

FINAL

PALM ISLAND ABORIGINAL SHIRE COUNCIL

PRODUCT REVIEW

EVALUATION OF TOURISM POTENTIAL

31ST AUGUST TO 3RD SEPTEMBER 2007

Background

Following a series of meetings with staff from the (then) Department of State Development & Industry, a plan to conduct a Tourism Potential Product Review of the Palm Island group of islands, for the benefit of the Palm Island Aboriginal Shire Council, was developed.

Partners in the Product Review exercise would be;

- Palm Island Aboriginal Shire Council
- Manberra Traditional Owners
- The Cultural Centre, Townsville
- Department of State Development & Industry, Townsville
- Tourism Queensland, Brisbane

The dates set down for the Product Review were from Friday 31st September to Monday 3rd October.

The Product Review process utilised by Tourism Queensland has been a highly successful one which provides the host community with expert, practical advice from industry operators and is based on their observations of the subject local environment, the business concept and their individual knowledge of the wider tourism marketplace.

All Product Review team members volunteer their time to participate.

Tourism Queensland meets the costs of transporting team members to the review locality.

The host community provides accommodation, meals and local transport around the review locality.

Team membership

The experience of the team members covered the fields of; accommodation-4wd touring-backpackers-bareboating-sportfishing-private aviation-domestic marketing/sales-international marketing/sales-product development - business administration.

The majority of team members have experience in working with Indigenous people and communities, either through their day to day business operations or previous TQ product Review participation.

Team members were as follows;

- Mr Terry Maloney – Daintree Eco Lodge & Spa
- Mr Mike Hintz – Oz Tours Cairns
- Mr Adrian Pelt – Queensland Yacht Charters, Whitsundays
- Mr Lou Hatton – Flyfish Downunder, Sunshine Coast
- Mr Greg Tom – Palace Group, Brisbane
- Mr Rick Matkowski – Push the Limits, Gold Coast
- Mr Greg Howe – Tourism Queensland, Brisbane
- Mr Glen Miller – Tourism Queensland, Brisbane

Mr Scott Anderson of the Cultural Centre, Townsville was a participant, but due to unforeseen circumstances, had to cancel at the last minute.

Methodology

All team members travelled to Townsville and were transported to and from Palm Island by aerial charter.

Assessment of potential tourism sites and activities were coordinated by Council CEO, Mr Barry Moyle.

Accommodation and meals were provided at the Palm Island Motel by Council.

Review Team Assessment

Air access – Townsville – Palm Island

For this exercise, TQ chose to charter a plane through Skytrans Townsville.

Apart from some unpredictable circumstances, the service provided by Skytrans to and from Palm Island was very good.

Terminal facilities and customer service provided by staff at both ends was both friendly and helpful, with staff providing a pick-up and drop-off service from the main domestic terminal in Townsville.

Previous work relating to Tourism

Palm Island Economic Development Plan

The Palm Island Economic Development Plan provides the reader with a good insight into how the Palm Island Council sees the growth of economic/commercial activity in the future. Tourism has been clearly identified as a major area of interest, with specific experiences/products identified for possible development, with an emphasis placed on the "Eco" style of product preference.

These include;

- Walking trails around Palm Island
- Backpacker`s Accommodation on one of the islands
- Luxury resort on an outer island
- Charter fishing

School camps on an outer island have also been identified within the Plan as a commercial possibility for the future.

Other opportunities which are probably not seen as "front line tourism" products are also identified within the plan, such as retail outlets, arts-based products, visitor services. All of these opportunities would have a role to play in the ongoing development of tourism products/experiences on the island.

An important message throughout the Palm Island Economic Development Plan is the recognition by Council that any concepts put forward need to be subject to rigorous feasibility studies before any commitment is made to invest time, money and human resources into them.

Council also acknowledges that in order to take their Plan forward, there will need to be cooperation at the highest levels between; the community- government agencies – the tourism industry – other commercial entities with the capability to be involved.

Palm Island Sustainability Land Use Study

This Report is an extremely detailed and complex piece of work which provides guidance and comment on the economic, social and cultural future of Palm Island through the application of integrated planning.

