



# City of Karratha Funding Submission for 2016

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## **1. Executive Summary**

The Karratha Visitor Centre is positioning themselves to add value to the economy of the City of Karratha as well as a supportive role in the implementation of the tourism projects which have become a focus for the City of Karratha.

Economic diversification is vital to the City of Karratha's long-term economic growth, with the boom now over heavy reliance on revenue generated by mining is now a thing of the past and we can continue on with a focus for sustainable growth.

In order to evaluate the future direction of the Karratha Visitor Centre over the next 12 months we will be focusing on our core functions with one strategic project that will help support the endeavour towards sustainability. Thus the opportunity to show that the new board and manager are open to working closer with the City of Karratha and always put the best interest of Karratha and surrounds above all else.

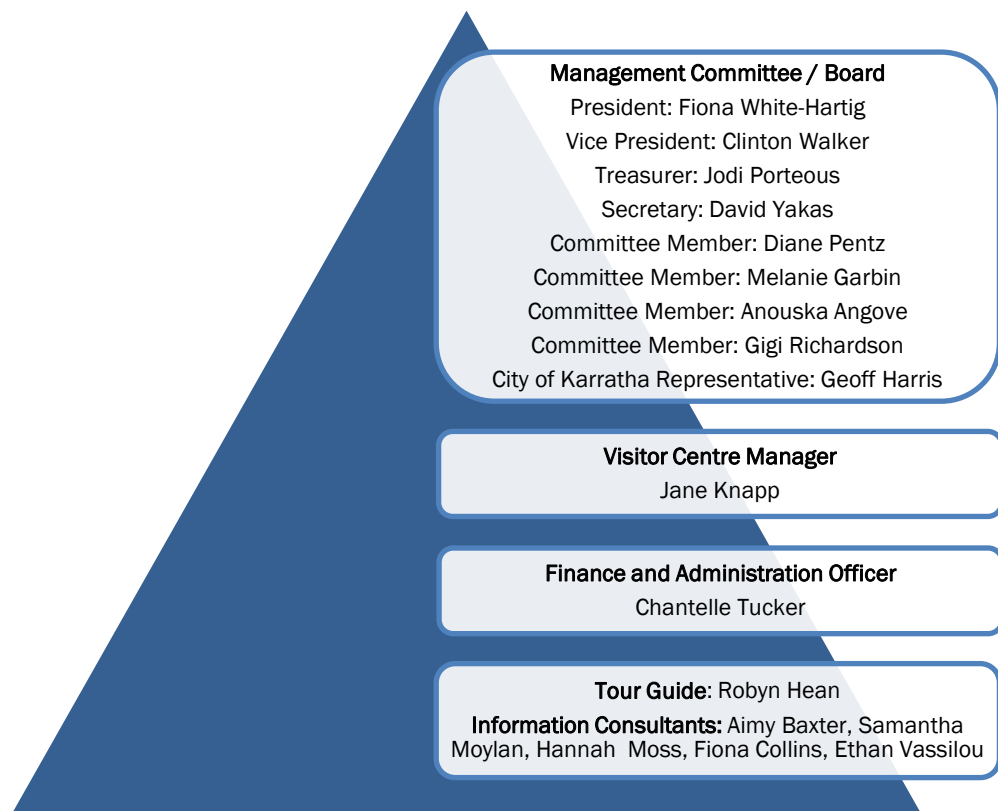
The Karratha Visitor Centre ask the City of Karratha for a reduced funding amount for 2016 of \$240,000 plus GST.

## 2. Business Overview

### 2.1. Legal Structure

The Karratha and Districts Tourist Information Centre Incorporated, trading as the Karratha Visitor Centre, is a not for profit incorporated association run by an elected management committee comprising of a minimum of four and a maximum of eight financial members of the association. The association is governed by a Constitution, which defines the rules and responsibilities of the organisation and its members.

### 2.2. Management Structure



### 2.3. Management Committee/ Board Information

**President-** Fiona White-Hartig

Fiona White-Hartig JP has resided in the Shire of Roebourne in the Pilbara region of Western Australia for the past 13 years. Five of those years were spent in Roebourne and the past eight in Wickham.

Fiona is currently Chair of Regional Development Australia Pilbara, City of Karratha Councillor, President of the Wickham Community Association, Chair of the Karratha Visitor Centre, Chair of the Karratha Emergency Relief Organisation, President of Wickham Youth Group and President of the Karratha branch of the Make-A-Wish Foundation. She is also sits on several Boards such as the Pilbara

Development Commission, Northern Australian Alliance, Roebourne Visitor Centre, Yaandina Family Services, VSwans and is a member of the Joint Development Assessment Panel for the Pilbara. More recently, she was appointed as the Independent Board Director for the Yindjibarndi Aboriginal Corporation.

Fiona was also a nominee for the WA Citizen of the Year Award in 2006 and winner of the Stella Giles Award for Excellence (Soroptomist International) in 2007. Most notably, in 2007 as General Manager – North West for the David Wirrpanda Foundation, Ms White-Hartig was a winner in the coveted 40under40 awards.

More recently, she has served as a Councillor since 2007 and served as Shire President from October 2011 to October 2013 at the Shire of Roebourne (now City of Karratha).

Ms White-Hartig is passionate about the Pilbara and creating a brighter future for all who choose to call the region home.

**Vice President- Clinton Walker**

Clinton currently works fulltime as the Managing Director for the award winning company Gurrurga Pty Ltd, specialising in the delivery of Ngarluma cultural awareness training for various companies within the City of Karratha.

Clinton oversees the daily management of Ngurrangga Tours as Manager/Tour Operator within the coastal and inland tribal areas of the Ngarluma and Yindjibarndi people.

Clinton works closely with the community and sits on numerous non-government and not-for-profit organisations. Over the years Clinton has been a valued committee member for the Karratha Visitor Centre and has always provided great input and feedback in tourism and Aboriginal Cultural awareness.

**Treasurer- Jodi Porteous**

Jodi Porteous is a local business owner who takes pride in living in Karratha. She has been involved in not for profit boards for over 12 years, and is a member of the Australian Institute of Company Directors. As a CPA her role as Treasurer of Karratha Visitors Centre will allow the board to ask any questions and get an immediate answer to the finances of the organisation. Her strengths in business management and development, governance and reporting will be an asset to the Centre.

**Secretary- David Yakas**

Wrapped Creations' founder, David Yakas boasts extensive industry experience, delivering events for a diverse range of clients including Chevron Australia, Rio

Tinto, Karratha & Districts Chamber of Commerce & Industry and Shire of Roebourne.

Based in regional Western Australia, David draws upon extensive experience in working with indigenous and regional community groups. David knows what it takes to effectively communicate and engage with regional communities and applies this to all of his work.

David Yakas prides himself on local knowledge and a strong reputation for consistently exceeding expectations.

**Committee Member- Diane Pentz**

Diane Pentz is CEO of Regional Development Australia Pilbara. In the five years that Diane has been in this role she has developed an extensive knowledge of the Pilbara and its vision for future growth and economic diversification. Diane has developed sound relationships with local, state and community organisations not only in the Pilbara but across Western Australia and beyond.

Diane has over 27 years' experience as a Town Planner and Policy Analyst and her focus is on visioning, community and economic development through collaboration and consultation. Diane is interested in establishing sustainable communities through building capacity and empowering local leaders to ensure local solutions to local issues.

Diane has completed the Pilbara Leadership Program and continues to sit on boards of non-government and not-for-profit organisations.

**Committee Member- Melanie Garbin**

A Karratha resident of 7 years, Melanie brings with her 23 years of strategic marketing and public relations experience. She is currently the Centre Manager of Karratha City Shopping Centre. To be on the Board of the Karratha Visitor Centre is a privilege, providing an opportunity to develop the strategic direction and assist in future development of the local tourism industry and associated marketing strategies.

**Committee Member- Anouska Angove**

Anouska Angove has been a Karratha resident since 2011. She is an active community member having served as the Secretary of the Karratha Community House between 2011-2013. Anouska and her Husband started the Karratha Water Polo Association (KWPA) in 2013 which now has a membership base of over 120 local players. In early 2015 KWPA hosted the National Country Water Polo Championship and are now busy planning the State Country Water Polo Championships for 2016 which will be held at the Karratha Leisureplex.

