Peninsula that reflects the aspirations of the local people and identifies opportunities through which business sustainability and new product can be developed. It is anticipated that the Masterplan will also provide a clear perspective on what type of infrastructure and support is required for Indigenous tourism on the Dampier Peninsula. Although reference to these needs has been made in Section 3.5.9, they have not been quantified in financial terms on the basis that the findings from the audit need to be consolidated and reviewed in the context of an overall plan for the Dampier Peninsula.

Should the proposed LNG Precinct proceed, Indigenous tourism operators located on the Dampier Peninsula will be in a unique position. In conjunction with traditional owners and the main communities, opportunities can be leveraged that will strengthen and improve the sustainability of existing enterprises. Furthermore, the sealing of the road would essentially be the trigger to creating the critical mass of annual visitors necessary to sustain existing and new tourism enterprises into the future.

Capitalising on positive impacts relating to the Dampier Peninsula in terms of the anticipated sealing of the Cape Leveque Road seeks to achieve the following outcomes:

- i. Control of visitor access to the Dampier Peninsula
- ii. Sustainable future development of tourism on the Dampier Peninsula in the long term
- iii. Protection of existing tourism businesses against being overrun by a potential influx of visitors – managed growth!
- iv. Development of appropriate infrastructure to support tourism operators on the Dampier Peninsula

7.3.2 MARINE INFRASTRUCTURE

The marine tourism operators interviewed (20) through the qualitative research phase generally believed the tourism industry could co-exist with the proposed LNG Precinct at James Price Point,

rating a positive score of 0.3636⁵⁴. This is not to suggest there was no opposition to the LNG Precinct from this sector of the tourism industry. The range of views is captured by these two statements:

“The LNG Precinct simply cannot coexist with Tourism in any way”.

“There is absolutely no question Tourism and the LNG Precinct can fully coexist”

Many of the ‘pro’ opinions put forward were qualified on the basis that social and environmental considerations would need to be comprehensively addressed and managed.

In recent times there has been considerable publicity relating to a lack of safe marine infrastructure to support tourism operators and visitors to Broome. One visitor spoken to at a local caravan park had fallen whilst utilising the existing boating facilities two days prior and was preparing to fly back to Melbourne for an operation to fix a broken arm sustained in the fall. Her experience was documented in the local Broome Advertiser newspaper the following week. In fact, the Broome Advertiser currently has a campaign running to push for safer boat facilities and has received several hundred responses.

Information provided by the Broome Port Authority and suppliers to the oil and gas industry indicates that a significant level of additional marine infrastructure will be required should the Broome Port be chosen as the Supply Base for the LNG Precinct.

During the qualitative research phase, a marine tourism operator lamented the fact he already had problems getting access to the Broome wharf facility to repair his boat, and was worried about further marine activity exacerbating this problem.

It is clear from comments made by marine tourism operators that they believe this project represents an opportunity for the industry to leverage improvements to existing marine infrastructure. Marine tourism operators consistently suggested that a safe boat harbour and/or marina should be developed as part of any new marine infrastructure development at the Broome Port, as shown below:

“I could be persuaded of the benefits of the project if royalties from the LNG projects resulted in major upgrades of local community facilities, particularly boat ramps....we need a comprehensive marina facility developed for everyone – commercial and local pearlers, fishermen, recreational fishermen, tourists and so on”

“The Shire must lobby for better infrastructure for the town and the industry. From my perspective, these needs include a safe boat harbour, all weather boat ramps, filleting tables for tourists, rubbish bins etc”

⁵⁴ Marine tourism operators were asked to rate the degree to which the tourism industry could co-exist with an LNG Precinct at James Price Point on the following scale;

(No – can’t co-exist at all) -2 -1 0 +1 +2 (Yes – can definitely co-exist)

“The slipway out at the Port is a disgrace. If you’ve got to service boats at all we need a new slipway, otherwise the work will go to Darwin. You can’t get 50-foot charter boats out of the water.”⁵⁵

In terms of marine infrastructure, tourism operators interviewed also made reference to the need for additional boating facilities to be developed at locations other than the Broome Port.

Suppliers and service providers to the oil and gas industry have indicated that marine exclusion zones are a distinct possibility. With this in mind, marine tourism operators have recommended that additional marine facilities must be developed at locations that are not subject to exclusion zones or high levels of activity.

As highlighted in earlier sections, research suggests that successful destination development is considered to comprise a number of factors that in combination represent the quality and value elements which ultimately influence a visitor’s intention to return⁵⁶. Service infrastructure and destination environments play significant roles in determining destination quality⁵⁷

These points are raised for a number of reasons. Earlier reference has been made to the need for a sustained marketing and tourism branding effort to ensure that visitor perceptions of Broome and the Kimberley are not adversely impacted. Marketing and branding in isolation does not address all the key elements of a destination experience. Tourism infrastructure, amenities and facilities are of equal importance to the visitor experience offered and for this reason the proposal that improved marine infrastructure should be leveraged through the Kimberley LNG Project holds a high degree of merit.

The results of the visitor surveys support the notion that improvements in infrastructure will improve Broome’s tourism appeal. A large percentage of respondents believed the LNG Precinct would bring more direct flights to Broome (66.97%), and increase local infrastructure (80+%), and facilities (73+%). Linked to these perceptions, 71.99% of visitors responded that the LNG Precinct will either increase or have no impact on Broome’s tourism appeal.

The following strategic objectives and recommendations are proposed to address the marine based infrastructure issues:

STRATEGIC OBJECTIVES

⁵⁵ It should be noted that this comment was not provided by a marine tourism operator

⁵⁶ P. Murphy, Pritchard and Smith, 1999. *The destination product and its impact on traveller perceptions*. Tourism Management 21 (2000) pp 34-52. Accessed online www.elsevier.com/locate/tourman on 1 April 2009.

⁵⁷ Gotlieb, Grewal & Brown, 1994 cited in Murphy, Prichard and Smith 2000. *The destination product and its impact on traveller perceptions*. Tourism Management 21 (2000) pp 34-52. Accessed online www.elsevier.com/locate/tourman on 1 April 2009.

- To protect the interests and integrity of the marine tourism industry in the Kimberley region with regard to the availability and accessibility of marine infrastructure.
- To secure a commitment from Government for the development and funding of a Safe Boat Harbour in Broome.
- To develop and improve the marine infrastructure and facilities in and around Broome in order to meet the needs of tourism operators, residents and visitors.
- To minimise the impact of proposed marine exclusions zones on the operations of marine tourism operators.

STRATEGIES

- To work in conjunction with relevant authorities and the project proponents in developing agreed standard operating procedures for all users of marine facilities in and around Broome.

Responsibility / Key Drivers: Broome Port Authority, project proponents, Kimberley Marine Tourism Association, Broome Fishing Club, Department for Planning & Infrastructure

- Develop and endorse a memorandum of understanding between relevant marine authorities and users of facilities to ensure the availability and accessibility of marine infrastructure is maintained for the tourism industry

Responsibility / Key Drivers: Broome Port Authority, Department for Planning & Infrastructure, Kimberley Marine Tourism Association, Fisheries Department, Broome Fishing Club, Project Proponents and associated support industries

- In conjunction with the Broome Port Authority, prepare and submit a business case supporting the development of a Safe Boat Harbour in Broome

Responsibility / Key Drivers: Broome Port Authority, Tourism WA, Kimberley Marine Tourism Association, Broome Fishing Club, Department for Planning & Infrastructure

- Identify suitable locations and prepare a business case for the development of supporting marine infrastructure in alternative locations (e.g. boats ramps, loading platforms etc)

Responsibility / Key Drivers: Tourism WA, Kimberley Marine Tourism Association, Broome Fishing Club, Department for Planning & Infrastructure, Fisheries Department

RATIONALE

Marine tourism operators in the Kimberley region have indicated they believe the proposed LNG Precinct can co-exist with tourism, provided the project is adequately managed and the interests of the tourism industry are protected. It would appear that there is a sense of compromise in taking this position, with tour operators suggesting that the opportunities for improved infrastructure outweigh the potential negative impacts.

Some operators were concerned about the visibility of the LNG Precinct, suggesting that every effort should be made to set it back from the shoreline as far as technically possible. However it was made apparent that James Price Point represents a section of the coastline that is not a 'drawcard' for the Kimberley cruising industry.

A number of operators stated that whilst they would prefer not to see a gas precinct at all, they generally departed on dusk and 'steamed past' this section of coastline heading directly for the tip of the Dampier Peninsula and beyond. On that basis, it appeared the majority of operators 'could live with' the gas precinct at James Price Point but had expectations that the tourism industry should benefit from the project.

Marine tourism operators and recreational boating enthusiasts have been lobbying for improved marine infrastructure for a number of years. Over the past decade an increase in the number of marine tourism products operating out of Broome has placed additional pressure on existing facilities. This has raised deep concerns in relation to safe working practices and a heightened level of risk associated with passenger safety.

Without exception, when asked about opportunities that may arise as a result of the proposed LNG Precinct, the subject of a Safe Boat Harbour was invariably raised. As an area prone to cyclones and monsoonal storms, it seems reasonable to assume that any improvements to marine infrastructure at the Broome Port could include the development of a Safe Boat Harbour.

The development of a safe boat harbour would provide a major boost for the marine tourism industry in the Kimberley, alleviating concerns over passenger and employee safety, and facilitating improved shelter from tropical storms.

Reference to a Safe Boat Harbour has already been made in Section 7.2.4 of this report. This reference related to the need to complement tourism branding with appropriate infrastructure development. Clearly the marine tourism industry and other mainstream operators concur on the need to use the Kimberley LNG Project as an opportunity to leverage better outcomes in terms of tourism infrastructure.

Feedback from suppliers and service providers to the oil and gas industry clearly indicate that it is inevitable that marine infrastructure at the Broome Port will require upgrading to service the Kimberley LNG Project. Therefore from a tourism industry perspective it is considered logical that the marine infrastructure needs of the Kimberley LNG Project and those of the tourism industry should be addressed through the one activity. However, it is not unreasonable to assume that economies of scale could be gained by undertaking this project in conjunction with the marine

infrastructure developments to meet the needs of the Kimberley LNG Precinct (e.g. breakwaters, jetty extensions, channeling, mooring sites etc).

From a tourism perspective many operators recognised that Broome was a popular destination for tourists that were also recreational boating enthusiasts and fishermen. In all probability, the facilities at the Broome Port could become increasingly restricted as the LNG Precinct is developed and marine traffic intensifies. With this in mind, the strategy has been recommended that boating facilities and supporting marine infrastructure needs to be developed or improved at alternative locations around Broome. The proposed strategy in relation to this aspect includes the recommendation that marine tourism operators and other stakeholders prepare a comprehensive business case for submission to Government for the purpose of seeking necessary financial support for additional marine infrastructure development.

In summary, the view from marine tourism operators that the industry can co-exist with the LNG Precinct comes with an element of opportunism that marine infrastructure benefits can be leveraged for the industry. Given that the Broome Port will require significant upgrading of facilities it does not seem unreasonable for the marine tourism operators to expect that their needs can be addressed at the same time.

Strategies to capitalise on opportunities arising from the proposed LNG in terms of marine infrastructure seek to achieve the following outcomes:

- i. Development of a safe boat harbour in Broome
- ii. Consideration of marine tourism needs with regard to exclusion zones and common user marine infrastructure and facilities in Broome
- iii. Development of marine infrastructure and boating facilities at alternative locations around Broome

7.3.3 INTERNATIONAL AIR SERVICES

In 2005 Australia's North West Tourism (ANW) was successful in securing Federal Government support to explore the potential of establishing an international air service into Broome. The most logical route for this service was thought to be Singapore - Broome.

Since commencing this project considerable time and effort has been devoted to visitor research, discussions with potential carriers and quantifying key factors that influence route viability. A cautious approach has been adopted on the basis that several attempts to establish an international service have failed (e.g. Denpasar – Broome) and the project proponents are determined to build a service that will be sustainable.

The tourism industry is obviously aware of efforts made to establish an international service from Singapore. The project has been raised by many operators as a significant opportunity for the tourism industry arising from the proposed LNG Precinct.

Oil and gas is a global industry. Suppliers and providers to the oil and gas industry suggest employees with particular high levels skills and technical expertise are required to operate an LNG processing plant. Furthermore accessing required technical expertise for the project will necessitate bring people into the Kimberley from across the globe. This point was also noted by a number of tourism operators.

As an indication of this sentiment the following comments were noted;

"More flights = good for tourism. Greater prospects of international flights"

"There may be a positive impact on our ability to attract international flights. Having an international industrial workforce might encourage Singapore flights, for example."

"This type of project that will sustain and ultimately grow existing air capacity, including international services. That can only be a good thing for tourism in terms of having a competitive air service market into Broome and seats available for leisure visitors"

Despite a concerted effort being made to date, the tourism industry has been unable to establish an international service into Broome. This has been due to a number of factors, however the process undertaken has provided the industry with a clear understanding of key elements that need to be considered and addressed.

Critical factors in route sustainability include the need to have solid passenger loads in both directions and the correct 'mix' of corporate and leisure passengers, which in turn minimises the cost per available seat kilometre (ASK). This is particularly important in Broome's case. To date Broome has not has the depth of corporate business to support an international service, however this scenario could change significantly should the Kimberley LNG Project proceed.

With this in mind and taking industry sentiment into account the following strategic objectives have been determined.

STRATEGIC OBJECTIVES

- To improve the accessibility of the Kimberley region to core international markets (e.g. UK/Europe)
- To use the proposed Kimberley LNG Precinct in establishing a sustainable, regular international air service between Broome and Singapore
- To grow the number of international visitors into the Kimberley region

STRATEGIES

- Work in collaboration with project proponents to quantify international travel needs associated with the Kimberley LNG Precinct

Responsibility / Key Drivers: Australia's North West Tourism, Broome Chamber of Commerce, Tourism WA, WA Chamber of Minerals & Energy, Project Proponents, Department for Planning & Infrastructure, Broome International Airport

- Prepare and submit a business case to prospective carriers demonstrating route viability and sustainability prospects

Responsibility / Key Drivers: Australia's North West Tourism, Broome Chamber of Commerce, Tourism WA, Broome International Airport

- Peak tourism industry bodies and the project proponents to secure financial support from Government for the launch of the service and initial period of operation

Responsibility / Key Drivers: Tourism WA, Australia's North West Tourism, Broome Chamber of Commerce, Broome International Airport, Project Proponents

RATIONALE

At this point in time the tourism industry has been unable to convince a prospective carrier that an international air service between Broome and Singapore is viable. A key reason for this has been the virtual total reliance on tourism as the basis for the service and route viability.

The proponents of the project have long been of the view that route viability would be far easily demonstrated if a significant industry sector was also seeking these services. It is now clear that the tourism industry views the proposed Kimberley LNG Precinct as the opportunity to partner with the oil and gas sector in driving this initiative forward.

Discussions with senior airlines officials revealed an optimistic view of the prospects of developing an international service into the Kimberley. On the domestic front, lack of seat capacity and rising fares are considered highly unlikely scenarios within aviation circles. This point was made on the basis that Broome has highly competitive aviation routes that have been founded on tourism. Aviation officials strongly made the point that the potential coexistence of tourism with an LNG Precinct provided a range of opportunities to expand and improve air access into the Kimberley region. In their view this could only be to the benefit of tourism.

Although Broome has been recognized as a town that has been proactive and entrepreneurial in its approach to developing tourism, the launch and financial support required for a new international air service will undoubtedly require financial assistance from Government. The core purpose of these funds being to optimise the level of marketing capacity required to successfully launch a new service of this nature.

In summary, the presence of an LNG Precinct in the Kimberley is considered by many tourism industry stakeholders to provide significant opportunities with regard to air services. More specifically, it stands to strengthen the case for an international air service into the Broome and stimulate further expansion in domestic services. As discussed earlier in this document, access is recognised as a key element of destination development. The anticipated expansion of air services as a result of the LNG Precinct will not only strengthen destination appeal but will also facilitate a broadening of core markets and contribute towards a more resilient tourism industry.

Strategies to capitalise on opportunities arising from the proposed LNG in terms of air services seek to achieve the following outcomes:

- i. Introduction of an international air service from Singapore
- ii. Growth in the number of international visitors to the Kimberley
- iii. Broadening of core tourism markets for the Kimberley region

APPENDICES

APPENDIX 1

A.1 TOURISM WORKING GROUP

The Tourism Working Group (TWG) was one of eight (8) working groups of the NDT and consisted of 12 tourism-related personnel who were asked to take part in 3 local workshops arranged by the NDT. Its members included:

Vaughan Davies - Tourism Western Australia	Ms Tanya Barnes Tourism WA	Ms Gail Gower - Broome & The Kimberley Holidays	Ms Jenny Kloss - Derby Visitor Centre
Jeff Ralston - Pearl Sea Coastal Cruises	Mr Paul Adair - Broome Visitor Centre	Glen Chidlow - Australia's North West	Mr Robert Vaughan Kimberley Marine Tourism Association
Mr Chris Nisbett Kimberley Marine Tourism Association	Mr Gary Tuck - Kimberley Marine Tourism Association	Mr Kevin Blatchford - Kimberley Marine Tourism Association	DSD Team Members: Gillian Gallagher Nick Hopkins Duncan Ord
Phil Cox - Australian Pacific Touring			

TABLE 15: MEMBERS OF THE NORTHERN DEVELOPMENT TASKFORCE TOURISM WORKING GROUP

The first workshop of the NDT's Tourism Working Group (TWG) took place on November 30, 2007 and after initial introductions and an NDT purpose/background session from the Chairperson, the Group were already in agreement on two points:

1. There should be no development on the Maret Islands
2. The first preference of the TWG is to process the gas away from the Kimberley
i.e. Burrup Peninsula

Having voiced these two apparent directives, the meeting entered an overview process which began with the Group identifying the icons and attractions that form the basis of the Kimberley tourism product. These included:

- Rugged Outback Experience
- Kimberley Coastal Cruising
- Purnululu National Park
- El Questro Wilderness Park
- Horizontal Waterfalls
- Fishing Experience
- Comfort Adventure Experience
- Gibb River Road

- Broome

When assessing the value of the Tourism Industry as part of the overall regional economy, the TWG accepted the Kimberley Development Commission's 2006/7 figures that placed Tourism third on the scale, with an estimated revenue of \$257M⁵⁸ for 2007. Retail Trade was ranked second in the same study, with revenue in excess of \$300M, and Mining was the region's biggest earner for the 2006/7 period, delivering \$991M.

Combined with its use of Kimberley Development Commission data, the TWG also drew on statistics from the Broome Visitors' Centre and the Broome International Airport, as well as TNS research commissioned by Australia's North West in 2006. The TNS material that was presented to the TWG focused on social research and information pertaining to Tourism management on the Kimberley Coast. The statistics outlined the size and popularity of the Kimberley Marine Tourism Industry and the relative importance to it of environmental and cultural sensitivity. It also included the following general Kimberley visitor growth forecasts:

2006	2012	2025	2045
238,352	342,905	623,300	876,931

TABLE 16: TNS (2006) ESTIMATED KIMBERLEY VISITOR FORECAST

With the Kimberley tourism product and its value to the region identified, the Workshop moved into identifying known resource developments on the Kimberley Coast and then developing a selection criteria matrix to assess potential LNG precinct locations.

The Group compiled a list of 23 'LNG Impact' issues ranging from aspects of environmental degradation to their belief that there has been and continues to exist a lack of 'all of government' approach to planning for the Kimberley region.

Each of these issues was discussed, prioritised and grouped into the following points of major impact to the tourism industry:

1. Loss of wilderness and uniqueness
2. Impact on workforce
 - Shortages
 - Quality
 - Skills
 - Loss of tourism appeal
 - Cost of living
3. Loss of tourism product
 - Flights

⁵⁸ (It should be noted that KPP Business Development believe this study is inaccurate insofar as it may not have applied relevant Multiplier factors to its assessment of the region's tourism revenue)

- Operators (through diversion and financial loss)
- 4. Lack of management planning (all of government)
- 5. Accommodation
 - Short stay
 - Residential

In recognition of and response to these impact areas, the TWG devised selection criteria against which the group might determine the suitability of proposed LNG precinct sites. These criteria were captured in the following matrix:

Issue / Impact	Criteria
Loss of wilderness and uniqueness	<p>The Kimberley coastline is highly regarded as a tourism experience due to its wilderness and largely untouched areas and a brand that has been developed over a long period. Site selection needs to:</p> <ul style="list-style-type: none"> • Avoid a site that impacts on the wilderness aspect of the Kimberley coast and offshore islands and associated tourism activities • Avoid a site that threatens or degrades the iconic outback/wilderness experience and causes a detrimental experience to visitors by way of loss of perceived remoteness due to visual industrial presence
Impact on workforce <ul style="list-style-type: none"> ▪ Shortages ▪ Quality ▪ Skills ▪ Loss of tourism appeal ▪ Cost of living 	<ul style="list-style-type: none"> • Kimberley towns are much more reliant on tourism than those towns in the Pilbara. Site selection needs to: • Avoid a site that will cause detrimental impact on the tourism workforce due to unsustainable living costs associated with industrialisation.
Loss of tourism product <ul style="list-style-type: none"> • Flights • Operators (through diversion and financial loss) 	<ul style="list-style-type: none"> • Avoid a site that will have detrimental effects on the number and price of RPT aircraft seats available to leisure visitors.
Lack of management planning (all of government)	<ul style="list-style-type: none"> • Site must be determined by considering a holistic approach based on benefits to the entire Kimberley economy, including community, heritage, cultural, environmental and tourism values.
Accommodation <ul style="list-style-type: none"> ▪ Short stay ▪ Residential 	<ul style="list-style-type: none"> • Avoid a site that will promote short stay accommodation rooms in established tourist destinations being occupied by the workforce required to construct and operate industrial development. • Site must have capacity to establish sufficient workers accommodation.

This matrix was the culmination of the TWG's first workshop and the application of it to proposed LNG development sites was left to the Taskforce and to subsequent TWG workshops.

On March 7, 2008, the TWG reconvened with 9 members. The Chair of the TWG reported progress on the strategic assessment and the public comment period. In his introduction to the Group, the Chair touched on matters relating to the Environmental Protection Act, Indigenous heritage, native species, social and community impacts and the possible assessment of values for National Heritage listing.

While there was some discussion around the levels of protection afforded to a National Heritage listed area, from Industry, this second workshop focused on the *fatal flaw concept* and *the role of Indigenous consent* in the site evaluation process. A map was introduced to the Group with the title, Short Listed Sites, though members were advised that the title was potentially misleading as the Taskforce had not at that time arrived at a short list of sites. In reference to a number of Southern Kimberley sites that appeared on the map, the Group expressed its concerns for the impacts likely to be felt by Broome and general opposition to these sites had been registered by local, Broome tour operators.

In answer to this opposition, the group was informed that a social impact study, including tourism issues, would be carried out, as (in spite of the TWG's mention of opposition to South Kimberley sites) there is a strong likelihood that the choice of site will be within 200 kilometres of Broome.

Scott Reef was then discussed as an alternative to piping gas to Darwin and it was mooted as a site having the least impact on Kimberley tourism. In the same discussion, the Group agreed that boat movements would negate the "wilderness" status of the Maret Islands, which should thereby remove them from further consideration.

In the same vein as one of the primary directives from the first TWG workshop, the Group agreed that Cockatoo and Koolan Islands would be the preferable choice, in a 'least worst' scenario, given the constraints of the other areas shown by the map as being under consideration (*the Burrup did not feature*).

As the final point of this second workshop, it was stated by the TWG Chairperson that any gas on-shore option must have Indigenous consent and processes were being implemented to ensure sufficient consultation with Aboriginal people of the region.