All aspects of the issues identified and addressed within the Land Use Plan will have some connection with Council`s desire to develop tourism as an economic driver for Palm Island, within the desired "Sustainability" parameters.

Tourism has clearly been identified within the Land Use Plan and specific sites have been nominated as possibilities for Resorts, Walking Trails and a school camp.

As per the Palm Island Economic Development Plan, this early identification of possible tourism activity and where it might occur provides the Product Review exercise with a detailed insight into the long term aspirations of Palm Island, from a "Supply" or "What you want to sell" perspective.

What the Product Review exercise will attempt to do is to provide comment on the practicalities of what is proposed, plus comment on other opportunities which were observed during the teams visit, from a "Demand" or "What customers want to buy", perspective.

Commercial success is dependent on having "what you want to sell" and "what customers want to buy" as close together as possible.

Palm Island: Future Directions

In section 4.4.2 of the report, Ecotourism is identified as an obvious potential growth industry for Palm Island.

It also identifies three issues that need to be addressed within any tourism activity that might take place.

These three issues are;

- Reassurance for the community that tourism will not be the vehicle that marginalises them, due to uncontrolled or inappropriate development.

- Significant capital expenditure requirements for infrastructure upgrades, such as; jetty, airport and accommodation.
- The granting of interests or licences in land to be used for business purposes.

This Report recognises those three issues of concern and acknowledges the importance of addressing them and others that will be identified, in any tourism related work that might happen in the future.

The major point to bear in mind relating to all of these documents is that they all identify potential tourism activity/products from a "supply side perspective."

That is that none of them have been "ground-truthed" or proven by appropriately conducted research, that they reflect unmet customer demand, in a commercially viable sense.

General observations, Palm Island

First impressions

For first time visitors, Palm Island is a unique tropical island experience which has very few parallels within Australia. The Torres Strait islands, Mornington Island and the Tiwi Islands in the Northern Territory are probably similar, in their geographical and social relationship with mainland Australia and like Palm Island, few people get to visit them.

Geographically, Palm Island and surrounding islands in the Palm Group, provide spectacular beaches, rainforest habitats, open grassland, woodland and mountain ranges, along with a rich marine environment.

This diversity of environments is more than enough to provide an array of interesting and entertaining experiences to attract variety of potential customer groups.

The urban vista of Palm Island is not unpleasant to the eye and is not all that different to what one might see at some of the smaller, undeveloped, townships along the Queensland coast.

The major difference being that Palm Island does not have the traditional "strip shopping centre" with all of the associated commercial and social activity, that you see in small country towns, but has a commercial centre that somewhat reflects its previous life as a government-administered "settlement".

Its proximity to the waterfront, is a major plus for the urban environment and no matter where one might be within the Palm Island township, it is not difficult to find a spectacular and idyllic view across the water, to another island.

Apart from the physical beauty of Palm and the other islands, the most striking feature experienced by the Review Team was the open and friendly nature of the people we met.

Palm Islanders are remarkable people, with a great capacity to welcome, engage and discuss a wide variety of issues with visitors. This quality will be an important ingredient for any tourism activity that happens on the island.

All team members commented on the friendliness of everyone they met.

Appraisal of tourism potential

Prior to arriving on Palm Island, advice was received from Council that there are a number of people interested in exploring the potential of several different business ideas, such as;

- Horse riding
- Beach accommodation
- Fishing
- Guided walks

Also included were the areas identified within the previously mentioned Reports/Plans for activities such as;

- School camp
- Eco resort
- Walking trails
- Backpackers accommodation

Some Review team members were involved because of their specialised areas of interest, such as;

- Bare boat chartering
- Sports fishing
- Backpacking
- Accommodation
- Marketing

- Touring

Visits to all the relevant areas were organised by Council. Unfortunately, mechanical problems with the boats prevented the Review Team from visiting any of the sites identified as possible for tourism on Fantome and Havannah Islands.