Anouska is currently employed in Communications at Rio Tinto where she has worked for over 4 years in various roles including Training, Safeworking and Document Control. She holds a Cert IV in Training and Assessment.

Prior to working at Rio Tinto Anouska worked for nearly 13 years' as a Manager/Supervisor in the Department of the Attorney General, where she worked in various locations throughout the state including the Supreme Court, Children's Court, Joondalup, Hedland and Kalgoorlie.

Anouska is an active Justice of the Peace and has been since 2007. She regularly presides in the Karratha Magistrates Court and is also on roster for the JP signing service.

Anouska Angove is passionate about the City of Karratha and the Pilbara region. She is a true believer that the Pilbara has so much to offer as a tourist destination and will endeavour to support sustainable growth of the tourism industry and strive to promote recreation/learning/relaxation opportunities for visitors to our region through her appointment as a committee member of the Karratha Visitors Centre.

**Committee Member- Gigi Richardson**

Gigi Richardson is currently the Purchasing Officer & Sales Manager for Retravision Karratha since February 1995. She has extensive retail & management experience.

Gigi is involved with the local community and is keen to see the development of the Pilbara tourism industry.

"Being on the board is exciting to me as I can give input of what everyday people would like to see & do in the Pilbara especially when having family over for a visit and can assist in strategic development for the Karratha Visitor centre". Gigi's forte is customer service, people skills, local input and she very passionate about Karratha and the Pilbara, her home for the last 21 years.

**City of Karratha Representative- Geoff Harris**

Geoff Harris is a resident in the City of Karratha which commenced in Dampier in 1969 and then moved to Karratha in 1974. Along with his wife Melissa and two children, life in the Pilbara has been good for Geoff. He wishes to build on his fortunate lifestyle which is why he became a City of Karratha Councillor.

Managing a small family business which was established by his parents more than 40 years ago has provided him with an appreciation of the joys and difficulties involved in running a business and residing in Karratha.





#### 2.4. Accreditation- Trust the “i”

The Karratha Visitor Centre maintains a level one accreditation due to its high standard of service and adherence the strict guidelines. The information below is has been taken directly from the Accreditation site and Trust the “i” site stating why maintaining a level one accreditation is both beneficial to the Karratha Visitor Centre and the City of Karratha.

##### *Core benefits of accreditation*

*Accreditation benefits operators, the industry and consumers. It confirms to consumers and industry that tourism business operators are committed to quality and professionalism in their conduct and delivery of service.*

*Operator benefits are summarised as:*

- *The ability to assure business and the consumer of the continued quality of services provided by that business, leading to improved customer relationships and reputation - resulting in repeat business;*
- *Documentation of formal operational and management procedures that can add value and direction to a tourism business. This will improve business knowledge, competence, management and predictability;*
- *Improved risk management procedures and a commitment to training which in turn create the opportunity to contain public liability insurance premium levels;*
- *Industry standards underpin risk mitigation;*
- *Assists implementation of measures to enhance the total visitor experience and ultimate consumer satisfaction;*
- *Facilitates quality continuous business improvement through alignment with quality assurance principles;*
- *Competitive positioning and improved reputation advantage in the marketplace and increased market share;*
- *The accreditation logo being recognised and promoted in government-sponsored programs and tourism publications. Every accredited operator is issued with a distinctive logo, which may be used on all advertising and promotional material,*
- *Encourages the business to identify consumer needs;*
- *Encourages business to identify their strengths and weaknesses;*
- *Assist businesses to comply with statutory and regulatory requirements by interpreting these and providing small business friendly solutions;*
- *Improvement in profitability and yield through implementation of better operating business systems;*
- *Marketability;*
- *Improved employee morale and more effective management;*
- *Improved customer service and communications;*

- *Reduced complaints and complaints response processes;*
- *Listing on the Australian Tourism Accreditation Program website and the Tourism Accreditation Australia Limited national website; and*
- *Benefits associated with national and international promotion of the accreditation logo as a symbol of quality within the tourism industry.*

*In some states and territories, accredited businesses receive discounts and/or value added benefits when participating in marketing and advertising programs and may even result in reduced insurance premiums – a benefit that can often far exceed accreditation fees.*

*Industry benefits are summarised as:*

- *Contributing to business development and a more sustainable business;*
- *Making Australia a more competitive destination particularly in the international market place;*
- *Demonstrating industry leadership and initiative;*
- *Self-regulation reducing the likelihood of imposed regulation;*
- *Ensuring that tourism businesses are committed to quality business practice, professionalism and delivering what they promise; and*
- *Raising the survival rate of new tourism businesses in competitive and challenging times.*

*Consumer benefits are summarised as having an assurance of:*

- *Reliability of product and service;*
- *Consistency of product and service;*
- *Certainty;*
- *Security and safety through improved risk management procedures;*
- *Confidence in product; as accreditation underpins the process of ensuring that a business will consistently meet and exceed the expectations of the domestic and international consumer; and*
- *A business commitment to quality.*

*Accreditation encourages customers to confidently expect tourism operators to deliver quality products and services.*

*Governments benefit from investing in and supporting accreditation through development of a strong, sustainable tourism industry, which:*

- *Creates six per cent of (536,600) jobs in Australia and a further 3.5 per cent (351,000) jobs indirectly;*
- *Generates some \$73 billion in revenue from tourism consumer expenditure in Australia, representing around 3.9 per cent of expenditure on GDP;*
- *Generates an estimated \$17 billion expenditure by international visitors;*
- *Operates mainly in the small business sector (it is estimated 91 per cent of tourism businesses can be classified as small businesses);*
- *Has a major impact on employment in regional Australia (some 80 per cent of tourism businesses operate in regional areas); and*
- *Support for accreditation would represent a small but critical investment in research and development activity relative to the benefits, which flow from the industry.*

*The Accreditation Advantage*

- *When you become an Accredited Tourism Business you will be providing yourself with an enormous business asset. Not only will your customers look for and recognise the 'tick' when choosing tourism product but your business will also be recognised by fellow members of the tourism industry;*
- *Accreditation provides travel retailers and wholesalers with an assurance of quality standards and professional service;*

- *Accredited operators can be recognised in government and other industry organisational marketing programs that can highlight the benefits of accredited tourism businesses;*
- *The accreditation logo can be promoted nationally and internationally as a symbol of quality within the tourism industry*
- *Contribute to a more sustainable and competitive tourism industry nationally and with each state/territory.*

*[[http://www.atap.net.au/industry/cb\\_pages/cba.php](http://www.atap.net.au/industry/cb_pages/cba.php). 2015]*

#### *Look for the “I”*

*At Accredited Visitor Centres you can find information on which Tourism Businesses in the local area have the “Tick of Approval”.*

*By visiting an accredited Visitor Centre, you can speak to the local experts and receive friendly advice on the best things to see and do.*

*Accredited Visitor Centres can also help you with maps, accommodation and tour bookings, information on attractions and events and show you how you can enjoy the many hidden gems that Western Australia has to offer. So while you travel around WA, be sure to look for the blue and yellow I sign and visit an Accredited Visitor Centre. When visiting an Accredited Visitor Centre you can expect:*

- *A friendly welcome*
- *Free information service*
- *A comprehensive range of local, regional and state wide brochures*
- *Maps and directional information*
- *Information and booking services for accommodation and tours*
- *Information on attractions, events, retail outlets and local services*
- *Information on road conditions and transport options*
- *Unbiased local knowledge on the area*
- *24 hour access to information, emergency contact numbers and accommodation options*
- *Public toilets onsite or nearby*
- *So why not get to know the locals on your next extraordinary holiday in WA and look for the blue and yellow i sign!*

*[<http://trustthei.com.au/wa/information/accredited-visitor-centre>, 2015]*

### 3. Tourism Outlook

Tourism is forecast to double in size by 2030 as one of the fastest growing economies in the world- Australia included. It is a key economic driver at national, state, territory and local levels throughout Australia and the outlook is very promising. Tourism stakeholders must plan effectively now and be ready to adapt to change to leverage opportunities that are said to arise.