On May 20, 2008, the third and (so far) final TWG Workshop convened at the Broome Visitors' Centre. The Chairperson began the meeting by reconfirming that the State Government needed to identify a preferred location for an LNG Precinct in the Kimberley region *regardless of whether Inpex goes to Darwin or Woodside decide to go to the Burrup*. It was put to the Group that, in any event, the work being undertaken in the assessment of suitable sites would be of use in case any (LNG) development occurs in the region in the future.

The third workshop focused on 8 locations with the directive that a short-list of 2 or 3 sites would be confirmed by July of that year (two months later) and no sites would be considered without

endorsement from Traditional Owners (TO's). It was then explained to the Group that the TO's approval would be negotiated with the WA State Government through the Kimberley Land Council (KLC), as the representative of all [Aboriginal] groups in the Kimberley.

The Chairman then directed the Group to the site selection criteria document and discussion was held regarding marine exclusion zones, boat movements, and terrestrial, marine and ethnobiological studies. However, many of the questions posed by the TWG were unable to be answered by the NDT Team Members, as the relevant studies were still underway at the time.

That discussion led into site specific discourse outlining development pros and cons, which included:

Gourdon Bay

- 'Coastal waters not deep enough' is inaccurate
- To make it practical, it would need a large breakwater
- Marine environment is simple
- Terrestrial is good

Coulomb – Quondong Point

- Terrestrial is mostly unsuitable
- Marine bathymetry is possible
- Quondong is rated slightly ahead of James Price Point
- A lot of recreational fishing is done there and it's too close to Broome

North Head

- Is possible

South of Lombardina

- "that is a fabulous area from a Tourism perspective"

Koolan Island

- Favoured site of the Tourism Working Group
- Not large enough for a full hub or precinct
- Cockatoo could be used as an addition

The general feeling from the third Workshop, as it was with the first & second workshop, was that Koolan Island in particular was the preferred site of the NDT's Tourism Working Group (if the Burrup was not being considered). The TWG has not reconvened since that workshop.

In July 2008, after preliminary technical assessment of 43 LNG development sites identified by industry and Government, the Northern Development Taskforce released an interim report recommending 11 sites for further evaluation of their suitability. This report was "prepared

following comprehensive site evaluation and stakeholder consultation involving over 100 people (organised into Industry Working Groups) with professional expertise in oil and gas, the environment, heritage, fishing, pearling, planning, tourism and Aboriginal culture.”

Feedback from the various Working Groups, including Tourism, was consolidated into a two-part Site Evaluation Report (SER), the contents of which was subjected to a period of public comment and subsequently released in October 2008.

The October 2008 two-part Site Evaluation Report “recommended 4 sites, all of which were supported by the Traditional Owners, for further evaluation as having the potential to be used as a site for a multi-user LNG processing precinct.” The sites identified by the October Report were:

- Anjo Peninsula (situated in the far north of W.A.)
- North Head (located on the Dampier Peninsula)
- James Price Point (located on the Dampier Peninsula)
- Gourdon Bay (situated South of Broome)

In accordance with the Strategic Assessment Agreement between the State and Commonwealth Government, the NDT responded to the issues raised by public comment and continued in its efforts to further evaluate the sites, in adherence of the Environmental Protection Act 1986 (WA). Geo-technical assessments, environmental studies and further stakeholder consultation were undertaken in preparation for the final Site Evaluation Report.

In December 2008, the final Site Evaluation Report was published and it identified James Price Point as the preferred site for the proposed multi-user LNG processing precinct. However, the report acknowledged that the preferred site would require more environmental and regional impact assessment, as well as heritage surveys and negotiations over land tenure.

APPENDIX 11

A.II. COPY OF ONLINE RESIDENTS SURVEY

Current Perception of Tourism

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
Tourism is good for Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The increasing number of tourists is ruining the character of Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Continued growth of tourism is good for Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The LNG Precinct DevelopmentThe Browse Basin is a significant natural gas reserve around 350kms north west of Broome. The WA Government is considering the development of a Liquefied Natural Gas (LNG) Precinct on the Kimberley coast to enable processing of natural gas from the offshore Browse Basin. The location of the Precinct being considered is at James Price Point which is about 60kms north of Broome.

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
The LNG Precinct development at Prices Point can co-exist with tourism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broome needs the LNG Precinct development so that the town can expand its economic base	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Kimberley coast will be ruined as a direct result of the proposed LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism will never recover from the impacts of the proposed LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New industries are good for the Broome economy but they will compromise the character and laid back nature of the town	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The anti gas lobby are doing greater harm to tourism than the Precinct itself would ever create	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The proposed LNG Precinct development will be good for Indigenous people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indigenous culture may be threatened by the LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Lifestyle & Environment

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
There is already an inadequate supply of affordable housing in Broome. This development will just make it worse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The image of Broome and the Kimberley will be damaged as a direct result of the LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The LNG development will contribute to better services (eg health) and infrastructure (eg roads, port,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

airport) in Broome					
The cost of living in Broome will increase due to the development of an LNG Precinct at Prices Point	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There will be more training and jobs as a direct result of the LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broome will become a town operating at capacity for 12 rather than 7 months a year as a direct result of the LNG Precinct development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Rank the factors that will impact most NEGATIVELY on Broome's tourism market in the short term where 1 is the most negative and 5 is the least negative?

- Global financial crisis _____
- Global safety and health issues _____
- Price of fuel _____
- LNG Precinct development _____
- Competition from other destinations _____

Which factors will impact most NEGATIVELY on Broome's tourism market in the long term where 1 is the most negative and 6 the least negative?

- Global safety and health issues _____
- Global economy _____
- Threat of increased industrialisation of the Kimberley coast _____
- Climate change _____
- LNG Precinct development _____
- Competition from other destinations _____

Impact Strategies

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
More money will need to be spent in tourism marketing to counter the negative publicity around the development of the LNG Precinct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blokes in fluoro jackets, driving in 4WD with orange flags have to be excluded from Broome to protect the towns image as a tourist centre, not a mining town	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No amount of money or publicity can help the damage that will be created for tourism as a direct result of the development of an LNG Precinct at Prices Point	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The LNG Precinct can co-exist with tourism if the Shire and governments plan is proactive and not reactive to the changes in demand for services and infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The LNG development should proceed only if it is regulated by the most stringent environmental standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broome is a tourist town and we do not want a fly-in-fly-out culture to develop. The company(s) who employ these workers will need to restrict them to the Precinct area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Your Views

Which of the following is the MOST IMPORTANT to you?

1. Cheaper and more flights to and from Broome
2. No LNG Precinct development at Prices Point
3. Increased business and work opportunities in and around Broome

Which of the following is LEAST IMPORTANT to you?

1. Damage to the Kimberley coast environment
2. Damage to Broomes tourism industry
3. Damage to Broomes image as a tourist destination

Assuming that the LNG Precinct will be developed at Prices Point, please rank the following issues from 1 to 5 where 1 is the issue of most concern to you and 5 is the issue of least concern to you.

- The potential damage to Broomes tourism industry _____
- The potential damage to the Kimberley coasts environment _____
- The potential increased business activity in Broome due to an increased population, tourists and visitors _____
- Lack of services and infrastructure (roads, schools, hospital, medical services, airport....) to meet increasing demand _____
- The threat to lifestyle and the laid back nature of Broome _____

Some information about you.

Are you

1. Male
2. Female

What age group are you in?

1. 12 - 17
2. 18 - 21
3. 22 - 29
4. 30 - 39
5. 40 - 49
6. 50 - 59
7. 60 - 64
8. 65 & over

How long have you lived in Broome?

1. Less than 2 years
2. 2 - 5 years
3. 6 - 10 years
4. 11 - 20 years
5. 21 years or more

Which best describes your (pre tax) household income?

1. Less than \$40,000
2. \$41,000 - \$75,000
3. \$76,000 - \$99,000
4. \$100,000+

Are there any specific comments you would like to make about the impact of the proposed LNG Precinct developments impact on TOURISM?

APPENDIX III

A.III. COPY OF VISITOR SURVEY

Part I

What are the things that are important to you when planning a holiday?

1. Sandy beaches
2. Pleasant, warm weather
3. Value for money
4. Wilderness experience
5. Cultural &/or eco-experience
6. Leisure activities and/or nightlife
7. Place to relax
8. Attractive and/or rugged scenery
9. Personal safety and health issues
10. Other

How long ago did you start to plan this holiday?

1. 3 months or less
2. 6 months
3. 12 months or longer

How did you get to Broome?

1. Car
2. Bus
3. Air
4. Sea
5. Other

While in Broome, did you take a 4WD trip or tour?

1. Yes
2. No

What were the reasons you chose to come to Broome for this holiday?

1. Visiting friends or family
2. Good airfare deal
3. Good accommodation deal
4. Wilderness
5. Gateway to the Outback
6. Sandy beaches
7. Different to other destinations in Australia
8. Heard good things from friends
9. Point of entry into the Kimberley region
10. Other

What did you do while you were on holidays in Broome?

1. Go to the beach
2. Visit markets
3. Visited commercial/industrial tourism attraction such as Pearl Farm, Argyle Mine..
4. Took a scenic tour or flight
5. Took a cultural tour
6. Took a guided/organised day tour
7. Took a guided/organised extended tour
8. Took a fishing tour
9. Visited art galleries
10. Visited cafes/restaurants
11. Observed a natural phenomenon (ie Staircase to the Moon, prehistoric footprints)
12. Attended a music and/or art festival
13. Other

What other destinations did you visit on this holiday?

1. Bungle Bungles
2. Gibb River Road
3. Dampier Peninsular
4. Cape Leveque
5. Geike Gorge
6. Kununurra
7. Derby
8. Prince Regent River
9. Kings Cascade
10. Camballin (wetlands)
11. Kimberley Coast
12. None, stayed in Broome
13. Other

Did Broome live up to your expectations?

1. Yes
2. No
3. Comment

Will you plan another holiday in Broome / the Kimberley or recommend the destination to family and friends?

1. Yes
2. No
3. Don't know

Have you heard of the Browse Basin?

1. Yes
2. No
3. Don't know

Part II

The Browse Basin is a significant natural gas reserve around 350kms north west of Broome. The State Government is considering the development of a Liquefied Natural Gas (LNG) Precinct on the Kimberley coast to enable processing of natural gas from the offshore Browse Basin. The location of the Precinct being considered is at James Price Point which is about 60kms north of Broome. To what level would this type of development impact on the following?

	Extremely Negative	Negative	Make no Difference	Positive	Extremely Positive
Your image of Broome and the Kimberley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your plans to return to Broome and the Kimberley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The likelihood of your recommending Broome and the Kimberley to family and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

People have talked about the type of impacts Broome might see if this development went ahead. What do you think the impacts might be on the following?

	Increase	Decrease	No Change
Direct flights to Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price of flights to Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure (roads, airport, port)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilities (shops, restaurants)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Road and air traffic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in Broome(mine workers and visitors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Level of activity in Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broadscale damage to the Kimberley environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Broomes tourism appeal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assuming the following impacts, how would each influence your decision regarding a return visit to Broome?

	Id be less likely to return to Broome	It would make no difference	I would probably return to Broome
More flights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheaper flights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved Infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More road and air traffic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More people in Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Generally more activity in Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Damage to the Kimberley coast environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Damage to the image of Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which of the following is most important to you?

1. Cheaper and more regular flights to Broome
2. No LNG development on the Kimberley coast

Which of the following is least important to you?

1. More and better infrastructure in and around Broome
2. Development of an LNG Precinct 60kms from Broome

Do you have any general comments about this type of development or the impacts it may have for the future?

Are you:

1. Male
2. Female

What age group are you in?

1. 12 - 17
2. 18 - 21
3. 22 - 29
4. 30 - 39
5. 40 - 49
6. 50 - 59
7. 60 - 64
8. 65 & over

Where do you live?

1. Western Australia
2. Northern Territory
3. South Australia
4. Queensland
5. New South Wales
6. Victoria
7. Tasmania
8. Outside Australia - Asia
9. Outside Australia - Europe
10. Outside Australia - North America
11. Outside Australia - United Kingdom
12. Other
13. Postcode

Which best describes your (pre tax) household income?

1. Less than \$40,000
2. \$41,000 - \$75,000
3. \$76,000 - \$99,000
4. \$100,000+

APPENDIX IV

A.IV. STAKEHOLDERS CONSULTED

All Seasons	K2O
Alligator Airways	Kimberley Wild Expeditions
Anastasias	Kim Fine Diamonds
APT/Kimberley Wilderness Adventures	Kimberley Development Commission
ARDI	Kimberley Dreamtime Adventure Tours
Ardyaloon	Kimberley Grande
Art House	Kimberley Group Training
Astro Tours	Kimberley Kayak Fishing
Aussie Offroad Tours	Kimberley Land Council
Australia's North West Tourism	Kimberley Marine Op Assn
Avis	King Leopold Air
Bali Hai Resort	King Sound
BBQ Boat	Kingswood Marine
Beaches	Kooljaman @ Cape Leveque
Best of the Kimberley	Kullarri Regional CDEP Inc
Betty's Frock Shop	Kullarri Employment Services
Billfish Charters	Kununurra Visitor
Blooms Café	La Djardarr Bay
Blue Seas Resort	Lakeside Resort
Broome & The Kimberley Holidays	Linneys
Broome Adventure Company	Lombadina
Broome Aviation	Lovell Gallery
Broome Beach Resort	Lustre Bar
Broome Bowling Club	Madarr (Barramundi Moon)
Broome Broome	Mamabulanjin
Broome Caravan Park	Mangrove Hotel
Broome Chamber of Commerce	Matrix
Broome Crocodile Park	Matso's Café
Broome Eco Adventures	McAlpine House
Broome Factory	Mercedes Cove
Broome First National	Mercure Inn
Broome Fishing Club	Middle Lagoon
Broome Golf Club	Moonlight Bay Apartments
Broome Helicopters	Mowanjum Arts
Broome Hovercraft	Mt Barnett Station
Broome International Airport	Nagula Aboriginal Tour
Broome Motel	Oaks Resort
Broome Sightseeing Tours	Ocean Lodge
Broome Taxis	Odyssey Expeditions
Broome Turf Club	Old Zoo Café
Broome Visitor Centre	One Tide Charters

Buccaneer Sea Safaris	Orion
Cable Beach Club	Outback Spirit
Cable Beachside Resort	Palm Grove Caravan Park
Captains by the Bay	Pearl Sea Coastal Cruises
Chile Creek	Pearl Town Taxis
Chomley's Tours	Pinctada Cable Beach
Chunes	Port of Broome
Cocos Beach Bungalows	PRD Nationwide
Copy Cats	Qantas
Coral Princess	Red Sun Sports
Courthouse B & B	Reel Cruzie Charters
Crossing Inn	Reel Teaser
Deep Sea Moonlight Pearls	Roebuck Bay Backpackers
Derby Enterprise Centre	Roebuck Bay Caravan Park
Derby Visitor Centre	Roebuck Bay Hotel
Diamonds & Pearls Café	Save the Kimberley
Discover The Kimberley	Scenic Tours
Discover West	Seashells Resort
Doongan	Sentosa Fishing Charters
Drysdale	Shekki Boutique
East Kimberley Tours	Shiba Lane Apartments
Eco Beach	Shire of Broome
Entrance Caravan Park	Short St Gallery
Environs Kimberley	Skywest
Europecar	Slingair
Fish Broome (Waverider & Rare Breed)	Broome Small Business Centre
Fitzroy River Lodge	Tackle World
Frangipani Resort	Tarunda Supermarket
Freshwater Cove	The Bay Gallery
Ganada	The Pearle
Gecko Gallery	Thrifty
Goomburagyn	Tidal Elegance & Shell House
Great Escape Charter Company	TOLL / Mermaid
GRUNT	Tourism Council WA
Habitat Resort	Triple J Tours
Hertz	True North
Hidden Valley Caravan Park	Tourism Western Australia
Horizontal Falls Seaplane Adventures	Unreel Adventure Safaris
Hotel Kununurra	Uptuyu Tours
Hutchinson Real Estate	WAITOC
Indigenous Business Australia	West Kimberley Fuels
Indigenous Coordination Centre	Wharf Restaurant
	Willie Creek Pearl Farm
	Willie Pearl Lugger Cruises
	Wundargoodie Aboriginal Tours

APPENDIX V

A V STAKEHOLDER CLUSTER GROUPS

As a systematic approach was crucial to ensure a sound process was achieved to develop propositions to be tested through the quantitative phase, it was considered that “clusters of stakeholders” would be the most appropriate approach. A total of 14 cluster groups were developed to ensure all stakeholders were included in the study as follows:

- Cluster 1 (n=8): Tourism Associations (ANW, Broome Visitor Centre, AARDI, WAITOC, Tourism Council of WA, Recreational Fishing WA)
- Cluster 2 (n=1): Project proponents (Woodside)
- Cluster 3 (n=20): Community and Special Interest Groups (Shire of Broome, KLC, Save the Kimberley, Turf Club, Environs Kimberley, Golf Club, Fishing Club)
- Cluster 4 (n=6): Business Groups (Chamber of Commerce, Kimberley Development Commission, Real Estate Institute of WA)
- Cluster 5 (n=8): Oil & Gas Suppliers (Port of Broome, Broome International Airport, Airlines)
- Cluster 6 (n=5): Indigenous employment agencies (IBA, ICC, KRCl etc)
- Cluster 7 (n=20): Visitors to Broome
- Cluster 8 (n=26): Accommodation Providers
- Cluster 9 (n=12): Land Based Tourism Operators
- Cluster 10 (n=20): Marine Based Tourism Operators
- Cluster 11 (n=12): Indigenous Tourism Operators
- Cluster 12 (n=32): Service Providers (including transport service providers, retailers and restaurant operators)
- Cluster 13 (n = 17): Derby & Fitzroy Crossing Tourism Operators & Accommodation Providers
- Cluster 14 (n = 15): East Kimberley Tourism Operators & Accommodation Providers

The only cluster group that was ultimately not included was Cluster group 2 (Project Proponents) as information was provided to KPP by the Department of State Development based on briefings from the proponent.

In all instances, KPP looked to ensure that a statistically sound sample of each stakeholder group was interviewed, so that results were not only representative but defensible. In all cases, the cluster groups represent a minimum of 70% representation of the total stakeholder group and up to 100% in some instances. Although the Cluster numbers may seem small in some instances, results have been expressed as percentages rather than actual responses, as the respondent samples are a

statistically valid representation of total. Percentages therefore provide a truer picture of the weight of opinion and views held.

A V.1 CLUSTER 1 – TOURISM GROUPS

AIMS OF THIS STUDY CLUSTER

To quantify current perceptions of the tourism industry regarding the impact of an LNG Precinct at James Price Point and determine what, if any, mitigation strategies are being considered or developed.

REVIEW OF LITERATURE

Interview structure and content was developed from findings of interviews conducted with Accommodation Providers and findings of the Northern Development Taskforce Tourism Working Group (Refer to Page 22 of this report for an overview of key findings).

SAMPLE

Number of Organisations Interviewed: 8

Organisations Interviewed:

- Australia's Northwest (ANW)
- Tourism Western Australia (TWA)
- Broome Visitor Centre (BVC)
- Western Australian Indigenous Tourism Operators Committee (WAITOC)
- Ardi Indigenous Tourism Operators Incorporated (Ardi)
- Tourism Council of Western Australia (TCWA)
- Derby Visitor Centre
- Kununurra Visitor Centre

DATA ANALYSIS METHODS

One-on-one, face-to-face interviews were held with each organisation. The scope of topics and issues to be covered were developed through previous interviews with tourism accommodation providers and the findings of the NDT's Tourism Working Party (refer to Page 21). Questions were open-ended, although specific scoring was also included to measure the strength of views, particularly in terms of tourism's co-existence with the proposed LNG Precinct through the construction and operational phases.

Interview results were recorded by the interviewer at the time of the interview and then documented. This information was entered into InfoPath, where a custom document inspection form had been developed to collate both key themes and qualitative data.

Information was cross tabulated using two (2) variables at a time to determine specific profile information that may influence results one way or another. Multi-variable cross analysis (or Banner Analysis) using the key variable (Can tourism and LNG co-exist?) was tabulated against all other questions.

This information was then analysed and key findings documented.

FINDINGS

One of the key questions asked of this group centered on respondents' perceptions of the level to which the proposed LNG development could co-exist with tourism. Specifically, respondents were asked:

"To what degree do you think that a gas precinct at Prices' Point can co-exist with tourism?"

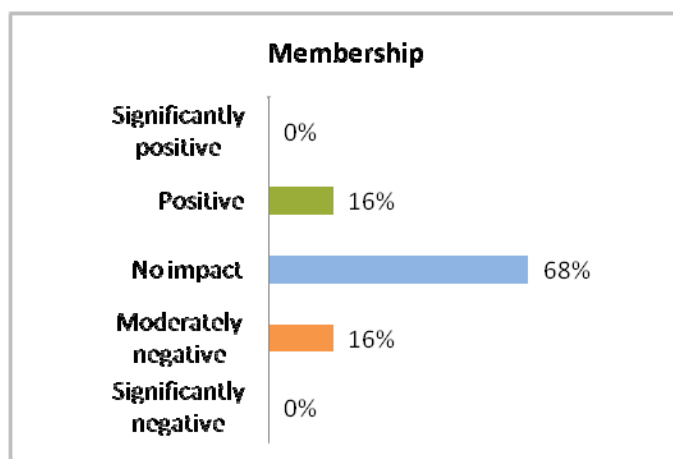
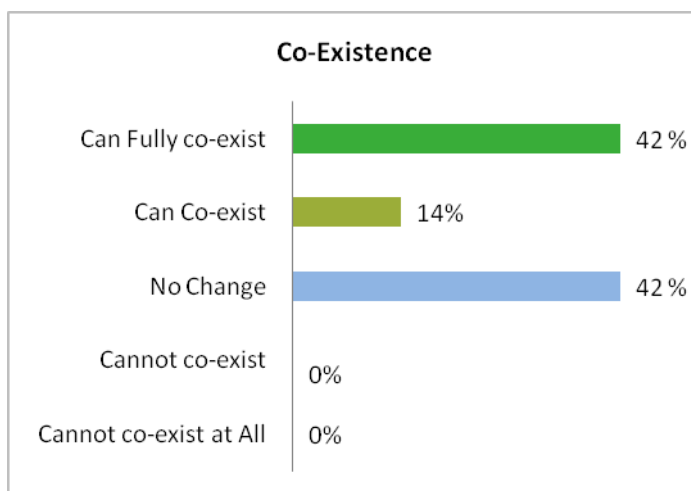
As ANW and BVC are both member based organisations where a division exists within the membership regarding the proposed LNG development, a neutral position was taken by their representatives on the issue of co-

existence. However, analysis of open ended questions suggests that respondents believe "*the development is inevitable*" and that marketing budgets will need to be increased to support the current "brand position" against negative publicity. This is seen as the key mitigation strategy.

Overall, 56% of this group was of the view that tourism could co-exist with the proposed LNG Precinct development, whereas 42% did not believe there would be any change or chose to remain neutral and therefore scored this question as zero (0) or no change. No organisation was of the view that tourism could not co-exist with the proposed LNG

Precinct development.