The inability to visit any of the islands also prevented assessments being made for the special interest areas of;

- Bare boat cruising
- Sports fishing
- Resorts

Visits were made to;

- Wallaby Point
- Butler Bay
- Pencil Bay
- The Canteen
- Water reservoirs
- Pine Plantation
- Shortjoe`s horse riding

After visiting all of the above sites, the team agreed that there is potential to develop saleable and sustainable tourism experiences, subject to normal business criteria and market demand issues being understood and addressed.

Rather than just provide comment on each individual business proposition, this document needs to mainly discuss the broader issue of "Palm Island" and how it might be established / positioned in the leisure holiday market, before individual product development is addressed.

Palm Island Tourism

The potential for success for individual tourism products within the Palm group will totally depend on how the "big picture view" of tourism is composed, nurtured, developed and implemented.

Individual products will not prosper unless the broader issues relating to Palm Island are identified, planned for, understood and supported by the whole community, government and relevant tourism industry stakeholders.

What is Palm Island`s "position" in the Queensland/Australian leisure holiday marketplace?

Currently, Palm Island does not enjoy any position of prominence in the leisure tourism marketplace.

Even though there may be some visitation by small numbers of backpackers, this does not constitute anything that could be construed as saying that Palm Island is a tourism destination.

This means that from a development point of view, Palm Island is a "new page" and provides the community with the unique opportunity to create an overall plan / direction for the future, without having to contend with overwhelming existing demands from the marketplace, which might not be in parallel with community aspirations.

Therefore, this report will concentrate on providing comment on developing a Palm Group of Islands Tourism Development Plan. Proposals from individual residents, the Council and potential tourism industry partners can then plug into the Plan, rather than having individual projects trying to start up and survive in an environment which has no "road map" or "support system" in place.

The Palm Group of Islands Tourism Plan

If unplanned non-integrated tourism activity is to be avoided, there needs to be an organised approach developed, which will assist all stakeholders/interested parties to understand the processes and pitfalls involved in developing tourism products or services. These products and services might be; independently-owned and operated tourism businesses, joint ventures between two or more parties, or major public infrastructure projects between Council, Government and/or private investors.

Irrespective of what the project might be, it should fit within an overall plan so that issues, as per the following, can be addressed and resolved.

Tourism Industry Awareness - How the industry is structured and works and do all parties understand?

Financing Projects – Where does the money come from for both private and community projects?

Business/work skills analysis. What training is required to equip individuals and organisations to participate in tourism as both operators and employees?

What do customers want to buy? Understanding the market through relevant research. Does this align with what the community wants to sell?

Stakeholders and potential partners. Which government and industry organisations/individuals have the capacity/interest/resources to work with Palm Island to make it happen?

Implementation. Developing a realistic plan which sets out the practical framework for making it all happen.

Management / Support. Who will oversee and drive the implementation of a tourism development plan and how will they be resourced?

Already, there is considerable interest from within and outside of the Palm Island community to develop saleable tourism experiences within the Palm group.

This Report proposes that a Working Party be formed and charged with the responsibility of developing a Plan that can provide guidance and support to all those parties, interested in developing tourism related products and experiences within the Palm group of islands.

This Working Party should have the following composition;

- Palm Island Shire Council
- Residents / community representation
- Potential private operators (Palm Island residents)
- Relevant State & Federal agencies
- Regional Tourism Organisation
- Business sector experts (accommodation – transport – experiences - training)

Having a mix of community, government and industry participation, should provide balanced input to ensure that the relationship between supply and demand is kept realistic and therefore minimises the risks of developing inappropriate, products, experiences, infrastructure and expectations.

What are the potential tourism products / services?

Transport

Palm Island has only two transport options. Aviation and Marine.

Currently, both transport systems are predominantly providing regular and reliable commuter-style services.

Both transport systems will be crucial to the future development of tourism on Palm Island as they both have the ability to;

- Employ and train Palm Islanders in a wide range of jobs.
- Increase or decrease this essential visitor service.
- Provide a critical linkage for any holiday packages that are developed in the future.
- Promote and distribute holiday packages as they are developed, thus broadening the distribution system.
- Increase their income streams through increased sales of Palm Island Group packages.
- Make or break a customer`s holiday on Palm Island, as their service will provide the first impression of what is to be.

Therefore, both aerial and marine transport operators need to be seen as essential partners in the long term development of tourism relating to the Palm Group of Islands.

