ACIL ALLEN

# Study of Short Stay Accommodation in Exmouth

## Final Report

6 September 2024

## About ACIL Allen

ACIL Allen is a leading independent economics, policy and strategy advisory firm, dedicated to helping clients solve complex issues.

Our purpose is to help clients make informed decisions about complex economic and public policy issues.

Our vision is to be Australia's most trusted economics, policy and strategy advisory firm. We are committed and passionate about providing rigorous independent advice that contributes to a better world.

## Report to: Tourism WA



ACIL Allen acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land and its waters. We pay our respects to Elders, past and present, and to the youth, for the future. We extend this to all Aboriginal and Torres Strait Islander peoples reading this report.

Goomup, by Jarni McGuire

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# Preliminaries

## Report structure

This report is intended to provide a high-level assessment of the demand and supply for tourist accommodation and tourism worker accommodation, along with an assessment of prospective development sites within Exmouth.

The findings from this study are intended to articulate whether a 'gap' exists for more tourist accommodation in Exmouth, the market segment for this gap, the potential tourism worker bed shortages, and sites that may be suitable for development. The report is set out in the following structure:

— **Section 2** provides a Current State Assessment of Exmouth to establish a foundation for evaluating demand and supply for tourist accommodation and tourism worker accommodation

— **Section 3** presents the insights that ACIL Allen has gathered through stakeholder engagement. The insights gathered through this process provide a qualitative perspective on the issues and challenges facing the tourism industry in Exmouth.

— **Section 4** provides a forecast of anticipated tourism accommodation demand in Exmouth over the short, medium and long term in order to highlight anticipated supply shortfall, as well as the types of accommodation that may be required to meet demand.

— **Section 5** contains a mixture of quantitative and qualitative data to highlight the future tourism worker accommodation shortage in Exmouth, along with the key drivers of this shortage and opportunities for rectification.

— **Section 6** contains the site assessment, conducted by ACIL Allen supplemented by information obtained by Tourism WA that identified suitable overflow accommodation for the Total Solar Eclipse, and backed by site visits conducted by ACIL Allen.

## Study limitations

The study has utilised the best available information available at the time of analysis. There have been challenges in obtaining some quantitative data relating to Exmouth. In certain cases, broader regional data has been utilised in ACIL Allen's Current State Assessment to provide broader context.

In Section 4, accommodation operators were not able to supply a complete set of information. This was likely due to two factors: i) the information request being made during peak season when operators are typically occupied with guests; and ii) a general lack of willingness to engage in the study despite several follow-up attempts. Considering that most operators expressed a willingness to be involved, ACIL Allen believes that the overlap of the study period with peak season is the most likely cause of the issue. This has resulted in a number of modelling assumptions being relied upon in this section to forecast anticipated tourism accommodation demand in Exmouth over the short, medium and long term, as explored in greater detail in Section 4.

In Section 5, to assess the need of tourism worker accommodation, ACIL Allen collected a range of qualitative and quantitative information that spoke to the identified gap in tourism worker accommodation. The low sample size obtained through the worker accommodation survey meant that results reflected the general Exmouth workforce, rather than the targeted transient or seasonal workforce. However, the survey did provide anecdotal support for the existence of a worker accommodation shortage in Exmouth. The findings presented in Section 5 would be enhanced through a comprehensive business survey to capture more accurate data on Exmouth's current and future workforce needs.

# Glossary of terms

| | Definition |
|---|---|
| Units | |
| % | Per cent |
| $ or A$ | Australian Dollars (unless otherwise specified) |
| $m | Million Dollars |
| °C | Degrees Celsius |
| ha | Hectares |
| k | Thousand |
| km / km$^2$ | Kilometers / Square kilometers |
| n/a | Not applicable |
| Abbreviation | |
| AAM | Australian Accommodation Monitor |
| ABS | Australian Bureau of Statistics |
| ADR | Average Daily Rate |
| BAC | Bushfire Attack Level (assessment) |
| BITRE | Bureau of Infrastructure and Transport Research Economics |
| CAGR | Compounded Annual Growth Rate |
| COVID-19 | The Coronavirus disease (COVID-19) pandemic |
| DBCA | Department of Biodiversity, Conservation and Attractions |
| DoT | Department of Transport |
| DPLH | Department of Planning, Lands and Heritage |
| DSR | Demand to Supply Ratio |
| EPA | Environmental Protection Authority |
| IWA | Infrastructure WA |
| JTSI | Department of Jobs, Tourism, Science and Innovation |
| LGA | Local Government Area |
| MCA | Multi-criteria Assessment |
| PAR | Per average room (Revenue PAR) |
| RNTBC | Registered Native Title Bodies Corporate |
| SA2 | Statistical Area Level 2 |
| SALM | Small Area Labour Markets |
| SCA | Special Control Area |
| SPP 6.3 | State Planning Policy no. 6.3 – Ningaloo Coast |
| STR | Smith Travel Research |
| TSE | Total Solar Eclipse |
| VC | Video conference |
| VFR | Visiting friends and relatives |
| WA | Western Australia |

# Key definitions

For the purpose of this study, a number of terms have been defined. These are presented in **Table 1.1**.

List of definitions used in this study

| Term | Definition |
|---|---|
| Developable land | Land that is zoned tourism, land zoned for other purposes that may also allow tourism or workers accommodation uses, and Crown land where tourism and /or workforce development may be appropriate. |
| Tourist accommodation | All types of tourist accommodation including resorts, hotels, serviced apartments, caravan parks and short-stay rentals (see Appendix A for more information). |
| Tourism worker accommodation | One or more accommodation dwellings (commercial and private) that are utilised specifically to provide beds to people that are employed in the visitor economy, whether they be local residents or people who have travelled to the area for work purposes. |
| Visitor economy | The wide range of industries that provide goods and services to visitors, including accommodation, transport, culture/arts/recreation and tourism services. Visitors can be defined as people travelling to a destination for a variety of purposes, including leisure, education, business, and employment. |

*Source: Tourism WA; Australian Trade and Investment Commission –THRIVE 2030 revised: The Re-imagined Visitor Economy Strategy*

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# Summary Report

# Executive Summary

## Overview and Study context

Situated 1,100km north of Perth on the North West Cape of Western Australia, the regional town of Exmouth serves as the gateway to the Ningaloo Reef. The Ningaloo Reef is inscribed on the World Heritage list, famous for its snorkelling, diving, and marine wildlife encounters, including experiences not readily available elsewhere in Australia such as diving with whale sharks. Exmouth is also near to the Cape Range National Park, which is home to Australian wildlife such as emus, rock wallabies, echidnas, and dingoes.

These sights and experiences drive the region's tourism industry, drawing both domestic and international visitors to Exmouth. Although the small town has a population of approximately 3,000 people, its population is known to swell each year by around 15,000 people as a result of inbound tourism which is challenging its capacity to meet demand. In 2023, Exmouth supported an estimated 134,000 overnight visitors and 936 thousand visitor nights from domestic and international markets (Tourism WA, 2024).

In April 2023, Exmouth was the premier destination for the Total Solar Eclipse (TSE) in Western Australia (WA), which attracted 18,700 visitors to Exmouth and the surrounding areas. In preparation for this event, the WA State Government invested in improvements to roads, telecommunications, and visitor infrastructure, including significant upgrades to Exmouth's Town Beach. The event was followed by the launch of the inaugural direct flight between Melbourne and Learmonth Airport (Exmouth) which operated during the peak tourism season between March and October 2023. However, the aviation route was not renewed for the 2024 season.

The region's visitor economy has the potential to leverage recent public infrastructure investment and increased consumer awareness in Exmouth and the Ningaloo Reef. In this context, Tourism WA sought to better understand the expected future demand and supply of short-stay accommodation in the region over the short, medium and long term, including information as to the need for worker accommodation to service its visitor economy, and sites that may be suitable for future tourism development.

The purpose of this study is to help provide a basis for future strategic work by Tourism WA to support the development of Exmouth's tourism industry. Without appropriate levels of tourism accommodation and tourism worker accommodation to meet current and future demand, Exmouth's visitor economy may be hindered.

ACIL Allen's investigation involved several stages of work, with the report containing:

— a **Current State Assessment**, which establishes the foundation for evaluating demand and supply for tourist accommodation and tourism worker accommodation

— a summary of the **Stakeholder Themes** raised during consultation, which provide a qualitative perspective on the opportunities and challenges facing the tourism industry in Exmouth

— a forecast of the anticipated **Demand and Supply of Tourism Accommodation** over the short, medium and long term

— a forecast of the future **Demand and Supply of Tourist Worker Accommodation**, along with opportunities for rectification, and a Tourism Worker Survey that gathered additional insights

— a **Site Assessment** supplemented by information obtained by Tourism WA that identified suitable overflow accommodation for the TSE.

ACIL Allen's analysis resulted in 21 key findings that provide insights into the current situation in Exmouth, the potential growth in demand for tourism and tourism worker accommodation, constraints that may be addressed to facilitate future accommodation supply, and prospective sites for future development.

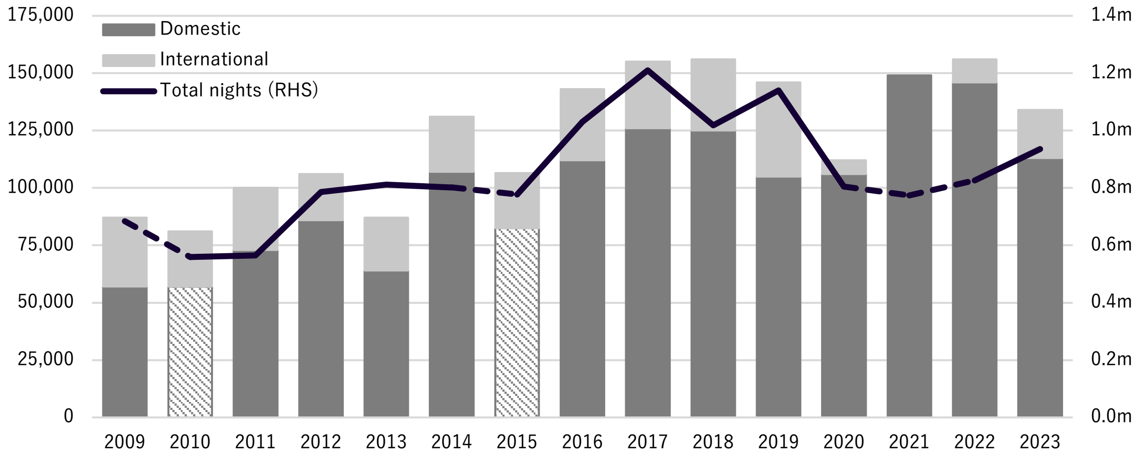
# Current State Assessment

An assessment of the current situation in Exmouth was prepared to better understand the current context and known opportunities and challenges for the region's tourism industry and broader visitor economy. This included a review of Exmouth's economic structure, labour force, composition of businesses, as well as trends in tourism and accommodation.

Tourism is a primary industry in Exmouth. During peak times, anecdotal evidence suggests that the town can host up to 15,000 visitors, roughly five times the number of local residents, which places significant pressure on the town's ability to meet demand.[1] A review of domestic and international tourism over time revealed that this demand has been increasing over time, with domestic and international visitation steadily increasing since 2009, exceeding 150,000 overnight visitors in several years since.

While Exmouth experienced a dip in tourism in the early stages of the COVID-19 pandemic (2020), overall visitation to Exmouth has been relatively stable since 2016 (**Figure ES 1**). Increasing domestic visitation to Exmouth in 2021-22 helped offset the decline in international visitation, however, there are signs of a recovery in international visitation in 2022 and 2023 which is expected to support visitor growth in the future.

Figure ES 1 Exmouth overnight visitor trends – number of visitors (LHS) and visitor nights - (RHS), 2009 – 2023




*Note: ^ ACIL Allen estimate for 2010, 2015 and 2020 to 2022 using average length of stay data*
*Source: Tourism WA*

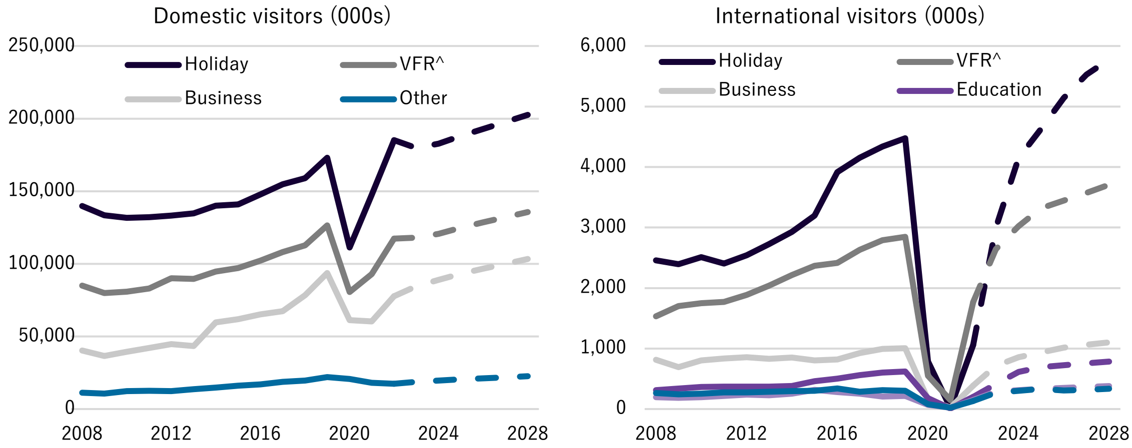
Exmouth offers a diverse array of natural attractions that support nature based tourism, making it a popular holiday destination for domestic and international visitors. Research by Tourism Research Australia and Tourism WA suggests that growth in domestic and international visitation will continue across Western Australia and Australia over time.

Forecast growth in domestic and international visitation is also available across visitor market segments including visitors who travel for holiday, to visit friends and relatives, for business, education, employment and other reasons (**Figure ES 2**).

Across domestic tourism, Tourism Research Australia forecast that the holiday market will grow in line with pre-COVID levels, however, growth in international visitation (especially holiday and VFR market segments) is expected to outpace pre-COVID levels before stabilising from 2028 onwards.

[1] Shire of Exmouth. 24 March 2022. Ordinary Council Meeting Report 12.2.1 – Attachment 1

Figure ES 2 Forecast in domestic and international visitation to Australia, by market segment, 2008-2028 (000s of visitors)

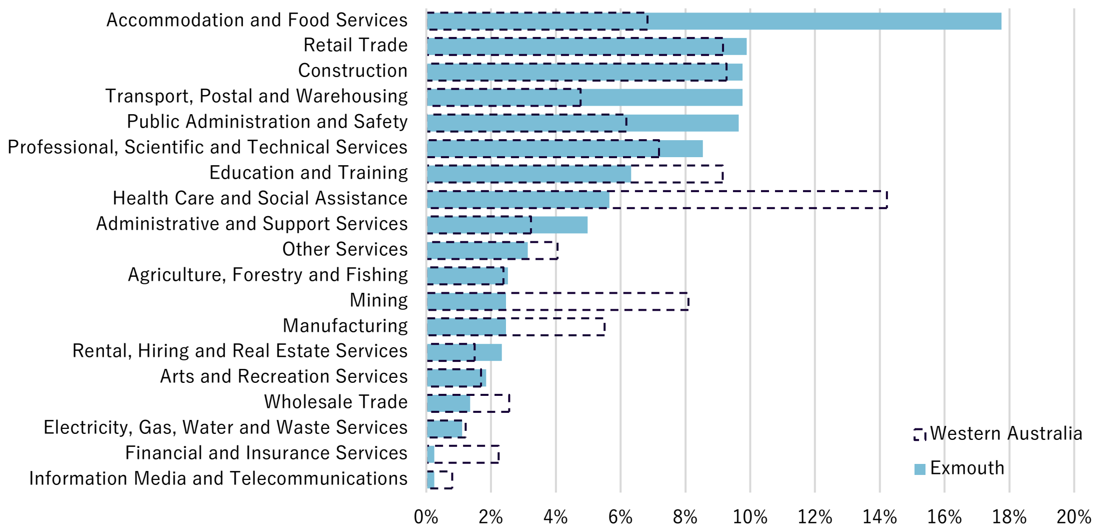



*Note: ^ VFR = Visiting friends and relatives.*

*Source: Tourism Research Australia. Note that dashed lines represent forecast figures.*

The Exmouth economy is primarily driven by tourism, with close to 30 per cent of the workforce employed in accommodation, food services, and retail trade alone. When taking into account all industries that could be linked to tourism, this figure is closer to 38 per cent. As demonstrated by **Figure ES 3**, employment within accommodation and food services outweighs other industries in Exmouth and the Western Australian average highlighting Exmouth reliance of the Exmouth economy on these industries.

Figure ES 3 Employment by industry sector, Exmouth vs Western Australia, 2021




*Source: ABS Census 2021*

When comparing Skyscanner data for Exmouth to the number of inbound passengers to Learmonth Airport, ACIL Allen was able to identify a relatively low conversion rate for those looking at Exmouth as a destination and booking a ticket, when benchmarking this against Broome (refer **Case Study 1**). This suggests that there may be unmet demand for accommodation and other tourism-related services in Exmouth, indicating that new developments could be supported by the current circumstances.

The assumption that accommodation is a key deterrent for tourists was supported by stakeholders, who indicated that Exmouth could benefit from additional accommodation and other tourism offerings, and especially higher end accommodation. Notably, stakeholders who could be considered as competitors to new developments were in favour of new accommodation developments in Exmouth.

However, a number of development constraints were identified within Exmouth, including access to infrastructure such as power and water, and high build costs. Notably, Exmouth has not had any new accommodation development in 25 years, besides a proposed redevelopment at the Ningaloo Lighthouse Holiday Park, suggesting that the barriers to new developments are complex and multi-dimensional.

Among these barriers are challenges with obtaining accommodation for workers. Low vacancy rates and rising rents are resulting in workers unable to find housing, impacting businesses, residents, and the availability of workers. High cost of construction and challenges in identifying and obtaining development sites for tourism have also been identified as issues.

For more information regarding the **Current State Assessment**, refer to Section 2.

# Stakeholder themes

Stakeholders were generally positive about Exmouth's ability to support more tourism accommodation, agreeing that there was sufficient demand to enable development in the town across various price points. There was a focus from stakeholders on the prospect of 'high end' accommodation development, with luxury accommodation options being perceived as currently lacking, and required to attract high yield tourists.

Stakeholders were unanimous in stating that any new development should be sustainable and eco-friendly. Locals in particular, emphasised Exmouth as a unique and fragile location, and that development must be undertaken with protecting the natural environment from degradation front of mind.

While stakeholders were generally supportive of development, many noted several constraints. These include limited access to water, electricity, and land, as well as natural hazards such as flood plains and cyclones, which increase development costs.

Challenges in accessing worker accommodation dominated many of the conversations. The lack of accommodation is impacting each level of worker, from the transient 'backpacker' or seasonal workforce to higher paid professionals such as chefs. Stakeholders stated that limited accommodation was not just impacting businesses' ability to attract and retain a workforce, but also leading to an increase in unacceptable social behaviours including illegal camping which is affecting environmental degradation and decreasing the attractiveness of the town.

There is also a perception that there is limited land available in Exmouth for accommodation (tourist or tourism worker), due to a range of issues including zoning challenges. The land assessment conducted by ACIL Allen specifically for potential tourism development sites has indicated that there are a number of highly prospective sites within Exmouth – however, the lack of development over the past two decades supports stakeholder perceptions of the severity of development constraints in the region.

Stakeholders also spoke of the need for cohesive development of the town, pointing to the current 'sprawl' of Exmouth as undesirable, and a need for any new development to be carefully considered to capitalise on, and enhance, other town features.

The qualitative insights gathered from stakeholders supported perceptions drawn from the Current State Assessment and were used to inform the development of the Multi Criteria Analysis, undertaken for the land assessment in Section 6.

For more detailed information on **Stakeholder Themes**, refer to Section 3.

# Demand projections for tourist accommodation

Through its analysis, ACIL Allen observed that the current demand for accommodation in Exmouth is primarily a function of the available supply, and there is a strong unmet demand for tourists to visit and stay in Exmouth. Despite these conditions, however, supply has not responded to the clear demand signals for more tourism accommodation in Exmouth.

Feedback from stakeholders suggests this is due to the constraints on development of new tourism accommodation in Exmouth – from the lack of available infrastructure to support new accommodation and increased tourism visitation, to the regulatory constraints associated with land development in the region, and the costs associated with the development of new tourism accommodation. Addressing these constraints is a key consideration for Government if there is a desire to unlock the tourism potential.

Notwithstanding these challenges, this study provided a quantitative basis from which the potential for new accommodation to be developed in Exmouth can be estimated. The development of a quantitative baseline provides the basis from which the net economic and social benefit associated with policies to address the market constraints and incentivise new tourism accommodation in Exmouth can be determined.

To conduct this analysis, ACIL Allen developed three scenarios to better understand the potential demand for short stay accommodation rooms may change over time under varying assumptions. The three scenarios modelled are presented in **Table ES 1**.

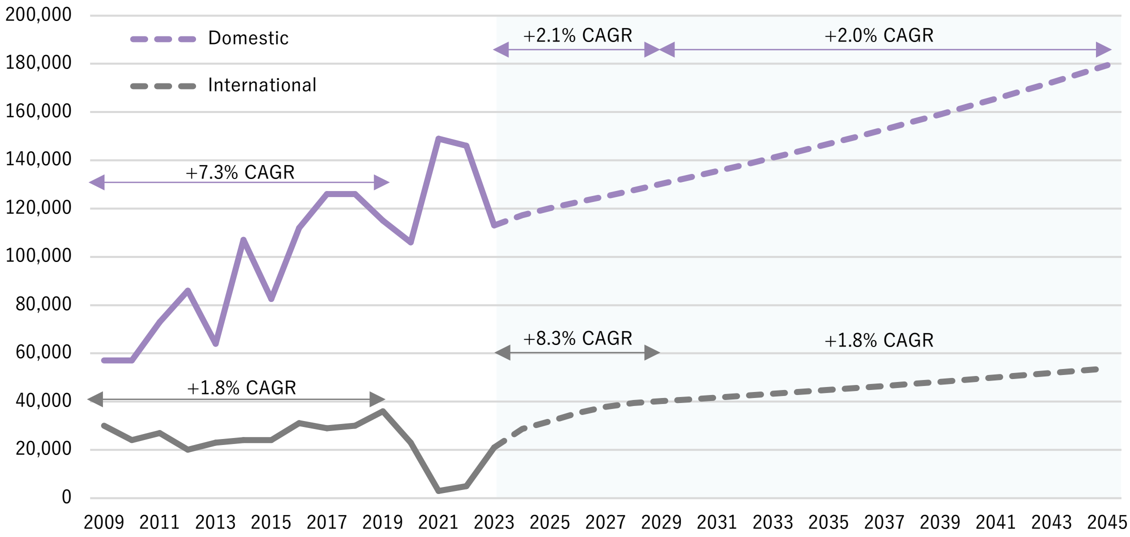
Table ES 1 Identifying gaps in tourism accommodation – Assessment scenarios

| Scenario | Description/ rationale |
|---|---|
| Base Case | Under the Base Case, domestic and international overnight visitation to Exmouth grows in line with WA domestic and Australian international visitation forecasts between 2024 and 2045, across holiday, VFR, business and other market segments.<br>This scenario is designed to quantify the potential demand for short stay accommodation which is expected to be met by new tourism accommodation operators who absorb incremental visitation to Exmouth over the estimates period (using 2024 as the baseline). This has been done to capture the future 'gap' in tourist accommodation as existing operators have occupancy rates of close to 100% in peak seasons and are assumed to be unable to absorb additional demand in the future.<br>This scenario presents a constrained view of demand and doesn't consider unmet demand for accommodation. |
| Scenario 1 – uplift in inbound aviation tourism | Scenario 1 presents a 25 per cent uplift in domestic airline passenger volumes to Exmouth (Learmonth Airport) each year to reflect an unmet need for accommodation. This reflects a higher aviation visitation scenario and assumes that the existing supply of tourism accommodation (and availability in peak seasons) is deterring potential visitors from travelling to Exmouth via domestic airlines, as informed by analysis of the ratio of Skyscanner searches and inbound passenger levels to reflect a visitation conversion rate.<br>The uplift in inbound passenger volumes presented in this scenario can also be used to reflect the addition of new domestic routes to Exmouth in the future. This scenario is designed to reflect an unmet need of demand.<br>This scenario captures a proportion of the unmet demand for accommodation. |
| Scenario 2 – uplift in inbound aviation tourism and an increase in 'high yield' visitors | Scenario 2 reflects Scenario 1 with a shift in accommodation preferences in favour of higher end (i.e. deluxe, luxury or boutique) hotel and/or resort style tourist accommodation. This shift in accommodation preferences is applied to incremental domestic and international visitation growth to Exmouth, capturing higher yielding visitors who seek higher end accommodation.<br>This scenario captures a proportion of the unmet demand for accommodation, while considering a change in the visitation profile. |

*Source: ACIL Allen*

Under its Base Case assessment scenario, ACIL Allen presented a conservative view of tourism accommodation demand for Exmouth. Under the Base Case, it is assumed that domestic and international overnight visitation to Exmouth will grow in line with Western Australian domestic and Australian international visitation forecasts between 2025 and 2045, across market segments including holiday, visiting friends and relatives, business, and other segments. Results of this analysis is presented in **Figure ES 4**.

Figure ES 4 Forecast growth in domestic and international overnight visitors to Exmouth, 2024 to 2045 forecast (number of overnight visitors)

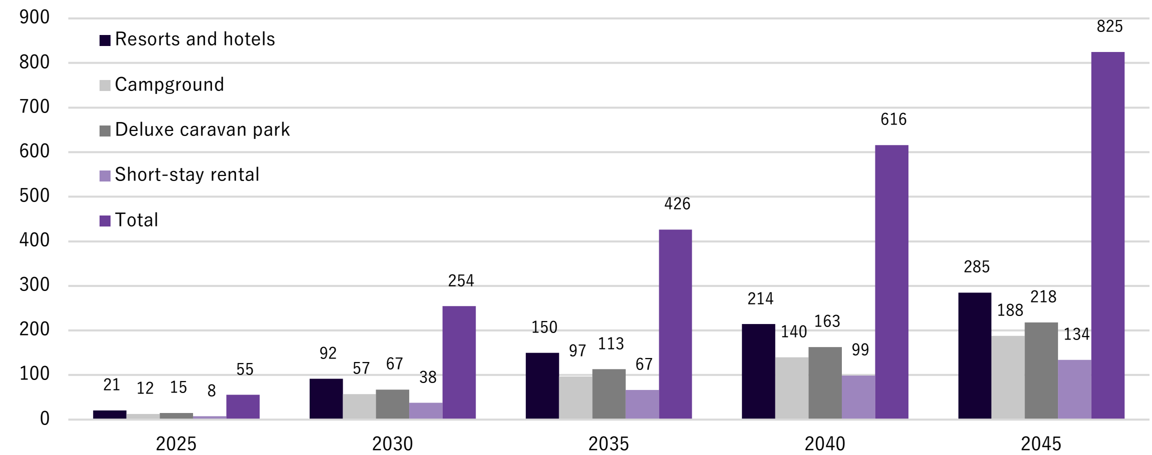



*Source: ACIL Allen; Tourism WA; Tourism Research Australia domestic visitor nights in Western Australia and international visitor arrivals by purpose*

Under the Base Case, new tourism accommodation operators are assumed to absorb incremental visitation to Exmouth over the estimates period (using 2024 as the baseline) to reflect the current 'gap' in tourist accommodation as existing operators have an occupancy rate close to 100 per cent in the peak season.

**Figure ES 5** presents the results for the Base Case scenario in terms of the estimated shortfall in the number of rooms required over time. Under the Base Case scenario, there will be an estimated shortfall of 55 rooms in 2025, 254 rooms in 2030, 426 rooms in 2035, 616 rooms in 2040, and 825 rooms in 2045. The largest gaps in the market identified in the short, medium and long term were across resorts and hotels combined, followed by deluxe caravan parks, and campgrounds (**Figure ES 5**).

Figure ES 5 Estimated shortfall of rooms by accommodation type, 2025-2045 – Base Case (rooms)




*Source: ACIL Allen*

To contextualise the results, the estimated shortfall of 150 rooms in resorts and hotels in 2035 reflects a development more than double the size of Mantarays Ningaloo Beach Resort or Exmouth Escape Resort.

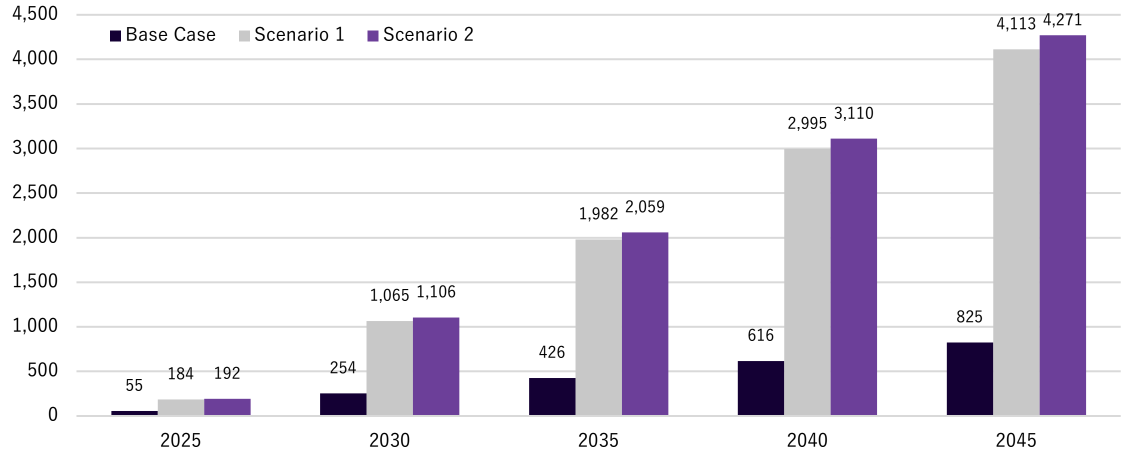
In addition to the Base Case Scenario, ACIL Allen modelled two additional scenarios:

— **Scenario 1**: a 25 per cent uplift in domestic airline passenger volumes to Exmouth via Learmonth each year, reflecting the assumption that the limited availability of accommodation in Exmouth is deterring potential visitors from travelling to Exmouth

— **Scenario 2**: reflects Scenario 1 plus a shift in accommodation preferences towards higher end accommodation options, such as up-scale, deluxe or luxury accommodation options, in line with stakeholder views on the largest development opportunities in Exmouth.

The two scenarios provide insights on the potential accommodation challenges in Exmouth over the next two decades. Under Scenario 1, ACIL Allen estimates there will be estimated shortfall of 184 rooms in 2025, 1,065 rooms in 2030, 1,982 rooms in 2035, 2,995 rooms in 2040, and 4,113 rooms in 2045. Under Scenario 2 where there is a shift in accommodation preferences towards higher end accommodation, ACIL Allen estimates a shortfall of 192 rooms in 2025, 1,106 rooms in 2030, 2,059 rooms in 2035, 3,110 rooms in 2040, and 4,271 rooms in 2045 (**Figure ES 6**).

Figure ES 6 Estimated total shortfall of rooms, 2025-2045 – Base Case, Scenario 1 and Scenario 2 (rooms)




*Source: ACIL Allen*

For more information regarding the methodology and results for the **Demand and Supply of Tourism Accommodation**, refer to Section 4.

# Projecting future demand for tourism worker accommodation in Exmouth

Through consultation with local stakeholders, it was made clear that an overall lack of worker accommodation was a significant and persistent issue in Exmouth. However, quantitative data on the magnitude of this issue was difficult to obtain, given that many tourism workers are seasonal, and often reside in unregulated or makeshift accommodation, such as vans.

A mix of quantitative and qualitative data was used to support anecdotal evidence regarding the worker accommodation challenges in Exmouth, including:

— A **Tourism Worker Accommodation Survey** issued by ACIL Allen to understand the challenges currently being experienced by those working in tourism-related industries, with the aim of being able to determine current and future workforce accommodation needs

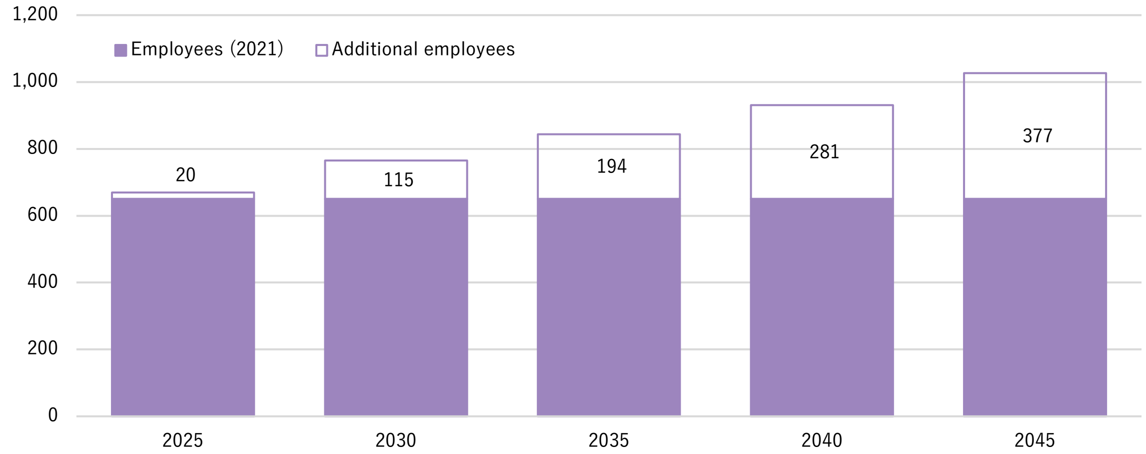
— **Industry of employment data** (ABS Census 2021) to understand the distribution of employment across various industries in Exmouth, including employment levels in the visitor economy

— Domestic and international **visitor projections data** (Tourism Research Australia) to forecast the future demand and requirements for workers in the visitor economy.

As the first stage of analysis, ACIL Allen used ABS Census data to review the number of workers in relevant industries of employment to estimate the number of employees in the 'visitor economy'. In total, ACIL Allen estimated there to be 650 employees in Exmouth's visitor economy, or approximately 38 per cent of Exmouth's workforce.

Using historical visitation data, ACIL Allen then determined the ratio of visitor economy employees required to service future visitation to Exmouth (**Figure ES 7**). ACIL Allen estimates that Exmouth's visitor economy workforce will grow by 115 employees by 2030, 194 employees by 2035, 281 employees by 2040, and 377 employees by 2045. This will place further pressure on tourism worker accommodation, and the supply of beds to accommodate this workforce.

Figure ES 7 Forecast number of employees in Exmouth's visitor economy over time, 2025 to 2045 (employees)




*Source: ACIL Allen analysis*

This issue is likely to be exacerbated in the peak tourism season (April to October) as accommodation occupancy rates increase (less beds available) at the same time as the demand for workers increases. There are, therefore, limitations associated with this analysis due to the lack of available data. The estimated number of employees required to service Exmouth's visitor economy reflects an annualised figure, however, the number of peak employees required to service tourism in Exmouth is likely to be higher than the annualised figure presented in the analysis.

Notwithstanding this caveat, the analysis demonstrates the longer term challenges facing Exmouth as tourism numbers increase over time.

The Tourism Worker Accommodation Survey yielded 30 responses, largely from residents located in Exmouth. While this sample size is too small to draw definitive conclusions, the results provide further anecdotal support for the existence of a worker accommodation shortage problem in Exmouth.

For more information regarding the **Demand and Supply of Tourist Worker Accommodation** in Exmouth, refer to Section 5. Refer to Appendix G for results of the Tourism Worker Accommodation Survey.

# Assessment of land for future accommodation developments

There are a number of potential tourist accommodation developments under consideration by various parties in and near Exmouth. However, the collective lack of progress requires further investigation to determine why the market has not been able to respond to the demand for new tourism accommodation.

To this end, the WA Government has been investigating the potential for tourism accommodation development on other sites within the Shire of Exmouth. The land parcels were identified by Tourism WA as part of work on the Total Solar Eclipse (TSE). For this study, ACIL Allen conducted desktop research and a visual inspection of these sites, which informed the development and completion of a Multi-Criteria Analysis (MCA).

In designing the MCA, ACIL Allen determined that the overarching rationale for conducting the MCA was to identify sites that could ultimately be developed into tourist accommodation. This means that the site would need to be appealing as a location, and free of development constraints. In developing the MCA framework, it was determined that the overall 'Appeal' of a site was relatively more important than the 'Site Readiness' associated with a site, reflecting the view that constraints can be more easily addressed through investment or regulatory change.

In assessing the overall '**Appeal'** of a site for tourism accommodation, ACIL Allen developed six criteria:

— Criteria 1: The site is zoned to enable tourism development.

— Criteria 2:  Ownership of the site is such to enable development immediately

— Criteria 3: The site is accessible via road to enable development

— Criteria 4: The site is within close proximity to tourism attractions

— Criteria 5: The site is accessible to town amenities

— Criteria 6: The site is appealing to visitors in terms of attractiveness of the surroundings and quietness.

In assessing the **'Site Readiness'** associated with a site, ACIL Allen developed a further five criteria:

— Criteria 7: The site is prepared for development, including clearing and leveling.

— Criteria 8: The site is in proximity to existing water supply, sewerage, electricity, and telecommunications

— Criteria 9: The site is not impacted by known cultural or environmental constraints.

— Criteria 10: There is no Native Title applying to the site.

— Criteria 11: The site is not in a Special Control Area.

Across the two objectives and 11 criteria, weightings were applied based on their relative importance, and a scoring system developed to assess eight sites in Exmouth. The list of the eight sites, and their ranking from the MCA process is presented in **Table ES 2** below.

Table ES 2 Sites and MCA results (top three highlighted)

| Site name | Lot(s) | Appeal (/100) | Constraints (/100) | Score (/100) | Rank |
|---|---|---|---|---|---|
| Truscott Cresent Lot 1403 | Lot 1403 | 86% | 64% | 77% | 5 |
| Truscott Crescent Lots 848 & 715 | Lot 848 on DP175175 & Lot 715 on DP173019 | 78% | 91% | 83% | 3 |
| Minilya-Exmouth Road lots | Lots 220; 1; 101; 112 | 78% | 89% | 82% | 4 |
| Northern Recreation Ovals | Lot 1419 on DP219750 | 52% | 71% | 60% | 6 |
| Exmouth Gulf Pastoral Station | Lot 1586 on DP219750 | 18% | 3% | 12% | 8 |
| Exmouth Boat Harbour | - | 89% | 100% | 93% | 1 |
| Supa Lot D | Lot 9510 | 86% | 91% | 88% | 2 |
| The Paddock | Lot 1319 on DP217782 & Lot 1493 of DP39344 | 47% | 55% | 50% | 7 |

*Source: ACIL Allen analysis; Tourism WA*

The top three sites emerging from the MCA process are described briefly below.

## 1. Exmouth Boat Harbour

The Exmouth Boat Harbour ranked highly in the MCA due to high scores across the assessment criteria, with the site boasting sea views, proximity to Town Beach, high levels of readiness, and is located within Exmouth, free of encumbrances. The site is being managed by DoT who are currently working to achieve an Exmouth Boat Harbour 40-year masterplan.

ACIL Allen considers that the site would be well suited for the development of high-end, luxury accommodation. The location provides a scenic and well-positioned base from which to explore Exmouth and its surrounds. In addition, improving the marina in and of itself increases the aesthetics of an Exmouth attraction and would provide opportunities for luxury retail stores that appeal to higher yield tourists.

## 2. Lot 9510 – "Supa Lot D"

Supa Lot D ranked highly in the MCA due to its high scores across many of the criteria. This includes its favourable zoning (Special Use), ownership (Crown Land), road access, accessibility to tourism attractions and town amenities, its proximity to the marina, proximity to Town Beach, likely sea views, the readiness of the site which is cleared and levelled, and its location within Exmouth. The site is also free from major encumbrances such as heritage or Native Title. The site is currently being managed by Development WA. In 2021, Expressions of Interest were invited to purchase and develop Supa Lot D, and a decision on the successful proponent has been made.

Similar to the Exmouth Boat Harbour, ACIL Allen considers that the site would be suitable for luxury or otherwise higher-end accommodation, with the potential for a variety of accommodation types within the lot (i.e. luxury accommodation on the eastern end overlooking the water, and mid-range towards the western edge). The lot could support large-scale development which may make it attractive as a staged development site. However, this will be subject to the decisions of the successful proponent.

## 3. Truscott Crescent Lots 848 and 715

Truscott Crescent Lots 848 and 715 scored highly in the MCA due to favourable zoning (tourism), road access (above average), accessibility to tourism attractions and town amenities, appeal to visitors (located close to the beach), the site preparation (level and cleared), and its proximity to existing infrastructure. The lots are also not heritage sites or subject to heritage or Native Title.

Truscott Crescent Lots 848 and 715 have been cleared, raised and levelled, meaning that development work on this site could start immediately following development approval. These sites may be suitable for a hotel or resort given that these sites are zoned tourism, and there would be no need for zoning amendments to undertake this work.

It is understood that Lots 848 and 715 are privately owned by different individuals, and that both individuals have plans for development that rely on access to the others lot. This is an encumbrance that would likely need to be addressed prior to development occurring on the lots, given that the site would be more attractive to a developer if it consisted of one title (as it would limit the potential for a competing site to be developed 'next door').

For more detailed information regarding the **Site Assessment**, refer to Section 6.

## Summary of findings

This study makes 20 findings which are relevant to the consideration of future development in Exmouth. These findings present a comprehensive picture of the current challenges and opportunities for tourism in Exmouth. These are summarised below in **Table ES 3**.

Overall, the Exmouth study highlights that while the region is an attractive tourism destination with significant room to grow, persistent development constraints are preventing the necessary investment. Addressing these constraints will require coordinated efforts from all stakeholders, across local and State government and industry.

The study has utilised the best available information available at the time of analysis. There have been challenges in obtaining quantitative data relating only to Exmouth. In certain cases, broader regional data has been utilised to support assumptions made in ACIL Allen's Current State Assessment. Data limitations are noted where relevant throughout the report.