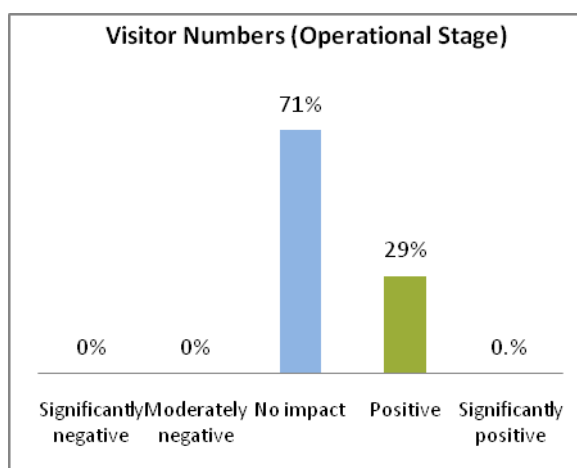
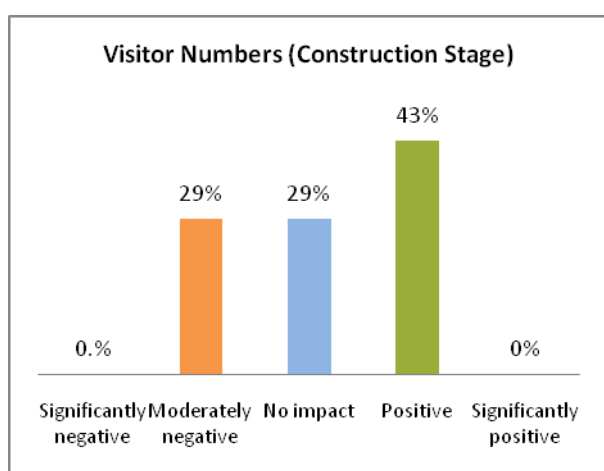
As the majority of tourism groups interviewed rely on income from membership, the question of perceived impact of the proposed LNG Precinct on membership numbers was discussed. Two-thirds of the sample believed it would have no impact, whereas the remaining third were divided equally.



Respondents were questioned regarding their perception of the impact of the proposed LNG Precinct on visitor numbers during both the construction and operational stages. There is a general view (42%) that increased activity through the construction stage will attract more visitors (both leisure and business).

“There may be a positive impact on our ability to attract international flights. Having an international industrial workforce might encourage Singapore flights, for example.”

The remaining 58% of the sample were equally divided saying there would be a moderately negative impact or no impact. However, 71% of respondents were of the view that once



operations have commenced, there will be no impact on visitor numbers.

“There will be an initial hue and cry but in the long term people will knuckle down and get used to it. Visitors will see it as it is: a necessary evil and a source of power production – if we manage our reputation properly and manage our marketing properly it should have minimal impact across the board.”

There was a majority view that the Kimberley “brand” would not be impacted significantly through the construction phase and not at all through the operational stage of LNG production. However, a significant minority (43%) saw that the brand would be tarnished through the construction phase.

“The construction phase will impact all tourism with a heightened level of vehicle movement throughout the whole region; trucks taking gear from the port to the gas hub, which has the potential to affect all tourism visually and will take away from the attractiveness of the Kimberley.”

“The Kimberley and Broome has been marketed over many years as a wilderness destination and Broome has an exotic pearling outpost image. If that is lost, a lot of marketing effort would be greatly reduced.”

MITIGATION STRATEGIES

Two (2) key strategies emerged from interviews as follows:

1. There will need to be greater investment by the Government to combat the negative impact on tourism by investing substantially in the tourism market.
2. The proposed LNG Precinct has the potential to damage the Kimberley’s remote, pristine image which could impact on visitor numbers in the longer term. The eventual outcomes will be dependent upon proactive and cooperative management plans by key stakeholders.

A V.2 CLUSTER 2 – PROJECT PROPONENTS

As noted previously, this cluster was not undertaken. Briefings from the Department of State Development (DSD) provided the information required by KPP to base discussions with cluster group respondents on currently available knowledge of the proposed development.

A V.3 CLUSTER 3 – COMMUNITY & SPECIAL INTEREST GROUPS

AIMS OF THIS STUDY CLUSTER

To quantify current perceptions of the tourism industry regarding the impact of an LNG Precinct at James Price Point and determine what, if any, mitigation strategies are being considered or developed.

SAMPLE

Number of Organisations Interviewed: 10

Organisations Interviewed:

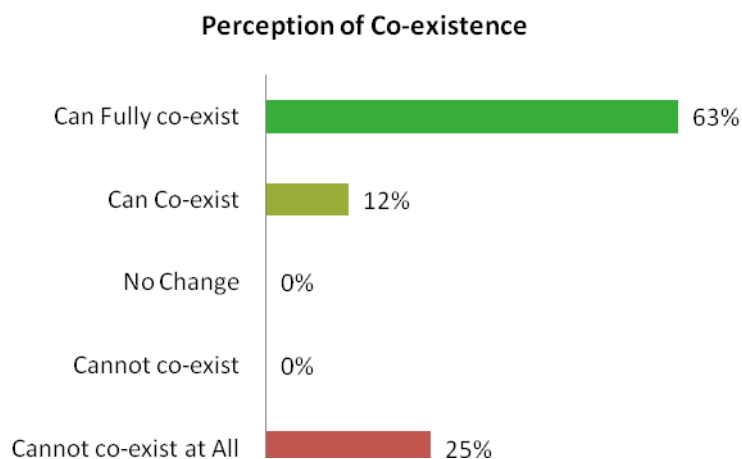
- Shire of Broome
- Kimberley Land Council
- Jabirr Jabirr Nations Aboriginal Corporation
- Kimberley Marine Operators Association
- Save the Kimberley
- Environs Kimberley
- Broome Fishing Club
- Broome Turf Club
- Broome Bowling Club
- Broome Golf Club

DATA ANALYSIS METHODS

As per Cluster 1 Methodology

FINDINGS

Sporting and recreational clubs see substantial benefits in terms of increased membership and sponsorship opportunities. It is considered that the increased revenue will help to develop new recreational facilities in the future. This group has a general lack of confidence that Government and the Shire will work fast enough to reduce infrastructure pressures. It is noted that environmental groups also fall into this cluster and see no benefit to the town or

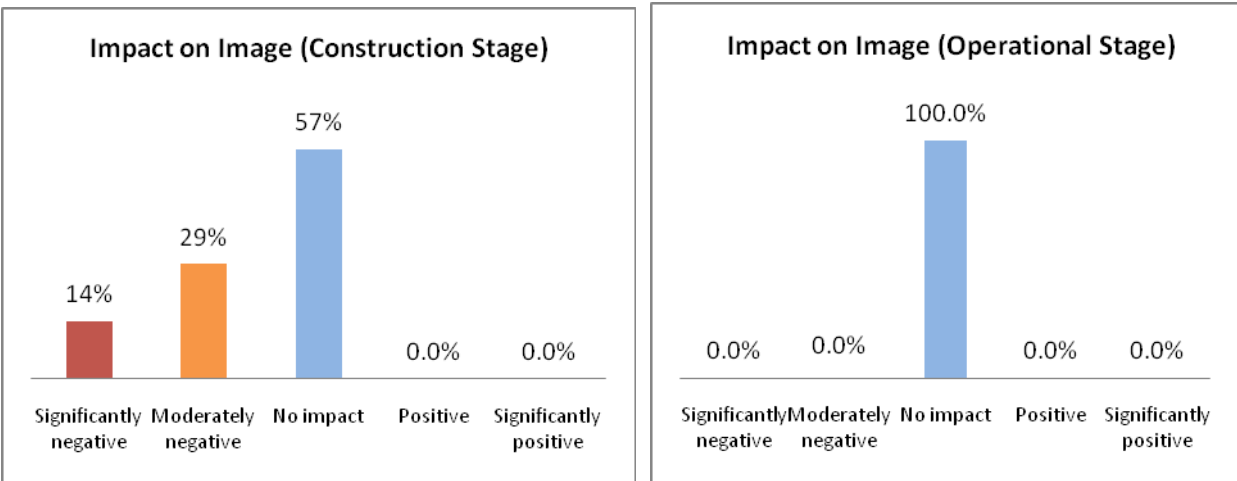


region and are unanimously opposed to the development.

Discussion regarding the proposed LNG Precinct focused on two (2) key areas; the short term (construction phase) and the medium to long term (operational phase). One of the broader questions discussed referred specifically to the ability for the LNG precinct to coexist with tourism. As noted, this group included sporting and recreational clubs, the Shire of Broome as well as environmental groups. The views of respondent groups proved to represent opposing interests and therefore any findings of this group are to a large extent, skewed by the composition of the sample.

SHORT TERM IMPACTS (CONSTRUCTION PHASE)

In terms of tourism specific impacts, this group was generally of the view that the LNG



development would have no impact on tourist numbers (57%), while the remaining 43% believed the construction phase would have a negative impact on visitor numbers.

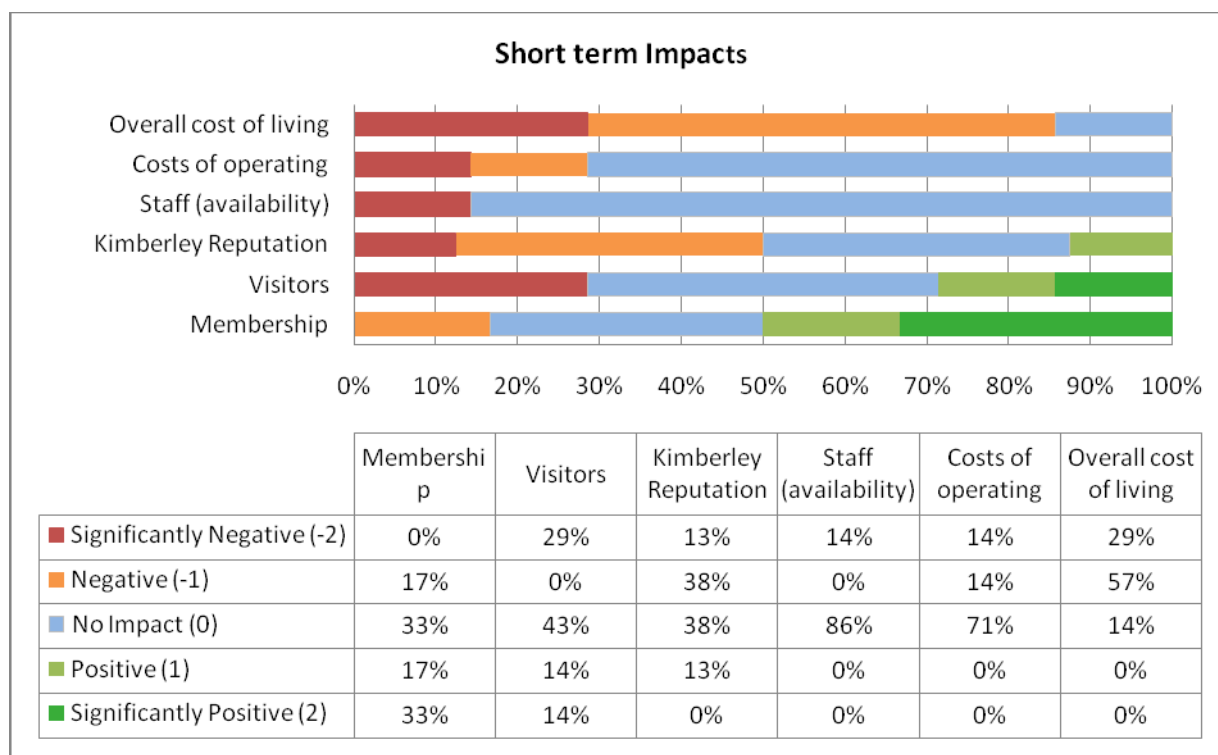
From the perspective of the Kimberley’s reputation as a tourist destination, over one-third of the sample believed the proposed development would have no impact, whereas 50% believed there would be a negative impact. It was generally agreed that staff availability and operational costs would not be impacted by the proposed development; however, there would be an overall increase in the cost of living.

It should be noted that not all respondents ranked each of the variables. Common themes that emerged are best reflected by direct quotes:

“The Kimberley is the next major resource precinct for this country and this LNG development is only the tip of the iceberg”

“In the short term there might be some negative impact to the Kimberley’s reputation because of a vocal minority, but in the long term there will be no damage whatsoever”

“The Kimberley brand will be shot to pieces”



MEDIUM TO LONG TERM IMPACTS (OPERATIONAL PHASE)

Sporting and recreational organisations viewed the proposed development as positive for membership (67%) and almost half of all respondents (43%) suggested that visitor numbers would not be impacted during the operational stage of the proposed development. 71% of the sample did not believe that the Kimberley brand would be negatively impacted in the medium to long term.

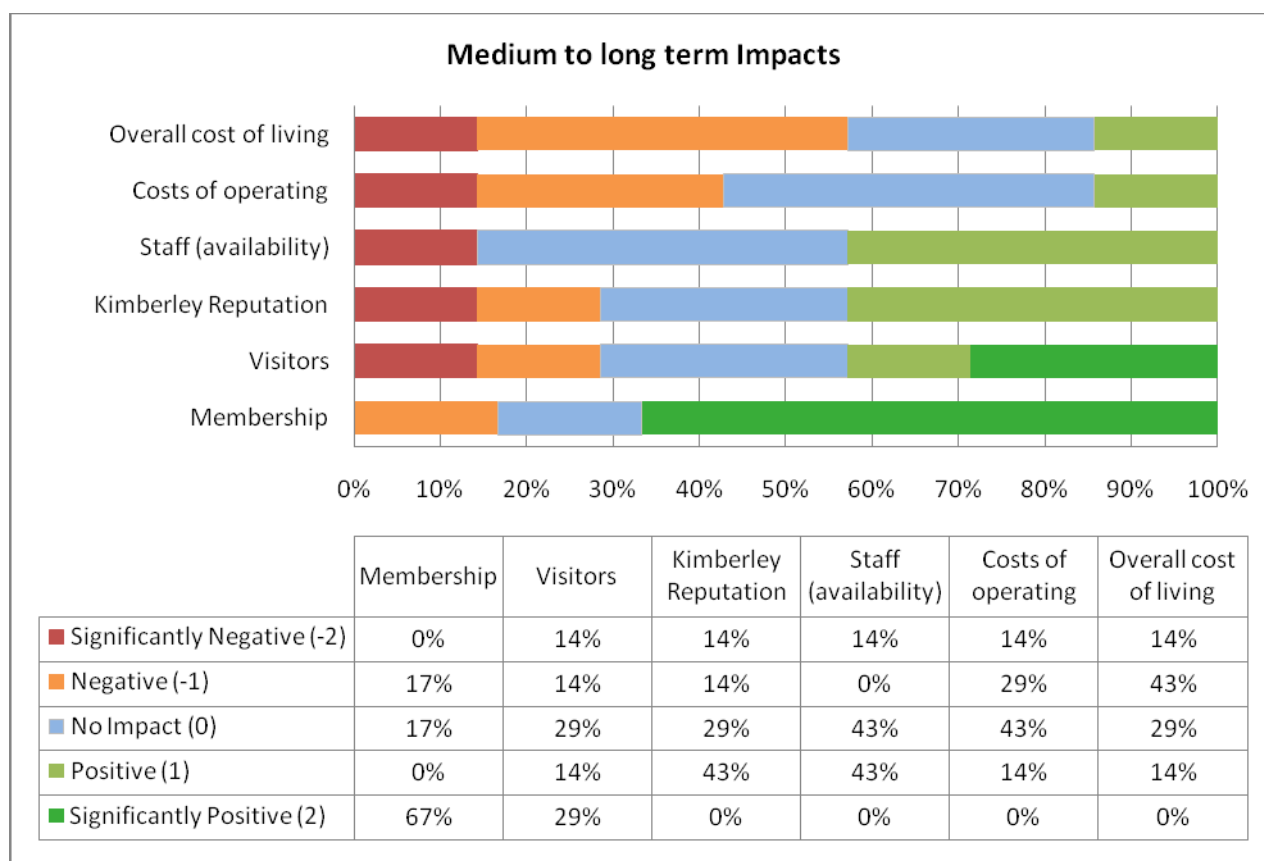
“You will have a workforce earning more than the average Joe Blow in town, so all sporting clubs should benefit from increased membership and increased sponsorship”

“I can see it affecting us in a positive way. We would get more members out of it because of increased demand for recreational activities.”

“Fossil fuels should stay in the ground and monies invested in renewable energy”

“The major thing that attracts people to Broome is Cable Beach. The plant is a long way from Cable Beach. You won’t see it.”

“If the greenies go over the top they will make it a negative impact on the Kimberley’s reputation”



MITIGATION STRATEGIES

General discussion highlighted a number of broad issues raised by service and recreational clubs. Specifically, there was a strong view that increased membership and revenue will go a long way towards helping social clubs improve facilities. Additionally, there was discussion around the increased costs of operating during the construction phase however, this was balanced against increased revenue and therefore there was a generally held view that impacts would be neutralized.

Key mitigation strategies considered important in terms of any impact on tourism can be summarised as follows:

- The Shire has opposed this development but should now get onside and go with it. The Shire (and other service providers) must become proactive and be part of the development to ensure demands are met for future needs.
- The Shire should take a leadership and lobbying role to maximise the benefits for the local resident community.
- The State needs to commit to adequate funding for TWA and other key tourism groups to ensure negative publicity does not outweigh the tourism positives of this destination.

- A safe boat harbour is a key tourism support project that should be negotiated as part of this development.

A V.5 CLUSTER 4 – BUSINESS GROUPS

AIMS OF THIS STUDY CLUSTER

To quantify current perceptions of the tourism industry regarding the impact of an LNG Precinct at James Price Point and determine what, if any, mitigation strategies are being considered or developed.

SAMPLE

Number of Organisations Interviewed: 7

Organisations Interviewed:

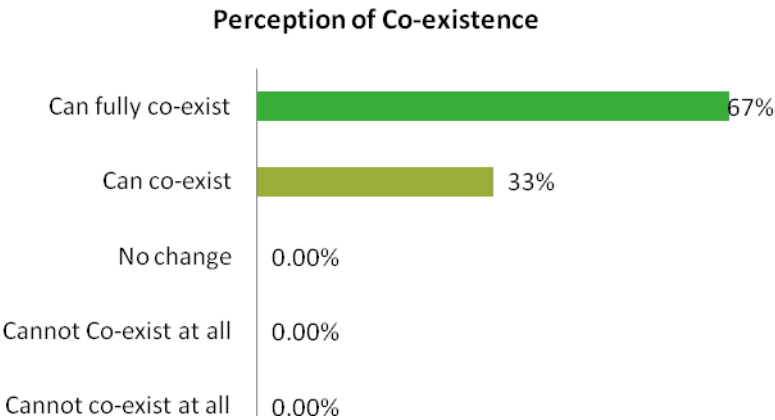
- Broome Chamber of Commerce (BCC)
- Small Business Centre
- Kimberley Development Commission (KDC)
- Derby Enterprise Centre
- Broome First National
- Hutchinson Real Estate
- PRD Nationwide

DATA ANALYSIS METHODS

As per Cluster 1 Methodology

FINDINGS

One of the broader questions asked referred specifically to the ability of the LNG precinct to coexist with tourism. 100% of this group believe the two (2) activities can co-exist. There is a strong view that the proposed LNG Precinct development will provide opportunities for local business through both the construction and operational phases. The most positive benefit is seen to be the diversity of



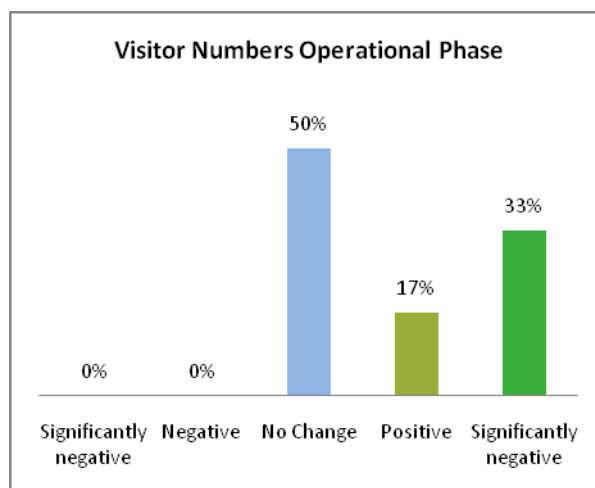
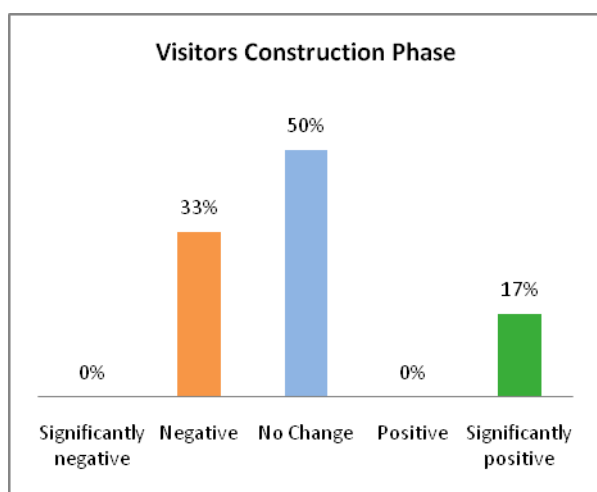
activity from builders to landscapers and electricians to retailers. It is this diversity of activity that is seen to provide the greatest long term opportunity for the sustainability of a strong economic base.

“The two can co-exist 100%. The only adverse impact will be if people do not embrace the opportunities that are presented”

“There will be opportunities for Broome businesses to be suppliers both to the construction camp and to the project developers. They will need builders to build housing, toilets, install air-conditioning, kerbing, landscaping etc. These services can be provided by Broome people. It will be cost effective to have them supplied out of Broome.”

Half of this group suggested that there would be no impact on visitor numbers through either the construction or operational stages of development of an LNG Precinct, although one-third of the sample saw negative impacts during the construction phase. No-one interviewed could see any negative impacts to any degree, once operations had commenced.

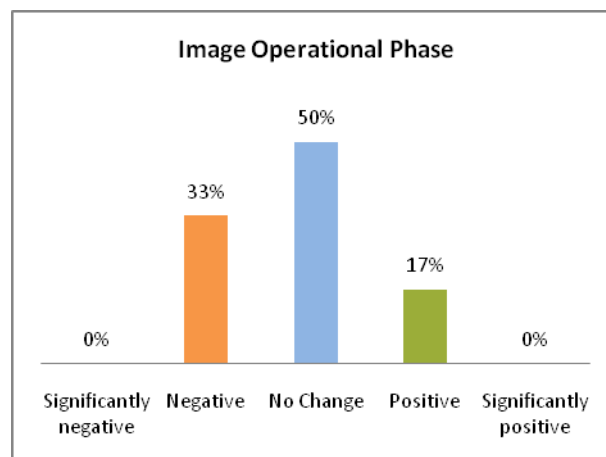
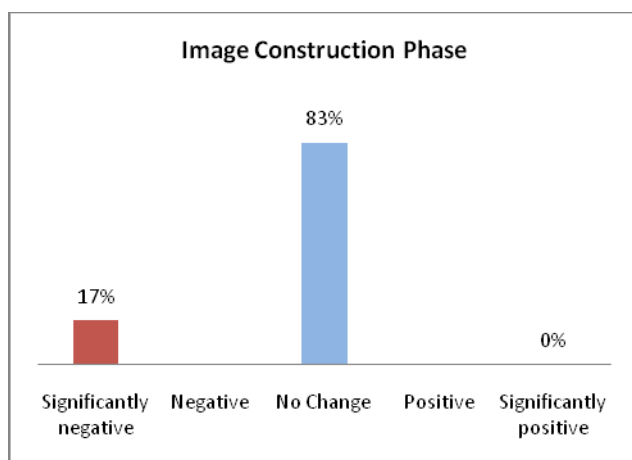
“There would be negative outcomes if Environs Kimberley continues to run scare campaigns – which is what they are running – talking about aluminum smelters and petrochemical plants. Tourism operates on perceptions”



A significant majority (83%) consider that there will be no impact on the Kimberley’s reputation or image as an impact of the proposed development through either the construction or operational phases, although 17% of the sample believe there will be a significant negative impact during construction. However, it was noted that this negative impact would be due to bad publicity rather than any “on the ground” changes to the visitor experience. In terms of the operational phase, significant benefits to tourism were seen, although one-third of the sample group considered there would be a level of ongoing negative publicity which would impact on the brand.