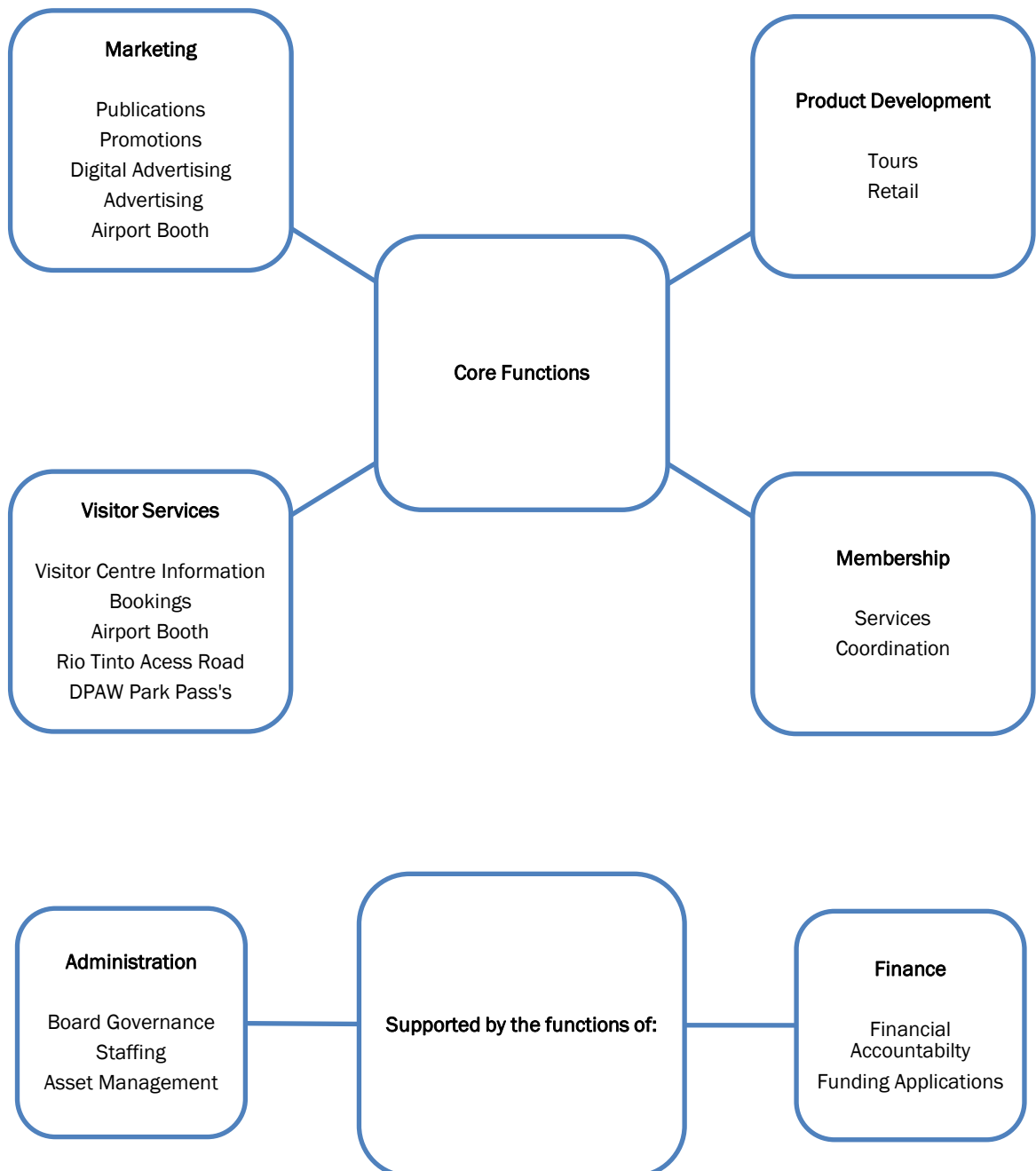
As a state, Western Australia is abundant in natural attractions with a climate conducive to tourism activity; there is a lot to celebrate. To make the most of its potential, managing the challenges in the dynamic context in which tourism exists is imperative. This can only happen with true collaboration between all spheres of government, industry, stakeholders and the community- a sentiment mentioned very often and much less followed through. It takes planning time and dedication towards a common purpose.

Visitor centres continue to play a crucial role in informing and educating tourists about local areas and tourism products, despite increasing numbers of consumers using digital channels for searching, selecting and booking travel. Visitor centre use is not limited to particular visitor groups. Most stops at visitor's centres are pre-planned. Visitors Centres support local economies, improve the visitor experience and boost advocacy for the region. The research shows a modest positive impact on the length of stay and spend, particularly in more remote locations. Visitors also widely reported improvements in their knowledge, perceptions and experience in an area as a result of their visitor centre stop.

#### 4. Core Function of the Karratha Visitor Centre

##### 4.1 Mission Statement: Visit Karratha: From the Outback to the Ocean we have it all.

##### 4.2 Core Function's



## 5. Marketing

Membership and marketing is the concern of the Manager, who is responsible for the development and implementation of an annual marketing program within income and expenditure budget targets; with the aim being to increase membership and member involvement in cooperative marketing campaigns and visitor centre publications.

Currently the Karratha Visitor Centre is working on the “Visit Karratha” marketing campaign with the support of the Pilbara Ports Authority. This has already got a large following with the first phase being a “Photography Competition” this is engaging locals and previous visitors to the area to participate. So far we have over 140 entries with more being added daily. The next step will be promoting the area using the winner’s images to create signage and advertisements. The last phase will be running a “Visit Karratha” 8 day holiday giveaway.

### 5.1. Publications

The three main publications managed by the Karratha Visitor Centre are:

- Town Maps: the Karratha and surrounds town maps are produced on an annual or as needed basis and generate income by offering banner advertising packages to local businesses. Advertising is coordinated in house.
- The Pilbara Coast Holiday Planner: produced jointly by the Karratha and Roebourne Visitor Centre, the holiday planner is our annual visitor guide for the City of Karratha area. Advertising packages are offered to all members and local businesses to negate the cost of producing the brochure. Advertising is coordinated in house.
- Fact Sheets / Flyers: a range of in house flyers are produced in response to information requested by target market segments (i.e. Accommodation, Eating Out, Vehicle Services etc.).

### 5.2. Promotions

Running promotions is a great way to attract publicity and community involvement to help create a better image for the City of Karratha.

Currently the Karratha Visitor Centre are running two promotions for 2015, “Visit Karratha” photography competition and “Why we love the Pilbara” school drawing competition which will both carry over to 2016. In 2016 the “Visit Karratha” win an 8 day holiday will be added to the list of promotions. Steps to create this have already began with a number of accommodation providers, tour operators and restaurants offering sponsorship.

These promotions will be advertised through the best means each individual promotion requires to obtain the most views and participation needed to make them successful.

### 5.3. Digital Advertising

- Facebook: ‘Visit Karratha - Karratha Visitor Centre’ Facebook page is consistently updated with event photographs, road condition and weather

updates, local National Park updates and other information relevant to our over 5500 followers.

- Other Social Media: Twitter, Instagram, YouTube Channel
- App: our new app - Visit Karratha - has currently been completed and listings sold to local businesses. The app is live and can be downloaded via Google Play for android users or iTunes for Apple users.
- Website: [www.karrathavisitorcentre.com.au](http://www.karrathavisitorcentre.com.au) is our current registered domain name in use as the centre's website. A Business Directory lists all current members of the centre. The recent integration of the Pilbara Regional Council's bookings portal is also proving useful for enquiries. The domain name [www.visitkarratha.com.au](http://www.visitkarratha.com.au) has also been registered to coincide with the launch of the Visit Karratha app.

#### **5.4. Advertising**

The Karratha Visitor Centre use other advertising in the form of the local newspaper, scoop magazine, other varies publications and our regional tourism organisation - Australia's North West Tourism.

Cooperative marketing options are offered to members via consultation, and in response to seasonal and industry opportunities that arise. Opportunities are also presented to the Roebourne Visitor Centre and other regional visitors' centres in the Pilbara area,

In addition to cooperative marketing campaigns a budgeted amount is also set aside to participate in standalone advertising / marketing opportunities like the "Visit Karratha" Campaign.

#### **5.5. Airport Booth**

A booth at the airport will be looked into to target the fifo, short stay and visiting friends and relative markets. Having a good marketing campaign and set up will catch the eye of those people who don't readily visit information centres.