Table ES 3 Summary of findings

| Finding | Overview |
|---|---|
| Current State Assessment | |
| Finding 1<br>The Exmouth economy is heavily reliant on tourism | Exmouth has a strong and growing economy, which is primarily driven by tourism. Close to 30 per cent of the total Exmouth workforce is employed in tourism-related sectors, including accommodation, food services, retail trade, and scenic sightseeing tours. |
| Finding 2<br>There is current unmet tourism demand in Exmouth | Short stay accommodation occupancy rates of close to 100 per cent across the peak season, analysis of Skyscanner data and the conversion rate of inbound passengers supports anecdotal evidence that there is unmet demand for accommodation and other tourism-related services in Exmouth. This indicates that new tourism accommodation developments are supported by visitation in the current circumstances. |
| Finding 3<br>Tourism demand is likely to grow in Western Australia, including Exmouth | Tourism demand across Western Australia is projected to grow across domestic and international markets, forecast to grow by 2.9 per cent and 10.6 per cent year on year respectively between 2023 and 2028 (Tourism Research Australia). This positive trend indicates that tourism demand will grow in Exmouth over the modelling period, especially considering indications that awareness of Exmouth as a travel destination is growing as implied by historical tourism growth and the growth of inbound passengers volumes. |

| Finding | Overview |
|---|---|
| Finding 4<br>The limited options for travel to Exmouth may constrain growth | There are limited direct transport options to Exmouth, and the region is reliant on a single operator direct flight connecting it with Perth. Exmouth's remoteness means that travellers via road must commit to a multi-day driving trip, making this an unattractive option for most interstate and international visitors.<br>While COVID-19 restrictions caused an increase in the number of intrastate travellers driving to Exmouth, the overall trend indicates a growing preference for air travel. Challenges in growing this route given the current global context may provide limits on demand growth. |
| Finding 5<br>Tourism will continue to grow across the Coral Coast | The increase in the Coral Coast's occupancy rate from 52 per cent in 2016-17 to 62 per cent in 2022-23, along with the rise in the average daily rate from $171 to $225 over the same period, indicates a growing demand for accommodation in the region. This upward trend is further substantiated by the rise in the number of available beds, suggesting that businesses are both recognising and capitalising on this demand. The overall trend in accommodation demand (and other accommodation indicators), which capture areas like Exmouth, supports the potential for continued growth in the sector. |
| Finding 6<br>There are significant housing constraints in Exmouth | Exmouth is currently experiencing a tight housing and rental market, which will only be resolved through either new housing stock being built, or a reduction in demand. These issues are having an impact on the ability of businesses to attract and retain workers, leading to challenges in appropriate staffing levels and expertise. |
| Finding 7<br>The climate and environment of Exmouth has shaped its seasonality and tourism offerings | The climate of Exmouth is part of its overall appeal as a tourism destination between April and October, with this period also coinciding with whale shark season. However, hot windy conditions through summer decrease its attractiveness as a destination, leading to low tourism numbers in these months. This is an innate feature of Exmouth and will not be overturned without considerable effort from experience providers in Exmouth. |
| Finding 8<br>There are significant infrastructure constraints in Exmouth impacting development | Exmouth is serviced by aging and strained infrastructure that will require upgrading and/or new infrastructure to enable population and tourism growth. This will take time and limit the types of development that can be undertaken in the short- to medium-term. Without appropriate identification of the issues and investment in solutions, it may impact development opportunities long-term. |
| Stakeholder themes | |
| Finding 9<br>There is a need for sustainable development | Stakeholders emphasised the need for sustainable and eco-friendly development in Exmouth to preserve its unique and fragile environment, which is the key driver of tourism to the region. |
| Finding 10<br>More tourism accommodation can be supported in Exmouth | Stakeholders were broadly in support of more tourism accommodation development in Exmouth noting that their occupancy rates were typically close to 100 per cent in the peak season (April to October), and stated that there wasn't a significant risk to their own business from an increase in accommodation supply. In terms of the types of accommodation, stakeholders supported additional high end developments that could attract high yielding travellers (i.e. higher paying visitors), however, there was a perception that this would require Exmouth to have a wider variety of activities to attract this market and increase length of stay and spend. |
| Finding 11<br>There are significant challenges in housing workers | There are significant challenges for local businesses in finding suitable accommodation for staff, which is hampering the ability for these businesses to attract and retain workforce, provide high-quality service, and maintain the town's environmental values. This issue is causing significant problems from a community-perspective and requires urgent attention. |

| Finding | Overview |
|---|---|
| Finding 12<br>There are some land constraints and considerations | There are notable land constraints in Exmouth, with a lack of new land releases, floodplains, and zoning issues causing development challenges. Stakeholders expressed a desire for new development to be mindful of the town context and enhance the cohesiveness of the town. |
| Projecting future demand in tourism accommodation | |
| Finding 13<br>Prospective tourism accommodation developments are focused on up-scale to luxury style tourism accommodation | There is a growing interest in developing high-end tourism accommodation in Exmouth, aiming to address the gap in the availability of existing luxury options. Six out of the seven prospective developments listed in Table 4.4 can be categorised as up-scale to luxury developments, assuming the Exmouth Marina development will comprise of some up-scale accommodation.<br>The delivery of some of these prospective developments would help to meet existing demand and enhance Exmouth's appeal as a premier tourism destination. |
| Finding 14<br>Base Case results – there are gaps in the market under the most conservative estimates | Under the Base Case, ACIL Allen estimates a shortfall of 55 rooms in 2025, 254 rooms in 2030, 426 rooms in 2035, 616 rooms in 2040, and 825 rooms in 2045. The largest gaps in the market identified in the short, medium and long term were across resorts and hotels combined, followed by deluxe caravan parks, and campgrounds.<br>To contextualise the results, the estimated shortfall of 150 rooms in resorts and hotels in 2035 reflects a development more than double the size of Mantarays Ningaloo Beach Resort or Exmouth Escape Resort. |
| Finding 15<br>Scenario 1 results – unconstrained demand greatly increases supply issues | In Scenario 1, ACIL Allen estimates a shortfall of 184 rooms in 2025, 1,065 rooms in 2030, 1,982 rooms in 2035, 2,995 rooms in 2040, and 4,113 rooms in 2045. The largest gaps in the market identified in the short, medium and long term were across resorts and hotels, followed by deluxe caravan parks, and campgrounds.<br>It is important to note that this scenario represents an unconstrained view of demand, highlighting the potential demand for rooms in a market without any limitations or restrictions on supply. This scenario reflects an increase in the conversion rate of people who are interested in visiting Exmouth, being able to secure accommodation in Exmouth in a given year. |
| Finding 16<br>Scenario 2 results – shift to higher end accommodation increases room shortfall | Scenario 2 also presents an unconstrained view of demand, but reflects a shift towards higher yielding visitors, with ACIL Allen estimating a shortfall of 192 rooms in 2025, 1,106 rooms in 2030, 2,059 rooms in 2035, 3,110 rooms in 2040, and 4,271 rooms in 2045.<br>In terms of specific types of short stay accommodation, ACIL Allen estimates a potential shortfall of 338 deluxe or luxury hotel or resort style accommodation rooms in 2030. |
| Projecting future demand for tourism worker accommodation in Exmouth | |
| Finding 17<br>There is limited availability of workers' accommodation in Exmouth | The need for additional workforce accommodation in Exmouth is widely acknowledged as a priority of the Gascoyne Development Commission who are looking to unlock strategic lots in collaboration with Development WA, and the Shire of Exmouth who are progressing a Local Planning Scheme Amendment for a site on Murat Road, Exmouth (enabling the Shire to consider a development for worker accommodation on the site). The shortage of existing worker accommodation options, the waitlist at Lefroy Street Keyworkers Accommodation, the lack of new developments in the pipeline, and the lengths accommodation operators are going to house their staff further highlights the extent and breadth of the issue. |

| Finding | Overview |
|---|---|
| Finding 18<br>Accommodation is a widespread problem in Exmouth | Survey responses have reinforced the perception that worker accommodation is a current and pressing challenge for workers, and that this is not limited to the seasonal workforce, but is impacting people who ordinarily reside in Exmouth.<br>The widespread nature of this problem requires coordinated action by stakeholders to address. In addition, a variety of accommodation is required to cater to the differing needs and circumstances of workers. |
| Finding 19<br>Exmouth's visitor economy workforce will continue to grow | ACIL Allen estimates that Exmouth's visitor economy workforce will grow, if sufficient accommodation is available, by 115 employees by 2030, 194 employees by 2035, 281 employees by 2040, and 377 employees by 2045. This will place further pressure on tourism worker accommodation, and the supply of beds to accommodate this required workforce, with modelling showing that there may be demand for approximately 194 beds over the next decade when equating additional employees required to beds.<br>The need for worker accommodation may be exacerbated in the peak tourism season (April to October) as accommodation occupancy rates increase (less beds available) at the same time as the demand for workers increases. |
| Assessment of land availability in Exmouth to support future accommodation developments | |
| Finding 20<br>There is prospective developable land available in Exmouth | The MCA has demonstrated that there are prospective land options available in Exmouth for the development of new short-stay tourist accommodation, both in terms of the 'appeal' of sites and the level of 'site readiness' across developable sites. Five of the identified sites scored approximately 75%, indicating 'above average' or 'high' prospectivity for development.<br>The three top sites for development have been identified as the:<br>— Exmouth Boat Harbour (90/100)<br>— Lot 9510 – "Supa Lot D" (88/100)<br>— Truscott Crescent Lots 848 and 715 (83/100)<br>This finding, coupled with modelling indicating high demand for accommodation in Exmouth, suggests that there are opportunities for accommodation development that could be realised in the short- to medium-term. |

*Source: ACIL Allen*

ACIL ALLEN

# Main Report

# 1 Introduction

*This section of the report provides an overview of ACIL Allen's engagement, including the background to this study, how the study aligns with guiding government policies, the structure of the report, and key definitions.*

## 1.1 Background and context

The regional town of Exmouth is situated 1,100km north of Perth on the North West Cape of Western Australia, and serves as the gateway to the Ningaloo Reef. The Ningaloo Reef is a UNESCO World Heritage listed site, famous for its snorkelling, diving, and marine wildlife encounters, including experiences not readily available elsewhere in Australia such as diving with whale sharks. Exmouth is also near to the Cape Range National Park, which is home to Australian wildlife such as emus, rock wallabies, echidnas, and dingoes.

These sights and experiences drive the region's tourism industry, drawing both domestic and international tourists to Exmouth. Although the small town of Exmouth has a population of approximately 3,000 people, its population is known to swell each year by around 15,000 people in peak tourism season (April to October) as a result of inbound tourism, challenging its capacity to meet demand.

In April 2023, Exmouth was the premier destination for the Total Solar Eclipse (TSE) in Western Australia (WA), which attracted 18,700 visitors[2] to Exmouth and the surrounding areas. In preparation for this event, the WA State Government invested in improvements to roads, telecommunications, and visitor infrastructure, including significant upgrades to Exmouth's Town Beach. The event was followed by the launch of the inaugural direct flight[3] between Melbourne and Learmonth Airport (Exmouth) which operated during the peak tourism season between March and October 2023. However, the aviation route was not renewed for the 2024 season.

The region's visitor economy has the potential to leverage recent public infrastructure investment and increased consumer awareness in Exmouth and the Ningaloo Reef. In this context, Tourism WA is seeking to better understand the expected future demand and supply of short-stay accommodation in the region over the short, medium and long term, including information on the required number of tourism worker accommodation beds to service this industry.

The purpose of this study is to help provide a basis for future strategic work by Tourism WA to support the development of Exmouth. However, without appropriate levels of tourism accommodation and tourism worker accommodation to meet current and future demand, Exmouth's visitor economy may be hindered.

### Policy alignment

Guiding State Government policies such as Diversify WA – Future State, and the WA Government's response to the inaugural State Infrastructure Strategy (IWA, 2022) highlight how the Government prioritises Exmouth and the Ningaloo Coast as one of the 'jewels' in the crown of WA's tourism offering. This includes supporting regional economies in being able to attract people, enhancing regional tourism experiences and developing essential infrastructure, such as accommodation for tourists and tourism workers.

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[2] WA Government Media Statement. 2023. Western Australia shines in eclipse darkness

[3] WA Government Media Statement. 2023. Exmouth follows stunning Solar Eclipse success with first direct flight from Melbourne

## Diversify WA – Future State; and Foundations for a Stronger Tomorrow – State Infrastructure Strategy

In 2023, the Department of Jobs, Tourism, Science and Innovation (JTSI) released Future State, building on the Diversify WA economic framework. Future State focuses on the most significant opportunities for the Western Australian economy to 2035, including unlocking opportunities, enabling investment and long-term growth. A relevant goal of Future State in the context of Exmouth is for a diversified economy that is home to a ‘unique mix of world-class regional tourism destinations’.

These attributes are inbuilt to Western Australia’s landscape and are showcased through Tourism WA’s most recent travel ad campaign, ‘Walking on a Dream’. Both Walking on a Dream and the related ad campaign, Drive the Dream, feature Exmouth and the Ningaloo Reef heavily.

The WA Government has also committed significant funding to **support regional economies in being able to attract and support people** who visit WA’s National Parks. Future State recognises the need for the State Government to **support regional tourism experiences**, while ensuring that that environmental safeguards are in place.

In 2022, Infrastructure WA (IWA) delivered its inaugural State Infrastructure Strategy, presenting a framework for improving public infrastructure systems and identifying significant infrastructure needs and priorities across the state. The Strategy identifies six strategic opportunities for WA, including positioning WA as ‘a global location of choice’, and ‘serving the emerging consumer class’ – including a focus on meeting the demand for higher-value tourism offerings. As one of **four ‘jewels’ in WA’s crown**, Exmouth and the Ningaloo Coast has the potential to support high value tourism offerings.

In 2023, the WA Government provided a response Recommendation 90 of the Strategy which focuses on growing out of state tourism through the preparation of destination management plans that (a) expand on existing clusters of attractions and **enabling infrastructure**; **consider long-term supply, demand and capacity goals**; and (b) invest in the infrastructure program detailed in the destination management plans for the ‘4 jewels in the crown’.

## WA Visitor Economy Strategy 2033

The WA Visitor Economy Strategy 2033 is a plan developed by the WA Government aimed at boosting the state's tourism sector over the next decade, aiming to grow the size of the visitor economy to $25 billion by 2033. The strategy outlines a vision and set of goals to transform Western Australia into a leading global destination, enhancing its appeal to both domestic and international visitors.

> *Vision: Western Australia is recognised as a world-class destination, immersing people in our unique cultures, communities and environment.*

To achieve its target, the WA Government has established six ‘goal areas’ within the Strategy including aviation, **accommodation and attractions**, events, Aboriginal tourism, destination brand, and high performance industry. Under the focus areas of ‘accommodation and attractions’, six strategic initiatives are identified including attract private sector investment, accommodation development, experiences in protected areas, attraction and experience development, cruise tourism, and road access.

The study of short term accommodation in Exmouth has a strong level of alignment with the Visitor Economy Strategy’s accommodation and attractions focus area, aiming to **address the identified shortage of accommodation in tourism towns like Exmouth** and overcome the challenge of meeting visitor demand and expectations in the region.

As the study will also assess the existing supply of short stay accommodation in Exmouth, yield, occupancy rates, development constraints, workforce accommodation needs, and a site assessment, the study has the potential to contribute to securing private sector investment, increase short-stay visitor accommodation, support sustainable and unique accommodation offerings, and also contribute to the WA Government's strategy of delivering "offerings to meet the needs of the high yield traveller".

### Shire of Exmouth – Local Planning Strategy 2015-2025

In 2016, the Shire of Exmouth released its Local Planning Strategy as a guiding document for growth and development of the Shire over time with an objective to achieve the Shire's and community's aspirations over a ten-year period.

The community vision detailed in the Planning Strategy is 'planning for the future', articulating how "Exmouth will continue to be a thriving tourist-based town of the Gascoyne Region supported by a strong community spirit, robust and diversified economy, efficient movement network, appropriate community services and infrastructure." The vision is supported by four objectives, including "to have a balanced respect for our environment and heritage, both natural and built."

In relation to the Shire's tourism industry, the Planning Strategy identifies seven objectives to meet future tourism needs. Of particular relevance to short stay accommodation, objectives include:

1. Facilitate **best practice tourism development** by encouraging a high standard of built form, landscaping and presentation for all new tourism uses that reflect the Exmouth environment.
2. Encourage a **diverse range of accommodation** based on the projected tourism demand when assessing proposals for short stay accommodation, tourism/residential, caravan park and camping grounds, and nature based parks.
3. Encourage development within the Shire that **provides a tourism experience unique to Exmouth** adding to the competitive advantage of Exmouth in comparison to other tourist destinations, subject to environmental and cultural management and appropriate levels of infrastructure.
4. **Protect existing and future tourism sites** from the encroachment of incompatible use or development to ensure their tourism potential is not compromised.
5. **Encourage affordable holiday accommodation** through the retention of existing and identification of future sites specifically for caravan park and camping grounds in appropriate locations.
6. Assist the establishment of new tourism development by **considering a proportion of permanent residential being permitted within new tourist developments** (or substantial refurbishments to existing tourism developments) in select locations within the townsite where certain criteria is met.
7. Establish appropriate signage that identifies Shire and other tourist related activities within the Shire.

Having a consideration for these community objectives will be important when assessing the development priorities for Exmouth in terms of the type of tourist accommodation needed to meet demand in the short, medium, and long term, and whether there is sufficient supply of developable land to meet future tourism demand in Exmouth.

## Other considerations

### Environmental considerations

In August 2021, the Environmental Protection Authority (EPA) published strategic advice on the cumulative impacts of proposed development on the Exmouth Gulf, with detailed recommendations for the protection of the Gulf. The EPA found that the Gulf is fragile and faces increasing pressures.

In 2022, the State Government established the Exmouth Gulf Taskforce to provide high level advice to the Minister for Environment on the social, cultural, and environmental management of the Exmouth Gulf and its surrounds, in response to the EPA's advice and recommendations. The findings from this Taskforce are due sometime in 2024.

## Recent government investment in the region

On 20 April 2023, Exmouth was the only Australian town in the path to experience a Total Solar Eclipse, leading to around 15,000 people staying in the town. To prepare for the event, the State Government invested $22 million in the region, including traffic management and infrastructure upgrades, new mobile base stations, and water infrastructure. This investment was intended to leave a lasting set of upgrades and infrastructure to support the growth of the town and specifically tourism in the region.

Other investment includes the funding and construction of the Exmouth Service Workers Accommodation[4], which was developed to support affordable housing opportunities for workers in Exmouth. The housing is available for permanent residents earning low-to-moderate incomes, who are employed locally in non-mining industries.

[4] WA Government Media Statement. 2023. Exmouth Service Workers Accommodation provides rental accommodation for service workers in need of affordable housing.

# 2 Current State Assessment

*This section of the report seeks to provide a detailed overview of the current situation in Exmouth, covering its history, population, infrastructure, transport, housing, economy and the environment. The ultimate objective of the Current State Assessment is to establish a foundation for evaluating demand and supply for tourist accommodation, tourism worker accommodation needs, and considerations for a land assessment.*

## 2.1 History of the region

Exmouth is a small, remote town, located approximately 1,100 kilometres north of Perth. It is located within the Shire of Exmouth, which covers 6,504km$^2$, encompassing Ningaloo, the Exmouth Gulf, and the North West Cape.

The town was established in 1967 to support the United States Naval Communication Station Harold E. Holt, and house the families of US Navy personnel. In 1992, the US withdrew from the station, and in 1999, Australia took full responsibility for the facility.

Today, tourism drives the Exmouth economy, with eco-tourism experiencing significant growth as a result of Ningaloo Coast's UNESCO World Heritage Status and the outstanding nature surrounding Exmouth. Other industries that contribute to the local economy include defence, government services, and industries that support the offshore oil and gas industry.[5]

Defence and government services have significant land holdings in and around Exmouth, which may have implications for future development in the town. Specifically, where these services grow, they can put pressure on existing accommodation challenges, and/or create development restrictions for certain areas.

## 2.2 People and population

According to the Australian Bureau of Statistics (ABS), 3,313 people lived in Exmouth in 2022.[6] The Exmouth population has grown steadily since 2007 at an average annual rate of around 3 per cent. The WA Government's Western Australia Tomorrow no. 11 forecasts that by 2031, Exmouth's population will likely see similar such growth, with a population range of between 3,240 and 3,730 forecast.[7]

According to the 2021 Census, the median age of residents was 37, with 18 per cent aged between 0 and 14, 12 per cent aged over 65. Although Exmouth has a relatively small residential population, approximately 70 per cent of the population is of working age.

The local Aboriginal people, the Yinigudara (also spelled Jinigudera), part of the West Thalanyji people, have lived in the Ningaloo region for at least 35,000 years. Archaeological deposits in the rock shelters on the Cape Range showing that Aboriginal people used marine resources for food and personal adornment.[8] Notably, the Cape Range is also where one of the oldest pieces of jewellery in the world has been found – a 32,000 year old shell beaded necklace.

[5] Shire of Exmouth. 2018. Strategic Community Plan Exmouth 2030

[6] ABS. 2023. Regional population, 2021-22.

[7] DPLH and WAPC. 2019. Western Australia Tomorrow. Population Report No. 11 – Local Government Area: Medium- Term Population Forecasts 2016 to 2031.

[8] Department of the Environment, Water, Heritage and the Arts. 2005. Australian Heritage Database. Ningaloo Coast National Heritage Place.

In 2019, the Yinggarda, Baiyungu and Thalanyji People successfully secured in a Native Title claim over parts of the region, including areas within the Shire of Exmouth.[9] There are more than 140 protected Aboriginal sites within the Ningaloo area, including sacred burial sites and mythological sites.

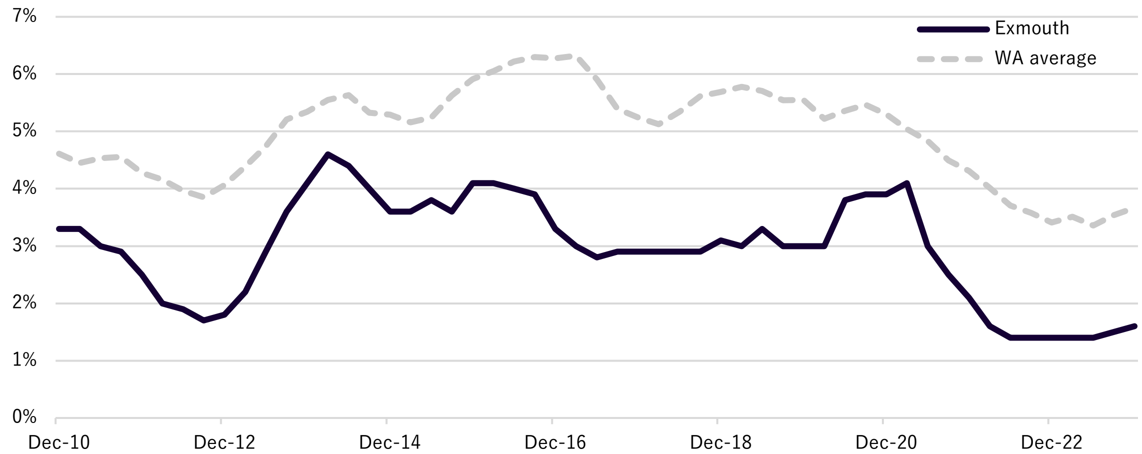
## 2.3 Industry and employment

Exmouth's economy, while relatively small compared to major urban centres and the Perth Metropolitan area, is major driver of regional economic activity in the Gascoyne Region, with key industries like tourism, fishing, and support services for the oil and gas sector all present in the town. This section presents some insights into the region's labour force, key industries, and potential for future industry growth.

### Employment and unemployment

In September 2023, the Shire of Exmouth had a labour force of 3,053 people, with an unemployment rate of 1.5 per cent (**Figure 2.1**).[10] Since 2010, the Exmouth unemployment rate has remained consistently below the Western Australian unemployment rate, indicating a healthy job market and a high level of employment opportunities (particularly during the peak tourism season).

Figure 2.1 Unemployment rate in Exmouth and Western Australia (%)




*Source: Jobs and Skills Australia, Small Area Labour Markets*

### Labour force

According to the 2021 Census, 70.6 per cent of Exmouth residents participated in the workforce, higher than the 63.9 per cent of Western Australians in the workforce. Over the last decade, Exmouth's labour force has increased by 20 per cent, from 2,418 people in 2013 to 3,053 people by 2023 (**Figure 2.2**).

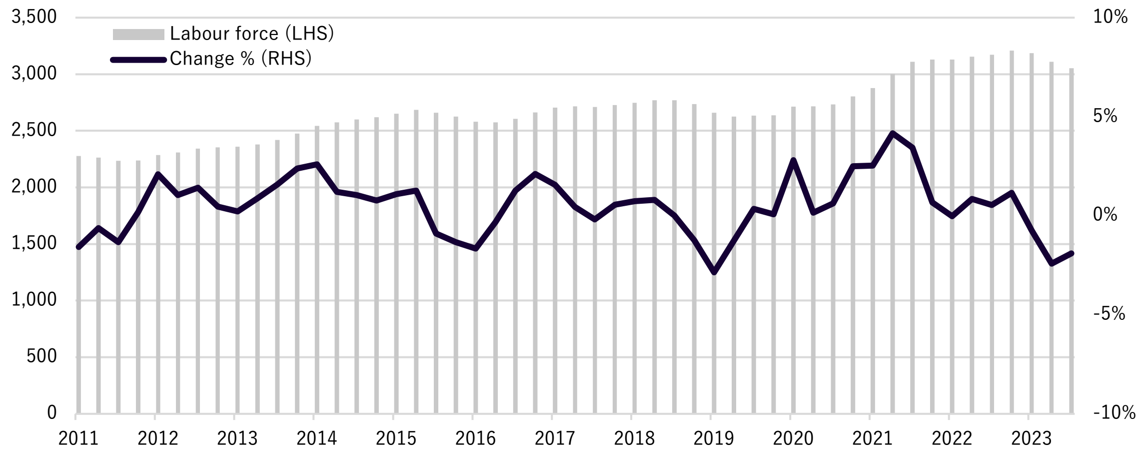
Of those working in Exmouth, just over 60 per cent work on a full-time basis, while 28.5 per cent work part-time. Of all those working in Exmouth, 22.3 per cent are working 40-44 hours a week, and 24 per cent are working 45 hours or more. This is more hours than the average in Australia, where just 17.9 per cent work 45 hours or more per week.[11]

[9] Yamatji Marlpa Aboriginal Corporation. Available online from: https://www.ymac.org.au/photos/gnulli-native-title-determination/

[10] Jobs and Skills Australia. 2024. Small Area Labour Markets – September Quarter 2023.

[11] ABS. 2021. Exmouth 2021 Census All persons QuickStats: https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL50497

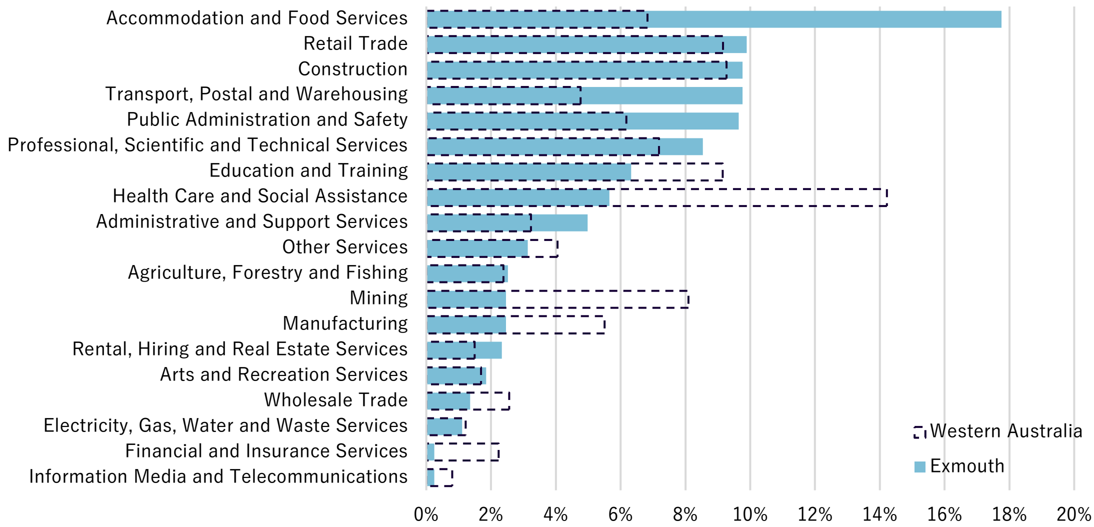
Figure 2.2 Exmouth (SA2) labour force (persons) and change over time, 2011-2023




*Source: Jobs and Skills Australia, Small Area Labour Markets SA2*

A significant number of the labour force are employed in tourism-related sectors, as shown by the top industries of employment in Exmouth. The overall importance of tourism in the town to its livelihood is clearly demonstrated through comparison with the top industries of employment in the broader Western Australian economy.

Figure 2.3 Employment by industry sector, Exmouth vs Western Australia, 2021




*Source: ABS Census 2021*

Taking accommodation and food services, retail trade, and scenic and sightseeing tours as proxies for tourism-related employment, close to 30 per cent of Exmouth's workforce is directly employed to service the tourist economy. Given that this analysis relies on Census data, this percentage is likely to be higher where the seasonal workforce (predominantly filled by backpackers) is accounted for.

## Business counts

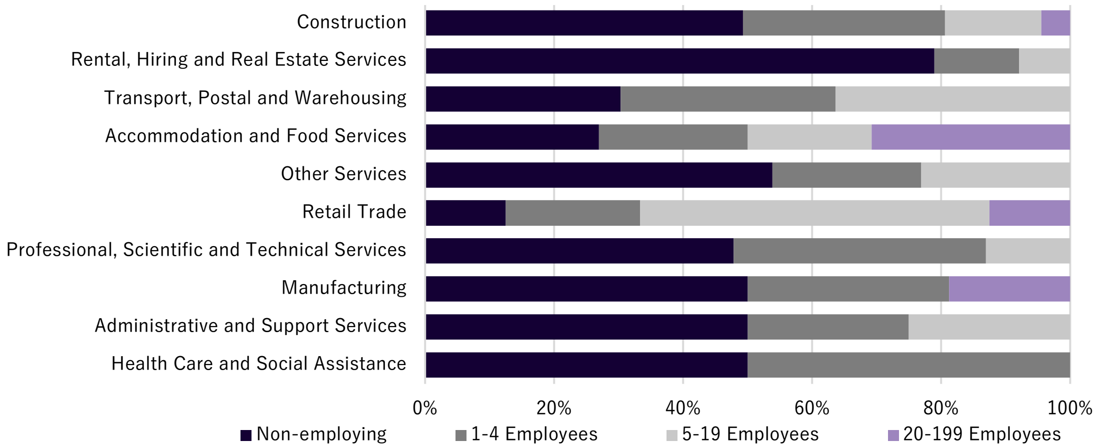
According to ABS data, as at June 2023 there were 26 accommodation and food businesses in Exmouth, ranking behind other industries such as construction (67), rental, hiring and real estate services (38), transport, postal and warehousing (33) and tying with other services, as shown in **Figure 2.4**.

Figure 2.4 Exmouth, business counts, top 10 as at June 2023


*Source: ABS. 2023. Counts of Australian businesses, including entries and exits. Data cube 10.*

However, as shown in **Figure 2.5** and inferred from **Figure 2.3**, accommodation and food businesses tend to be larger and employ more people on average. Specifically, 50 per cent of construction businesses and 80 per cent of rental, hiring, and real estate services do not employ any staff, while 30 per cent of accommodation and food businesses have between 20 and 199 employees.

Figure 2.5 Exmouth, business size, percentage of total, top 10, 2023.

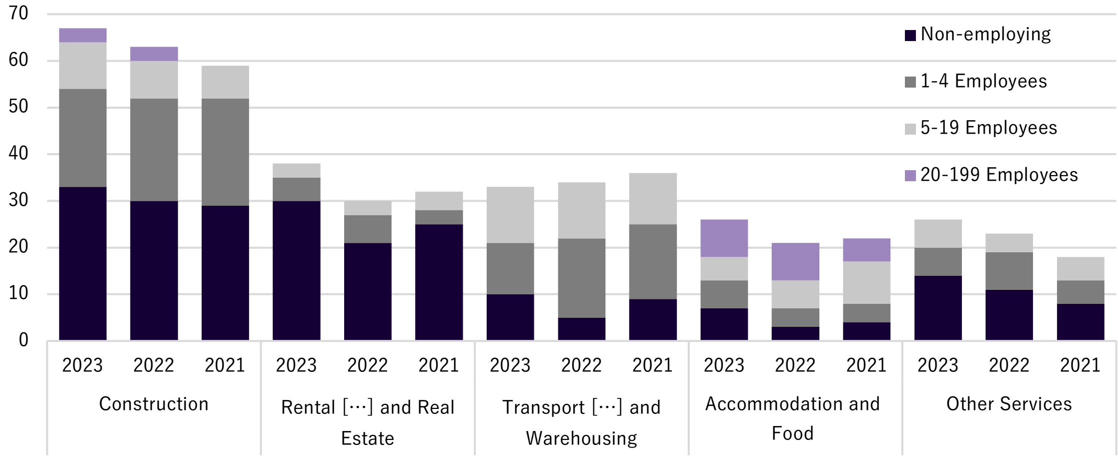



*Source: ABS. 2023. Counts of Australian businesses, including entries and exits. Data cube 10.*

Between 2021 and 2023, the number of accommodation and food businesses grew with the addition of four businesses. Significantly, the number of businesses of this category employing 20-199 people increased from five in 2021 to eight in 2023. When compared with other sectors, the overall number and size of accommodation and food businesses grew strongly over the period (**Figure 2.6**).

This growth in tourism-related services highlights the significant opportunities available in Exmouth because of tourism visitation, and the importance of tourism as an employment force within the town.

Figure 2.6 Top five business industries in Exmouth 2021-2023, by number of employees




*Source: ABS. 2023. Counts of Australian businesses, including entries and exits. Data cube 10.*

# Potential future industries

There are two large developments proposed for the Exmouth Gulf which could grow the jobs available in Exmouth and impact the amount of workforce accommodation: the Gascoyne Gateway Industrial Port and the K+S Industrial Saltworks. However, these projects are subject to scrutiny, particularly from environmental groups and the local community, which may impact their progression.

## Gascoyne Gateway Industrial Port

Gascoyne Gateway Ltd is proposing to construct and operate a multi-use single jetty approximately 10km south of Exmouth. The development envelope is 3.8km$^2$ in size, and includes a single access jetty, onshore strategic port land, renewables precinct, desalination infrastructure and fuel storage.

The project was referred to the EPA in 2021. In May 2022, its environmental scoping document was approved, meaning it is it currently undertaking environmental studies as to the likely impact of the jetty.

## K+S Industrial Saltworks

The Saltworks would be located across the Exmouth Gulf from Exmouth, around 40km southwest of Onslow. The project would see the construction of a 3.5 million tonnes per annum Solar Salt Project. The project was originally referred to the EPA in 2016.

In 2017, K+S provided the EPA with its environmental scoping document for public comment, outlining its methodology to undertake an environmental review. In 2023, it provided its completed Public Environment Review for public comment, with comments closing on 4 September 2023.

The next stage is for the EPA to publish a report on its assessment of the proposal. The Minister for Environment will then consider the EPA's report and any public appeals before determining whether the proposal should proceed.

Finding 1 The Exmouth economy is heavily reliant on tourism

Exmouth has a strong and growing economy, which is primarily driven by tourism. Close to 30 per cent of the total Exmouth workforce is employed in tourism-related sectors, including accommodation, food services, retail trade, and scenic sightseeing tours.

## 2.4 Tourism industry

Tourism is a cornerstone of Exmouth's economy and community, supporting local business and employment, the promotion of cultural heritage, and infrastructure development. It also necessitates careful management of its environment to preserve the natural and cultural assets that attract visitors to the region.

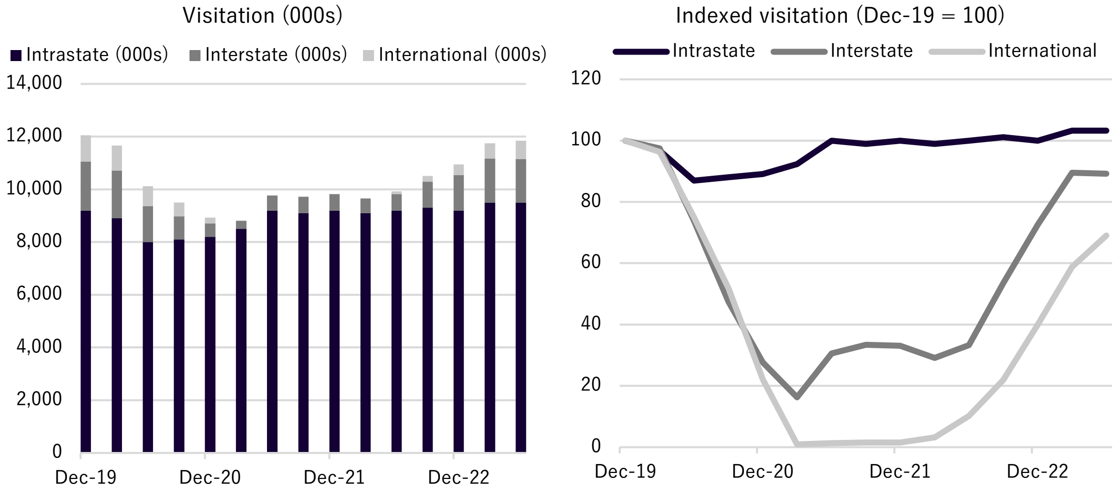
### Impact of the COVID-19 pandemic

The COVID-19 pandemic profoundly impacted tourism globally. In Australia and Western Australia, significant restrictions were placed on who could enter and leave the State.

These restrictions resulted in a 713 day ban on international travel to and from Western Australia, along with a 709 day restriction on interstate travel. In this period, the way Western Australians vacationed was altered, changing the composition of tourists within the State to be predominantly intrastate travellers.

Data from Tourism WA demonstrated the significant impact of these restrictions on interstate and international travellers, with interstate and international visitation for leisure sharply dropping as a result of restrictions, while intrastate travel recovered more quickly to pre-pandemic levels (**Figure 2.7**).

Figure 2.7 Trends in Western Australia intrastate, interstate and international visitation, and the impact of COVID-19, 2019-2023




*Source: ACIL Allen analysis; Tourism WA*

### Tourism visitation statistics

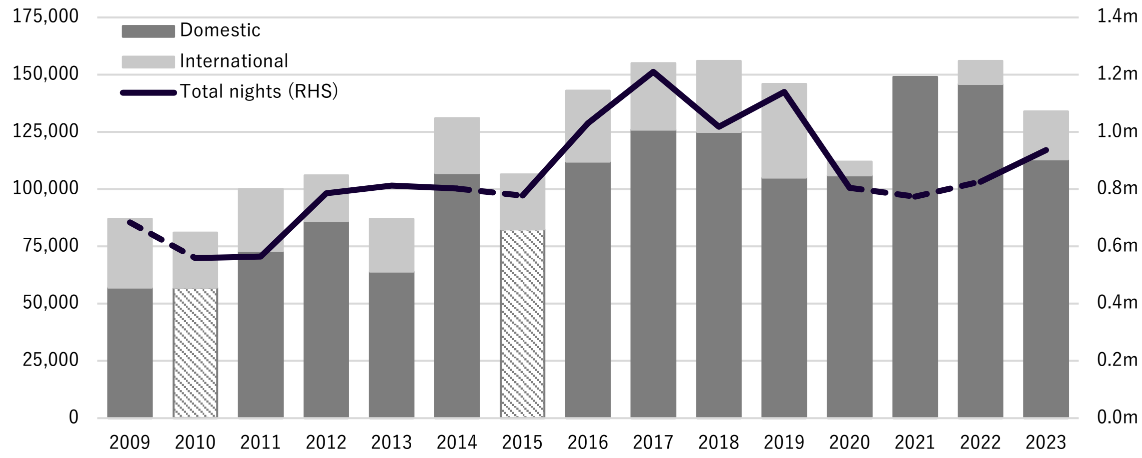
Exmouth is located in Australia's Coral Coast under Tourism Research Australia's regional grouping. Australia's Coral Coast encompasses Exmouth, Coral Bay and down to Lancelin in the south. Nationally, this region is ranked 25th by total national visitor nights, with a total of 4.4 million nights year ending March 2024.[12]

Tourism is currently Exmouth's major industry. During peak times, anecdotal evidence suggests that there can be as many as 15,000 visitors in the town, around five times the number of local residents.[13]

The COVID-19 pandemic has changed the composition of the kinds of travellers to Exmouth, with interstate and international visitation dropping sharply as intrastate tourist numbers surged, with Western Australians holidaying within the State due to the State Border Closure from 24 March 2020 to 3 March 2022.

While Exmouth experienced a dip in tourism in the early stages of the pandemic, overall visitation to Exmouth appears to have been relatively stable since 2016-17. As highlighted in **Figure 2.8**, increasing intrastate visitation to Exmouth has helped to offset the decline in international and interstate visitors since 2018-19. Signs of a recovery in international visitation are evident in 2022 and 2023.

Figure 2.8 Exmouth overnight visitor trends – number of visitors (LHS) and visitor nights (RHS), 2009 – 2023




*^ ACIL Allen estimates for 2010, 2015 and 2020 to 2022 using historic average length of stay data.*

*Source: Tourism WA. 2024. Shire of Exmouth – overnight visitor factsheet 2023; Tourism WA Research*

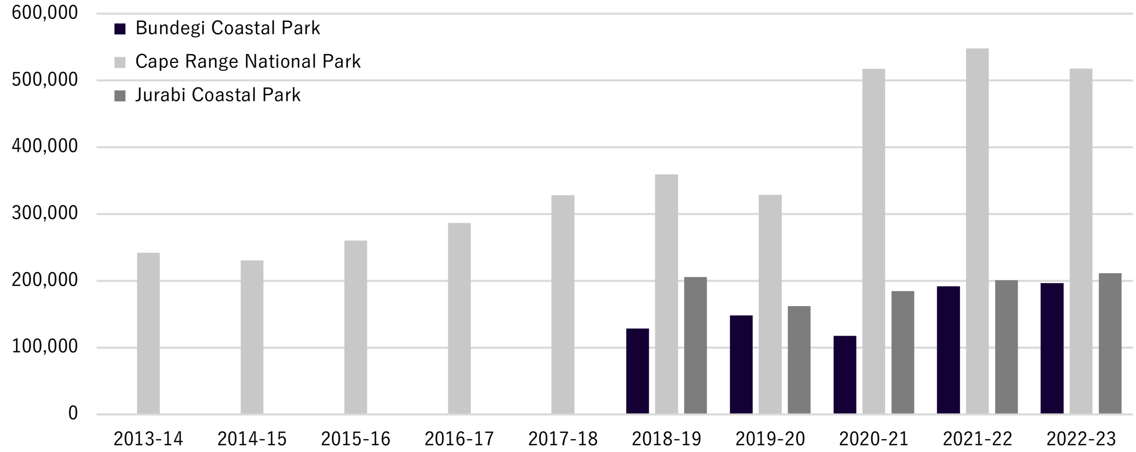
These visitation numbers reported by Tourism WA may not capture the full extent of tourism visitation to Exmouth during the COVID-19 impacted timeframe. Anecdotal evidence from Exmouth based stakeholders suggests that accommodation operators and tourism-related businesses were extremely busy and at capacity during this period, which is not supported by the visitation numbers. Further, data made available from the Department of Biodiversity, Conservation and Attractions (DBCA) showing there were 517,318 visits in the Cape Range National Park in 2021-22, up 44 per cent from 359,237 in 2018-19.

Visits do not equal visitors, with a 'visit' meaning a person going into a park. Where a person leaves and returns a second time, this is counted as a second visit. However, ACIL Allen considers it unlikely that this significant increase can be explained solely through a sudden rise in repeat visitations.

[12] Tourism Research Australia. 2024. Estimates for the year ending March 2024 from the National Visitor Survey. Table 10: Overnight trips, visitor nights and regional expenditure for top 50 regions. https://www.tra.gov.au/en/domestic/domestic-tourism-results

[13] Shire of Exmouth. 24 March 2022. Ordinary Council Meeting Report 12.2.1 – Attachment 1.

Figure 2.9 Visits to National Parks near Exmouth, number of visits, 2013-14 – 2022-23 (visits)




*Source: DBCA. 2024.*

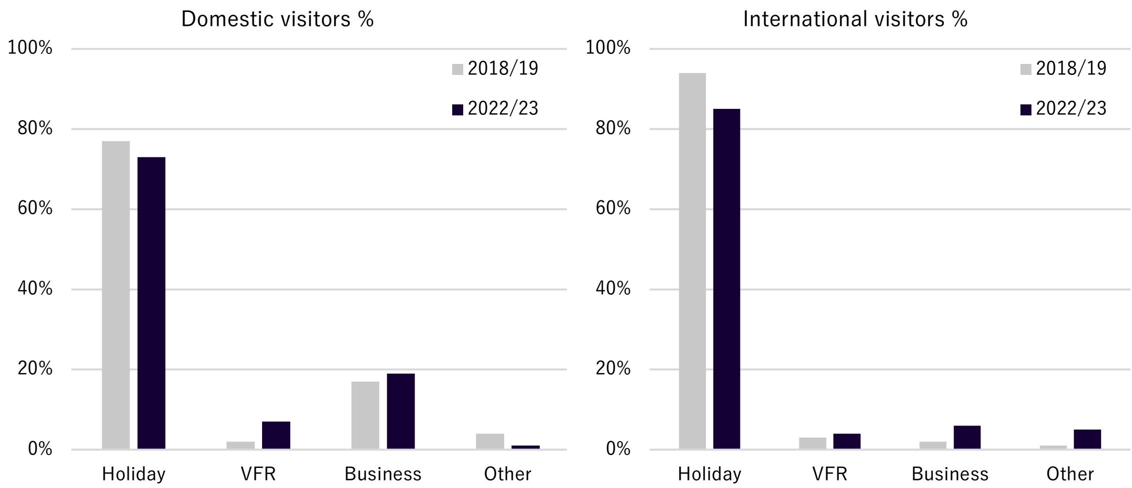
One challenge in accurately determining the number of tourists in Exmouth is the small sample size on which information is based. Tourism WA factsheets are sourced from Tourism Research Australia's National and International Visitor Surveys, which relies on Computer Assisted Telephone Interviewing for domestic tourists and Computer Assisted Personal Interviewing in departure lounges of the eight major international airports.

Noting these challenges, the visitor numbers represent the best available evidence on which to base assumptions, with the data indicating a slight drop in domestic visitation, with a rise in international visitation. These trends match Tourism Research Australia forecasts, suggesting that domestic visitation will plateau in 2024 to pre-COVID levels before rising steadily, while international visitation will continue to grow.

# Market segments trends

Exmouth offers a diverse array of natural attractions that support nature based tourism, making it a popular holiday destination for domestic and international visitors (**Figure 2.10**).

Figure 2.10 Purpose of travel by origin of visitor, Exmouth LGA (%)



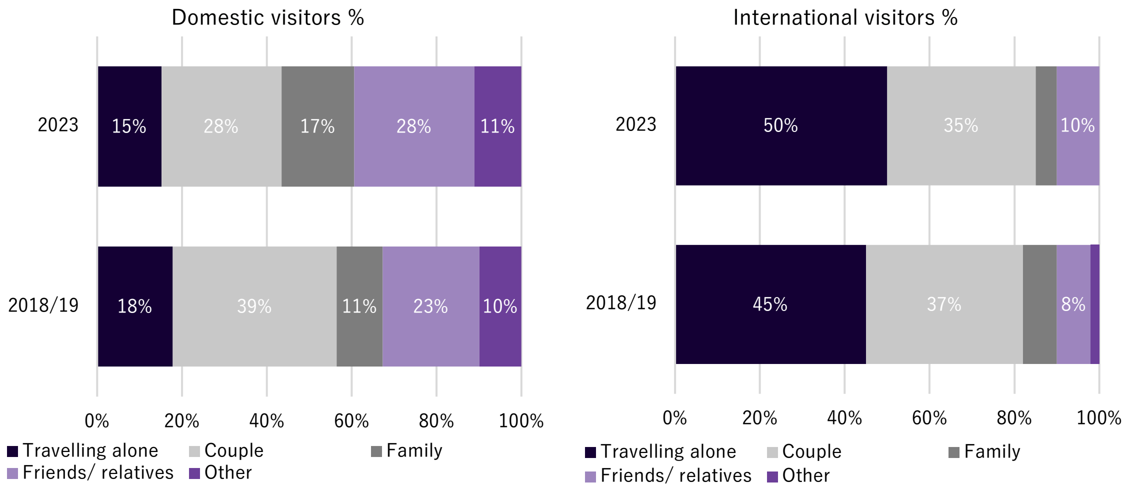

*Note: VFR reflects visiting friends and relatives. Sum of purpose may add to more than 100 per cent as overnight visitors can visit the LGA for more than one reason. Source: TWA Shire of Exmouth Factsheets 2023. May 2024*

Most domestic travellers to Exmouth travelled as a couple or with friends and relatives, whereas international travellers typically travelled alone (50 per cent in 2023) or as part of a couple (35 per cent) (**Figure 2.11**).

The proportion of international travellers visiting alone suggests that the town is perceived as a safe and attractive destination for solo travellers. This may also include some working holiday makers who often travel alone, and may be going to Exmouth for work.

Domestically, the smaller proportion of single visitors to Exmouth, coupled with the notable portion of domestic travellers travelling with friends and relatives, suggests that for Australians, Exmouth is more of a group or family destination. Overall, the data indicates that Exmouth has a variety of natural attractions that support nature based tourism both domestically and internationally, and there is no 'one' kind of traveller to the region.

Figure 2.11 Travel party by origin of visitor, Exmouth LGA, 2018/19 and 2023 (%)



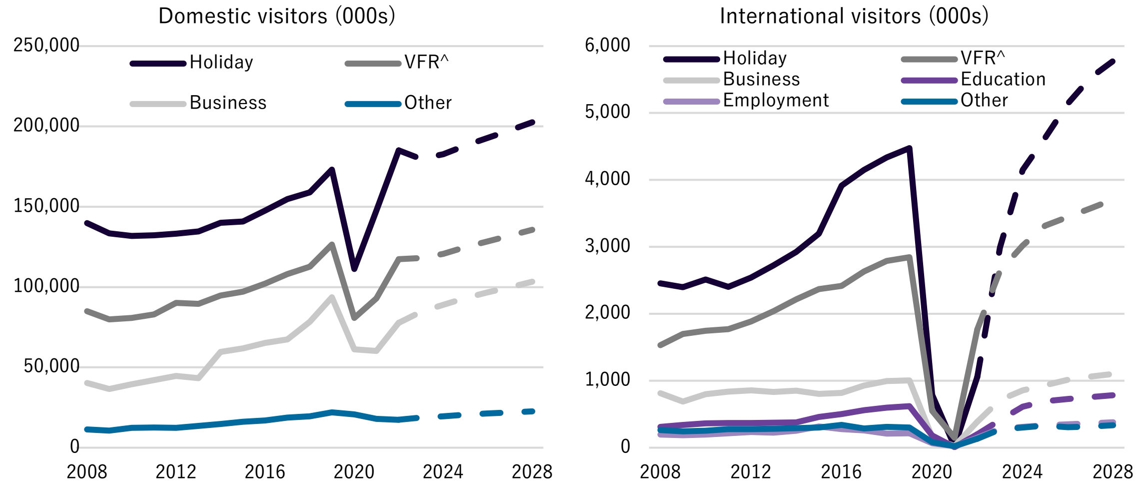

*Source: TWA Shire of Exmouth Factsheets 2023. May 2024*

## Forecast in market segment growth

Across international visitors to Australia and domestic tourism, Tourism Research Australia predicts that the holiday market will grow above pre-COVID levels. Given Exmouth's historic holiday market visitation, it is likely that Exmouth will experience some of this growth.

The international market is predicted to experience significant year on year growth as global markets settle in the wake of COVID-19 (**Figure 2.12**). The domestic tourism market is also predicted to grow, though more slowly than the international market, representing sustained growth out to 2028. These predicted trends appear to match the trends observed in data on tourist visitation to Exmouth, as per **Figure 2.8**.