Accommodation

At present, there is the Council-owned Motel that provides the majority of visitor accommodation for Palm Island, servicing the predominantly "corporate / government" clientele.

During the course of the Product Review, the team were made aware of a privately-owned B&B style venture that was in the final stages of development.

The opportunities in the accommodation sector lie in the direction of;

- An expanded capacity for the Motel.
- Additional B&B style accommodation for visitors, in the right location. (semi-remote from the mainstream community with a beach, mountain or forest outlook.)

All accommodation operators will need to participate in whatever packages are developed to broaden their exposure to the market and to make the whole buying/booking process easier for the potential customer to complete.

This sort of integration/packaging will require the accommodation operators to include a minimum of 30% commission in their room rates to ensure support from the distribution system.

Though this rate of commission may seem excessive to those people outside of the tourism industry, it is part of the normal transaction rate and operators build-in this level of commission so that it does not affect their required profit margin.

Fishing

“Fishing for food” is a pastime well known to and enjoyed by Palm Island residents.

“Fishing for Sport” is a concept new to residents, but one which has the potential to provide some business opportunities, employment and another “saleable” product which has limited impact on the environment, due to the “catch & release” nature of the exercise.

Even without accessing the lee sides of the islands in the Palm Group, it is reasonably obvious from aerial photography that the shallow, reef/sand flats of the islands lee sides should provide good territory for the sports fishing market.

Flyfish Downunder have provided a commentary and proposal on further progressing the assessment of the Palm Group for development as a sport fishing destination. See Attachment 1.

This style of sport fishing should suit the aspirations of the Palm Island community as it would be; low customer numbers – low environmental impact- low fish species impact – higher financial return with the majority of clients being brought in by professional sports fishing operators like Flyfish Downunder.

In addition, there would also be interest from visitors to experience a “fishing for food” style experience where they are taken out to approved locations to “bottom bash” using the more popular “bait fishing” technique. This type of fishing might be more likely to be of interest to visitors who come to Palm Island independently and fishing is not their major motivation to visit.

Whatever the method employed, there is opportunity to offer and sell a variety of fishing experiences.

Resources required to create the fishing experiences would include;

- Vessels in appropriate survey
- Permits from GBRMPA

- Business licences and insurances
- Crew with appropriate qualifications (coxswains ticket)
- Crew trained in sport fishing guiding techniques
- Links with outside operators who could feed in customers
- Appropriate admin/business systems
- Communications systems (phone/fax/internet)

Currently, customers could be accommodated utilising the Motel or the B&B style accommodation.

In the long term, if the area is proven to provide a highly desirable sports fishing experience and the demand is sufficient, it may be that a small-scale fishing lodge could be developed on one of the island sites, as identified for tourism within other reports.

A good example of this style of operation is the Arnhemland Barramundi Nature Lodge, which is a joint arrangement between the Maningrida Aboriginal community and an outside sports fishing tour operator. (See; www.barralodge.com.au)

Fish stocking

Another opportunity that was identified relates to the two freshwater impoundments that are the islands water supplies.

As in other freshwater impoundments throughout Queensland, it would be possible to stock them with sport fish species such as Barramundi, Sooty Grunter or other appropriate species.

This style of sport fishing could be another income generator for someone on the island, at a low start-up and operational cost.

Initially, a sport fishing product could be developed and promoted as a guided walking tour, for early mornings or late afternoons.

Having a stocked impoundment could also provide an alternative fishing location if bad weather prevents ocean-based operations.

Dept of Primary Industries are the experts in how to develop a stocked impoundment and could easily be engaged to provide advice.

Bareboating

Bareboating in the Palm Island group is in its infancy and not a tourism experience that is usually considered for this location.

One of the team members is from the Bareboating sector of tourism and considers that there are opportunities for a cooperative approach between his Company and Palm Island.

He has provided an outline of his proposal to further explore the Bareboating potential of the Palm Group and what the mutual benefits might be, in Attachment 2.

Walking trails

One of the opportunities which has been identified in all reports and was also an obvious opportunity to the Review team, was the potential for creating a walking trails network.