Having Pilbara based brochures, maps and tour information will help make the City of Karratha a more tourist friendly destination and immediately show those who enter Karratha through our flight network we want tourists here, we have great knowledge of our area and we are friendly and helpful.

As the Karratha Visitor Centre has a great service record and is proactive about finding ways to constantly improve quality and service, we would be the perfect addition to the new and improved Karratha Airport.

## 5.6. Visitor Data Review

'In 2012/2013 the total tourism and hospitality sales within the City of Karratha was \$83.9 million, with the total value added of \$42.8 million. The estimated direct tourism and hospitality workforce in 2013 was 432 jobs with a further 79 indirect jobs.'

Source: City of Karratha Tourism and Visitor Profile 2014.

Purpose of Visit	City of Karratha	Pilbara
Domestic:		
Business	80000 (66%)	73%
Holiday or Leisure	22700 (19%)	16%
Visiting Friends and Relatives	13300 (11%)	8%
Other	6700 (5%)	4%
International:		
Business	4600 (26%)	20%
Holiday or Leisure	5100 (29%)	43%
Visiting Friends and Relatives	1600 (9%)	8%
Other	6600 (38%)	32%

Source: City of Karratha Tourism and Visitor Profile 2014.

Average Length of Stay (estimated nights)	City of Karratha	Pilbara
Intrastate	6.0	6.8
Interstate	12.7	14.6
International	37.0	31.5

Source: City of Karratha Tourism and Visitor Profile 2014.

The average annual number of holiday / leisure visitors to the City of Karratha is 50,000 people. The Karratha Visitor Centre assists approximately 45,000 to 50,000 people per annum through the doors of the centre itself, plus a currently unquantified number of people assisted via telephone and email.

## 5.7. Market Segmentation

The Karratha Visitor Centre has many market segments that are services are oriented towards, including conventional leisure segments, local residents and temporary workers / business travellers.

- Leisure Visitors: retiree caravanners (grey nomads), self-drive couple and families, backpackers - these are all traditional segments common to the Pilbara region.
- Visiting Friends and Relatives (VFR): these are non-seasonal visitors who are generally not seeking accommodation but stay approximately seven days in private homes.
- Temporary Workers: industry professionals and contractors visiting for the purpose of work, they generally stay between one and fourteen nights (non-seasonal).



- Fly In Fly Out Workers: non-seasonal workers regularly commuting for work this segment is large and has potential to be consumers of tourism product, but are limited to shift changes, days off and access to the visitor centre.
- Resident Families, Couples and Singles: acting as local hosts for visiting family and friends, and as consumers of tourism product themselves.
- New Residents: singles, couples and families relocating to the City of Karratha benefit from assistance and information, allowing them to better settle into the community.
- Broader Community: acting as an advocate for tourism, and as a facilitator of and participator in community activities.

## 5.8. Target Markets

Given the core functions of visitor servicing, membership, product development and marketing the Karratha Visitor Centre considers the following to be the most effective target markets for the organisation:

### 5.8.1. Grey Nomads

Grey Nomads	
Description	Retired couples travelling with caravans, campervans or camper trailers. On extended trips from east coast (travelling north-south) and on 'winter escape' trips from intrastate mainly Perth (travelling south-north). Have generally flexible itineraries, word of mouth referral very influential. Generally very price sensitive but have shown they will consume tour product if within interest set - a strong 'Industry Buff' sub-set interested in learning about /seeing resource sector activity, considered the 'unique' experience of Karratha. Coastal camping (Cleaverville, 40 Mile) popular. Karratha a 'stock up' destination – groceries, fuel, repairs, hardware etc. Interest in coast inland camping, fishing, and potentially some recreational services (golf, bowls, aquatic centre etc.)
Market Size	Approximately 60% of the leisure market
Match with Core Functions	<p><b>Visitor Servicing</b> Local maps and guides, information on heritage and industry attractions, beach and inland camping and fishing. Some merchandise purchasing. High demand on visitor centre services during peak tourist season April to September / October.</p> <p><b>Product Development</b> Pricing under \$40/night will encourage longer stays Some potential for tour development but must be 'affordable' (sub \$50)</p> <p><b>Marketing</b> Focus distribution on 1,000km radius and previous night destinations (i.e. Broome, Pt Hedland, Carnarvon, Exmouth, Newman). Advertise in specialist publications (i.e. Cook's Amazing North, Australia's North West Tourism's Kimberley and Pilbara Planner). Promote VC booking service and industry/heritage attractions. Design and content of 'The Pilbara Coast Holiday Planner' primarily for this (largest) market. Caravan and Camping shows (Perth, Melbourne, Sydney, and Brisbane) target travel ready Nomads. Identify appropriate distribution and promotion in conjunction with regional partners / ANW.</p>
Length of Stay	1-7 nights
Seasonality	April to October
Spending Potential	<p><b>KVC Services</b> Caravan site booking commissions, industry tour sales, maps/guides, merchandise (i.e. Red Dog and gifts for children), laundry, showers and Café.</p> <p><b>Within the City</b> Travellers' services (petrol, repairs), groceries, camping equipment, personal services.</p>
Growth Potential	Steady growth projection for this market state-wide, caravan registrations are increasing. Expected growth next 5 years – 5% per annum (Baby Boomers taking up caravanning). Opportunity to capitalise on growth potential is low/nil until additional tourist sites are made available in peak season. Free camping possibilities to promote extended stay, engaging with caravan parks to talk about price reductions to match the current market.

### 5.8.2. Self-Drive Explorers

Self-Drive Explorers	
Description	Arriving in own or hired vehicle, staying in hotel/motel or chalet /on site van self-contained accommodation for 1 to 3 nights. A mix of couples, families and groups of singles. Made up of predominantly domestic and most of the (small) international leisure market. Generally seeking eco/marine experiences on their trip of 3 to 6 weeks, originating from Perth visiting Gascoyne, Pilbara and Kimberley. A small but higher spending market than Grey Nomads (approximately five times the average daily spend in the City of Karratha due to high accommodation spend). Seeking more diverse, sophisticated and active things to do. Interested in learning about Australia's 'economic powerhouse' and, if travelling with children, seeking educational / entertaining experiences for them. Need good information for self-guided side trips.
Market Size	Approximately 15% of the leisure market
Match with Core Functions	<p><b>Visitor Servicing</b> Will seek information about attractions, tours from VC (maps, guides, fact sheets). May be interested in inland attractions, beaches and eco tours (i.e. fishing, islands etc.). May also purchase souvenirs and more likely to be interested in eating out and entertainment.</p> <p><b>Product Development</b> More affordable self-contained accommodation would attract longer stays / greater visitation by this market (i.e. backpacker lodges etc.). This group more likely to take up higher end tours if available – i.e. eco and indigenous themes, inland experiences etc. – but not a large market. Suitable accommodation and detailed fact sheets on local attraction s and things to do the key to extending length of stay.</p> <p><b>Marketing</b> Trips are generally planned well in advance so participation in regional publications and promotions as appropriate (i.e. with regional partners and/or ANW) with long lead times required.</p>
Length of Stay	1-3 nights
Seasonality	Domestic: April to October   International: less seasonal
Spending Potential	<p><b>KVC Services</b> Karratha has traditionally had limited appeal to this market given poor tourism profile and lack of eco attractions. The VC could develop a series of self-drive/self-guiding day trip itineraries/'fact sheets' eg Karratha, Roebourne/Cossack/Samson, Red Dog trail, inland parks like Millstream and pools, nearby coast etc. Potential for retail sales including Red Dog merchandise.</p> <p><b>Within the City</b> Consumers of travellers' services, eating out, groceries, entertainment.</p>
Growth Potential	Moderate to low. High cost of accommodation and rumours of no accommodation available active deterrents.