Figure 2.12 Forecast in domestic and international visitation to Australia, by market segment, 2008-2028 (000s of visitors)




*^ VFR = Visiting friends or relatives.*

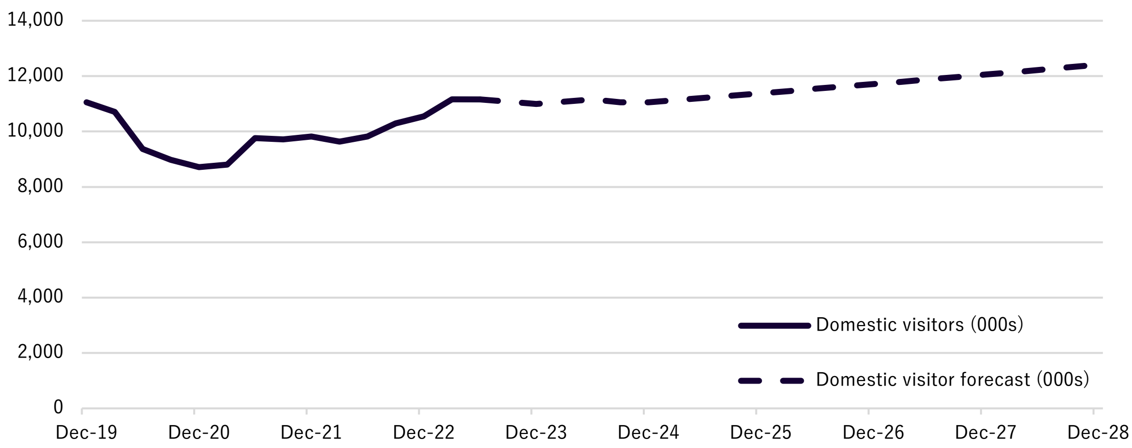
*Source: Tourism Research Australia. Note that dashed lines represent forecast figures.*

# Forecast domestic tourism in Western Australia

Since COVID-19, intrastate tourism has been higher than pre-pandemic levels, while interstate demand has been slower to recover. Tourism Research Australia forecasts that total domestic visitor nights in Western Australia will return to pre-pandemic levels in 2024, and experience steady average growth of 2.9 per cent each year out to 2028.

The last available data on total domestic visitation from Tourism Research Australia is available from June 2023. Assuming that domestic tourism plateaus in 2024 before growing though 2025, there is forecast to be 12.4 million domestic visitors in Western Australia by December 2028 (**Figure 2.13**).

Figure 2.13 Domestic visitation trends and forecast to Western Australia, 2019-2028 (000s)




*Source: Tourism WA and Tourism Research Australia*

Given the predominance of domestic tourists to Exmouth, understanding how this market is likely to grow will provide important information as to the expected future growth in the region.

## Aviation

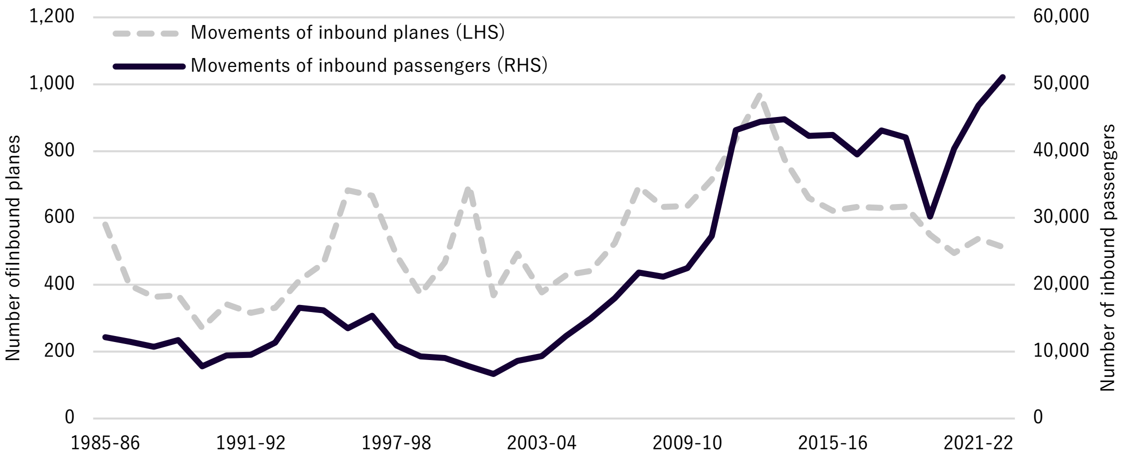
Learmonth Airport services the town of Exmouth and is located approximately 36km south of the townsite. The airport is situated on Commonwealth land and owned by the RAAF under the Department of Defence. The civilian airport, located within the RAAF base, is managed by the Shire of Exmouth. Currently, Learmonth Airport is served by Qantas, which in 2024 ran two flights daily to/from Perth on weekdays, and one flight on weekends during the peak period (April – November 2024).

Based on Qantas timetables for November 2024 through 2025, the flight schedule to Exmouth will change to provide for one return flight from Perth to Learmonth on Mondays, Tuesdays, Thursdays, Saturdays and Sundays, and two flights on Wednesdays and Fridays.[14]

**Figure 2.14** shows the impact of COVID-19 on visits to Exmouth by air in the 2019-20 – 2020-21 financial years (when flight cancellations were common), while the growth of flights above pre-COVID levels to 2022-23 suggests that awareness of Exmouth as a travel location has grown, with its attractiveness as a travel destination going up, from previous averages of just over 40,000 between 2010-11 and 2019-20 to over 50,000 in 2022-23. The number of inbound planes reducing, while passenger numbers increase, suggests that the planes servicing Exmouth either have more seats, or have a higher occupancy rate of seats.

In 2023, Qantas arranged for twice weekly flights between Melbourne and Learmonth, running from May through to October, to increase accessibility to Exmouth for interstate visitors. This was cancelled for the 2024 season, with Qantas citing that it was unable to service the route due to shortages of pilots able to fly 737s.[15] Stakeholders also suggested that there were challenges relating to the lack of lead time for flight bookings (with bookings only opening during the peak season) and difficulties in securing accommodation which may have contributed to lower than anticipated utilisations, ultimately impacting the cancellation of this route.

Figure 2.14 Inbound planes (LHS) and passengers (RHS) to Exmouth via Learmonth Airport, 1985-86 to 2022-23




*Source: BITRE*

The challenges experienced for the Melbourne – Learmonth route is occurring more broadly across Qantas and other airline services. Qantas has stated that it is currently experiencing wide-ranging difficulties regarding its aircraft fleet due to an aging fleet, global delays in acquiring new planes, and challenges relating to pilot recruitment and retention giving the increasing demand for pilots from overseas. This means

[14] Qantas. 2024. Timetables. https://www.qantas.com/au/en/qantas-experience/timetables.html

[15] ABC Pilbara. 20203. Exmouth tour operators prepare for life after direct flights as Qantas cuts Melbourne route. https://www.abc.net.au/news/2023-11-10/qantas-scraps-exmouth-melbourne-direct-flights-2024/103084892

that, even in the face of growing demand, the prospect of adding a new route appears unlikely without a change in the global context.

The Learmonth Airport Master Plan was updated in December 2020, with an eye towards future expansion of the airport to accommodate growth in visitation, including an additional apron area, hangar sits, and car park expansion. In Section 5.2.2 Terminal Expansion of the Master Plan, it is proposed that there be a new departures lounge and expanded arrivals area to increase arrival capacity and to meet international charter flight requirements if they “are again re-established with their requirement for Customs and Quarantine service provisions”. [16]

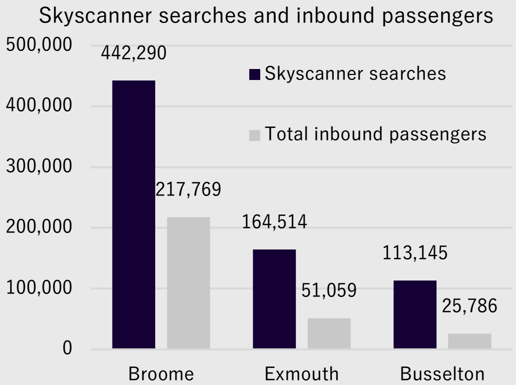
### Case Study 1 Search conversion rate – Broome and Exmouth

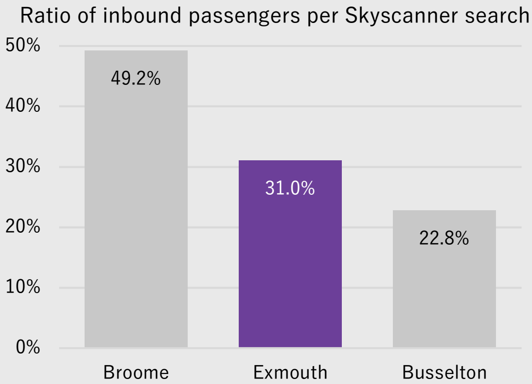
As shown in **Figure 2.15**, during the 2022/23 period, the ratio of Skyscanner searches to domestic inbound passengers for Broome was significantly higher than Exmouth and Busselton. The ratio of Skyscanner searches conducted to the number of domestic inbound passengers was 49.2 per cent for Broome, in comparison to a 31.0 per cent for Exmouth and 22.8 per cent for Busselton.

This data suggests that there is significant interest in Exmouth as a destination, and a portion of demand that remains unmet **when comparing the destination to more mature tourism markets like Broome**. The development of Broome’s tourism market over time has meant that it can offer a greater range of accommodation options to prospective visitors, has a more developed range of tourism experiences, as well as having more frequent (and affordable) flights to the destination. Stakeholders in Exmouth suggest that a major reason for Exmouth’s low conversion rate for those looking to fly to Exmouth was the lack of available accommodation options for travellers.

Assuming that Exmouth has the potential to reach a conversion rate of approximately 50 per cent under ideal circumstances (i.e. a greater number of flights, accommodation options, and experiences), this would result in an **additional 29,882 visitors travelling to Exmouth based on the current level of interest**.

Figure 2.15 Comparison of Skyscanner searches and the number of inbound visitors, Exmouth (Learmonth Airport) verse Broome and Busselton, 2022-23




*Source: ACIL Allen analysis; Skyscanner; Tourism WA*

In the absence of contrary data, ACIL Allen considers this to be a good reflection of the unmet demand currently present in Exmouth, indicating strongly that **demand is not a current barrier to new development**. This assessment is supported by stakeholder assertions that the town could support new accommodation and tourism developments – even from those stakeholders that would face competition from such developments.

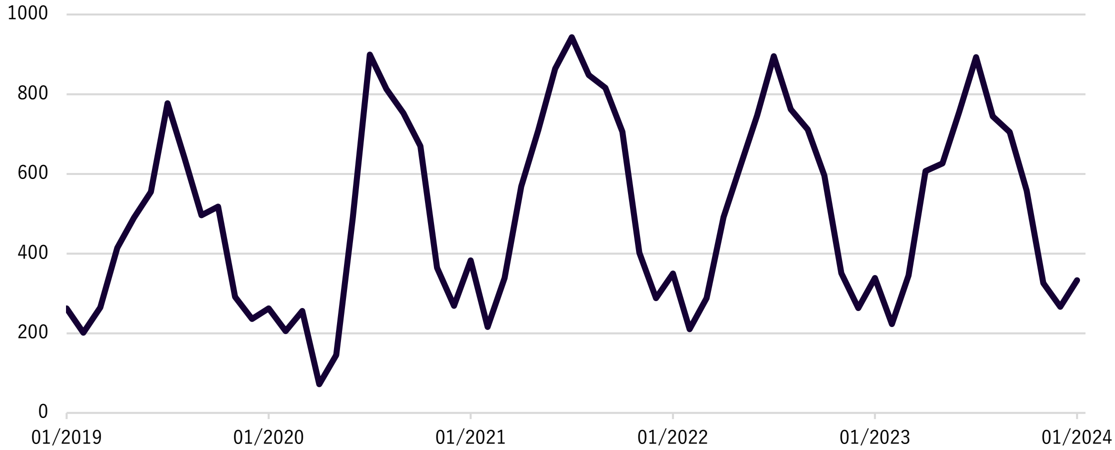
[16] Shire of Exmouth. 2020. Learmonth Airport Master Plan.

## Roads

The most direct road into Exmouth is the Minilya-Exmouth Road, which runs from Minilya to Exmouth, passing the Coral Bay and Ningaloo turnoffs, and the Learmonth Airport. The inbound traffic data from Main Roads WA, as captured in **Figure 2.16**, clearly demonstrates the seasonality of the Exmouth tourism season, with a significant increase in inbound traffic evident from March, peaking in July, and falling to lows in November and January. Data also shows an increase in the number of cars travelling the road following July 2020 when compared to July 2019 (pre-COVID).

This indicates that intrastate travellers have been increasingly willing to travel via road to reach Exmouth in a COVID-19 environment. However, when compared to air traffic information, it can be seen that travellers broadly prefer to fly to Exmouth, likely due to the long distances and the time commitment required to undertake a road trip to Exmouth from most other places within the State.

Figure 2.16 Northbound traffic towards Exmouth, Monday to Sunday, Minilya-Exmouth Road, 2019-2024 (number of vehicles)




*Source: Main Roads WA. Minilya-Exmouth Road (North of Burkett Road).*

## Cruise ships

Cruise ships represent a significant source of visitation to the town of Exmouth. In 2024, Exmouth expects to welcome 15 cruise ships, carrying a total of 23,700 passengers. The cruise ships range in size from 72 passengers up to 3,080 passengers.[17]

Currently, cruise ships anchor offshore in the Exmouth Gulf, with passengers ferried to the marina in smaller ships. Passengers then need to walk approximately 150 metres across floating jetties to reach the tour bus. The Department of Transport has plans to shorten this walk, to ensure that passengers can immediately reach their bus and embark on their tour, improving the visitor experience.

## Tour buses

There are a number of tour bus companies that run tours to and from Exmouth, generally leaving from Perth, including the Why Not Bus, Adventure Tours Australia, Intrepid Travel, and On the Go Tours. Many tours

[17] Exmouth Chamber of Commerce. 2024. Latest Cruise Ship Schedule Update for 2024. https://www.facebook.com/photo/?fbid=408384018512914&set=a.172228128795172&locale=hi_IN

end in Exmouth, with tourists then required to make alternative arrangements to leave. Anecdotally, these tour bus groups form part of the stable demand for budget and dorm-style accommodation in the town.

Finding 2 There is current, unmet tourism demand in Exmouth

Short stay accommodation occupancy rates of close to 100 per cent across the peak season, analysis of Skyscanner data and the conversion rate of inbound passengers supports anecdotal evidence that there is unmet demand for accommodation and other tourism-related services in Exmouth. This indicates that new tourism accommodation developments are supported by visitation in the current circumstances.

**Finding 3** Tourism demand is likely to grow in Western Australia, including Exmouth

Tourism demand across Western Australia is projected to grow across domestic and international markets, forecast to grow by 2.9 per cent and 10.6 per cent year on year respectively between 2023 and 2028 (Tourism Research Australia). This positive trend indicates that tourism demand will grow in Exmouth over the modelling period, especially considering indications that awareness of Exmouth as a travel destination is growing as implied by historical tourism growth and the growth of inbound passenger volumes.

Finding 4 The limited options for travel to Exmouth may constrain growth

There are limited direct transport options to Exmouth, and the region is reliant on a single operator direct flight connecting it with Perth. Exmouth's remoteness means that travellers via road must commit to a multi-day driving trip, making this an unattractive option for most interstate and international visitors.

While COVID-19 restrictions caused an increase in the number of intrastate travellers driving to Exmouth, the overall trend indicates a growing preference for air travel (as per **Figure 2.14**). Challenges in growing this route given the current global context may provide limits on demand growth.

## 2.5 Accommodation trends

*Each year, Smith Travel Research (STR) collect confidential data on hotel occupancy, Average Daily Rate (ADR) and Revenue per Available Room (RevPar) from participating hotels and accommodation providers.*

The performance of Australia's Coral Coast is presented in this section in order to understand how the region performs against Western Australia. As data isn't available as a Shire of Exmouth level, Coral Coast data has been analysed to understand trends across the region, including trends in the number of properties, demand and supply, occupancy rates, average daily rates and revenue per room. The purpose of using this data is to present trends at a regional level, and can be also used to compare against data provided by accommodation operators in Exmouth.

In 2022-23, STR estimated there to be 40 accommodation properties[18] within the Coral Coast region of Western Australia, up from 32 properties in 2016-17. This represents just under 10 per cent of the number of accommodation properties across Western Australia (**Table 2.1**).

Table 2.1 Number of accommodation properties, 2016-17 to 2022-23

| Region | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|
| Coral Coast | 32 | 36 | 36 | 37 | 37 | 37 | 40 |

[18] STR defines a property (hotel) based on three exclusionary criteria: Typically 10 or more rooms; Open to the public (excludes properties requiring membership, affiliation or club status); Generates nightly revenue. This may therefore exclude some operators within the Coral Coast market.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Western Australia | 373 | 388 | 394 | 396 | 408 | 417 | 431 |
| Share of WA | 8.6% | 9.3% | 9.1% | 9.3% | 9.1% | 8.9% | 9.3% |

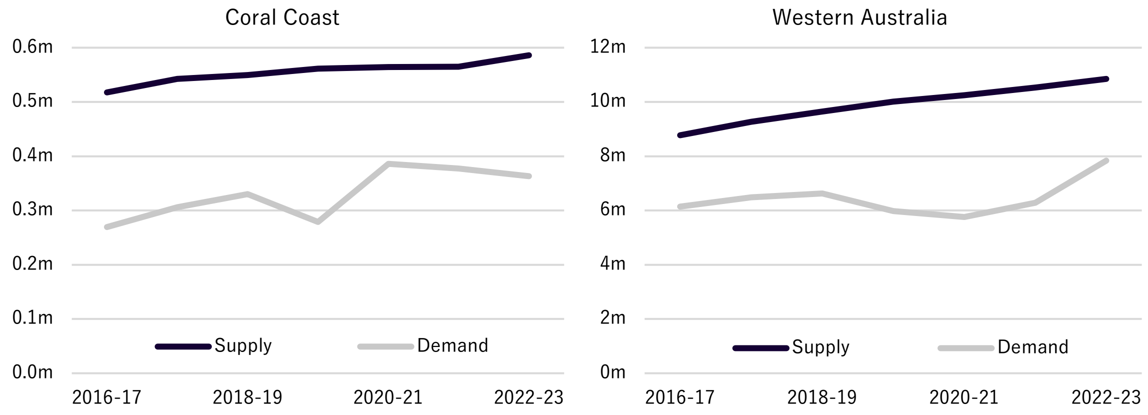
*Source: STR*

**Figure 2.17** presents trends in the demand (the number of rooms sold in a specified time period) and the supply (the number of rooms in a property multiplied by the number of days in a specified time period) of accommodation in the Coral Coast compared to Western Australia between 2016-17 and 2022-23.

STR's analysis suggests that the room supply within the Coral Coast has increased steadily over the period, increasing from 0.52 million in 2016-17 to 0.59 million in 2022-23 (a 13.2 per cent increase). Over the same period demand has increased by 34.7 per cent.

In comparison, room supply across Western Australia has increased from 8.8 million in 2016-17 to 10.8 million in 2022-23 (a 23.7 per cent increase) while demand for rooms has increased from 6.1 million to 7.8 million over the period, reflecting a 27.7 per cent increase (**Figure 2.17**). A majority of the growth in room demand in Western Australia can be attributed to growth in the 'Destination Perth' region.

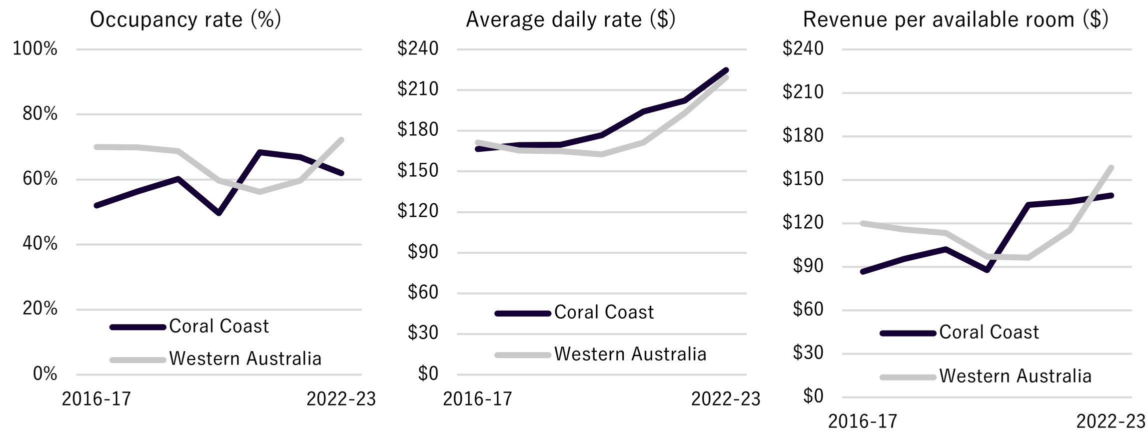
Figure 2.17 Demand and supply of accommodation: Coral Coast versus Western Australia, 2016-17 to 2022-23




*Source: STR. Tourism Regions 2016-17 – 2022-23*

**Figure 2.18** presents the performance of the Coral Coast and Western Australia in relation to occupancy rates, average daily rates, and revenue per average room between 2016-17 and 2022-23.

Figure 2.18 Performance of accommodation properties, Coral Coast vs Western Australia, 2016-17 to 2022-23




*Source: STR. Tourism Regions 2016-17 – 2022-23*

Occupancy rates in the Coral Coast have increased from 52 per cent in 2016-17 to 62 per cent in 2022-23, peaking at 68 per cent in 2020-21. Meanwhile, occupancy rates across Western Australia have returned to 2016-17 levels in 2022-23, peaking at 72 per cent occupancy rates post COVID-19.

Average daily room rates (room revenue as a share of rooms sold) across the Coral Coast and Western Australia have followed a similar trajectory between 2016-17 and 2022-23, increasing from approximately $170 in 2016-17 to $220 in 2022-23. Similarly, the revenue per available room has increased in both the Coral Coast and Western Australia, both reaching a peak rate in 2022-23 (**Figure 2.18**).

Finding 5 The demand for accommodation is poised to grow across the Coral Coast

The increase in the Coral Coast's occupancy rate from 52 per cent in 2016-17 to 62 per cent in 2022-23, along with the rise in the average daily rate from $171 to $225 over the same period, indicates a growing demand for accommodation in the region. This upward trend is further substantiated by the rise in the number of available beds, suggesting that businesses are both recognising and capitalising on this demand. The overall trend in accommodation demand (and other accommodation indicators), which capture areas like Exmouth, supports the potential for continued growth in the sector.

## 2.6 Housing

As of 2021, Exmouth had 1,699 private dwellings. Of these, 94 were registered as short-term holiday accommodations (accommodation leased for a period not exceeding three months).[19]

Affordable and sufficient housing in Exmouth has been identified as an issue by the Shire of Exmouth, who in 2022 described the situation as a 'housing crisis' when amending the local planning scheme to prohibit short-term holiday accommodation from being in Skipjack Circle. The Shire pointed to delays in new land releases and increased short-term holiday accommodation as key factors exacerbating the housing shortage.[20]

According to the 2021 Census, 42.1 per cent of Exmouth residents rent, while 54.1 per cent of residents own their property (with or without a mortgage).[21]

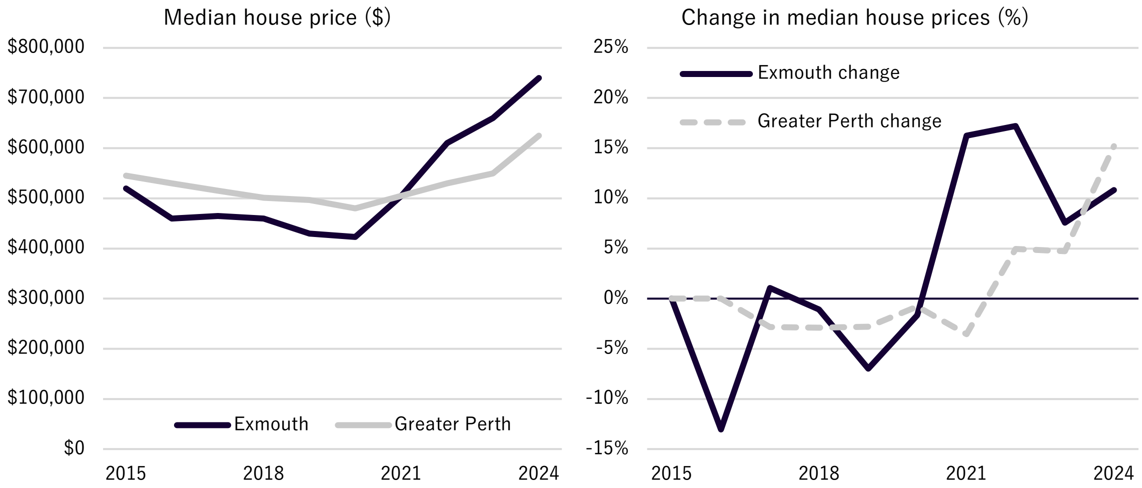
Average house prices in Exmouth have risen by 43 per cent between 2020 to 2024, to a current high of $745,000. The rate of house price increase is twice that observed in the broader Perth region, where prices rose by 20 per cent over the same period (**Figure 2.19**).

[19] Shire of Exmouth. 2021. Accommodation Supply Issues in Exmouth.

[20] Shire of Exmouth. 24 March 2022. Ordinary Council Meeting Report 12.2.1 – Attachment 1.

[21] ABS Census. 2021. Exmouth 2021 Census All persons QuickStats

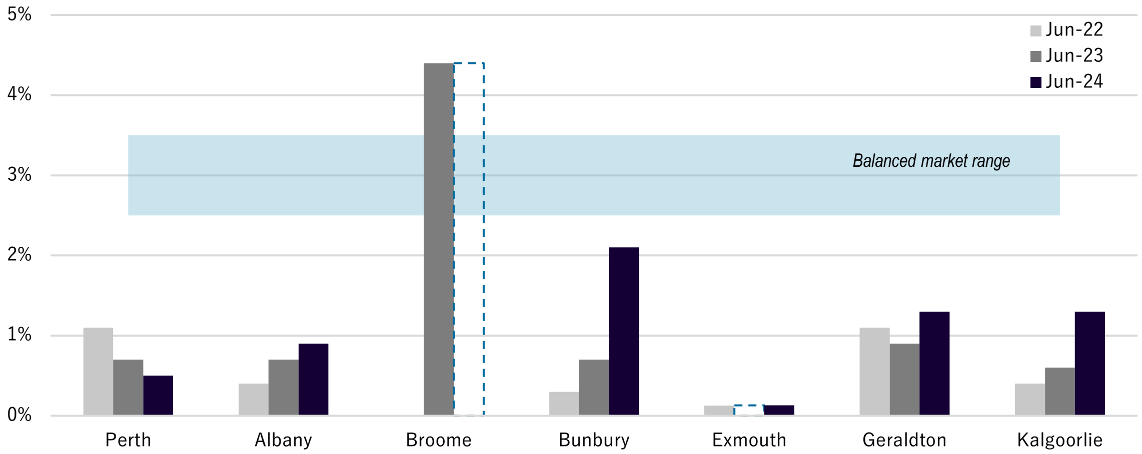
Figure 2.19 Trends in Exmouth and Greater Perth average house prices, 2015-2024 (%)




*Source: REIWA*

Using the 2021 Census figures for median individual and household incomes, houses in Exmouth are currently 15 times the average individual income and 7 times the average household income, making home ownership in the region extremely challenging for the average resident. This follows a trend across the Greater Perth Region, where average house prices are currently 14 times the average individual income and six times the average household income.

Figure 2.20 Rental vacancy rates in select Western Australia regional centres, 2022-2024 (%)




*Source: ACIL Allen analysis; REIWA[22]; Exmouth from Real Estate Investar [23]*

*Note: dotted line bars represent a gap in available data, with previous years' figures used to extrapolate data. Note: In June 2022, REIWA reported a 0% rental vacancy rate for Broome, which jumped to a 4.4% vacancy rate in June 2023 per the REIWA figures. REIWA data from September 2023 showed a 4.9% vacancy, while in September 2022 the vacancy was 7.1% (up from 0% in June 2022). This indicates a highly fluctuating, seasonal rental market – meaning that the actual availability of accommodation at any point in time is variable.*

Exmouth's rental market continues to remain as tight as ever, with vacancy rates sitting just above zero per cent (0.13 per cent), and well below a balanced market range (defined by REIWA as between 2.5 per cent and 3.5 per cent). Trends in rental vacancy rates in Exmouth support the view that demand for workforce/resident accommodation is outstripping supply in the region (**Figure 2.20**).

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[22] REIWA. 2024. Rental Vacancy Rates. https://reiwa.com.au/the-wa-market/rental-vacancy-rates/

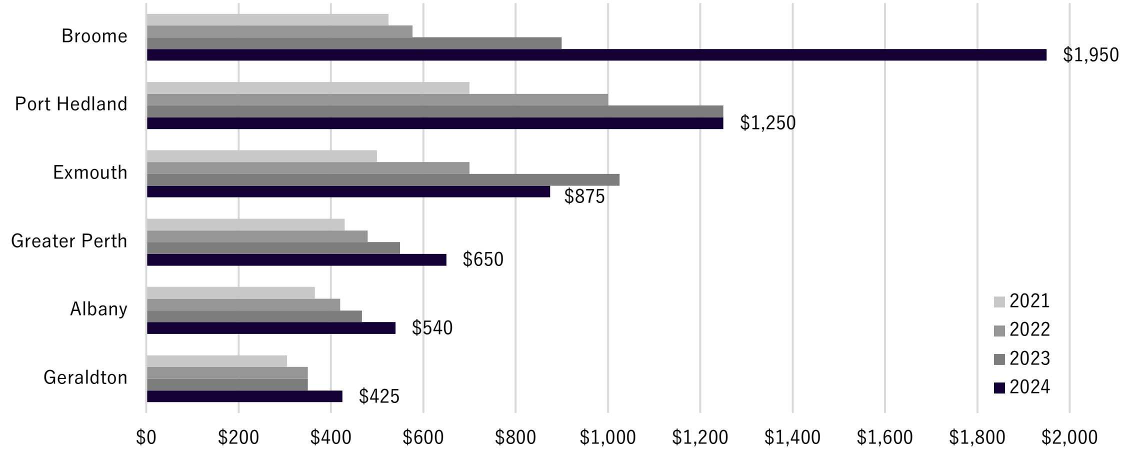
[23] Real Estate Investar. 2024. Investment Property Exmouth WA 6707. https://www.realestateinvestar.com.au/Property/exmouth

Reflecting the tightness in the rental market, median weekly rent in Exmouth is above some of the State's other major regional centres. Rental prices have risen from an average $512 per week for a house in 2015 to $875 in 2024 (41 per cent increase), and $345 per week for a unit in 2015 to $550 in 2024 (a 37 per cent increase) (**Figure 2.21**).

The challenges in finding suitable housing are effectively highlighted by data from the 2021 Census, which shows that nearly six per cent of Exmouth residents lived in a caravan, while 0.6 per cent lived in a cabin or houseboat.[24]

These broader housing trends are important to consider in the context of potential tourism growth in Exmouth. Increasing the number of tourists visiting Exmouth will require an increase in the tourist workforce and as such the number of people seeking rental properties or rooms. This would likely increase current prices, making the housing situation more challenging for tourism workers, who are typically on lower wages.

Figure 2.21 Median weekly rent for a house in regional Western Australia and Greater Perth, 2021-2024 ($ per week)




*Source: ACIL Allen analysis; REIWA.*

Finding 6 There are significant housing constraints in Exmouth

Exmouth is currently experiencing a tight housing and rental market, which will only be resolved through either new housing stock being built, or a reduction in demand. These issues are having an impact on the ability of businesses to attract and retain workers, leading to challenges in appropriate staffing levels and expertise.

## 2.7 Environment

Exmouth's climate significantly influences its tourism industry, both positively and negatively. Exmouth has a hot, semi-arid climate. It is often hot in summer, with an annual average of 122.3 days over 30°C, and 31.9 days over 40°C. January is typically the hottest month, with an average 3pm temperature over 35°C, while July is the coldest month, with average 3pm temperatures of just under 25°C.

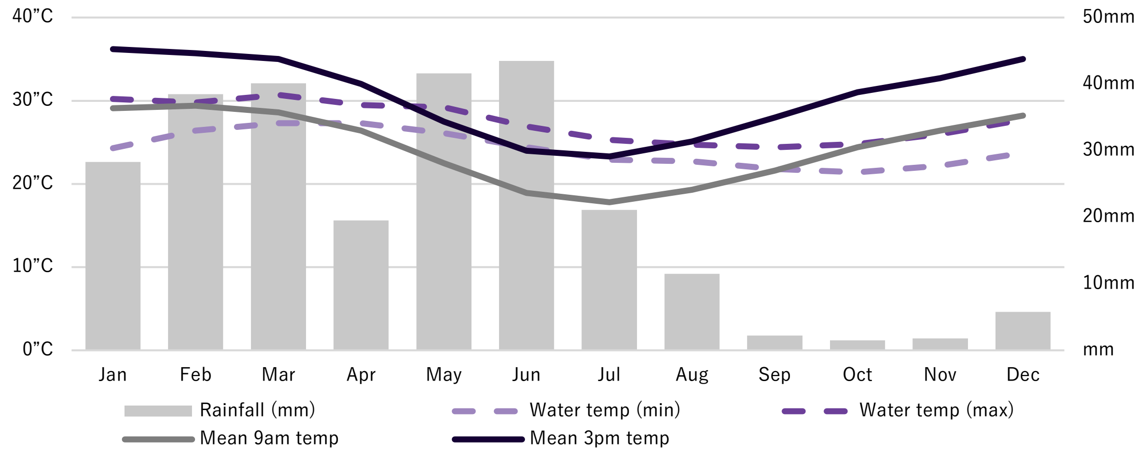
The average annual rainfall in Exmouth can be categorised as low and irregular, receiving on average between 250 to 300 mm each year. Most of the rainfall occurs between January and July, with a peak in the summer months due to tropical cyclones and thunderstorms (**Figure 2.22**).

[24] ABS. 2021. 2021 Census of Population and housing – Exmouth – G36 Dwelling Structure.

Severe tropical cyclones occur every three to five years near Exmouth, typically between November and April, and in addition to wind damage, cause extensive flooding. In 1999 Cyclone Vance passed within 30km of Exmouth as it travelled down the Exmouth Gulf, with wind speeds of up to 267km/hr recorded at the Learmonth weather station. These are the strongest winds ever recorded on mainland Australia.[25]

Exmouth's climate has several implications for land use in the region. Firstly, warm winter temperatures make it a perfect location for ocean-based activities such as snorkelling, contributing to its attractiveness as a holiday destination, particularly when compared to the colder winter months in Perth and other southern parts of Australia. These months also coincide with peak seasons for viewing various marine life. Given this, Exmouth tourism is seasonal and will remain so in the absence of targeted efforts to introduce other activities during the off-peak and shoulder seasons.

Figure 2.22 Climate in Exmouth, average temperatures (LHS) land and water, and average rainfall (RHS)




*Source: Bureau of Meteorology. 2023*

Secondly, water supply is currently limited to groundwater sources, impacting the extent to which growth can occur. The Water Corporation is currently planning for future water supply, with a desalination plant being a potential option, which would remove reliance on groundwater. However, the sizing of this infrastructure may introduce a 'cap' on potential future developments.

Thirdly, the risk of cyclones must be considered in relation to the design and location of infrastructure and buildings, which raises the cost of construction and insurance. Stakeholders reported that cyclones raised the cost of construction by at least 30 per cent, and insurance for a house could be as high as $20,000 per annum.

Finding 7 The climate and environment of Exmouth has shaped its seasonality and tourism offerings

The climate of Exmouth is part of its overall appeal as a tourism destination between April and October, with this period also coinciding with whale shark season. However, hot windy conditions through summer decrease its attractiveness as a destination, leading to low tourism numbers in these months. This is an innate feature of Exmouth, and will not be overturned without considerable effort from experience providers in Exmouth.

[25] Taylor Burrell Barnett. 2011. Exmouth Townsite Structure Plan.

# 2.8 Infrastructure

## Water services

The Exmouth groundwater subarea allocation plan, released in 1999 by the former Water and Rivers Commission, sets water allocation limits for five groundwater subareas, as well as outlining the local water licensing policies and monitoring programs.

This plan is currently under review by the Exmouth Gulf Taskforce, in conjunction with the Nganhurra Thanardi Garrbu Aboriginal Corporation and the Water Corporation.[26]

Water has already been identified as a major constraint to development in Exmouth. The water supply was placed under stress during the July 2020 school holiday period, requiring the Water Corporation to make use of the Shire's 8kL water licence to meet demand.

Currently, the Water Corporation provides potable water supply to the Exmouth townsite via an 832,000kL water licence. With a growing population, it's expected that Exmouth will need an extra 500 million litres per annum to meet demand by 2050. The Water Corporation is currently undertaking water source planning in Exmouth to identify a new water source to secure Exmouth's drinking water supply through to 2050.

Exmouth's water currently comes from 34 bores, which draw from a groundwater aquifer. The borefield relies on heavy, episodic rainfall event in summer/autumn and winter to refill. For the 14-month period since December 2022, Exmouth (along with much of the populated regions in WA) has experienced a severe rainfall deficiency – meaning its totals are in the lowest five to 10 per cent since 1900.

The Water Corporation is responsible for the provision of wastewater services within Exmouth. Currently, the town is serviced by a Wastewater Treatment Facility, located off Willesdorf Road, directly east of the Exmouth Cultural Arts Centre. This has been slated to be moved to the north west of Exmouth in future, although no date has been suggested. Where connection to the Water Corporation serviced sewer is unavailable, septic tank sewerage is required.[27]

## Electricity

Exmouth is not connected to other towns via a regional electricity grid. Instead, electricity is generated within Exmouth by a compressed natural gas power station and diesel backup. The power station has a full operating capacity of 10 megawatts (MW), while current peak loads are around 6.5MW.

Horizon Power trucks gas to the power station each day, with one gas truck required each day during the winter, increasing to two or three gas trucks in summer when load is high due to increased need for air conditioning.[28] Diesel fuel is shipped in through the Exmouth Gulf.[29]

In 2021, Horizon Power announced that it was exploring ways to increase the sustainability of Exmouth's power supply, with a target of generating up to 80 per cent of the town's power from renewable energy sources by 2024.[30] It is understood that Horizon Power has experienced difficulties in locating sufficient land to enable the realisation of this goal.

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[26] WA Government. 2023. Exmouth groundwater allocation planning. Available online from: https://www.wa.gov.au/service/natural-resources/water-resources/exmouth-groundwater-allocation-planning

[27] Cardno. 2012. District Water Management Strategy – Shire of Exmouth.

[28] GDC. 2024. Regional Infrastructure. Available online from: https://www.gdc.wa.gov.au/our-region/lifestyle/regional-infrastructure.aspx

[29] EPA. 2021. Summary of Public Submissions – EPA Strategic Advice on Exmouth Gulf.

[30] Horizon Power. 2021. Clean green energy ahead for Exmouth. Available online from: https://www.horizonpower.com.au/about-us/news-announcements/clean-green-energy-ahead-for-exmouth/

However, in 2023, Horizon Power completed construction of a Battery Energy Storage System (BESS) in Exmouth. The BESS eases some of the existing constraints on the town grid, enabling the installation of up to 2 megawatts of rooftop solar capacity. This has been followed by an electric vehicle (EV) trial in the town, where Horizon Power will be testing the potential for EV's to draw power from the grid and feed it back into the network as a mobile energy storage system.

This means that, while the town's existing electricity services has some room to accommodate greater electricity demand, this will not meet the town's stated goal to offer an eco-friendly tourism experience due to reliance on fossil fuels. In addition, beyond a certain stage of growth, more electricity will likely be required, which will require consideration of how renewable energy resources can be developed and utilised.

### Communications

Telecommunications infrastructure includes phones (landline), mobile phone services, internet access, broadcast radio and television services. Most towns within the region have access to a broad range of telecommunications services, however, service may be limited or intermittent in more remote locations.

Telstra and Optus 4G networks are available in Exmouth, though not all the surrounding region is covered, particularly on the Optus network. Vodafone does not service the region.

Fibre to the Node NBN is available in the Exmouth township.

Anecdotally, stakeholders suggested that data speeds slowed significantly during the peak tourism season, and that mobile blackspots caused issues for tourists and residents alike. This indicates that communications infrastructure upgrades may be required if tourism visitation increases.

Finding 8 There are significant infrastructure constraints in Exmouth

Exmouth is serviced by aging and strained infrastructure that will require upgrading and/or new infrastructure to enable population and tourism growth. This will take time and limit the types of development that can be undertaken in the short- to medium-term. Without appropriate identification of the issues and investment in solutions, it may impact development opportunities long-term.

## 2.9 Summary

The Current State Assessment of the Exmouth tourism economy highlights both opportunities for growth, but also significant challenges that must be overcome for this potential to be realised.

The Exmouth economy is primarily centred on tourism, with close to 30 per cent of the workforce employed in tourism-related industries.

Research from Tourism Research Australia and Tourism WA suggests that tourism will grow across Western Australia and specifically the Coral Coast. These trends are likely to result in increased visitation to Exmouth, particularly considering growing awareness of it as a travel destination.

The climate and environmental characteristics of Exmouth has shaped its seasonality and tourism offerings, with warm winter months coinciding with whale shark and other marine life movements up and down the coast. As such, the extreme peak tourism seasons in Exmouth are likely to continue without significant effort to offer experiences in the shoulder- and off-peak season.

Evidence suggests that there is current unmet demand for travel to Exmouth. This finding is supported by stakeholder consultation, where business owners have noted having to turn away visitors due to lack of accommodation.

However, Exmouth's ability to capitalise on this demand (current and future growth) is hindered by significant constraints, most significantly worker housing and water supply. High cost of construction and challenges with suitable development sites for tourism have also been identified as issues.

Overall, the Current State Assessment suggests that the demand for visitor economy growth in Exmouth is already present. This was recognised by a number of stakeholders, who stated that Exmouth could support new accommodation and other tourism offerings. Significantly, stakeholders who would be theoretical competitors with these new developments also supported such endeavours.

The lack of new development in recent decades indicates that the barriers to new developments are complex, limiting the growth in the accommodation sector.

# 3 Stakeholder themes

*This section presents summary level insights into ACIL Allen's round of consultation with relevant government, industry stakeholders. In presenting stakeholder themes, ACIL Allen had categorised insights into general themes,*

## 3.1 Introduction

To capture a broad range of perspectives, ACIL Allen met with a number of stakeholders across government and industry, with a wide variety of interests in Exmouth and the study. This included meetings with state and local government representatives, defence contractors, accommodation providers, landowners and developers, infrastructure providers, and local businesses. Stakeholders were broadly aligned in their perceptions of the potential and challenges for the growth of tourism in Exmouth.

The following stakeholders were engaged throughout ACIL Allen's round of stakeholder engagement in face-to-face meetings, via teleconference, or via phones (**Table 3.1**). Prior to meeting with each stakeholder, a Consultation Guide was issued to each stakeholder in preparation for the meeting (available in Appendix B).

The consultation process included two days in Exmouth with the project team to gather local perspectives.

Table 3.1 Stakeholders engaged (VC = video conference)

| Stakeholder | Contact(s) | Method |
|---|---|---|
| Government and major private stakeholders | | |
| Tourism WA | James Archibald – Regional Manager | VC and face-to-face |
| Tourism WA | Jessica Woodford - Senior Aviation Manager | Face-to-face |
| Shire of Exmouth | Courtney Somerville | VC and face-to-face |
| Australia's Coral Coast | David O'Malley | VC |
| Exmouth CCI | Sarah Booth | VC |
| DoT | Tony McCann and Shannon Dandie | VC and face-to-face |
| DPLH | Ryan Carvell | VC |
| Gascoyne Development Commission | Colby Elliott | VC |
| Water Corporation | John D'Arcy | Phone |
| AECOM | Matthew Bately | VC |
| Qantas | Nick Vanderwoude | VC |
| Tourism land owners/ developers | | |
| Various roles | Jon Jessop | Phone |
| fiveight (Tattarang) | Dan Griffin | Phone |
| Kailis businesses | George Kailis | VC |
| Humfrey Land Developments | Barry Humfrey | Phone (2) |
| Exmouth Escape Resort | David Gillespie | Phone |
| Accommodation operators | | |
| Community Housing Ltd | Jaz Achilles | Phone |
| Bullara Station Stay | Edwina Shallcross | Phone |
| Excape Backpackers YHA | Kim James | Face to face and VC |
| Potshot Hotel Resort | | |

| | | |
|---|---|---|
| Exmouth Escape Resort | David Gillespie | Phone |
| Ningaloo Lodge Exmouth | Jackie Brooks | VC and face-to-face |
| Mantarays Ningaloo Beach Resort | Larry Burkett | Phone and face-to-face |
| RAC Exmouth Cape Holiday Park | Dean Massie (Perth based) | VC |
| Sal Salis Ningaloo Reef | Marc Leopold referred to Richard (lodge manager) | Phone |
| Yardie Homestead Caravan Park | Matilda | VC |
| Ray White Real Estate | Mark Lucas | VC |
| Visitor economy operators | | |
| The Social Society and Whalers Restaurant | Kai and Ann | Face-to-face |

*Source: ACIL Allen*

*Note: the contacted visitor economy operator was engaged due to the operator's recent experience of worker accommodation challenges, and was arranged last-minute for the Project Team while in Exmouth.*

## 3.2 General stakeholder insights

*Stakeholders provided input from an overarching perspective, providing insight into the values of the Exmouth community and some of the challenges that are impacting on development.*

### Sustainability

Stakeholders noted that there was a need for any development in Exmouth to be sustainable and eco-friendly. Locals in particular felt strongly that Exmouth was a unique and fragile location, and that protecting the natural environment from degradation and operating in an eco-friendly and sustainable manner was important when considering future town development.

Stakeholders believe that the natural surroundings of Exmouth are the key drivers of tourism, citing tourist interest in particularly whale shark experiences. They also believe that tourism, where not appropriately managed, represents a risk to these areas. While supportive of growth in Exmouth, stakeholders advocate for a balanced, sustainable approach.

"Exmouth should be pristine."

Some stakeholders expressed their desire for Exmouth to remain as it is, noting a concern that growth may impact the natural environment and reef.

This perspective demonstrates a clear and consistent desire among the community for future developments to adopt practices that prioritise environmental protection and sustainability, ensuring that Exmouth remains a pristine and appealing destination for future generations.

### Development constraints

When asked about current and future development in Exmouth, stakeholders noted that there are several development constraints that would impact the ability of proponents to progress projects, including access to water, electricity, and land (including zoning), natural hazards such as flood plains and cyclones increasing development costs (which are already around 30 per cent higher in regional areas), and lack of accommodation for staff.

While stakeholders agreed that Exmouth could support more tourists where more accommodation is constructed, there was a general consensus that a number of other challenges would need to be addressed before this could be realised.

