Cook Shire Tourism Strategy

Cook Shire Council

Background Assessment Report

August, 2011

A leading Australian consulting group recognised through the success of our clients

Document Control

Job ID:	15972
Job Name:	Cook Shire Tourism Strategy
Project Director:	Carey Ramm
Project Manager:	James Dunbar
Company:	Cook Shire Council
Job Contact:	David Barker
Document Name:	AECgroup Cook Shire Tourism Strategy Background Report v5
Last Saved:	29/5/2012 1:38 PM

Version	Date	Reviewed PM	Approved PD
V1	15/8/2011	JD, TL	
V2	27/10/2011	JD	
Final	28/05/2011	TL	CR

Executive Summary

Background and Context

In 2009, the Cooktown Chamber of Commerce and Tourism supported by Cook Shire Council commenced the preparation of a Marketing Action Plan, funded by a Blueprint for the Bush grant. The Marketing Plan recommended that further research be undertaken to develop the long term sustainability of tourism in Cook Shire. The Cook Shire Council and Cooktown Chamber of Commerce has adopted this recommendation and has commissioned AEC*group* to develop the Cook Shire Tourism Strategy, which will provide strategic direction for tourism in Cook Shire over the next 10 years.

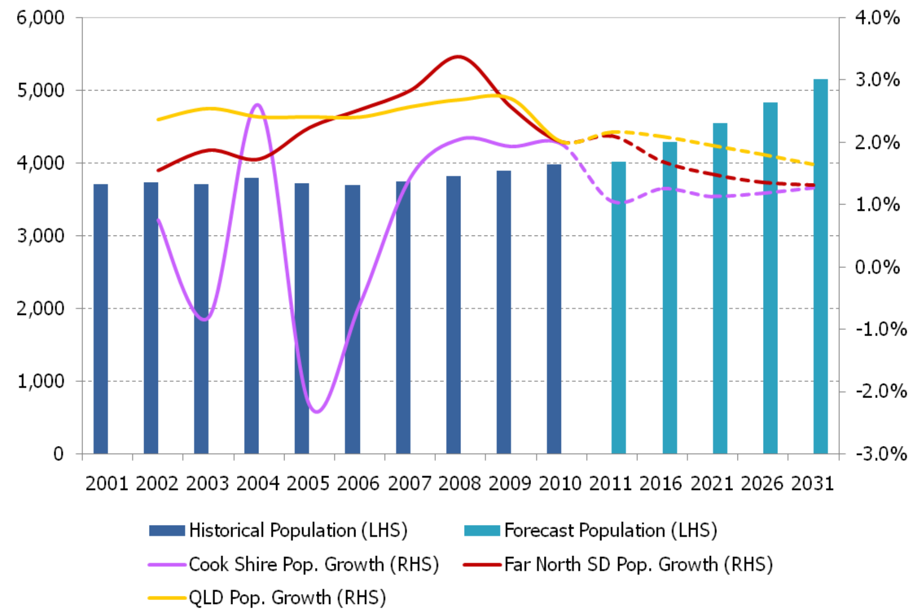
The Background Assessment provides a comprehensive overview of the Cook Shire economy. The historical and current socio-economic position of the Cook Shire has been assessed, through statistical analysis of key demographic, economic and tourism related indicators.

AEC*group* has compiled the best available information regarding demographics, economics and tourism for the region. However, it should be noted that Cook Shire is a remote region with a small population base, meaning many statistics are at best questionable. AEC*group* advises that some statistics should be used with care. Where possible, AEC*group* has made effort to highlight potential short comings in the statistical information set out in this report.

Demographic Profile

The Cook Shire had an estimated resident population of 3,976 in 2010. Average annual growth since 2001 has been 0.8% in Cook Shire compared to the Far North (2.3%) and Queensland (2.5%). Queensland Treasury (2011) projections suggest Cook Shire's population will grow by 1.3% on average per annum, reaching approximately 5,100 by 2031.

Figure E.7.1: Cook Shire's Historical and Forecast Population

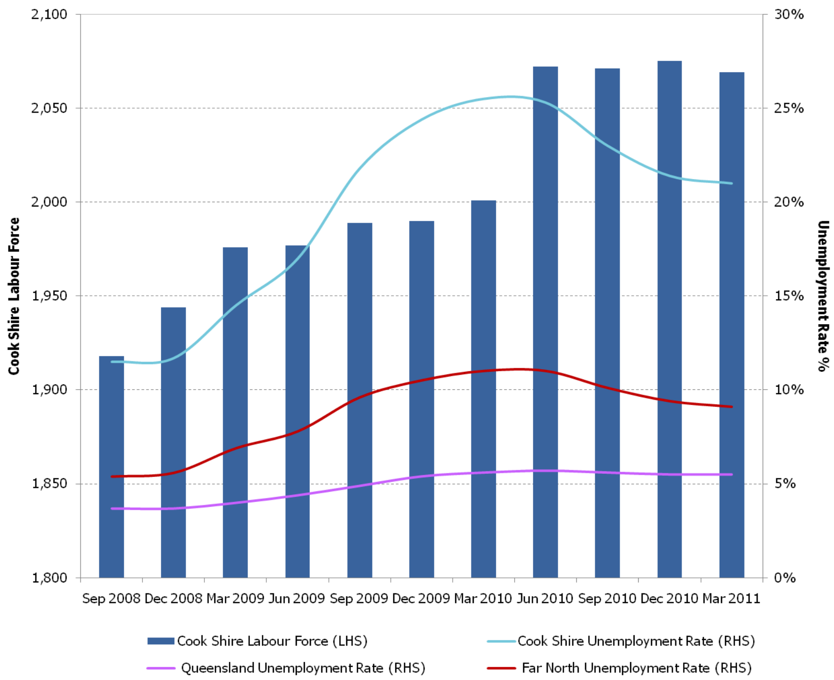


Note: ABS Estimated Resident Population estimates for Cook Shire are based on a small area and therefore are subject to high error rates.
Note*: Dotted lines are forecasts.
Source: ABS Estimated Resident Population, QRSIS

Economic Profile

Agriculture, Forestry and Fishing and *Accommodation and Food Services* are identified as key industries in Cook Shire. Cook Shire's labour force growth averaged 4.3% throughout 2010, equalling the Far North and outpacing Queensland (3.8%). Labour force participation was 52.1% in 2010, marginally lower than the Far North (54.3%) and Queensland (54.4%). The unemployment rate in Cook Shire increased by 9.5 ppt between September Quarter 2008 and March Quarter 2011, reaching 21%. Unemployment in March Quarter 2011 was 11.9 ppt higher than the Far North and 15.5 ppt above Queensland.

Figure E.7.2: Cook Shire's Labour Market



Source: QRSIS

Tourism Profile

According the accommodation data published by the Australian Bureau of Statistics, Cook Shire recorded 22,767 guest arrivals in 2010, a 28.8% decline from 2009. Guest arrivals to Cook Shire have stagnated over the past several years, with approximately 32,000 recorded visitors (to hotels and motels) per annum between 2005 and 2009.

Visitor profiling was undertaken for Cooktown during the Visitor Surveys in 2004 and 2007. The survey in 2007 found that Cooktown's tourist visitation comprises of approximately 86% domestic tourists and 14% international tourists. Queensland is Cooktown's largest source of domestic visitation accounting for 39.7%. Visitors from Victoria (17.2%) and New South Wales (16.6%) also provide a significant proportion of tourism visitation to Cooktown.

Key visitor types to Cook Shire include:

- Grey Nomads;
- People travelling on organised tours;
- Cruise ship passengers;
- 4WD / adventure tourists; and
- Government and business travellers.

Key tourism products and experiences that drive Cook Shire's tourism industry, include:

- History;

- Cape York Peninsula touring route;
- Environment and natural assets;
- Fishing; and
- Indigenous and rural Australian culture.

There are currently minimal formal linkages and collaborations with other regions. However, given the level of self-drive tourism, touring routes and access points into Cook Shire, the region has significant product linkages with neighbouring regions, including Cairns, Carpentaria, Aboriginal Councils on Cape York, and the Northern Peninsula Area.

Strengths, Weaknesses, Opportunities and Threats

The main strengths driving tourism in Cook Shire include the relatively unspoilt natural environment, history and Indigenous culture. The authentic charm and character of local communities also make Cook Shire a unique alternative to traditional tourist destinations. However, the Cook Shire has a number of economic weaknesses including a high unemployment rate and high business operating costs (including the cost of utilities, transport, fuel and imported business services). In addition, there are number of social and environmental weaknesses, including low workforce participation and limited access to the region during the wet season.

There are significant opportunities for further development of Cook Shire's tourism industry, particularly in terms of improving the variety of tourism products and increasing the region's market share. Development in Cook Shire's tourism industry could potentially provide significant positive impacts on the region's economy, generating more income and providing employment opportunities for residents. Key threats for Cook Shire's tourism industry include continuation of the high Australian dollar, impacts from uncertain global economic conditions and continued difficulties complying with State and Federal Government legislation (including land tenure, Native Title, environmental regulation and world heritage listing).

Tourism Products

AEC*group* has undertaken a comprehensive audit of tourism products and assets across the Shire in order to develop a thorough understanding of the tourism industry and its potential in the region. All products and assets identified during the product audit have been grouped under several broad product categories. A quantitative assessment process has been developed and used to individually assess each product to determine how compatible product categories are with key visitor markets visiting the Shire.

International Leisure visitors recorded the highest compatibility among Cook Shire's tourism products, recording high scores among all product categories. Following International Leisure visitors was 4WD / Adventure visitors and Domestic Leisure visitors. These markets recorded a particularly high compatibility with Cook Shire's *Environment / Nature* and *Tour* products.

Tourism Outlook

At this point in the development of the Cook Shire Tourism Strategy, it is difficult to determine the precise outlook for Cook Shire's tourism industry, as relevant analysis and strategy has not yet been developed. In addition, there are no tourism related forecasts (including visitor numbers and average spend) available on a regional level. In consideration of this, there are currently broad two paths the Shire can take in terms of tourism industry development:

1. The 'do nothing' path; and
2. Plan and strategise for tourism development in the region.

Under the 'do nothing' scenario, the Cook Shire would likely see a recovery in tourism over the medium term, with visitation reaching pre-global financial crisis levels. Based on the relatively stagnant longer term trend (indicative by guest arrival data), it is difficult to justify tourism visitation increasing significantly beyond these levels over the longer term. It is possible that tourism visitation would remain consistent (or experience minimal growth) at these levels for the long term outlook.

The second scenario (Plan and strategise for tourism development) for Cook Shire develop the potential for a more positive and desirable outlook for the region's tourism industry. The Cook Shire Council has already made positive steps towards this scenario, including the development of the Tourism Coordinator position within Council, recently undertaking a short-term marketing plan, recent and planned developments in recreational / tourism infrastructure and commissioning this study. Under this scenario, the medium term outlook may remain relatively similar to the 'do nothing' scenario (as time is needed for implemented strategies to take affect), however, with the right strategic direction and actions implemented over this period, the longer term outlook should see Cook Shire's tourism industry grow consistently at sustainable levels.

Based on the results and outcomes from the Phase I consultations, it is clear the Cook Shire would prefer for the industry to grow in the long term. Planning and strategising for growth at this point is pivotal in achieving this.

Table of Contents

1. Introduction

1.1 Background

In 2009, the Cooktown Chamber of Commerce and Tourism supported by Cook Shire Council commenced the preparation of a Marketing Action Plan, funded by a Blueprint for the Bush grant. The Marketing Plan recommended that further research be undertaken to develop the long term sustainability of tourism in Cook Shire. The Cook Shire Council and Cooktown Chamber of Commerce has adopted this recommendation and has commissioned AEC*group* to develop the Cook Shire Tourism Strategy, which will provide strategic direction for tourism in Cook Shire over the next 10 years. The Cook Shire Tourism Strategy has the following desired outcomes and key aims:

- Strategy for the successful management of the 'grey nomad' and cruise ship tourism markets;
- Development of appropriate measures for estimating and recording tourism visitation numbers and associated statistics in the region;
- Sustainable use of resources in relation to tourism development;
- A long term marketing action plan;
- Identification, analysis and prioritisation of tourism product and infrastructure development;
- Comprehensive consultation with community members, regional tourism industry operators and tourism planning representatives.

1.2 Purpose of Report

The Background Assessment provides an overview of Cook Shire's demography and economy. The analysis undertaken in the background assessment forms a basis for identifying key economic trends, drivers and opportunities available for the development of the region's tourism industry. The assessment includes analysis of key social and economic indicators including:

- Demographic and household trends;
- Business and industry trends;
- Property market trends; and
- Labour force and employment trends;

Results have been reported for the Cook Shire LGA (Local Government Area), the Far North Statistical Division (SD) and Queensland for the purpose of benchmarking.

To assist in the development of the Cook Shire Tourism Strategy, the report will also provide an overview of the Cook Shire's tourism industry with reference to:

- Strengths, weaknesses, opportunities and threats;
- Key drivers of tourism in Cook Shire; and
- Linkages with other regions.

1.3 Adequacy of Statistics

It should be noted that some of the statistical measures used in this report are at best questionable. Cook Shire is a remote region, with a small and transient population, which provides a difficult environment for collecting accurate statistics. AEC*group* has compiled what are, in our professional experience, the best available statistics for the region. For statistics that are considered unreliable, AEC*group* has included discussion explaining the relevant deficiencies in each appropriate report section.

Furthermore, Cook Shire has been subject to a significant number of boundary changes over the past several years, with Weipa and several Aboriginal Shire Councils breaking away. This makes sourcing data dated before 2000 very difficult and inaccurate in most cases.