### 5.8.3. Visiting Friends and Relatives

Visiting Friends and Relatives	
Description	Visitors staying in the homes of friends or relatives living in Karratha. Staying up to 7 nights, arriving in their own car or by air. Some from nearby regional towns (i.e. Newman, Hedland). Likely to undertake outings to local sights and attractions, eat out and seek entertainment (with and without their hosts), and if visiting from elsewhere within the Pilbara will patronise a range of local businesses. May utilise the VC's services for information but most effective way of getting visitor information to them is via their hosts, emphasising the potential importance of local residents as 'ambassadors'.
Market Size	Approximately 10% of the leisure market
Match with Core Functions	<p><b>Visitor Servicing</b> Distribute visitor information to the homes of residents, and promote the VC services to locals to encourage they refer their VFR to the VC for information.</p> <p><b>Product Development</b> Conduct an annual Value of Tourism campaign to reinforce the contribution of tourism, to the local community, and the role of the KVC. Produce detailed fact sheets on local attractions and things to see and do (as for Self Drive Explorers market).</p> <p><b>Marketing</b> Primary target is potential local host residents – getting information into homes, and educating them on role of the VC. Utilise local media (PR campaign) as part of a broader VOT campaign.</p>
Length of Stay	2 nights (outer regional residents) to 7 nights (out of region visitors)
Seasonality	Non Seasonal
Spending Potential	<p><b>KVC Services</b> Low to moderate potential to purchase tours and merchandise. Consumers of self-guiding visitor information. Potential souvenir purchases (i.e. Red Dog), Inter-town travel for shopping and professional services.</p> <p><b>Within the City</b> Wide range of retail and service providers. Hotels and restaurants.</p>
Growth Potential	High in the longer term – parallel with targeted growth in resident population and growth of Karratha as a regional commercial and service centre.

#### 5.8.4. Short Stay Workers (FIFO)

Short Stay Workers (FIFO)	
Description	Fly In/Fly Out workers commuting by air on a regular basis for work. Generally working 12 hour shifts for 14 to 28 days with a day off at shift changes. Predominantly male ranging from 19 to 55 years or age. Most reside elsewhere in WA but an increasing proportion are ex east coast with flights to Melbourne, Sydney and Brisbane. Staying in purpose built Temporary Worker Accommodation camps within the immediate Karratha/Dampier area which provide all meals and accommodation and limited recreational facilities.
Market Size	Approximately 70% of the worker market
Match with Core Functions	<p><b>Visitor Servicing</b> Potentially souvenir/gift sales, little call on visitor information.</p> <p><b>Product Development</b> Potential to develop a menu of profitable charter tours aimed at roster change days (i.e. beach fishing/barbecue, inland waterholes, Archipelago fishing/cruising etc.). Develop in consultation with FIFO camp recreation officers/managers.</p> <p><b>Marketing</b> Target camp Recreation Officers, assist in producing in-camp promotional materials (posters etc.).</p>
Length of Stay	N/A
Seasonality	Non Seasonal
Spending Potential	<p><b>KVC Services</b> Limited. Potentially souvenir/gift sales, limited call on VC services.</p> <p><b>Within the City</b> Food and beverage sales, hotels and restaurants (on shift changes).</p>
Growth Potential	High – projections are for continuing demand for FIFO workers

### 5.8.5. Short Stay Workers (Temporary Workers)

Short Stay Workers (Temporary Workers)	
Description	Professional services, consultants and contractors associated with resource sector and, to a lesser extent, government services. Staying in hotels / motels and on-site self-contained accommodation (chalets / cabins) for periods of between 3 and 30 days. Most with own transport (own or hired vehicles) with short breaks between clients of 2-3 hours. A market with potentially high discretionary spend that may want to explore Karratha and surrounds via self-guided itineraries and tours, and in particular those staying for longer periods of time.
Market Size	Approximately 10% of the worker market
Match with Core Functions	<p><b>Visitor Servicing</b> Issue of access road permits, providing of self-drive visitor information, potential take-up for high end 'Pilbara Experience' tours, souvenir/gift sales.</p> <p><b>Product Development</b> Development of high end 'Pilbara Experience' tours (i.e. dinner under the Millstream stars/on the beach, high end Archipelago experiences, etc.). Develop a (small) range of higher end souvenirs suited to this market (gifts).</p> <p><b>Marketing</b> 'Pilbara Experience' tours will require strong support of hotel / motel / chalet operators to promote and sell. Must be designed to work for small numbers.</p>
Length of Stay	3-30 days
Seasonality	Non Seasonal
Spending Potential	<p><b>KVC Services</b> High – on appropriate souvenirs / gifts, and on high end tours.</p> <p><b>Within the City</b> High – on accommodation, eating out.</p>
Growth Potential	Linked largely to resource sector demand (expansions shut-downs etc.). Strong growth projected in line with resource sector projections and with increased government services and civic works.

### 5.8.6. New Residents

New Residents	
Description	Families, couples and singles relocating to Karratha and Dampier as new residents. Driven by resource sector requirements but also health, education and other essential service government employees. High turnover in residents – currently 3 to 5 years. City of the North targets suggest incremental increases in this sector over the next 20 years (long term).
Market Size	Approximately 10% of the worker market
Match with Core Functions	<p><b>Visitor Servicing</b> Provision of visitor information packs to new residents. Issue of Rio access road permits.</p> <p><b>Product Development</b> Develop a regular monthly program to welcome new residents and assist with their orientation and social connection within the Karratha and Dampier communities, or similar.</p> <p><b>Marketing</b> Promote the role and function of the VC. Promote the VC as a gift/souvenir retailer. Promote need for / availability of access road passes, self-drive tours.</p>
Length of Stay	2+ Years
Seasonality	Non Seasonal
Spending Potential	<p><b>KVC Services</b> Purchase of merchandise / souvenirs. Fee for service contributions for welcome / induction programs paid for by employers.</p> <p><b>Within the City</b> Extensive.</p>
Growth Potential	High (in the longer term) given City of Karratha population growth targets.

### 3.3.7 Membership

Membership	
Description	Karratha Visitor Centre members represent both large and small businesses, individuals and organisations committed to the growth of tourism along the Pilbara Coast.
Match with Core Functions	<p><b>Visitor Servicing</b> Provision of Tour information, local business information including eating out, vehicle servicing and accommodation.</p> <p><b>Product Development</b> Coming more interactive with current and potential members and offering advertising advice or development if required.</p> <p><b>Marketing</b> Primary market is tourism focused businesses and tourism servicing businesses within the Pilbara and close neighbouring towns.</p>
Length of Stay	Annual Memberships, most renew
Seasonality	Non Seasonal
Spending Potential	<p><b>KVC Services</b> Caravan site booking commissions, industry tour sales, accommodation booking commissions, maps/guides, merchandise.</p> <p><b>Within the City</b> Extensive.</p>
Growth Potential	High (in the longer term) given City of Karratha population growth targets.

## 6. Visitor Services

### 6.1 Visitor Centre Information Services

Visitor servicing is defined as the provision of:

- Information on attractions, events, retail and local services.
- Information and / or booking services for accommodation and tours.
- Maps and directional information.
- Information on road conditions and transport options.
- General advice on meeting the visitor's needs.

Research indicates that travellers who visit a visitor centre do stay longer in an area, participating in additional trips and / or tours. Visitors with less fixed travel plans are twice as likely to extend their stay in a region as those with fixed plans, leaving the opportunity to on sell product to those on relatively unstructured visits.

National and international research has shown that visitor servicing can increase yield from visitors and suggests the following:

- Between 13% and 15% of visitors stayed an extra night in an area.
- Between 18% and 21% undertook additional tours.
- Between 30% and 56% of visited additional attractions.
- At least 22% of visitors say that their visitor centre experience affected their decision to spend more time / money than originally budget for in a place.

Services and facilities:

- Visitor Information Centre – 7 days a week during peak season, 6 days during low season.
- Brochures and advertising
- Displays, signage and event banners
- Computer access and printing facilities, and WIFI
- Meeting rooms / Gallery space
- Sitting/ Rest area
- Public Toilets

What services are offered by the Karratha Visitor Centre?

- Promote City of Karratha's tourist attractions
- Publish tourist brochures about The City of Karratha's attractions
- Advertise tourist attractions in major tourist brochures and maps
- Sponsor tourism events to be held in the City of Karratha's area
- Provide information to prospective & new tourism / hospitality operators in the City of Karratha's area
- Tourist maps – Local, surrounding areas and Western Australia
- Tourist brochures - Local, surrounding areas and Western Australia
- Calendar of events – events being held in the City of Karratha area, available on Facebook, webpage and in store.
- Public access computers
- Staff provides up-to-date and friendly advice about tourist attractions
- Visitor Information Centre – 7 days a week during peak season, 6 days during low season.