There was also a perception from some private land owners that the cost of development in Exmouth leads to a high hurdle rate to earn a return on development – meaning that new developments do not financially stack up for investors, discouraging growth.

Box 3.1 Ningaloo Lighthouse Resort development

In 2017, Tattarang, a private investment group, owned by Nicola and Andrew 'Twiggy' Forrest, bought the Ningaloo Lighthouse Caravan Park. Tattarang proposed an $85 million redevelopment to turn the site into an eco-resort with accommodation to range from powered caravan sites to eco tents, villas and hotel rooms. At full capacity, the resort would accommodate around 550-650 guests.

The site is to have its own water supply and treatment, and power supply, given its location some distance from Exmouth. A three-kilometre section of Yardie Creek Road was also proposed to be realigned, to prevent resort guests from needing to cross the road to access the beach.

In early 2023, the EPA, in agreement with the Commissioner of Main Roads, terminated the assessment of the road realignment proposal. In April 2023, the Environmental Protection Agency recommended that the Minister for Environment approve the resort plans, subject to conditions including measures to mitigate impacts on turtle nesting sites. In December 2023, the Minister for Environment approved the proposal. This was a two-year process.

These perspectives were further emphasised by one stakeholder who noted that in 25 years, there has only been one new tourism accommodation development.

This perspective underscores the stakeholders' deep concerns about the viability of undertaking development in the current context and highlights the complex nature of the constraints facing Exmouth.

Finding 9 There is need for sustainable development

Stakeholders emphasised the need for sustainable and eco-friendly development in Exmouth to preserve its unique and fragile environment, which is the key driver of tourism to the region.

## 3.3 Tourism accommodation

Stakeholders provided a range of perspectives on the potential demand and need for tourism accommodation within Exmouth, with the general consensus being that Exmouth could support further accommodation options within the townsite.

### Exmouth can support, and welcomes, more tourism accommodation

Industry and government stakeholders agreed that demand for accommodation could support new developments, and all would welcome more accommodation in town across various price points. Stakeholders noted that Exmouth was reliant on tourism to support its economy and supported more accommodation as a means of attracting more people to the town.

Industry stakeholders spoke of their high occupancy rates throughout the peak season as evidence that a new development would be well placed to obtain a return on investment.

## Support for a range of tourism accommodation – but focus on high end

Most stakeholders suggested that they would like to see more of each category of tourists (i.e. from “campers to billionaires”). However, stakeholders considered that the highest yield tourists for the town would be those who are seeking a more luxury experience (4/5 stars) from interstate and international locations, as they spend more money in town.

“We would rather tourists that watch fish than those that take fish.”

Caravaners and campers were considered more self-contained, and not provide as much support to local businesses such as cafes and restaurants.

Many stakeholders spoke of the desire to attract higher revenue tourists in the context of supporting the town and the environment, with one example being given in the context of fishing. While local fishing charters are an important part of the town’s tourism economy, private fishing is, in some stakeholder opinions, causing overfishing problems that impact on the native environment and cause challenges for environmental stewardship. This ‘watch fish, not take fish’ concept can be summarised as a general perception that Exmouth would benefit from attracting more from high revenue, low impact tourists.

While stakeholders did not advocate for a decrease in caravaners and legal campers, high revenue, low impact tourists were seen to provide more cashflow for the town with a lower impact on the environment, which appears to balance the objectives of tourism growth in the context of sustainability.

## Step change since COVID

Stakeholders stated that Exmouth had been very busy during COVID-19 with the Western Australian border being shut and international travel prohibited. This growth in tourism demand was felt to have been sustained through 2021, 2022 and 2023, while 2024 was so far perceived as ‘quieter’ than the previous years – although stakeholders noted that the July school holidays tended to be the peak period.

Noting the quieter nature of 2024, stakeholders still felt that Exmouth was busier than pre-COVID, and that the ‘quietness’ was a return to a new level of normal rather than representative of a waning demand.

## Return of international and interstate tourists

Stakeholders noted that the proportion of intrastate travellers was still significantly higher than pre-COVID, and that the international and interstate markets had not returned to pre-COVID levels.

Some stakeholders suggested this was due to a lack of accommodation options in Exmouth, particularly higher-end accommodation. However, others felt that these market segments would likely return over the next few years as travel became safer and less prone to disruption from COVID. These stakeholders pointed to experiences such as whale shark tours as significant draws to the region and suggested that these kinds of unique and rare (in Australia) encounters would continue to make Exmouth a popular tourist destination.

## Lost supply

Stakeholders noted that the closure of the Ningaloo Lighthouse Holiday Park in 2020 had placed considerable strain on other accommodation providers. Prior to its closure, the Ningaloo Lighthouse Holiday Park was licensed for 720 overnight visitors, providing budget accommodation.[31] The proposed Vlamingh Head development has a proposed 500 beds at a different price point, indicating that even if development were completed, there would still be a bed shortfall compared to the old supply.

Additionally, the closure of the RAC Ningaloo Reef Resort in Coral Bay (1.5 hr drive from Exmouth) has resulted in a further loss of supply. In 2023, the RAC announced its $70 million plan to upgrade the resort.[32] In 2023, Business News reported that the new resort had been earmarked for completion for the 2027 peak tourist season, comprising 90 units and a capacity of 270 people.

## Tourism market immaturity

Several stakeholders spoke of the average length of stay of visitors, with most staying for three days, occasionally five, with the typical visitor flying in on day one, doing a whale shark tour on day two, and flying home on day three. There was a general perception that Exmouth needed to offer more variety of activities to attract people to stay longer and provide business resilience should coral bleaching impact Ningaloo visitation. These could include diversification of tours, restaurants, cafes, and adventure activities such as abseiling.

This spoke to a perceived market immaturity, where stakeholders noted that to attract more people to spend more money, there needed to be a wider range of attractions than simply whale sharks. However, in order to get the market to develop more innovative offerings, there needs to be greater growth in tourism visitation, or other incentives to reward outside-the-box thinking.

Stakeholders also spoke of a need to 'soften' the peak through extending the tourism season, with shoulder and off-peak activities required to attract tourists.

Finding 10 More tourism accommodation can be supported in Exmouth

Stakeholders were broadly in support of more tourism accommodation development in Exmouth noting that their occupancy rates were typically close to 100 per cent in the peak season (April to October), and stated that there wasn't a significant risk to their own business from an increase in accommodation supply.

In terms of the types of accommodation, stakeholders supported additional high end developments that could attract high yielding travellers (i.e. higher paying visitors), however, there was a perception that this would require Exmouth to have a wider variety of activities to attract this market and increase length of stay and spend.

# 3.4 Worker accommodation

All stakeholders based in Exmouth and the majority of other stakeholders mentioned the extreme challenges for tourism businesses in Exmouth finding suitable accommodation for their workforce.

31 WAPC & Department of Planning and Infrastructure. 2009. Vlamingh Head Masterplan.

32 Zaunmayr, B. 2023. Business News. RAC reveals plans for Coral Bay resort

## General lack of worker accommodation

The lack of tourism worker accommodation in Exmouth was an overriding topic of discussion with stakeholders, particularly those based in Exmouth, and it was clear that many in Exmouth are finding the current situation highly stressful. The lack of tourism worker accommodation is impacting each level of worker, from the transient 'backpacker' workforce to higher paid professionals such as chefs.

"Accommodation is always a challenge."

Stakeholders noted that the lack of accommodation is not just impacting business' ability to attract a workforce but is also leading to unacceptable social behaviours including illegal camping on beaches and national parks. There is a lack of suitable ablution facilities, or places to shower, to support these activities, which impacts on the environment and the attractiveness of the town.

Stakeholders spoke of increasing demand as driving up accommodation costs beyond what locals could pay, leading to some people needing to relocate. A subset of stakeholders advised that it was federal and state government driving up housing costs in Exmouth. This was stated to be because the government has a high number of workers in the town, and requirements when providing employee housing (such as not allowing workers to live in share houses), leading to a government willingness to pay 'anything' which then drives up costs across the town.

Anecdotally, Ray White advised that 50 per cent of sales and rentals in Exmouth are to government departments, with 26 houses alone allocated to the DBCA. Other stakeholders noted the significant volume of rental supply being occupied by the Department of Education, Defence, Police, and Health personnel who can often pay between $1,000 and $2,000 per week for a rental property.

However, many accommodation providers noted that they also provided accommodation for their own staff – either in rooms that would otherwise hold tourists, or in specially purchased properties, which results in less available stock and ever-increasing prices.

Other stakeholders pointed to short-term holiday homes as the reason for increasing costs, with home owners able to make a better return on investment by leasing their homes to tourist groups, rather than as a long-term rental. Some stakeholders suggested that there needed to be a cap imposed on the number of short-term holiday homes allowed within Exmouth. While this does not necessarily match the available data, it does speak to tensions within the town between accommodation seekers and perceptions of holiday home leasers.

Stakeholders believe that more worker accommodation is required, however note the challenge will be in finding someone to build this due to the small return on investment as workers are very price sensitive. Stakeholders pointed to the Department of Communities-led Exmouth Service Worker Accommodation as an example of a successful strategy to house more workers. This accommodation is available for permanent Exmouth residents earning low-to-moderate incomes, who are employed locally in non-mining industries. Some stakeholders said this stock could be bolstered through the provision of 'dormitory-style' accommodation, with single or group rooms and shared kitchen and bathroom facilities.

Most agreed this needed to be offered as cheaply as possible, as the casual tourism workforce is not able to pay high accommodation costs. Most suggested that around the $20 per night ($140 per week) price point would be appropriate, although some felt lower would be better.

## Need to provide accommodation to attract workers

Some stakeholders noted that the challenges in getting accommodation was making it difficult to attract workers, with many noting that they had needed to begin offering accommodation on job advertisements to get staff.

> "It's tough to run a business when staff don't have housing."

The situation has led to many businesses in town buying houses or offering up rooms that would otherwise be used for tourists, to their workers to attract and retain the necessary workforce.

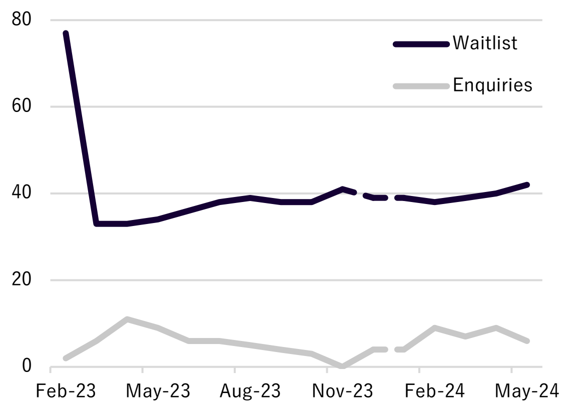
One stakeholder shared that in 2023, they had needed to house their workers in their own home, leading to them living with nine other people.

Stakeholders noted that this was a significant added cost of doing business in Exmouth, and that it prevented investment in other areas such as growing their businesses due to tying money up in property that would otherwise go to other endeavours. These challenges are being experienced across the transient workforce, and permanent workers.

Most stakeholders pointed to a need for government to intervene to provide suitable housing, with many suggesting that mining camp or 'donga' style accommodation would suit the transient workforce, while other solutions would be required for permanent workers or workers with families.

The magnitude of this issue was highlighted by the Community Housing stakeholder, who said that there were over 40 people on the waitlist[33] currently for community housing, most of whom were domestic workers who had been evicted from rental properties so that these could be re-listed as short stay accommodation (**Figure 3.1**).

Figure 3.1 Lefroy Street Keyworkers Accommodation waitlist and enquiries, 2023-24




*Source: Community Housing Ltd*

## Illegal camping

As noted above, many stakeholders spoke about the problem with illegal camping in Exmouth as exacerbated or almost entirely caused by the lack of worker accommodation, particularly cheap accommodation for the transient workforce. However, some stakeholders noted that there would always be 'extremely' price sensitive visitors, and doubted the problem would be entirely rectified with adequate accommodations. There was a perception that the magnitude of this problem had increased during COVID-19.

More broadly, stakeholders suggested that illegal camping caused problems for the town. This includes environmental issues from people walking or parking on sensitive dunes or bushland, and people dumping their waste in inappropriate locations.

Businesses also spoke of challenges with staff being unable to shower or wash their clothes, and how this was impacting the image of local businesses and the town.

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33 A review of the waitlist was conducted in January 2023 resulting in a decline the waitlist. Applicants removed from the waitlist were said to have been waiting too long for availability in the keyworker's accommodation, therefore leaving town or seeking employment if accommodation was part of the renumeration package.

Most stakeholders accepted that transient workers were necessary to service the tourism industry, particularly during the peak months, and spoke of the tension between attracting this workforce to the area without also having illegal camping.

Finding 11 There are significant challenges in housing workers

There are significant challenges for local businesses in finding suitable accommodation for staff, which is hampering the ability for these businesses to attract and retain workforce, provide high-quality service, and maintain the town's environmental values. This issue is causing significant problems from a community-perspective and requires urgent attention.

## 3.5 Land assessment

Stakeholders provided input into some of the suitable sites for locating new accommodation developments.

### Lack of available land and zoning issues

In speaking to stakeholders about land, many had the perception that there was limited land available in Exmouth for accommodation development due to a range of issues.

Stakeholders noted that the current zoning was reflective of community desires at the time the town planning documents were developed in 2019, and had not kept up with the pace of change within Exmouth. Due to the regulations governing town planning documents and the multiple stages of approval (requiring input from Local Government, the Western Australian Planning Commission and the Minister for Planning), rectifying these issues will take some time.

Within the town, stakeholders suggested there were some issues with flood plains, which would require developers to spend significant money raising land to avoid flooding and lower insurance premiums, presenting another barrier to development.

In the broader region, stakeholders raised that defence has significant landholdings, and that much of the region is covered by national park status and Native Title. In certain cases, this would prevent development at all, while others would require significant negotiations requiring time and money.

### Need for cohesive development

Several stakeholders spoke about the current 'sprawl' of Exmouth as undesirable, pointing to a need for the placement of any new developments to be carefully considered to capitalise on, and enhance, other town features. Discussions included support for a bike path along the beach, to enable guests to travel from the Marina in the south to the town centre in the north, without needing to drive.

Stakeholders felt that developing in a holistic fashion, in considering the surrounding infrastructure and attractions, would yield the best results for enhancing the overall attractiveness of Exmouth as a tourist destination.

Finding 12 There are some land constraints and considerations

There are notable land constraints in Exmouth, with a lack of new land releases, floodplains, and zoning issues causing development challenges. Stakeholders expressed a desire for new development to be mindful of the town context and enhance the cohesiveness of the town.

# 4 Projecting future demand in tourist accommodation in Exmouth

*This section presents ACIL Allen's supply and demand analysis and identification of the development priorities for Exmouth in terms of the type of tourist accommodation needed to meet market demand in the short (1-5 years), medium (5-10 years) and long term (10-20 years).*

## 4.1 Introduction

This study has highlighted the significant role that tourism plays in the Exmouth economy, and that there is potential for the tourism economy to grow strongly in the years ahead. This reflects the demand that exists for tourism accommodation in Exmouth, particularly during peak periods.

Skyscanner data demonstrated there was strong interest for travel to Exmouth. However, this did not translate to ticket purchases at the same rate as searches for Broome. Given that Broome is similarly as significant a distance as Exmouth for travellers, from either Perth or interstate, this indicates that there is an external factor preventing people from committing to travel. Stakeholder feedback suggests this is likely a consequence of the lack of available accommodation in Exmouth during peak periods. Furthermore, stakeholders suggested that if there were new tourism accommodation developments in Exmouth, there is likely to be an immediate demand response from the market, especially given the current closure of the Ningaloo Lighthouse Holiday Park.

Despite this feedback, there are no local industry stakeholders that had concrete plans to expand or undertake new development. Rather, stakeholders spoke of the significant constraints, including land, zoning, costs, water supply, power, and workforce to build and run the development. These challenges are considered in the Current State Assessment, and has been strongly reflected in the feedback from stakeholders that have been consulted with for this study.

ACIL Allen's observation from its analysis is that the current demand for accommodation in Exmouth is primarily a function of the available supply, and there is a strong unmet demand for tourists to visit and stay in Exmouth.

Despite these conditions, supply has not responded to the clear demand signals for more tourism accommodation in Exmouth. Feedback from stakeholders suggests this is due to the constraints on development of new tourism accommodation in Exmouth – from the lack of available infrastructure to support new accommodation and increased tourism visitation, to the regulatory constraints associated with land development in the region, and the costs associated with the development of new tourism accommodation. Addressing these constraints is a key consideration for Government if there is a desire to unlock the tourism potential in Exmouth.

Notwithstanding the preliminary findings that a form of market failure exists in the region with respect to the development of new tourism accommodation, for the purposes of this study it is important to understand the potential for new accommodation to be developed in Exmouth. This helps to provide a quantitative baseline to assess the net economic and social benefit associated with policies to address the market constraints and incentivise new tourism accommodation in Exmouth.

### Tourist accommodation types

For the purposes of this study, tourist accommodation is defined as all types of tourist accommodation including resorts, hotels, serviced apartments, caravan parks, campgrounds and short-stay rentals. Tourism operators in ACIL Allen's Stage 1 analysis have been classified according to the following types of accommodation.

- Resort – luxury or deluxe
- Resort – up-scale, mid-range or budget
- Hotel – luxury or deluxe
- Hotel – up-scale, mid-range or budget
- Hotel – boutique
- Serviced apartment
- Campground
- Caravan park
- Deluxe caravan park
- Short-stay rental

For a definition of each type of tourist accommodation, see Appendix A.

## 4.2 Current supply/ inventory

This section aims to determine the current supply of tourism accommodation in Exmouth and will form important analysis in being able to identify gaps in the tourism accommodation market.

### Short-stay accommodation

Exmouth has a range of short-stay accommodation options in or near the town, from campgrounds to 4.5 star hotels which collectively cater to various preferences and budgets. In total, the Shire of Exmouth estimates that Exmouth has a capacity of 9,183 beds available within the Shire, across all short stay accommodation types (**Table 4.1**).

Table 4.1 Bed capacity within the Shire of Exmouth

| Accommodation type | Capacity (beds) | Share of total |
|---|---|---|
| Caravan parks | 3,751 | 31.1% |
| Campgrounds | 2,862 | 23.8% |
| Holiday homes | 1,085 | 9.0% |
| Hotels and motels | 734 | 6.1% |
| Station stays | 601 | 5.0% |
| Shire of Exmouth overflow campgrounds | 150[34] | 1.2% |
| Total | 9,183 | 100.0% |

*Source: Shire of Exmouth*

[34] The capacity of 150 beds in the Shire of Exmouth overflow campgrounds are not available all the time, with the overflow only opened when all other caravan parks and campgrounds are full. Visitors are only allowed to stay in the overflow for three days before they must move on.

A majority of the supply of beds within the Shire is in the form of caravan parks (31.1 per cent) and campgrounds (23.8 per cent). A further nine per cent of beds is supplied by holiday homes, while just 6.1 per cent of tourist accommodation beds are available at hotels or motels. Station stays contribute a further five per cent to the total supply of beds in the Shire, however, these are located outside of the Exmouth township.

## Accommodation providers

As a small tourism town, Exmouth has a small number of tourism accommodation providers. ACIL Allen has identified the following sources of tourism accommodation, ranging from hotels and resorts that provide a mix of luxury and mid-range options, motels for budget-conscious travellers, caravan parks and campgrounds (including DBCA sites), short term rentals, and station stays.

A summary of each is presented in **Table 4.2** including a description, the number of rooms and sites, the star rating, and classification of each operator. Information presented in this table is based off best available information and relied on the level of engagement from each accommodation operator.

Table 4.2 Summary of short stay accommodation providers in Exmouth

| Operator | Description | Rooms/ sites | Star rating | Classification |
|---|---|---|---|---|
| Bullara Station Stay | An authentic and enriching getaway including cozy lodgings and camping escapes. Includes spacious campsites, two charming cottages, safari huts, bell tents and a room in the Shearer's Lodge. | 10 rooms (cottages, cabins, and tents, 44 beds)<br>100 campsites and 70 overflow sites | n/a | Hotel – boutique (Station stay) |
| Excape Backpackers YHA | Located on the grounds of the Potshot Hotel Resort, Excape Backpackers offers rooms in the hostel with private en suite bathrooms, with single/twin/double and co-living available. | 20 rooms (including 11 six bed dorms) | n/a | Hotel – mid-range or budget (hostel) |
| Exmouth Escape Resort | A family-friendly accommodation, offering modern and luxurious 4.5-star self-contained accommodation including three different types of villas and apartments. | 65 rooms (one, two and three bed apartments/ villas) | 4.5 | Serviced apartment |
| Mantarays Ningaloo Beach Resort | A premium resort offering a range of hotel rooms and one and two bedroom self contained apartments and beachside bungalows, and three bedroom apartments. | 68 rooms (rooms, apartments and bungalows) | 4.5 | Resort – luxury or deluxe |
| Ningaloo Caravan and Holiday Resort | Offers a range of accommodation options for individuals, family, and friends. Includes self-contained chalets and park homes, and 250 powered and 40 unpowered caravan and camping sites. | 34 rooms (chalets, studios, rooms)<br>290 sites (powered and unpowered) | 4.0 (chalets) | Deluxe caravan park |
| Ningaloo Lodge Exmouth | A bespoke accommodation provider, offering standard twin and standard double rooms. An affordable and comfortable options for guests. | 36 rooms (twin and double rooms) | 3.0 | Resort – luxury or deluxe |
| Potshot Hotel Resort | Offers executive three bedroom apartments, two bedroom self contained apartments, and a variety of hotel and motel rooms. | 80 rooms (45 hotel rooms, plus backpacker dorms) | 3.0 | Hotel – up-scale, mid-range or budget |

| | | | | |
|---|---|---|---|---|
| RAC Exmouth Cape Holiday Park | A caravan park offering modern self-contained cabins and studios, or spacious powered, unpowered and ensuite sites. | 280 sites total (cabins, studios, motel rooms, powered and unpowered sites) | 3.5 | Deluxe caravan park |
| Sal Salis Ningaloo Reef | A luxurious and eco-friendly beachfront accommodation option, allowing guests to immerse themselves in the pristine beauty of the Ningaloo Reef. | 16 rooms (eco-luxury safari tents) | 5.0 | Hotel – boutique |
| Wilderness Island Safari Holidays | Five private secluded cabins, offering a “wilderness experience” with a touch of bush luxury. The comfortable beachfront accommodation is ideal for a “close to nature experience with the comforts you need”. | 5 rooms (cabins, maximum 12 guests) | n/a | Hotel – boutique |
| Yardie Homestead Caravan Park | A unique caravan park offering three self contained air-conditioned chalets, six self contained air-conditioned cabins, a “Shearers Quarters”, and campsites | 218 sites (including 12 units, 3 sleeping quarters) | n/a | Deluxe caravan park |
| Exmouth Villas | Budget-friendly holiday villas, perfect for groups and families. The accommodation is not serviced, it is self-catering and managed by a local property manager. | ~40 rooms | n/a | Short-stay rental |
| Osprey Holiday Village | | | n/a | Short-stay rental |
| Other holiday homes | Other holiday homes in Exmouth available as short stay rental accommodation. | ~60 rooms | n/a | Short-stay rental |
| DBCA campgrounds | Designated campgrounds within Exmouth and the surrounding areas, including sites within the Cape Range National Park. | 608 sites | n/a | Campground |

*Source: ACIL Allen; accommodation providers*

In total, ACIL Allen estimate that there a functional supply[35] of 1.93 million visitor nights in Exmouth across all accommodation types. Approximately 78 per cent of this functional supply is estimated to be attributable to deluxe caravan parks or campgrounds. By type of accommodation, the estimated functional supply of visitor nights is broadly consistent with the Shire of Exmouth’s supply of beds in Exmouth (as per **Table 4.1**).

Table 4.3 Estimated functional supply (visitor nights) by accommodation type, 2024

| Accommodation type | Visitor nights | Share of total |
|---|---|---|
| Campground | 757,010 | 39.1% |
| Deluxe caravan park | 750,075 | 38.8% |
| Short-stay rental | 194,910 | 10.1% |
| Resort - up-scale, mid-range or budget | 73,000 | 3.8% |
| Hotel - up-scale, mid-range or budget | 62,050 | 3.2% |
| Resort - luxury or deluxe | 49,640 | 2.6% |
| Serviced apartment | 47,450 | 2.5% |
| Total | 1,934,135 | 100.0% |

*Source: ACIL Allen analysis*

35 Functional supply reflects the total number of rooms multiplied by the average number of users per room, discounting the total potential supply to account for unoccupied beds in a particular room/ site.

## Prospective developments

A summary of potential developments in Exmouth are presented in **Table 4.4**. Some of these developments have not progressed beyond the early concept stages, and in many cases have been in this stage for a number of years, with stakeholders expressing doubts as to whether these developments will materialise.

The Shire of Exmouth Council has not received any new development applications in recent years, with the latest having been the Ningaloo Lighthouse Resort in 2020. The number of stalled prospective developments speaks to the difficulties in progressing development in Exmouth and gives weight to the identified constraints.

Developments such as the Ningaloo Lighthouse Resort, the 5-star development next to Exmouth Escape Resort, and the Kailis expansion have the potential to boost the supply of tourism accommodation in the medium term (5-10 years), subject to planning approvals and overcoming challenges with infrastructure.

Table 4.4 Summary of potential developments in Exmouth

| Development | Description | Stage of development | Type (expected) |
|---|---|---|---|
| Exmouth Marina Master Plan | The Exmouth Marina is located approximately 2km south of the Exmouth town centre, close to Mantarays. The site is owned by the State, with the Department of Transport progressing a 40-year masterplan to develop and improve the site, including activation of the waterfront land to create new tourism offerings, such as accommodation, retail, commercial, and food and beverage options. | Undergoing investigations and studies prior to seeking investment | n/a<br>“Diverse accommodati on” including some luxury/ deluxe development |
| Tattarang – Ningaloo Lighthouse Resort | The Tattarang Ningaloo Lighthouse Resort is a proposed 500-550 guest resort, to be located near the Vlamingh Head Lighthouse nearly 20km north of Exmouth. The site obtained environmental approval from the Minister for Environment (subject to some conditions) in late 2023, however next steps have not been announced.<br>ACIL Allen met with a development representative (from Fiveight), who said that the development would go ahead, however, the exact form of this is still subject to owner decision-making. | Environmental approval granted, however next steps unknown. | Resort – luxury or deluxe / Caravan park |
| 5-star development next to Exmouth Escape Resort | There is a 5-star, 100-120 room resort proposed to be constructed on the corner of Murat Road and Reid Street by mid -2027, next to the existing Exmouth Escape Resort. The development is to include on-site workers accommodation for staff. The development faces significant challenges and cost implications as a result of preparing the site’s access to power, water and sewerage, and is also subject to planning approvals. | Target build mid-2027 | Resort – luxury |
| Kailis expansion | George Kailis holds land 23km south of Exmouth on the Minilya-Exmouth Road. Currently, the site is home to a number of small transportable units. George Kailis has confirmed his intent to develop this site into a caravan park, and has a plan to develop the site within the next 10 years. Plans are yet to have been submitted to the Shire. | Early concept stage. | Caravan park |

| | | | |
|---|---|---|---|
| Mantarays Ningaloo Beach Resort expansion | Mantarays Ningaloo Beach Resort is located close to the Exmouth Marina. It was intended to be built in stages, with Stage 1 comprising the current configuration of the Resort. Stage 2 involved the construction of a number of concrete pads onsite (with utilities), overlooking the Marina, with the intention being to further develop these into further accommodation. However, as of 2024, Mantarays has no current plans to develop these sites. | No plans to develop. | Resort – luxury or deluxe |
| Norcape Lodge site | The Norcape Lodge site has been developed to raise it and flatten it, with plans to develop this site into a resort. However, these plans have allegedly been known for a number of years, with no progress having been made. | Early concept stage. | Resort - up-scale |
| Sebatikel | Sebatikel is a proposed sustainable luxury development 1.2km from Exmouth. Land tenure was secured for the site in 2024, however, next steps are unknown. | Early concept stage. | Resort – luxury or deluxe |

*Source: ACIL Allen analysis and consultation*

Finding 13 Growing interest in, and plans for, up-scale and luxury development

There is a growing interest in developing high-end tourism accommodation in Exmouth, aiming to address the gap in the availability of existing luxury options. Six out of the seven prospective developments listed in **Table 4.4** can be categorised as up-scale to luxury developments, assuming the Exmouth Marina development will comprise of some up-scale accommodation. The delivery of some of these prospective developments would help to meet existing demand and enhance Exmouth's appeal as a premier tourism destination.

## 4.3 Occupancy and yield

To undertake modelling, ACIL Allen has sought information directly from accommodation providers. In some cases, stakeholders were not able to supply the requested information. This is likely due to two factors, considering that most operators initially expressed a willingness to be involved:

i) the information request being made during peak season when operators are occupied with guests, and
ii) a lack of engagement from other operators despite several follow-up attempts to obtain the data.

Given this, a number of assumptions have been made to fill the gaps (**Table 4.5**). Of the stakeholders who have provided information, we have used the average occupancy rate (peak, off peak and annual) to populate the rest of the table.

The data and information provided in Table 4.5 is intended for informational purposes only and should be used as a guide. While we strive to ensure accuracy and reliability, we make no guarantees regarding the completeness, accuracy, or reliability of the data. Users are encouraged to independently verify any information before relying on it.

Table 4.5 Classifications and occupancy rates (%) of accommodation operators in Exmouth

| Operator | Type | Estimated supply (rooms, sites) | Peak period | Off peak period | Occ (%) peak | Occ (%) off peak | Occ (%) annual |
|---|---|---|---|---|---|---|---|
| Bullara Station Stay | Hotel – boutique | 22 | Apr-Oct | Nov-Feb | 90-100% | Closed | 55%[3] |
| Bullara Station Stay | Campsite | 100 | Apr-Oct | Nov-Feb | 90-100% | Closed | 55%[3] |
| DBCA campgrounds | Campgrounds | 608 | Apr-Oct | Nov-Feb | - | - | - |
| Excape Backpackers YHA | Hotel – budget | 20 | Apr-Oct | Nov-Feb | 90-95% | 20-30% | 64%[3] |
| Exmouth Escape Resort | Resort – luxury or deluxe | 65 | Apr-Oct | Nov-Feb | 85% | 40-55% | 69%[3] |
| Exmouth Villas | Short-stay rental | 20 | Apr-Oct | Nov-Feb | 90%[1] | 40%[1] | 72%[1] |
| Mantarays Ningaloo Beach Resort | Resort – luxury or deluxe | 68 | Apr-Oct | Nov-Feb | 90-100% | 50-60% | 78%[3] |
| Ningaloo Caravan and Holiday Resort | Caravan park | 324 | Apr-Oct | Nov-Feb | 90%[1] | 40%[1] | 69%[1] |
| Ningaloo Lodge Exmouth | Hotel - up-scale | 36 | Apr-Oct | Nov-Feb | 90%[1] | 40%[1] | 69%[1] |
| Osprey Holiday Village | Short-stay rental | 20 | Apr-Oct | Nov-Feb | 90%[1] | 40%[1] | 69%[1] |
| Other short stay rentals | Short-stay rental | 60 | Apr-Oct | Nov-Feb | 90%[1] | 40%[1] | 69%[1] |
| Potshot Hotel Resort | Hotel – mid-range | 80 | Apr-Oct | Nov-Feb | 90-95% | 20-30% | 64%[3] |
| RAC Exmouth Cape Holiday Park | Caravan park | 280 | Apr-Oct | Nov-Feb | 90% | 35% | 67%[3] |
| Sal Salis Ningaloo Reef | Hotel – boutique | 15 | Apr-Oct | Nov-Feb | 90-100% | Closed | 55%[3] |
| Wilderness Island Safari Holidays | Hotel – boutique | 5 | Apr-Oct | Nov-Feb | 90%$_1$ | 40%[1] | 69%[1] |
| Yardie Homestead Caravan Park | Caravan park | 218 | Apr-Oct | Nov-Feb | 90-100% | 20-85% | 77%[3] |
| Total | | 1,914 | | | | | 62%[4] |

*1 Assumed occupancy rate based off a sample of Exmouth tourism accommodation operators. 2 Bullara Station Stay is closed between November and March. This annual occupancy rate reflects an annualised peak season occupancy rate. 3 Assumed annualised rate using peak and off peak occupancy rates. 4 Occupancy rate of Australia's Coral Coast in 2022-23 according to Smith Travel Research Australian Accommodation Monitor Financial Year Performance 2022-23.*

*Source: ACIL Allen analysis; stakeholder consultation; Smith Travel Research*

Table 4.6 Average room rates ($ per room) by accommodation operator in Exmouth (2024 prices)

| Operator | Type | Supply (rooms, sites) | Room rate - low ($ per night) | Room rate - high ($ per night) | Site rate - low ($ per night) | Site rate - high ($ per night) |
|---|---|---|---|---|---|---|
| Bullara Station Stay | Hotel – boutique | 22 | $94 | $450 | - | - |
| Bullara Station Stay | Campgrounds | 100 | - | - | $31 | $43 |
| DBCA campgrounds | Campgrounds | 608 | - | - | $5 | $20 |
| Excape Backpackers YHA | Hotel – budget | 20 | $85 | $240 | - | - |
| Exmouth Escape Resort | Resort – luxury or deluxe | 65 | $275 | $505 | - | - |
| Exmouth Villas | Short-stay rental | 218 | $193 | $415 | - | - |
| Mantarays Ningaloo Beach Resort | Resort – luxury or deluxe | 68 | $420 | $745 | - | - |
| Ningaloo Caravan and Holiday Resort | Caravan park | 324 | $115 | $262 | $48 | $68 |
| Ningaloo Lodge Exmouth | Hotel - up-scale | 36 | $220 | $220 | - | - |
| Osprey Holiday Village | Short-stay rental | 20 | $193 | $415 | - | - |
| Other short stay rentals | Short-stay rental | 20 | $259 | $721 | - | - |
| Potshot Hotel Resort | Hotel – mid-range | 80 | $280 | $340 | - | - |
| RAC Exmouth Cape Holiday Park | Caravan park | 280 | $291 | $409 | $50 | $105 |
| Sal Salis Ningaloo Reef | Hotel – boutique | 15 | $415 | $3,945 | - | - |
| Wilderness Island Safari Holidays | Hotel – boutique | 5 | $880 | $2,500 | - | - |
| Yardie Homestead Caravan Park | Caravan park | 60 | $157 | $180 | $39 | $43 |
| Total | | 1,914 | | $225[1] | | |

*1 Average daily rate across all accommodation for the Coral Coast in 2022-23 according to Smith Travel Research Australian Accommodation Monitor Financial Year Performance 2022-23.*

*Source: ACIL Allen analysis; stakeholder consultation; Smith Travel Research*

## 4.4 Identifying gaps in tourism accommodation

This section presents ACIL Allen's methodology used to identify and quantify gaps in the short stay accommodation market in Exmouth, and the results of the analysis.

As the findings in this section rely on a number of key assumptions (e.g. overnight visitation growth, market segment growth, and operator occupancy rates), ACIL Allen has developed a Base Case and two scenarios to identify the potential gaps in tourism accommodation in Exmouth. The scenarios are presented in **Table 4.7**.

Table 4.7 Identifying gaps in tourism accommodation – Assessment scenarios

| Scenario | Description/ rationale |
|---|---|
| Base Case | Under the Base Case, domestic and international overnight visitation to Exmouth grows in line with WA domestic and Australian international visitation forecasts between 2024 and 2045, across holiday, VFR, business and other market segments.<br>This scenario is designed to quantify the potential demand for short stay accommodation which is expected to be met by new tourism accommodation operators who absorb incremental visitation to Exmouth over the estimates period (using 2024 as the baseline). This has been done to capture the future 'gap' in tourist accommodation as existing operators have occupancy rates of close to 100% in peak seasons and are assumed to be unable to absorb additional demand in the future.<br>This scenario presents a constrained view of demand and doesn't consider unmet demand for accommodation. |
| Scenario 1 – uplift in inbound aviation tourism | Scenario 1 presents a 25 per cent uplift in domestic airline passenger volumes to Exmouth (Learmonth Airport) each year to reflect an unmet need for accommodation. This reflects a higher aviation visitation scenario and assumes that the existing supply of tourism accommodation (and availability in peak seasons) is deterring potential visitors from travelling to Exmouth via domestic airlines, as informed by analysis of the ratio of Skyscanner searches and inbound passenger levels to reflect a visitation conversion rate.<br>The uplift in inbound passenger volumes presented in this scenario can also be used to reflect the addition of new domestic routes to Exmouth in the future. This scenario is designed to reflect an unmet need of demand.<br>This scenario captures a proportion of the unmet demand for accommodation. |
| Scenario 2 – uplift in inbound aviation tourism and an increase in 'high yield' visitors | Scenario 2 reflects Scenario 1 with a shift in accommodation preferences in favour of higher end (i.e. deluxe, luxury or boutique) hotel and/or resort style tourist accommodation. This shift in accommodation preferences is applied to incremental domestic and international visitation growth to Exmouth, capturing higher yielding visitors who seek higher end accommodation.<br>This scenario captures a proportion of the unmet demand for accommodation, while considering a change in the visitation profile. |

*Source: ACIL Allen*

ACIL Allen's methodology for quantifying gaps in tourism accommodation for the Base Case is presented below. The methodology for quantifying gaps in tourism accommodation under Scenario 1 and Scenario 2 follow a similar approach, however, rely on alternative underlying assumptions.

### Methodology (Base Case)

**Table 4.8** presents ACIL Allen's methodology in determining the estimated shortfall of tourism accommodation supply in terms of a shortfall in visitor nights, and rooms. The methodology is discussed in more detail in this section, and is presented for the Base Case only.

Table 4.8 Short term accommodation supply and demand analysis methodology

| Step | Description |
|---|---|
| Step 1: Determine the existing demand (visitor nights) of existing accommodation operators | The existing demand (visitor nights) for short stay accommodation was determined using the current supply of short stay accommodation by type of accommodation, and each operators current occupancy rates. This formed the baseline for the demand and supply of short stay accommodation. |
| Step 2: Forecast domestic and international visitation to Exmouth | Overnight domestic and international visitation forecasts were then determined using Tourism Research Australia's 2024-2028 projections by market segment. Forecasts were extended to 2045 assuming consistent growth post 2028. |
| Step 3: Convert forecast visitor growth into additional visitor nights | Using the 2024-2045 overnight domestic and international visitation forecasts, incremental visitor nights were determined for each year post 2024. |
| Step 4: Allocate additional visitor nights to market segments | Additional visitor nights were allocated to respective market segments (i.e. holiday, VFR, business, other) for domestic and international markets, using historic market segment data for Exmouth. |
| Step 5: Determine the accommodation preferences of domestic and international overnight visitors | Using historic accommodation preferences (i.e. caravan park or commercial camping ground, caravan or camping - non commercial, hotel/resort/motel or motor inn) for domestic and international overnight visitors, preferences were aligned with the categories of short stay accommodation defined in this study (i.e. Resort - luxury or deluxe, Hotel - up-scale, mid-range or budget, Caravan park etc.) |
| Step 6: Allocate additional visitor nights to each type of accommodation over the modelling period | Additional visitor nights were then allocated to each type of short stay accommodation over the modelling period using the accommodation preferences defined in Step 5, and the incremental visitor nights determined in Step 3. |
| Step 7: Convert additional visitor nights into additional rooms | Incremental visitor nights over the modelling period were converted into additional rooms using an average ratio of visitor nights per room, per annum. Results were presented for 2030, 2035, 2040 and 2045. |

*Source: ACIL Allen*

For more detail on the methodology presented in **Table 4.8**, see Appendix C.

# Results – Base Case

Scenario: Domestic and international overnight visitation to Exmouth grows in line with WA domestic and Australian international visitation forecasts between 2024 and 2045, across holiday, VFR, business, and other market segments.

Under the Base Case, ACIL Allen estimates a shortfall of 56 rooms in 2025, 255 rooms in 2030, 426 rooms in 2035, 616 rooms in 2040, and 825 rooms in 2045 (**Table 4.9**).

Table 4.9 Estimated shortfall of rooms by accommodation type, 2025-2045, Base Case (rooms)

| | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 5.2 | 23.6 | 38.7 | 55.3 | 73.7 |
| Resort - up-scale, mid-range or budget | 3.9 | 17.3 | 28.2 | 40.2 | 53.5 |
| Hotel - luxury or deluxe | 5.2 | 23.3 | 38.1 | 54.6 | 72.7 |
| Hotel - up-scale, mid-range or budget | 3.0 | 13.5 | 22.0 | 31.3 | 41.6 |
| Hotel – boutique | 3.2 | 14.2 | 23.0 | 32.7 | 43.4 |
| Campground | 12.4 | 57.3 | 96.6 | 140.0 | 187.8 |

| | | | | | |
|---|---|---|---|---|---|
| Deluxe caravan park | 14.7 | 67.4 | 112.9 | 163.0 | 218.3 |
| Short-stay rental | 7.8 | 37.8 | 66.8 | 98.7 | 134.0 |
| Total | 55.5 | 254.5 | 426.3 | 615.8 | 825.0 |

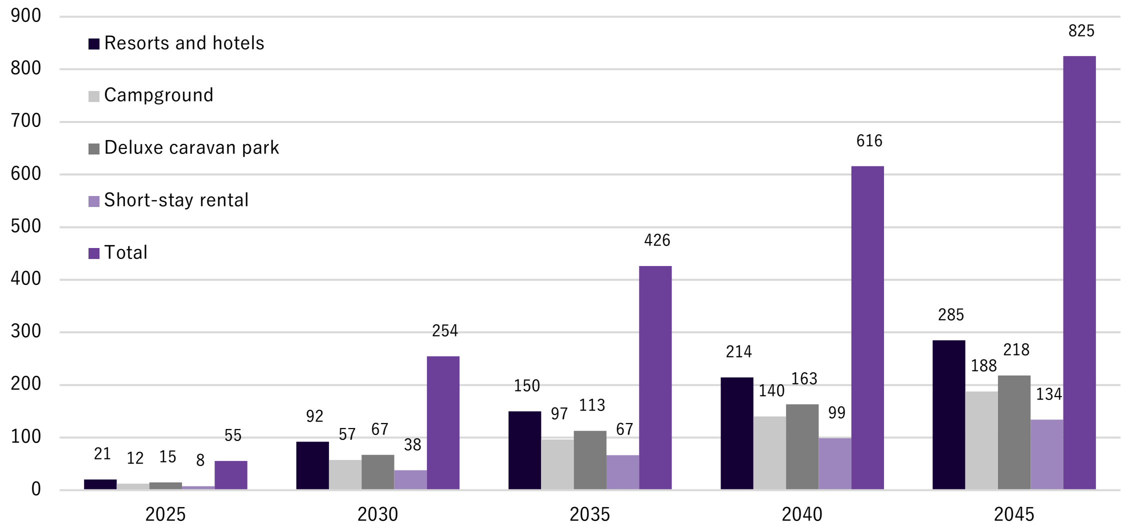
*Source: ACIL Allen*

To summarise these results, ACIL Allen has grouped the gaps in accommodation into four groups (per **Figure 4.1**), being:

1. Resorts and hotels (containing all resorts and hotels as identified in **Table 4.9**)
2. Campgrounds
3. Deluxe caravan parks
4. Short stay rentals

This has been done under the expectation that a visitor seeking a boutique hotel experience may substitute between accommodation options contained under 'resorts and hotels', but would be unlikely to settle for accommodation at a campground.

Figure 4.1 Estimated shortfall of rooms by accommodation type, 2025-2045 – Base Case (rooms)




*Source: ACIL Allen*

Finding 14 Base Case results – there are gaps in the market under the most conservative estimates

Under the Base Case, ACIL Allen estimates a shortfall of 55 rooms in 2025, 254 rooms in 2030, 426 rooms in 2035, 616 rooms in 2040, and 825 rooms in 2045. The largest gaps in the market identified in the short, medium and long term were across resorts and hotels combined, followed by deluxe caravan parks, and campgrounds.

To contextualise the results, the estimated shortfall of 150 rooms in resorts and hotels in 2035 reflects a development more than double the size of Mantarays Ningaloo Beach Resort or Exmouth Escape Resort.

# Results – Scenario 1

Scenario 1 presents a 25% uplift in domestic airline passenger volumes to Exmouth (Learmonth Airport) each year on top of the Base Case. This scenario assumes that the existing supply and availability of tourism accommodation in Exmouth is deterring potential visitors from travelling to Exmouth via domestic airlines, and especially during the peak season, and reflects a high case scenario.

In Scenario 1, ACIL Allen estimates a shortfall of 184 rooms in 2025, 1,065 rooms in 2030, 1,982 rooms in 2035, 2,995 rooms in 2040, and 4,113 rooms in 2045 (**Table 4.9**).

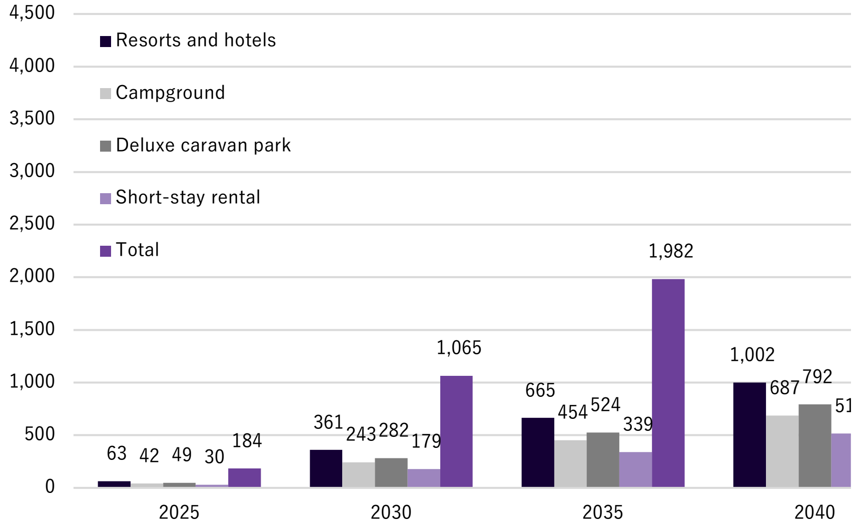
Table 4.10 Estimated shortfall of rooms by accommodation type, 2025-2045, Scenario 1

| | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 16.4 | 93.6 | 172.9 | 260.5 | 357.2 |
| Resort - up-scale, mid-range or budget | 11.9 | 67.6 | 124.6 | 187.5 | 256.9 |
| Hotel - luxury or deluxe | 16.2 | 92.3 | 170.6 | 257.0 | 352.4 |
| Hotel - up-scale, mid-range or budget | 9.2 | 52.6 | 96.9 | 145.9 | 199.9 |
| Hotel – boutique | 9.6 | 54.5 | 100.2 | 150.6 | 206.3 |
| Campground | 42.0 | 243.4 | 454.0 | 686.5 | 943.3 |
| Deluxe caravan park | 48.8 | 281.7 | 524.1 | 791.8 | 1,087.3 |
| Short-stay rental | 30.3 | 179.2 | 338.7 | 515.0 | 709.8 |
| Total | 184.3 | 1,064.9 | 1,982.2 | 2,994.9 | 4,113.0 |

*Source: ACIL Allen*

To summarise these results, ACIL Allen has grouped the gaps in accommodation into groups of resorts and hotels, campgrounds, deluxe caravan parks, and short stay rentals (**Figure 4.2**). This has been done under the expectation that visitors may substitute between similar types of accommodation options if there are more accommodation options within the Exmouth market.