2. Literature Review

2.1 Tropical North Queensland Tourism Opportunity Plan (2010)

The Tropical North Queensland Tourism Opportunity Plan outlines the need for key catalytic tourism projects throughout Far North Queensland. Based on extensive research and consultation with tourism industry and public sector stakeholders, the Opportunity Plan concludes that to maximise tourism over the next ten years, Far North Queensland requires:

- New and upgraded tourism products;
- New investment in infrastructure to support further tourism development;
- Increased skills and training to improve customer service;
- Improved regional collaboration; and
- Increased marketing and profile.

Specifically the Opportunity Plan recommends enhancing Cooktown's Port and Marina facilities with increased moorings, accommodation and retail offerings to improve the appeal and accessibility of the region to the cruise ship market.

2.2 Cooktown LTO Tourism Development Project Marketing Plan (2010)

The Marketing Plan identifies both the importance of tourism in Queensland and the low market share currently captured by Cook Shire. The unique European / Indigenous history, fishing, and wilderness of Cook Shire are defined as the major drivers of the region's tourism industry. The Plan recommends targeting interstate domestic tourists with a low-cost strategy of online and electronic marketing, combined with marketing collateral and public relations exercises.

2.3 Cooktown Visitor Survey 2004 (2006)

The Cooktown Visitor Survey 2004 was prepared for the Cook Shire Council and the Cooktown Chamber of Commerce and provides a detailed profile of tourists visiting the region during this period. The survey includes information on visitor's personal details, holiday plans, reasons for travelling through the region and satisfaction with the region. Key findings included:

- Visitors were predominately interstate based (48%), followed by Queensland (36%) and overseas (15%);
- Visitors were generally of an older demographic;
- 87% of visitors were in Cooktown for a holiday, followed by 4% on business and 6% visiting friends;
- Average length of stay in Cooktown was calculated as 3.6 days;
- Visitors primarily had heard about Cooktown through word of mouth; and
- Satisfaction amongst visitors was very high (92% of visitors cited their expectations had been met).

Based on these key findings, the following key recommendations were made:

- Look to attract higher yielding tourists rather than increase visitation all-together;
- Develop strong market practice and regional image;
- Look to increase visitor satisfaction;

- Continue tourism research and data collection; and
- Broadly distribute results of this survey,

2.4 Cooktown Visitor Survey 2006-07 (2008)

The Cooktown Visitor Survey 2006-07 was commissioned by the Cooktown Chamber of Commerce and the Cook Shire Council and acts as a follow up for the first visitor survey undertaken in 2004. Similar to the Visitor Survey in 2004, key topics within the survey included information on visitor personal details, holiday plans, reasons for travelling through the region and satisfaction with the region, which enables the results from this survey to be compared on a longitudinal basis. Key results from the Cooktown Visitor Survey 2006-07 include:

- Visitors were primarily from Australia (86%), of which 54% were instate based;
- Approximately 86% of respondents were visiting Cooktown on holiday, followed by 9% on business and 4% visiting family and friends;
- Average length of stay for respondents was roughly 3 nights;
- Visitors primary heard of Cooktown through word of mouth and family connections; and
- Roughly 30% of respondents indicated that history was the highlight of visiting Cooktown.

The survey highlighted several key areas in need of improvement, including:

- Roads and increased tourism infrastructure;
- Directional and interpretive signage;
- Customer service;
- Development of new tourism products;
- Greater online presence and general information availability; and
- Longer opening hours.

2.5 Coen Tourism and Business Hub Report (2010)

This report establishes that the majority of Indigenous Australians in Cape York Peninsula are currently unable to capture the potential benefits of tourism due to:

- A lack of skills and motivation;
- Poor levels of customer service;
- Shortage of marketable tourist products and experiences; and
- Poor support for existing operations.

Based on the findings of the report, the Balkanu Cape York Development Corporation purchased Homestead Guesthouse in Coen to convert into a vocational training centre.

2.6 Cape York Peninsula and Torres Strait Tourism Development Action Plan 2008 – 2011

The Cape York Peninsula and Torres Strait Tourism Development Action Plan is a strategic planning document that considers nine key strategies, which include 35 and 37 actionable tasks for Cape York Peninsula and the Torres Strait respectively. The Tourism Development Action Plan specifically aims to:

- Develop a vision for tourism in the region;
- Consider practical actionable tasks for government, industry and community;
- Provide aid for community decision making regarding their involvement in the local tourism industry; and

- Set out key priorities for the tourism industry in the region.

The nine key strategies set out in the Action Plan for Cape York Peninsula and Torres Strait are:

- Improve tourism coordination and leadership;
- Improve community and industry tourism planning and knowledge;
- Develop new tourism products, experiences and supported services;
- Define and developing destination marketing and promotion messages;
- Develop and maintain tourism resources and infrastructure;
- Improve workforce skills and capacity;
- Attract investment to develop, maintain and upgrade tourism infrastructure and products;
- Distribute visitor information; and
- Establish ongoing tourism research programs.

2.7 National Long-Term Tourism Strategy (2011)

The National Long-Term Tourism Strategy sets out a number of key actions and tasks for the Federal Government's role in Australia's tourism industry over the longer term. The actions are grouped under nine key topics, which include:

- Positioning for long-term growth;
- Leadership;
- Informing industry and government;
- Facilitating investment and regulatory reform;
- Labour and skills;
- Responding to challenges;
- Excellence in product and service delivery;
- Strengthening our competitiveness with industry and product development; and
- Measuring our performance.

2.8 Queensland Tourism Strategy (2006)

The Queensland Tourism Strategy is a State-wide strategic plan that sets a vision for tourism activity in Queensland and identifies key themes for further planning and development. The Strategy sets out a 10-year (2016) theme, which envisages a tourism industry that:

- Showcases Queensland as a leading, vibrant and innovative tourism destination;
- Delights visitors with enriching, enjoyable and exciting experiences;
- Generates business growth and profitability, creates jobs and stimulates economic growth;
- Enriches the lifestyles of Queensland communities;
- Celebrates and protects our Queensland culture, heritage and magnificent natural environment; and
- Champions an industry-wide culture of partnership and mutual respect.

The Strategy provides actions for the following key themes:

- Coordination, partnerships and community engagement;
- Investment, infrastructure and access;
- Workforce development;

- Developing and marketing a Queensland style visitor experience;
- Natural environment and culture; and
- Future insights and research.

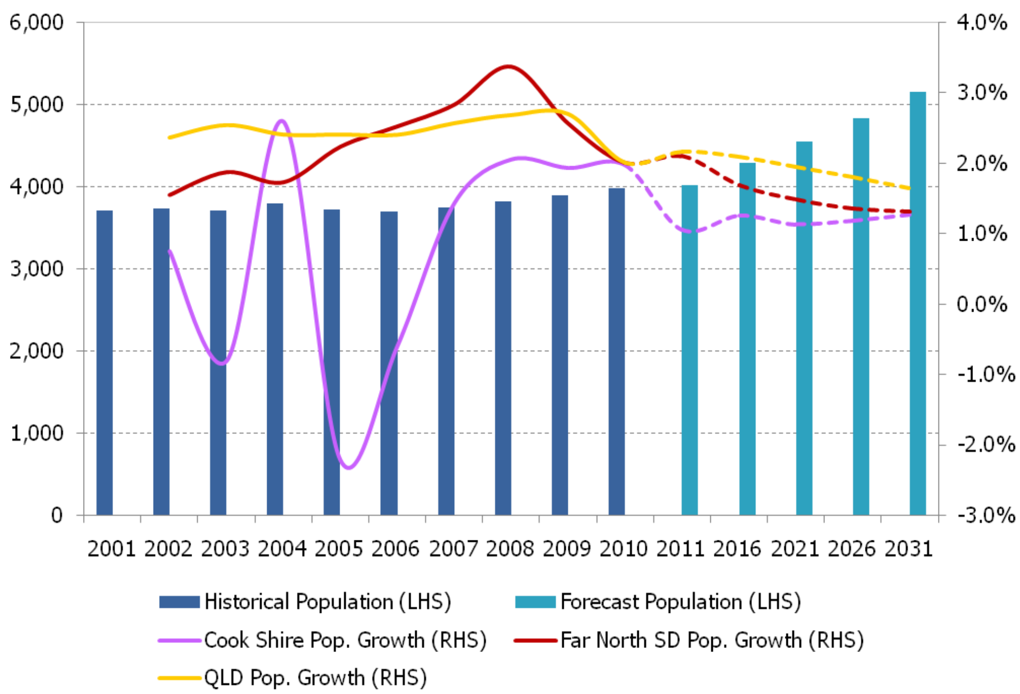
3. Demographic Profile

3.1 Population

The Cook Shire recorded an estimated resident population of 3,976 in 2010. Population growth in Cook Shire has varied significantly over the past decade, which is characteristic of a small base population. Average annual growth since 2001 has been relatively low in Cook Shire (0.8%) compared to the Far North (2.3%) and Queensland (2.5%). Queensland Treasury (2011) projections suggest that Cook Shire's population will continue to grow by 1.3% on average per annum, reaching approximately 5,100 by 2031.

Population estimates have been sourced from the ABS' Estimated Resident Population (ERP) series, which are widely considered as the best available population estimates for major and remote regions in Australia. ERP estimates date back to 2001, with previous series reflecting differing regional boundaries and estimation methodologies (which makes them incomparable). Cook Shire has been subject to a significant number of boundary changes over the past 15 years, with Weipa and several Aboriginal Shire Councils breaking away. This makes it very difficult to source accurate population estimated prior to the ERP series.

Figure 3.1: Cook Shire's Historical and Forecast Population

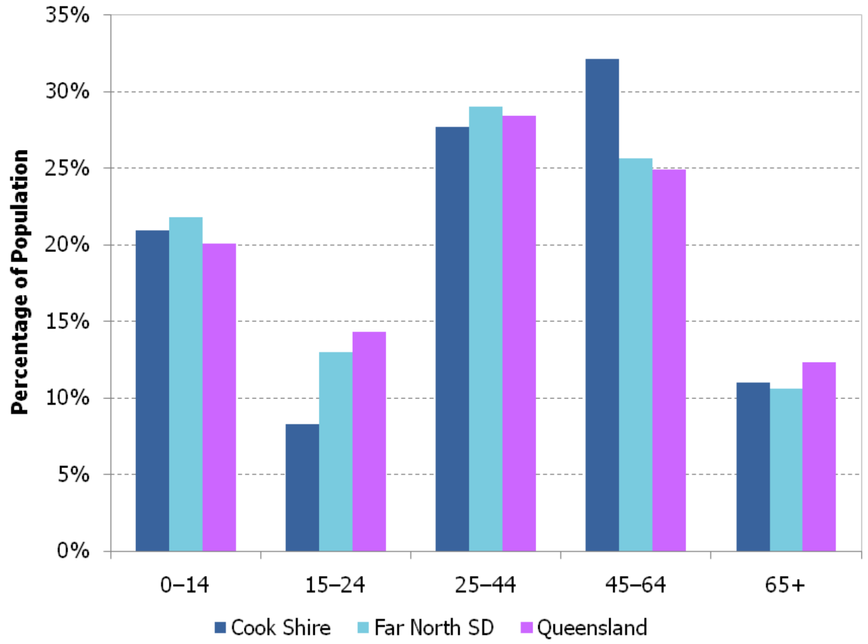


Note: ABS Estimated Resident Population estimates for Cook Shire are based on a small area and therefore are subject to high error rates.
Note*: Dotted lines are forecasts.
Source: ABS Estimated Resident Population, QRSIS

3.2 Age Distribution

In 2006, Cook Shire recorded a higher average age (39 years) relative to the Far North (36 years) and Queensland (37 years). The older demographic is reflected through a smaller proportion of 15-24 year olds and a greater proportion of 45-64 year olds. The age distribution for Cook Shire is typical of regional communities and reflects a relative shortage of education and lifestyle opportunities appropriate to attract and retain younger residents. Younger residents tend to leave regional areas for various regions, including for attending boarding school, tertiary education and employment opportunities that are typically offered in larger cities.

Figure 3.2: Historical Population by Age Groups (2006)

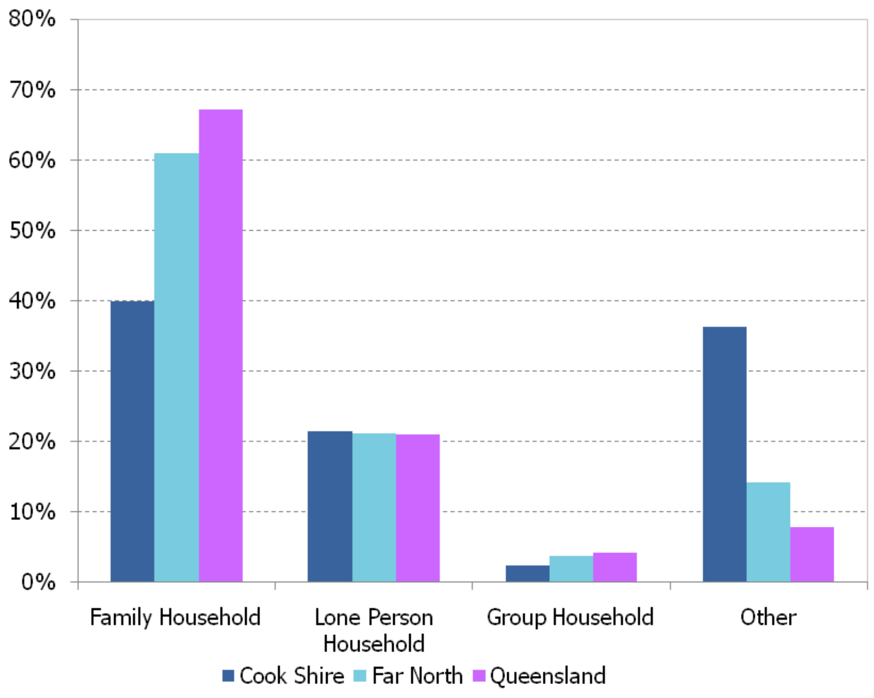


Source: ABS Census

3.3 Household Composition

Cook Shire's household composition is characterised by a much lower percentage of family households (39.9%), relative to the Far North (60.9%) and Queensland (67.1%), where as the proportion of lone households and group households are relatively similar. The proportion of households falling under 'other' is much higher in Cook Shire, which is possibly due to a high rate of non-conventional household arrangements or miss-interpretation of the Census questionnaire. 'Other' household compositions reflect non-conventional household arrangements that are not classifiable under the three main categories (often includes visitors).