## **6.2 Bookings**

A new focus has been placed on the provision of a booking service for accommodation and tours. In addition to providing a service that visitors expect from a large regional visitor centre and earning income through commissions, bookings are important as they demonstrate a tangible value to members.

At present the Karratha Visitor Centre has several accommodation providers and tour operators that we assist with regards to making bookings, either through their own booking portals or our recently established portal on our website:

- Karratha International Hotel
- The Ranges
- Karratha Village
- Best Western Karratha
- Eco Beach Resort
- Ngurrangga Tours
- Discovery Cruising

This is a relatively new revenue stream to the centre, with its full viability and potential not yet explored. A commission amount of between 10% and 15% is collected per booking.

## **6.3 Airport Booth**

Information as stated in 5.5

## **6.4 Rio Tinto Access Road Permits**

The Karratha Visitor Centre work closely with Rio Tinto to deliver important safety information on the area which includes the Rail Access Roads. Committed to see all tourism activity participated in the area done safely, Rail Access Road Permits can be obtained at the visitors centre and detailed information on road conditions, maps and advice while using these roads are given out daily.

## **6.5 Department of Parks and Wildlife Park Passes**

Being an authorised dealer of DPAW park passes, the Karratha Visitor Centre have up to date information on the National Parks in the whole of Western Australia and give out up to date information when tourists want to visit them. This information can include the best way to get there, maps, any park closures or

## 7. Product Development

### 7.1. Tours

Maximising the profitability of existing tours and introducing new tours are identified as a key product development area for the Karratha Visitor Centre. Tours make an important contribution to the City of Karratha's tourism product and appeal as a visitor destination, as well as providing income to the centre. The Karratha Visitor Centre has a proven track record as a tour operator (the Rio Tinto Pilbara Resources Tour) and already has the underlying resources required in place (i.e. bus and tour guide). Efforts have been made this year to reduce the cost of operating tours by combining the Tour Guide and Bus Driver roles, thus reducing our wages expense. As well as our own tours, the Karratha Visitor Centre support a range of other tours run by members.

#### 7.1.1. Karratha Visitor Centre Tours

##### 7.1.1.1 Narrowcasters Audio Self Drive Tours (Funded by RioTinto through a \$20,000 grant)

Narrowcasters is a full service audio tour provider used by museums, galleries, historic sites, forts, monuments, wildlife parks, etc. Its multilingual, self-guided audio tours generate powerful word of mouth, new visitors, and substantial new revenue for its clients.

Working closely with them, Narrowcasters designs the structure of the tours, develops their creative approach and content, writes the scripts and produces interactive audio tours for both domestic and international visitors.

It provides ongoing management, marketing and operational support for the duration of its long term contracts. It often engages and trains local staff to provide complete on-site service to both its clients and their visitors.

It researches, tests, purchases, provides, sets up and maintains the tour delivery systems used by visitors to take the audio tours. It provides its clients with complete technology upgrades of its equipment, replacing old equipment with new as audio technologies advance.

Self Drive Tour Costs 2016/2017		
	Per Month	Per Year
Hire Cost (24 hour hire) \$15.00	\$2,000.00	\$24,000.00
Monthly Maintenance Fee	-\$400.00	\$4,800.00
<b>Total Revenue</b>	<b>\$1,600.00</b>	<b>\$19,200.00</b>

Conservative figures have been worked out in relation to other visitor centres in WA, from the 2014/2015 financial year.

**7.1.1.2 Pilbara Resources Tour (Existing Tour)**

The Karratha Visitor Centre has been responsible for operating the Pilbara Resources Tour which provides an overview of the Rio Tinto ship loading operations based in Dampier, and an overview of the Dampier Salt operations. Tours are offered all year round in our twenty seater Mitsubishi Rosa Bus at \$49.95 for adults, \$39.95 for concession card holders and \$19.95 for children aged 7 to 16 (provided minimum numbers can be met). Private tours are also available for smaller groups, which are conducted in our Toyota Prado at additional rates.

Under the current funding arrangement with Rio Tinto, the Karratha Visitor Centre is also able to provide fifteen fully funded tours per year for school groups at no cost to the school.

Tour Income and Expenditure Expectations - Tour (based on 15 People   200 Tours)		
	Per Tour	Per Year
Ticket Sales	\$715.00	\$143,000.00
Less: Transport Costs	\$70.00	\$28,000.00
Catering Expenses	\$25.00	\$10,000.00
Wages Expenses	\$140.00	\$80,000.00
<b>Total Revenue</b>	<b>\$500.00</b>	<b>\$25,000.00</b>

\*The costs are based on previous years.

**7.1.2. Pilbara Ports and Burrup Tour, First run 5<sup>th</sup> February 2016**

In collaboration with the Pilbara Ports Authority in Dampier the Karratha Visitor Centre is in the process of developing a Pilbara Ports and Burrup Tour. Starting with an introduction and information session about the tour itself, including the Pilbara Ports Authority and the North West Shelf Project Gas Plant, the tour would then depart from the centre at 9.15am and travel to the Pilbara Ports Authority in Dampier, visiting site for approximately 20-30 minutes. The North West Shelf Project Visitor Centre would be visited next for approximately 30 minutes, followed by morning tea provided at Hearson's Cove - allowing for a swim (tides permitting) and / or beach walk. The tour will end at Deep Gorge where the tour guide will take the guests on a one hour guided walk of the area, returning to the centre by 1.00pm.

Tour Income and Expenditure Expectations - Tour (based on 15 People   25 Tours)		
	Per Tour	Per Year
Ticket Sales	\$1049.25	\$26,231.25
Less: Transport Costs	\$70.00	\$1750.00
Catering Expenses	\$45.00	\$1125.00
Wages Expenses	\$210.00	\$5250.00
<b>Total Revenue</b>	<b>\$724.25</b>	<b>\$18,106.25</b>

\*The costs are estimated based on concession pricing of \$69.95.

## **7.2. Members Tours in the City of Karratha**

### **7.2.1 Ngurrangga Tours**

Clinton started Ngurrangga Tours to educate and immerse people in the ways of his culture and history so that they could understand more about Pilbara Aboriginal culture and country. Ngurrangga Tours mostly operates from Karratha and offers visitors a unique experience of the Pilbara through the eyes of a traditional owner.

Guests are given the opportunity to learn about bush foods and medicines, explore stunning locations, view and understand ancient rock art in the world's largest outdoor rock art gallery, hear traditional stories and listen to traditional songs sung using the wirra (boomerang).

### **7.2.2 Discovery Cruising**

Discovery Cruising is a locally owned, family run business providing quality maritime charters and cruises in the Dampier Archipelago.

Owned by long-time resident of the Pilbara, Brad Beaumont is committed to sharing his passion for the Archipelago through sharing his extensive knowledge about the historical and contemporary wonders of this part of the northwest coast of WA.

### **7.2.3 Crackerjack Paddle sports**

Established in 2015, Cracker Jack Paddle Sports is owned and operated by Jaclyn "Crackers" Nicholl here in the Pilbara.

Jaclyn is one of the most qualified ocean sports instructors in Western Australia. A career in Outdoor Recreation spanning 15 years, Jaclyn has instructed groups on the water in all conditions in many remote and isolated regions in the world.

Her knowledge of the ocean environment, managing groups on the water and an attention for safety has gained her an impressive reputation in the outdoor industry and amongst schools and community organisations statewide. Some of her previous employers included; the Department of Education, David Wirrapanda Foundation and the National Outdoor Leadership School. (NOLS)

### **7.2.4 Dampier Island Tourism**

The Karratha Visitor Centre has been in talks with Dampier Island Tourism to help them establish a successful tour within the City of Karratha. They have recently become a category three member which includes guaranteed brochure and signage display space, full page listing on the KVC website, brochures included in customer mail outs, promoted as a preferred product, member supplied photographs included as part of a scrolling display, KVC acting as a booking agent (commission based), media and marketing activity invitations.