Figure 4.2 Estimated shortfall of rooms by accommodation type, 2025-2045 – Scenario 1




*Source: ACIL Allen*

Finding 15 Scenario 1 results – unconstrained demand greatly increase supply issues

In Scenario 1, ACIL Allen estimates a shortfall of 184 rooms in 2025, 1,065 rooms in 2030, 1,982 rooms in 2035, 2,995 rooms in 2040, and 4,113 rooms in 2045. The largest gaps in the market identified in the short, medium and long term were across resorts and hotels, followed by deluxe caravan parks, and campgrounds.

It is important to note that this scenario represents an unconstrained view of demand, highlighting the potential demand for rooms in a market without any limitations or restrictions on supply. This scenario reflects an increase in the conversion rate of people who are interested in visiting Exmouth, being able to secure accommodation in Exmouth in a given year.

## Results – Scenario 2

Scenario 2 reflects Scenario 1 with a shift in accommodation preferences in favour of higher end (i.e. deluxe, luxury or boutique) hotel and/or resort style tourist accommodation. This shift in accommodation preferences is applied to incremental domestic and international visitation growth to Exmouth, capturing higher yielding visitors who seek higher end accommodation.

In Scenario 2, accommodation preferences for domestic and international visitors were adjusted in favour of higher end accommodation including luxury or deluxe hotels and resorts. The revised preferences are highlighted in **Table 4.11** and **Table 4.12**.

Table 4.11 Accommodation preference of domestic visitors, by purpose of visit, Scenario 2

| Accommodation type | Holiday | VFR | Business | Other | Total |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 12.5% | 5.0% | 20.0% | 5.0% | 13.3% |
| Resort - up-scale, mid-range or budget | 2.5% | 2.5% | 20.0% | 5.0% | 5.4% |
| Hotel - luxury or deluxe | 12.5% | 5.0% | 20.0% | 0.0% | 13.2% |
| Hotel - up-scale, mid-range or budget | 2.5% | 2.5% | 20.0% | 2.5% | 5.4% |
| Hotel – boutique | 12.5% | 5.0% | 0.0% | 2.5% | 10.0% |
| Campground | 20.0% | 10.0% | 0.0% | 35.0% | 16.6% |
| Deluxe caravan park | 22.5% | 12.5% | 0.0% | 35.0% | 18.6% |
| Short-stay rental | 15.0% | 7.5% | 20.0% | 15.0% | 15.5% |
| Non-commercial accommodation | 0.0% | 50.0% | 0.0% | 0.0% | 2.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

*Note: increase compared to Base Case*

*Source: ACIL Allen*

Table 4.12 Accommodation preference of international visitors, by purpose of visit, Scenario 2

| Accommodation type | Holiday | VFR | Business | Other | Total |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 17.5% | 5.0% | 20.0% | 15.0% | 17.1% |
| Resort - up-scale, mid-range or budget | 5.0% | 2.5% | 20.0% | 10.0% | 5.7% |

| | | | | | |
|---|---|---|---|---|---|
| Hotel - luxury or deluxe | 17.5% | 5.0% | 20.0% | 15.0% | 17.1% |
| Hotel - up-scale, mid-range or budget | 2.5% | 2.5% | 20.0% | 5.0% | 3.3% |
| Hotel – boutique | 15.0% | 2.5% | 0.0% | 12.5% | 13.9% |
| Campground | 15.0% | 12.5% | 0.0% | 15.0% | 14.3% |
| Deluxe caravan park | 22.5% | 15.0% | 0.0% | 22.5% | 21.3% |
| Short-stay rental | 5.0% | 5.0% | 20.0% | 5.0% | 5.6% |
| Non-commercial accommodation | 0.0% | 50.0% | 0.0% | 0.0% | 1.8% |
| Total | 100% | 100% | 100% | 100% | 100% |

*Note: increase compared to Base Case*

*Source: ACIL Allen*

In Scenario 2, ACIL Allen estimates a shortfall of 192 rooms in 2025, 1,106 rooms in 2030, 2,059 rooms in 2035, 3,110 rooms in 2040, and 4,271 rooms in 2045 (**Table 4.13**).

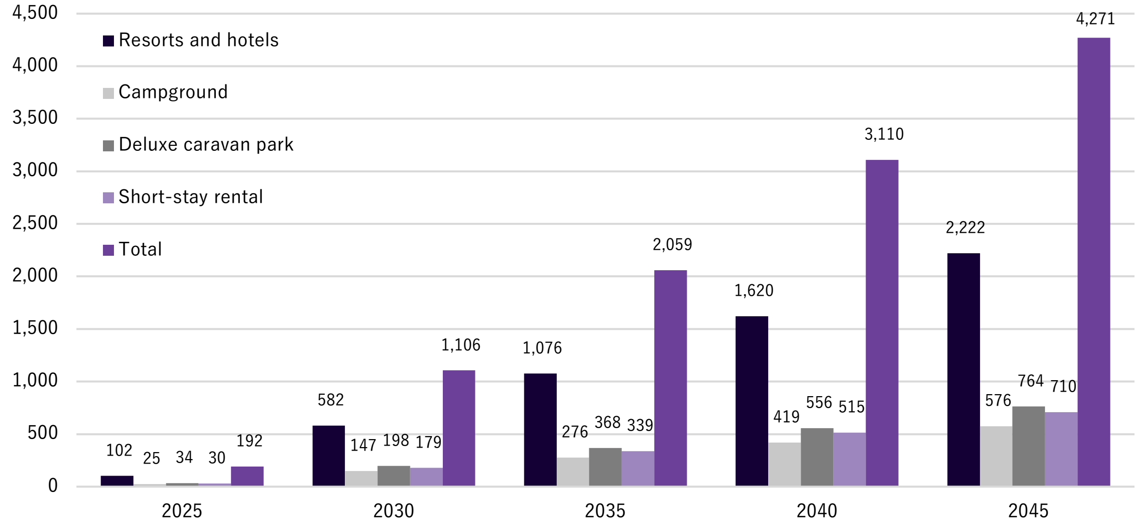
Table 4.13 Estimated shortfall of rooms by accommodation type, 2025-2045, Scenario 2

| | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 29.9 | 170.4 | 314.6 | 473.7 | 649.4 |
| Resort - up-scale, mid-range or budget | 12.0 | 68.2 | 125.7 | 189.1 | 259.1 |
| Hotel - luxury or deluxe | 29.3 | 167.3 | 308.8 | 465.0 | 637.3 |
| Hotel - up-scale, mid-range or budget | 8.5 | 49.3 | 91.7 | 138.5 | 190.1 |
| Hotel – boutique | 22.2 | 126.9 | 234.9 | 354.1 | 485.7 |
| Campground | 25.2 | 147.4 | 276.3 | 418.6 | 575.8 |
| Deluxe caravan park | 34.2 | 197.7 | 368.1 | 556.1 | 763.8 |
| Short-stay rental | 30.3 | 179.2 | 338.7 | 515.0 | 709.8 |
| Total | 191.6 | 1,106.4 | 2,058.7 | 3,110.2 | 4,271.0 |

*Source: ACIL Allen*

To summarise these results, ACIL Allen has grouped the gaps in accommodation into groups of resorts and hotels, campgrounds, deluxe caravan parks, and short stay rentals (**Figure 4.3**). This has been done under the expectation that visitors may substitute between similar types of accommodation options if there are more accommodation options within the Exmouth market.

Figure 4.3 Estimated shortfall of rooms by accommodation type, 2025-2045 – Scenario 2




*Source: ACIL Allen*

Finding 16 Scenario 2 results – shift to higher end accommodation increases room shortfall

Scenario 2 also presents an unconstrained view of demand, but reflects a shift towards higher yielding visitors, with ACIL Allen estimating a shortfall of 192 rooms in 2025, 1,106 rooms in 2030, 2,059 rooms in 2035, 3,110 rooms in 2040, and 4,271 rooms in 2045.

In terms of specific types of short stay accommodation, ACIL Allen estimates a potential shortfall of 338 deluxe or luxury hotel or resort style accommodation rooms in 2030.

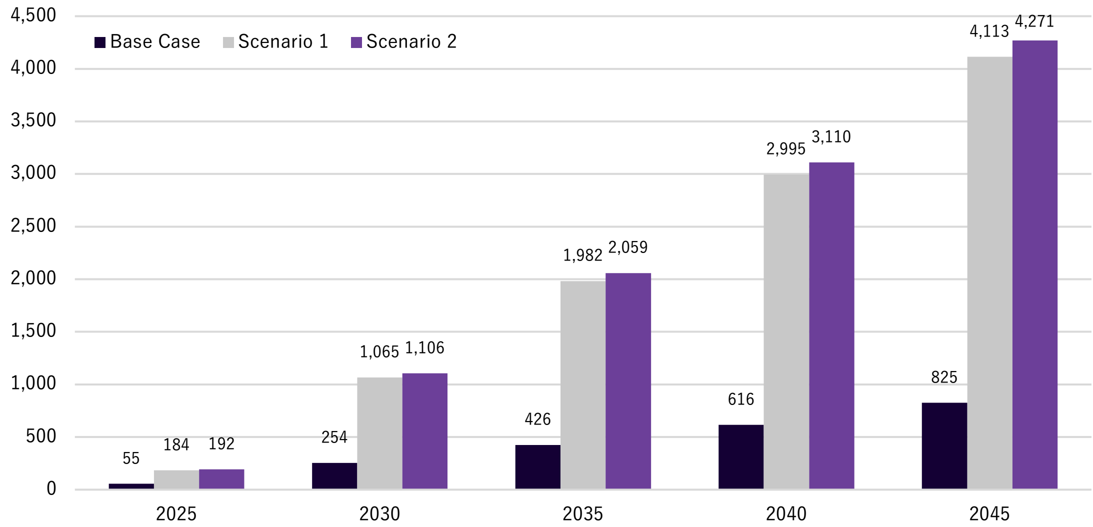
## Results Summary

The scenario in the Base Case presents a conservative estimate of the growth of tourism demand and estimated shortfalls for Exmouth as a travel destination, while Scenario 1 and Scenario 2 provide a more optimistic and unconstrained view of future demand (**Figure 4.4**).

Given the strong anecdotal evidence that people are being turned away from Exmouth due to a lack of accommodation, coupled with the high occupancy rates experienced by accommodation providers, ACIL Allen considers that Scenario 1 and Scenario 2 more accurately represent the shortfall of accommodation. These estimates indicate that there would be sufficient demand for accommodation to support new supply development.

However, the full potential of this opportunity can only be realised if steps are taken to address the current barriers to development in Exmouth. These barriers, such as limited water, high build costs, and a lack of available workforce are preventing necessary investments from materialising. Overcoming these obstacles will be crucial for Exmouth to fully benefit from the projected growth in tourism demand and to ensure that the accommodation supply can meet this demand.

Figure 4.4 Estimated total shortfall of rooms, 2025-2045 – Base Case, Scenario 1 and Scenario 2 (rooms)




*Source: ACIL Allen*

# 5 Projecting future demand for tourism worker accommodation in Exmouth

*This section presents ACIL Allen's investigation into the current and projected tourism worker accommodation requirements of the visitor economy in Exmouth.*

## 5.1 Introduction

This section of the study is about projecting the future demand for tourism worker accommodation in Exmouth. Analysis presented in this section aims to understand the number of tourism workers required to service the Exmouth visitor economy in the peak season, and the number of beds utilised by tourism workers in the peak season.

The purpose of this section is to assist local stakeholders in understanding the gap in accommodation for all tourism workers, and the broader impacts housing is having on retaining a tourism workforce in Exmouth.

Through consultation with local stakeholders, it was made clear that an overall lack of worker accommodation was a significant and persistent issue in Exmouth. However, data on the magnitude of this issue is difficult to attain, given that many tourism workers are seasonal, and often reside in unregulated or makeshift accommodation (i.e. in cars or vans).

There is also evidence that a lack of worker accommodation has been causing issues and challenges for employers in Exmouth, including:

- a diminished ability to attract the required workforce to Exmouth
- lower levels of staffing requiring reduced levels of service
- issues with worker hygiene, such as washing uniforms
- inability to grow businesses due to lack of available workers

To assess the need of tourism worker accommodation in Exmouth, ACIL Allen collected a range of qualitative and quantitative information that can speak to the gap in accommodation for all tourism workers, and the broader issues caused surrounding the issue.

### Defining the visitor economy

The scope of analysis presented in this section covers the visitor economy and not just tourism accommodation related employees in Exmouth. The visitor economy is defied in *THRIVE 2030 Visitor Economy* (Australian Trade and Investment Commission, 2023) which has formed the basis for analysis presented in this section.

The sub-sectors assumed to participate wholly or partially in the visitor economy include:

- Accommodation
- Transport
- Culture, arts and recreation
- Tourism services

— Education and training
— Business events
— Food services
— Retail.

For a more detailed list of the sub-sectors assumed to participate wholly or partially in the visitor economy, see Appendix **Table E.1**.

### Data sources

Qualitative and quantitative data sources have been used in this section to understand

i) the number of tourism workers required to service the Exmouth visitor economy in the peak season
ii) the number of beds utilised by tourism workers in the peak season.

This includes:

— A **Tourism Worker Accommodation Survey** issued by ACIL Allen in July 2024 to understand the challenges currently being experienced by those working in tourism-related industries, with the aim of being able to determine current and future workforce accommodation needs
— **Consultation** with Exmouth stakeholders including operators within the visitor economy, providing additional detail about the workforce needs in peak and off-peak times, and insights into the demand and supply of worker accommodation in Exmouth
— **Industry of employment data** (ABS Census) to understand the distribution of employment across various industries in Exmouth, including employment levels in the visitor economy
— Domestic and international **visitor projections data** (Tourism Research Australia) to forecast the future demand and requirements for workers in the visitor economy.

The next section presents the current situation of tourism worker accommodation in Exmouth.

## 5.2 Situation analysis

This section presents information about the existing demand and supply of tourism worker accommodation within the Shire of Exmouth, including proposals to develop new worker accommodation sites in the future.

### Current supply of tourism worker accommodation in Exmouth

The current availability of workers' accommodation in Exmouth is a significant challenge, driven by the growth in tourism and other key industries, structural housing issues, and a lack of housing and/or accommodation solutions. The Gascoyne Development Commission identified worker accommodation shortages as a major barrier to development in the region, particularly impacting the tourism and hospitality sectors, and are currently releasing strategic lots to facilitate private investment in collaboration with Development WA, Department of Planning, Lands and Heritage, and the Shire of Exmouth. [36]

As it stands, there are few options for tourism workers to secure accommodation within the Shire of Exmouth. Anecdotal evidence suggests many workers in Exmouth resort to shared rentals, caravan parks and campgrounds, temporary accommodation, and/or unregulated accommodation, while some workers are

[36] Gascoyne Development Commission. Workforce Accommodation and Housing. Available online at: https://www.gdc.wa.gov.au/our-region/lifestyle/housing/workforce-accommodation-and-housing.aspx [Accessed July 2024]

supplied with employer-provided accommodation. Many existing and prospective workers also utilise online platforms such as Facebook[37] seeking accommodation.

**Table 5.1** presents a summary of the existing worker accommodation options within the Shire of Exmouth. This analysis highlights the limited options available to workers in Exmouth, and the lack of new worker accommodation developments in the pipeline.

Table 5.1 Supply of worker accommodation in Exmouth

| Facility | Type | Description |
|---|---|---|
| Exmouth Service Workers Accommodation | Existing | Exmouth Service Workers Accommodation is available to individuals working in the service industry or businesses providing services to the local community that are looking for suitable accommodation for their workers. Occupants must be permanent residents, discluding a seasonal workforce, earning low-to-moderate incomes who are employed locally in non-mining industries.<br>Cost: the lesser of either 30% gross assessable household income; or market rent. |
| Lefroy Street Keyworkers Accommodation Lefroy Street<br>20 units | Existing | Community Housing Limited provide long-term secure rental tenancies for people who pay subsidised market rate, and currently manage a facility in Exmouth known as the Lefroy Street Keyworkers Accommodation. The facility caters for singles and couples who work in town, including full time position trade and hospitality workers. As at May 2024, the Lefroy Street Keyworkers Accommodation had a waitlist of 42 people and receives regular enquiries throughout the year.<br>Cost: not publicly available |
| Excape Backpackers<br>Murat Road<br>20 rooms including 11, six bed dorms | Existing | Situated in the heart of Exmouth on the grounds of the Potshot Hotel Resort, Excape Backpackers offers affordable hostel style rooms and dormitories.<br>Cost: $40 to $95 per night |
| Murat Road workforce accommodation development proposal[38] (5.8ha site) | Development | A proposed development on a 5.8 hectares site on Murat Road, around 500m north-east of the Exmouth townsite and directly north of Exmouth's main recreation precinct. The proposed development includes the construction of temporary (workers) accommodation on 20 hectares of the site. This proposed development aims to "encourage temporary accommodation which can either service the surrounding resource sector (either permanently or for a temporary period) or local workforce".<br>Cost: not publicly available |

*Source: ACIL Allen from various online sources and stakeholder consultation*

## Insights from accommodation operators

Through consultation with accommodation operators in Exmouth, ACIL Allen has captured a better understanding about how accommodation operators are meeting their own worker accommodation needs.

Some of the key insights identified in consultation with these operators has found:

[37] As of July 2024, the Exmouth & Coral Bay WA - Work & Accommodation Facebook page had 11.9k members.

[38] Lot 1423 on Deposited Plan 219750 (Reserve 45539 and No. 600) Murat Road, Exmouth and a portion of Lot 1419 on Plan 219750 (Reserve 50807) Murat Road, Exmouth (see Resolution to Prepare Amendment To Local Planning Scheme)

— There is **limited space and resources** for workers resulting in some accommodation operators using inventory for employees that could be otherwise used for guest accommodation
— The **quality and standard of accommodation** can be poor for workers who often have to resort to sleeping in vans or in rooms that would not ordinarily meet the needs of guests
— Operators provide a **diverse range of accommodation options** for their workers including on-site accommodation, off-site accommodation (i.e. rental properties), while some staff occupy rooms of other accommodation providers
— Employees are using **transient and temporary solutions** including vans, caravans and less comfortable living conditions. This is sometimes by choice.

Collectively, the insights from accommodation operators highlight the balancing act that operators must manage between providing adequate housing for their staff and maintaining quality and availability of accommodations for their guests.

Table 5.2 Insights from accommodation operators in Exmouth regarding worker accommodation

| Accommodation operator | Situation |
|---|---|
| Bullara Station Stay | Bullara's seasonal workforce (up to 38 employees) currently live on site, including in vans. Workers are supplied with power and water. Bullara is looking to develop additional staff accommodation in the future. |
| Excape Backpackers YHA | Five out of the 11 dorms at Excape Backpackers are occupied by Excape Backpacker staff, which has been the case since approximately 2020, and since COVID-19. A further 10-15 rooms at Excape Backpackers are occupied by broader tourism industry staff, however, these rooms aren't up to standard and could not made available for guests unless they were upgraded. |
| Mantarays Ningaloo Beach Resort | Mantarays provides a range of accommodation for its staff including a two-storey house (with 8-9 rooms), a rental property, and at Potshot Resort (18 staff). |
| Potshot Hotel Resort | Potshot staff occupy three on-site dorms, some off-site apartments for managers, and a rental property in town for an additional five staff. Many guests who stay at Potshot are travelling workers and not permanent residents of Exmouth. Travelling workers are from all sectors of the economy. |
| RAC Exmouth Cape Holiday Park | RAC Holiday Park uses some of its sites for managers and staff, which reduces accommodation inventory for guests. RAC Holiday Park retired some of its accommodation for single and couple occupiers, including five units on site. Eight to 10 staff are accommodated on site, plus those who use the manager's residence, and additional staff who stay in the caravan park. |
| Sal Salis Ningaloo Reef | Sal Salis is currently in negotiation to upgrade some of its staff accommodation. Restrictions on how many staff can be occupied on site has resulted in Sal Salis providing some accommodation for staff in the Exmouth township. |
| Yardie Homestead Caravan Park | Four of Yardie's staff (two owners, manager, and housekeeper) share a house. Transient workers typically use caravans on site. |

*Source: Stakeholder consultation*

Finding 17 There is limited availability of workers' accommodation in Exmouth

The need for additional workforce accommodation in Exmouth is widely acknowledged as a priority of the Gascoyne Development Commission who are looking to unlock strategic lots in collaboration with Development WA, and the Shire of Exmouth who are progressing a Local Planning Scheme Amendment for a site on Murat Road, Exmouth (enabling the Shire to consider a development for worker accommodation on the site). The shortage of existing worker accommodation options, the waitlist at Lefroy Street Keyworkers Accommodation, the lack of new developments in the pipeline, and the lengths accommodation operators are going to house their staff further highlights the extent and breadth of the issue.

## Tourism Worker Accommodation Survey

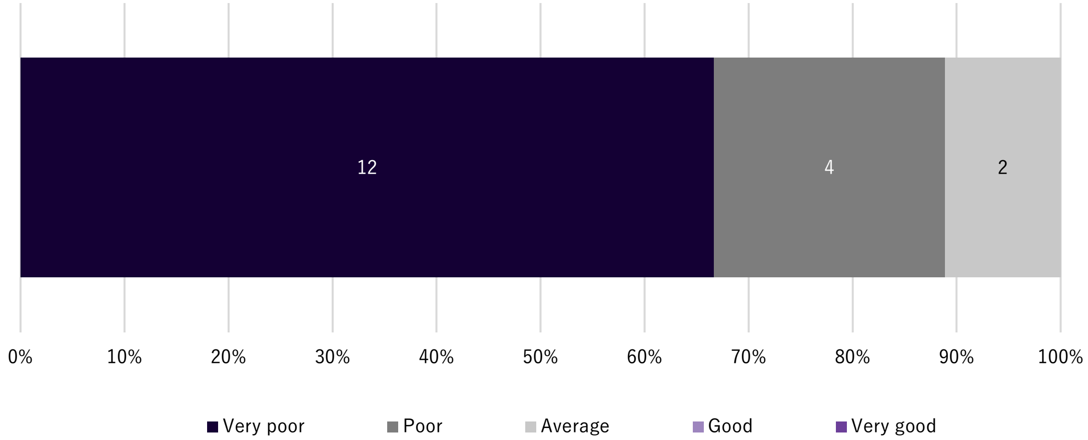
In July 2024, ACIL Allen undertook a survey of tourism sector workers to gather additional insights into the issue of tourism worker accommodation in Exmouth to support Shire of Exmouth estimates that up to 200 people in town each night are not staying in formal accommodation. The survey was distributed to tourism sector operators and accommodation operators to distribute to their staff, posted on the Exmouth accommodation and work Facebook page, and was also distributed and supported by the Shire of Exmouth and Australia's Coral Coast.

The survey aimed to gain insight into the situation of seasonal tourism sector workers in Exmouth, focusing on the significant challenges they face in obtaining accommodation as reported by stakeholders during consultation. The survey was open from 4 July 2024 to 24 July 2024, attracting 30 responses, with the majority from Exmouth residents who have been or are seeking to be employed in Exmouth for over 12 months. Seven out of 30 were intending to be employed in Exmouth between 3 and 6 months.

The low sample size means that the applicability of results to the general Exmouth workforce may be limited. Further, the cohort captured in the survey do not reflect the seasonal workforce. However, the survey does provide anecdotal support for the existence of a worker accommodation shortage in Exmouth, as demonstrated by responses captured in **Figure 5.1**.

It is likely that a comprehensive business survey would be required to overcome the issue with obtaining information directly from the seasonal workforce.

Figure 5.1 Answers to Q14: How would you rate the overall availability of suitable accommodation for workers in Exmouth?




*Source: ACIL Allen. n = 18*

Given the low sample size, a full analysis of the survey has not been included in the main report. However, a full writeup can be found in **Appendix G**.

Finding 18 Accommodation is a widespread problem in Exmouth

Survey responses have reinforced the perception that worker accommodation is a current and pressing challenge for workers, and that this is not limited to the seasonal workforce, but is impacting people who ordinarily reside in Exmouth.

The widespread nature of this problem requires coordinated action by stakeholders to address. In addition, a variety of accommodation is required to cater to the differing needs and circumstances of workers.

## 5.3 Quantifying the size of Exmouth’s future visitor economy workforce

To estimate the size of Exmouth’s future visitor economy workforce, ACIL Allen has analysed changes in the size of the Exmouth workforce over time across relevant industries. To estimate the future number of employees working in the visitor economy. **Step 1**: Determine the number of employees in Exmouth’s visitor economy using historical ABS Census data

— **Step 2**: Determine the ratio of total visitors to people employed in the visitor economy, by industry over time using historical visitation data and historical ABS Census data

— **Step 3**: Forecast the growth in total visitation to Exmouth

— **Step 4**: Estimate the number of visitor economy employees required to service future visitation to Exmouth

— **Step 5**: Determine the number of additional employees required to service Exmouth’s visitor economy.

Each step is presented in more detail below, including the results of the analysis. The methodology applied in this analysis assumes that there is a direct correlation between the number of workers in the visitor economy and the level of tourism to Exmouth. It assumes that as tourism grows, so does the demand for services and the need for more employees to meet that demand.

A limitation of this methodology is the determination between the size of the peak and off-peak workforce. The estimated number of employees required to service Exmouth’s visitor economy reflects an annualised figure, acknowledging that the number of peak employees required to service tourism to Exmouth is likely to be higher than the annualised figure presented in the analysis.

### Step 1: Determine the number of employees in Exmouth’s visitor economy

In Step 1, ACIL Allen estimated the number of employees in Exmouth’s visitor economy by reviewing previous ABS Census data across relevant industries of employment.[39] In total, ACIL Allen estimated there to be 650 employees in Exmouth’s visitor economy, or approximately 38 per cent of Exmouth’s workforce (**Table 5.3**).

Industries included in this data were selected according to the sub-sectors listed earlier in Section 5.1, broadly including accommodation, transport, culture, arts and recreation, tourism services, education and training, business events, food services, and retail.

[39] This variable describes the industry of the main job held by the employed person in the week prior to Census night, excluding people aged under 15 years of age. Excludes unemployed persons, looking for either full-time or part-time work.

Table 5.3 Count of employed persons in Exmouth's visitor economy, 2011 to 2021 (persons)

| Industry of employment | 2011 | 2016 | 2021 |
|---|---|---|---|
| Accommodation | 118 | 127 | 147 |
| Food and Beverage Services | 46 | 61 | 141 |
| Food Retailing | 54 | 80 | 80 |
| Other Transport | 24 | 31 | 55 |
| Other Store-Based Retailing | 55 | 50 | 50 |
| Road Transport | 22 | 27 | 41 |
| Air and Space Transport | 34 | 24 | 18 |
| Rental and Hiring Services (except Real Estate) | 12 | 14 | 16 |
| Food Product Manufacturing | 27 | 24 | 13 |
| Water Transport | 10 | 7 | 13 |
| Heritage Activities | 0 | 35 | 13 |
| Beverage and Tobacco Product Manufacturing | 0 | 3 | 12 |
| Postal and Courier Pick-up and Delivery Services | 8 | 9 | 11 |
| Fuel Retailing | 16 | 10 | 10 |
| Retail Trade, nfd | 4 | 9 | 6 |
| Creative and Performing Arts Activities | 3 | 0 | 6 |
| Transport, Postal and Warehousing, nfd | 0 | 8 | 5 |
| Transport Support Services | 8 | 10 | 5 |
| Sports and Recreation Activities | 6 | 5 | 5 |
| Warehousing and Storage Services | 0 | 0 | 3 |
| Total employment – Visitor economy | 447 | 534 | 650 |
| Total employment – Exmouth | 1,194 | 1,382 | 1,727 |
| Share of Exmouth employment | 37.6% | 38.6% | 37.6% |

*Source: ABS Census 2011, 2016 2021; ACIL Allen analysis*

## Step 2: Determine the ratio of total visitors to people employed in the visitor economy, by industry

In Step 2, ACIL Allen determined the ratio of total overnight visitors to people employed in the visitor economy, by industry (**Table 5.4**). Industries such as accommodation and food and beverage services had a lower ratio of visitors per employee, as expected in a tourism dependent town such as Exmouth.

Table 5.4 Ratio of total visitation to Exmouth against the count of employed persons in Exmouth's visitor economy, by industry, 2011 to 2021 (visitors per person employed)

| Industry of employment | 2011 | 2016 | 2021 |
|---|---|---|---|
| Accommodation | 847 | 1,126 | 1,014 |
| Food and Beverage Services | 2,174 | 2,344 | 1,057 |
| Food Retailing | 1,852 | 1,788 | 1,863 |
| Other Transport | 4,167 | 4,613 | 2,709 |
| Other Store-Based Retailing | 1,818 | 2,860 | 2,980 |
| Road Transport | 4,545 | 5,296 | 3,634 |

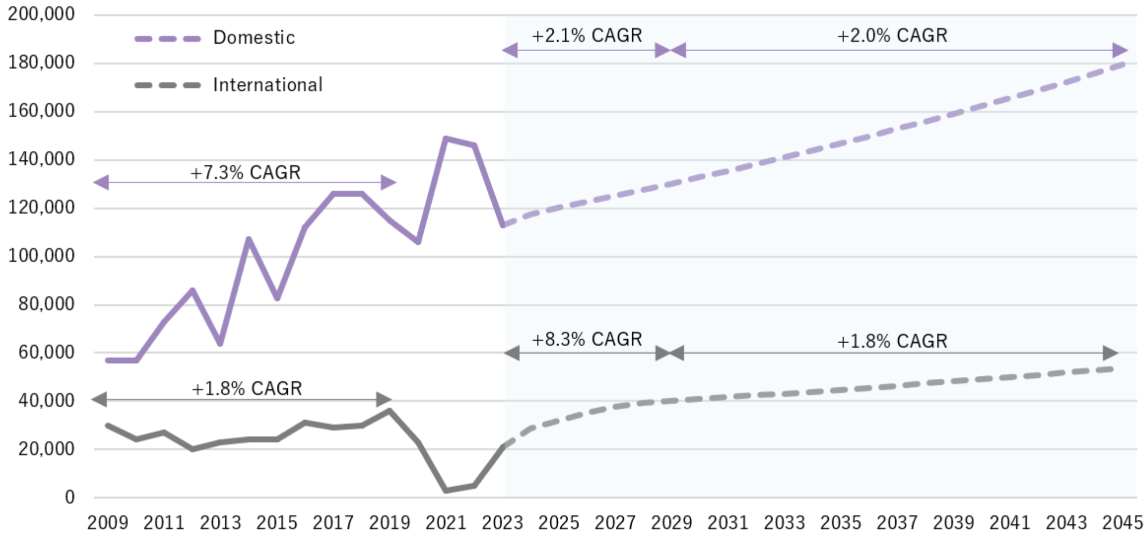
| Industry of employment | 2011 | 2016 | 2021 |
|---|---|---|---|
| Air and Space Transport | 2,941 | 5,958 | 8,278 |
| Rental and Hiring Services (except Real Estate) | 8,333 | 10,214 | 9,313 |
| Food Product Manufacturing | 3,704 | 5,958 | 11,462 |
| Water Transport | 10,000 | 20,429 | 11,462 |
| Heritage Activities | n/a | 4,086 | 11,462 |
| Beverage and Tobacco Product Manufacturing | n/a | 47,667 | 12,417 |
| Postal and Courier Pick-up and Delivery Services | 12,500 | 15,889 | 13,545 |
| Fuel Retailing | 6,250 | 14,300 | 14,900 |
| Retail Trade, nfd | 25,000 | 15,889 | 24,833 |
| Creative and Performing Arts Activities | 33,333 | n/a | 24,833 |
| Transport, Postal and Warehousing, nfd | n/a | 17,875 | 29,800 |
| Transport Support Services | 12,500 | 14,300 | 29,800 |
| Sports and Recreation Activities | 16,667 | 28,600 | 29,800 |
| Warehousing and Storage Services | n/a | n/a | 49,667 |
| Total employment – Visitor economy | 222 | 268 | 229 |

*Source: ABS Census 2011, 2016 2021; ACIL Allen analysis*

## Step 3: Forecast the growth in total visitation to Exmouth

Using historic overnight domestic and international visitation data as the baseline (2009-19), ACIL Allen forecasted the growth in domestic and international overnight visitation using Tourism Research Australia's domestic and international visitor arrival forecasts for the period 2024 to 2028 (**Figure 5.2**).

Figure 5.2 Forecast growth in domestic and international overnight visitors to Exmouth, 2024-2045 forecast (number of visitors)




*Note: growth rates reflect compounded annual growth rate (CAGR). 2009-19 reflects year ending December values, while 2020-23 data reflects a two-year average as a best estimate provided by Tourism Research Australia.*

*Source: ACIL Allen; Tourism WA LGA Exmouth Factsheet; Tourism Research Australia domestic visitor nights in Western Australia and international visitor arrivals by purpose*

## Step 4: Estimate the number of visitor economy employees required to service future visitation to Exmouth

In Step 4, ACIL Allen estimated the number of visitor economy employees required to service future visitation to Exmouth by dividing the future number of visitors over time (as per Step 3) by the ratio of visitors per employee (as per Step 2).

Table 5.5 Forecast number of employees in Exmouth's visitor economy over time, 2025 to 2045 (persons)

| Industry of employment | 2021 | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|---|
| Accommodation | 147 | 150 | 171 | 189 | 209 | 230 |
| Food and Beverage Services | 141 | 144 | 164 | 181 | 200 | 221 |
| Food Retailing | 80 | 82 | 93 | 103 | 114 | 125 |
| Other Transport | 55 | 56 | 64 | 71 | 78 | 86 |
| Other Store-Based Retailing | 50 | 51 | 58 | 64 | 71 | 78 |
| Road Transport | 41 | 42 | 48 | 53 | 58 | 64 |
| Air and Space Transport | 18 | 18 | 21 | 23 | 26 | 28 |
| Rental and Hiring Services (except Real Estate) | 16 | 16 | 19 | 21 | 23 | 25 |
| Food Product Manufacturing | 13 | 13 | 15 | 17 | 18 | 20 |
| Water Transport | 13 | 13 | 15 | 17 | 18 | 20 |
| Heritage Activities | 13 | 13 | 15 | 17 | 18 | 20 |
| Beverage and Tobacco Product Manufacturing | 12 | 12 | 14 | 15 | 17 | 19 |
| Postal and Courier Pick-up and Delivery Services | 11 | 11 | 13 | 14 | 16 | 17 |
| Fuel Retailing | 10 | 10 | 12 | 13 | 14 | 16 |
| Retail Trade, nfd | 6 | 6 | 7 | 8 | 9 | 9 |
| Creative and Performing Arts Activities | 6 | 6 | 7 | 8 | 9 | 9 |
| Transport, Postal and Warehousing, nfd | 5 | 5 | 6 | 6 | 7 | 8 |
| Transport Support Services | 5 | 5 | 6 | 6 | 7 | 8 |
| Sports and Recreation Activities | 5 | 5 | 6 | 6 | 7 | 8 |
| Warehousing and Storage Services | 3 | 3 | 3 | 4 | 4 | 5 |
| Total employment – Visitor economy | 650 | 670 | 765 | 844 | 931 | 1,027 |

*Source: ACIL Allen analysis*

## Step 5: Determine the number of additional employees required to service Exmouth's visitor economy

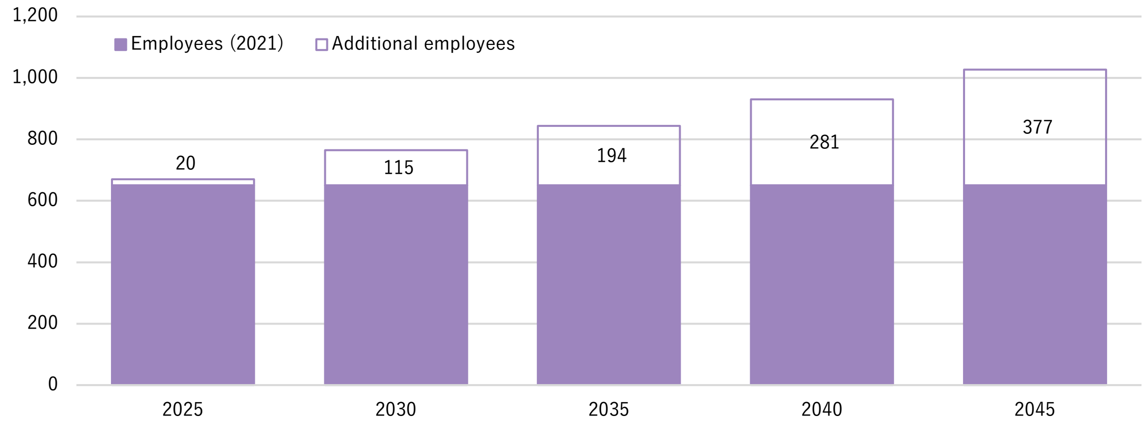
In the final step of the analysis, ACIL Allen determined the number of additional employees required to service the visitor economy over time. In total, ACIL Allen estimated the need for 115 additional employees by 2030, 194 additional employees by 2035, 281 additional employees by 2040, and 377 additional employees by 2045 (**Table 5.6**).

Table 5.6 Forecast number of employees in Exmouth's visitor economy over time, 2025 to 2045 (persons)

| Industry of employment | 2021 | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|---|
| Total employment – Visitor economy | 650 | 670 | 765 | 844 | 931 | 1,027 |
| Additional employees required | | 20 | 115 | 194 | 281 | 377 |

*Source: ACIL Allen analysis*

Figure 5.3 Forecast number of employees in Exmouth's visitor economy over time, 2025 to 2045 (persons)




*Source: ACIL Allen analysis*

Finding 19 Exmouth's visitor economy workforce will continue to grow

ACIL Allen estimates that Exmouth's visitor economy workforce will grow, if sufficient accommodation is available, by 115 employees by 2030, 194 employees by 2035, 281 employees by 2040, and 377 employees by 2045. This will place further pressure on tourism worker accommodation, and the supply of beds to accommodate this required workforce, with modelling showing that there may be demand for approximately 194 beds over the next decade when equating additional employees required to beds.

The need for worker accommodation may be exacerbated in the peak tourism season (April to October) as accommodation occupancy rates increase (less beds available) at the same time as the demand for workers increases.

# 6 Assessment of land availability in Exmouth to support future accommodation developments

*This section of the report provides an overview of ACIL Allen's assessment of specific lots within the Shire of Exmouth. These lots were identified by Tourism WA as potentially suitable for overflow accommodation for the Total Solar Eclipse and could be utilised to develop permanent tourist accommodation.*

## 6.1 Introduction and context

As previously flagged within this report, there are a number of potential tourist accommodation developments under consideration by various parties in and near Exmouth.

The majority of these proposed developments are in the pre-development application stage, with the Shire of Exmouth reporting that the only site they have received an application for is the Ningaloo Lighthouse Resort redevelopment. A list of the potential developments in Exmouth is presented in **Table 6.1** below.

Table 6.1 Summary of potential developments in Exmouth

| Development | Description | Stage of development | Type (expected) |
|---|---|---|---|
| Exmouth Marina Master Plan | The Exmouth Marina is located approximately 2km south of the Exmouth town centre, close to Mantarays. The site is owned by the State, with the Department of Transport progressing a 40-year masterplan to develop and improve the site, including activation of the waterfront land to create new tourism offerings, such as accommodation, retail, commercial, and food and beverage options. | Attempting to attract investment to 'activate' site. | n/a |
| Ningaloo Lighthouse Resort | The Ningaloo Lighthouse Resort is a proposed 500-550 guest resort, to be located near the Vlamingh Head Lighthouse nearly 20km north of Exmouth. The site obtained environmental approval from the Minister for Environment (subject to some conditions) in late 2023, however next steps have not been announced.<br>ACIL Allen met with a development representative, who said that the development would go ahead, however, the exact form of this is still subject to owner decision-making. | Environmental approval granted, next steps being worked through. | Resort – luxury or deluxe / Caravan park |
| Minilya-Exmouth Road caravan park | A single owner holds land 23km south of Exmouth on the Minilya-Exmouth Road. Currently, the site is home to a number of small transportable units. The owner has confirmed their intent to develop this site into a caravan park, although the timing of this is uncertain, with plans yet to have been submitted to the Shire. | Early concept stage. | Caravan park |

| | | | |
|---|---|---|---|
| 5-star development next to Exmouth Escape Resort | A new 5-star, 100-120 room resort is destined to be constructed on the corner of Murat Road and Reid Street by mid -2027, next to the existing Exmouth Escape Resort. The development is to include on-site workers accommodation for staff. The development faces significant challenges and cost implications as a result of preparing the site's access to power, water and sewerage, and is also subject to planning approvals. | Target build mid-2027 | Resort – luxury |
| Mantarays Ningaloo Beach Resort expansion | Mantarays Ningaloo Beach Resort is located close to the Exmouth Marina. It was intended to be built in stages, with Stage 1 comprising the current configuration of the Resort. For Stage 2, a number of concrete pads onsite (with utilities) were constructed, overlooking the Marina, with the intention being to further develop these into further accommodation. However, as of 2024, there are no current plans to develop these sites. | No plans to develop. | Resort – luxury or deluxe |
| Norcape Lodge site | The ex-Norcape Lodge site has been cleared, raised and flattened, with plans to develop this site into a resort. However, these plans have allegedly been known for a number of years, with no progress having been made. | Early concept stage. | Resort - up-scale |
| Sebatikel | Sebatikel is a proposed sustainable luxury development 1.2km from Exmouth. Land tenure was secured for the site in 2024, however, next steps are unknown. | Early concept stage. | Resort – luxury or deluxe |

*Source: ACIL Allen analysis; stakeholder consultation*

While this list highlights the clear interest in developing further tourism accommodation in Exmouth, the collective lack of progress requires further investigation to determine why the market has not been able to respond to the demand for new tourism accommodation.

A number of potentially suitable land parcels for the development of tourism accommodation were identified by Tourism WA as part of its work on the Total Solar Eclipse (TSE). In preparation for the influx of tourists to Exmouth for this event, Tourism WA conducted extensive planning and research to estimate the number of visitors and identify the associated shortfall in available accommodation and other amenities, such as water and waste facilities. As part of this planning, a range of sites were identified as suitable to accommodate the anticipated overflow of campers and caravans. These sites form the basis for the land assessment. The Exmouth Marina has also been considered in the site assessment as a highly prospective, government-led development.

For this study, ACIL Allen has conducted desktop research and a visual inspection of these sites, which has informed the development and completion of a multi-criteria analysis (MCA). An MCA is an effective tool for systematically comparing proposals. When applied consistently and transparently, it provides a reliable method for assessing the merits of various options against a set list of criteria.

This section of the report provides an overview of the relevant strategies and regulations that govern development in Exmouth, the methodology undertaken to arrive at the MCA scores, as well as brief discussion of this assessment in the context of worker accommodation concerns.

## 6.2 Planning scheme and policies

In Western Australia, there are several different levels of planning controls which act to guide development within the State through providing clear direction on the overarching aims of development. Ultimately, these controls guide how different areas can be used through instruments such as land zoning. Land zoning specifies the activities that can be carried out in specific areas.

For the purposes of the land assessment, ACIL Allen has reviewed the local planning scheme and relevant local and state planning policies to identify their impact on tourism development in and around Exmouth. This includes:

— State Planning Policy No. 63 – Ningaloo Coast
— Shire of Exmouth Local Planning Strategy
— Shire of Exmouth Local Planning Scheme no. 4
— Government Sewerage Policy 2019
— State Planning Policy 3.7 – Planning in Bushfire Prone Areas.

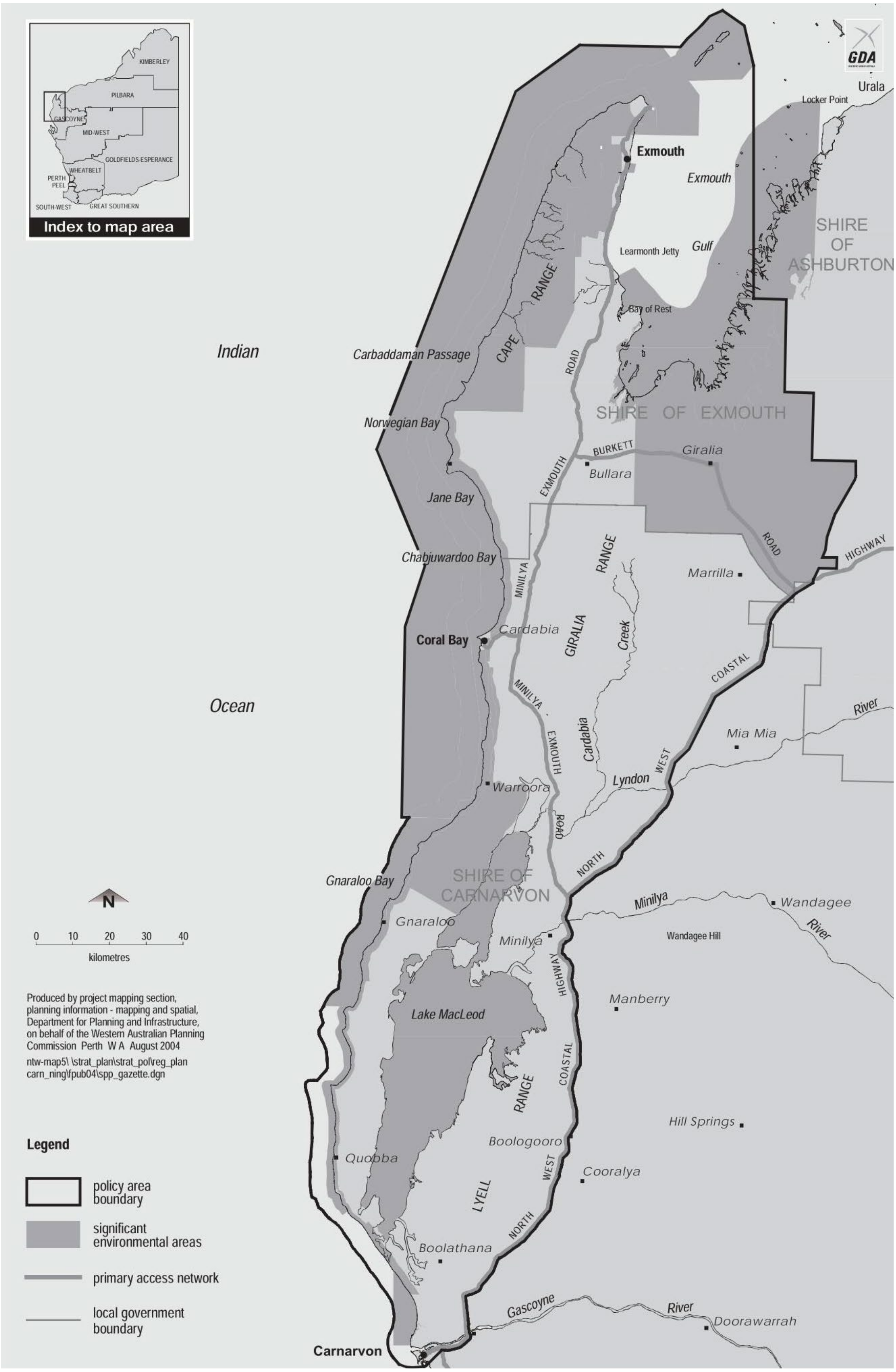
## State Planning Policy No. 6.3 – Ningaloo Coast

The State Planning Policy No. 6.3 – Ningaloo Coast (SPP 6.3) was published in the Government Gazette in August 2004. It provides guidance regarding acceptable development on the Ningaloo coast with the aim of preserving the natural environment, maintaining it as a tourism destination and consolidating future development.