“It gives us a larger base of consumers 12 months of the year to sustain coffee shops, restaurants, and so on. It gives a higher base population to allow seasonal businesses to cover

expenses all year round. What we badly need for tourism in Broome is more activity. We should open Chinatown till 9pm."



There were a number of issues raised by this group, as part of discussions around mitigation strategies. There was a strong view that the proposed LNG development would provide the West Kimberley with a stronger economic base and economic diversity. This diversity of activity would lead to more jobs (and greater diversity of jobs) but much of this was dependent upon the project developers making a commitment to using local labour wherever possible.

The biggest, single issue identified by this group was the pressure this development may have on the housing and rental markets. There was a strong view that *"...landlords and real estate agents keep whacking prices up"* and the government's failure to release land as needed, *"....is pushing up demand and forcing price increases beyond their real value"*. Both the government's lack of responsiveness and the behavior of the real estate sector in Broome came under some criticism. *"There needs to be close monitoring of the ethics and behaviour of the real estate industry in this town to avoid unconscionable rent increases"*.

MITIGATION STRATEGIES

Mitigation strategies fell into three (3) categories: the role of government; the role of marketing and advertising and the role of the Shire.

"A serious commitment to adequate funding of advertising and marketing of the region has to be made"

"The State Government should get off its bum and have land cleared – in terms of all environmental, heritage and zoning requirements, provision of power, water and sewerage – with everything ready to go. They have a two-year window in which to do it"

“The Shire should stop sitting on the fence and show some leadership. They should be our advocates for improved and increased infrastructure. Instead, they continue to fight amongst themselves to even agree on a position”.

A V.6 CLUSTER 5 – SUPPLIERS TO OIL & GAS INDUSTRY

AIMS OF THIS STUDY CLUSTER

To consult with suppliers to the Oil & Gas Industry in order to establish the perception of this sector, in terms of the potential impacts of oil and gas activity on tourism.

SAMPLE

Number of Organisations Interviewed: 7

Organisations Interviewed:

- Port of Broome
- Broome International Airport
- TOLL / Mermaid
- West Kimberley Fuels
- Qantas
- Skywest
- Air North

DATA ANALYSIS METHODS

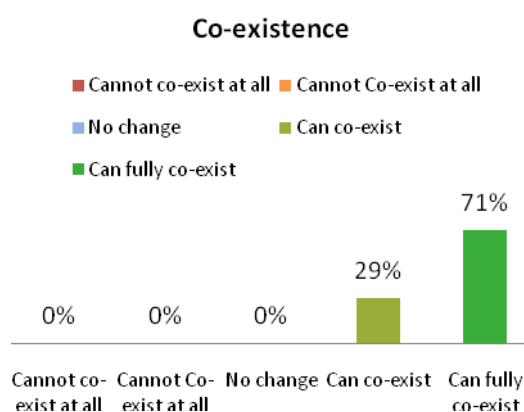
As per Cluster 1 Methodology.

FINDINGS

Not surprisingly, this group unanimously sees the development of an LNG Precinct as positive and do not see a negative impact on tourism, however, there is a continuing theme that the government needs to release land quickly; that the Shire needs to take a proactive position and leverage for the additional infrastructure that will be needed; and that the government needs to commit more monies to marketing to maintain Broome's tourism position.

One of the broader questions asked referred specifically to the ability for the LNG precinct to coexist with tourism. All respondents believed that the two (2) activities could co-exist.

Discussion regarding the proposed LNG Precinct focused on two (2) key areas: the short term (construction phase) and the medium to long term (operational phase). It should be noted that there are already over one hundred Broome based



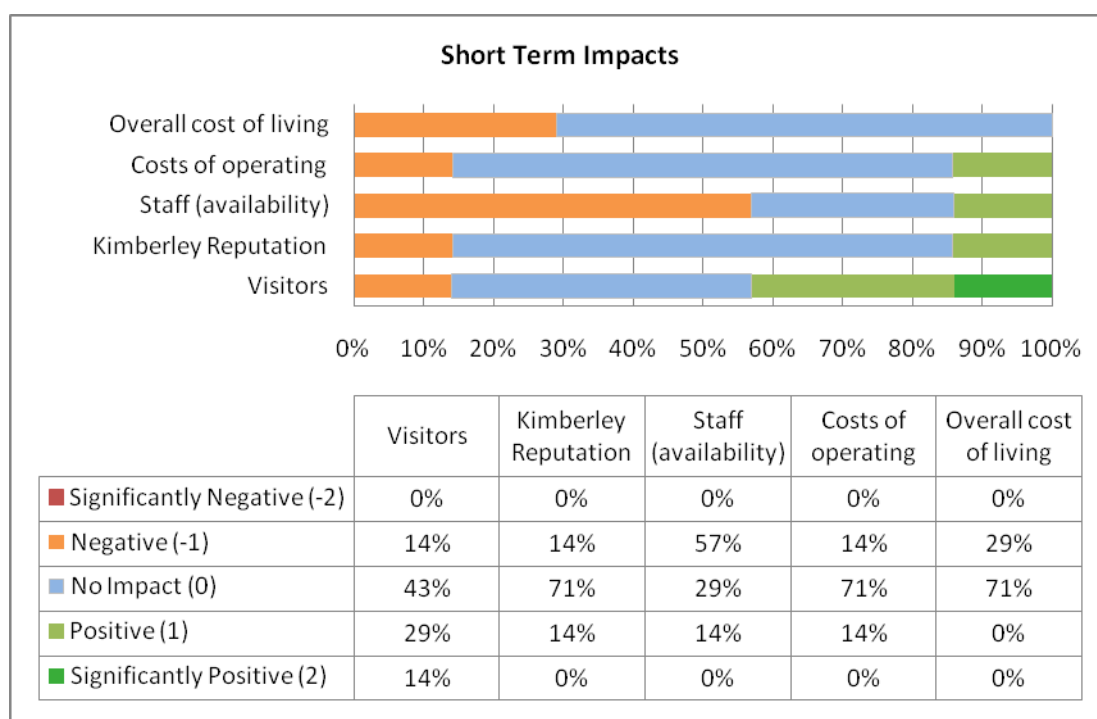
residents working in the Oil and Gas industry and therefore this group may hold a different view to others groups.

SHORT TERM IMPACTS

14% of this group believe that there will be a positive impact on visitor (tourist) numbers as an impact of the proposed LNG Precinct as there is a view that air services to Broome will increase (both domestically and internationally) and become cheaper. There is also a common view that more of the workforce through construction will choose to bring family to the region for short breaks rather than fly home in non scheduled working weeks. A third of the sample believes there will be no impact.

Almost three-quarters (71%) of participants did not believe that the Kimberley brand would be impacted while one (1) respondent (17\4%) saw some negative while one (1) respondent (14%) saw a positive impact⁵⁹.

“There will be no adverse impacts from construction on Broome as long as it is a fly-in fly-out project and the workers are not housed in Broome. They’ve got to have their own construction camp and the workers will fly in and fly out to James Price Point. It will take time and people to build the construction camp, but there is enough mobile accommodation to accommodate people building the construction camp”.



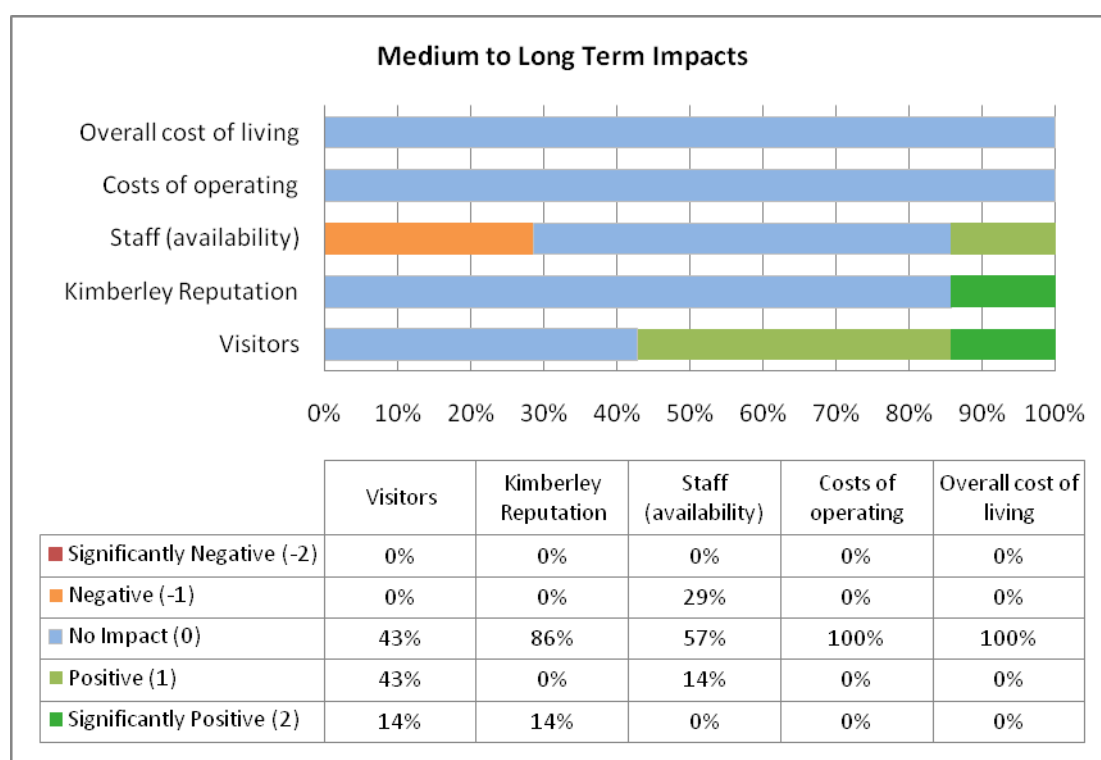
⁵⁹ Note that one (1) respondent did not feel in a position to respond to the potential impacts on Broome and therefore n=6 for responses to short and long term impacts.

MEDIUM TO LONG TERM IMPACTS

All respondents in this cluster agreed that the proposed LNG development would have no impact on the overall cost of living or cost of operating. Less than one third of the sample was of the view that there would be a negative impact on staff availability; however, over half believed there would be no impact. In terms of tourism specifically, two thirds of the group believed the development would have a positive impact on visitor (tourist) numbers, while a third suggested there would be no impact. In terms of the Kimberley's reputation (brand), 86% believed the development would have no impact.

"This type of project will sustain and ultimately grow existing air capacity. That can only be a good thing for tourism, in terms of having a competitive air service market into Broome and seats available for leisure visitors"

"The project will not change Broome from a tourism perspective in terms of appeal and character. If anything it may make the place more vibrant because restaurant s etc. will be open all year and more services, facilities and businesses will come with the project"



KEY ISSUES

During discussion around mitigation strategies a number of issues were raised of a more general (rather than tourism specific) nature.

"I'm annoyed about Landcorp. They should be selling blocks at cost. They should not be making a profit."

"I think that keeping only 15% of the gas for domestic purposes is wrong. It should be 25%. We could pipe the gas over East. I don't think we're capitalising properly on our gas. All our power stations should be on gas; they should be pushing to make more use of gas. Our reserves of gas are greater than coal, and a lot cleaner. Gas will help us meet our Greenhouse requirements a lot easier than coal or oil."

"I believe we need another wharf here (in Broome) for oil and gas only and this wharf (the current wharf) can do what it traditionally has done. Otherwise we could lose the public walkway along the existing wharf and that would not be popular. A separate wharf dedicated to oil and gas makes a lot of sense."

"Broome is getting to the point where the satellite town should now be seriously considered"

MITIGATION STRATEGIES

Mitigation strategies considered by this cluster can be grouped into four (4) categories:

1. *"The "no gas" lobby is expressing opinions without having all the facts. Some basic information needs to be published sooner rather than later, otherwise tourists may see the gas plant as a negative"*
2. *"Releasing more land for housing is the key issue – you'll have more people employed in hospitals and schools and other infrastructure projects"*
3. *"The negative publicity created by people opposing the project needs to be acknowledged, whether it is real or perception – the State and TWA need to be prepared to support the tourism sector through greater marketing support and get a strong, positive message into the market to offset the negative publicity"*
4. *"The Shire needs to be far more proactive in taking a lead role to ensure that Broome leverages the infrastructure it needs to support the town and the tourism industry"*

A V.7 CLUSTER 6 – INDIGENOUS EMPLOYMENT AGENCIES

AIMS OF THIS STUDY CLUSTER

To consult with Indigenous employment agencies to access perception of the proposed LNG Precinct on training and employment opportunities.

SAMPLE

Number of Organisations Interviewed: 6

Organisations Interviewed:

- Indigenous Business Australia
- Indigenous Coordination Centre
- Kullarri Regional CDEP
- Kullarri Employment Services
- Kimberley Group Training
- GRUNT

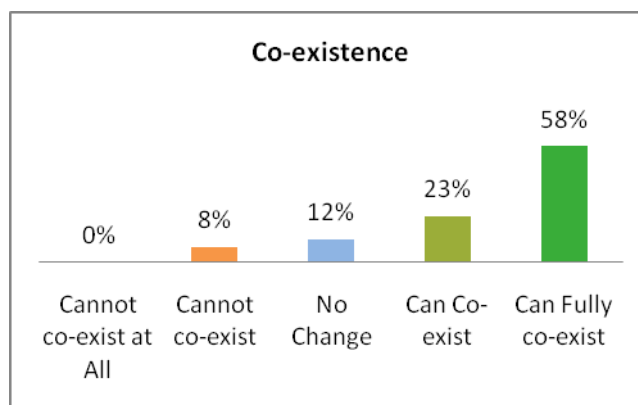
DATA ANALYSIS METHODS

As per Cluster 1 Methodology

FINDINGS

One of the broader questions asked referred specifically to the ability for the LNG precinct to coexist with tourism. It should be noted that the sample responding to this question is small as government agencies did not believe they were able to provide a departmental response and were reluctant to provide personal views. Therefore, the question of co-existence was only answered by four (4) of the interviewees. Based on responses, 81% of the sample believed that these two (2) activities could co-exist while 12% did not believe there would be any change to current circumstances.

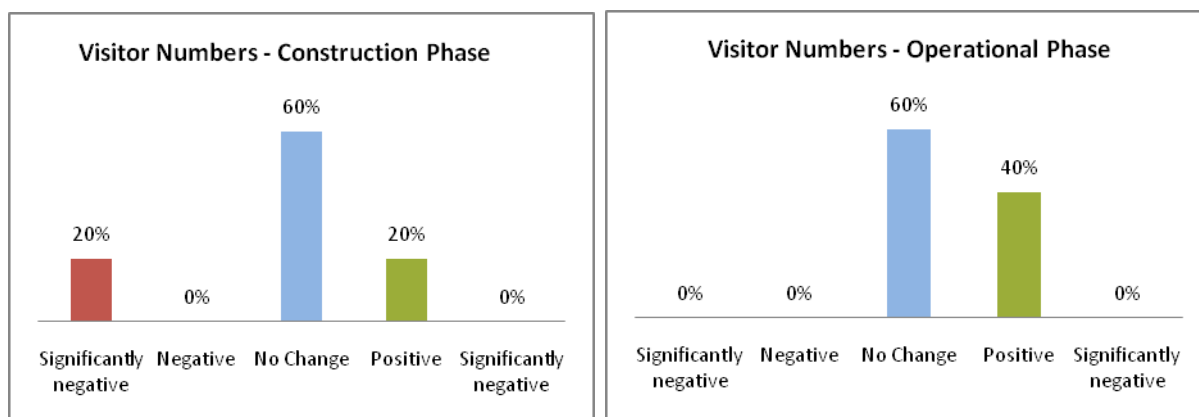
Questions regarding the impact of the proposed development on visitor numbers and the Kimberley brand were only broadly discussed as these agencies are not directly involved in the tourism industry. Therefore, responses were generalised to a large extent. 60% of the sample⁶⁰ did not believe



⁶⁰ The issue of visitor numbers and Image were only addressed by 5 of the 6 in the sample group

there would be any change to visitor numbers during the construction or operational phase of the proposed development; although 20% (1 person) believed there would be significant impacts in the short term.

“Visitor numbers will certainly increase. Whether that’s good or not depends on how well they are managed.”



As this group had little direct experience with the tourism sector, interviews focused on the impact on training and employment opportunities and the relationships between “jobs” and tourism. There were a number of common themes emerging from these discussions, predominantly around the importance of tourism for Broome but the volatile nature of that industry. The proposed development was therefore seen as supporting job diversification which would help keep young people at home rather than the need to re-locate to southern towns.

“From a business view, tourism is extremely important in the Kimberley. But tourism isn’t one of the most stable industries either. It doesn’t really provide a lot of opportunities for young people – not real, long term career opportunities. They are limited opportunities in the tourism industry here.”

“The best possible scenario is for tourism and the plant to look at how they can work together. For kids wanting to stay in Broome, it will open up whole new career opportunities. Tourism and hospitality is already here and it’s not offering much”

There were also common themes that emerged regarding the potential for training and just as importantly, a diversity of opportunities that may be offered. There was a clear message from this group that it will be up to individuals and businesses to determine if the proposed project will be positive or negative.

“I can see some fabulous opportunities coming from the gas plant – an opportunity for people to get a higher level of training and expertise.”

“As a business person you will need to decide whether you’re going to make the best of it or are you going to make the worst of it.”

MITIGATION STRATEGIES

Discussion relating to strategies were generalised and rather than developing a clear view of future direction, guidelines for successful integration of the two (2) activities were considered. These integration strategies fell into five (5) categories:

1. Aboriginal Lands Trust (ALT) and the Kimberley Land Council (KLC)
"The parties that have any say will have to work with the ALT and KLC. There must be an agreed strategy on how it will be managed. AARDI will have to stand up and the Government has got to support them"
2. Vehicle Movement
"There needs to be some level of control on vehicle numbers going up there (the Peninsular) so the destination points are controlled"
3. The Shire
"The Broome Shire should actually have an opinion and make a stand. They've taken a back seat but they should be developing some strategies about promoting Broome"
4. TWA and ANW
"Tourism WA and Australia's North West should look at a campaign to promote Broome as we're still here – nothing's changed. People aren't going to fly into Broome and see smokestacks"

"Tourism WA should be doing a lot more to counteract the negative perception that the LNG Precinct will effect or damage Broome and the Kimberley"
5. Government
"Government needs to get serious about workers' accommodation"

"Government and the mining companies need to begin educating children at a younger age about the possible employment opportunities soon to be available on their doorstep, preparing them for tertiary education in geology or engineering etc"

A V.8 CLUSTER 7 – VISITORS

A sample of 20 visitors (10 arriving in Broome and 10 departing from Broome) were interviewed in late April 2009. These interviews were not structured but looked to understand key issues in terms of the planning process (why they chose Broome); the experience (did the destination meet expectations, other destinations visited); and the intention to return to Broome. These discussions also involved the perceived impacts of the proposed LNG development in terms of visitors' image of Broome, the likelihood of returning to Broome and recommending the destination to others.

Findings from these interviews provided the basis of the 200 interviews conducted over May 2009 by KPP.

Some of the key issues raised in these interviews can be summarised by direct quotes:

"What's Browse Basin?"

"What does LNG do?"

"Aren't there already lots of industrial plants on the Kimberley coast?"

"Will I see it from the beach?"

"It would be a shame to spoil the coastal beach"

"We're just visiting family. Makes no difference to us. We'll keep coming anyway"

"How come the greenies haven't made a fuss?"

"We're on a coach tour and I don't think they'd go to these kind of places anyway"

"Look at how trendy Williamstown has become, and it's got the Altona smelters as the backdrop. Shouldn't make any difference"

"If we continue to consume energy as we do, someone has to pay for it. This time, it's the Kimberley. It's just a fact of life"

"We come every year and the only thing that would change that is if the Caravan Park closed. Then we'd have to look elsewhere"

The detailed questionnaire that was developed can be found as Appendix A.II. and detailed findings in Section 6 of this document.

A V.8 CLUSTER 8 – ACCOMMODATION PROVIDERS

AIMS OF THIS STUDY CLUSTER

To consult with accommodation providers to determine the potential impacts of the proposed LNG Precinct on tourism and determine what, if any, strategies are being considered for the future.

SAMPLE

Number of Organisations Interviewed: 26

Organisations Interviewed:

- Cable Beach Club
- Mangrove Hotel
- Mercure Inn
- Pinctada Cable Beach Resort & Spa
- The Pearle
- Ocean Lodge
- Roebuck Bay Hotel
- Eco Beach
- Broome Motel
- Frangipani Resort
- Habitat Resort
- Seashells Resort
- Bali Hai Resort
- Blue Seas Resort
- Moonlight Bay Apartments
- Cable Beachside Resort
- Broome Beach Resort
- Cocos Beach Bungalows
- Captains by the Bay
- Shiba Lane Apartments
- Courthouse B & B
- McAlpine House
- Roebuck Bay Caravan Park
- Broome Caravan Park
- Palm Grove Caravan Park
- Beaches

FINDINGS

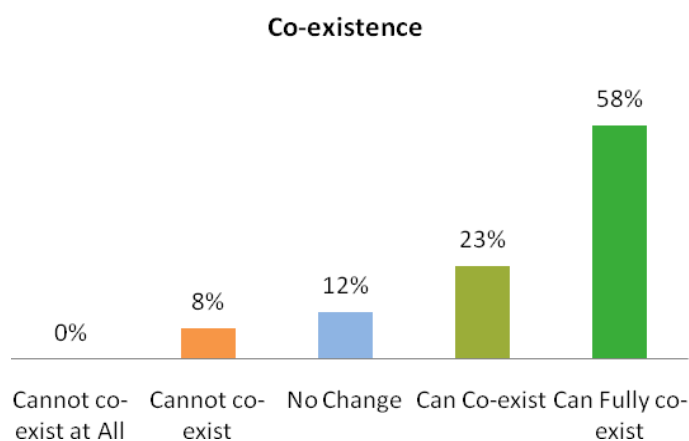
Accommodation providers were initially interviewed with the intention of updating the Broome Accommodation Study of 2006. This project brief required quantification of the “State of Tourism” and therefore occupancy, customer profile, yields and so on were discussed and data recorded. As was the case in the 2006 study of the Broome accommodation market, KPP committed to total confidentiality of information and therefore, no individual comments or data will be made available.

However, as face to face interviews were conducted to establish trading information, the opportunity to seek views and perceptions of the proposed LNG Precinct and its potential impact on Kimberley tourism was investigated.

The first question looked to gauge current perception of the ability for these two (2) activities to co-exist. The significant majority (81%) expressed the view that these two (2) industries could co-exist with 8% holding the contrary view.