Figure 3.3: Household Composition – Regional Comparison (2006)



Note: Family Households are defined as households inhabited by related individuals. Family Households include single parents.
Source: ABS Census

3.4 Residential Dwelling Type

Separate houses are the dominant residential dwelling type in Cook Shire, representing 64.2% of housing in 2006. The trend for separate housing has been growing over time, increasing by 5.6 percentage points between 1996 and 2006. Semi-detached (0.7%) and flats, units and apartments (5.5%) are typically built in more metro-urban areas and account for a relatively small proportion of housing in Cook Shire.

Cook Shire records a high proportion of 'other dwelling' types which indicates either a high error rate in the completion of the Census questionnaire, or a significant number of people living in non-convention housing in the region, including:

- Caravans, cabins and house boats; and
- Improvised homes, tents and sleepers' out.

Table 3.1: Cook Shire's Residential Dwelling Type

Dwelling Type	1996	2001	2006
Separate House	58.6%	57.3%	64.2%
Semi-Dethatched, Terrace or Townhouse	3.4%	0.8%	0.7%
Flat, Unit or Apartment	4.0%	3.9%	5.5%
Other Dwelling	34.0%	38.0%	29.6%
Total	**100.0%**	**100.0%**	**100.0%**

Source: ABS Census

4. Economic Profile

4.1 Business Counts

In 2009, there were an estimated 374 businesses located within the Cook Shire with the majority of these being from the sectors of:

- *Agriculture, Forestry and Fishing* (27.5%);
- *Construction* (19.5%); and
- *Accommodation and Food Services* (12.0%).

Retail Trade and *Administrative and Support Services* also represented a high proportion of businesses relative to the Far North and Queensland. Approximately 95.2% of businesses in Cook Shire are estimated to be small businesses that employing less than 20 people. The proportion of small businesses is comparable to Far North and Queensland benchmarks.

Public Administration and Safety accounted for a negligible amount of businesses in Cook Shire, despite Cooktown having relatively high government service provision. Government is not accounted for in Business Count data, as it is not technically a business. This is further reflected by small proportions for the Far North and Queensland compared to governments relative contribution to the overall economy.

There are also negligible contributions from several other sectors, such as *Mining*, *Electricity, Gas, Water and Waste Services*, *Information Media and Telecommunications* and *Art and Recreational Services.* Realistically, businesses in these fields in Cook Shire are likely to be few and far between. In addition, these industries account for relatively small proportions of businesses for the Far North and Queensland. However, as with all data for regional areas, it is possible that there may be inconsistencies and errors.

In terms of the tourism industry, ABS does not specifically measure tourism as one of its 17 sector industry breakdown. Tourism is a very difficult industry to measure and it includes components of a number of industries, all of which are subject to unknown proportions of domestically driven demand. As a general rule of thumb, *Accommodation and Food Services* is a relatively good measure for tourism activity in a particular region, however, *Retail Trade*, *Transport, Postal and Warehousing* and *Arts and Recreational Services* also provide contributions. *Accommodation and Food Services* (12.0%) accounts for a significantly higher proportion of total businesses in Cook Shire compared to the Far North (5.2%) and Queensland (6.2%), which indicates that tourism is significant in terms of business activity for the region.

Table 4.1: Percentage of Businesses by Industry (2009)

Industry	Cook Shire	Far North SD	Queensland
Agriculture, Forestry and Fishing	27.5%	17.1%	11.1%
Mining	0.0%	0.6%	0.5%
Manufacturing	1.6%	3.8%	4.3%
Electricity, Gas, Water and Waste Services	0.0%	0.2%	0.2%
Construction	19.5%	18.9%	18.8%
Wholesale Trade	2.4%	2.2%	3.2%
Retail Trade	8.8%	7.1%	6.6%
Accommodation and Food Services	12.0%	5.2%	3.6%
Transport, Postal and Warehousing	5.6%	6.5%	6.5%
Information Media and Telecommunications	0.0%	0.5%	0.7%
Financial and Insurance Services	0.8%	4.6%	6.2%
Rental, Hiring and Real Estate Services	4.8%	10.5%	11.1%
Professional, Scientific and Technical Services	4.8%	7.0%	9.9%
Administrative and Support Services	5.6%	4.0%	3.7%
Public Administration and Safety	0.0%	0.3%	2.3%
Education and Training	0.8%	0.9%	0.3%

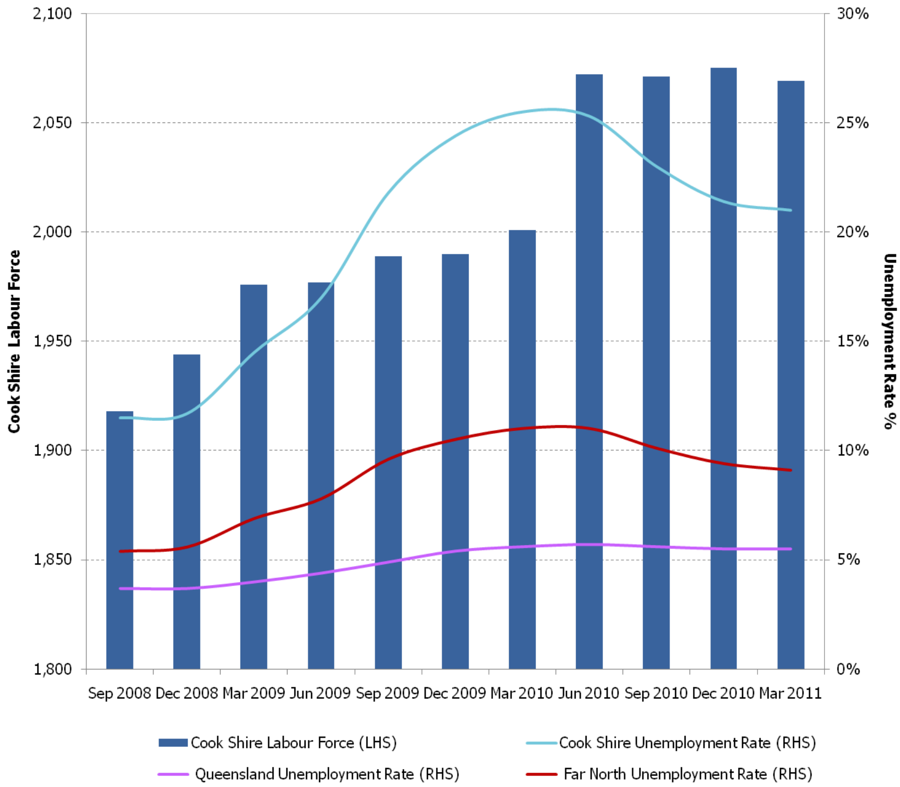
Health Care and Social Assistance	1.6%	3.2%	1.1%
Arts and Recreation Services	0.0%	1.2%	4.2%
Other Services	1.6%	4.1%	1.3%
Not Classified	2.4%	2.0%	4.4%
Total	**100.0%**	**100.0%**	**100.0%**

Source: ABS (sourced via QRSIS)

4.2 Labour Force and Unemployment

Cook Shire experienced labour force growth of 2.4% during 2009, slightly below the Far North (2.5%) and Queensland (2.7%). Throughout 2010, labour force growth averaged 4.3%, mirroring the Far North and outpacing Queensland (3.8%). In 2010, Cook Shire recorded a labour force participation of 52.1%, which was marginally lower than the Far North (54.3%) and Queensland (54.4%) benchmarks. The unemployment rate in Cook Shire increased by 9.5 ppt between September Quarter 2008 and March Quarter 2011, reaching 21%. Unemployment in March Quarter 2011 was 11.9 ppt higher than the Far North and 15.5 ppt higher than Queensland.

Figure 4.1: Cook Shire's Labour Market



Note: Cook Shire has been subject to several relatively major shire boundary changes over the past 10 years, and as such, it is not possible to obtain a comparable series that considers a longer term historical trend.
Source: Small Area Labour Force via QRSIS

4.3 Employment by Industry

The largest employment industries in Cook Shire are *Agriculture, Forestry and Fishing* (18.2%), *Public Administration and Safety* (12.3%) and *Accommodation and Food Services* (12.0%). In 2006 these industries accounted for over 40% of employment in Cook Shire. *Agriculture, Forestry and Fishing* (+9.8 ppt) and *Accommodation and Food Services* (+6.9 ppt) have experienced significant growth in terms of contribution to Cook Shire's employment since 1996, conversely, *Public Administration and Safety* (-15.8 ppt) and *Health Care and Social Assistance*'s (-6.4 ppt) proportion of employment decreased considerably during this period. The decline in these industries is significant and could reflect typical data inadequacies generally found in regional and remote areas. Other potential explanations for these declines are increased fly-in, fly-out government and health service provision, or changes between data estimation methodologies between census years.

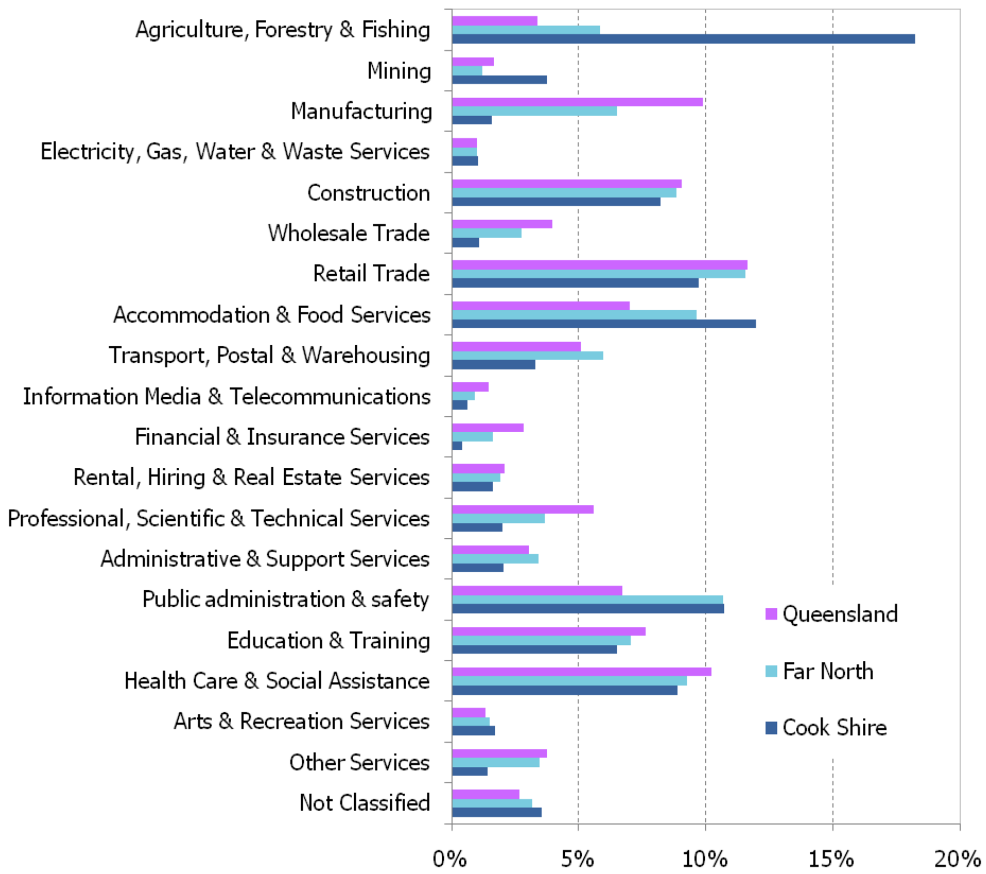
Table 4.2: Cook Shire Employment by Industry (Place of Usual Residence)

Industry	1996	2001	2006
Agriculture, Forestry and Fishing	8.4%	9.7%	18.2%
Mining	5.5%	3.5%	3.8%
Manufacturing	2.4%	2.9%	1.6%
Electricity, Gas, Water and Waste Services	0.3%	0.9%	1.0%
Construction	5.2%	8.5%	8.2%
Wholesale Trade	0.5%	2.1%	1.1%
Retail Trade	6.1%	10.3%	9.7%
Accommodation and Food Services	7.1%	14.0%	12.0%
Transport, Postal and Warehousing	3.9%	3.5%	3.3%
Information Media and Telecommunications	0.5%	0.8%	0.6%
Financial and Insurance Services	0.3%	0.3%	0.4%
Rental, Hiring and Real Estate Services	0.7%	1.0%	1.6%
Professional, Scientific and Technical Services	0.9%	1.9%	2.0%
Administrative and Support Services	1.8%	2.4%	2.1%
Public Administration and Safety	28.1%	13.3%	12.3%
Education and Training	7.7%	7.6%	6.5%
Health Care and Social Assistance	14.4%	8.0%	8.9%
Arts and Recreation Services	0.9%	1.9%	1.7%
Other Services	2.1%	4.5%	1.4%
Not Classified	3.2%	3.0%	3.6%
Total	**100.0%**	**100.0%**	**100.0%**

Source: ABS Census

Cook Shire has a larger proportion of workers employed in *Agriculture, Forestry and Fishing*, *Mining*, *Accommodation and Food Services* and *Public Administration and Defence* compared to the Far North and Queensland. Conversely, Cook Shire is relatively underrepresented in *Manufacturing*, *Wholesale Trade*, *Transport, Postal and Warehousing* and *Professional, Scientific and Technical Services*. These industries represent more technical and industrial practice, and generally represent large employment proportions in urban / metropolitan regions.

