



SW leads surge in tourism projects

Janelle Macri

THE South West continues to dominate tourism development activity in Western Australia, with 32 accommodation projects in the planning stage and 24 currently in the construction phase.

The latest tourism accommodation register, compiled by Tourism WA, showed a total of 48 projects worth about \$434 million currently under construction around the state which, once complete, will add more than 1,500 new rooms.

A total of 30 projects worth nearly \$100 million was completed during 2007, creating 1,237 new rooms.

The South West hosts the bulk of activity, with \$886 million worth of projects either in the planning or construction stages, adding more than 2,000 lettable units.

Among the major projects planned for the South West is the controversial \$330 million Canal Rocks development, which includes a resort with 272 tourist accommodation units and 104 homes, as well as 70 camping sites and a 60-bed backpacker lodge. The development is subject to approval from Environmental Protection Authority.

Other major developments planned

for the region include the \$35 million, 151-unit Cowaramup Bay Resort, expected to start construction in January 2009, and the \$64 million Gnarabup Beach Resort.

Geographe Bay Tourism Association general manager Matt Walker said there was fairly intense competition between existing accommodation providers, with occupancy rates averaging about 50 per cent over the year. But he doesn't believe that more hotel developments would lead to an oversupply in the market.

"Competition is good for tourists," he said.

"It's a pretty well-known brand in this part of the world, so there's always interest from developers."

Mr Walker said mainstream tourism accommodation providers also faced competition from the burgeoning holiday home market.

Current estimates by the Shire of Busselton put the size of the holiday home market in the region at 5,000 beds, compared with 13,000 beds for formal accommodation.

"We don't know how many are on the market. We don't know the growth in visitor numbers coming down here, so there's no way of benchmarking the

industry," Mr Walker said.

Further north, Broome remains a hotspot for tourism developments, with almost \$90 million worth of developments in planning or under construction, adding 540 lettable units.

This includes the expansion of three existing hotels – the Seashells Resort Broome, the Mercure Inn Continental, and the addition of 225 rooms at The Oaks Broome, formerly the Ramada, at a cost of \$30 million.

But the lack of new major hotel developments planned for Perth remains a concern as growing demand continues to put significant pressure on supply.

Tourism Council of WA president Scott Henderson said he opposed the conversion of the Observation City hotel to a mixed residential and tourism development.

"It's quite devastating to see the loss of 300 rooms in the short term; for the industry it's not a good thing," he said.

Mr Henderson said he was hopeful an upcoming audit of city buildings by the Tourism Council of WA would identify potential sites that could be converted into hotels.

MAJOR HOTEL PROJECTS PLANNED FOR WA			
Hotel	Cost	Rooms	Developer
Canal Rocks Development Yallingup	\$330 million	272 resort units, 104 homes, 70 camping sites & 60-bed lodge	Canal Rocks
Jurien Bay Beach Resort	\$80 million	106	Taggart Developments
Gnarabup Beach Resort	\$64 million	200	Ibex Capital
Rottnest Resort Hotel	\$50 million	120	Broadwater Hotels
Project Plaza Middleton Beach Albany	\$50 million	81	The Planning Group
Cowaramup Bay Resort	\$35 million	151	Greg Rowe & Associates
Kalgoorlie Golf Spa Resort and Golf Course	\$33 million	130	Kalgoorlie Boulder Golf and Spa Resort