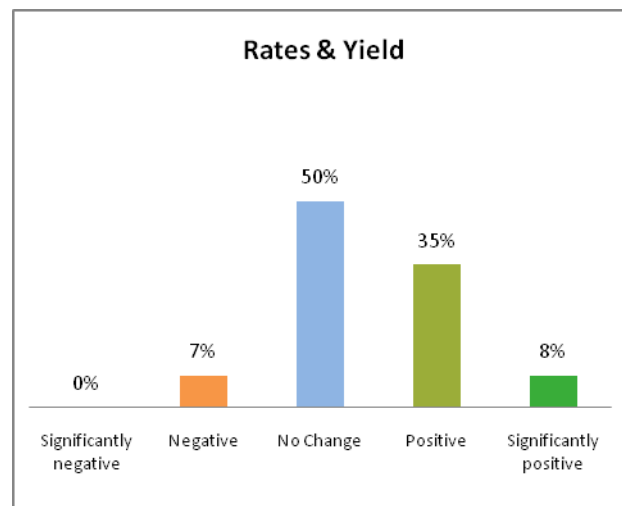
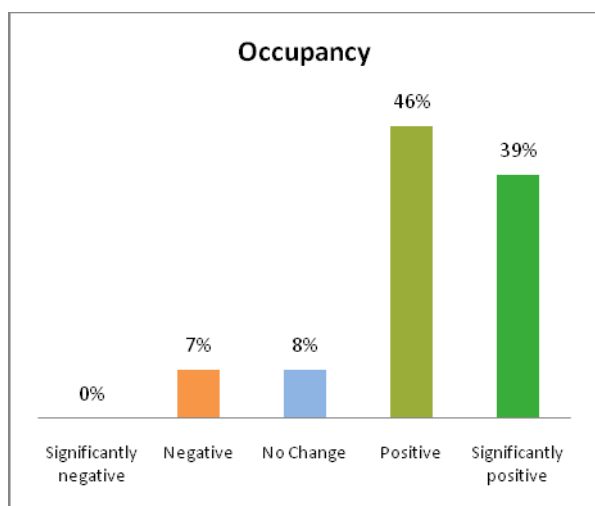
“Broome will finally be open 12 not 7 months of the year”

“What’s all the fuss about? It’s 60kms away”



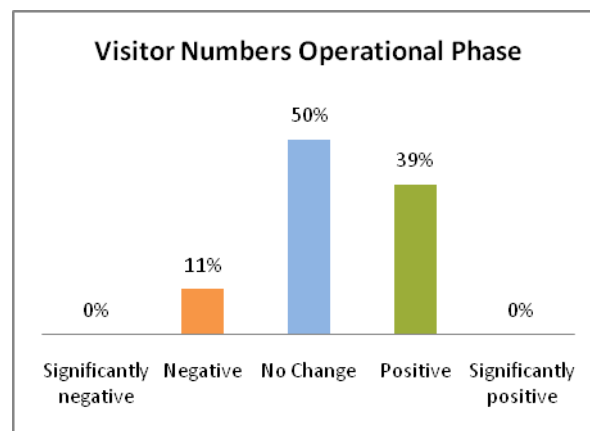
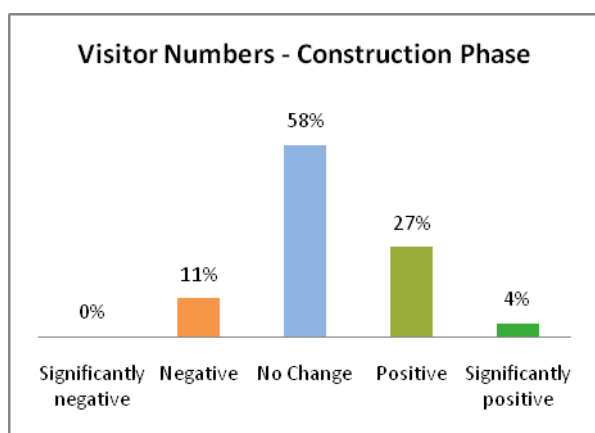
Issues relating specifically to accommodation providers were discussed in terms of the potential impacts of the proposed LNG development. Specifically, perceptions relating to the impact on occupancy and yield were investigated. 85% of respondents saw that the development would have positive impacts on occupancy particularly in extending the dry and shoulder seasons further into the wet season. Half the respondents did not see that any change would occur in rates and ultimately yield, although 43% believed there would be positive impacts on yield.

“The industry will have a greater chance to develop a year round market”



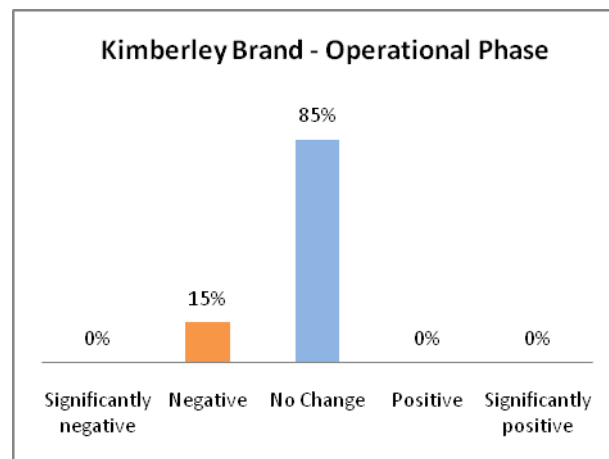
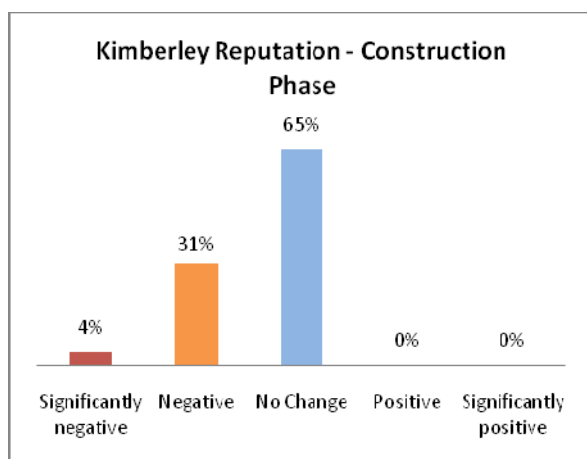
Issues of short term impacts, specifically through the construction phase of the proposed development, were considered against brand image and visitor numbers. The majority of respondents did not believe that there would be any impact on visitor numbers through the construction phase (58%) or the operational phase (50%). 39% of respondents saw that visitor numbers would in fact increase, over the operational phase.

“Broome will finally wake up to the fact that more activity drives more activity. The more that’s going on, the more will happen. This can only attract more visitors”



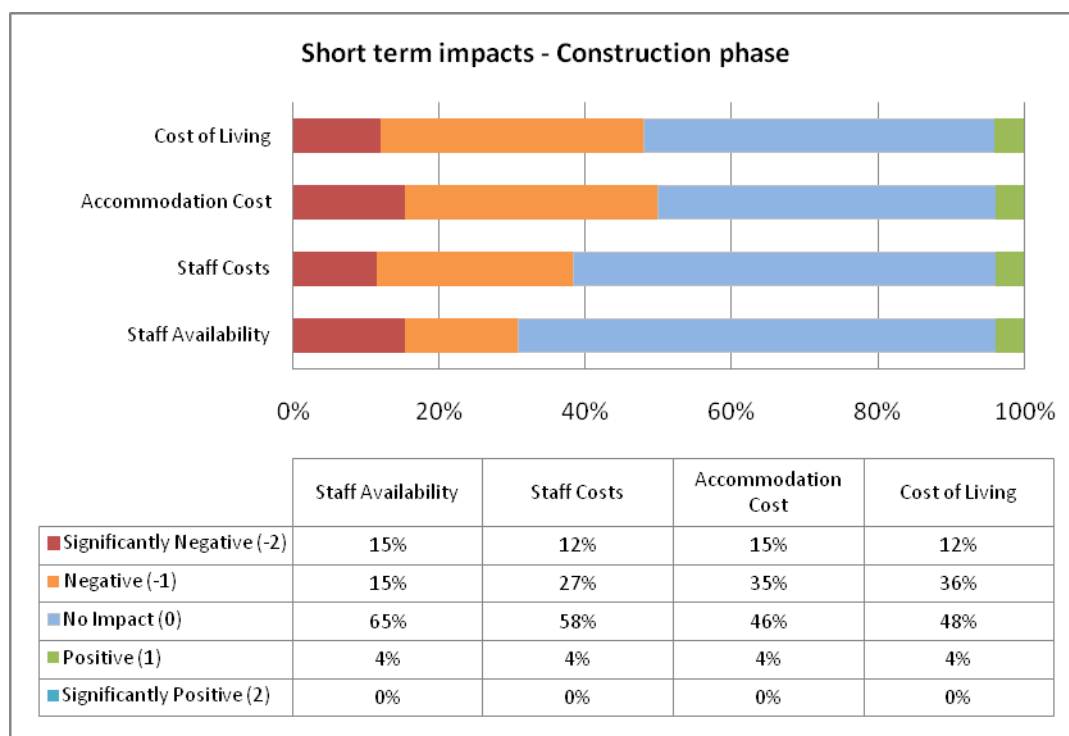
The potential damage to the Kimberley brand generated a wider range of views. Around one-third (35%) of respondents considered that there would be a negative impact on the “brand” during construction, although half of these respondents did not believe this negative impact would be sustained over the medium term (15%). 85% of respondents suggested there would be no impact on visitor numbers once the Precinct was operational.

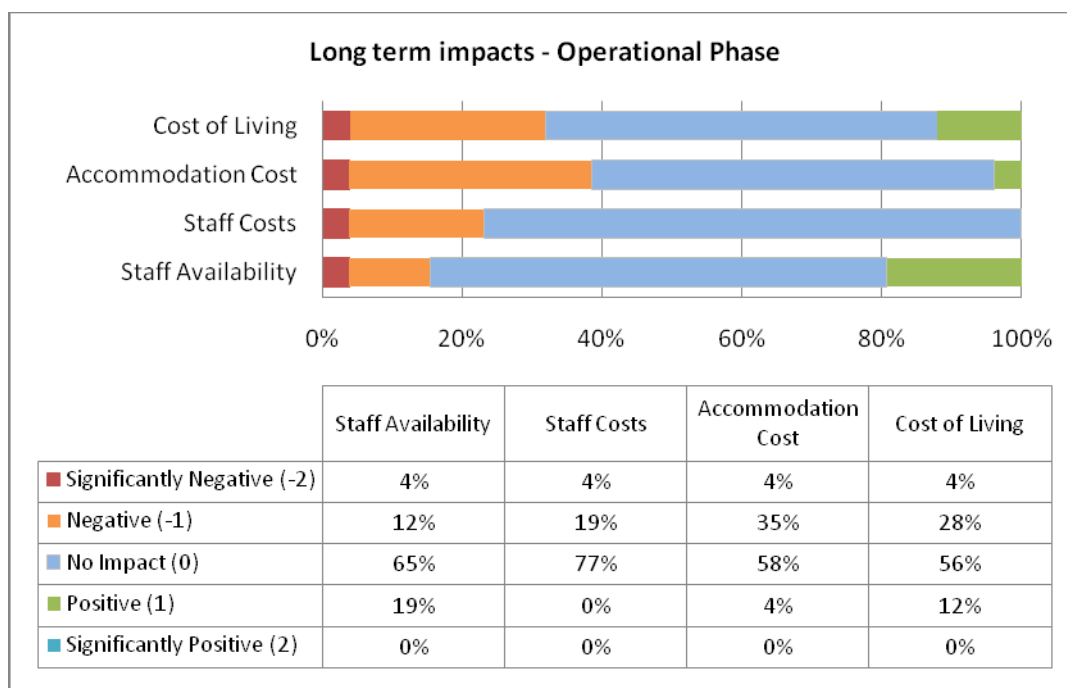
“The argument that it (Kimberley brand) will be damaged is misdirected. For example, Argyle Diamond Mine has been operating for years without impacting on the wilderness value of the Kimberley.”



General issues that may potentially impact this sector were discussed in terms of staff availability and staff costs, accommodation costs and the overall cost of living. Respondents were asked to consider short term impacts (construction phase of the proposed development) and the medium to long term impacts (operational phase). Respondents did not necessarily accept that the proposed LNG Precinct development would have significant impacts, as the issues of staff availability and costs, and the overall cost of accommodation and cost of living were significant issues on an ongoing basis.

However, 48% of respondents did perceive that there would be an increase in overall cost of living expenses through the construction phase, which would become less of a pressure through the operational phase (32%).





MITIGATION STRATEGIES & GENERAL COMMENTS

As this is a key stakeholder group, significant time was spent exploring problems and opportunities that may result on tourism. However, as these people are also residents of Broome, it was often difficult to focus the discussion on issues impacting solely on tourism. Issues raised have been grouped into five (5) categories as follows:

1. Housing, Infrastructure & Education

- The government must open up significant areas of land for residential development
- Government must develop a strategy to stimulate residential development
- The Shire must work to have Lot 3150 made available for the development of residential housing
- TAFE needs to design courses to match both hospitality and LNG project needs
- The government needs to be proactive in the planning of adequate health, education and roads to meet future demand

2. Image of Broome (local image)

- *“No mine-related people should be allowed in Broome”*
- *“Mine-related personnel should be fly-in, fly-out” and accommodated at the precinct*
- *“No mine-related vehicles or uniforms should be allowed in the town of Broome, so as to protect the holiday/aesthetic appeal of Broome”*

3. Image of Broome (external image)

- Part of the royalties should be diverted into the marketing of the region’s tourism attractions to counteract negative publicity
- Greater level of tourism marketing and co-operative efforts will be required to maintain market position and offset any negative PR from the project

4. The Environment

- Ensure very close EPA scrutiny to minimise visual pollution
- Freight and trucking to the Precinct site need to be closely scrutinised in order to minimise negative environmental impacts, including sea and road traffic.

5. The Precinct

- During construction, all workers should be housed at the Precinct
- During construction, no workers should be allowed to have personal vehicles
- The access road to the Precinct should not go anywhere near Willy or Bard Creek or the coastline at all
- The Cape Leveque Road should be used most of the way and the access road to the precinct should stem from it, and it should be privatised
- The turn-off to the precinct from the Leveque Road, should be developed for Tourism purposes, with a service station and utilised as a permit office for access to the Indigenous lands of the Peninsula. This would aid in the better management of conservation of these culturally and environmentally sensitive areas, and it would also generate income for the promotion of Indigenous culture and training
- Standards of behaviour of workers will need to be developed and enforced by Woodside

A V.9 CLUSTER 9 – LAND BASED TOURISM OPERATORS

AIMS OF THIS STUDY CLUSTER

To consult with tour operators to determine the potential impacts of the proposed LNG Precinct on tourism and determine what, if any, strategies are being considered for the future.

SAMPLE

Number of Organisations Interviewed: 12

Organisations Interviewed:

- APT/Kimberley Wilderness Adventures
- Kimberley Wild Expeditions
- Chomley's Tours
- Broome Sightseeing Tours
- Scenic Tours
- King Leopold Air
- Broome Aviation
- Broome Helicopters
- Outback Spirit
- Broome Crocodile Park
- Astro Tours
- Discover The Kimberley

DATA ANALYSIS METHODS

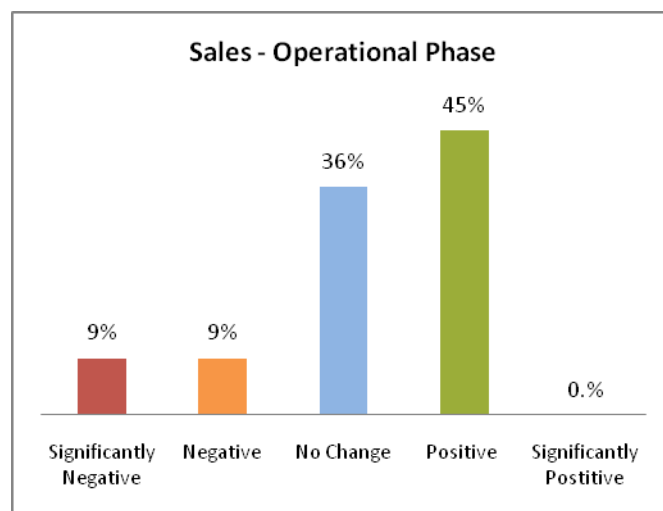
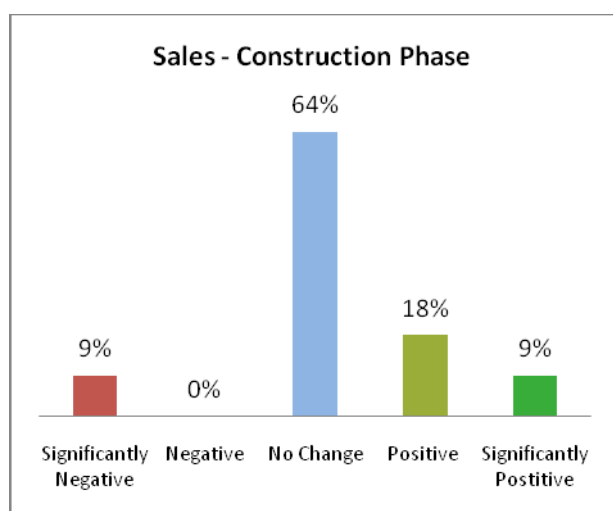
As per Cluster 1 Methodology

FINDINGS

One of the broader questions asked referred specifically to the current perception of the ability for the LNG precinct to coexist with tourism. Three-quarters (73%) believe that the two (2) activities can co-exist whereas the remaining 27% did not see how these activities could co-exist.



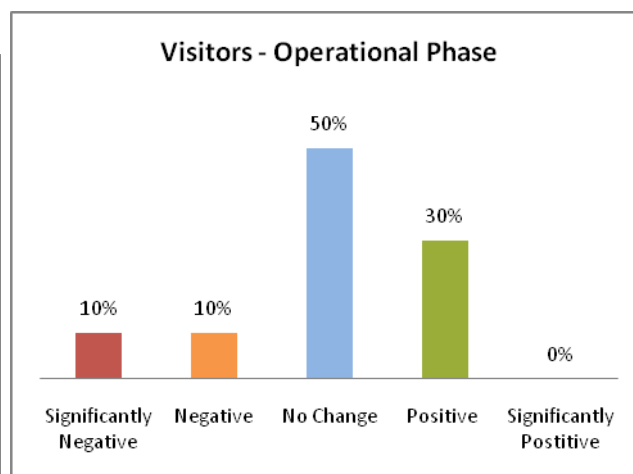
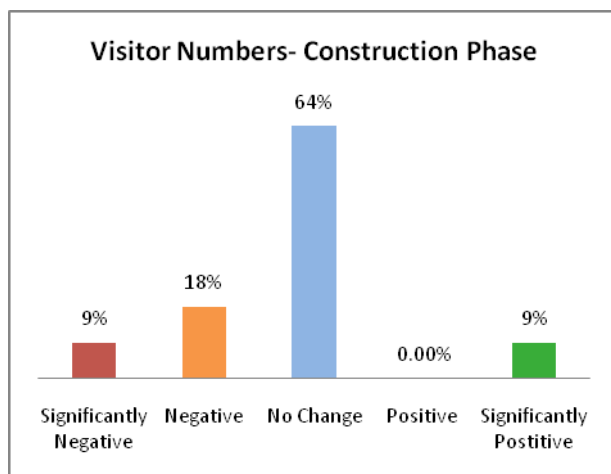
Issues relating specifically to tour operators were discussed in terms of the potential impacts of the proposed LNG development. Specifically, perceptions relating to the impact on sales were investigated. Two-thirds (64%) of respondents saw that the development would have no impact on sales over the construction phase and around a quarter (27%) believed sales would be positively impacted. Over a third (36%) suggested that sales would not be impacted during the operational phase; however, almost half of the sample (45%) saw positive impacts.



Issues of short term impacts, specifically through the construction phase of the proposed development, were considered against brand image and visitor numbers. The majority of respondents did not believe that there would be any impact on visitor numbers through the construction phase or the operational phase where 30% of respondents saw a positive increase in visitor numbers.

“Once construction is completed it will be business as normal”

“The majority of people won’t see the visual impact. It will have some impact on locals as the ‘mining mentality’ of high income, blue collar workforce comes into town for recreation and this could then impact on tourists as their



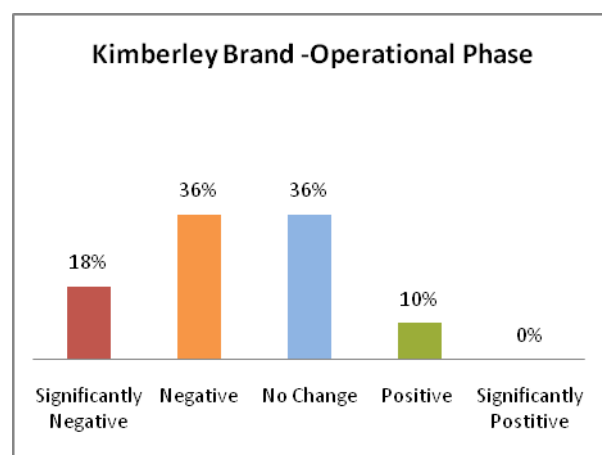
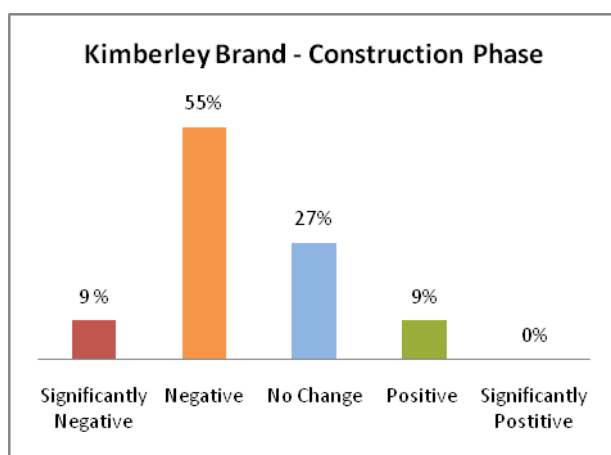
experience of Broome could be affected”

This group considered that damage to the image of Broome and to the “Kimberley brand” would be more significant during the construction phase (64%). However, there was a view that this image would improve over time but the majority (54%) considered that there would be medium to long term damage to the brand. As with many of these issues, there were a range of views expressed.

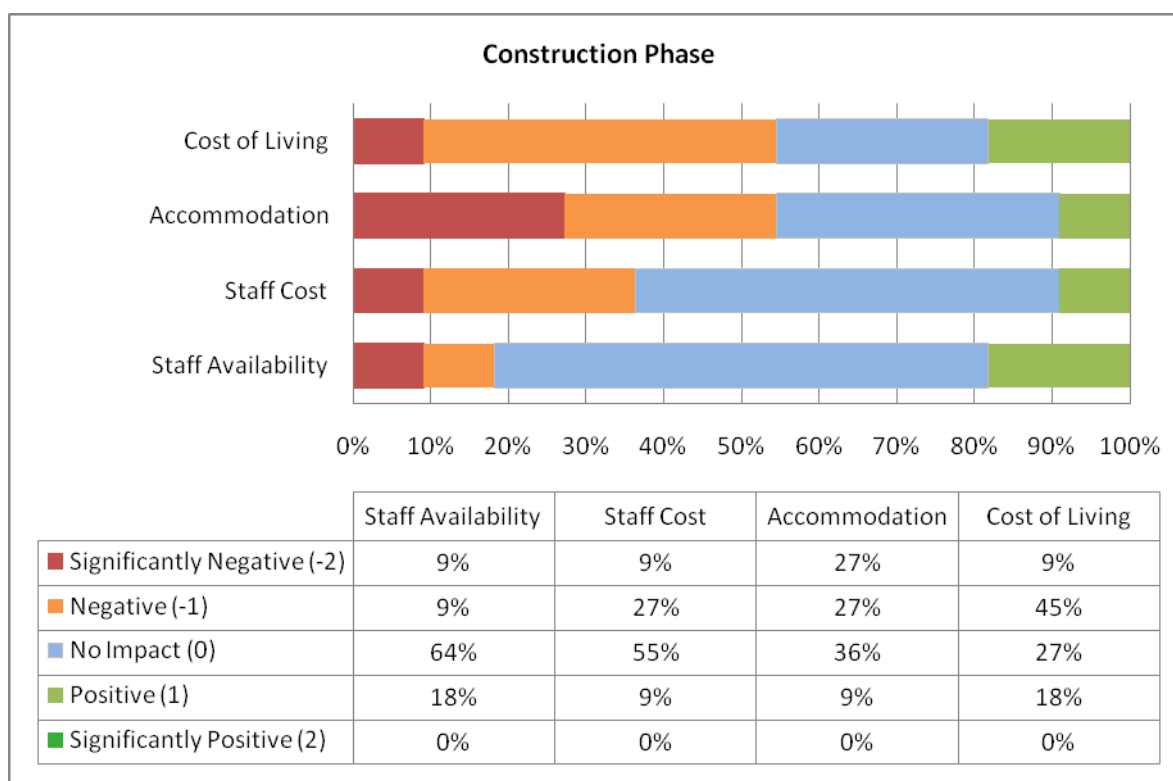
“I’m concerned that all the bad publicity will make people ‘give up on Broome”

“We cannot afford not to have the LNG Precinct!”