Figure 4.2: Employment by Industry, 2006 (Place of Usual Residence)



Source: ABS Census

4.4 Real Estate Profile

Cook Shire recorded a median house price of $305,000 in 2011, 11.5% lower than Cairns LGA ($340,000) and 27.9% lower than Queensland ($390,000). Median house prices rose 197.6% between 2000 and 2007, outpacing growth in both Cairns LGA and Queensland. However, since 2007, the median price has not recorded any growth and the number of sales has decreased significantly.

Being a small community in terms of population, Cook Shire's property market is characterised by a relatively small number of sales. Low sale numbers means that individual property sales can impact the median price of housing in the region. There is a reasonable amount of property currently on the market in Cook Shire, which indicates that sellers are not in the position where they are forced to sell and are holding out for higher than current market value prices, resulting in low sales activity.

Table 4.3: Cook Shire Housing Sales and Median Price 2000-2011 (Detached Housing)

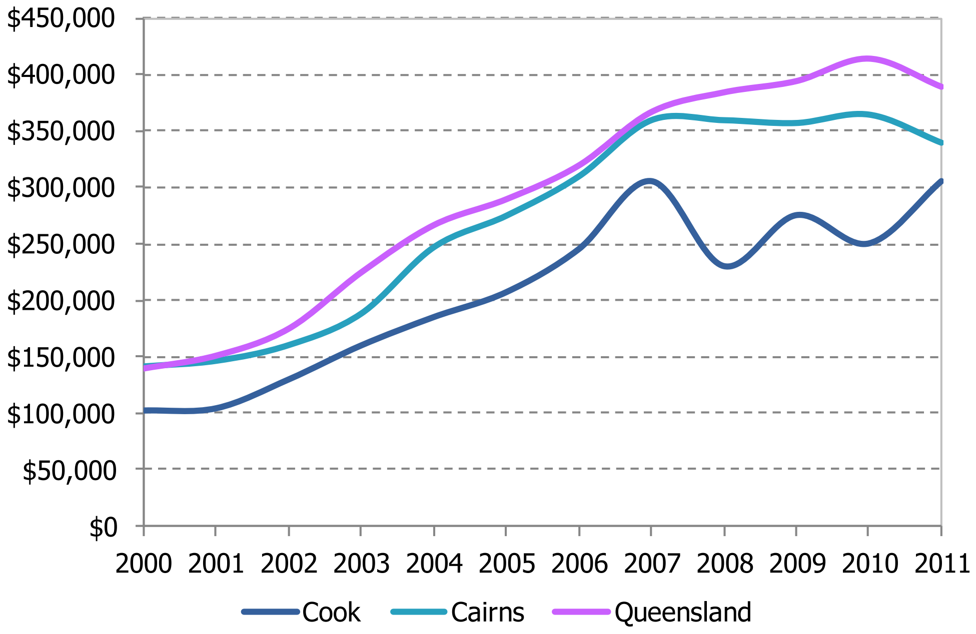
Year	Number of Sales	Median Sale Price
2000	30	$102,500
2001	35	$104,500
2002	63	$130,000
2003	60	$160,000
2004	41	$185,000
2005	42	$207,000
2006	38	$245,000
2007	37	$305,000
2008	21	$230,000
2009	26	$275,000

2010	25	$250,000
2011	12	$305,000

Note: 2011 is a preliminary estimate based on an incomplete year.
Source: RPData

On a regional comparison, Cook Shire's median house price has historically trended lower than the Far North and Queensland. Median house prices since 2007 have been volatile and characterised by a small number of annual sales. Cook Shire's historical median house prices are compared with the Far North's and Queensland's in Figure 4.3.

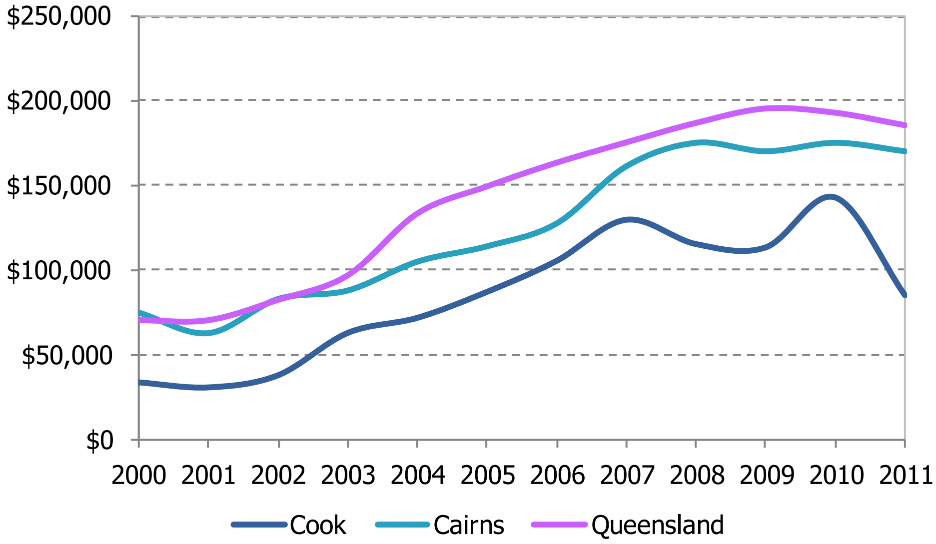
Figure 4.3: Median House Price Comparison (2000-2011)



Note: Cook Shire data is based on low volumes therefore median price series tends to be volatile.
Note*: 2011 is a preliminary estimate based on an incomplete year.
Note**: Cook is represented by Cook Shire and Cairns is represented by Cairns Regional Council.
Source: RPData

In terms of vacant land prices, Cook Shire's median sale price has tracked consistently lower than Cairns and Queensland, which provides the Shire with a cost advantage (in land procurement) for the development of new housing and commercial property. So far in 2011, median land price has recorded $85,000, having fallen considerably from a peak in 2010. However, despite the recent decline in median price, Cook Shire's land sales median price has recorded average annual growth of 12.4% between 2000 and 2011. Median land prices for Cook Shire are considered in Figure 4.4.

Figure 4.4: Vacant Land Sales Median Price (2000-2011)



Note: Cook Shire data is based on low volumes therefore median price series tends to be volatile.
Note*: 2011 is a preliminary estimate based on an incomplete year.
Note**: Cook is represented by Cook Shire and Cairns is represented by Cairns Regional Council.
Source: RPData

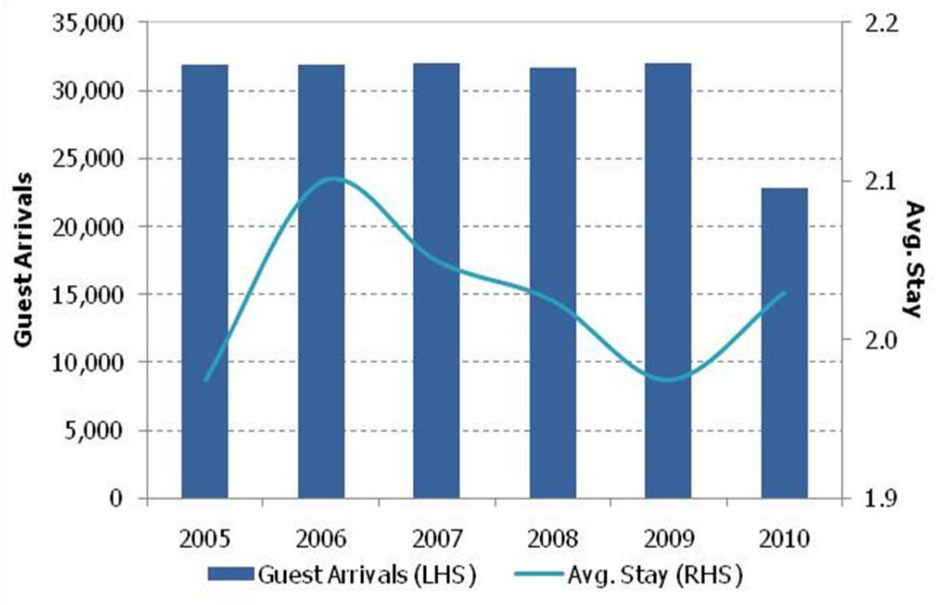
5. Tourism Profile

5.1 Visitation

According the accommodation data published by the Australian Bureau of Statistics, Cook Shire recorded 22,767 guest arrivals in 2010, a 28.8% decline from 2009. Guest arrivals to Cook Shire have stagnated over the past several years, with arrival numbers recording approximately 32,000 per annum between 2005 and 2009. Average length of stay was approximately two nights in 2010, which is below the Tropical North Queensland Tourism Region (TNQ) (2.7 nights) and Queensland (2.4 nights) benchmarks.

Given the nature of Cook Shire's tourism industry (significant camping and caravanning market), utilising guest arrivals as a proxy for tourist visitation in Cook Shire will likely result in an under estimation of total visitation, as a significant proportion of tourists to Cook Shire will not stay at conventional motel style accommodation. The Cook Shire Tourism Strategy aims to develop a more accurate and inclusive measure for tourist visitation for Cook Shire, which will be addressed in later in this project.

Figure 5.1: Cook Shire Guest Arrivals and Average Stay Length (2005-2010)

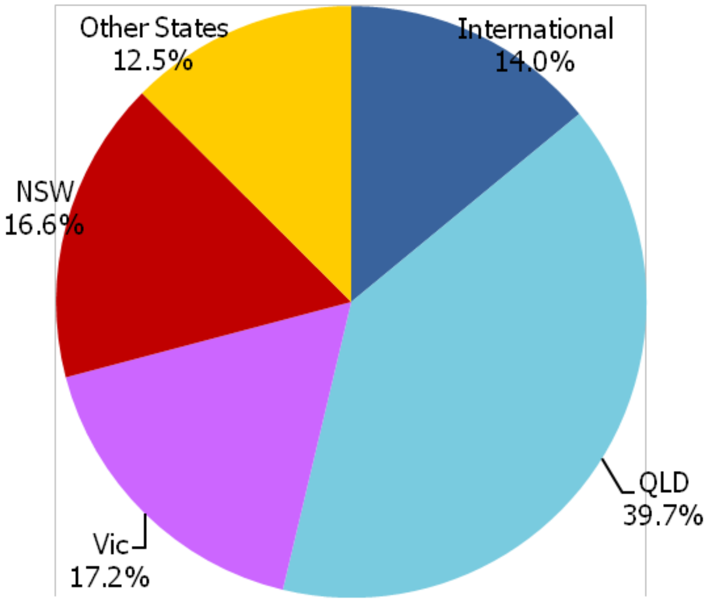


Source: ABS (2011)

5.2 Visitor Profile

Visitor profiling was undertaken for Cooktown during the Visitor Survey in 2004 and 2007. The survey in 2007 found that Cooktown's tourist visitation comprises of approximately 86% domestic tourists and 14% international tourists. Queensland is Cooktown's largest source of domestic visitation accounting for 39.7%. Visitors from Victoria (17.2%) and New South Wales (16.6%) also provide a significant proportion of tourism visitation to Cooktown. In terms of international visitors, Western Europe (primarily Germany, Great Britain, France and Scandinavia) represents the largest market, accounting for approximately 57% of international visitation. New Zealand (24.8%) and North America (14%) also represent significant proportions of international visitation.

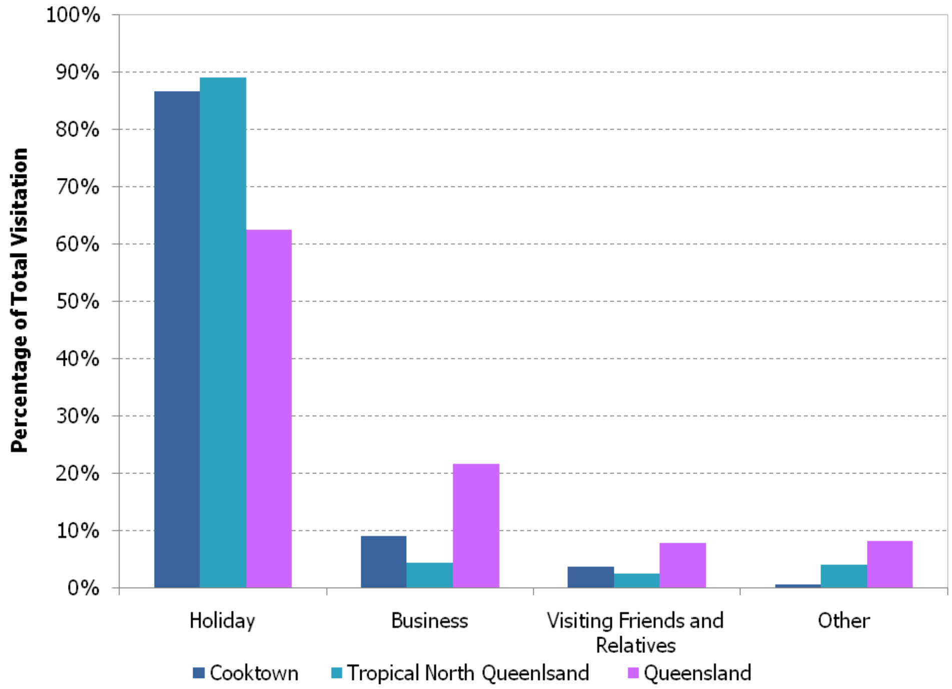
Figure 5.2: Cooktown Visitor Composition (2006-07)



Source: Cooktown Visitor Survey (2006-07)

The primary purpose for travelling to Cooktown was for a holiday (86.6%). The proportion of holiday travellers was lower than the TNQ average (89%), though considerably higher than Queensland (62.4%). Approximately 9% of visitors to Cooktown were for business purposes, which was greater than TNQ (4.4%) and lower than Queensland (21.6%). Tourists visiting family and relatives accounted for 3.8% of tourism to Cooktown, compared to 2.6% for TNQ and 7.8% for Queensland.