### **7.2.5 Westmore Island Fishing Lodge**

Remote and unspoilt fishing lodge just 2 hours from Karratha and Port Hedland. Imagine a remote and rugged island surrounded by pristine waters, filled with

tonnes of HUGE fish waiting to be caught. Share the island with only 11 other guests, charter the 54' Abel Tasman and land the kind of fish you've been dreaming of for years. Go kayaking, catch mud crabs, fish for fat barramundi in the mangroves or just read a book and drink a beer...

### **7.3 Retail**

Taking into consideration that approximately 48000 people visit the Karratha Visitor Centre each year excluding local residents that frequent, the Karratha Visitor Centre has strong retail sales. Product sales equate to approximately \$65,000 per year and it is anticipated that this will grow as more diverse products are retailed. Given the diversity of the visitor demographic retail buying can be challenging, which justifies the need to regularly review retailing as an important income source for the organisation and adjusting stock levels accordingly.

The visitor centre has three main markets for merchandise:

- Traditional souvenirs that are destination branded, aimed at both the leisure and worker visitors.
- Gift lines of higher quality and uniqueness, that are ideally locally made, aimed at residents, temporary workers and a small portion of leisure visitors.
- Corporate merchandise, aimed at filling purchase orders for other local businesses (i.e. the City of Karratha Library, Dampier Seafarers Centre, Roebourne Visitor Centre).

Currently stocked retail items are constantly reviewed in line with our target markets, and based on requests received from customers. Close monitoring of stock is undertaken to identify what is and isn't selling; and when new stock items are introduced, minimum quantities are purchased to allow the organisation to gauge initial product saleability.

## 8. Membership

### 8.1 Membership Numbers

The Karratha Visitor Centre is currently home to approximately 70 members, a mix of core tourism based businesses (i.e. accommodation providers and tour operators) and other retail / service based businesses. Revenue derived from membership has been an average of \$11000 for the last few years. At present membership categories and associated costs are as follows:

Membership Category	Cost Per Year
Category One - Brochure Display, Website Line Listing	\$93.50
Category Two - A Frame Signage and Brochure Display, Website Line Listing	\$192.50
Category Three - Bookings Service, Signage and Brochure Display, Website Page Listing	\$550.00
Category Four - Corporate Business Sponsorship	\$5500.00
Last Financial Year 2014/2015 income generated	<b>\$11,000.00</b>

### 8.2 Member Services and Advertising

Taking into consideration approximately 48000 visitors each year to the Karratha Visitor Centre, plus the resident population, the Karratha Visitor Centre has strong retail sales. In past years retail sales have been approximately \$165,000, with cost of goods sold being approximately 65%. Given the diversity of the visitor demographic retail buying can be challenging, which justifies the need to regularly review retailing as an important income source for the organisation and adjusting stock levels accordingly.

The visitor centre has three main markets for merchandise:

- Traditional souvenirs that are destination branded, aimed at both the leisure and worker visitors.
- Gift lines of higher quality and uniqueness, that are ideally locally made, aimed at residents, temporary workers and a small portion of leisure visitors.
- Corporate merchandise, aimed at filling purchase orders for other local businesses (i.e. the City of Karratha Library, Dampier Seafarers Centre, Roebourne Visitor Centre).

Currently stocked retail items are constantly reviewed in line with our target markets, and based on requests received from customers. Close monitoring of stock is undertaken to identify what is and isn't selling; and when new stock items are introduced, minimum quantities are purchased to allow the organisation to gauge initial product saleability.

## 9. Core Function Support

### 9.1 Administration

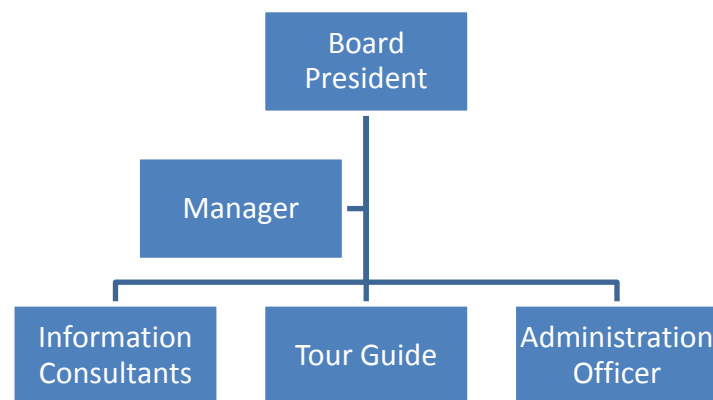
Services supporting the Karratha Visitor Centre in finance, audits, planning, quality and standards, risk and compliance and reporting.

#### 9.1.1 Board Governance

Board attendance and meeting the required quorum for decision making is critical to the Karratha Visitor Centre's ability to function. Casual vacancies created through resignations or lack of consecutive attendance, as per the Constitution, is filled as soon as possible. Vacant positions are promoted to members in the lead up to each Annual General Meeting, and as necessary.

The current constitution will be evaluated and amended in order to give voting rights to the City of Karratha's Representative and give the board more flexibility in filling positions without terms of contract.

#### 9.1.2 Staffing



Similar to most business, staffing is the single biggest operating expense for the Karratha Visitor Centre, comprising approximately 50% of the total operating budget. Given the services the centre provides, the Karratha Visitor Centre is operating at an acceptable level with regards to staffing costs.

Visitor centre opening hours are constantly rationalised, with varying hours applied depending on the time of year, and at all times it is ensured that there are at least two people in the building, given our location.

Front counter staff are the vital front line, assisting with a wide range of customers including visitors to the City of Karratha, telephone and email enquiries, members, suppliers and residents. Given the dynamic nature of the industry a plan is in place to ease the transition for new employees with regards to training. The main training areas covered are:

- Customer Service: provision of friendly, efficient and accurate information. This is achieved through setting a workplace culture that values its customers and through processes of customer feedback and employee reviews. This is also addressed in the selection and recruitment process.

- Task Specific Skills: written policies and procedures are included in our detailed Staff File, with all training being provided in person with the assistance of the written policies and procedures.
- Product Knowledge and Selling Skills: training in the ability to provide accurate, unbiased and detailed information about members' products and services, and other local services, attractions and amenities.

An annual review program is in place and as a requirement of our Tourism Council Accreditation an annual training program must also be in place for all employees, with detailed training records, to ensure that industry standards are achieved and excelled upon.

Generally day to day activities of Staff:

Information Consultants key responsibilities are:

- Answer questions from tourists, visitors, local residents and other tourism industry colleagues, in person, over the phone, via email or online
- Make suggestions on tours, travel routes, accommodation and local attractions
- Provide literature and information on local, interstate and international tours and places of interest
- Maintain literature and brochure stocks
- Sell souvenirs and other merchandise
- Discuss transport, accommodation and tour availability and cost
- Arrange bookings and documentation for travel and accommodation, and collect payment
- Undertake general clerical and office duties
- Put together statistics concerning the number and nature of enquiries
- Be responsible for overall presentation of the information centre including cleaning and merchandising
- Updating events calendar, road condition reports, weather reports, safety alerts
- Opening and closing of centre including money handling and reporting daily sales

Administration Assistant key responsibilities are:

- Banking
- Payroll
- Answer and direct phone calls
- Organize and schedule meetings and appointments
- Maintain contact lists
- Produce and distribute correspondence memos, letters, faxes and forms
- Assist in the preparation of regularly scheduled reports
- Develop and maintain a filing system
- Order office supplies
- Book travel arrangements
- Submit and reconcile expense reports
- Provide general support to Information Consultants

Manager's key responsibilities are:

- Responsible for the day to day operation of the Visitor Information Centre



- In liaison with the Board, development of long term plans for the Centre
- Promotion and marketing of tourism and special events
- Liaison with other tourism facilities and operators within the City to ensure effective promotion of major events
- Liaison with staff within the organisations to ensure effective communication and support
- Development of publicity and information material
- Budget development and monitoring in liaison with the Board
- Representation on relevant tourism and information groups
- Membership updating and liaising with current and new members
- Attending Board meeting with the VCAWA
- Ensuring the centre maintains accreditations

#### **9.1.3 Asset Management**

To become more efficient and effective the Karratha Visitor Centre looks for the following asset management outcomes:

- Satisfy Governance related issues
- Understand the risks of our Visitor Centre
- Understand the defects of our Visitor Centre
- Understand the reliability of our Visitor Centre
- Introduce a performance culture
- Plan well for the future
- Manage Value, Risk and Cost of running
- Spend less money on lower value work
- Leave more funding for important work
- Introduce transparency
- Understand your Capital vs Maintenance programs

## 10. Finance

### 10.1. Financial Overview

The 2014/2015 audited financial statements indicate that net income received during the financial year was \$480000, comprising of City of Karratha funding, Rio Tinto tour funding, merchandise sales, and tour income. Recorded expenditure was \$565000 for the financial year, which incorporates a \$29500 depreciation expense. The Karratha Visitor Centre also holds substantial assets valued at just over \$1.2 million (inventory, vehicles and centre building). In order to match the dollar for dollar figure required by the Tourism WA Visitor Centre Sustainability Grant Program, the investment property that the centre owns has been sold.