The guiding principles for the policy are to ensure:

— **sustainable development** through appropriate land use and practices which integrate environmental protection, social enhancement and economic prosperity
— **achievement of community aspirations**, including equity of access for a range of visitors
— **safeguarding Aboriginal heritage**, especially relating to the marine environment and the continuation of Aboriginal use and caring for country
— **economic development**, with development to actively assist in the creation of regional wealth
— **interdependence**, with development not to significantly interfere with natural ecological processes
— **limits of acceptable change**, defined as the degree of change a system could accommodate while sustaining or returning to its desired characteristics
— **the precautionary principle**, where lack of full scientific certainty of environmental damage is not to be used as a reason to postpone measures preventing environmental degradation
— **consideration of cumulative impacts**, with all planning and development to consider ramifications of potential cumulative impacts as new development proposals are added to existing development
— **protection of high conservation values**, with development not to interfere with the natural environment
— **protection of remote values**, for example measures to limit noise emissions, light, smoke, dust, waste disposal, visual impact and odour
— **protection of biodiversity**, meaning development must not significantly interfere with the biodiversity in a particular area.

Figure 6.1 Ningaloo Coast area subject to SPP 6.3




*Source: Western Australian Government Gazette, Wednesday 18 August 2004, No. 144 – WAPC – Statement of Planning Policy No. 6.3 – Ningaloo Coast.*

## Shire of Exmouth Local Planning Strategy

Under the Planning and Development (Local Planning Schemes) Regulations 2015, all local government authorities in Western Australia are required to prepare a Local Planning Strategy, which sets out the strategic planning directions for the local government area. The Shire of Exmouth Local Planning Strategy (LPS) sets the strategic direction of the local government, which informs future amendments to the Shire of Exmouth Local Planning Scheme No. 4 (the Scheme). The Local Planning Strategy works in conjunction with the Scheme to provide a non-statutory planning framework which guides development over a 10-year period.

The LPS sets out a number of objectives for different land uses, including tourism. The overarching objective for tourism is to: 'encourage the sustainable growth of tourism and tourism related opportunities throughout the Shire and balance growth against the conservation values of the environment upon which the area's tourism industry is based'.

The strategies to be adopted to meet the objective are to [emphasis added]:

1. Facilitate best practice tourism development by encouraging a high standard of built form, landscaping and presentation for all new tourism uses that reflect the Exmouth environment.
2. Encourage a **diverse range of accommodation** based on the projected tourism demand when assessing proposals for short stay accommodation, tourism/residential, caravan park and camping grounds, and nature-based parks.
3. **Encourage development within the Shire** that provides a tourism experience unique to Exmouth to add to the area's competitive advantage, subject to environmental and cultural management and appropriate levels of infrastructure.
4. **Protect existing and future tourism sites from the encroachment of incompatible use** or development to ensure their tourism potential is not compromised.
5. **Encourage affordable holiday accommodation specifically for caravan park and camping grounds** in appropriate locations, including through the retention of existing and identification of future sites.
6. **Assist the establishment of new tourism development by considering a proportion of permanent residential being permitted** within new tourist developments (or substantial refurbishments to existing tourism developments) in select locations within the townsite where certain criteria is met.
7. Establish appropriate signage that identifies Shire and other tourist related activities within the Shire.

## Shire of Exmouth Local Planning Scheme no. 4

The Shire of Exmouth Local Planning Scheme no. 4 (the Scheme) sets out the ways in which land within the Shire of Exmouth is to be used and developed.

Under the Scheme, there are 12 different zones, with six of these allowing for some type of tourism accommodation development, including the tourism zone. In addition to these zones, there are several other avenues through which tourism accommodation development may be approved, including Special Uses and Additional Uses.

The objectives of the tourism zone are provided in section 3.10.4.1 of the Scheme. These objectives are to:

a) promote and provide for tourism opportunities
b) provide for a variety of holiday accommodation styles and associated uses, including retail and service facilities where those facilities are provided in support of the tourist accommodation and are of an appropriate scale where they will not impact detrimentally on the surrounding or wider area

c) allow limited residential uses where appropriate
d) encourage the location of tourist facilities so that they may benefit from existing road services, physical service infrastructure, other tourist attractions, natural features and urban facilities.

As shown in **Table 6.2**, while certain uses are permitted under certain zones, there are varying levels of permissibility, ranging from 'P' - permitted to 'X' – not permitted.

Table 6.2 Permissibility of uses of land under the Scheme

| Symbol | Meaning |
|---|---|
| P | The use is permitted if it complies with all relevant development standards and requirements of the Scheme. |
| I | The use is permitted if it is consequent on, or naturally attaching, appertaining or relating to the predominant use of the land and it complies with all relevant development standards and requirements of the Scheme. |
| D | The use is not permitted unless the local government has exercised its discretion by granting development approval. |
| A | The use is not permitted unless the local government has exercised its discretion by granting development approval after giving notice in accordance with clause 64 of the deemed provisions.[40] |
| X | The use is not permitted by this Scheme. |

*Source: Exmouth Local Planning Scheme no. 4, section 3.3.2.*

These permissions are used in the zoning table to provide information as to how land may be developed, and the approval process that is to be undertaken. Broadly speaking, using land to develop a 'P' use will have slightly faster approval times than using land to develop an 'A' use. This is a 60 day statutory timeframe, in comparison to a 90 day statutory timeframe, as applications under an 'A' use need to be advertised. The 90 days enables local government to advertise the proposal for 28 days.

The Scheme identifies a number of tourism land uses, which mostly relate to tourism accommodation options allowed on certain zones. Those zones that can be used for the development of tourist accommodation are shown in **Table 6.3**.

Table 6.3 Tourism land uses provided for under Scheme zones

| | | Commercial | | | | |
|---|---|---|---|---|---|---|
| Tourism land uses | Residential | Mixed Use – C2 | Mixed Use – C3 | Tourism | Rural Residential | Rural |
| Bed and breakfast | A | X | X | D | A | D |
| Camping ground | X | X | X | X | X | A |
| Caravan park | X | X | X | X | X | X |
| Holiday Accommodation | A | X | X | D | X | D |
| Holiday house | A | X | X | D | A | D |
| Hotel | X | X | D | P | X | X |
| Motel | X | X | D | P | X | X |
| Nature Based Park | X | X | X | X | X | A |
| Serviced apartment | X | D | D | P | X | X |
| Tourist development | X | X | X | D | X | X |

*Source: Exmouth Local Planning Scheme no. 4, Table 1: Zoning Table*

40 The deemed provisions are contained under Planning and Development (Local Planning Schemes) Regulations 2015 Schedule 2. Clause 64 outlines the steps that local government must take to advertise a complex application for development approval.

Tourism land uses are defined in **Table 6.4**.

Table 6.4 Tourism land use definitions

| Tourism land uses | Definition |
|---|---|
| Bed and breakfast | A dwelling used by a resident of the dwelling to provide short-term accommodation, including breakfast, on a commercial basis for not more than 4 adult persons or one family; and containing not more than 2 guest bedrooms. |
| Camping ground | Has the meaning given in the *Caravan Parks and Camping Grounds Act 1995* section 5 (1): *camping ground means an area of land on which camps, but not caravans, are situated for habitation but does not include any land prescribed for the purposes of this definition;* |
| Caravan park | Means premises that are a caravan park as defined in the *Caravan Parks and Camping Grounds Act 1995* section 5 (1): *caravan park means an area of land on which caravans, or caravans and camps, are situated for habitation;* |
| Holiday Accommodation | Means two or more dwellings on one lot used to provide short term accommodation for persons other than the owner of the lot. |
| Holiday house | Means a single dwelling on one lot used to provide short-term accommodation but does not include a bed and breakfast. |
| Hotel | Means premises the subject of a hotel licence other than a small bar or tavern licence granted under the *Liquor Control Act 1988* including any betting agency on the premises. |
| Motel | Means premises, which may be licensed under the *Liquor Control Act 1988*, which are used to accommodate guests in a manner similar to a hotel and with specific provision for the accommodation of guests with motor vehicles. |
| Nature Based Park | Means premises used for a nature-based park as defined in the *Caravan Parks and Camping Grounds Regulations 1997* Part 1(3): *nature-based park means a facility in an area that —*<br>*a) is not in close proximity to an area that is built up with structures used for business, industry or dwelling-houses at intervals of less than 100 m for a distance of 500 m or more; and*<br>*b) has been predominantly formed by nature; and*<br>c) *has limited or controlled artificial light and noise intrusion;* |
| Serviced apartment | Means a group of units or apartments providing self-contained short stay accommodation for guests and any associated reception or recreational facilities. |
| Tourist development | Means a building, or a group of buildings forming a complex, other than a bed and breakfast, a caravan park or holiday accommodation, used to provide short-term accommodation for guests, onsite facilities for the use of guests, and facilities for the management of the development. |

*Source: Exmouth Local Planning Scheme no. 4.*

Camping grounds and caravan parks are not permitted in tourism zoned areas, as land is generally zoned tourism to allow for a greater scale of development. Caravan parks are not explicitly provided for under any zoning category, while camping grounds are an 'A' use under rural zoning.

Urban Development zones have no specific uses identified in the zoning table and are subject to clause 3.3.7 of the Scheme. Clause 3.3.7 allows the Shire flexibility to consider an application for development approval of these zones with regard for structure plans, activity centre plans, and/or local development plans.

In addition to the defined zones, there are a range of other more flexible categories, including Additional Uses, Restricted Uses, and Special Uses zones that can provide for specific uses, such as caravan parks and camping grounds, including:

- **Additional Uses:** allow for land uses on a specific portion of land which are in addition to the uses already permissible in that zone.
- **Restricted Uses:** the only use or uses that is permitted on a specific portion of land, and other uses that would otherwise be permissible within the zone are not permitted. None of the land identified for the TSE falls into Restricted Use.
- **Special Uses:** provide for specific land to be zoned such to provide for a variety of special uses to be permissible in that zone, and the conditions that apply in respect of the special uses. Special Use zones apply to special categories of land use that do not comfortably sit within any other zone in the Scheme.

### Special Control Areas

There are also six Special Control Areas (SCA) under the Scheme. Across the SCA's, there are a range of additional provisions that apply to the area in question. Gaining approval to develop within a SCA requires developers to adequately address these provisions within their planning application.

For the sites identified, four are relevant:

- **SCA2 – Exmouth Waste Water Treatment Plant:** provides for a buffer zone around the Exmouth Waste Water Treatment Plant to minimise its impacts on residential and other sensitive uses. Development applications need to have regard to Water Corporation advice on compatible and beneficial land uses within the buffer, and the potential odour impact of the plant on development.
- **SCA3 – Exmouth Power Station:** to ensure that the development of land is compatible with the operation of the power station, and to minimise noise impacts on residential and other sensitive uses. Development applications may require the preparation of an acoustic report to show how noise will be minimised.
- **SCA5 – Floodplain:** provides for areas of restricted development to minimise the impact of flooding on developments. Development applications must include hydraulic modelling and provide for suitable controls to be put in place (e.g. raising land).
- **SCA6 – Minilya-Exmouth Road:** provides for a 100-metre buffer zone on either side of the Minilya-Exmouth Road. Development within this buffer needs to be supported by a Visual Landscape Assessment, prepared in accordance with WAPC guidance. Any intersection with this road will be referred to Main Roads WA.

## Government Sewerage Policy 2019

The Government Sewerage Policy 2019 sets the State Government's position on how sewerage services are to be provided in Western Australia through the planning and development of land.

According to the Department of Planning, Lands and Heritage's 'Government Sewerage Policy' map[41], much of the Exmouth region is within one kilometre of significant wetlands. Under the policy, development that is not capable of being connected to a sewerage network (i.e. areas outside the Exmouth townsite) will need to comply with this policy. This will involve the development of on-site sewerage disposal.

This involves the relevant applicant providing a site and soil evaluation in accordance with AS/NZS 1547 On-site domestic wastewater management, to show that the site is suitable for long-term on-site sewerage disposal. At a minimum, this should include:

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[41] Accessible at: https://espatial.dplh.wa.gov.au/planwa/Index.html?viewer=planwa&layertheme=Government%20Sewerage%20Policy&run=ActivateLayerList

— identification of public drinking water source areas and sewage sensitive areas
— identification of water sources and land affected by separation distances (including significant wetlands, land subject to flooding, wellhead protection zones, reservoir protection zones, etc)
— site and soil consistency (such as depth to groundwater, nature and depth of soil, slope and instability and climate)
— the capacity of a site to accommodate a land application
— the propose on-site sewage system.

Where this is proposed, the policy requires the applicant to show that the site is suitable for long-term on-site sewerage disposal.

As demonstrated in **Figure 6.2**, much of the area around Exmouth is a sewage sensitive area. This means that, under all sewage types, the system must maintain a 1.5 metre vertical separation between the on-site sewage system's discharge point (i.e. the point at which effluent is discharged to a secondary treatment process, or to a land application system such as a soak well) and the highest groundwater level. In addition, the policy sets a one-hectare minimum lot size in sewage sensitive areas to manage cumulative impacts on the environment and water sources.

Figure 6.2 Areas around Exmouth within one kilometre of significant wetlands (green)


*Source: DPLH. Available online from: https://espatial.dplh.wa.gov.au/planwa/Index.html?viewer=planwa&layertheme=Government%20Sewerage%20Policy&run=ActivateLayerList [Accessed June 2024]*

## State Planning Policy 3.7 – Planning in Bushfire Prone Areas

The vast majority of land surrounding Exmouth has been classed as 'bushfire prone' by the Department of Fire and Emergency Services Commissioner. This means that planning applications must comply with the bushfire policy and its related guidelines.

Bushfire planning requirements apply to all new planning proposals for habitable buildings (such as homes, hotels, restaurants) in areas designated as bushfire prone. Where a property is located within a bushfire prone zone, a developer will need to undertake a bushfire attack level assessment (BAL). A BAL assessment is a mechanism for measuring the severity of a buildings' potential exposure to ember attack, radiant heat and direct flame contact. It forms the basis for establishing construction requitements to improve the protection of building elements from bushfire. A BAL is usually undertaken following a Bushfire Hazard Level assessment or BAL Contour Map has been prepared.

A BAL Contour Map is a scale map of the lot/s illustrating the potential radiant heat impacts and associated BAL ratings in reference to any vegetation remaining within 150 metres of the assessment area. A new BAL Contour Map should be prepared for each stage.

BAL ratings include:

— **BAL-LOW:** no further bushfire planning or building requirements.
— **BAL-12.5 to BAL-29:** development application must address the bushfire protection criteria, and the development will need to adhere to the corresponding standard set out in the Building Code of Australia.
— **BAL-40 or BAL-FZ:** the development application must address the bushfire protection criteria with the aim of achieving BAL-29 or less. For accommodation buildings, the WAPC has flagged that development applications in these areas will not be supported in most instances.

Figure 6.3 Bushfire Attack Levels in context


*Source: DPLH & WAPC. 2021. Guidelines for Planning in Bushfire Prone Areas – version 1.4.*

Assessment of development applications can be refused where sites are not, or cannot, apply with the policy.

The bushfire protection criteria are split across five elements:

— **Element 1 – Location:** to ensure applications are located in areas with the least possible risk of bushfires to facilitate the protection of people, property and infrastructure
— **Element 2: Siting and design of development:** to ensure that the siting and design of development minimises the level of bushfire impact

— **Element 3 – Vehicular access:** to ensure that vehicular access to a development is available and safe during a bushfire event
— **Element 4 – Water:** to ensure that water is available to enable people, property and infrastructure to be defended from bushfire
— **Element 5 – Vulnerable tourism land uses:** to provide bushfire protection for tourism land uses relevant to the characteristics of the occupants and/or the location, to preserve life and reduce the impact of bushfire on property and infrastructure.

Tourism land uses are considered vulnerable land uses where they involve visitors who are unfamiliar with the surroundings and/or present evacuation challenges.

In addition to undertaking a BAL assessment, the development application should incorporate bushfire protection criteria requirements.

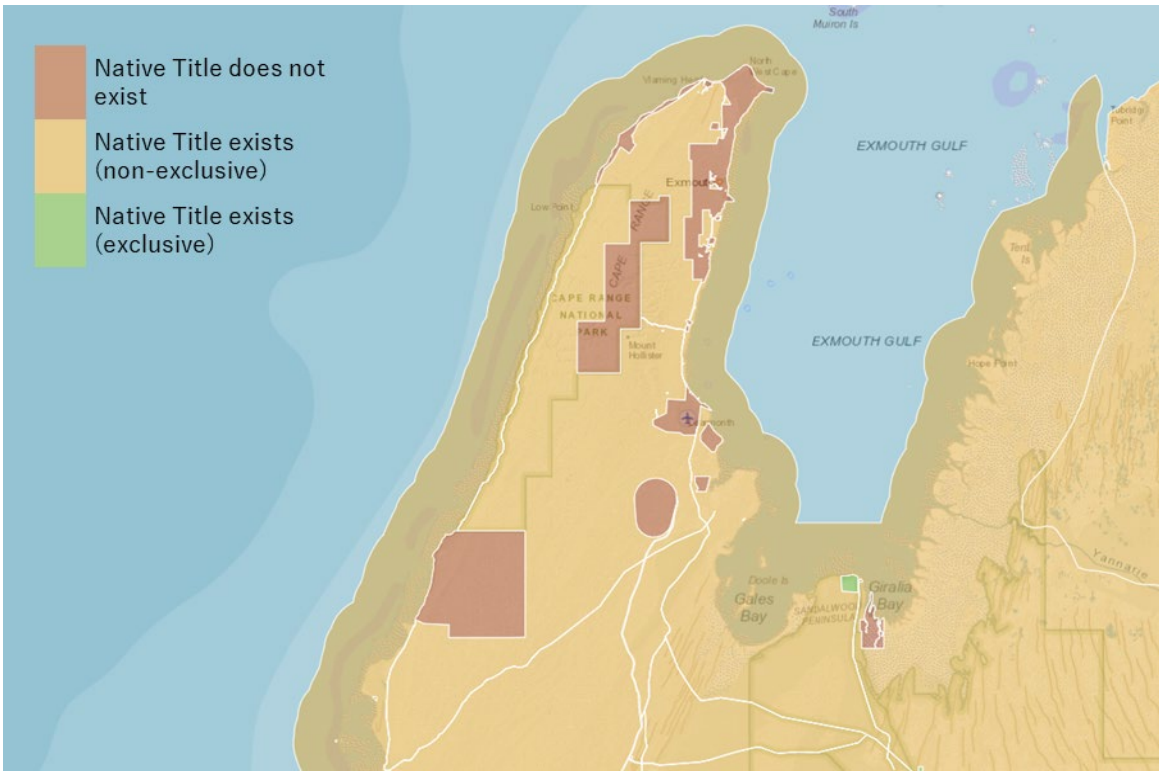
## Native Title

Much of the area surrounding Exmouth is subject to non-exclusive Native Title, as depicted in **Figure 6.4**.

Non-exclusive Native Title enables different kinds of land rights to co-exist and confers rights for Aboriginal people to perform certain activities on traditional country, for example hunting and camping, but does not provide the right to control access to, or use of, an area.[42]

If developing on land with non-exclusive Native Title, proponents will likely need to enter into an Indigenous Land Use Agreement (ILUA) with the Registered Native Title Bodies Corporate (RNTBC). For the area surrounding Exmouth, the RNTBC is the Nganhurra Thanardi Garrbu Aboriginal Corporation.

Figure 6.4 Native Title Determinations in the Exmouth region (1 April 2024)




*Source: National Native Title Tribunal. Native Title Determination Outcomes. National Map. www.nationalmap.gov.au*

[42] AIATSIS. Available online from: https://nativetitle.org.au/learn/native-title-and-pbcs/native-title-rights-and-interests#:~:text=Non%2Dexclusive%20native%20title%20rights,the%20exclusion%20of%20all%20others.

# 6.3 Multi Criteria Assessment – Methodology

This section presents ACIL Allen's approach in undertaking the Multi Criteria Assessment (MCA) on identified sites. This approach has been built up from an initial land assessment framework that was presented to Tourism WA as part of the site visits and informed by ACIL Allen's understanding of the overarching aims for development in and around Exmouth as provided for by the various planning policies and scheme.

## Setting objectives and themes

Objectives and criteria when conducting an MCA should be framed to describe the key outcomes that an investment or action is meant to achieve.

In designing the MCA, ACIL Allen determined that the overarching rationale for conducting the MCA was to identify sites that could ultimately be developed into tourist accommodation. This means that the site would need to be appealing as a location, and able to be developed (i.e. no fatal flaws). These items have therefore become the two objectives of the MCA:

1. **Objective 1 (Appeal):** The site is an appealing location for the development of tourism accommodation.
2. **Objective 2 (Constraints):** The site is relatively unconstrained in terms of development potential.

These objectives enabled an approach whereby the appeal of a site is balanced by the constraints, with the understanding that the development appeal of a site upfront would be balanced or modified by the impact of the constraints.

**Table 6.6** provides an overview of the objectives and criteria under Objective 1 and Objective 2.

## Developing criteria

### Objective 1: Appeal

Developing criteria under Objective 1 required an understanding of what would make a site attractive to investors, and further, to the town. Site size has not been included as a criteria, in recognition that bigger does not necessarily equal a more attractive site for development, depending on the kind of development under consideration. However, size has been included in the write up on each site.

**Criteria 1: Zoning – The site is zoned to enable tourism development**

Zoning sets the framework for what is allowable on lots, influencing development decisions from the outset, with the understanding that an investor would likely consider an appropriately zoned site over one that was not zoned for tourism accommodation.

Zoning also provides information on the Shire of Exmouth's priorities, which are important to consider in the context of such a study.

**Criteria 2: Tenure – Tenure of the site is such to enable development immediately**

Tenure was included as a criteria given that certain site ownership is likely to influence whether or not a site is feasible to develop, given that Tourism WA or a private investor may be able to influence the outcomes on some government-owned lots, but not on defence land, and with limits on influence over privately-owned lots.

**Criteria 3-5: Accessibility**

In line with the Shire of Exmouth Local Planning Scheme no.4 clause 3.10.4.1(d), the planning scheme has an objective to encourage the location of tourist facilities so that they may benefit from existing services. To embed this priority, accessibility criteria has been included to ensure that new sites could benefit from existing tourist attractions, natural features, and urban facilities. Broadly, this means that sites within Exmouth are more highly ranked than those outside it.

This also aligns with SPP 6.3, in providing for the achievement of community aspirations and facilitating economic development by ensuring that the benefits of increased tourism are concentrated within Exmouth.

Accessibility was split into three separate criteria:

1. **Criteria 3: road access;**
2. **Criteria 4: tourism attractions; and**
3. **Criteria 5: town centre (determined as driving distance to the Exmouth local post office).**

This was done due to the recognition that sites well-accessed by road may not necessarily provide good access to beaches, and sites close to the beach may not provide good access to shops.

The tourism attractions referenced under Criteria 4 were determined to be a) Turquoise Bay, b) Town Beach, c) Vlamingh Head Lighthouse and d) the Charles Knife Canyon. The driving distance from the relevant site to each location was determined and an average score given. As such, no sites have received a perfect score for location to tourism attractions, but a higher score indicates that the site is better positioned as a base from which to visit these attractions.

**Criteria 6: Aesthetics – The site is appealing to visitors in terms of attractiveness of the surroundings and quietness.**

This is a more subjective criteria and was ranked largely on the basis that the site is located in a quiet, scenic space, which was taken to be more appealing to investors seeking to visualise how a development could be an inviting place in which for visitors to stay.

This was considered important in terms of Local Planning Scheme no. 4 3.10.4.1(d) (benefit from natural features), and Local Planning Scheme Tourism Strategy 1 (encourage a high standard of landscaping and presentation for all new tourism uses).

## Objective 2: Site Readiness

Criteria under Objective 2 involved identifying all potential matters that could impact the viability of development in Exmouth, and then considering which of these issues may be different between sites to assess the impact of variable constraints on development. This was done as certain identified challenges, such as the costs of construction and lack of housing for a workforce, are taken to be the same across the sites and as such have not been included under the MCA framework.

**Criteria 7: Preparedness – The site is prepared for development, including clearing and levelling**

Whether or not a site has already undergone preparation activities such as a clearing and levelling has been taken as a consideration under the MCA, with sites already prepared for development considered more appealing than undeveloped sites as they allow for an immediate start.

Stakeholders have suggested that development costs and attracting a workforce are barriers to development – a pre-prepared site removes a portion of these challenges.

**Criteria 8: Infrastructure – The site is in proximity to existing water supply, sewerage, electricity, and telecommunications**

Infrastructure access and cost has been identified by stakeholders as a major barrier to development. While (to ACIL Allen's understanding) none of the sites identified are fully serviced, a number are located in close proximity to existing infrastructure, which in turn reduces development costs.

Matters such as lack of available water, and potential challenges in power supply from an electricity generation perspective, have been taken to be the same across sites. More work would need to be done to identify whether there are any 'early mover' disadvantages for potential development in Exmouth (i.e. where Developer 1 pays to upgrade power supply to a region and Developer 2 then avoids these costs).

**Criteria 9: Heritage – The site is not impacted by known cultural or environmental constraints**

The Ningaloo region is a UNESCO World Heritage Listed site, with significant biodiversity and Aboriginal heritage sites. Initially, these criteria were separated. They have been combined on the basis that the presence of any cultural heritage or environmental sites on the land identified would cause the same kind of challenge for development.

This aligns with SPP 6.3, in considering the safeguarding of Aboriginal heritage, and protection of high conservation values and biodiversity.

**Criteria 10: Native Title – There is no Native Title applying to the site**

Much of the Crown land surrounding Exmouth is non-exclusive Native Title land. This means that any new development would need to enter into a ILUA with the local RNTBC, which can be a time-consuming process, requiring a level of engagement and negotiation.

While this process itself is more accurately termed a 'consideration' rather than a constraint, we have included it as a differentiating factor, with the understanding that investors may prefer a site without Native Title over one with it.

Per SPP 6.3, safeguarding Aboriginal heritage is extremely important in the Ningaloo region.

**Criteria 11: Hazards – The site does not require extra planning or works to mitigate the potential impact of hazards.**

As discussed in **section 6.2**, the Government Sewerage Policy 2019, State Planning Policy 3.7 and the Special Control Areas (SCAs) place requirements on developers to undertake extra planning or works to mitigate the potential impact of hazards such as bushfires or floods on their development, and the impact of sewerage on the environment.

A site is considered more attractive for development where it is not subject to these requirements.

## Criteria weighting

Criteria weighting ensures that the criteria of most relevance to the outcomes can carry more significance in the overall results. In developing the MCA and criteria weighting, ACIL Allen initially took an approach whereby the appeal of a site and the constraints would contribute equally to the overall scoring of a site. However, this approach undermined the inherent appeal of certain sites in favour of the constraints – which in the main will affect every site to a greater or lesser extent (considering, for example, Exmouth's water supply issues).

As such, the criteria relating to appeal was allocated 60 per cent of the overall weighting, while the criteria relating to site readiness contributed the remaining 40 per cent. The rationale for this weighting is discussed in **Table 6.5**.

ACIL Allen concluded that all constraints on individual sites can ultimately be addressed, however, this would not change the overall appeal of the site as an investment location relative to other sites in a highly constrained area such as Exmouth, nor change a particular sites' ability to contribute to the goals of the Shire of Exmouth.

Table 6.5 MCA objectives: Weighting and rationale

| Objective | Objective weighting (%) | Rationale |
|---|---|---|
| Objective 1: Maximise the appeal of the site. | 60.0% | This objective considers the overall 'appeal' of the site, which is taken as crucial for attracting visitors, encouraging repeat visitation, community support, and enhancing the visitor experience. By considering the appeal of the site, tourism developers can ensure that the destination attracts a steady stream of visitors and provide a memorable experience.<br>As site 'appeal' is often difficult to overcome (subject to the feasibility and methods for doing so), a 60% weighting was allocated to the 'appeal' objective. |
| Objective 2: Maximise site readiness and minimise constraints and encumbrances. | 40.0% | By assessing and understanding constraints or encumbrances on a site, developers can make informed decisions that minimise risks, reduce costs, and ensure the sustainability and success of the tourism development project. Constraints and/or encumbrances can lead to significant challenges, high development costs, legal issues, and/or negative impacts on the environment and local communities.<br>As site constraints can often be overcome (subject to the feasibility and methods for doing so), a 40% weighting was allocated to the 'constraints' objective. |
| Total | 100.0% | |

*Source: ACIL Allen*

ACIL Allen considered that this weighting of importance between the two objectives struck the right balance, ensuring that adequate importance was placed on development constraints, which was highlighted as a significant barrier to development by stakeholders.

**Table 6.6** presents the MCA weighting across the two objectives, and 11 criteria. The following definitions have been made.

— The **objective weighting (%)** reflects how important each objective is in being able to achieve the outcome of the overall assessment. Together the two objectives sum to 100 per cent.

— The **criteria weighting (%)** reflects how important each criteria is in being able to achieve the objective. Criteria under each objective sum to 100 per cent.

— The **effective weighting (%)** reflects the objective weighting multiplied by the criteria weighting to understand the contribution of individual criteria to the overall assessment. The effective weighting of all 11 criteria sum to 100 per cent.

Table 6.6 MCA objectives, criteria, and weighting

| Objective | MCA weighting % | | | Criteria |
|---|---|---|---|---|
| | Objective weight % | Criteria weight % | Effective weight % | |
| Objective 1 (Appeal): The site is an appealing location for the | 60.0% | 35.0% | 21.0% | Criteria 1: The site is zoned to enable tourism development. |
| | | 15.0% | 9.0% | Criteria 2: Ownership of the site is such to enable development immediately. |

| | | | | |
|---|---|---|---|---|
| development of tourism accommodation. | | 12.5% | 7.5% | Criteria 3: The site is accessible via road to enable development (per 3.10.4.1(d) of the Scheme). |
| | | 12.5% | 7.5% | Criteria 4: The site is within close proximity to tourism attractions, including beaches, the reef, the ranges, and tours |
| | | 12.5% | 7.5% | Criteria 5: The site is accessible to town amenities, such as restaurants, cafes, and shops |
| | | 12.5% | 7.5% | Criteria 6: The site is appealing to visitors in terms of attractiveness of the surroundings and quietness. |
| Objective 1 total | | 100.0% | 60.0% | |
| Objective 2 (Site Readiness): The site can be developed quickly and affordably, without any potential challenges. | 40.0% | 25.0% | 10.0% | Criteria 7: The site is prepared for development, including clearing and leveling. |
| | | 25.0% | 10.0% | Criteria 8: The site is in proximity to existing water supply, sewerage, electricity, and telecommunications |
| | | 20.0% | 8.0% | Criteria 9: The site is not impacted by known cultural or environmental constraints. |
| | | 20.0% | 8.0% | Criteria 10: There is no Native Title applying to the site. |
| | | 10.0% | 4.0% | Criteria 11: The site is not in a Special Control Area. |
| Objective 2 total | | 100.0% | 40.0% | |

*Source: ACIL Allen*

The rationale for individual criteria weightings under each objective is presented in **Table 6.7**.

Table 6.7 MCA criteria weighting rationale

| Criteria | Weighting | Weighting rationale |
|---|---|---|
| Objective 1: Appeal – 60.0% allocation | | |
| Criteria 1 (Zoning): The site is zoned to enable tourism development. | 35.0% | Zoning was given the highest weighting as it provides the boundaries in which certain types of development can take place. This framework dictates where certain activities can be located, shaping the overall layout of a community and sending signals to prospective developers. Where zoning does not permit certain uses of land (for example, tourism accommodation), developers are unlikely to begin planning for such developments on that site, greatly reducing its attractiveness as a development location.<br>Scoring: Tourism (100%), Special Use land with tourism as a component (80%), urban development (10%), mixed-use, rural, commercial and residential (5%), not tourism zoned (0%) |
| Criteria 2 (Tenure): Tenure of the site is such to enable development immediately. | 15.0% | Tenure of the site was weighted highly as different types of tenure infer different kinds of challenges for prospective developers in gaining access to sites.<br>Scoring: Private land and Crown Land (100%), Unallocated Crown Land (60%), pastoral lease (10%), defence land (0%). |

| | | |
|---|---|---|
| Criteria 3 (Road Access): The site is accessible via road to enable development. | 12.5% | Access to the site via road has been weighted relatively high due to its likely impact on the ability of developers to access the site with construction equipment.<br>Scoring: Very high (100%), above average (75%), average (50%), below average (25%), very low (0%) |
| Criteria 4 (Attractions): The site provides accessibility to tourism attractions, including Turquoise Bay, Vlamingh Head Lighthouse, Town Beach, and Charles Knife Canyon. | 12.5% | Criteria 4, 5 and 6 were weighted equally as they all contribute to a subjective sense of appeal, which is crucial in evaluating the development potential of a potential tourism accommodation site. Taken together, these factors provide a good overview of the attractiveness of the site from a visitor viewpoint.<br>Criteria 4 considers whether the site location provides appropriate access to a range of tourism attractions, specifically including access to Turquoise Bay, Vlamingh Head Lighthouse, Town Beach, and Charles Knife Canyon. Driving distance to each of these locations was determined and then the average score was taken. As such, no site scores 100% for this criteria, but higher ranking indicates a better location from which to experience all that Exmouth has to offer. |
| Criteria 5 (Town): The site provides accessibility to town amenities, such as restaurants, cafes, and shops. | 12.5% | Criteria 5 considers whether the site location provides access to service and community amenities within the town, such as restaurants, cafes and shops by determining the driving distance from the site to the Exmouth local post office in the town centre. This criteria was included to provide a means of judging a location based on its likely contribution to the town economy, with sites located close to the townsite considered more likely to lead to these broader benefits.<br>Scoring: Less than 15min drive (100%), 16-30min drive (75%), 31-45min drive (50%), 46-1hr drive (25%), over 1hr drive (0%) |
| Criteria 6 (Aesthetic): The site itself is appealing to visitors. | 12.5% | Criteria 6 considers whether the site itself is appealing, in terms of factors such as natural amenities, scenic views, proximity to main roads or flight paths (which would enhance noise and pollution at the site).<br>Scoring: Very high (100%), above average (75%), average (50%), below average (25%), very low (0%) |
| Total Objective 1 | 100.0% | |
| Objective 2: Site Readiness – 40.0% allocation | | |
| Criteria 7 (Prepared): The site is prepared for development, including clearing and leveling. | 25.0% | The overall preparedness of the site, such as whether clearing and levelling have occurred, is important in determining how much work will be required to bring the site up to 'development-ready', and as such impact on both time and cost for undertaking development.<br>Scoring: Very high (100%), above average (75%), average (50%), below average (25%), very low (0%) |
| Criteria 8 (Infrastructure): The site is in proximity to existing water supply, sewerage, electricity, and telecommunications. | 25.0% | Access to infrastructure is very important in considering the development of a site as it has the potential to significantly increase the complexity and cost of undertaking development. This is ranked based on proximity to infrastructure, as it was found that none of the sites were actively connected to infrastructure, with proximity instead used to signal expected magnitude of development costs.<br>Scoring: Within 500m (100%), 501m-1km (75%), 1.01 – 5km (50%), 5.01 – 10km (25%), over 10km (0%) |

| | | |
|---|---|---|
| Criteria 9 (Heritage): The site is not located on a heritage site – Aboriginal, or environmental. | 20.0% | These criteria were weighted equally due to the level of overlap between Native Title and heritage.<br>When combined, these scores are highly weighted, giving appropriate prominence to the importance of heritage and Native Title.<br>For ease of understanding and to avoid double negatives, these criteria have been framed as the following questions in the MCA: 'Is the site located on a heritage site?' and 'Is the site subject to Native Title?'<br>Scoring: Yes (0%) or no (100%) |
| Criteria 10 (Native Title): There is no Native Title applying to the site. | 20.0% | |
| Criteria 11 (Hazards): The site does not require extra planning or works to mitigate the potential impact of hazards. | 10.0% | This criteria speaks to the need for developers to undertake extra planning or works to mitigate the potential impact of hazards such as bushfires, floods, or the impact of sewerage on the environment.<br>This criteria is important, but is weighted relatively low due to its relationship with Criteria 7 (site preparedness). When used in conjunction with Criteria 7, the combined score speaks to a sites readiness for tourism accommodation development, given that in most cases, work can be undertaken to address or mitigate the relevant hazard. For example, where a site has been cleared, raised and levelled (which would contribute to a high score under site preparedness), it would likely have addressed any floodplain concerns at the same time.<br>As such, scoring has been done on the number of hazards present at a site, with 'low' indicating the presence of one theoretically mitigatable hazard. These issues are considered to be: SCA3 – Exmouth Power Station; SCA5 – Floodplain, SCA6 – Minilya-Exmouth Road, Bushfire Prone Area, and adherence to the Government Sewerage Policy 2019 (for those unable to connect to existing waste water systems).<br>SCA2 – Exmouth Waste Water Treatment Plant is considered to automatically contribute to a 0% rating under this ranking, as mitigating SCA2 is understood to require moving the relevant waste water plant.<br>Scoring: No hazards (100%), one hazard present(75%); two hazards present (50%); three hazards presents (25%); four or more hazards present, or SCA2 (0%) |
| Total Objective 2 | 100.0% | |

*Source: ACIL Allen*

## Example scoring assessment

**Table 6.8** presents an example of the MCA which has been applied to a hypothetical site (see 'Example score'). This example replicates how the MCA was conducted for each site in Section 6.4 below.

In total, this example scores the site 48.0 out of a possible 100, reflecting a mix of favourable and unfavourable scores across the 'appeal' and 'constraints' criteria.

Table 6.8 Example of criteria scoring

| Criteria | Weight % | Example score | MCA score |
|---|---|---|---|
| Objective 1: Appeal | 60.0% | | |
| Criteria 1 (Zoning): | 35.0% | Residential: 10% | 35%*10% = 3.5% |
| Criteria 2 (Tenure) | 15.0% | Crown Land: 60% | 15%*60% = 9.0% |
| Criteria 3 (Road Access) | 12.5% | Very low: 0% | 12.5%*0% = 0.0% |
| Criteria 4 (Attractions) | 12.5% | TuB: 46min-1hr: 25%<br>VHL: 16-30min: 75%<br>ToB: <15min: 100%<br>CKC: 16-30min: 75% | (.25+.75+1+.75)/4=.69<br>12.5%*69% = 8.6% |
| Criteria 5 (Town) | 12.5% | Less than 15min drive: 100% | 12.5%*100% = 12.5% |
| Criteria 6 (Aesthetic) | 12.5% | Very high: 100% | 12.5%*100% = 12.5% |
| Objective 1 sub-total | | | Sum = 50.0% |
| Sub total multiplied by Objective 1 weighting | | | 46.1% * 60% = 27.7% |
| Objective 2: Site Readiness | 40.0% | | |
| Criteria 7 (Prepared) | 25.0% | Very low: 0% | 25%*0% = 0% |
| Criteria 8 (Infrastructure) | 25.0% | Within 500m: 100% | 25%*100% = 25% |
| Criteria 9 (Heritage) | 20.0% | Yes: 0% | 20%*0% = 0% |
| Criteria 10 (Native Title) | 20.0% | No: 100% | 20%*100% = 20% |
| Criteria 11 (Hazards) | 10.0% | Four or more hazards: 0% | 10%*0% = 0% |
| Objective 2 sub-total | | | Sum = 45.0% |
| Sub total multiplied by Objective 2 weighting | | | 45.0% * 40% = 18.0% |
| Total MCA score | | | 45.7 / 100 |

*Source: ACIL Allen*

## 6.4 Site Assessment

A description of each of the eight sites included in ACIL Allen's MCA, the rationale for scoring, and MCA results are presented in this section. See **Appendix C** for an overview of the MCA, including individual scores.

### Lot 1403 Truscott Crescent, Exmouth

Lot 1403 Truscott Crescent is located within Exmouth. It has been ranked relatively highly under the MCA, owing primarily to its location and proximity to infrastructure. On the basis of location and size, ACIL Allen consider that this site would be suitable for the development of a hotel or resort. However, this is not permissible under current zoning regulations.

The site is zoned as SU4 under the Scheme. The Scheme outlines that an objective for SU4 is to cater for the current and future supply of affordable tourist accommodation, principally in the form of caravan parks and camping grounds, to meet current and anticipated demand.

The Scheme permits caravan parks and camping grounds on the site, with a motel only permitted as an incidental use. In this regard, a higher-end accommodation product is only capable of being approved under the current Scheme should a camping ground or caravan park be established prior as the predominant use.

Figure 6.5 Lot 1403 Truscott Crescent, Exmouth (9.8 hectares (ha))

*Source: Map 01 – Exmouth Townsite North: https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information*

Despite the restrictive zoning, the site has a high score under the MCA, given that the local government has the ability to initiate a local planning scheme amendment to permit a hotel, motel and/or tourism development as a permitted or discretionary land use.

Table 6.9 Lot 1403 Truscott Crescent – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | SU4 | The site is zoned SU4, meaning that for tourism accommodation purposes, it can be developed as:<br>– P use: camping ground; caravan park<br>– I use: ancillary dwelling; motel; single house (managers residence).<br>The site itself could be built up to its two-storey limit in order to provide sea views to some of the rooms if developing a motel. The site cannot be built higher than two storeys. |
| Criteria 2 (Tenure): | Crown Land | The site is located on Crown Land, meaning that the land could potentially be released to an investor for development. |
| Criteria 3 (Road Access): | Above average | Road access has been assessed as 'above average', owing to much of the site fronting Truscott Crescent, and the presence of a dirt track located in the middle of the site that could be utilised during development. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 45 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 15 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse.<br>This score indicates that the site provides a good base from which to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Very high | The site provides very high accessibility to town amenities, being located within a 15 minute drive of the Exmouth Town Centre (determined by the location of the Exmouth post office). |

| | | |
|---|---|---|
| Criteria 6 (Aesthetic): | Very high | The site is considered highly attractive to visitors, as it is located close to the beach and has likely seas views where development of two storey accommodation is undertaken.<br>The site is also located away from the Minilya-Exmouth Road, which minimises traffic noise. |
| Criteria 7 (Prepared): | Very low | The site is not at all prepared for development. worksite works are required to clear, raise and level the ground before work could start. |
| Criteria 8 (Infrastructure): | Above average | This site is located between 500m and 1km away from existing servicing infrastructure. |
| Criteria 9 (Heritage): | No | There are no heritage sites present on the site. |
| Criteria 10 (Native Title): | No | There is no Native Title on the site. |
| Criteria 11 (Hazards): | Yes | Approximately 3.2 hectares of the site is within the Floodplain Special Control Area (SCA5) under the Scheme. The purpose and objectives of SCA5 are outlines in Section 5.6 of the Scheme and includes a general presumption against development within the floodplain unless hydraulic modelling has been prepared to the satisfaction of DWER and suitable controls are in place to ensure that development does not encroach into the high hazard area of the floodplain.<br>The site is located within a Bushfire Prone Area. |
| Total | 77/100 | This is an attractive site for the prospective development of tourism accommodation, particularly two-storey development to leverage sea views. To encourage development, government could amend the Scheme to permit higher yielding accommodation development as the predominant land use.<br>Given the overall attractiveness of the site, ACIL Allen considers that this site would be suitable for a high-end motel/hotel or resort, noting that a motel is ranked as an 'I' use, meaning it must be incidental to the predominant use (presumably a caravan park or camping ground). |

*Source: ACIL Allen*

## Lots 848 and 715 Truscott Crescent, Exmouth

Lots 848 and 715 Truscott Crescent are two sites located next to each other within Exmouth.

The sites have been highly rated for many of the same reasons as Truscott Crescent Lot 1403 (location and proximity to infrastructure). Lots 848 and 715 are considered more desirable than Lot 1403 as they have been cleared, raised and levelled, meaning that development work on this site could start immediately following development approval.

As with Lot 1403, ACIL Allen considers that the amalgamated sites would be ideal for a hotel or resort. Individual sites may be too small to accommodate a resort, but may be adequate for a hotel. Given that these sites are zoned tourism, there would be no need for a scheme amendment to undertake this work.

However, any prospective development on this site is likely to be complicated by the fact that the sites are individually owned. This means a developer would likely need to either purchase both sites, or negotiate with the other sites owner to enable development to be undertaken. While not insurmountable, this has been recognised in the MCA.

Figure 6.6 Truscott Crescent Lots 848 (3.5 ha) and 715 (3.4 ha)

*Source: Map 02 - Exmouth Townsite Middle: [https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information](https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information)*

Table 6.10 Truscott Crescent Lots 848 and 715 – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Tourism | The sites are zoned 'tourism', meaning that zoning does not represent a hurdle to the majority of development, noting that camping grounds and caravan parks are not permitted under this zoning. |
| Criteria 2 (Tenure): | Private (0%) | Both sites are privately owned by different landowners. Typically, this situation would receive a 100% rating. However, in this case, a 0% rating has been assigned due to the challenges associated with negotiating with two separate landowners for site acquisition or development. |
| Criteria 3 (Road Access): | Above average | Road access has been assessed as 'above average', owing to most of the site fronting Truscott Crescent.<br>Lot 715 has alternative access to Warne Street. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 46 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 16 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse.<br>This score indicates that the site provides a good base from which to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Very high | The site provides very high accessibility to town amenities, being located within a 15 minute drive of the Exmouth Town Centre (determined by the location of the Exmouth post office). |
| Criteria 6 (Aesthetic): | Very high | The sites are considered highly attractive to visitors, located close to the beach (with sea views likely if development of two-storey accommodation is undertaken) and off the main road to minimise traffic noise. |

| | | |
|---|---|---|
| Criteria 7 (Prepared): | Very high | The sites have been cleared and leveled, which would enable an immediate start to development. |
| Criteria 8 (Infrastructure): | Very high | The sites are located within 500m of existing infrastructure including water services and electricity. |
| Criteria 9 (Heritage): | No | There are no known heritage sites. Native title has been extinguished |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | Low | The site is located in a bushfire prone area, and must undergo further assessment of risk prior to build. |
| Total | 83/100 | This is a highly attractive site for the prospective development of tourism accommodation. However, there is a major constraint for the site in that the sites are separately owned. Individual site attractiveness would be impacted should the neighboring site be developed. |

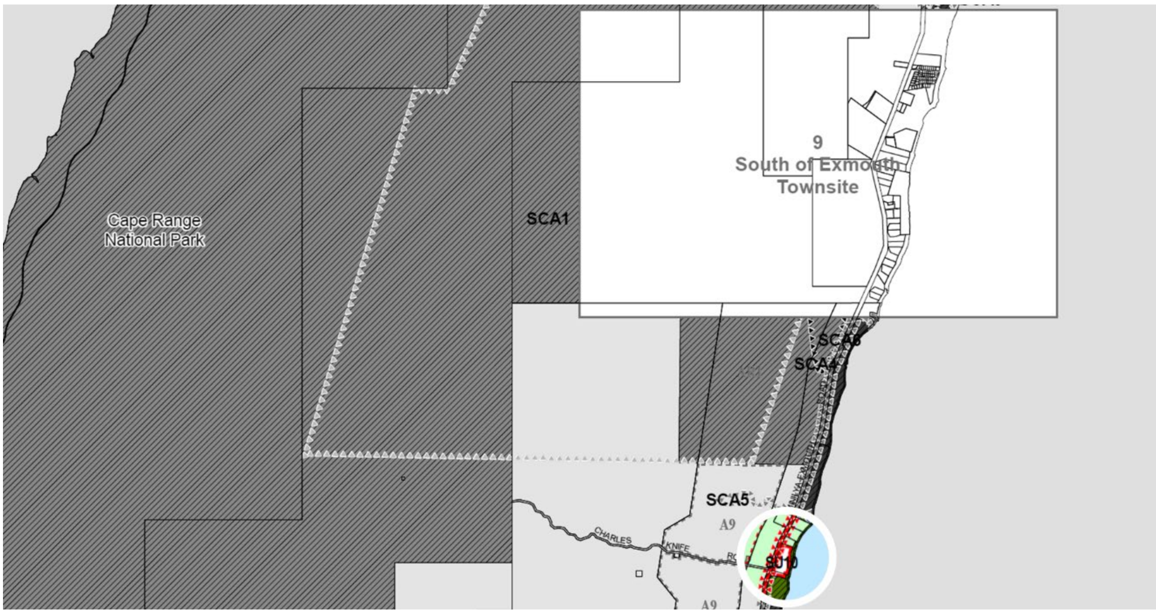
*Source: ACIL Allen*

# Lot 220, Lot 1, Lot 101, Lot 112 Minilya-Exmouth Road

Lot 220, Lot 1, Lot 101, Lot 112 Minilya-Exmouth Road are located just over 20 kilometres south of Exmouth. The MCA considers all four lots as one development site, given they are in single ownership (with Lot 112 in the process of transferring from Crown Reserve to Freehold).