Figure 5.3: Purpose of Visitation – Regional Comparison



Source: Cooktown Visitor Survey (2006-2007), Tourism Queensland 2011

5.3 Strengths, Weaknesses, Opportunities and Threats (SWOT)

The SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a contemporary framework for the systematic analysis of complex positions. It is presented in qualitative terms, yet can also involve summarising quantitative factors.

The more comprehensive SWOT analysis involves disaggregating the analysis into a Triple Bottom Line (3BL) framework. This involves the examination of the standard 3BL criteria: Economic, Environmental and Social. The criteria are defined as:

Economic: Total value of an effect across the relevant population, as best defined in monetary terms, but not necessarily involving any transfer of cash or a change in financial position of the entity being examined;

Environmental: Effects on the physical environment, whether that be natural, built, visual or audible environment; and

Social: Effects on social outcomes within the relevant population.

For the purpose of this report, the entity being examined is defined as Cook Shire's tourism industry, and the relevant population is defined as the Cook Shire LGA.

In reviewing a SWOT analysis consideration should be given to:

Strengths: How to maintain and leverage existing strengths;

Weaknesses: How to address or minimise the impacts of weaknesses;

Opportunities: How to pursue and realise opportunities; and,

Threats: How to prepare for and avoid threats.

The main strengths driving tourism in Cook Shire include the relatively unspoilt natural environment, history and Indigenous culture. The authentic charm and character of local communities also make Cook Shire a unique alternative to traditional tourist destinations. However, the Cook Shire has a number of economic weaknesses including a high unemployment rate and inflated business operating costs. In addition, there are number of social and environmental weaknesses, including low workforce participation and limited access to the region during the wet season.

There are significant opportunities for further development of Cook Shire's tourism industry, particularly in terms of improving the variety of tourism products and increasing the region's market share. Development in Cook Shire's tourism industry could potentially provide significant positive impacts on the region's economy, generating more income and providing employment opportunities for residents. Key threats for Cook Shire's tourism industry include continuation of the high Australian dollar and uncertain global economic conditions.

Table 5.1: SWOT Analysis

Economic	Environmental	Social
Strengths:	Strengths:	Strengths:
• Relatively small tourism industry, meaning small increases in market share will create significant economic benefits. • Comparatively affordable property prices (to Cairns and Queensland). • Offers several distinct and unique products.	• Beautiful and relatively preserved natural environment. • Ideal environment for 4WD tourism activities. • Unspoilt wilderness and national parks. • World-class fishing opportunities. • Close proximity to the Great Barrier Reef.	• Charm and character of local communities. • Rich Indigenous and rural-Australian culture.
Weaknesses:	Weaknesses:	Weaknesses:
• Limited resources for planning and promotion relative to larger tourist destinations. • High unemployment. • Shortage of skilled labour / shallow labour force	• Poor accessibility during wet season. • Heavy monsoon season unsuitable for many tourist activities. • Government regulation	• Low labour force participation. • Negative community attitude towards some tourists, particularly grey nomads. • Poor retention of youth. • Short business and retail trading

Economic	Environmental	Social
• Low profile / awareness of region as a tourist destination • Comparatively high prices due to transport costs. • Highly seasonal tourism industry. • Road accessibility during the wet season is often cut. • High business operating costs (including cost of utilities, transport, fuel and imported business services).	regarding many of the natural and Indigenous Australian-owned assets limits development opportunities. • Certain times of the year are very windy, which makes seas conditions rough.	hours.
Opportunities:	Opportunities:	Opportunities:
• Large unutilised labour supply. • Increase market share through new infrastructure and product development. • Diversify economy (in terms of industries) • Draw from the large pool of tourists already visiting Far North Queensland. • Improve long-term employment and economic growth prospects through tourism. • Capitalise on the potential for Indigenous tourism product. • Develop formal collaborations with neighbouring regions, national tour operators and peak bodies. • Capitalising on traffic heading to the tip of Cape York. • Development of the off-season market to increase the sustainability of the industry.	• Increase awareness of the area's natural resources through sustainable tourism. • Develop nature based tourism opportunities.	• Promote and integrate the region's existing Indigenous culture. • Attract and retain a young workforce through a strong tourism industry. • Increase community engagement and motivation through improved career opportunities. • Improve workforce skills through training programs. • Use of tourism product development in all communities to improve socio-economic conditions.
Threats:	Threats:	Threats:
• High Australian dollar reducing both domestic and foreign tourism demand. • Introduction of new tourism product in competing regions. • Continuation of the Australia-wide tourism downturn since 2008. • Global economic conditions. • Increased complexity of State and Federal Government legislation (including land tenure, Native Title, environmental regulation and world heritage listing).	• Increased visitation leading to damage of key natural assets. • Climate change / natural disasters damaging key assets.	• Community displeasure with a large increase in tourist numbers. • Loss / change of region's identity due to larger tourism industry. • Further loss of reputation amongst the Grey Nomad community due to social exclusion.

Source: AEC*group*

5.4 Industry Drivers

Despite covering a significant area and holding many remote communities, Cook Shire's tourism industry is relatively simply in terms of key drivers. The majority of tourist visitors are self-driven and can be traced from either the Bloomfield track (from Daintree) or Mulligan Highway (from Mareeba) access roads to the south. Air services to Cooktown and Coen primarily cater for the business market, with few holiday tourists currently using these services (less than 10%). The self drive market is primarily 'Grey Nomads' or 4WD adventure tourists. Grey Nomads tend to travel on fully sealed roads, meaning most only travel to Cooktown and the surrounding areas (including Lakeland, Laura, etc.). The 4WD market is much more versatile in terms of touring routes and in most cases will seek the roads less travelled and 'hero' experiences, including travelling to the tip of Cape York.

In terms of identifying key drivers, analysis of the region's tourism assets and consultation with the region's tourism industry (Phase I) has revealed that Cook Shire's tourism industry is driven by a number of visitor types and key products and experiences. Key visitor types to Cook Shire include:

- Grey Nomads;
- People on organised tours;
- Cruise ship passengers;
- 4WD / adventure tourists; and
- Government and business travellers.

Key tourism products and experiences that drive Cook Shire's tourism industry, include:

- History;
- Cape York Peninsula touring route;
- Environment and natural assets;
- Fishing; and
- Indigenous and rural Australian culture.

Table 5.2 (below) considers each of these key drivers in further detail.

Table 5.2: Cook Shire's Tourism Industry Drivers

Key Driver	Visitor Type	Method of Travel	Key Locations	Key Attractions / Products
Visitors				
Grey Nomads	• 55 – 80 years • Usually retired or semi-retired • Generally from Southern Queensland or interstate (New South Wales, Victoria, etc) • Usually travel as a couple • Largely self-contained • Generally spend longer than average periods of time at various locations	• Self driven (w/ Caravan or in a motorhome)	• Cooktown and the surrounding regions (including Lakeland, Laura, etc)	• History • Environment and nature • Rural Australian and Indigenous culture • Fishing
Organised Tours	• 40 – 80 years • Mixture of interstate and international travellers • Generally spend shorter than average periods of time at various locations	• Driven (tour bus or 4WD vehicle)	• Cooktown and surrounding area (including Lakeland, Laura, etc) • Lakefield National Park • Cape York	• History • Cape York • Environment and nature • Rural Australian and Indigenous culture
Cruise Ship	• 40 – 80 years • Relatively higher spenders • Ships generally only visit Cooktown • Generally spend shorter than average periods of time at various locations (half a day)	• Cruise ship (via Cooktown)	• Cooktown	• History • Environment and nature • Rural Australian and Indigenous culture
4WD / Adventure	• 25 – 55 years • Working aged and relatively wealthy • Chasing 'hero' experiences (such as reaching the tip of Cape York)	• Self driven (in an off-road vehicle)	• Cooktown and surrounding area (including Lakeland, Laura, etc) • Lakefield National Park • Cape York	• Cape York • Environment and nature • Fishing
Government and Business	• 25 – 55 years • Working age and relatively wealthy • Limited down time to spend on conventional tourism products • Significant spending on accommodation, transport and food	• Air service (Government and corporate visitors) • Self drive from Cairns (general business and trade workers)	• Cooktown • Coen	• NA
Attractions and Products				
History	• Grey Nomads • Organised tours • Cruise ship • Families • Internationals	• Self driven • Organised tours • Cruise Ships	• Primarily Cooktown	• European history (Captain Cook) • Indigenous history • Chinese and European mining history • Australian pioneering history • World War II history
Cape York	• 4WD market	• Self driven (using 4WD off-	• All regions between	• 4WD experiences

Key Driver	Visitor Type	Method of Travel	Key Locations	Key Attractions / Products
	• Organised tours	road vehicles) • Organised tours	Cooktown / Lakeland and the tip of Cape York	• 'Hero' experiences • Environment and nature • Fishing
Environment and Nature	• Grey Nomads • 4WD market • Organised tours • Families • Internationals	• Self driven (using caravans and 4WD vehicles) • Organised tours • Cruise ships	• All regions between Cooktown / Lakeland and the tip of Cape York	• Rainforest • Outback 4WD tracks • Outback / dry tropical • Coastal
Fishing	• 4WD / Adventure	• Self driven (using 4WD off-road vehicles)	• All regions between Cooktown / Lakeland and the tip of Cape York	• Coastline between Cooktown and the tip of Cape York • Rivers and estuaries between Cooktown and the tip of Cape York
Culture (Indigenous and Rural Australian)	• Grey Nomads • Organised tours • Cruise ship • Families • Internationals	• Self driven (using caravans and 4WD vehicles) • Organised tours • Cruise ships	• All regions between Cooktown / Lakeland and the tip of Cape York	• Rural Australia / bush culture • Indigenous tourism products

Source: AEC*group*

5.5 Linkages with other Regions

Although minimal formal linkages and collaborations with other regions currently exist on an industry level, given the significance of self-drive tourism, touring routes and access points into Cook Shire, the region has significant with its neighbouring regions. Linkages currently exist with the following neighbouring regions:

- Cairns region;
- Tablelands;
- Carpentaria;
- Cape York Aboriginal Councils; and
- Northern Peninsula Area.

5.5.1 Cairns Region

The Cairns region (including Port Douglas, Daintree and Cape Tribulation) is a major source of tourist visitation for Cook Shire. Cairns currently accounts for almost all international tourists visiting Cook Shire (through Cairns International Airport and the east coast touring route) and a significant proportion of domestic tourists visiting the region (the self-drive market visiting Cairns first and them heading up to Cook Shire).

Cook Shire's tourism industry typically follows trends and shocks felt in Cairns' tourism industry. In recent years, Cairns' tourism industry has fallen significantly, which has flowed through to Cook Shire, particularly in 2010. Despite this, there is currently minimal collaboration between Cook Shire and the Cairns region. It is widely perceived in Cook Shire that Cairns does not promote the region as a destination for tourists. This issue has been more prevalent in recent years, particularly as Cairns' tourism industry has struggled throughout 2009 and 2010.

There is currently minimal visitation to Cook Shire from local residents of Cairns. The region has a significant base population, which provides opportunity to further develop this market.

5.5.2 Tablelands

The Tablelands has linkages with Cook Shire primarily as a touring route for Grey Nomads and the non-4WD self-drive market. The Tablelands is a popular destination for Grey Nomads, as tourism products strongly align with this market and there are relatively good facilities in the region to accommodate them (particularly at Mareeba). Grey Nomads will typically travel to Cook Shire via the inland route (the Mulligan Highway) as opposed to the 4WD-prefered Bloomfield track. All other non-4WD vehicles also generally use the inland highway.

5.5.3 Carpentaria

Some linkages exist between the Carpentaria region and Cook Shire, particularly in terms of touring routes for Grey Nomads. Caravan park operators have indicated (during Phase I consultations) that a considerable proportion of Grey Nomads visiting the region enter from the west (having previously visited Normanton and Karumba).

5.5.4 Cape York Aboriginal Shire Councils

The Aboriginal Councils on Cape York are not widely known for their tourism industries. However, tourists travelling to the tip of Cape York (through Cook Shire) will often visit these communities and their surrounding areas. The regions are generally visited for their natural environments and fishing opportunities.

The Aboriginal communities on Cape York represent huge opportunity in terms of employment development, cultural wealth and general tourism development. Several large-scale Indigenous tourism projects are currently in planning stages in Cape York (including the Dreaming Track currently under developed by Balkanu Cape York

Development Corporation). Projects primarily focus on walking trail and guided tour product development.

5.5.5 Northern Peninsula Area

The Northern Peninsula Area (NPA) encompasses the tip of Cape York, which for many tourists, is the key reason for travelling to Cook Shire. Almost all of the 4WD market travelling through Cook Shire will continue on to the NPA and the tip of Cape York. In essence, the NPA is one of Cook Shire's key tourism products, in that Cook Shire provides the journey and experiences desired for touring to the tip of Cape York. Minimal formal linkages currently exist between Cook Shire and the NPA in terms of tourism, however, many tourism businesses in Cook Shire successfully leverage off the touring route to Cape York.

5.5.6 Torres Strait Island Group

Some linkages exist between Cook Shire and the Torres Strait Island group. Many tourists tour through Cook Shire as a means to visit the NPA and the Torres Strait Islands. Tourists are able to catch a ferry from Seisia (in the NPA) to Thursday Island, which has further linkages by ferry and air services (via Horn Island) to other islands in the Torres Strait group.

5.6 Tourism Industry Outlook

At this point in the development of the Cook Shire Tourism Strategy, it is difficult to determine the precise outlook for Cook Shire's tourism industry, as relevant analysis and strategy has not yet been developed. In addition, there are no tourism related forecasts (including visitor numbers and average spend) available on a regional level. In consideration of this, there are currently broad two paths the Shire can take in terms of tourism industry development:

1. The 'do nothing' path; and
2. Plan and strategise for tourism development in the region.

Cook Shire's tourism industry has historically experienced minimal growth, with tourism visitation (characterised by hotel guest arrivals) recording very similar levels between 2005 and 2009 (see Figure 5.1). Tourism visitation fell considerable during 2010, which is characteristic of the global economic environment and woes of the broader Far North tourism industry. Given the current weakness of the tourism industry in the Far North, tourism visitation to Cook Shire is likely to remain soft over the short term.