### 10.2. Financial Accountability

With a chartered accountant on the board of management finances for the next financial year will continue to be monitored closely.

The financial statements for 2014/2015 suggest the following as areas requiring attention:

- Focus on effectively selling the Pilbara Resources Tour, and also developing additional tours to provide supplementary income for the centre.
- Reducing the cost of wages and salaries to the organisation. This has already been partially achieved in a reduction in the Managers wage and a restructure within the business removing the Assistant Manager role and making it a part time Book keeping role.
- Negotiation of new funding agreements with both the City of Karratha and Rio Tinto.
- Investigating a more cost effective method of printing the Pilbara Coast Holiday Planner and other brochures / flyers.
- Investigation additional sources of income generation through capital works including funding.
- Reduce reliance of annual recurrent funding.
- Increase revenue from accommodation and bookings.

### 10.3. Funding Applications

#### 10.3.1 City of Karratha

A continuation of the current funding agreement between the City of Karratha and the Karratha Visitor Centre will be sought, preferably for a period of two to three years as opposed to the annual agreements that have been in place over the past few years. The Budgeted Income and Expenditure listed above takes into consideration the full funding amount of \$290,872 for the 2015/2016 financial year, but a lower amount of \$100,000 for the 2016/2017 financial year. This takes into consideration revenue derived from other sustainable sources to lessen our reliance on the City of Karratha funding amount we currently receive, all of which is possible through the sale of 3 Atkinson Way Millers Well.

#### 10.3.2 Rio Tinto

The funding agreement with Rio Tinto which provides for:

- An amount towards the advertising, equipment maintenance and other expenses Rio Tinto Pilbara Resources Tour;
- The opportunity to offer fifteen school groups a year a visit to Parker Point and East Intercourse Island, at no cost to the school; [and]
- The provision of the Rio Tinto Access Road Permits.

This agreement is due for renewal in January 2016 and will be negotiated through our Communities Liaison at Rio Tinto. We anticipate no issues having this agreement renewed for a further two year period.

Rio Tinto have agreed to fund Narrowcaster Audio Self Drive Headset tours set up costs for \$20,000. The headsets should be available in store by the next financial year.

#### **10.3.3 Tourism WA Sustainability Grants**

The Regional Visitor Centre Sustainability Grant Program is a State Government initiative, funded through Royalties for Regions and supported by Tourism Western Australia. In acknowledging that solutions need to be tailored to the needs of individual visitor centres, funding applications will be considered for other initiatives where it can be demonstrated that implementation will help to transition to a more sustainable operating model. As an accredited visitor centre the Karratha Visitor Centre can apply for a grant between \$10,000 and \$100,000.

#### **10.3.4 Pilbara Ports Authority**

Pilbara Ports Authority recognises the importance of establishing and maintaining strong, effective links between community and industry, and is committed to fostering an open, working relationship with the local communities in which it has port operations. Pilbara Ports Authority has an established Community Support Policy. This policy allows PPA to commit financial resources and in kind support to community investment initiatives.

The Karratha Visitor Centre has recently been granted \$4,000 to be given as prize money in the “Visit Karratha” Campaign.

#### **10.3.5 Alinta Energy Grassroots Grant**

Alinta Energy are committed to providing support to local grass roots community initiatives and events in the Pilbara region.

Organisations from the Pilbara region that have an initiative or event in one of these three key areas were encouraged to apply to be considered for up to \$5,000 in support.

Environment;

Community;

Science and Innovation

Using the Community avenue the Karratha Visitor Centre applied for support for the “Why we love the Pilbara” drawing competition in order to be able to donate money back to the participating schools.

## **11. Key Performance Indicators and City of Karratha Funding**

### **11.1. Key Performance Indicators**

The Key Performance Indicators as set out in the 2015 Funding Agreement between the City of Karratha and the Karratha Visitor Centre are as follows:

- The minutes of the most recent Board Meeting.
- Financial Statements for the preceding quarter, including Profit and Loss Statement (Actual versus Budget) with an explanation of variances +/-10%, and a Balance Sheet.
- Progressive monthly tally of visitor numbers with analysis of hour / day / week.
- Visitor and member satisfaction (i.e. written testimonials, social media, surveys, stakeholder engagement etc.).
- A list of current members and any new additions in the previous quarter.
- Progress report of the Operational Plan for 2015, including an update on the progress of the capital works program.
- Update on how the City of Karratha was acknowledged as a principal sponsor.
- Performance of sales against visitor numbers.
- Outline of marketing and promotional activities undertaken.
- Description of events, functions etc. undertaken with estimated attendance numbers.
- Overview of media coverage of the Karratha Visitor Centre.
- Progressive monthly tally of unique visitors to the Karratha Visitor Centre website.
- Details of any new partnership agreements, sponsorships or successful funding applications.
- Number of overnight accommodation bookings.
- Number of visitors undertaking resource tours.

### **11.2. Reporting to the City of Karratha**

A quarterly report is provided to the City of Karratha before a quarterly funding payment can be made, which addresses each of the Key Performance Indicators in turn.

## 12. Proposed New Venture

The Karratha Visitor Centre has looked at ways in which they can create more revenue in order to reduce the amount of funding required to run. With careful consideration we have chosen a coffee shop installation as the most beneficial to the centre with keeping with the core functions of visitor's centres. This proposed new venture is to support the Karratha Visitor Centres aspirations of sustainability. Due to the sale of the KVC house the funds for this have been allocated.

### 12.1 Coffee Shop Establishment

Capital Works - Coffee Shop Sales: Estimated Sales For Full Financial Year	
July	\$47,343.75
August	\$37,556.25
September	\$13,025.00
October	\$17,475.00
November	\$10,262.50
December	\$6,856.25
January	\$6,087.50
February	\$7,943.75
March	\$9,175.00
April	\$13,843.75
May	\$22,556.25
June	\$30,068.75
<b>Total</b>	<b>\$222,193.75</b>
<b>Minus 70% (Cost of Sales 40% and ATO small benchmark avg Labour cost 30%)</b>	<b>\$155,535.63</b>
<b>Total Profit</b>	<b>\$66,658.12</b>

Coffee Shop Sales: This is a conservative estimate developed by a self-generated model, which was derived from information given by local business owners in similar establishments. This was created into a dedicated business case which was presented to the board of management.

Coffee Shop Establishment	KVC Cost	Grant
Funding and Grants - Tourism WA Grant		\$20,000.00
Building Extension	\$50,000.00	
Coffee Machine	\$10,000.00	
Display Fridge - Cakes, Pastries and Sandwiches	\$5,000.00	
Display Fridge - Storage of Product	\$3,000.00	
Display Oven - Pies and Sausage Rolls	\$5,000.00	
Dishwasher	\$6,000.00	
Other Equipment Purchases	\$5,000.00	
<b>Totals</b>	<b>\$84,000.00</b>	<b>\$20,000.00</b>
<b>Total Cost of Project to the Karratha Visitor Centre</b>	<b>\$64,000.00</b>	

## **Conclusion**

In conclusion in order for this business plan and the continuation of the Karratha Visitor Centre we ask for 12 months of further funding of \$240,000 plus GST.

With this commitment from the City of Karratha we endeavour to mend the relationship with the City by adding value to the economy, support the implementation of tourism projects, and most importantly focus on our core functions while implementing our one strategic project in order to become more sustainable.

The Karratha Visitor Centre will continue with its support of varies community initiatives in order to give back to the community and welcome any support or advice the City of Karratha wish to give.