Given that the current owner has plans to develop the site, ACIL Allen has refrained from commenting on what could be developed at this location.

Figure 6.7 Lot 220 (11 ha), Lot 1 (12.6 ha), Lot 101 (2040 m$^2$), Lot 112 (4 ha) – Kailis land sites




*Source: Map 04 – Exmouth Townsite Surrounds: https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information*

Table 6.11 Lot 220, Lot 1, Lot 101, Lot 112 Minilya-Exmouth Road

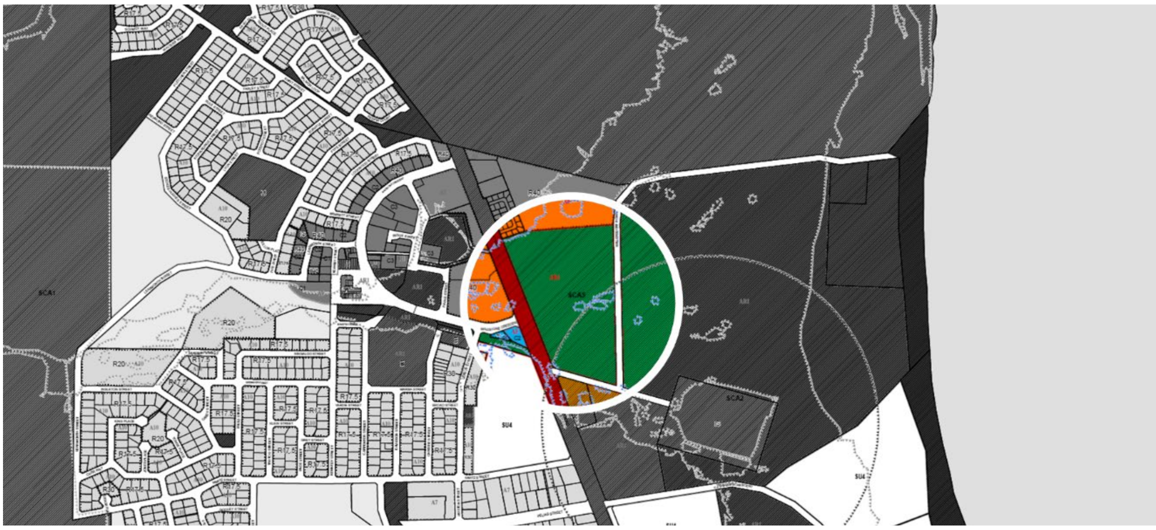
| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | SU10 | The sites are zoned SU10, with the following uses provided for:<br>– P use: camping ground; caravan park; holiday accommodation<br>– I use: caretaker's dwelling; staff accommodation. |
| Criteria 2 (Tenure): | Private | These sites are owned by a private developer, with Lot 112 in the process of transferring from Crown to freehold land. |
| Criteria 3 (Road Access): | Very high | Road access has been assessed as 'very high', given that there is access off Minilya-Exmouth Road onto a private road (Kailis Road). |
| Criteria 4 (Attractions): | Average | The site provides average accessibility to tourist attractions, being located:<br>– over an hour's drive from Turquoise Bay<br>– between 16 and 30 minutes to Town Beach<br>– less than 15 minutes drive from Charles Knife Canyon<br>– a 31-45m minute drive to Vlamingh Head Lighthouse.<br>This score indicates that the site provides an average base from which to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Above average | The site is located within a 16-30 minute drive of Exmouth, and as such has been ranked 'above average' for accessibility. |
| Criteria 6 (Aesthetic): | Average | The site has been ranked as average in terms of its overall visitor appeal. It is close to the main road, with limited surrounding infrastructure. There is direct access to a beach. |
| Criteria 7 (Prepared): | Above average | The site has been ranked as above average, given that there is already accommodation located onsite. |
| Criteria 8 (Infrastructure): | Very high | This site is located within 500m of existing infrastructure at adjacent sites under single ownership. It is outside ACIL Allen's scope to be able to comment on whether this infrastructure is sufficient to enable development to go ahead without any augmentation. |
| Criteria 9 (Heritage): | No | Given the existing level of land disturbance, there are unlikely to be any heritage sites.<br>Native Title is extinguished on private freehold land. |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | Mod. | The sites are located in a bushfire prone zone, and subject to the provisions of the Government Sewerage Policy 2019. Although the Kailis site currently has sewerage this is very likely private septic and as such any additional connections or capacity increases would need to comply with this policy, hence it is referenced here. |
| Total | 82/100 | These sites are attractive for development under the parameters set in the MCA. It is understood that the current landholder has plans to develop this area. |

*Source: ACIL Allen*

## Lot 1419 – Northern Recreation Ovals and surrounds

Lot 1419 is located within Exmouth. It has been ranked as slightly above average under the MCA, predominantly due to the site's location in close proximity to the town centre and infrastructure. However, there are a number of constraints that make this site highly unlikely to be developed in the near term.

Figure 6.8 Lot 1419 – Northern Recreation Ovals and surrounds (17.7 ha)



*Source: Map 01 – Exmouth Townsite North: https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information*

Critically, rezoning of this site would need to occur prior to any development being undertaken. This is complicated by two factors: the WA Planning Commission's 10 per cent open space requirement, and the location of the waste water treatment plant, meaning the site is impacted by SCA2 - Exmouth Waste Water Treatment Plant.

The oval contributes to the open space required under the WA Planning Commission's requirements, and as such rezoning would need to consider whether Exmouth is still compliant with this. An open space audit was carried out in Exmouth in 2013, which identified that at the time, Exmouth exceeded this requirement. It is unclear whether this is still the case.

SCA2 provides for a buffer zone around the Exmouth Waste Water Treatment Plant to minimise its impacts on residential and other sensitive uses. Development applications must have regard to Water Corporation advice on compatible and beneficial land uses within the buffer, and the potential odour impact of the plant on development. It is unlikely that development of this site could occur without the relocation of this plant. This is under consideration by Water Corporation as a medium to long-term plan for the town.

Table 6.12 Lot 1419 – Northern Recreation Ovals – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Public Open Space | The site is a Public Open Space Reserve, meaning that it is to be used to provide for a range of active and passive recreation uses. It is also classed as AR1, allowing additional use for:<br>– D use: Major event<br>Under the Scheme, a major event means an event and/or activities that attracts more visitors than Exmouth can cater for. Uses include temporary approval for camping, caravan parks, bed and breakfast, holiday accommodation, and holiday house.<br>As such, the development of this site for tourism accommodation would require a scheme amendment. |

| | | |
|---|---|---|
| Criteria 2 (Tenure): | Crown Land | The site is Crown Land managed by the Shire, and as such (subject to rezoning) could be released to enable development.<br>However, the WA Planning Commission sets a 10 per cent 'public open space' requirement. Per the Strategy, an 'Open Space' audit was carried out in Exmouth in 2013, which identified that Exmouth (at that time) exceeded this requirement. It is unclear whether this is still the case, and how difficult rezoning may be. |
| Criteria 3 (Road Access): | Very high | Road access has been assessed as 'very high' as most of the site is accessible either from Murat Road, or via Willersdorf Road. This will enable access either directly off busy Murat Road (for larger vehicles), or via quieter side streets, enhancing accessibility. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 46 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 16 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse.<br>This score indicates that the site provides a good base from which to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Very high | The site provides very high accessibility to town amenities, being located less than a 15 minute drive from the town centre. |
| Criteria 6 (Aesthetic): | Average | The site has been ranked as average in terms of its overall visitor appeal. This was determined based on its close proximity to the main road and likely associated traffic noise, lack of view of the ranges or the sea, and the relative distance of this site to a beach. |
| Criteria 7 (Prepared): | Below average | The site has been ranked as below average, as while there has been some clearing to enable an oval, there has been no groundworks undertaken. |
| Criteria 8 (Infrastructure): | Yes | This site is located near existing infrastructure – noting that it is not currently connected and as such connection will carry an associated cost. |
| Criteria 9 (Heritage): | No | Given the existing level of land disturbance, there are unlikely to be any heritage sites.<br>Native Title is extinguished on private freehold land. |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | Extreme | The site is subject to SCA 2 – Exmouth Waste Water Treatment Plant and SCA5 - Floodplain.<br>Addressing the requirements of SCA5 is possible through hydraulic modelling and implementing controls such as raising of land.<br>However, complying with SCA2 will involve a prospective developer working with the Water Corporation and demonstrating that short-stay accommodation is a 'beneficial land use' within the buffer zone, and demonstrating how the potential odor impact can be minimized. |
| Total | 60/100 | While this site is well-located in proximity to the town centre, its location next to a main road, as well as it being subject to SCA2 and SCA5, make it relatively unattractive as a location for tourism accommodation development.<br>In addition, development on this site is likely to require the identification of alternative open space, and the relocation of State infrastructure. |

*Source: ACIL Allen*

# Lot 1586 - Exmouth Gulf Pastoral Station

Lot 1586 – the Exmouth Gulf Pastoral Station – is a large station located south of Exmouth.

The Exmouth Gulf Pastoral Station has ranked poorly under the MCA, owing to the number of challenges facing any potential development on this site, including zoning, negotiation with the current pastoral lease holder, poor access to the majority of the site, low level of accessibility to other regions, low level of site preparedness, lack of infrastructure, and presence of environmental heritage and Native Title.

It is important to note that the MCA has been undertaken at the midpoint of the site. Development potential is likely to be somewhat different on the west-most and east-most areas of the station, however the significant constraints are likely to be the same.

The current zoning of the site means that it could be used to develop a holiday house, holiday accommodation, camping ground, caravan park, car park. Given the site size, it could accommodate multiple such developments.

Figure 6.9 Exmouth Gulf Pastoral Station (area in colour) (58,317 ha)

*Source: Map 05 – Learmonth locality*

Table 6.13 Exmouth Gulf Pastoral Station – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Rural A9 | The site is zoned Rural A9, and can be used for:<br>– D use: holiday house, holiday accommodation, camping ground, caravan park, car park.<br>The primary purpose of this zoning is to facilitate a 'major event' within the Shire, meaning further discussion with the Shire may be required to enable development. |
| Criteria 2 (Tenure): | Pastoral lease | The site is held via pastoral lease. Negotiation with the lease holder would be required before development could start. |
| Criteria 3 (Road Access): | Below average | This was rated as below average. While there is decent road access to parts of the site, overall, there are many inaccessible areas. |

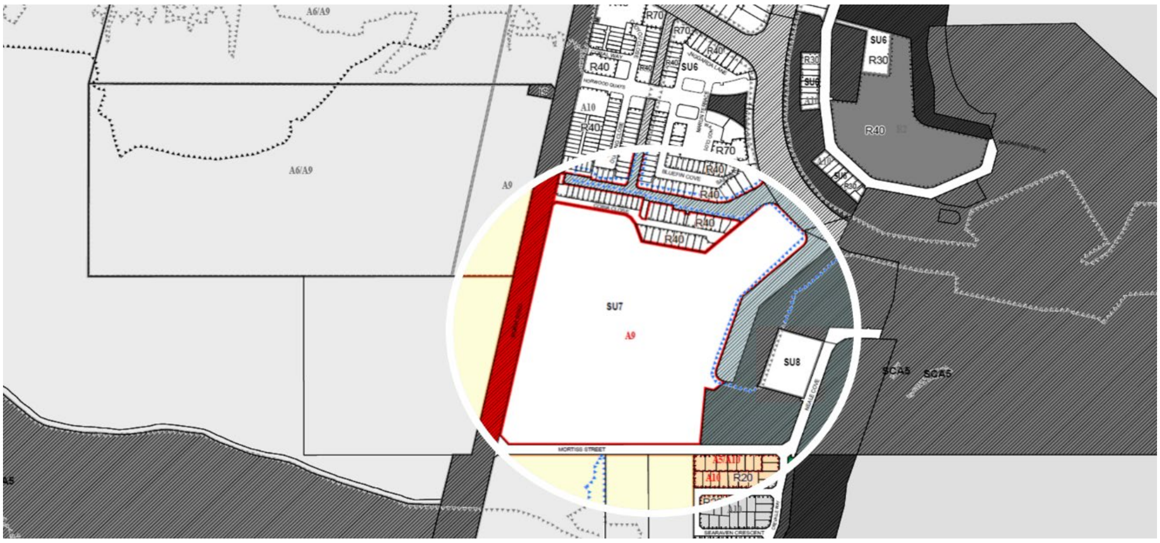
| | | |
|---|---|---|
| Criteria 4 (Attractions): | Below average | This site has been ranked as below average for proximity to attractions, as it is:<br>– over an hours drive from Turquoise Bay<br>– 31-45 minutes drive from Town beach and Vlamingh Head Lighthouse<br>– a 16-30 minute drive to Charles Knife Canyon.<br>This remoteness could be an asset depending on the kind of development, however does not score well under the parameters of this MCA. |
| Criteria 5 (Town): | Average | The site is located between 31-45 minute drive from the town centre. |
| Criteria 6 (Aesthetic): | Below average | There are various areas within the site that would be appealing to develop, however the majority of the site has been ranked as 'below average. |
| Criteria 7 (Prepared): | Very low | This site is not prepared for development. |
| Criteria 8 (Infrastructure): | Very low | There is no infrastructure available at the site and the site is located over 10km from existing assets, meaning a developer would need to provide these services themselves. |
| Criteria 9 (Heritage): | Yes | Parts of the site (the Bay of Rest and Point Lefroy – where the inlet meets the peninsula) are co-located with significant mangrove sites. The Environmental Protection Agency has recommended the review and update of its policy and guidance for the Protection of Tropical Arid Zone Mangroves along the Pilbara Coastline (2001) to support the protection of key values in the Exmouth Gulf.<br>In the 2001 guidance, the EPA has stated that no development should take place which would adversely affect the mangrove habitat, the ecological function of these areas, and the maintenance of ecological processes which sustain the mangrove habits, and flagged that it would adopt a presumption against finding proposals in this area environmentally acceptable. |
| Criteria 10 (Native Title): | Yes | This site is subject to non-exclusive Native Title, meaning that an ILUA will be required to develop the site. |
| Criteria 11 (SCA): | High | The site is located within a Bushfire Prone Area and subject to the Government Sewerage Policy 2019. In addition, parts of the area are subject to SCA5 – Floodplain.<br>While this is ranked 'high' rather than 'extreme', it should be noted that the remoteness of this site, and low levels of development preparedness means that rectifying these issues is likely to be more challenging than for sites located within Exmouth (for example, access to water to mitigate bushfire risk is more challenging at this site than the Truscott Sites). |
| Total | 13/100 | The Exmouth Gulf Pastoral Station has been ranked very low according to the MCA due to zoning challenges, the presence of pastoral lease, lack of infrastructure, and potential for environmental heritage implications. |

*Source: ACIL Allen*

# Lot 9510 – "Supa Lot D"

Lot 9510 is located at the southern end of Exmouth, in close proximity to the Marina. Zoned SU7, it can be used for a bed and breakfast, holiday accommodation, holiday home, hotel, or motel.

Figure 6.10 Lot 9510 – Supa Lot D (17.9 ha)




*Source: Map 02 – Exmouth Townsite Middle:* [https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information](https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information)

ACIL Allen would suggest that the space be used to fill the high-end accommodation gap, given its ability to cater for resort-style accommodation.

Table 6.14 Lot 9510 – Supa Lot D – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Special Use | The site is zoned SU7, with the following uses permitted:<br>– D use: bed and breakfast; grouped dwelling; holiday accommodation; hotel; motel; single house; tourist development.<br>However, development on the site requires amendments to the existing Exmouth Marina Village Outline Development Plan and new Design Guidelines to be prepared for the structure plan area. |
| Criteria 2 (Tenure): | Crown Land | The site is owned by the State and managed by Development WA. |
| Criteria 3 (Road Access): | Very high | The site is well-connected via road, with access from the main road or via a quieter side street. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 46 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 16 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse.<br>This score indicates that the site provides a good base from which to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Very high | The site is within 15 minutes drive of the Exmouth town centre. |

| | | |
|---|---|---|
| Criteria 6 (Aesthetic): | High | The site has been ranked as highly attractive from a tourism perspective, given its close proximity to the marina and with potential sea views. However, part of the site looks out over the Minilya-Exmouth Road, which depending on the orientation of a development, may decrease the amenity of rooms located on the western edge of the site. |
| Criteria 7 (Prepared): | High | The majority of the site has been cleared and levelled to enable an immediate start to staged development. Part of the site remains uncleared, with a Go Kart facility remaining on the south west corner. |
| Criteria 8 (Infrastructure): | Very high | The site is located within 500m of existing infrastructure. However, there may be work required to ensure that the infrastructure can manage a higher level of use (e.g. power, communications, water services). |
| Criteria 9 (Heritage): | No | The site is not located on a heritage or Native Title Site. |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | Low | Part of the site (the more undeveloped south eastern edge) is within a Bushfire Prone Zone, which would require work to rectify. |
| Total | 88/100 | Supa Lot D is considered to have a high potential for tourism. It has appropriate zoning, favourable ownership, and a good location. |

*Source: ACIL Allen*

## Crown Lot 1319 and Lot 1493 – 'The Paddock'

Lots 1319 and 1493 are located across the road from Supa Lot D, within the town of Exmouth.

Lot 1493 (the southernmost lot) is entirely undeveloped, while part of Lot 1319 was raised and levelled as an 'overflow' caravan park for the TSE event.

Figure 6.11 Crown Lot 1319 (63.2244 ha) and Lot 1493 (31.8 ha) – 'The Paddock'

*Source: Map 02 – Exmouth Townsite Middle: https://www.wa.gov.au/government/document-collections/shire-of-exmouth-planning-information*

'The Paddock' has ranked just below average on the MCA, due to the mostly undeveloped nature of the site that requires significant groundworks to clear, the significant risk of flooding and the location of the power station. In addition, its location on the western side of Murat Road makes it less desirable than the sites on the eastern side, as visitors will need to cross the main road in order to access Town Beach and the foreshore.

However, the site is within the town limits and in proximity to a range of town amenities. A developer with significant capital could develop any type of tourism accommodation, with the northern end already providing a limited amount of cleared land that could potentially be utilised – noting that the majority of the site is underdeveloped.

Table 6.15 Crown Lot 1319 and Lot 1493 – 'The Paddock' – scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Urban development<br>A6; A9<br>SCA3 | The site is zoned for urban development, meaning that while it could in theory be used for tourism accommodation, this is subject to the Shire's agreement. |
| Criteria 2 (Tenure): | Crown Land | The land is currently owned by the Crown, with a management order to the Shire of Exmouth. |
| Criteria 3 (Road Access): | Average | The site has been rated as average in terms of access. While the site is close to the main road, much of the site would be difficult to access due to its uncleared nature.<br>Murat Road is managed by Main Roads WA. Should development require direct access from Murat Road, the local government would refer the application to Main Roads WA for comment. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 46 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 16 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse.<br>This score indicates that the site us well positioned for guests to undertake tourist activities in Exmouth. |
| Criteria 5 (Town): | Very high | The site is located within a 15 minute drive from the Exmouth town centre. |
| Criteria 6 (Aesthetic): | Below average | The sites have been rated as below average, given that it does not have good visibility of the ocean or the ranges, and is separated from the beach by a main road and a residential subdivision. |
| Criteria 7 (Prepared): | Below average | While a small portion of the northern end of Lot 1391 has been cleared, levelled and raised, the vast majority of the site is under developed, with thick bush and rocks covering most of the area. |
| Criteria 8 (Infrastructure): | Average | Parts of the site are relatively close to existing infrastructure, however most of the site is between 1 and 5km from services. |
| Criteria 9 (Heritage): | No | The site is not subject to heritage or Native Title. |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | High | The majority of the sites are impacted by SCA3 – Power Station and SCA5 – Floodplain, which will increase the work required to develop the sites. In addition, the sites are located within a bushfire prone area. |
| Total | 50/100 | This site has been ranked as average due to the number of constraints. |

*Source: ACIL Allen*

## Exmouth Boat Harbour

While not identified as a site for the TSE, the Exmouth Boat Harbour is a highly prospective site for future development. The Exmouth Boat Harbour is assigned to the Department of Transport's (DoT) care under the *Land Administration Act 1997* and the *Marine and Harbours Act 1981,* and subject to the Local Planning Policy 3 - Exmouth Boat Harbour (LPP3).

Under LPP3, short stay accommodation is a permitted use in Precinct 2 (the area of land containing the buildings marked C, D, E and F in **Figure 6.12**). The objectives of this precinct are to:

— promote maritime commercial, retail, tourist and recreational activities having a leisure orientated focus

— ensure the streetscape and built form along the Madaffari Road frontage create an attractive entry statement into the north harbour with buildings designed to complement the streetscape of adjoining resort development

— promote pedestrian movement along the waterfront through a built form response to consider orientation and the location of major openings.

Approval of new developments in this area are still subject to Development Applications, with the proposal required to be signed by DoT prior to the application being lodged with the Shire of Exmouth.

Figure 6.12 Exmouth Boat Harbour Master Plan (31.7 ha, includes water)


*Source: Department of Transport*

A zoning map has not be utilised in this section as the zoning for the Boat Harbour is not clearly visible, unlike the comparable map from DoT.

Table 6.16 Exmouth Boat Harbour - scoring

| Criteria | Score | Score rationale |
|---|---|---|
| Criteria 1 (Zoning): | Special Use Tourist | The zoning for the Exmouth Boat Harbour is unclear under the Scheme. Under the LPP3, the harbour is divided into precincts, which can accommodate different uses, one of which is short stay accommodation. As such, it has been ranked as 'special use – tourist' under the MCA to reflect this. |

| | | |
|---|---|---|
| Criteria 2 (Tenure): | Crown Land | The site is owned by the State and managed by the Department of Transport, who is actively seeking investors. |
| Criteria 3 (Road Access): | Above average | The site is well-connected via road, with access from the same road that services Mantarays.<br>This has been ranked 'above average' as the marina is already a tourist attraction within Exmouth. Developing this site further will likely increase traffic on an already well-utilised road within Exmouth and could cause congestion issues. |
| Criteria 4 (Attractions): | Above average | The site provides above average accessibility to tourist attractions, being located:<br>– between a 46 minutes and 1 hour drive to Turquoise Bay<br>– below 15 minutes drive to Town Beach<br>– between 16 and 30 minutes drive to Charles Knife Canyon and Vlamingh Head Lighthouse. |
| Criteria 5 (Town): | Very high | The site is located within a 15 minute drive from the Exmouth town centre. |
| Criteria 6 (Aesthetic): | Very high | The site is highly attractive from a tourism perspective, located on the marina with associated, and exceptional, views over the ocean. |
| Criteria 7 (Prepared): | Very high | The site has been cleared and level, which would enable an immediate start to development. |
| Criteria 8 (Infrastructure): | Yes | Its location within the town and close to existing developments put the site close to existing infrastructure. |
| Criteria 9 (Heritage): | No | The site is not located on a heritage or Native Title Site. |
| Criteria 10 (Native Title): | No | |
| Criteria 11 (Hazards): | None | The site is surrounded by SCA5 (Floodplain). However, this does not appear to directly impact the site. |
| Total | 93/100 | ACIL Allen has determined that the Exmouth Marina is the most attractive tourism development site in Exmouth, particularly for high end, luxury accommodation. Development of this site would also improve the amenity of the marina, including as an entry point for cruise ship passengers. |

*Source: ACIL Allen*

# 6.5 Overall Assessment

The MCA has demonstrated that there are sites in Exmouth that are likely to be appealing to investors as sites for the development of tourism accommodation. A summary presentation of the MCA results across each of the sites is presented in **Table 6.17**.

Table 6.17 Sites and MCA results (top three highlighted)

| Site name | Lot(s) | Appeal (/100) | Constraints (/100) | Score (/100) | Rank |
|---|---|---|---|---|---|
| Truscott Cresent Lot 1403 | Lot 1403 | 86% | 64% | 77% | 5 |
| Truscott Crescent Lots 848 & 715 | Lot 848 on DP175175 & Lot 715 on DP173019 | 78% | 91% | 83% | 3 |
| Minilya-Exmouth Road Lots | Lots 220; 1; 101; 112 | 78% | 89% | 82% | 4 |
| Northern Recreation Ovals | Lot 1419 on DP219750 | 52% | 71% | 60% | 6 |
| Exmouth Gulf Pastoral Station | Lot 1586 on DP219750 | 18% | 3% | 12% | 8 |
| Exmouth Boat Harbour | - | 89% | 100% | 93% | 1 |
| Supa Lot D | Lot 9510 | 86% | 91% | 88% | 2 |
| The Paddock | Lot 1319 on DP217782 & Lot 1493 of DP39344 | 47% | 55% | 50% | 7 |

*Source: ACIL Allen analysis; Tourism WA*

# 6.6 Top three sites

## Exmouth Boat Harbour

**Rank 1**; Total Score: 93/100 (Appeal: 89/100; Site Readiness: 100/100)

The Exmouth Boat Harbour ranks highly in the MCA due to high performance across the assessment criteria – noting that its zoning has been assumed based on conversations with the Shire and the Department of Transport, as it is not contained within the Scheme. The site boasts sea views, proximity to Town Beach, high levels of readiness, and is located within Exmouth, free of encumbrances.

The site is being managed by DoT who is currently delivering a 40 year masterplan.

ACIL Allen considers that the site would be well suited for the development of high-end, luxury accommodation. The location provides a scenic and well-positioned base from which to explore Exmouth and its surrounds. In addition, improving the marina in itself increases the aesthetics of an Exmouth attraction and would provide opportunities for luxury retail stores that appeal to higher yield tourists.

## Lot 9510 – "Supa Lot D"

**Rank 2**; Total Score: 88/100 (Appeal: 86/100; Site Readiness: 91/100)

Supa Lot D ranks highly in the MCA due to its performance across many of the assessment criteria. This includes its favourable zoning (Special Use), ownership (Crown Land), road access, accessibility to tourism attractions and town amenities, its proximity to the marina, proximity to Town Beach, likely sea views, the readiness of the site which is cleared and levelled, and its location within Exmouth. The site is also free from major encumbrances such as heritage or Native Title.

The site is currently being managed by Development WA. In 2021, Expressions of Interest were invited to purchase and develop Superlot D, with a decision on the successful proponent expected soon.[43]

Similar to the Exmouth Boat Harbour, ACIL Allen considers that the site would be suitable for luxury or otherwise higher-end accommodation, with the potential for a variety of accommodation types within the lot (i.e. luxury accommodation on the eastern end overlooking the water, and mid-range towards the western edge). The lot could support large-scale development which may make it attractive as a staged development site. However, this will be subject to the decisions of the successful proponent.

## Truscott Crescent Lots 848 and 715

**Rank 3**; Total Score: 83/100 (Appeal: 78/100; Site Readiness: 91/100)

Truscott Crescent Lots 848 and 715 score highly in the MCA due to favourable zoning (tourism), road access (above average), accessibility to tourism attractions and town amenities, appeal to visitors (located close to the beach), the site preparation (level and cleared), and its proximity to existing infrastructure. The lots do not contain any Aboriginal heritage sites and is not subject to Native Title.

Truscott Crescent Lots 848 and 715 are considered more desirable than Lot 1403 as they have been cleared, raised and levelled, meaning that development work on this site could start immediately following development approval. These sites may be suitable for a hotel or resort given that these sites are zoned tourism.

Based on conversations with stakeholders, ACIL Allen understands that Lots 848 and 715 are privately owned by different individuals, and that both individuals have plans for development that rely on access to the others lot. This is an encumbrance that would likely need to be addressed prior to development occurring on the lots, given that presumably the site would be more attractive to a developer where a single party owned and was able to develop both.

Finding 20 There is prospective developable land available in Exmouth

The MCA has demonstrated that there are prospective land options available in Exmouth for the development of new short-stay tourist accommodation, both in terms of the ‘appeal’ of sites and the level of ‘site readiness’ across developable sites. Five of the identified sites scored approximately 75%, indicating ‘above average’ or ‘high’ prospectivity for development.

The three top sites for development have been identified as the:

— Exmouth Boat Harbour (90/100)

— Lot 9510 – “Supa Lot D” (88/100)

— Truscott Crescent Lots 848 and 715 (83/100)

This finding, coupled with modelling indicating high demand for accommodation in Exmouth, suggests that there are opportunities for accommodation development that could be realised in the short- to medium-term.

[43] Development WA. 2024. Exmouth Marina. https://developmentwa.com.au/projects/residential/exmouth-marina/overview

# Appendices

# A Tourist Accommodation Types

*Defined for the: Exmouth Short Stay Accommodation Study*

ATTACHMENT 1: Tourist Accommodation Types

## Tourist Accommodation Types

*Defined for the: Exmouth Short Stay Accommodation Study*

**Resorts**

- Properties that appeal to leisure travellers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

**Hotels (6 categories)**

- *Luxury*: Properties that typify luxury across all areas of operation. Guests will enjoy an extensive range of facilities and comprehensive or highly personalised services. Properties at this level will display excellent design quality and attention to detail.
- *Deluxe*: Properties which achieve a deluxe guest experience. A wide range of facilities and superior design qualities are typically complemented by service standards that reflect the varied and discerning needs of the guest.
- *Up-scale*: Properties that deliver a broad range of amenities that exceed above-average accommodation needs. Good quality service, design and physical attributes are typically fit for purpose to match guest expectations.
- *Mid-range*: Properties that focus on the needs of price conscious travellers. Services and guest facilities are typically limited to keep room rates affordable and competitive but may be available upon request or fee-based.
- *Budget:* Properties that offer budget facilities without compromising cleanliness or guest security. Guests may access fee-based services or facilities upon request.
- *Boutique:* Property that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.

**Serviced apartments**

- Offer facilities much like a traditional hotel but with added space, convenience and privacy like a home. They have private cooking facilities, larger living/sleeping areas than most standard rooms, and often having access to gyms, restaurants, meeting space, concierges and other hotel-like services. Hotels can offer serviced apartments as part of their offering.

ATTACHMENT 1: Tourist Accommodation Types

**Campgrounds**

- A piece of land where people can camp, with varied facilities that include toilets and access to water.

**Caravan Parks (also known as Tourist Parks or Holiday Parks) (2 categories)**

- *Caravan Park:* Means an area of land on which caravans, cabins/chalets and camps (must include caravans at a minimum), are situated for habitation with varied facilities that include toilets and access to water.
- *Deluxe Caravan Park:* Means an area of land on which caravans, cabins/chalets and camps (must include caravans and cabins/chalets at a minimum) are situated for habitation with varied facilities that include toilets, camp kitchens and access to water. Deluxe caravan parks offer a larger range of visitor services and amenities, such as games areas, playgrounds or swimming pools. Where cabins/chalets form part of the offering, they are generally permanent structures that may provide a higher scale of offering for visitors.

**Short-stay rentals**

- Holiday homes, units or apartments offered for short-term renting, usually through an online booking platform or management agency, including hosted and unhosted properties.

# B Consultation Guide

*The following Consultation Guide was issued to stakeholders in preparation for interviews.*



## Study of Short Stay Accommodation in Exmouth

### Consultation Guide

### Study Context

The Shire of Exmouth boasts a rich array of tourism experiences, making it a compelling destination for visitors. It is renowned for its exceptional marine animal encounters, dramatic and diverse scenery, and abundant adventure opportunities in nearby national and marine parks, including the UNESCO World Heritage Listed Ningaloo Reef area.

In April 2023, Exmouth was the premier destination for the Total Solar Eclipse (TSE) which attracted thousands of visitors to Exmouth and surrounds, and was supported by State Government investment in roads, telecommunications, and visitor infrastructure. The TSE was followed by the launch of the inaugural direct flight from Melbourne to Exmouth during the peak tourism season, however, this aviation route was not renewed in 2024.

Visitation to Exmouth has the potential to grow, leveraging recent public infrastructure investment and increased consumer awareness of the region. However, without appropriate levels of tourism accommodation and tourism worker accommodation to meet demand, this growth will be hindered.

### Study of Short Stay Accommodation in Exmouth

In March 2024, Tourism WA engaged ACIL Allen to analyse the current supply and forecasted demand for tourist and tourism worker accommodation in the Shire of Exmouth to better understand accommodation requirements.

As part of this study, ACIL Allen will assess the supply of land with potential to be developed[1] to meet future tourism demand, considering factors such as site size, land tenure and zoning, access, location and accessibility to attractions, amenities and activities, appeal, and site constraints.

The study will be delivered across three key stages of work, including:

— **Stage 1** – Supply and demand analysis and identification of the development priorities for Exmouth in terms of the type of tourist accommodation needed to meet demand in the short (1-5 years), medium (5-10 years) and long term (10-20 years);

— **Stage 2** – Supply and demand analysis to understand the current and projected tourism worker accommodation requirements of the visitor economy in Exmouth; and

— **Stage 3 – The amount and quality of land in the Shire of Exmouth to determine whether there** is sufficient supply of developable land to meet future tourism demand.

For the purposes of this study, tourist accommodation includes all types of tourist accommodation including resorts, hotels, serviced apartments, caravan parks and short-stay rentals (see **Attachment A**). Tourism worker accommodation includes one or more accommodation dwellings (commercial and private) that are utilised specifically to provide beds to people that are employed in the visitor economy, whether they be local residents or people who have travelled to the area for

[1] Land with a 'potential to be developed' includes land that is zoned tourism, land zoned for other purposes that may also allow tourism or workers accommodation uses, and Crown land where tourism and /or workforce development may be appropriate.

work purposes. ACIL Allen understands that some tourism workers are currently staying in unregulated accommodation, owing to shortfalls in alternate regulated accommodation. We would be interested in your perspectives on this issue, where relevant, noting that this information will be used to provide a general overview of the extent of the issue.

## About this Consultation Guide

This Consultation Guide is intended to assist you in preparing for our meeting with you. Please review the questions in this Guide ahead of the scheduled meeting.

The primary purpose of this Consultation Guide is to provide a framework to uncover key issues and opportunities for stakeholders within the Shire of Exmouth region in relation to short stay and tourism worker accommodation.

## Questions

The consultation questions detailed below are intended to frame the discussion. **We understand that not all questions will necessarily be applicable to you or your organisation.**

**Introduction**

1. *Please introduce yourself, your organisation, and any relevant context in relation to Exmouth.*

**Tourist accommodation**

2. *How would you describe the current situation regarding the supply and demand of tourist accommodation during the peak season in Exmouth?*
3. *Are there any gaps in Exmouth's tourist accommodation offering? If so, what type(s) of tourist accommodation do you think are needed to meet market demand? (see* ***Attachment A****)If there is a shortfall in short stay accommodation, what are the risks and/or consequences of this need remaining unresolved?*

**Tourism worker accommodation**

4. *How would you describe the current situation regarding the supply and demand of tourism worker accommodation during the peak season in Exmouth?*
5. *Is there a shortfall in accommodation for workers who service the Exmouth visitor economy? If so, where do these gaps exist and how are they being filled currently?*
6. *If there is a shortfall in tourism worker accommodation, what are the risks and/or consequences of this need remaining unresolved?*

**Developable land**

7. *Is there a sufficient supply of land with development potential within Exmouth to meet future tourism and tourism worker accommodation demand?*
8. *If tourism accommodation development was realised in Exmouth i) what type of development has the most potential and ii) what sites and/or land parcels (greenfield or brownfield) have the highest potential to be developed for tourism purposes?*
9. *What are the critical success factors for a site or land parcel that may be developed for tourism purposes within Exmouth? This could include a range of factors such as the size of the site, land tenure, accessibility, location to tourism attractions etc.*

**Exmouth context**

10. *What are the key planning considerations regarding short-stay and tourism worker accommodation in Exmouth? (i.e., relevant planning frameworks, planning strategies, etc.)*

11. *Do you anticipate any regional changes that may influence Exmouth and its economy in the future (e.g., population growth, new industry development across energy, defence, primary industries etc.)?*

**Summary and closing**

12. *Are there any further matters you wish to bring to the attention of the project team as it considers short-stay and tourism worker accommodation in Exmouth?*

## Contacts

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ACIL ALLEN

APRIL 2024

# Tourism Accommodation Types

A

*Attachment A: Tourism Accommodation Types*

**Resorts**

Properties that appeal to leisure travellers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

**Hotels (6 categories)**

1. **Luxury**: Properties that typify luxury across all areas of operation. Guests will enjoy an extensive range of facilities and comprehensive or highly personalised services. Properties at this level will display excellent design quality and attention to detail.
2. **Deluxe**: Properties which achieve a deluxe guest experience. A wide range of facilities and superior design qualities are typically complemented by service standards that reflect the varied and discerning needs of the guest.
3. **Up-scale**: Properties that deliver a broad range of amenities that exceed above-average accommodation needs. Good quality service, design and physical attributes are typically fit for purpose to match guest expectations.
4. **Mid-range**: Properties that focus on the needs of price conscious travellers. Services and guest facilities are typically limited to keep room rates affordable and competitive but may be available upon request or fee-based.
5. **Budget**: Properties that offer budget facilities without compromising cleanliness or guest security. Guests may access fee-based services or facilities upon request.
6. **Boutique**: Property that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.

**Serviced apartments**

Offer facilities much like a traditional hotel but with added space, convenience and privacy like a home. They have private cooking facilities, larger living/sleeping areas than most standard rooms, and often having access to gyms, restaurants, meeting space, concierges and other hotel-like services. Hotels can offer serviced apartments as part of their offering.

**Campgrounds**

A piece of land where people can camp, with varied facilities that include toilets and access to water.

**Caravan Parks (also known as Tourist Parks or Holiday Parks) (2 categories)**

7. **Caravan Park**: Means an area of land on which caravans, cabins/chalets and camps (must include caravans at a minimum), are situated for habitation with varied facilities that include toilets and access to water.
8. **Deluxe Caravan Park**: Means an area of land on which caravans, cabins/chalets and camps (must include caravans and cabins/chalets at a minimum) are situated for habitation with varied facilities that include toilets, camp kitchens and access to water. Deluxe caravan parks offer a larger range of visitor services and amenities, such as games areas, playgrounds or swimming pools. Where cabins/chalets form part of the offering, they are generally permanent structures that may provide a higher scale of offering for visitors.

**Short-stay rentals**

Holiday homes, units or apartments offered for short-term renting, usually through an online booking platform or management agency, including hosted and unhosted properties.

Study of Short Stay Accommodation in Exmouth – Consultation Guide A-1

# C Detailed methodology (Section 4)

*This section presents more detail regarding ACIL Allen's methodology adopted in Section 4 - Projecting future demand in tourist accommodation in Exmouth.*

## Step 1: Determine the existing demand (visitor nights) of existing accommodation operators

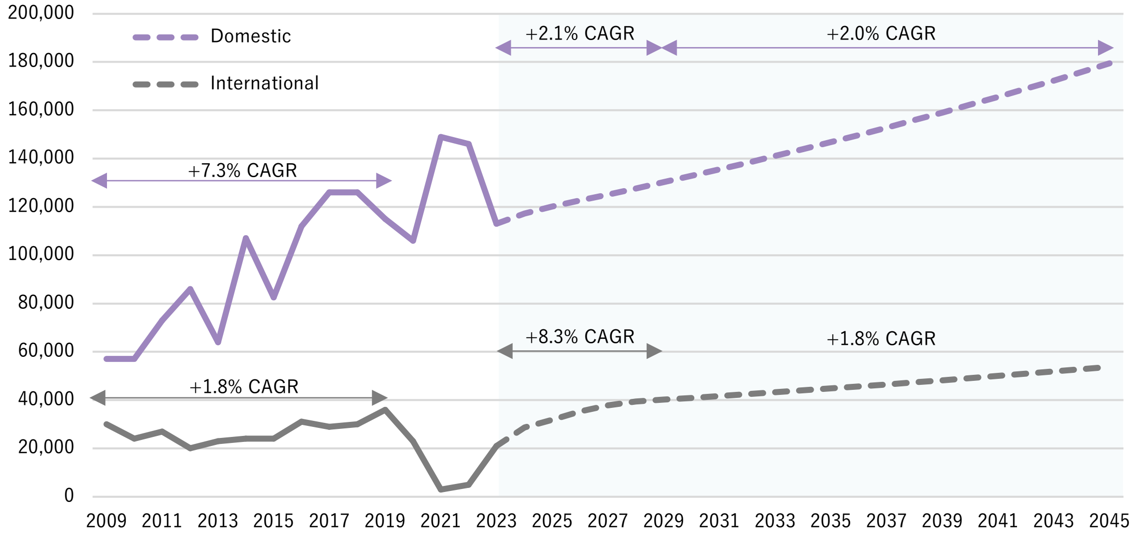
Step 1 relied on data from existing short stay accommodation operators in Exmouth, including the capacity of each operator and their annual occupancy rates. This data formed the baseline for demand and supply across each category of short stay accommodation in 2024.

## Step 2: Forecast domestic and international visitation to Exmouth

Using historic overnight domestic and international visitation data as the baseline (2009-19), ACIL Allen forecasted the growth in domestic and international overnight visitation using Tourism Research Australia's domestic and international visitor arrival forecasts for the period 2024 to 2028.

To forecast future growth in domestic and international visitation between 2029 and 2045, the lower value out of i) the forecast growth rate provided by Tourism Research Australia for 2028, and ii) the historic visitation growth rate (2009-19) was selected as a conservative rate of growth over the remainder of the estimates period. This resulted in an assumed compounded annual growth rate of 2.0 per cent for overnight domestic visitors informed by TRA, and 1.8 per cent for overnight international visitors informed by historic international visitation growth to Exmouth (**Figure C.1**).

Figure C.1 Forecast growth in domestic and international overnight visitors to Exmouth, 2024-2045 forecast (number of overnight visitors)




*Note: growth rates reflect compounded annual growth rate (CAGR). 2009-19 reflects year ending December values, while 2020-23 data reflects a two year average as a best estimate provided by Tourism Research Australia.*

*Source: ACIL Allen; Tourism WA; Tourism Research Australia domestic visitor nights in Western Australia and international visitor arrivals by purpose*

## Step 3: Convert forecast visitor growth into additional visitor nights

Using historic average length of stay data for domestic and international overnight visitors to Exmouth, ACIL Allen determined the incremental visitor nights demanded each year over the modelling period, using 2023 as the baseline year (**Table C.1**). Length of stay data reflected domestic and international average length of data between 2018 and 2023.

Table C.1 Assumed length of stay of domestic and international overnight visitors (nights)

| | Length of stay (nights per visitor) |
|---|---|
| Domestic overnight visitors | 6.7 |
| International overnight visitors | 5.3 |
| Total | 6.4 |

*Source: ACIL Allen analysis, Tourism WA LGA Exmouth Factsheets*

## Step 4: Allocate additional visitor nights to market segments

Using consecutive Tourism WA's LGA factsheets for Exmouth, ACIL Allen determined a profile of domestic and international visitors by market segment (**Table C.2**).

Table C.2 Purpose of visit by domestic and international overnight visitor (%)

| | Holiday | VFR | Business | Other |
|---|---|---|---|---|
| Domestic overnight visitors | 78.0% | 4.0% | 16.3% | 1.7% |
| International overnight visitors | 89.5% | 3.5% | 4.0% | 3.0% |

*Note: VFR – visiting friends and/or relatives.*

*Source: ACIL Allen analysis, Tourism WA LGA Exmouth Factsheet 2019, 2021, 2023 data*

## Step 5: Determine the accommodation preferences of domestic and international overnight visitors

In Step 5, ACIL Allen obtained accommodation preferences for Exmouth LGA as estimated by Tourism WA for 2019, 2021 and 2023 seasons, however, as only the top three accommodation preferences were presented, some assumptions were used to determine a complete accommodation preference profile. ACIL Allen also assumed that half of travellers who were visiting friends and relatives would stay in non-commercial accommodation (**Table C.3** and **Table C.4**).

Table C.3 Accommodation preference of domestic visitors, by purpose of visit (%)

| Accommodation type | Holiday | VFR | Business[44] | Other | Total |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 5.0% | 2.5% | 20.0% | 5.0% | 7.4% |
| Resort - up-scale, mid-range or budget | 2.5% | 2.5% | 20.0% | 2.5% | 5.4% |
| Hotel - luxury or deluxe | 5.0% | 2.5% | 20.0% | 5.0% | 7.4% |
| Hotel - up-scale, mid-range or budget | 2.5% | 2.5% | 20.0% | 2.5% | 5.4% |
| Hotel – boutique | 5.0% | 2.5% | 0.0% | 5.0% | 4.1% |
| Campground | 32.5% | 15.0% | 0.0% | 32.5% | 26.5% |
| Deluxe caravan park | 32.5% | 15.0% | 0.0% | 32.5% | 26.5% |
| Short-stay rental | 15.0% | 7.5% | 20.0% | 15.0% | 15.5% |

[44] Allocations to business visitors was allocated evenly across resorts and hotels, while some business visitors were assumed to use short stay rentals (for both domestic and international visitors.

| | | | | | |
|---|---|---|---|---|---|
| Non-commercial accommodation | 0.0% | 50.0% | 0.0% | 0.0% | 2.0% |
| Total | 100% | 100% | 100% | 100% | 100% |

*Source: ACIL Allen; Tourism WA LGA Exmouth Factsheet 2019, 2021, 2023 data*

Table C.4 Accommodation preference of international visitors, by purpose of visit (%)

| Accommodation type | Holiday | VFR | Business | Other | Total |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 7.5% | 2.5% | 20.0% | 7.5% | 7.8% |
| Resort - up-scale, mid-range or budget | 5.0% | 2.5% | 20.0% | 5.0% | 5.5% |
| Hotel - luxury or deluxe | 7.5% | 2.5% | 20.0% | 7.5% | 7.8% |
| Hotel - up-scale, mid-range or budget | 5.0% | 2.5% | 20.0% | 5.0% | 5.5% |
| Hotel – boutique | 7.5% | 2.5% | 0.0% | 7.5% | 7.0% |
| Campground | 30.0% | 15.0% | 0.0% | 30.0% | 28.3% |
| Deluxe caravan park | 32.5% | 17.5% | 0.0% | 32.5% | 30.7% |
| Short-stay rental | 5.0% | 5.0% | 20.0% | 5.0% | 5.6% |
| Non commercial accommodation | 0.0% | 50.0% | 0.0% | 0.0% | 1.8% |
| Total | 100% | 100% | 100% | 100% | 100% |

*Source: ACIL Allen; Tourism WA LGA Exmouth Factsheet 2019, 2021, 2023 data*

## Step 6: Allocate additional visitor nights to each type of accommodation over the modelling period

Using the accommodation preference profiles for domestic and international visitors in Step 5, ACIL Allen allocated the additional visitor nights (from Step 3) to each type of accommodation over the modelling period. This resulted in an uplift in demand for each type of accommodation based on expected accommodation preferences.