For the medium to long term outlook for tourism, Cook Shire finds itself in a unique position. Under the 'do nothing' scenario, the Cook Shire would likely see a recovery in tourism over the medium term, with visitation reaching pre-global financial crisis levels. Based on the relatively stagnant longer term trend (indicative by guest arrival data), it is difficult to justify tourism visitation increasing significantly beyond these levels over the longer term. It is possible that tourism visitation would remain consistent (or experience minimal growth) at these levels for the long term outlook.

The second scenario (Plan and strategise for tourism development) for Cook Shire provides a more positive and desirable outlook for the region's tourism industry. The Cook Shire Council has already made positive steps towards this scenario, including the development of the Tourism Coordinator position within Council, recently undertaking a short-term marketing plan, recent and planned developments in recreational / tourism infrastructure and commissioning this study. The medium term outlook may remain relatively similar to the 'do nothing' scenario, however, with the right strategic direction and actions implemented over this period, the longer term outlook should see Cook Shire's tourism industry grow consistently at sustainable levels.

Based on the results and outcomes from the Phase I consultations, it is clear the Cook Shire would prefer for the industry to grow in the long term. Planning and strategising for growth at this point is therefore pivotal in achieving this.

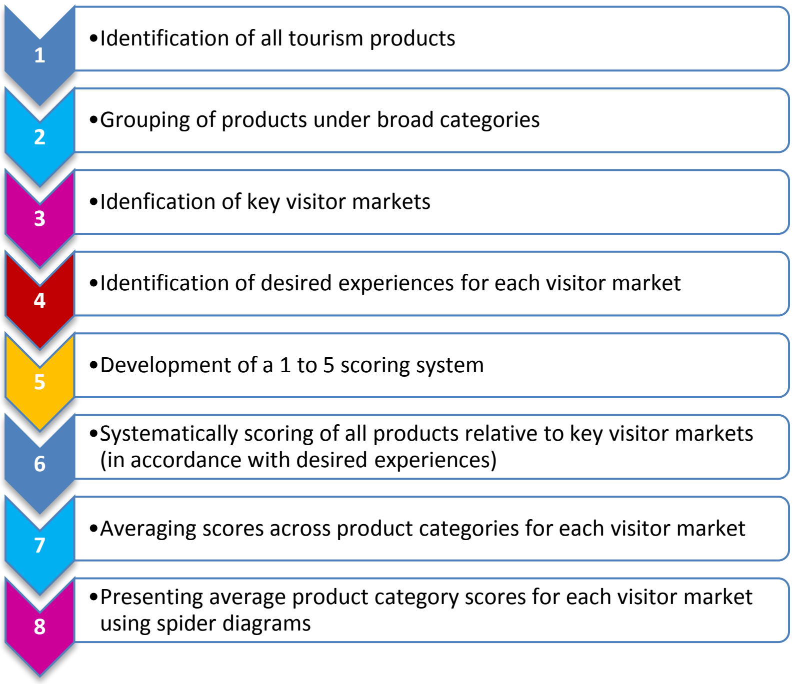
6. Tourism Products

6.1 Overview

AEC*group* has undertaken a comprehensive audit of tourism products and assets across the Shire in order to develop a thorough understanding of the tourism industry and its potential in the Shire. All products and assets identified during the product audit have been grouped under several broad product categories. A quantitative-qualitative assessment process was developed and used to individually assess each product to determine how compatible product categories are with key visitor markets important to the Shire.

The results from the assessment lead to the identification of potential gaps in product offering in the tourism industry (relative to characteristics of the Shire's key visitor markets). Gaps identified inform and validate product development opportunities subsequently identified, which feed into the opportunity identification and assessment stage of the strategy and action plan development. An overview of the process used in undertaking the tourism product audit for Cook Shire is outlined in **Figure 6.1**.

Figure 6.1: Tourism Product Audit Summary Methodology



Source: AEC*group*

6.2 Detailed Methodology

The tourism product audit for Cook Shire firstly involved comprehensively identifying all tourism associated products and assets that are currently available in the Shire. Once all tourism products in Cook Shire were identified they were grouped under five broad categories. The product categories are:

- Hotels and Accommodation;
- Tours;
- Environment and Natural Assets;
- Events; and
- Attractions (Miscellaneous).

Grouping products under various categories provides the opportunity to undertake analysis of each category and identify how relevant product categories are consistent in appealing to key visitor markets that visit the region.

Each of the identified tourism products have been scored relative to their compatibility with Cook Shire's six largest tourism visitor markets. Each visitor market has been characterised in terms of desired experiences they typically seek from tourist destinations. Identified tourism products have been individually scored for each desired experience for the six key visitor markets visiting Cook Shire. **Table 6.1** describes each visitor type and the key experience types they seek in tourism destinations.

Table 6.1: Key Visitor Markets for Cook Shire

Visitor Market	Description	Experiences
Grey Nomads	• 55 – 80 years • Usually retired or semi-retired • General from southern Queensland or interstate (New South Wales, Victoria, etc.) • Usually travel as a couple • Largely self-contained • Generally spend longer than average periods of time at various locations	• Local history • Bird / animal watching • Rural Australian and Indigenous culture • Modest accommodation • Local food / wine
Cruise Ship	• 40 – 80 years • Relatively higher spenders • Ships visit Cooktown • Generally spend a shorter than average periods of time at various locations (half a day)	• Luxury experiences • Shopping • Rural Australian and Indigenous culture • Local history • Fine dining
4WD / Adventure	• 25 – 55 years • Working aged and relatively wealthy • Chasing 'hero' experiences (such as reaching the tip of Cape York)	• Hiking / wilderness • Famous landmarks • Fishing • Camping • Rural Australian culture
International Backpackers	• 18 – 30 years • Relatively low spenders overall, though expenditure on activities can be high • Seek to immerse in local culture • Seek value for money experiences • Seek casual employment	• Modest accommodation • Camping • Clubs / bars • Hiking / wilderness • Rural Australian and Indigenous culture
International Leisure	• 30 – 80 years • Generally from European countries (Including Germany, United Kingdom, etc.) • Generally families • Moderately to high spending • Seeking organised and cultural experiences	• Rural Australian and Indigenous culture • Local food / wine • Hiking / wilderness • Moderate to Luxury accommodation • Relaxing experiences
Domestic Leisure	• 35 – 55 years • Often families with children • Mostly use own car for travel and transport • Working aged and relatively wealthy • Significant proportion from North Queensland • Considerable proportion from South-East Queensland and interstate • Sometimes fall under the 4WD / Adventure market	• Modest accommodation • Hiking / wilderness • Fishing • History • Camping

Source: AEC*group*

Note: Business tourists are not identified separately as in the Cook context they are a market primarily defined by essential expenditures as opposed to a discretionary and contestable market of significance. Visiting Friends and Relatives are not identified separately as they are considered to align their tourism interests with the markets outlined above.

The scoring system utilised to rank identified product alignment utilises a scale from one to five. Scores were then averaged for each visitor type to provide an overall score, which is aggregated for each product category for each key visitor market. The allocation of the one to five scale is determined by the following scale definitions, in terms of prima facie alignment of the project with the key experience being assessed:

1. Strongly negative;

2. Negative;

3. Neutral;

4. Positive; and

5. Strongly positive.

The results of the product audit are presented as averages (ranging between zero and five) for each product category relatively to each key visitor type. Results are displayed on spider diagrams, which graphically depict a diagram of each product categories average score for a particular visitor market.

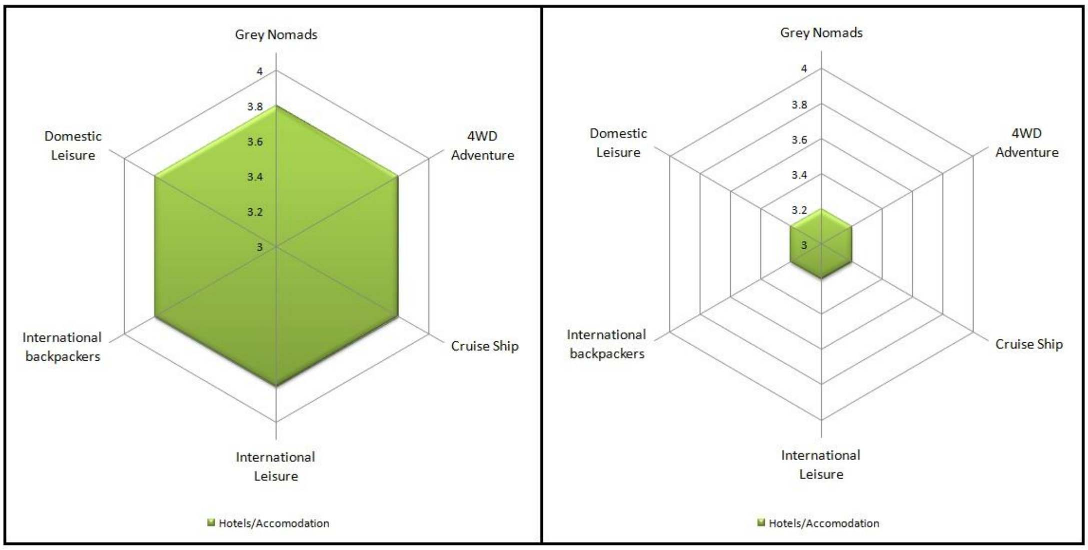
6.3 Interpreting the Product Audit

The results from the tourism audit provided each tourism product category with an average score between one and five for each of the six key visitor markets for Cook Shire. The results are presented using a spider diagram for product category, with six axes representing the six key visitor markets. The following sub-sections discuss the appropriate approach to interpreting the results of the tourism product audit on the spider diagrams.

The spider diagram can be interpreted to indicate the compatibility of tourism products under each product category for the key visitor markets for Cook Shire. Please note for product categories with low average scores, certain products may still exist with very high individual compatibility. Furthermore some products may be under-rated in their appeal due to factors such as quality and authenticity; factors which are not attempted to be captured in the application of individual scoring.

Generally speaking, a high score **(more than 3.5)** represents high product compatibility and a low score **(less than 3.5)** represents low product compatibility. **Figure 6.2** depicts both high (left diagram) and low (right diagram) tourism products compatibility for all six visitor markets. In the left diagram (**Figure 6.2**), *Hotels/Accommodation* scores highly under each visitor market, meaning tourism products have clear, identifiable appeal to all key visitor markets. In the right diagram (**Figure 6.2**) scores for *Hotels/Accommodation* are low, indicating the region has limited tourism product that aligns with experiences sort by the key visitor markets.

Figure 6.2: High Compatibility vs. Low Compatibility



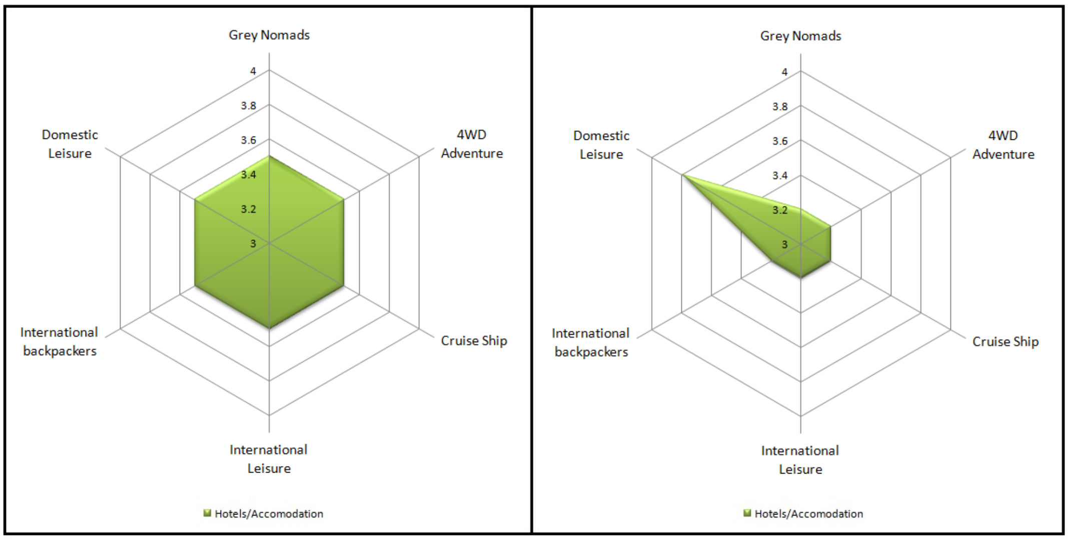
Source: AEC*group*

Figure 6.2 depicts a scenario where the tourism products scored equally amongst the six key visitor markets. In reality, this is unlikely to be the case, as each visitor market is different in terms of preferences and ultimately the tourism product categories which align with their preferences.

Figure 6.3 depicts the difference between a broad product category appeal across the six key visitor markets and specialised product category appeal to one of the six key visitor markets. The left diagram (**Figure 6.3**) represents broad appeal, as the product is scored equally among the key visitor markets. This means that *Hotels/Accommodation* is relatively evenly compatible to all visitor markets. In practice, this would result from a broad range of different accommodation establishments in a region appealing to different segments of the market, rather than single establishments appealing to all six key visitor markets.

The right diagram (**Figure 6.3**) represents a narrow product alignment for a particular visitor market. In this case *Hotels/Accommodation* for this particular region is most compatible with the *Domestic Leisure* visitor market, as a result, for example, of accommodation in the region being modest with the potential for camping.