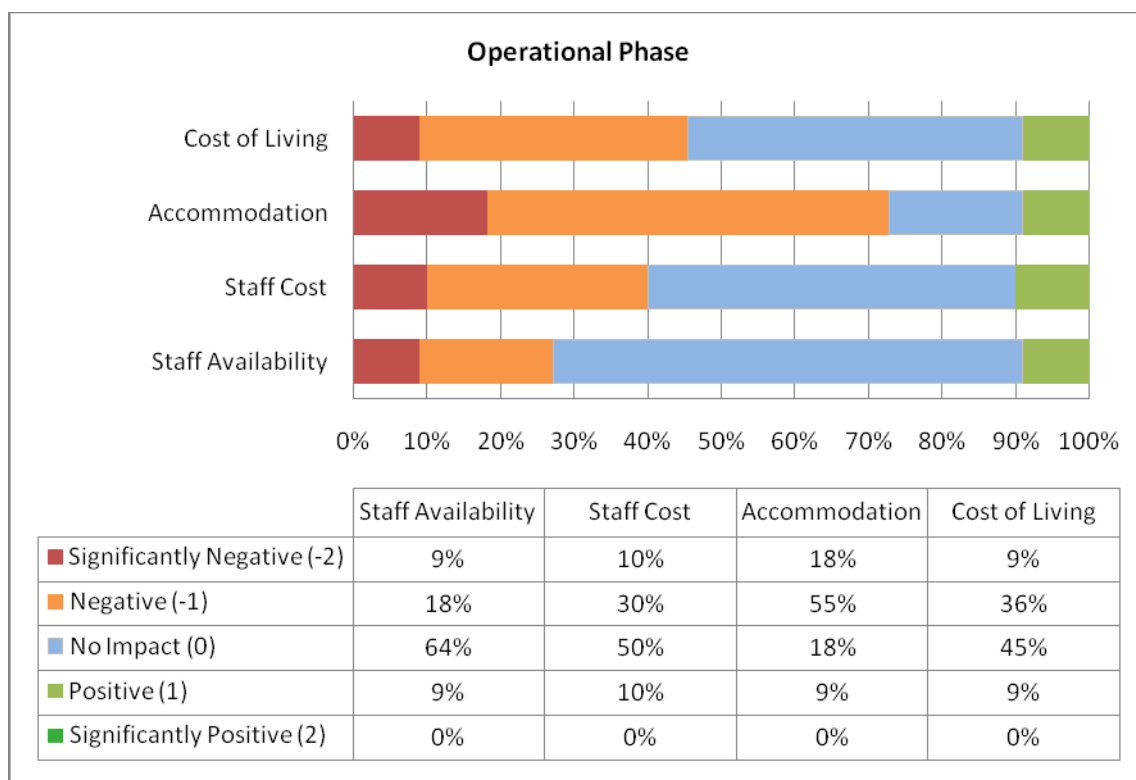
“Bring it on!”



Staff availability (64%) and the cost of staff (55%) were not seen to be impacted by the proposed LNG development over the construction phase. However, there was a view by the majority (55%) that accommodation would be under greater pressure and the increased demand would increase costs. This view was consistent in terms of the cost of living for 55% of the group.



Staff availability (64%) and the cost of staff (50%) were not seen to be impacted by the proposed LNG development during its operational phase. However, there was a view by the majority that accommodation would be under even greater pressure and the increased demand would increase costs. This was the view of 73%.



MITIGATION STRATEGIES

Significant time was spent exploring problems and opportunities that may impact on tour operators' businesses as a result of the proposed LNG Precinct development. However, as these operators are also residents of Broome, it was often difficult to focus the discussion on issues impacting solely on tourism. Views varied on impacts although there was general agreement for strategies that would need to be adopted to minimise negative impacts. Some of the general views and opinions raised are best summarised by way of direct quotes:

"The Kimberley starts up at the Napier Range, and probably at the Horizontal Waterfalls. That's where all the tourist spots and gorges are. The LNG plant will be 60kms up the coast from Broome. It's not going to affect the marketing of the Kimberley"

"The current economic climate is going to have a profound influence on how people see this project. Perhaps it highlights the vulnerability of the local economy given that pearling is in trouble and tourism has softened"

"The LNG precinct will diminish the character of the town and force tourists out by becoming 'overrun with miners' who will put upward pressure on house prices and the cost of living generally"

"I'm worried about its impact on the Kimberley environment, its reputation and the brand and I feel the negative impact on them will be significant"

“We would support any attempts to quash the Precinct proposal and Tourism WA, as an industry representative, should be doing more to fight it”

Key strategies can be grouped into the following six (6) points:

1. More marketing monies will be required to offset any false perception that Broome is no longer a desirable destination
2. Buy local is something that the State should encourage from project partners; Local business must have the ability to provide services
3. The Shire of Broome must drive the planning and management aspects in terms of managing the impact of the construction phase – movement of people through the town
4. Broome Chamber of Commerce and Industry (BCCI) needs to be at the table to get local business community involved in the process
5. The State must be responsible for the accountability of all parties
6. The level of impact at operating stage entirely depends on how the first stage is planned and managed. The Shire needs to “get off the fence” and drive the process for its residents

A V.10

CLUSTER 10 – MARINE BASED OPERATORS

 AIMS OF THIS STUDY CLUSTER

To consult with marine tour operators to determine the potential impacts of the proposed LNG Precinct on tourism and determine what, if any, strategies are being considered for the future.

 SAMPLE

Number of Organisations Interviewed: 20

Organisations Interviewed:

- Broome Hovercraft
- Sentosa Fishing Charters
- Fish Broome (Waverider & Rare Breed)
- Broome Adventure Company - Turtle Bay Kayak
- Horizontal Falls Seaplane Adventures
- Pearl Sea Coastal Cruises
- True North
- K2O
- Orion
- Great Escape Charter Company
- Coral Princess
- Odyssey Expeditions
- Matrix
- Freshwater Cove
- Billfish Charters
- Willie Pearl Lugger Cruises
- Reel Cruzie Charters
- Kimberley Kayak Fishing
- Reel Teaser
- Willie Creek Pearl Farm

 DATA ANALYSIS METHODS

As per Cluster 1 Methodology

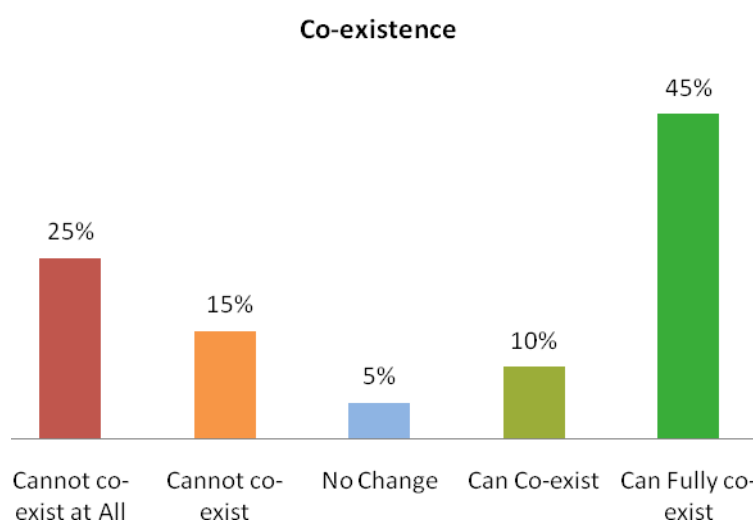
FINDINGS

One of the broader questions asked referred specifically to the ability of the LNG precinct to co-exist with tourism. 55% of this group believe the two (2) activities can co-exist while 40% believe they cannot. There are strong advocates at both ends of the scale.

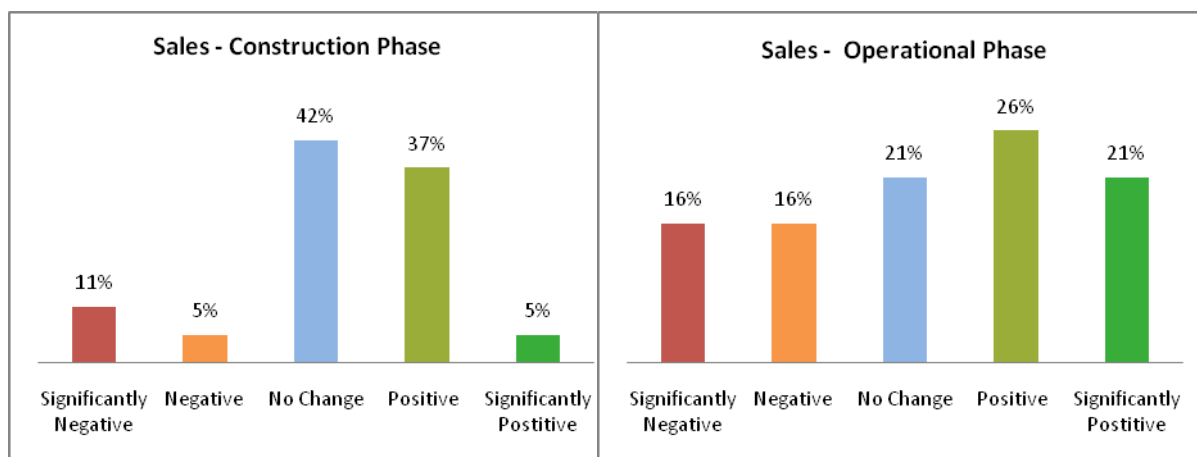
“Coexistence of Tourism & LNG Processing cannot work”

“The marine life that occupies and/or visits the proposed Gas Precinct coastline is unique” and the exclusion zone will inhibit any industry growth”

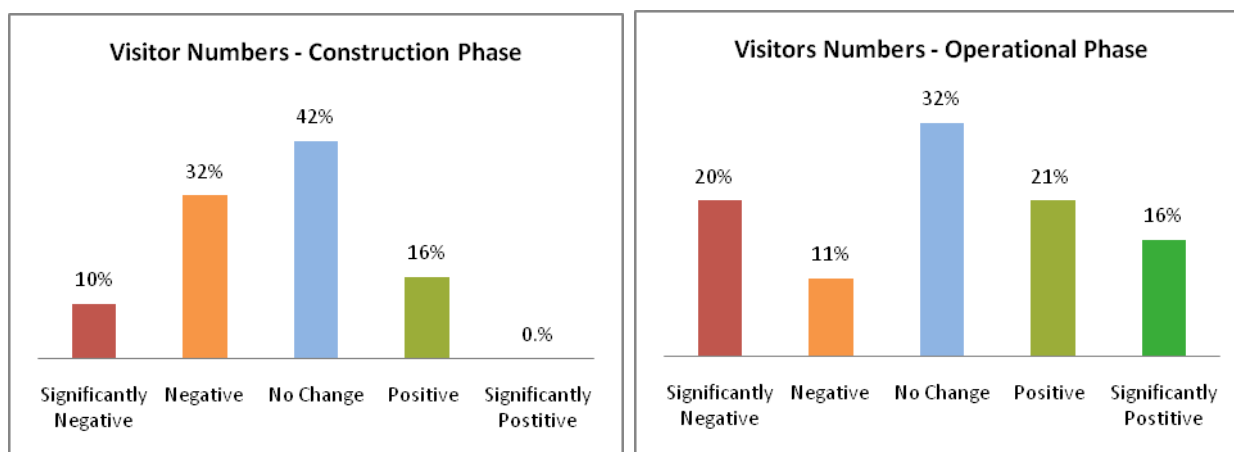
“I could be persuaded of the benefits of the project if royalties from the LNG projects resulted in major upgrades of local community facilities, particularly boat ramps....we need a comprehensive marina facility developed for everyone – commercial and local (pearlers, fishermen, recreational fishermen, tourists etc.)”



Issues relating specifically to tour operators were discussed in terms of the potential impacts of the proposed LNG development. Specifically, perceptions relating to the impact on sales were investigated. 42% of respondents believed that the development would have no impact on sales over the construction phase and a further 42% believed sales would be positively impacted. Around one-quarter (21%) suggested that sales would not be impacted during the operational phase; however, almost half of the sample (47%) predicted positive impacts.



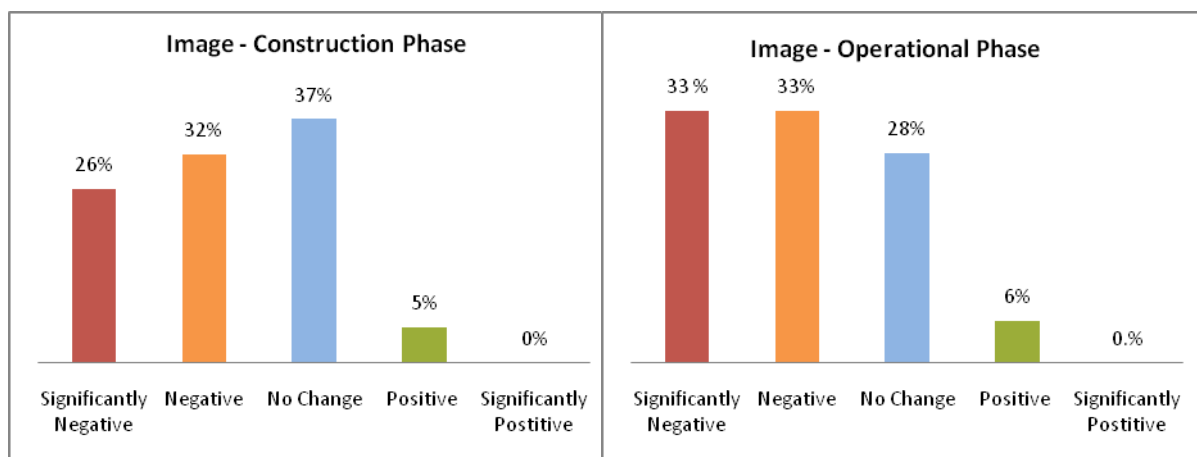
Issues of short term impacts, specifically through the construction phase of the proposed development, were considered against brand image and visitor numbers. The majority of respondents did not believe that there would be any impact on visitor numbers through the construction phase (42%) or the operational phase, where 69% of respondents saw no change or a positive increase in visitor numbers. However, one-fifth of respondents believed there would be significant negative impacts through the operational stage and a further 11% consider there will be negative impacts.



This group considered that damage to the image of Broome and to the “Kimberley brand” would be more significant during the operational phase (66%) than the construction phase (58%). As with many of these issues, there were a range of views expressed.

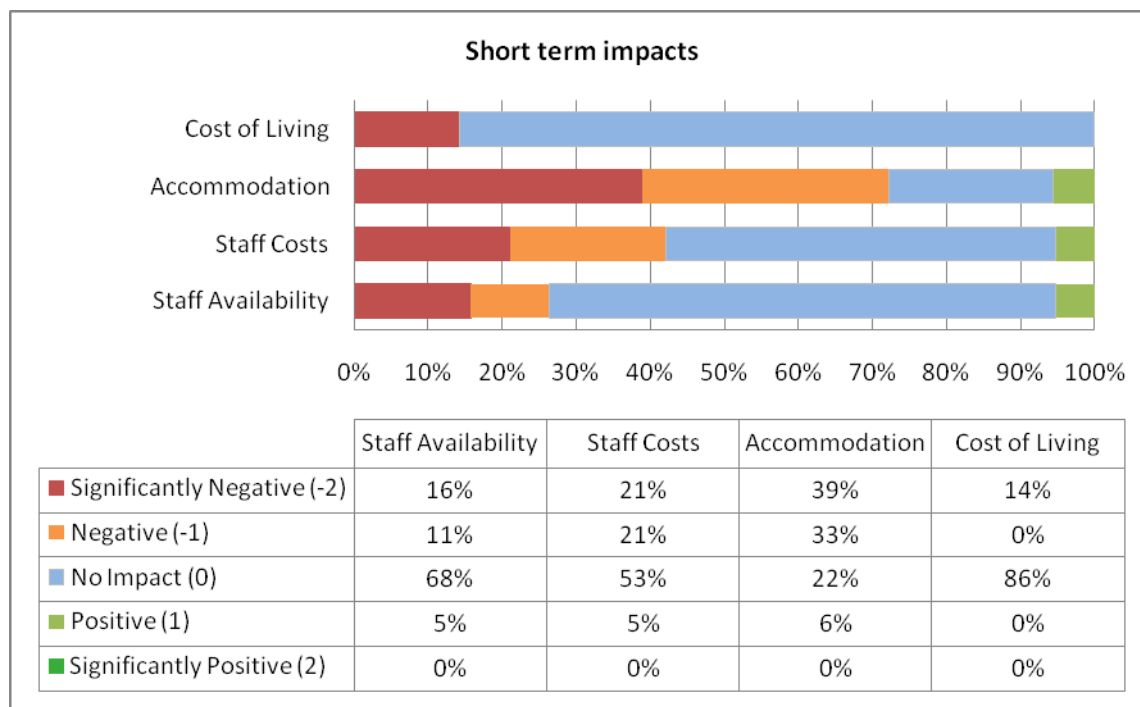
“People need to remember that mining is not new to the Kimberley. There are dozens of mine sites already developed and their impact has been minimal, particularly to the Kimberley reputation as a brand”

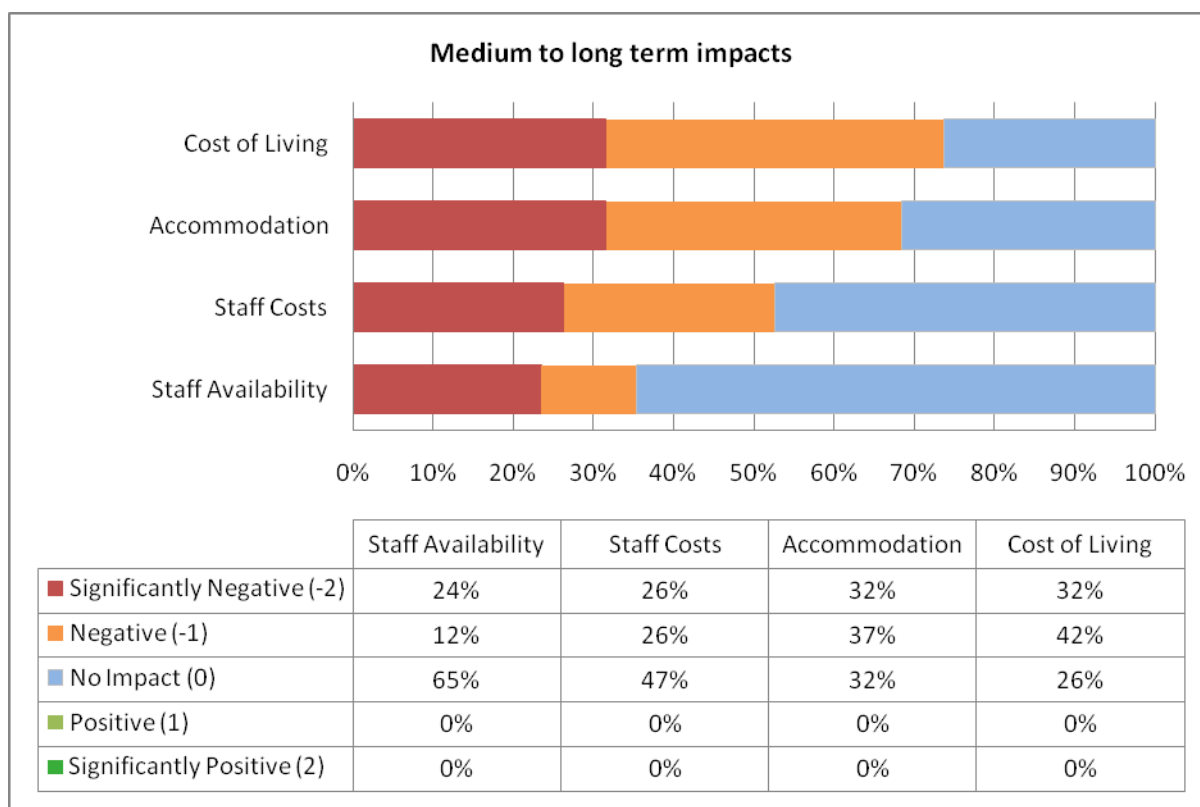
“LNG development is likely to give the service industry of Broome a real shake-up”



General issues that may potentially impact this sector were discussed in terms of staff availability and staff costs, accommodation costs and the overall cost of living. Respondents were asked to consider short term impacts (construction phase of the proposed development) and the medium to long term impacts (operational phase). Respondents did not necessarily accept that the proposed LNG Precinct development would have significant impacts as the issues of staff availability and costs, and the overall cost of accommodation and cost of living were significant issues on an ongoing basis.

86% of respondents did not perceive that there would be an increase in overall cost of living expenses through the construction phase; however, 74% considered pressures on overall cost of living would increase once the Precinct was operational.





Significant time was spent exploring problems and opportunities that may impact on marine tour operators as a result of the proposed LNG Precinct development. There were strong views articulated in support of and rejection of the proposed LNG development. Some of the general views and opinions raised are best summarised by way of direct quotes.

“The proposed LNG Development includes direct negative social impacts on the town...there will be a dramatic increase in drug-use, prostitution, alcohol-related violence and a shift in attitude from people who value community membership and participation to short-term contractors seeing their time in Broome more as a tour of duty than as a rewarding period of their life”

“The James Price Point Project will result in nothing less than a complete break-down in the entire coastal ecology”

“The mine [hub] will deliver much-needed local employment”

“There is absolutely no question Tourism and the LNG Precinct can fully coexist”

“Once operational, it is important that all mine-related personnel, including families, are housed and accommodated in Broome and encouraged to become part of the community”

“F.I.F.O. will damage Broome. FIFO staff should be accommodated at the Precinct”

“Pearling and Tourism can no longer sustain the town’s growth by themselves; Broome needs something like LNG or another industry to keep it growing”

MITIGATION STRATEGIES

1. Tourism WA needs to take a stronger lead to assist Broome Tourism Operators in counteracting the negative press that is being promoted by the Anti-LNG Lobby. This is not simply spending more money but taking on leadership and advocacy on behalf of the industry they support
2. James Price Point should be distinguished as an altogether different location to Broome
3. Any LNG Development should adopt 'world's best practices' for all stages and ensure that all environmental concerns are met
4. More funding must be provided to the appropriate bodies in the region for tourism marketing purposes to offset any negative impact on the brand and visitor perception, whether real or not. The key agencies in this regard are TWA and ANW
5. The Shire must lobby for better infrastructure for the town and the industry. This should include a safe boat harbor and all weather boat ramps

A V.11

CLUSTER 11 – INDIGENOUS OPERATORS

AIMS OF THIS STUDY CLUSTER

To consult with Indigenous tourism operators and accommodation providers to determine the potential impacts of the proposed LNG Precinct on their business and determine what, if any, strategies are being considered for the future.