## Step 7: Convert additional visitor nights into additional rooms

**Table C.5** presents the forecast uplift in visitor nights across each accommodation type, for the modelling period between 2025 and 2045. In total, ACIL Allen estimates a shortfall of 35,446 visitor nights in 2025, 203,735 visitor nights in 2030, 439,156 visitor nights in 2035, 725,143 visitor nights in 2040 and 1.07 million visitor nights in 2045.

Importantly, this analysis assumes that no existing demand for short stay accommodation shifts away from existing accommodation operators (i.e. existing accommodation operators operate as they do in 2024, achieving their existing occupancy rates) and incremental visitation growth is serviced by new accommodation operators.

Due to the uncertainty of future accommodation developments in Exmouth, it also assumes that no new developments come online over the modelling period.

In the final stage of the analysis, ACIL Allen converted the estimated number of incremental visitor nights (on top of the 2023 baseline) into a shortfall of rooms. This conversion relied on an assumption of the 'number of visitor nights per average room'. Results for the Base Case are presents in the next section, followed by results for Scenario 1 and Scenario 2.

Table C.5 Estimated shortfall of visitor nights by accommodation type, 2025-2045, Base Case (visitor nights)

| | 2025 | 2030 | 2035 | 2040 | 2045 |
|---|---|---|---|---|---|
| Resort - luxury or deluxe | 2,999 | 13,479 | 22,107 | 31,626 | 42,125 |
| Resort - up-scale, mid-range or budget | 2,279 | 10,176 | 16,577 | 23,638 | 31,426 |
| Hotel - luxury or deluxe | 2,999 | 13,479 | 22,107 | 31,626 | 42,125 |
| Hotel - up-scale, mid-range or budget | 2,279 | 10,176 | 16,577 | 23,638 | 31,426 |
| Hotel – boutique | 1,818 | 8,061 | 13,037 | 18,525 | 24,577 |
| Campground | 9,241 | 42,654 | 71,862 | 104,097 | 139,671 |
| Deluxe caravan park | 9,599 | 44,006 | 73,646 | 106,353 | 142,445 |
| Short-stay rental | 4,231 | 20,522 | 36,207 | 53,528 | 72,658 |
| Total | 35,446 | 162,552 | 272,121 | 393,029 | 526,453 |

*Source: ACIL Allen*

# D Multi-criteria Assessment

*Appendix C provides an overview of the scoring and weighting of the MCA, which was used to assess the land sites per **Section 6**.*

Figure D.1 Multi-Criteria Assessment

| Site | Zoning | Tenure | Access | Access to tourist attractions | Access to town centre | Level of consumer appeal | Site prep. | Infrast. | Heritage site | Native Title | Constraints/hazards | Appeal rating | Constraint rating | Total rating | Ranking |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Objective weight | 60.0% | | | | | | 40.0% | | | | | | | | |
| Criteria weight | 35.0% | 15.0% | 12.5% | 12.5% | 12.5% | 12.5% | 25.0% | 25.0% | 20.0% | 20.0% | 10.0% | | | | |
| Effective weight | 21.0% | 9.0% | 7.5% | 7.5% | 7.5% | 7.5% | 10.0% | 10.0% | 8.0% | 8.0% | 4.0% | | | | |
| Truscott_Lot 1403 | 80% | 100% | 75% | 69% | 100% | 100% | 0% | 75% | 100% | 100% | 50% | 86% | 64% | 77% | 5 |
| Truscott_Lot 848&715 | 100% | 100% | 75% | 69% | 100% | 100% | 75% | 100% | 100% | 100% | 0% | 93% | 84% | 89% | 3 |
| Minilya-Exmouth Road lots | 80% | 100% | 100% | 56% | 75% | 50% | 75% | 100% | 100% | 100% | 50% | 78% | 89% | 82% | 4 |
| Northern oval | 0% | 100% | 100% | 69% | 100% | 25% | 25% | 100% | 100% | 100% | 0% | 52% | 71% | 60% | 6 |
| Exmouth Gulf Pastoral Station | 5% | 10% | 0% | 44% | 50% | 25% | 0% | 0% | 0% | 0% | 50% | 18% | 5% | 13% | 8 |
| Exmouth Marina | 80% | 100% | 100% | 69% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 89% | 100% | 93% | 1 |
| Supa Lot D | 80% | 100% | 100% | 69% | 100% | 75% | 100% | 100% | 100% | 100% | 75% | 86% | 98% | 91% | 2 |
| The Paddock | 5% | 100% | 50% | 69% | 100% | 0% | 0% | 100% | 100% | 100% | 25% | 44% | 68% | 53% | 7 |

| Zoning scoring | |
|---|---|
| Residential | 5% |
| Commerical | 5% |
| Mixed-Use | 5% |
| Rural | 5% |
| Urban development | 10% |
| Special use (tourist) | 80% |
| Tourist | 100% |

| Tenure | |
|---|---|
| Privately owned/free | 100% |
| Unallocated Crown | 60% |
| Crown Land | 100% |
| Pastoral lease | 10% |
| Defence land | 0% |

| Access, Appeal & Site preparedness | |
|---|---|
| Very low | 0% |
| Below average | 25% |
| Average | 50% |
| Above average | 75% |
| Very high | 100% |

| Access to tourism attractions | |
|---|---|
| over 1hr | 0% |
| 45min-1hr | 25% |
| 31-45min | 50% |
| 16-30min drive | 75% |
| <15 min drive | 100% |

| Access to town centre | |
|---|---|
| over 1hr | 0% |
| 45min-1hr | 25% |
| 31-45min | 50% |
| 16-30min drive | 75% |
| <15 min drive | 100% |

| Proxmity to infrastructure | |
|---|---|
| Very high (Within 50 | 100% |
| 501m - 1km | 75% |
| 1.01km-5km | 50% |
| 5.01km-10km | 25% |
| Over 10km | 0% |

| Heritage and Native title present | |
|---|---|
| Yes | 0% |
| No | 100% |

| Impact of constraints | |
|---|---|
| No constraint | 100% |
| Low constraint | 75% |
| Moderate constrain | 50% |
| High constraint | 25% |
| Extreme constraint | 0% |

*Source: ACIL Allen*

# E Visitor Economy Definition

*This section presents the sub-sectors assumed to be participating wholly or partially in the visitor economy as defined by THRIVE 2030 (Australian Trade and Investment Commission, 2023).*

Table E.1 Sub-sectors participating wholly or partially in the visitor economy – Thrive 2030

| | |
|---|---|
| Accommodation | Places travellers stay, including:<br>– Hotels and resorts<br>– Motels and serviced apartments<br>– Caravan parks and campgrounds<br>– B&Bs, farm stays, and sharing economy providers (e.g. Airbnb)<br>– Agritourism<br>– Private rentals |
| Transport | Includes:<br>– All aviation carriers and airport services<br>– Water transport and travel, including cruising, and other boat travel or recreation<br>– Ground transport, including urban, interurban and rural bus transport, taxis, limousines and rideshare services<br>– Public transport services<br>– Commercial and heritage rail<br>– Hire vehicles, including bikes, motorbikes, passenger car rental, motorhome/campervan and other mobile accommodation hire, and scenic and sightseeing transport<br>– Vehicle and motor vehicle parts retailing, fuel retailing, and road freight transport |
| Culture, arts and recreation | Includes:<br>– Tourist attractions, zoos and aquariums<br>– National parks, nature reserves and hiking trails<br>– Sports and recreation services<br>– Arts and cultural services, including galleries, museums and other collecting institutions, creative and performing arts activities, and heritage activities<br>– Function and event centres<br>– Casinos and other gambling services |
| Tourism services | All businesses and individuals acting as agents in selling travel, tour and accommodation services, and providing travel arrangement and reservation services for airlines, cars, hotels, restaurants and experiences, including:<br>– Travel agents<br>– Tour operators, including inbound tour operators<br>– Tour guides<br>– Information centres |
| Education and training | All education services that are attributable to the visitor economy, including:<br>– Secondary and tertiary education<br>– Adult, community and vocational education<br>– Specific tourism and hospitality training services including on-the-job training, apprenticeships etc. |

| | |
|---|---|
| Business events | Includes:<br>– Large off-site meetings<br>– Incentive events<br>– Conventions and conferences<br>– Exhibitions and trade shows<br>– Convention centres<br>– Professional convention organisers, destination management companies and event support services, including audio-visual, staging, event hire and ancillary services. |
| Food services | Places that serve food and drinks, including:<br>– Cafes, restaurants and takeaway food services (including catering and food trucks, delivery services)<br>– Pubs, bars, taverns and clubs. |
| Retail | All retail trade that is consumed or purchased in the course of a trip, including relating to:<br>– Motor vehicles and fuel retailing<br>– Food retailing including delivery services<br>– Other store-based retailing like luggage and souvenirs, including 'high-end' retail. |

*Source: Australian Trade and Investment Commission, 2023*

# F Tourism Worker Accommodation Survey

*This section presents a copy of the survey that was issued to tourism sector workers in Exmouth in July 2027. Distribution methods for the survey included via operators to their workforce, the Exmouth & Coral Bay WA - Work & Accommodation Facebook page, and the Shire of Exmouth.*

## Exmouth Worker Accommodation

### Survey information

ACIL Allen has been engaged by Tourism WA to analyse the demand and supply of tourism worker accommodation in Exmouth. This survey aims to understand the status of tourism worker accommodation.

**The results of this survey are confidential.** All results will be aggregated to ensure that responses remain confidential and are not attributable to any individual.

1. Do you wish to proceed?

◯ Yes

◯ No

### Survey eligibility

* 2. Are you currently working, or looking for work, in Exmouth?

◯ Yes - currently working in Exmouth

◯ Yes - looking for work in Exmouth

◯ No

### Demographics

3. What is your gender?

◯ Female

◯ Male

◯ Nonbinary

◯ Prefer not to answer

◯ Other (please specify)

4. What is your age?

- ◯ Under 18
- ◯ 18-24
- ◯ 25-34
- ◯ 35-44
- ◯ 45-54
- ◯ 55-64
- ◯ 65+

* 5. What is your usual place of residence?

- ◯ Exmouth
- ◯ Western Australia (outside Exmouth)
- ◯ Other Australian State or Territory
- ◯ Outside Australia

## Employment

6. What is your work eligibility?

- ◯ Australian citizen or permanent resident, or a New Zealand citizen
- ◯ Working Holiday Visa or Work and Holiday Visa
- ◯ Student Visa
- ◯ Skilled Visa
- ◯ Partner Visa
- ◯ Other (please specify)

7. What sector do you work in?

- ◯ Accommodation (hotel, motel, caravan park, campground)
- ◯ Tours (tour operator, tour guide)
- ◯ Food services (cafe, restaurant, takeaway food, hotel)
- ◯ Retail (fuel, food, souvenirs, clothes, hotel)
- ◯ I am looking for work
- ◯ Other (please specify)

8. What is your current employment status?

- ◯ Full-time
- ◯ Part-time
- ◯ Casual
- ◯ Seasonal (employed for part of the year)
- ◯ Looking for work
- ◯ Other (please specify)

9. How long are you intending to be employed in Exmouth? (total time)

- ◯ Less than 3 months
- ◯ 3 - 6 months
- ◯ 7 - 12 months
- ◯ Over 12 months

* 10. Would you recommend Exmouth as a place to work to others?

- ◯ Yes
- ◯ No

## Exmouth as a place to work

11. Why would you recommend Exmouth as a place to work? (Please tick all that apply)

- ☐ Community vibe
- ☐ Access to beaches/recreation
- ☐ Weather/climate
- ☐ Social life
- ☐ Other (please specify)

## Exmouth not recommended as a place to work

11. Why wouldn't you recommend Exmouth as a place to work? (Please tick all that apply)

- ☐ Lack of accommodation
- ☐ Limited job opportunities
- ☐ Poor working conditions
- ☐ High cost of living
- ☐ Low wages
- ☐ Other (please specify)

## Accommodation

12. What type of accommodation do you currently live in?

- ◯ Employer-provided accommodation
- ◯ Private rental
- ◯ Shared rental
- ◯ Hostel
- ◯ Family or friends' house
- ◯ Caravan park - van, caravan, car or camping
- ◯ No location - van, caravan, car or camping
- ◯ Camping
- ◯ Other (please specify)

13. How would you rate the overall availability of suitable accommodation for workers in Exmouth?

- ◯ Very poor
- ◯ Poor
- ◯ Average
- ◯ Good
- ◯ Very good

* 14. Are you currently trying to find suitable accommodation?

- ◯ Yes
- ◯ No

## Finding suitable accommodation

15. What style of accommodation are you seeking?

- ◯ Private house
- ◯ Share house
- ◯ Private apartment
- ◯ Share apartment
- ◯ Hostel
- ◯ Caravan park
- ◯ Other (please specify)

16. Are there any issues you face with finding accommodation? (Please tick all that apply)

- ☐ No issues
- ☐ Cost
- ☐ Availability
- ☐ Quality
- ☐ Location
- ☐ Other (please specify)

17. How much would you be willing to pay for accommodation per week?

- ◯ Up to $50
- ◯ $51-$100
- ◯ $101-$200
- ◯ $201-$300
- ◯ $301+

## Further comments

18. Do you have any comments on worker accommodation in Exmouth?

# G Answers to Tourism Worker Accommodation Survey

*Appendix F provides a full writeup of the results of the Tourism Worker Accommodation Survey. While the small sample size means that results cannot be used to draw definitive conclusions, the results support anecdotal evidence from stakeholders on the existence of a worker accommodation shortage in Exmouth.*

In July 2024, ACIL Allen undertook a survey of tourism sector workers to gather additional insights into the issue of tourism worker accommodation in Exmouth. This survey was distributed to tourism sector operators and accommodation operators to distribute to their staff, posted on the Exmouth accommodation and work Facebook page, and was also distributed and supported by the Shire of Exmouth and Australia's Coral Coast.

The survey was open from 4 July 2024 to 24 July 2024, attracting a total of 30 responses.

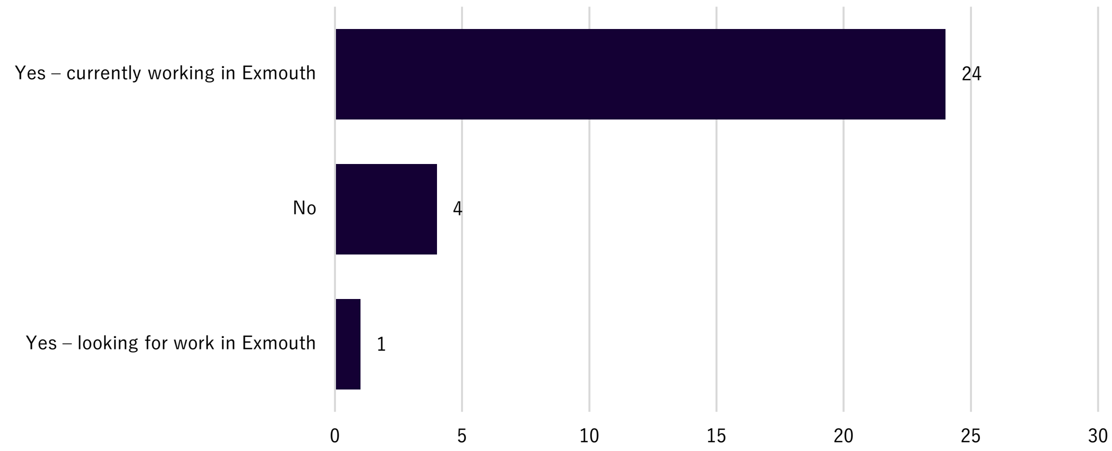
## Q1: Do you wish to proceed?

The survey began with a context-setting paragraph, describing the study's background and seeking consent from participants. All respondents, except one who skipped the question, selected 'yes' to proceed.

## Q2: Are you currently working, or looking for work, in Exmouth?

This question aimed to understand the work profiles of respondents. The majority of respondents (82.8 per cent) reported that they were currently working in Exmouth.

Figure G.1 Answers to Q2: Are you currently working, or looking for work, in Exmouth?




*Source: ACIL Allen. n = 29.*

## Q3: What is your gender?

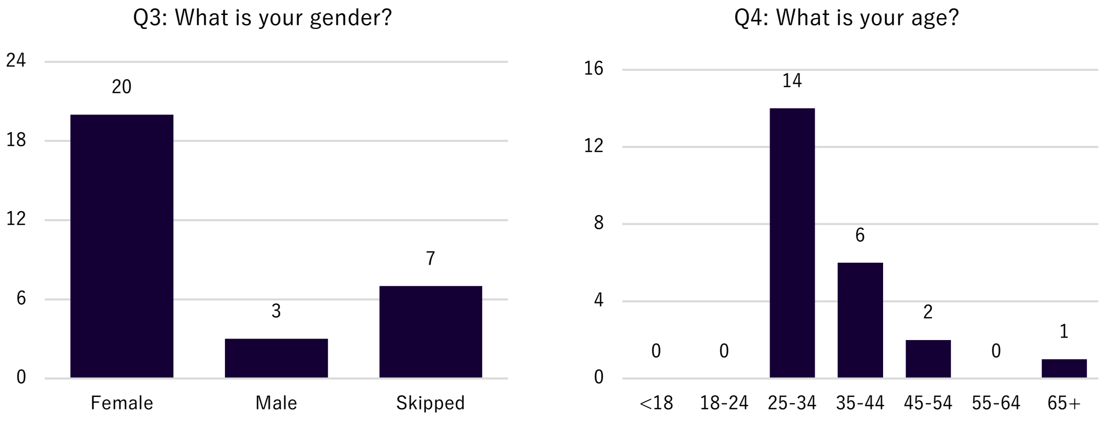
Of those who responded, the majority were female (87 per cent), while 13 per cent were male. This overrepresentation of females may be partially (but not fully) explained by the higher number of females working in the tourism industry.

Seven respondents skipped this question, despite options providing a response outside the traditional gender binary.

## Q4: What is your age?

A majority (60.9 per cent) of respondents who completed the survey were aged between 25 and 34 years of age.

Figure G.2 Answers to Q3 and Q4




*Source: ACIL Allen. n = 23*

## Q5: What is your usual place of residence?

Twenty-four people answered this question, which was designed to identify where responded came from on the assumption that seasonal workers would be unlikely to identify Exmouth as their usual place of residence.

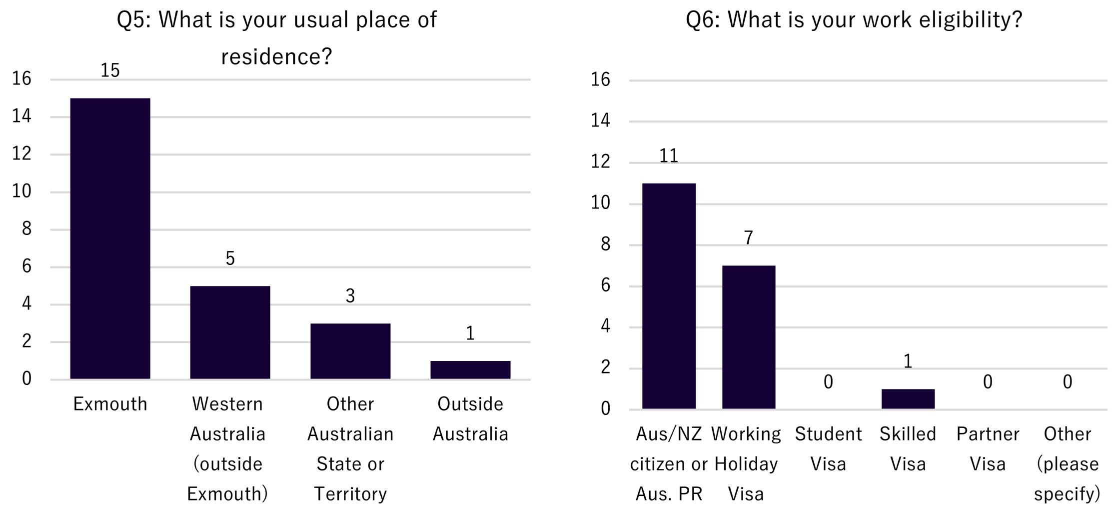
Most respondents (62.5 per cent) stated that Exmouth was their usual place of residence, while 95.8 per cent of respondents indicated that their usual place of residence was within Australia. Only one participant stated that their usual place of residence was outside Australia. This indicates that the survey captured people who are working in Exmouth on a long-term basis.

## Q6: What is your work eligibility?

The majority of respondents (57.9 per cent) indicated that their work eligibility stemmed from being an Australian or New Zealand citizen, or an Australian permanent resident. Of the remaining respondents, 36.8 per cent held a Working Holiday or Work and Holiday visa (captured in under the category Working Holiday Visa'), while one held a Skilled Visa.

In conjunction with Q5, this would appear to indicate that while the survey did capture the views of workers in Exmouth on a non-permanent basis, these workers are likely to consider themselves part of the longer-term community in Exmouth or Australia, rather than strictly seasonal workers.

Figure G.3 Answers to Q5 and Q6



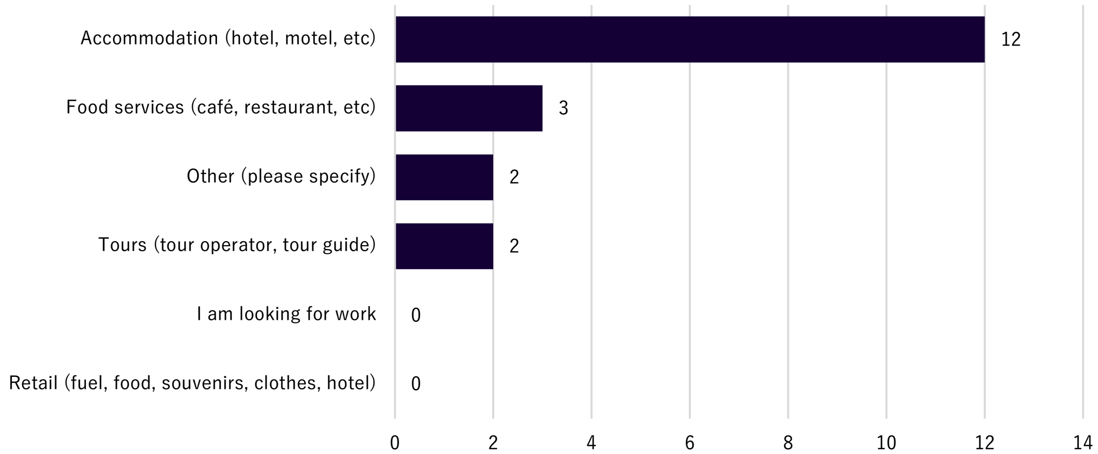

*Source: ACIL Allen. n = 19*

## Q7: What sector do you work in?

The majority (63.2 per cent) of respondents work in accommodation (hotel, motel, caravan park, campground), followed by 25 per cent who worked in food services and 10.5 per cent who worked in tours. Of those that responded 'other', one works as a hospital cleaner and the other as a machinery operator.

This seemingly indicates that the survey was picked up by those outside the tourism industry – however most respondents are in the relevant sector.

Figure G.4 Answers to Q7: What sector do you work in?

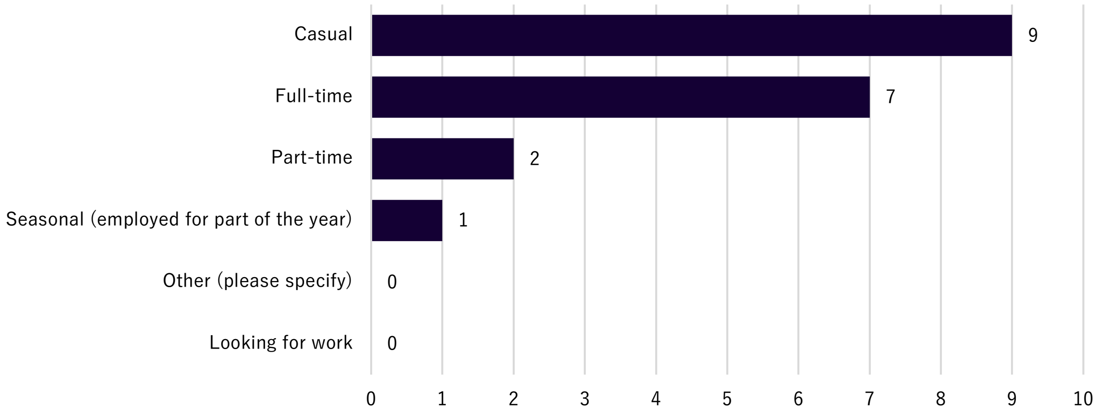



*Source: ACIL Allen. n = 19*

## Q8: What is your current employment status?

The majority of respondents were employed on a casual basis (47.4 per cent) or full-time (36.8 per cent), with just one respondent reporting that they were part of the seasonal workforce. This further supports that the survey largely captures the views of individuals that have more stable, longer-term employment arrangements in Exmouth. Unfortunately, the views of the seasonal workforce are underrepresented in this data.

Figure G.5 Answers to Q8: What is your current employment status?

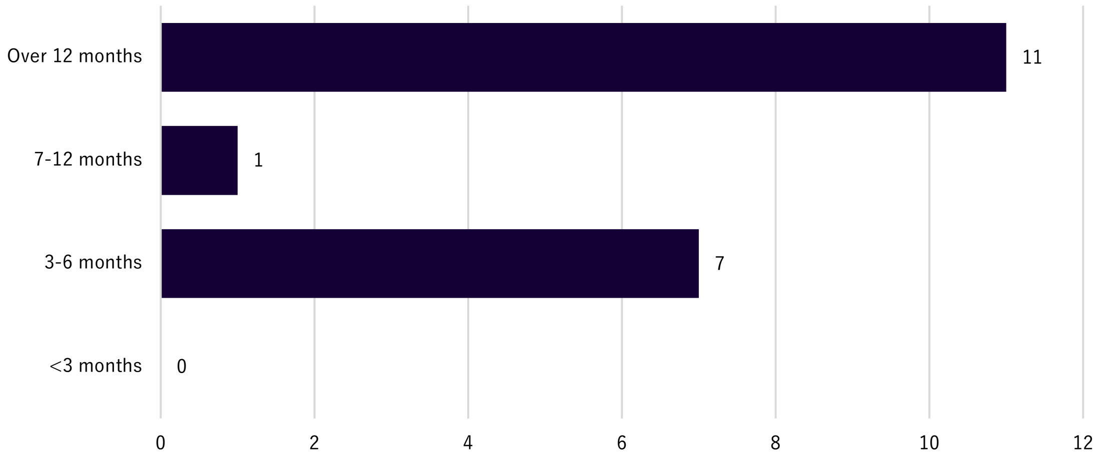



*Source: ACIL Allen. n = 19*

## Q9. How long are you intending to be employed in Exmouth? (total time)[45]

The majority of respondents (57.9 per cent) indicated that they were intending to be employed over 12 months, further enforcing the assumption that the survey mostly captured long-term Exmouth workers rather than the intended seasonal workforce. However, 36.8 per cent of respondents were intending to be employed for a total time of 3 to 6 months, which is likely to represent the backpacker / seasonal workforce.

Figure G.6 Answers to Q9: How long are you intending to be employed in Exmouth?



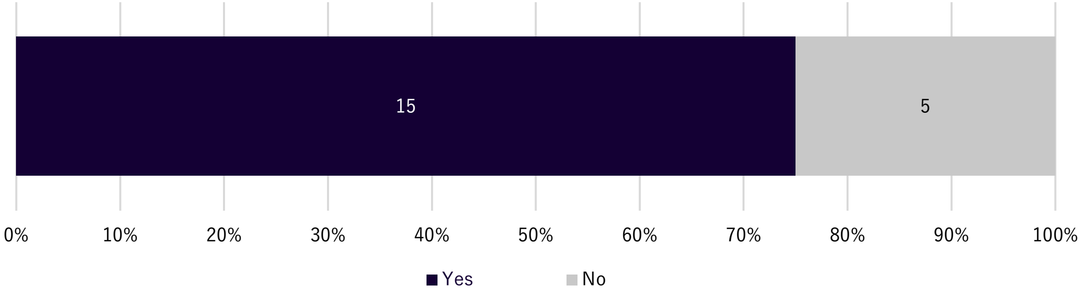

*Source: ACIL Allen. n = 19*

## Q10: Would you recommend Exmouth as a place to work to others?

The majority of respondents (75 per cent) said that they would recommend Exmouth as a place to work, while 25 per cent said they would not. This suggests that most have a favourable view of the town as a work destination, but that there are significant concerns for a minority.

[45] 11 respondents skipped this question.

Figure G.7 Q10: Would you recommend Exmouth as a place to work to others?



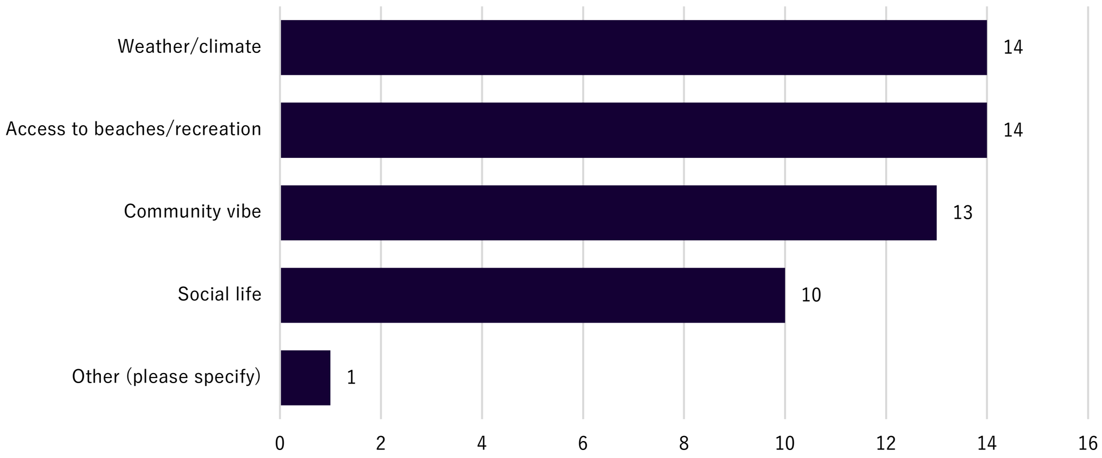

*Source: ACIL Allen. n= 20*

## Q11: Why would you recommend Exmouth as a place to work? (Please tick all that apply)

As shown in **Figure F.8**, most respondents identified multiple aspects they liked about Exmouth as a work destination. The top reasons included the weather and access to beaches, followed closely by the community vibe. While social life was the least chosen, it was still selected by 66.7 per cent of respondents. The 'other' response was from a respondent who said that they liked "Fishing freediving ocean things" [sic].

This is an encouraging result, indicating that while there may be challenges to working in Exmouth, they do not outweigh its positive aspects.

Figure G.8 Answers to Q11: Why would you recommend Exmouth as a place to work?




*Source: ACIL Allen. n = 15*

It is important to note that the survey has attracted a number of long-term workers. Long-term workers are more likely to have settled into the community, and may have a better overall experience than those who faced challenges and chose not to stay in the town.

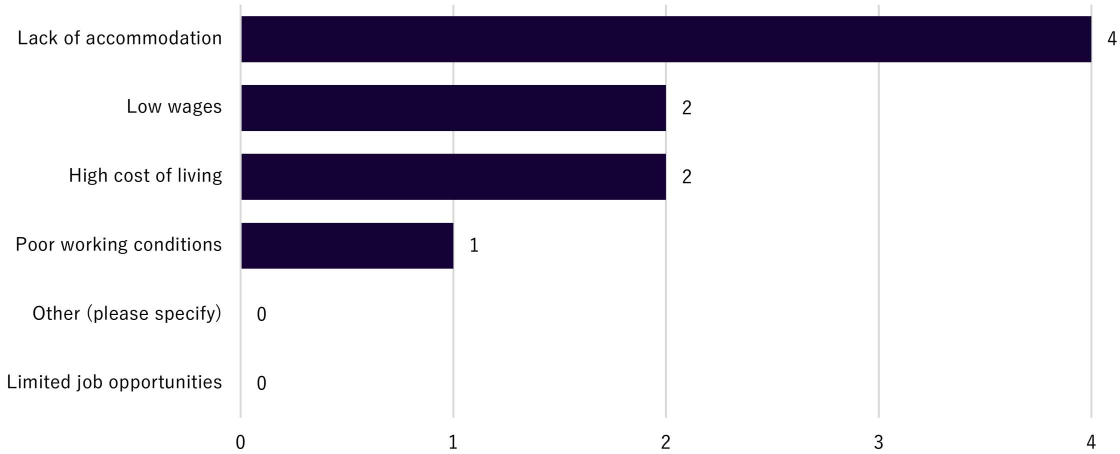
## Q12: Why wouldn't you recommend Exmouth as a place to work? (Please tick all that apply)[46]

All four respondents to this question cited the lack of accommodation as the primary reason not to recommend Exmouth as a place to work, with 50 per cent also pointing to low wages and the high cost of

[46] Of the five respondents that said they would not recommend Exmouth as a place to work, one skipped this question.

living as factors. Despite the limited response rate, these findings indicate that accommodation challenges play a major role in workers' ability to enjoy Exmouth as a work location.

Figure G.9 Answers to Q12: Why wouldn't you recommend Exmouth as a place to work?

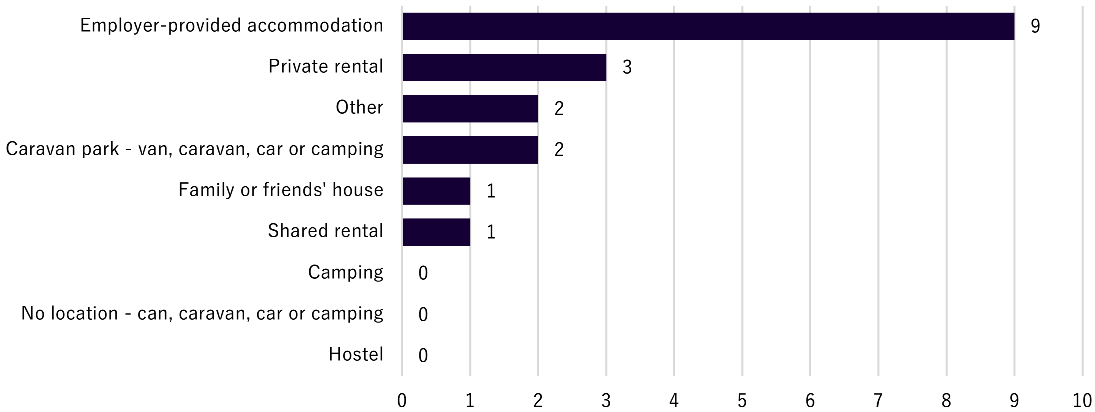



*Source: ACIL Allen. n = 9*

## Q13: What type of accommodation do you currently live in?[47]

Half of respondents (50 per cent) reported that they live in employer-provided accommodation. Of those that responded 'other', one person reported that they lived at "home" (presumably self-owned accommodation), and the other staying in a "Hostel in Perth" as "everywhere I've looked in Exmouth has no room so I can't get up there".

Figure G.10 Answers to Q13: What type of accommodation do you currently live in?




*Source: ACIL Allen. n = 18*

The high reliance on employer-provided accommodation, coupled with the high rates of long-term employees answering this survey and the lack of available accommodation being a major reason not to recommend Exmouth as a work location, reinforces the perception that there are significant accommodation availability issues in Exmouth. These issues are impacting workers' ability to find suitable housing on their own.

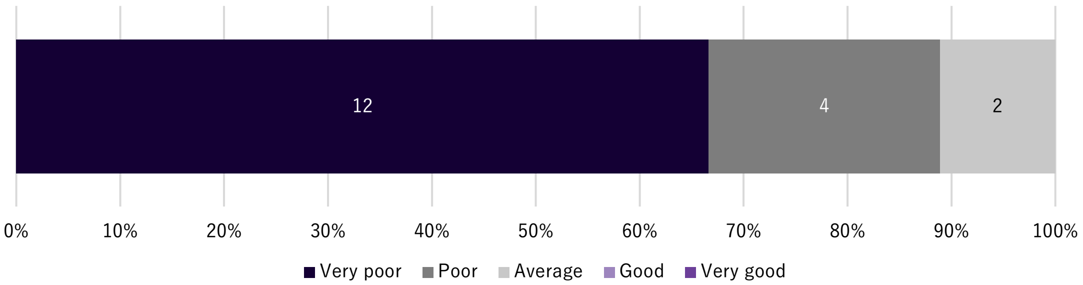
[47] Twelve respondents skipped this question.

## Q14. How would you rate the overall availability of suitable accommodation for workers in Exmouth?

The majority (66.7 per cent) of survey respondents considered the availability of suitable accommodation in Exmouth to be very poor, with a further 22.2 per cent considering the availability to be ‘poor’. Notably, no respondents considered the availability to be ‘good’ or ‘very good’, further developing the picture of accommodation shortages built up through the response to this survey.

Anecdotally, there is evidence to suggest that this has been impacting the seasonal workforce – this survey goes some way to confirming that the long-term tourism workforce is also being impacted by these issues.

Figure G.11 Answers to Q14: How would you rate the overall availability of suitable accommodation for workers in Exmouth?

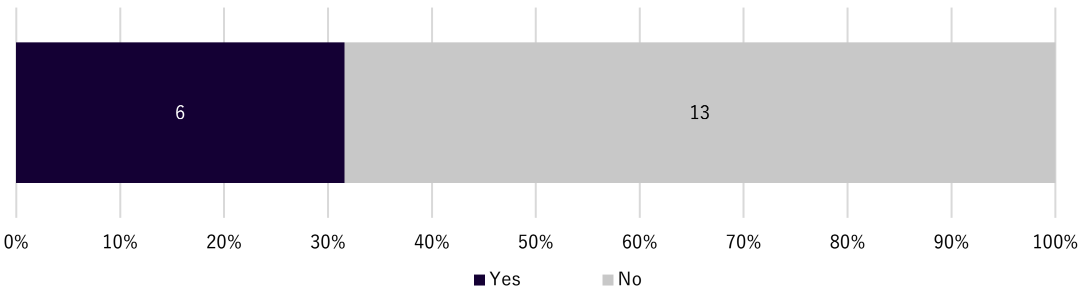



*Source: ACIL Allen. n = 18*

## Q15: Are you currently trying to find suitable accommodation?

The majority of respondents (68.4 per cent) are not currently trying to find accommodation, while 31.6 per cent are.

Figure G.12 Answers to Q15: Are you currently trying to find suitable accommodation?




*Source: ACIL Allen. n = 19*

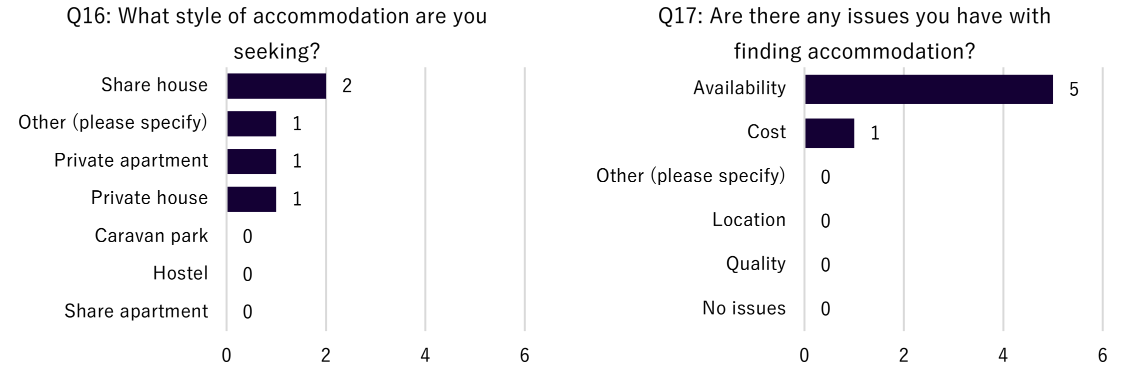
## Q16: What style of accommodation are you seeking?

Although only five people responded to this question, it appears that there is a spread of the type of accommodation being sought, split between private accommodation and shared, indicating a general lack of availability (as seen in the answers to Q17). This is further highlighted by the ‘other’ response from a respondent who clarified that they were looking for “Anything at this point”.

## Q17: Are there any issues you have with finding accommodation?

All respondents who answered this question (five) stated that the most pressing issue in finding accommodation is its availability, reinforcing the assumptions developed throughout the survey analysis.

Figure G.13 Answers to Q16 & Q17




*Source: ACIL Allen. n = 5*

## Q18: How much would you be willing to pay for accommodation per week?

Despite the prevailing view during stakeholder consultation that the majority of tourism workers would require very cheap accommodation, survey respondents indicated that they would be willing to pay over $100 a week.

Figure G.14 Answers to Q18: How much would you be willing to pay for accommodation per week?


*Source: ACIL Allen. n = 5*

These views from stakeholders were predominantly in relation to the seasonal or backpacker workforce. Answers in this survey, which is skewed towards long-term workers, seems to indicate that there is a divide between the type of accommodation that would attract a backpacker or seasonal workforce, and that which would attract a longer-term workforce. In addition, this appears to suggest there is a general lack of accommodation for workers of any kind.

## Q19: Do you have any comments on worker accommodation in Exmouth?

Sixteen out of 30 survey respondents wrote additional comments on the issue. These have been captured word-for-word in **Table G.1**.

Comments align with the perception built throughout survey analysis: namely, that there is a general lack of accommodation for the Exmouth tourism workforce that is significantly impacting the town. Many comments on the survey emphasise this shortage, highlighting the unsustainable nature of current arrangements particularly with rising rental prices in the town (as shown in **section 2.6**).

A number of the comments appear to suggest that the survey was filled out not just by employees but also by employers, highlighting that accommodation issues are of concern to employers and that these challenges impact business's ability to deliver services and sustain their operations. In addition, businesses investing money into accommodation for their workers is money that is not spent on otherwise growing business or hiring more staff.

Addressing this issue requires coordinated action from local authorities and stakeholders to identify opportunities for, and develop, affordable housing solutions. Without such measures, the sustainability and growth of the tourism sector in Exmouth remains at risk.

Table G.1 Comments on Exmouth Tourism Worker Accommodation Survey

| # | Comments [verbatim] |
|---|---|
| 1 | no |
| 2 | Need more, there is Absolutely nowhere for workers to stay/live.... |
| 3 | Employer provided accommodation is good but would be a lot better with en suite not a shared bathroom. Working in Exmouth without employer provided accommodation would not be sustainable due to rent prices here. |
| 4 | Low cost, Long term camping spots for all the backpackers living in their vans would suit them and locals. |
| 5 | Desperately need affordable workers accom |
| 6 | Insufficient accommodation |
| 7 | Please help long term workers with animals : ). |
| 8 | Real steps need to be taken by the council in conjunction with local businesses to provide adequate accommodation to casual, part time and full time workers in tourism and hospitality. this will ease pressures off rentals and locals having to share spaces with people in driveways etc, freeing up accommodation for those working in other industries like defence, nursing, education etc. |
| 9 | Only came because acc was in work contract |
| 10 | It is frustrating to see so many houses sit vacant, particularly houses that used to be on the rental market, when so many seasonal and long term workers are without suitable accommodation. This was not such a challenge less than 10 years ago. How can workers be expected to provide world class tourism experiences when living out of a car or tent? Tourism pressure continues to rise, yet resources to support the town these people are told to visit, remain stagnant or begin to erode. Please do better. |
| 11 | I understand why most people have made the switch to AirBnB, cleaner and more respectable cliental. Shire has lost total control over this matter and poor suggestions are being put forward, seem to be a free for all. Exmouth Accommodation has gone backward in the last 8 years. It is clear the Exmouth shire let some people do whatever they want and other are placed on a short leash. When it's policed as good for one good for the other, this place might move forward with accommodation. This town has less people in it apparently these days and yet years ago, accommodation never use to be a problem, in fact accommodation was going begging. |
| 12 | Staff housing is required in Exmouth for all those companies who cant afford to buy/rent a house in town to house workers, something similar to that in Coral Bay where it is used by various different companies. |

| # | Comments [verbatim] |
|---|---|
| 13 | Currently we are staying onsite with shared facilities. Unfortunately these are small sites and communal toilets / showers are in very poor condition (no hot water in showers) . Other accommodation for staff that are not in their own caravan are the shared rooms which are small and have minimal appliances. Staff should have better accommodation such as own toilets and showers as it becomes an issue when people get sick or something like gastro rolls through the caravan park. |
| 14 | I need to complete my 88 days and can't seem to find any accommodation what so ever. In exmouth and surrounding areas |
| 15 | Workers' accommodation is urgently needed in the community of Exmouth due to a housing crisis. Currently, there are no rental properties available, and the few houses that are on the market for sale or rent are limited. Rental prices have skyrocketed to over $1,000 per week, far exceeding what service workers in the tourism industry can afford. This situation not only affects the livelihoods of local workers but also jeopardizes the sustainability of the tourism sector, which relies heavily on a dedicated workforce. Without affordable and accessible housing options, essential service providers such as hospitality staff, tour guides, and maintenance personnel are finding it increasingly difficult to live and work in Exmouth. Immediate action is needed to address this pressing issue. Local authorities, businesses, and community organizations must collaborate to develop solutions that provide affordable accommodation options for workers. This could include initiatives such as subsidized housing programs, partnerships with local landlords, or the development of purpose-built accommodation facilities. By ensuring that workers have access to affordable housing, Exmouth can sustain its tourism industry and support its community members who contribute to its vibrant economy and culture. Addressing the housing crisis is not just a matter of economics but also a fundamental step towards ensuring a thriving and inclusive community for all residents. |
| 16 | our company had to build its own accom in order to accomodate our workers highlighting the lack of available affordable accomodation in town during the peak season |

*Source: ACIL Allen*

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