Figure 6.3: Broad Product Appeal vs. Specialised Product Appeal



Source: AEC*group*

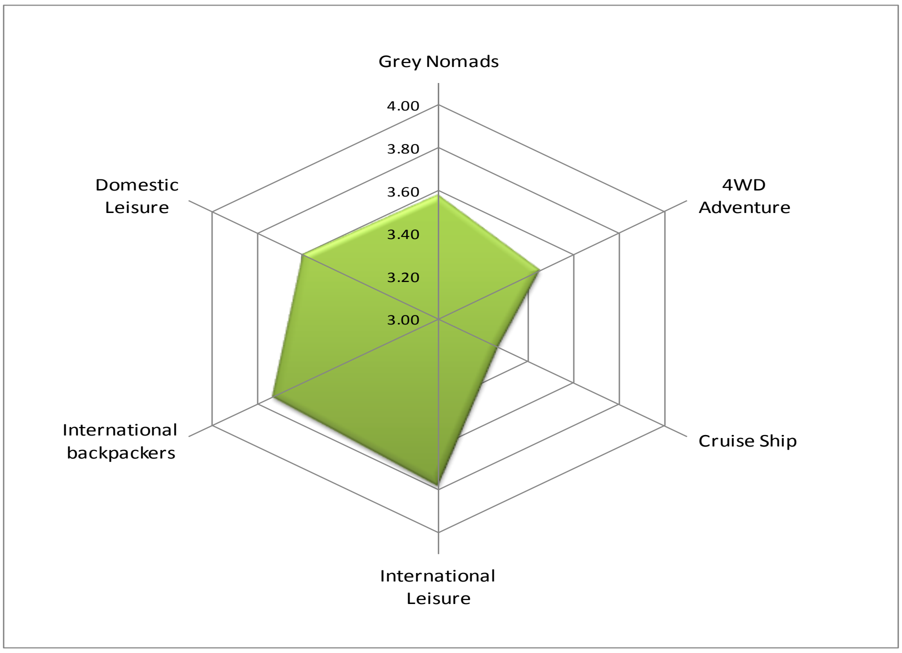
6.4 Product Audit Results

6.4.1 Hotels and Accommodation

On average, Cook Shire's hotel and motel accommodation is most compatible with the *International Leisure* tourist market, which indicates that the region generally has a moderate standard of accommodation. Accommodation is also relatively appealing to *International Backpackers*, which indicates that there is also a reasonable range of modest accommodation and opportunity for camping.

Accommodation is unsurprisingly least compatible with *Cruise Ship* tourists. Though this market has their own accommodation on board their respective cruise ships, accommodation has been scored on the facilities it provides to tourists who are not staying there, including bars, restaurants and shops.

Figure 6.4: Hotels and Accommodation Product Audit Results



Source: AEC*group*

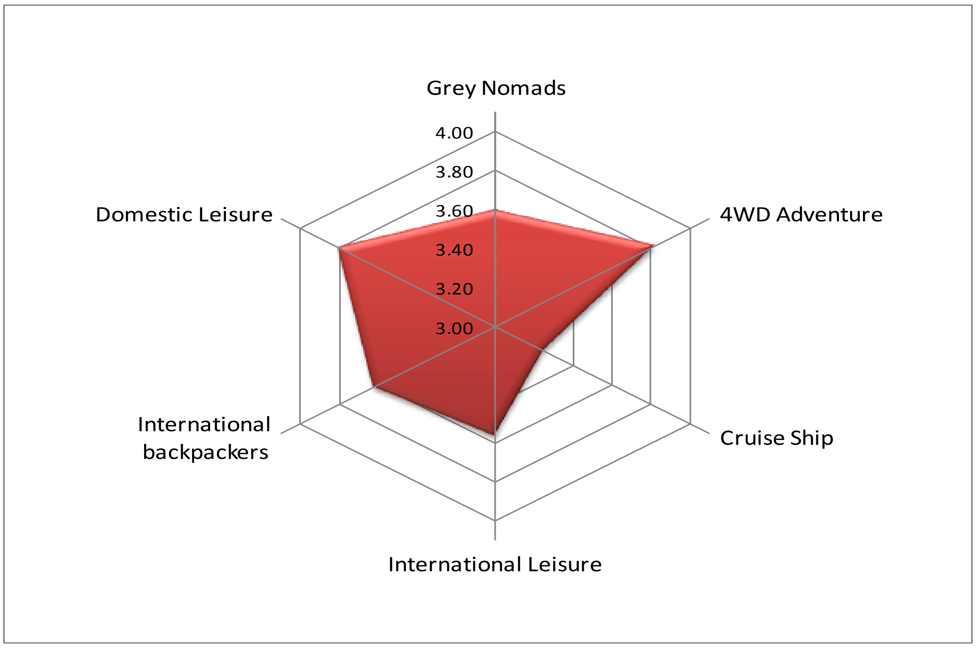
6.4.2 Tours

Cook Shire has a relatively broad range of tours in terms of activities and experiences for tourists, which makes them relatively compatible with most of the region's key visitor markets. There is a particularly strong compatibility with the *4WD / Adventure* visitor market. Although tours appeal to this market in terms of activities and experiences they provide (in particular outdoor and nature based), this market may prefer to undertake self-guided activities as they typically have the required equipment at their disposal and seek the adventure of self-sufficiency.

Tours also scored highly with the *Domestic Leisure* visitor market, which seek somewhat similar kinds of experiences as the *4WD / Adventure* visitor type. However, *Domestic Leisure* visitors are less likely to have the equipment or expertise for self-guided activities (in particular outdoor and nature based) and may prefer more contained adventures, which makes them good candidates for Cook Shire's tour products.

The *Cruise Ship* visitor market recorded a very low product compatibility with Cook Shire's tour products. To appeal to this market, more cultural tours (including rural Australian and Indigenous), historical tours and luxury experiences would need to be introduced into the market. There is potential for the development of historical and cultural related tours, however, luxury experiences do not fit in with the local culture of the Shire and therefore may present as inauthentic. Furthermore, whilst some specialist luxury destinations exist within isolated areas of Cook Shire, luxury experiences will generally not appeal to the other key visitor markets that visit Cook Shire.

Figure 6.5: Tours Product Audit Results



Source: AEC*group*

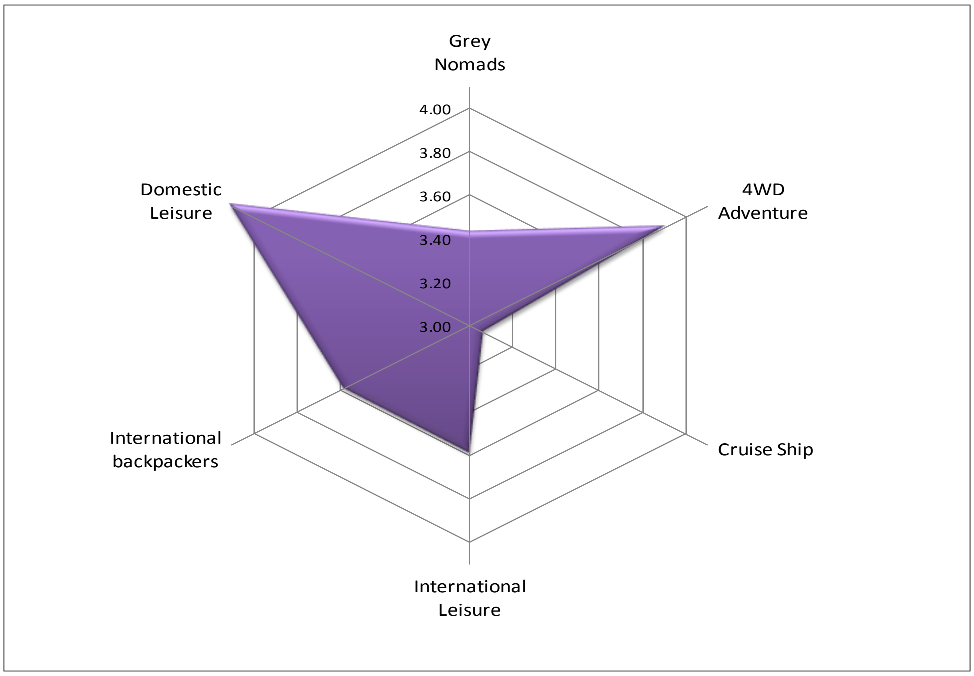
6.4.3 Environment and Nature

Cook Shire's environment and nature related tourism products and assets have a very strong compatibility with the *Domestic Leisure* and *4WD / Adventure* visitor markets. These markets generally seek outdoor experiences such as camping, hiking and visiting remote places, which explain the relatively high compatibility. Environment and nature product compatibility is also relatively positive for the *International Backpackers* and *International Leisure* visitor markets.

On average, product compatibility is low for *Grey Nomads*, with access to many assets a constraint, as many of Cook Shire's environment and nature products are located in remote areas where caravan access is not possible. In addition, some of the region's environment and nature products lack the cultural and historical experiences that many *Grey Nomads* seek.

Compatibility with the C*ruise Ship* visitor market is very low. Access to the region's environment and nature based products can often be difficult for *Cruise Ship* visitors, as they often have limited time in Cooktown, which prevents them from venturing too far out of the township. In addition, *Cruise Ship* passengers are interested in shopping, luxury, historical and cultural products, which are generally not captured in this product category.

Figure 6.6: Environment and Nature Product Audit Results



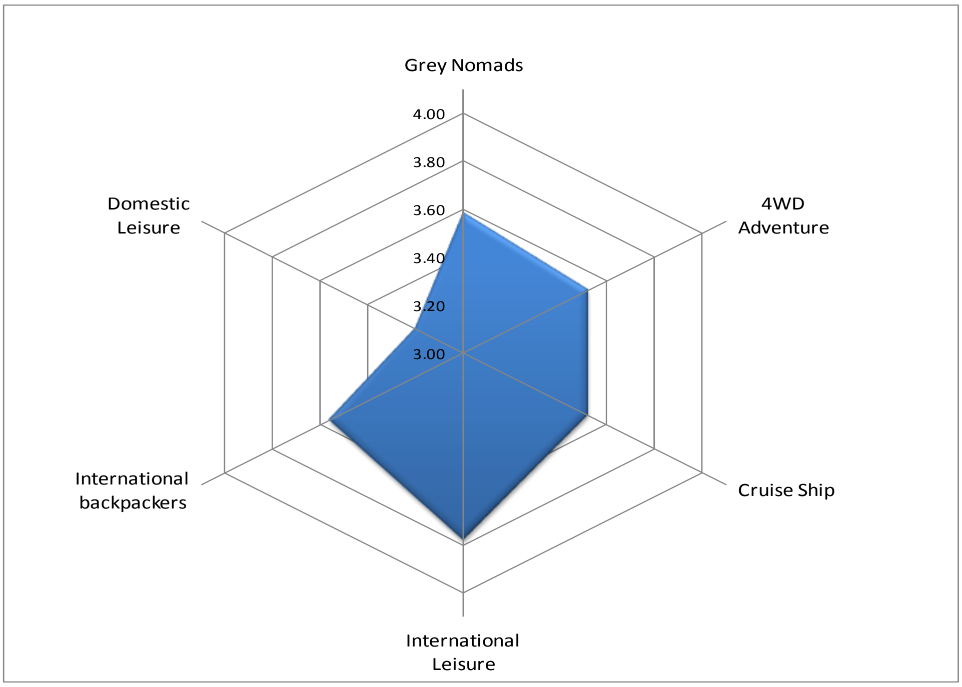
Source: AEC*group*

6.4.4 Events

Cook Shire's events are primarily historical, cultural or sporting related, which provides reasonable product compatibility with the *Grey Nomads*, *4WD/ Adventure*, *Cruise Ship* and *International Backpackers* visitor markets. Events recorded a particularly strong compatibility for the *International Leisure* visitor market, as they are particularly interested in history, culture, Indigenous culture and local foods, which are core components of Cook Shire's event products.

The *Domestic Leisure* visitor market recorded the lowest product compatibility with Cook Shire's events, as these visitors are generally not as driven by historical or organised cultural experiences. Events that involve fishing, camping and nature based themes would appeal more to this visitor market.

Figure 6.7: Events Product Audit Results



Source: AEC*group*

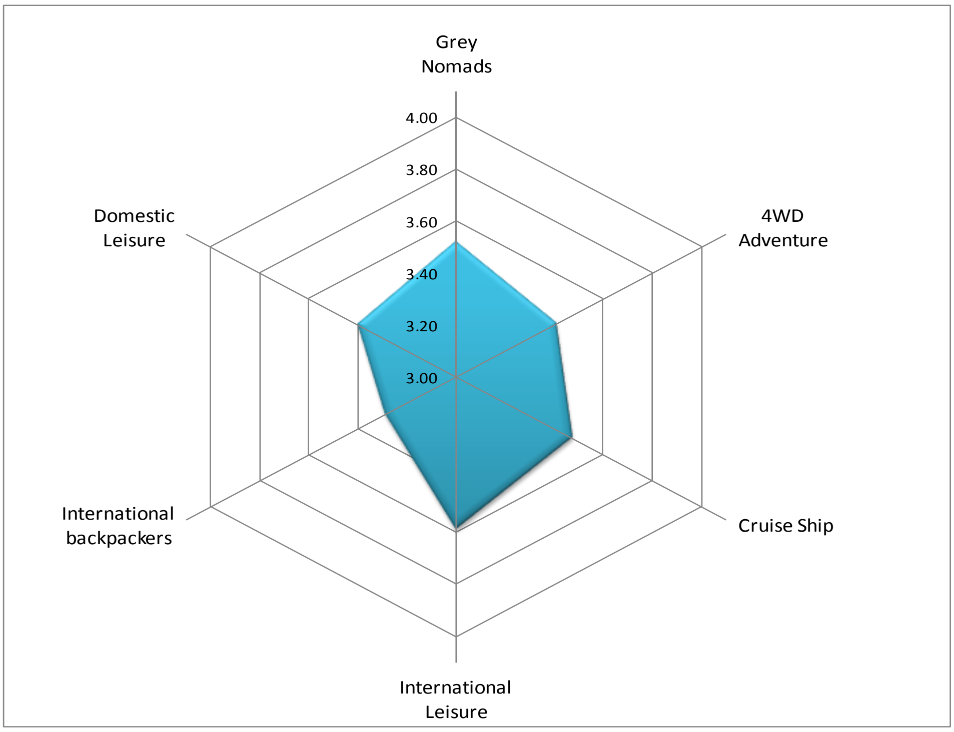
6.4.5 Attractions and Miscellaneous

Attractions and miscellaneous products include a broad range of tourism products, including shops, restaurants, build assets, museums and cultural centres, historical buildings, monuments, memorials, parks, art galleries and other products not classifiable by the other product categories. Cook Shire's miscellaneous attractions represent the weakest compatibility with the identified key visitor markets. The reason behind this is that miscellaneous attractions include a number of conventional tourism products, including cafes, restaurants and shopping, which are not primary drivers of why tourists visit the Cook region. Visitors tend to be attracted to Cook Shire for its rustic / outback / frontier culture, Indigenous culture, environmental assets, outdoor activities, sense of adventure and history.