Though not a huge money-spinner, a series of themed and "best Of Palm" walking trails would provide visitors with another experience / activity, while on the island and thereby potentially increase the length of stay.

Any increase in length of stay and utilising other products and services that contributes to an added income for the island.

Some trails already exist and others would need to be developed. A "Best of" trail similar to the Thorsburne Trail on Hinchinbrook Island, which would lead walkers to the iconic points of interest on Palm Island, which would soon generate "word of mouth" interest amongst the domestic and international walking fraternity.

The proximity of Palm Island to major walking experiences of; Hinchinbrook Island, Misty Mountain Trails, Tropical Wetlands, The Daintree and Magnetic Island, potentially provides for an existing and readily accessible market of adventure and walking visitors.

This potential will only be realised if the Palm Island adventure / walking experience offered, matches the expectation of the visitor. If it does, then Palm Island Walks will become part of the East coast Australian Experience for the Free and Independent (FIT) adventure seeker.

Walks could either be "self-guiding" or escorted. Both could be designed so that they generated income. Either through the purchase of the "self-guiding" map and walking permit, or by hire fees for the local guide to escort them, as well as a walking permit.

It may also be possible to generate income that would subsidise trail construction by promoting and selling "Earthwatch-style"

packages where the visitor / volunteer pays to come in for a period (5 days – 4 nights) and works with local people to map and create walking paths.

World War 2 sites

There is a small but growing market for experiences which include visits to WW2 sites and relics.

Wallaby Point and its unique role as a U.S. naval aviation base certainly has potential to draw people interested in these heritage sites.

A visit to Wallaby Point sites could be part of a specific WW2 program. It could be included as a point of interest in the self-guided or escorted walking tours, or could be an element of an overall Palm Island day tour if one was developed.

If the accommodation capacity is increased, it may be that outside operators who organise and conduct tours to WW2 sites might wish to negotiate access to the Wallaby Point site, which would generate income for whichever Island businesses might be involved.

Interpretive signage and storytelling guides would add value to this World War 2 heritage experience and could provide local employment opportunities.

As mentioned earlier, this is a viable niche visitor market if developed and targeted correctly in partnership with WW2 Heritage Reunion and Relic tour operators.

General comments

It is obvious that there is tourism potential within the Palm Group of Islands.

All of the foregoing commentary within this report has focussed on some of the opportunities that were observed in the short period of the visit by the Review Team.

This commentary needs to be balanced-up with the realities of the market place. Especially when Palm Island is an “unknown quantity” in the domestic and international tourism marketplace.

The Queensland “island tourism” sector is already an overcrowded, highly competitive, high cost (operationally) arena to enter.

As with all tourism destinations, having a “point of difference” is critical and as long as there is one (or several) then potential customers will respond.

Palm Island does have several points of difference that differentiate it from the competition and they present both opportunities and challenges.

Building on the opportunities and minimising the challenges will be a key element of any Tourism Plan that is developed.

Points of difference that present opportunities are;

- Unique situation of an island-based Aboriginal community, reasonably accessible to paying visitors.
- Palm Island is “new” to the tourism marketplace.
- Potential to develop a variety of marine and land-based experiences, all with an Indigenous and island influence.
- Council, Community, government and industry support.

Points of Difference that present challenges.

- Island-based experience within an over-crowded, competitive, market place.
- Island-based, indigenous-influenced potential, but unknown in the tourism marketplace.
- Enthusiastic Indigenous community, inexperienced in tourism and business.
- Enthusiastic Shire Council and government support agencies, inexperienced in the business of tourism.

Strategies to build on opportunities and address challenges would constitute a major part of the proposed Tourism Development Plan.

Recommendations

It is recommended that the Palm Island Aboriginal Shire Council favourably consider the following actions;

1. Support the Sportfishing Downunder proposal to assess the Sportfishing potential of the Palm Group of Islands and seek funding to implement the study.
2. Support the proposal from Queensland Yacht Charters to assess the cruising potential of the Palm Group of Islands.
3. Support the proposal to establish a “Working Party” involving; Council-community- government- industry

stakeholders to drive the creation of a realistic Tourism Development Plan.