SAMPLE

Number of Organisations Interviewed: 15

Organisations Interviewed:

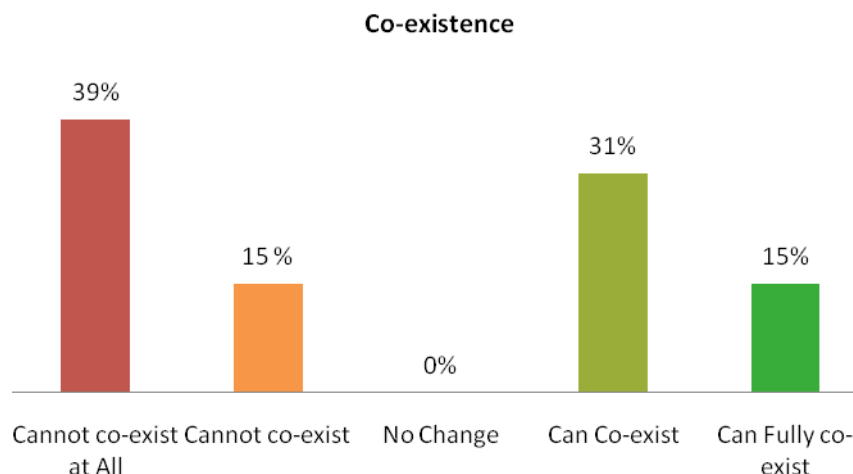
- Goomburagyn
- Kooljaman
- Lombadina
- Mercedes Cove
- Uptuyu Tours
- Wundargoodie Aboriginal Tours
- Chile Creek
- Aussie Offroad Tours
- Kimberley Dreamtime Adventure Tours
- Nagula Aboriginal Tour
- Ardyaloon
- Mamabulanjin
- Middle Lagoon
- Madarr (Barramundi Moon)
- La Djardarr Bay

DATA ANALYSIS METHODS

As per Cluster 1 Methodology

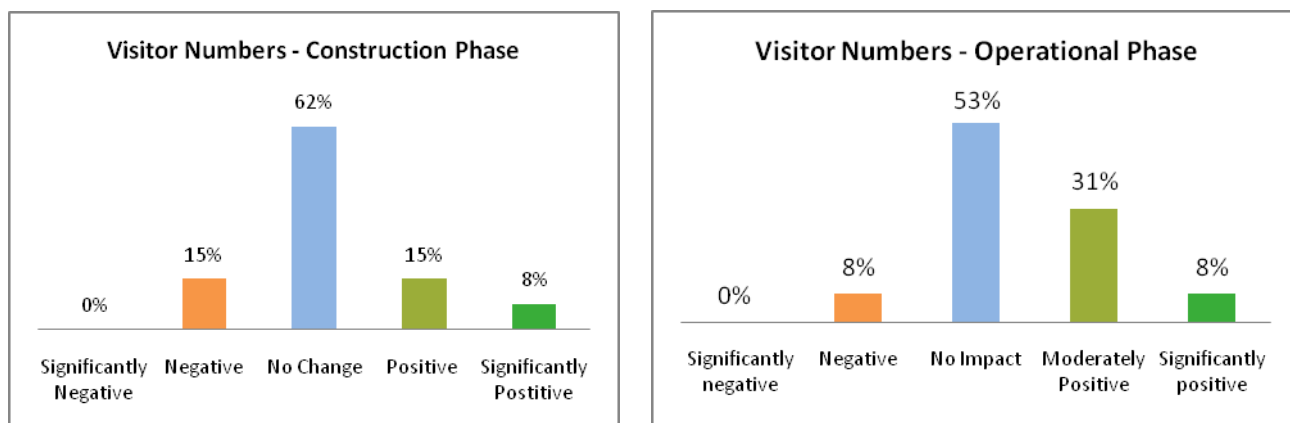
FINDINGS

One of the broader questions asked referred specifically to the current perception of the ability for the LNG precinct to coexist with tourism. Over half the group (54%) believes that the two (2) activities cannot co-exist whereas the remaining 46% had the contrary view. Interestingly, this was the only group where the “no change” option did not record a single score.



Issues of short term impacts, specifically through the construction phase of the proposed development, were considered against visitor numbers and the Kimberley's image (brand). The majority of respondents did not believe that there would be any impact on visitor numbers through the construction phase (62%) or the operational phase, where 92% of respondents saw no change or a positive increase in visitor numbers.

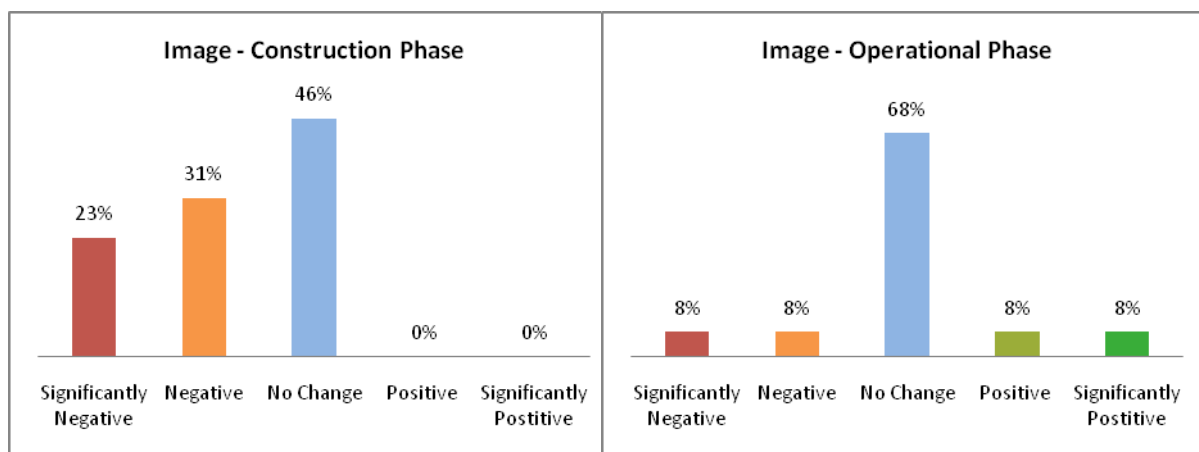
"LNG development will cause an increase in ignorant visitors (to the region) who just want to get away and relax, instead of wanting to enjoy an Indigenous cultural experience"



The majority of respondents (54%) suggested that the image of the Kimberley would be damaged through the construction phase but would have no impact once operations had commenced. However, the majority (68%) believed there would be no change to the brand during its operational stage.

"LNG development in the region will damage Broome's laid-back, remote, tropical, beachside, rural, wilderness, tourist experience"

"People's perceptions of Broome are likely to be influenced by the visibility and presence of FIFO workers, 4WD's with orange flags that 'beep' when they reverse etc"



Generally, there was a view that issues of staff availability (69%), staff costs (75%), and accommodation costs (75%) would not be impacted at all through the construction phase of the proposed LNG Precinct. However, 58% of the sample suggested that the cost of living would increase.

As shown on both the following charts, impacts on staff and so on are generally considered to have little impact. However, the issues that were of concern were discussed in detail. Although these issues will be developed through the Indigenous Assessment Study and the Social Impact Study, a number of common themes emerged.

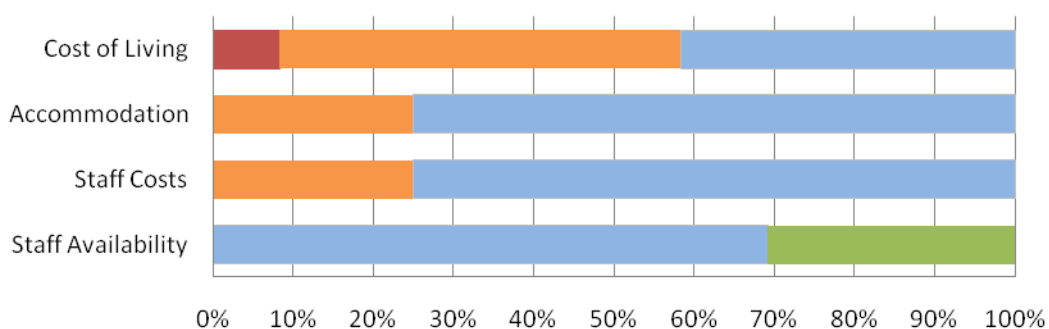
“There could be opportunities for our business to be involved with the project on a long term basis, through delivery of cultural awareness training. Our tour places a lot of focus on local culture and we consider it important for new people to the area to understand what is important to us”

“Don't like the idea. Don't like KLC's management of the process but I'm going to make sure I make the most of it. This is the best chance we've ever had of changing our standard of living”

“LNG Precinct will attract many of the young Aboriginal men of the peninsular, higher wages luring them away from their communities where they would otherwise be working their own lands to realise their (cultural) aspirations”

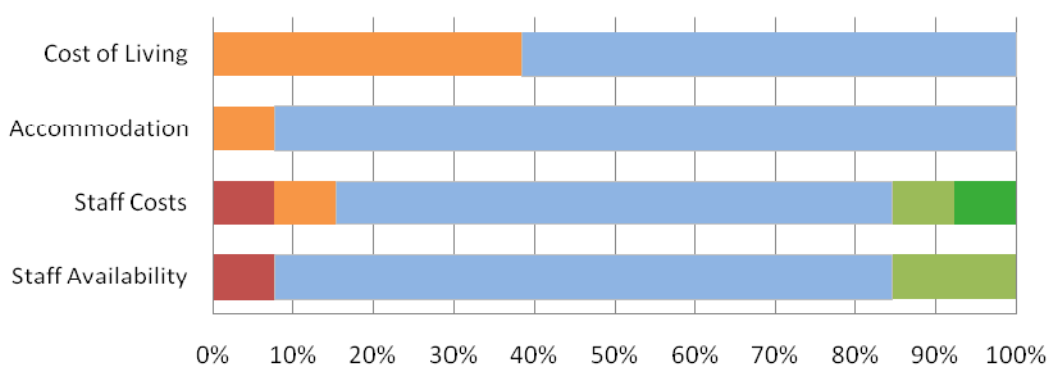
“This is our chance to get things right...start real businesses that pay real wages. It's a once in a lifetime opportunity. Let's just hope the KLC work in our rather than their own interests for a change”

Short term impacts - Construction phase



	Staff Availability	Staff Costs	Accommodation	Cost of Living
■ Significantly Negative (-2)	0%	0%	0%	8%
■ Negative (-1)	0%	25%	25%	50%
■ No Impact (0)	69%	75%	75%	42%
■ Positive (1)	31%	0%	0%	0%
■ Significantly Positive (2)	0%	0%	0%	0%

Long term impacts - Operational phase



	Staff Availability	Staff Costs	Accommodation	Cost of Living
■ Significantly Negative (-2)	8%	8%	0%	0%
■ Negative (-1)	0%	8%	8%	38%
■ No Impact (0)	77%	69%	92%	62%
■ Positive (1)	15%	8%	0%	0%
■ Significantly Positive (2)	0%	8%	0%	0%

MITIGATION STRATEGIES

Discussion of strategies that will need to be considered were provided by respondents and can be summarised as follows:

“Work must be done with local government and peninsula communities to determine the visitor (tourist) capacity of the peninsula, and these numbers managed accordingly”

“ALT access permits must be enforced”

“Gradual upgrade of the Peninsula’s infrastructure must be undertaken – water storage, waste management, roads, signage etc., in order to cater to any possible increase in visitor numbers”

“Local, state and federal governments must be more creative in delivering employment outcomes (directly or indirectly) for Indigenous people – not just Ranger, Tour Guide, Office Assistant positions etc. Trades should be promoted and training adjusted accordingly”

“The Broome Shire needs to leverage what it can from the project in terms of education, schooling and public facilities etc. These are all important considerations for tourism operators on the Dampier Peninsula”

“There must be a commitment from all key stakeholders in the project that commercial opportunities associated with the project should be made available to Broome based businesses and organisations in the first instance”

“The proponent and the State need to develop and implement a strategy that controls the activities of FIFO workers and their ability to access other areas of the Peninsula”

A V.12

CLUSTER 12 – SERVICE PROVIDERS TO TOURISM

AIMS OF THIS STUDY CLUSTER

To consult with providers of goods and services to the visitor market in order to determine the potential impacts of the proposed LNG Precinct on their businesses and determine what, if any, strategies are being considered for the future.

SAMPLE

Number of Organisations Interviewed: 32

Category sample sizes:

Retailers = 14

Transport Services (Hire cars, Taxis Companies) = 7

Restaurants/Cafes = 8

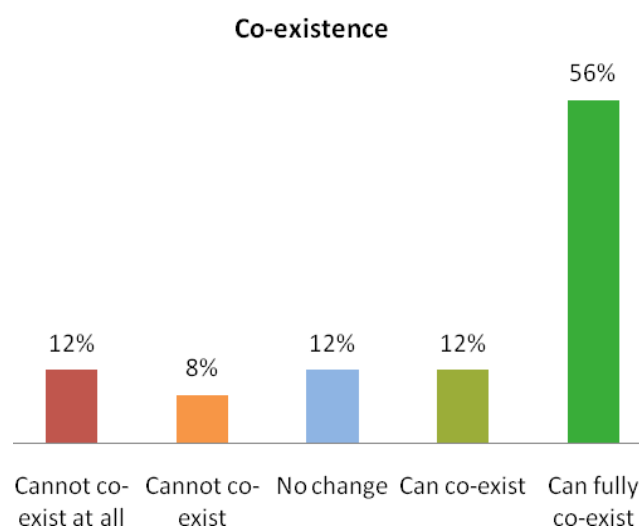
Travel Wholesalers = 3

DATA ANALYSIS METHODS

As per Cluster 1 Methodology

FINDINGS

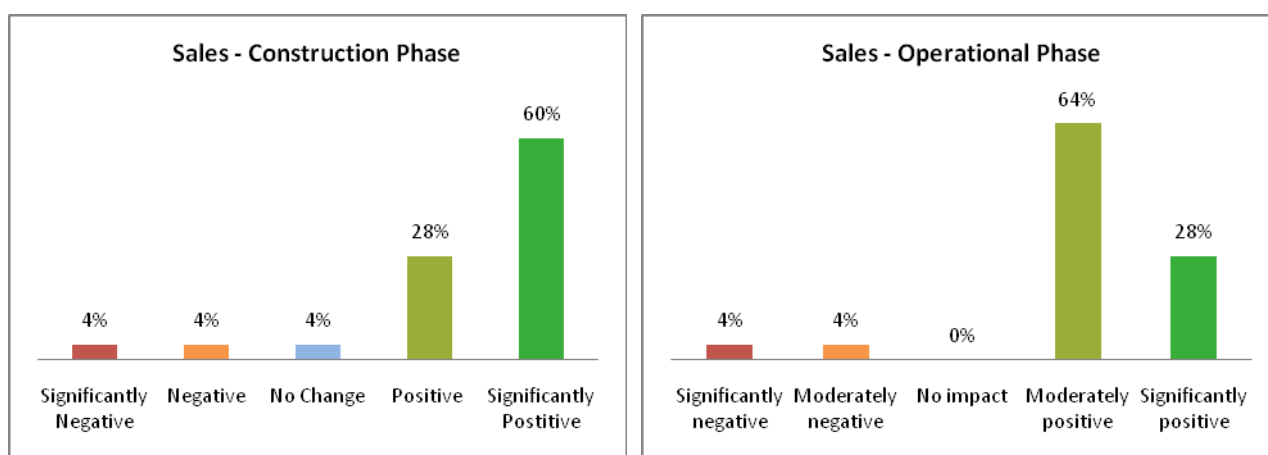
68% of providers of goods and services to visitors that were interviewed for this study believe that an LNG Precinct and continued growth of tourism can co-exist. 20% did not believe these activities could be balanced and 12% believed the proposed development would have no impact.



Issues relating specifically to providers of goods and services to the visitor market were discussed in terms of the potential impacts of the proposed LNG development. Specifically, perceptions relating to the impact on sales were investigated. 88% of respondents saw that the development would have a positive impact on sales over the construction phase and 92% believed sales would be positively impacted through the operational phase.

“...the more people living in Broome, the better for (my) business”

“My businesses will benefit greatly from LNG Development but I have very serious concerns for the overall wellbeing of the Broome Community”



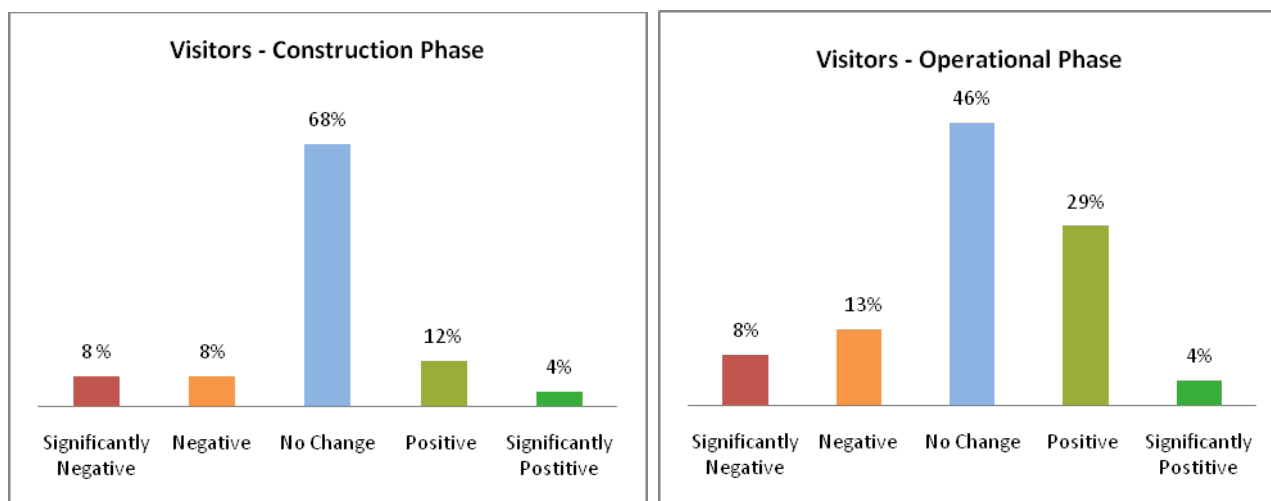
Issues of short term impacts, specifically through the construction phase of the proposed development, were considered against brand image and visitor numbers. The majority of respondents did not believe that there would be any impact on visitor numbers through the construction phase (68%) or the operational phase, where 79% of respondents saw no change or a positive increase in visitor numbers.

“I don’t think there will be much of an impact on tourism. People such as boat operators might be affected, but I don’t think it’s going to stop anyone coming to the area. Once they start building, most of the media hype will go away.”

“I don’t think anyone has ever said I want to rent a car to go to James Price Point. Most people just want to drive around Broome, visit Cape Leveque or see the Gibb River Road, Windjana Gorge and Tunnel Creek.”

“Broome people have always been good at protecting the interests of Broome and its tourism industry. This strength of ‘character’ will ensure the LNG Precinct is managed well and impacts are minimised”

"It will probably have a moderately positive long term impact on tourism. More people in town will attract more friends and family."

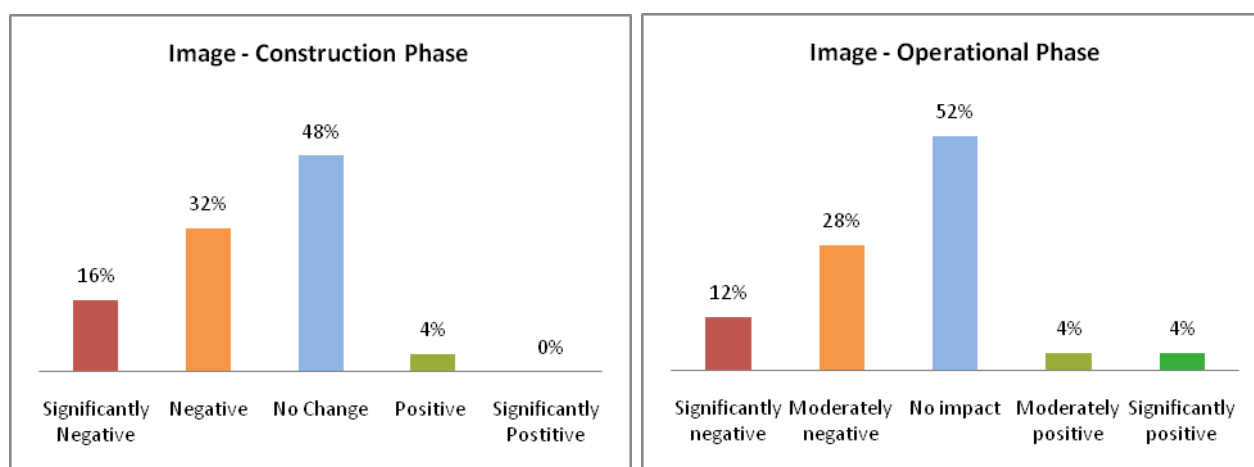


Almost half the sample (48%) believed there would be damage to the image of the Kimberley through the construction phase and it would not recover to any significant level through the operational phase.

"I don't think it will impact (on the Kimberley's reputation) or visitor numbers. People from Sydney, Melbourne and Perth get development down there. They are used to it."

"It will affect the whole of our tourist marketing because it's going to destroy our green ticket. This represents a devastating attack on a 25-year campaign to bring tourism into our region. We finally got there, only to see our Government sell us down the river."

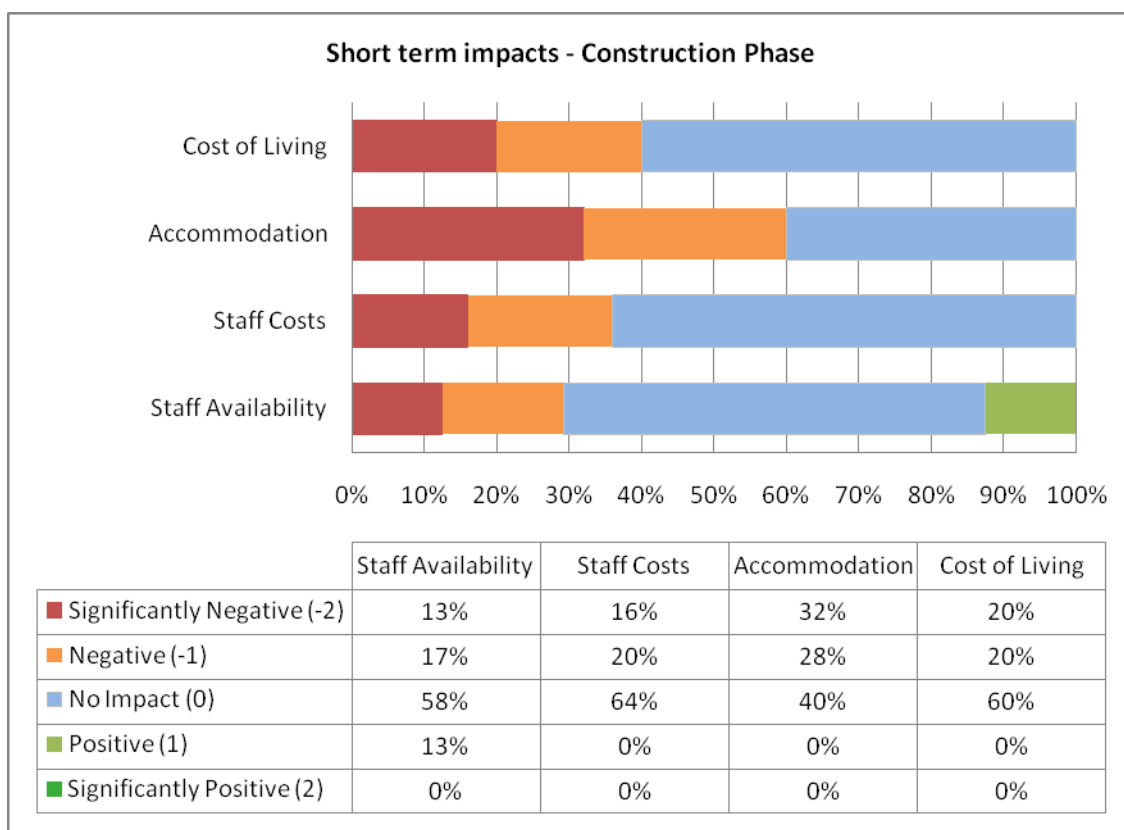
"It's essential that they regulate it from an environmental perspective, otherwise the Kimberley will lose its reputation. It needs to be the cleanest gas plant in the world."