The highest compatibility lies with the *International Leisure* visitor market, whom particularly enjoy some of the nature based products (such as Aboriginal rock art), art galleries, museums and cultural experiences available in the region.

International Backpackers record the lowest product compatibility with Cook Shire's attractions and miscellaneous products. Although the *International Backpacker* visitor market is interested in rural and Indigenous culture (which is encapsulated by many of the region's miscellaneous attractions), Cook Shire's miscellaneous attractions do not generally provide experiences such as clubs / bars, which appeals to this market. In addition, *International Backpackers* are also generally less interested in historical attractions, which account for a large proportion of products in this category.

Figure 6.8: Attractions and Miscellaneous Product Audit Results



Source: AEC*group*

6.4.6 Visitor Market Summary

In terms of product compatibility with key visitor markets, the *International Leisure* visitor market recorded the highest compatibility across all product categories (3.66), followed by *Domestic Leisure* (3.62) and *4WD / Adventure* (3.62). The *Cruise Ship* visitor market (3.31) recorded the lowest compatibility relative to Cook Shire's tourism products and was the only key visitor market to fall below the 3.50 benchmark. A summary of the product compatibility for each key visitor market is outlined in the Sections below.

6.4.6.1 Grey Nomads

Grey Nomads recorded above benchmark product compatibility for all product categories except environment and nature, which confirms anecdotal evidence that Cook Shire has a lot to offer this market in terms of desired experiences. *Grey Nomads* recorded particularly strong compatibility with tours (3.59), events (3.58) and hotels and accommodation (3.58). The lowest product compatibility for this market was environment and nature products (3.43). There is opportunity to increase the compatibility of environment and nature products by improving accessibility and incorporating other desired experiences, such as culture and history.

Table 6.2: Product Compatibility Results for Grey Nomads

Product Category	Average Score
Hotels and Accommodation	3.58
Tours	3.59
Environment and Nature	3.43
Event	3.58
Attractions and Miscellaneous	3.52
All Products (simple average)	**3.54**

Source: AEC*group*

6.4.6.2 4WD / Adventure

4WD / Adventure is a highly compatible tourism market for Cook Shire. On average, this market recorded 3.62 across all product categories, including particularly high compatibility in environment and nature products (3.91) and tours (3.81). Hotels and accommodation (3.45) recorded relatively low compatibility, as this market is generally more interested in self-sufficient camping. Attractions and miscellaneous products also recorded low compatibility (3.41). The *4WD / Adventure* market is generally less interested in history, which accounts for a large proportion of Cook Shire's general attractions. To improve the compatibility of attractions and miscellaneous products for this visitor market, products incorporating famous landmarks, camping, fishing and local culture should be considered.

Table 6.3: Product Compatibility Results for 4WD / Adventure

Product Category	Average Score
Hotels and Accommodation	3.45
Tours	3.82
Environment and Nature	3.91
Event	3.52
Attractions and Miscellaneous	3.41
All Products (simple average)	**3.62**

Source: AEC*group*

6.4.6.3 Cruise Ship Visitors

On average, *Cruise Ship* visitors recorded the lowest product compatibility (3.31 for all products) of all key visitor markets to Cook Shire. 'Events' is the only product category that records an above benchmark compatibility (3.52). The *Cruise Ship* visitor market generally seeks luxury experiences, shopping and fine dining, which are not prevalent in Cook Shire's tourism products. To improve the product compatibility for this market would require considerable product development in these areas, which would not necessarily be favourable for residents and other key tourism markets.

Table 6.4: Product Compatibility Results for Cruise Ship Visitors

Product Category	Average Score
Hotels and Accommodation	3.27
Tours	3.25
Environment and Nature	3.06
Event	3.52
Attractions and Miscellaneous	3.47
All Products (simple average)	**3.31**

Source: AEC*group*

6.4.6.4 International Leisure

International Leisure visitors represent Cook Shire's most compatible visitor market in terms of products the region currently offers, recording a 3.66 average across all categories. *International Leisure* visitors recorded above benchmark compatibility with all product categories. Product compatibility is particularly high for hotels and accommodation (3.78) and events (3.78). The weakest compatibility was recorded in tours (albeit still above 3.50). Product compatibility for tours can be improved by focusing on providing experiences including rural Australian and Indigenous culture, hiking and wilderness, locally produced foods and relaxing experiences. The results from the product audit reveal the *International Leisure* visitor market to be a key market aligning with the Cook Shire and all efforts should be made to maintain high product compatibility with this market.

Table 6.5: Product Compatibility Results for International Leisure Visitors

Product Category	Average Score
Hotels and Accommodation	3.78
Tours	3.56
Environment and Nature	3.59
Event	3.78
Attractions and Miscellaneous	3.59
All Products (simple average)	**3.66**

Source: AEC*group*

6.4.6.5 International Backpackers

International Backpackers recorded relatively high compatibility with Cook Shire's tourism products (3.56 for all products), with all product categories recording above benchmark scores apart from attractions and miscellaneous. *International Backpackers* recorded the highest compatibility with Cook Shire's hotels and accommodation (3.73), which indicates the region has a significant stock of modest accommodation and camping areas. Tours (3.62), environment and nature (3.58) and events (3.56) all scored relatively strong compatibility, however, attractions and miscellaneous products scored particularly low (3.29), which reduced the average among all products. The results from the product audit indicate that there is a broad range of products that appeal to the *International Backpacker* visitor market. To further increase product compatibility for this market, additional attractions and miscellaneous products with local cultural, clubs / bars and hiking / wilderness experiences would need to be considered.

Table 6.6: Product Compatibility Results for International Backpackers

Product Category	Average Score
Hotels and Accommodation	3.73
Tours	3.62
Environment and Nature	3.58
Event	3.56
Attractions and Miscellaneous	3.29
All Products (simple average)	**3.56**

Source: AEC*group*

6.4.6.6 Domestic Leisure

The *Domestic Leisure* visitor market recorded very high product compatibility with Cook Shire's environment and nature (4.11), tours (3.80) and hotels and accommodation (3.60). *Domestic Leisure* visitors seek outdoor experiences such as hiking, camping and fishing, which explains the very high compatibility with Cook Shire's environment and nature products. Cook Shire's tour products successfully align with this market, as they often provide the outdoor related experiences that *Domestic Leisure* visitors seek.

However, the product audit reveals relatively low compatibility with events (3.20) and attractions / miscellaneous (3.40) products. To improve the compatibility of events, outdoor events such as fishing competitions, outdoor and camping expos and nature themed events should be considered. The low compatibility in attractions and miscellaneous products, is difficult to address, as most experiences this market seek are not encapsulated by the attractions and miscellaneous product category. However, *Domestic Leisure* are interested in historical products, which could be expanded on to develop compatibility with this category.

Table 6.7: Product Compatibility Results for Domestic Leisure Visitors

Product Category	Average Score
Hotels and Accommodation	3.60
Tours	3.80
Environment and Nature	4.11
Event	3.20
Attractions and Miscellaneous	3.40
All Products (simple average)	**3.62**

Source: AEC*group*

7. Summary

The Background Assessment of Cook Shire's economy has identified key trends, drivers and opportunities to assist in the development of the Cook Shire Tourism Strategy. Key findings from the background assessment in terms of social and economic conditions include:

- Average annual population growth since 2001 has been relatively low in Cook Shire (0.8%) compared to the Far North (2.3%) and Queensland (2.5%);
- Cook Shire records a higher average age (39 years) relative to the Far North (36 years) and Queensland (37 years);
- *Agriculture Forestry and Fishing* and *Accommodation and Food Services* are key industries to Cook Shire, both in terms of number of businesses and percentage of employment;
- Cook Shire records a below average labour force participation and an above average unemployment rate;
- Cook Shire recorded 22,767 guest arrivals in 2010 (in hotels and motels), a 28.8% decline from 2009. Guest arrivals to Cook Shire have stagnated over the past several years, with arrivals (at motels and hotels) recording approximately 32,000 per annum between 2005 and 2009;
- Cooktown's tourist visitation comprises of approximately 86% domestic tourists and 14% international tourists. Queensland is Cooktown's largest source of domestic visitor accounting for 39.7% of total visitation. Tourist visitors from Victoria (17.2%) and New South Wales (16.6%) also provide a significant proportion of tourism visitation to Cooktown;
- Key visitor types to Cook Shire include Grey Nomads, organised tours, cruise ship, 4WD / adventure, and government and business;
- Key tourism products and experiences that drive Cook Shire's tourism industry include history, Cape York Peninsula touring route, environment, fishing, and Indigenous / rural Australian culture; and
- Minimal formal linkages and collaborations with other regions currently exist, however, given the level of self-drive tourism, touring routes and access points into Cook Shire, the region has significant linkages with neighbouring regions. Key neighbouring regions include Cairns Region, Tablelands, Carpentaria, Aboriginal Shire Councils on Cape York and Northern Peninsula Area.

Key economic and demographic findings include a high unemployment rate and low youth retention. These factors will be carefully considered in constructing overarching strategy and key performance indicators for the Cook Shire Tourism Strategy. The analysis of Cook Shire's current tourism products, drivers, and visitor types will help to form targeted marketing and product development plans. The examination of the current regional linkages will provide a foundation for planning formal, mutually beneficial regional links and collaborations. The review of the most current tourism statistics will aid in the development of new methods to accurately capture Cook Shire visitation data.

Following the completion of the Background Assessment and Phase I Consultations, the Cook Shire Tourism Strategy will begin the Tourism Product Development and Tourism Visitation Statistics stages. The Tourism Product Development stage will involve developing a framework in order to audit the Cook Shire's key tourism products. The audit will enable the identification of underutilised assets, gaps in current product offering, and potential project opportunities for Cook Shire's tourism industry. The Tourism Visitor Statistics stage will involve a thorough review of tourist visitation estimation methods used throughout Australia. The methods identified will be assessed on their potential effectiveness in order to develop an implementable system for recording tourist visitation to Cook Shire. Outputs and key findings from all relevant project stages will provide input during the strategy development stage.

References

ABS (2007), *2006 Census Community Profile Series*. Cat No. 2003.0, Australian Bureau of Statistics, Canberra.

ABS (2011), *Tourist Accommodation, Small Area Data, Queensland March Quarter 2011*. Cat No. 8635.3.55.001, Australian Bureau of Statistics, Canberra.

Balkanu Cape York Development Corporation (2010), *Coen Tourism and Business Hub Report*, Coen.

Cooktown Chamber of Commerce & Tourism (2008). *Cooktown Visitor Survey 2006-2007.* Cooktown Chamber of Commerce & Tourism, Cooktown.

QRSIS (2011), *Queensland Regional Database*. Office of Economic and Statistical Research, Queensland Treasury, Brisbane.

Ridout, P (2010), *Cooktown LTO Tourism Development Project Marketing Plan*, Cooktown Chamber of Commerce, Cooktown.

RPData (2011), *QLD Sales Statistics*, Retrieved July 8, 2011, from: http://www.realtor.com.au

Tourism Queensland (2006), *Queensland Tourism Strategy,* Retrieved July 8, 2011, from: http://www.tq.com.au/fms/tq_corporate/qld_tourism_strategy/Queensland%20Tourism%20Strategy%20Overview%20Brochure.pdf

Tourism Queensland (2011), *QLD Regions: Tourism Facts*, Retrieved July 22, 2011, from: http://www.tq.com.au/fms/tq_corporate/research%20%28NEW%29/Summary%20Visitor%20Statistics/queensland_data_sheet.pdf

Tourism Tropical North Queensland (2010), Tropical North Queensland Tourism Opportunity Plan, Retrieved July 8, 2011, from: http://www.tq.com.au/fms//tq_corporate/destinations/tnq/plans_and_strategies/TNQ_TOP-%20FINAL.pdf

PAGE LEFT INTENTIONALLY BLANK

Brisbane	Level 5, 131 Leichhardt Street Spring Hill QLD 4000	PO Box 942 Spring Hill QLD 4004	T F	+61 7 3831 0577 +61 7 3831 3899
Melbourne	Level 13, 200 Queen Street Melbourne VIC 3000	GPO Box 4500 Melbourne VIC 3001	T F	+61 3 8648 6586 +61 3 8648 6480
Sydney	Level 3, 507 Kent Street Sydney NSW 2000	PO Box Q569, QVB Sydney NSW 1230	T F	+61 2 9283 8400 +61 2 9264 9254
Townsville	233 Flinders Street East Townsville QLD 4810	PO Box 5804MC Townsville QLD 4810	T F	+61 7 4771 5550 +61 7 4771 5152
Perth	Level 18, Central Park 152 - 158 St Georges Terrace Perth WA 6000		T F	+61 8 9288 4456 +61 8 9288 4457

E aec@aecgroupltd.com **W** www.aecgroupltd.com