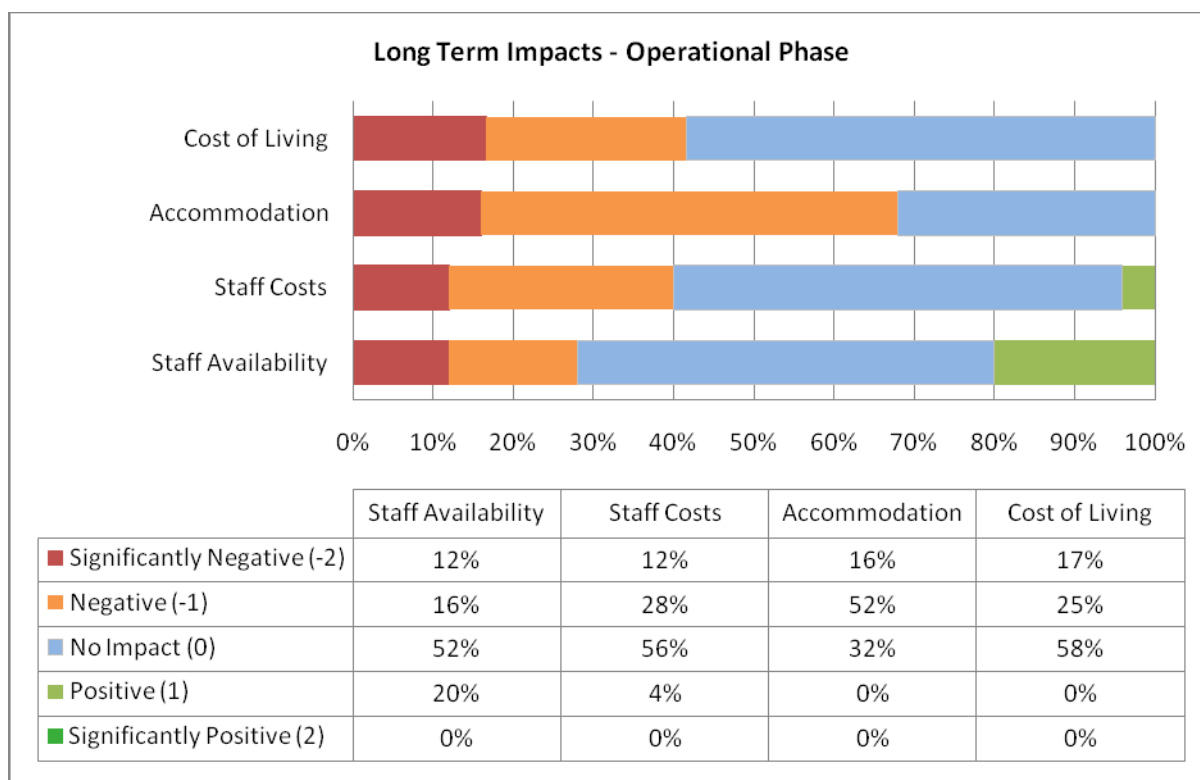


General issues that may potentially impact this sector were discussed in terms of staff availability and staff costs, accommodation costs and the overall cost of living. Respondents were asked to

consider short term impacts (construction phase of the proposed development) and the medium to long term impacts (operational phase). Respondents did not believe that the proposed LNG Precinct development would have significant impacts as the issues of staff availability and costs, and the overall cost of accommodation and cost of living were significant issues on an ongoing basis.

40% of respondents believed there would be an increase in overall cost of living expenses through the construction phase, and around the same percentage (42%) considered these overall pressures would continue through the operational phase.





- *“Because the Northwest region is often overlooked in political policy and decision making, a greater percentage of mining royalties from the James Price Point LNG Precinct specifically should be allocated to the Kimberley region to assist in developing education, housing and civic services generally”*
- *“Our schools are already full and they will be seriously impacted; doctors are already a problem; basic services are going to be really stretched. The hospital redevelopment is only just keeping up with existing demand and it will have to be redeveloped again”*
- *“The slipway out at the Port is a disgrace. If you’ve got to service boats at all, we need a new slipway; otherwise the work will go to Darwin. You can’t get 50-foot charter boats out of the water.”*
- *“I see our essential amenities – hospital, police and other social services – being stretched beyond capacity due to the influx of an itinerant workforce for this project – seeing as we already have trouble handling it in the tourist season at present.”*
- *“It will have a cultural impact – FIFO brings a bad culture”*
- *“3500 workersthe only ones to benefit will be the pubs”*
- *“Broome needs a broader economic base”*
- *“I have little confidence in the State Government to do this properly – they should already know (from past projects) what is likely to happen and what needs to be addressed / protected”*

MITIGATION STRATEGIES

General issues of infrastructure pressures were discussed; however, many of these issues will be detailed in the Social Impact Assessment Study. There is also a general lack of confidence within this group that the Government and Shire will act proactively in overcoming many of these pressures. All strategies noted are direct quotes:

1. *"TWA and the State need to acknowledge that more money will be required for marketing to counteract any negative influences – this must be a commitment that is made as part of the project – not after the fact"*
2. *"Affordable land and housing is critical – LandCorp needs to act responsibly, which is unlikely based on past performance. They should also be more creative and consider leasing land (say for 99 years) instead of selling land. This might help housing affordability"*
3. *"The Shire of Broome needs to drive the agenda for the industry and community of Broome. Although there has been no evidence of leadership through the process so far, one hopes that this year's Council elections will provide more inspired leaders"*
4. *"The State needs to ensure KPI's are developed and met with regard to Indigenous employment, rangers, operators, training, apprenticeships etc"*
5. *"State and Woodside should seriously consider whether the precinct can be taken further inland"*
6. *"The government needs to ensure that education, health and other community services are able to cater to the population increase, particularly during the construction phase"*
7. *"The Government must release more land and learn from the Pilbara experience"*

A V.13 CLUSTER 13 - DERBY

This project looked to quantify the value of tourism as one of the requirements of the brief. Face-to-face and telephone interviews were conducted with accommodation providers and providers of goods and services to visitors to address this requirement. As these discussions were being undertaken, KPP took the opportunity to discuss and measure perceptions of the proposed LNG Precinct development.

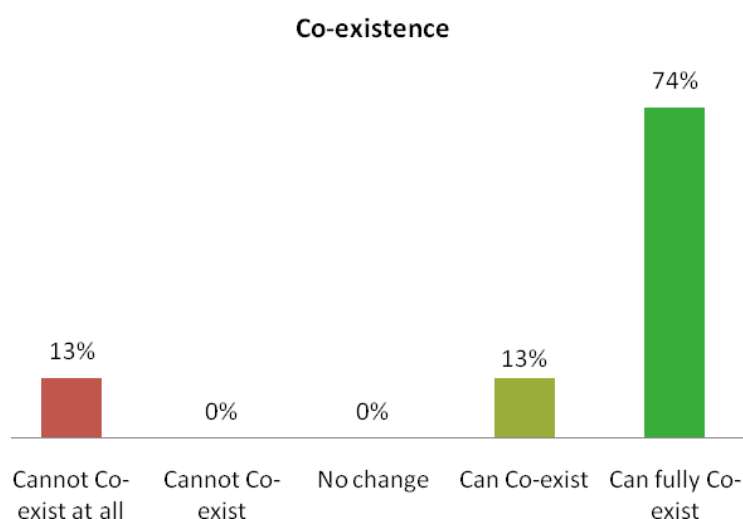
General views were recorded but mitigation strategies were not discussed, as it became apparent early in the process that there is little interest in impacts beyond those that may directly influence other parts of the Kimberley.

The general question of the ability for the proposed LNG Precinct to co-exist with tourism was rated. The majority of respondents (87%) believed that the two (2) activities could co-exist, while 13% believed they could not.

“The benefits will far outweigh any negative impacts; particularly if Derby gets the go-ahead for a marine supply port at Point Torment.”

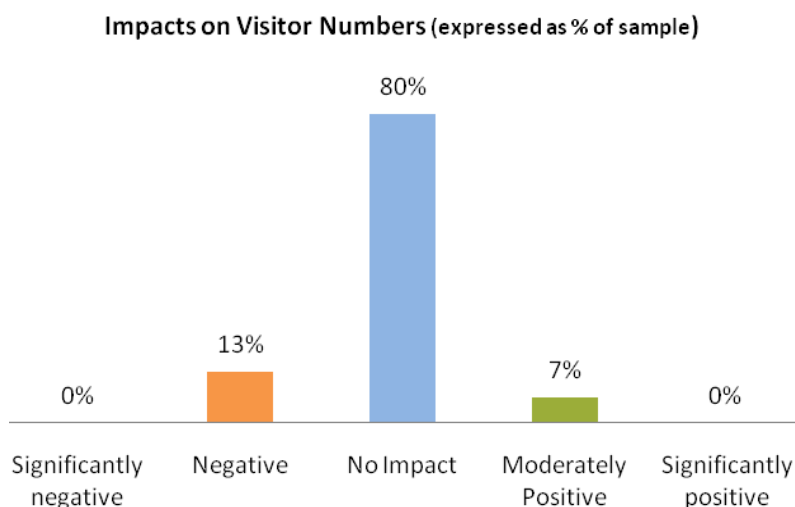
“In reality, industry has to occur and JPP is not at all iconic from a tourism perspective; therefore it’s a suitable location.”

“It’s far enough south on the Kimberley coastline as to cause minimal environmental effect to the Dampier Peninsular, the Buccaneer Archipelago and the ‘true’ or ‘real’ Kimberley coastline to be found around Derby and further North.”

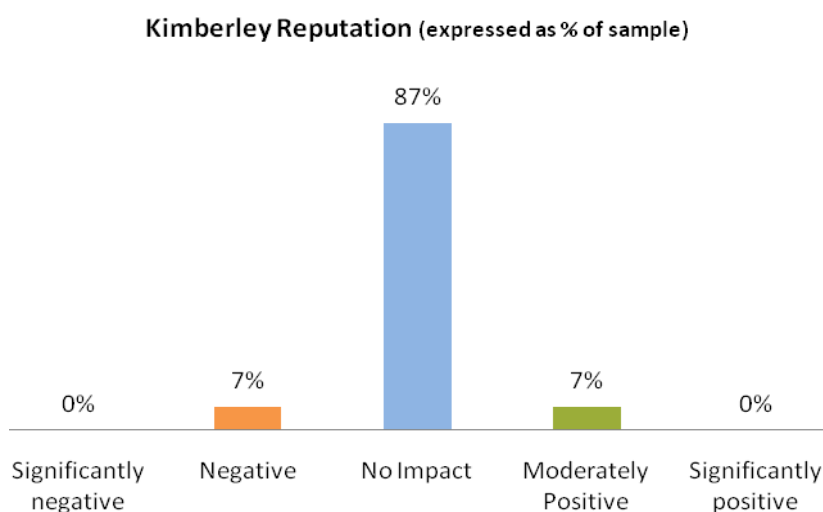


Issues focusing on visitor numbers and impacts of the proposed development on the Kimberley brand were also discussed. Only short term (construction phase) opinions were sought, as there appeared to be a low level of knowledge about the project outside the Shire of Broome generally, and therefore there had been little consideration about future impacts.

Over three-quarters (80%) of respondents didn't believe there would be any change to visitor numbers, while 13% saw potentially negative impacts.



A significant majority (87%) did not see that there would be any impact on the reputation (brand) of the Kimberley as an impact of the proposed development.



"If it was happening in our region, there would be impacts to discuss...but it's all in Broome and people don't think of Broome as part of the Kimberley."

"James Price Point is out of the way. If anything it will become an attraction, which is good."

"It's the same thing as saying the new prison will hurt our reputation. It's ridiculous."

"Might get more Broome people moving to Derby, if Broome gets to be too busy and too expensive. That's good for both towns."

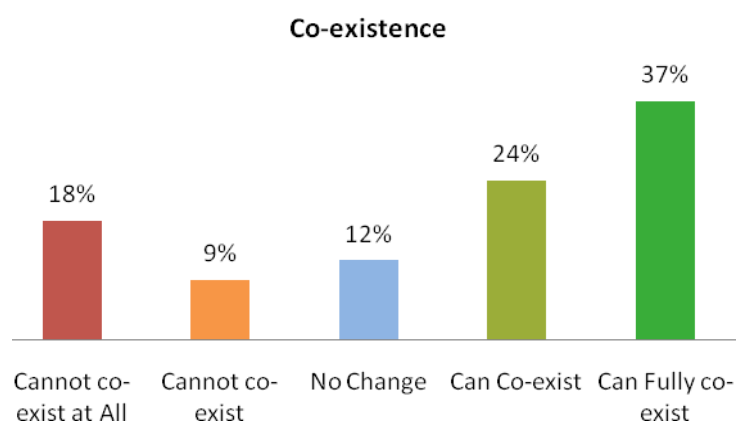
This project looked to quantify the value of tourism as one of the requirements of the brief. Face-to-face and telephone interviews were conducted with accommodation providers and providers of goods and services to visitors to address this requirement. As these discussions were being undertaken, KPP took the opportunity to discuss and measure perceptions of the proposed LNG Precinct development.

General views were recorded but mitigation strategies were not discussed, as it became apparent early in the process that there is little interest in impacts beyond those that may directly influence other parts of the Kimberley.

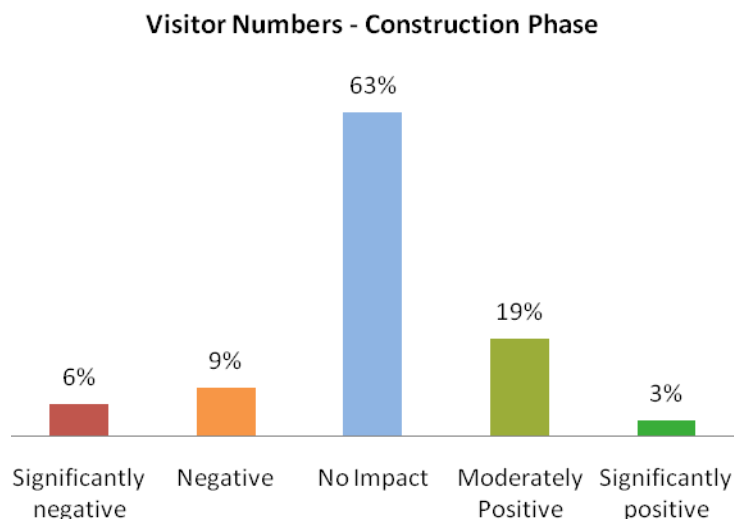
The general question of the ability for the proposed LNG Precinct to co-exist with tourism was rated. The majority of respondents (61%) believed that the two (2) activities could co-exist while 27% believed they could not.

“Negative in every way...Pastoral stations have a hard enough time attracting staff without having to compete with the mines”

“That part of the coast (JPP) isn't a place where the cruise boats even go. Don't understand the fuss”



Issues focusing on visitor numbers and impacts of the proposed development on the Kimberley brand were also discussed. Only short term (construction phase) opinions were sought, as there appeared to be a low level of knowledge about the project outside the Shire of Broome generally, and therefore there had been little consideration about future impacts.



Almost two-thirds of respondents didn't believe there would be any change to visitor numbers, while 22% saw positive impacts.

"Can only be good for Kununurra. More VFR's in Broome will have a knock on effect for the whole Kimberley"

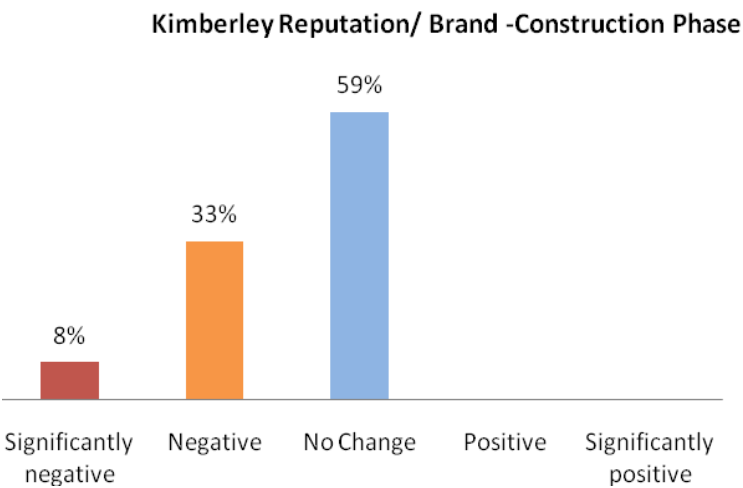
"(I) can't see anything but opportunities. We've had Argyle here for ages and it's become a major tourist attraction. Anything that keeps visitors around for an extra day or so means more money stays in the region. How can this be negative?"

Almost 60% of respondents did not believe the brand would be damaged as an impact of the proposed LNG development, while the remaining 41% believed there would be negative impacts at various levels.

"Damage to the brand in the West Kimberley can only help solidify true brand values of the East Kimberley"

"We already compete with Argyle for staff. Fact is people who work at the mines don't want to work in tourism and vice versa. Won't make any difference"

"No impact on Kununurra. It will probably just make us look better"



APPENDIX VI

A.VI.1 BROOME INTERNATIONAL AIRPORT

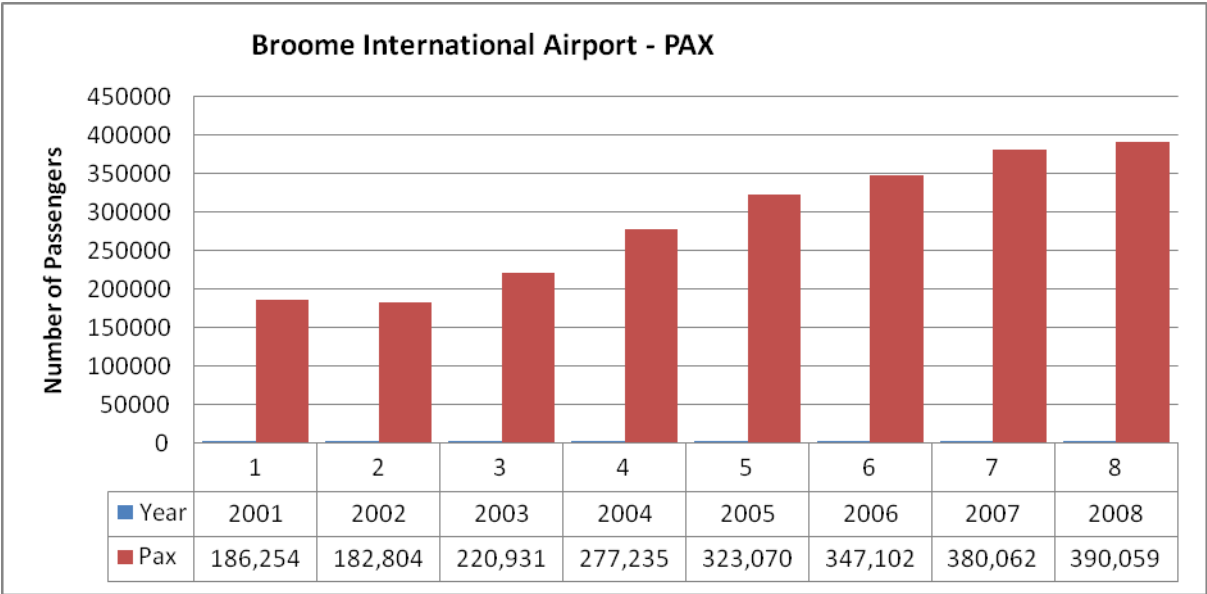


FIGURE 16: BIA PASSENGER DATA 2001-2008

A.VI.2 PORT OF BROOME

Visit Number	Cruise Ship	Arrival		Passengers			Crew
		Year In	Date In	In	Out	Transit	
1	Sun Princess	2008	1-Jul	0	0	2096	922
2	Coral Princess	2008	14-Jul	45	47	0	12
3	Orion	2008	18-Jul	0	0	100	85
4	Oceanic Discoverer	2008	20-Jul	62	66	0	19
5	Coral Princess	2008	4-Aug	45	46	0	12
6	Orion	2008	7-Aug	0	0	97	76
7	Oceanic Discoverer	2008	11-Aug	63	66	0	20
8	Coral Princess	2008	25-Aug	43	46	0	13
9	Orion	2008	28-Aug	0	2	104	77
10	Oceanic Discoverer	2008	1-Sep	68	70	0	20
11	Orion	2008	12-Sep	0	2	101	76
12	Coral Princess	2008	15-Sep	45	44	0	13
13	Oceanic Discoverer	2008	22-Sep	67	66	0	20
14	Dawn Princess	2008	6-Nov	0	0	1967	844
15	Bremen	2008	19-Nov	0	0	109	106
16	Sun Princess	2008	2-Dec	0	0	1998	872
17	Rhapsody Of The Seas	2009	9-Mar	0	0	1867	776
18	Sun Princess	2009	16-Mar	0	0	1972	860
19	Coral Princess	2009	20-Apr	45	47	0	13
20	Sun Princess	2009	27-Apr	0	0	1988	865
21	Oceanic Discoverer	2009	27-Apr	68	65	0	20
22	Orion	2009	6-May	0	0	81	77
23	Coral Princess	2009	10-May	42	47	0	12
24	Oceanic Discoverer	2009	18-May	62	66	0	18
25	Orion	2009	21-May	0	0	89	76
26	Coral Princess	2009	1-Jun	N/A	N/A	N/A	N/A
27	Oceanic Discoverer	2009	8-Jun	N/A	N/A	N/A	N/A
28	Orion	2009	10-Jun	N/A	N/A	N/A	N/A
29	Coral Princess	2009	12-Jun	N/A	N/A	N/A	N/A
30	Coral Princess	2009	22-Jun	N/A	N/A	N/A	N/A
31	Oceanic Discoverer	2009	29-Jun	N/A	N/A	N/A	N/A

FIGURE 17: PORT OF BROOME - F08/09 CRUISE SHIP MOVEMENTS

Based on information provided by the Port of Broome, an additional eight (8) cruise ships are scheduled to dock in Broome in F09/10 versus the previous year. Estimates suggest that this represents 24,000 transiting passengers.