

ALICE SPRINGS TOURISM ACCOMMODATION OPPORTUNITY

Location: Alice Springs, Northern Territory, Australia

Sector: Tourism

Investment type: Various

Estimated total project cost: Varies depending on size/design.

Investment amount sought: Multiple options - direct or passive investment/partnership - either financial or management.

Project status: Conceptual

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Project description:

Tourism NT seeks to attract investment to develop new tourism accommodation in Alice Springs, Central Australia. This is in response to the growth in demand for visitor accommodation from leisure and business events visitors to Alice Springs and the surrounding area including the East and West MacDonnell National Parks.

Alice Springs has seen consistent levels of demand for hotel accommodation over the past two years. Visitor growth in the region has been driven by interstate and intra-Territory travellers who stayed on average 4.6 nights. Hotels accounted for more than 50% of accommodation used by all travellers.¹

Based on STR Global data for the year ending September 2016, the Tourist Accommodation Occupancy Rate in Alice Springs was 70%, RevPAR \$82 and the Demand was 298 000 room nights, an increase of 5.8% on the year ending September 2015.²

The opportunity is available for the development of new accommodation. Several sites, all within close access to the central business district, major attractions and the Alice Springs Convention Centre, are available for consideration.

Access:

The Alice Springs Airport is located 13 km from the city and caters for non-stop domestic flights from Sydney, Melbourne, Adelaide, Perth, Darwin, Cairns and a seasonal service from Brisbane. The airport has two runways, the largest of which can accommodate a Boeing 747 or 777 landing; but not a fully laden takeoff due to high temperatures. The only scheduled flights using the airport are domestic. The airport's operation is not subject to a curfew.

For the year ending September 2016, a total of 606 773 passengers passed through Alice Springs Airport. The number of domestic airline seats available into Alice Springs per week in 2016 was 8124 which represents 35% of the total number of domestic airline seats into the Northern Territory. The average inbound load factor for that same period was 70%.³

The two main national carriers servicing Alice Springs are Qantas and Virgin Australia. Virgin Australia commenced flights between Adelaide, Alice Springs and Darwin in March 2015. Airnorth began a service connecting Alice Springs, Tennant Creek, Katherine and Darwin from 22 October 2015.

Alice Springs railway station is visited by The Ghan, operated by Great Southern Rail, on its journey between Adelaide and Darwin. The train passes through Alice Springs twice weekly, one service northbound and the other southbound.

Alice Springs is located on the Stuart Highway which connects Adelaide and Darwin and is a popular tourist route known as the Explorers Way. There are daily express coach services to and from Adelaide and Darwin servicing Alice Springs.

Regional economy:

Alice Springs, the third largest town in the NT, with a population of approximately 28 000, services a total regional population of 41 000. Alice Springs is the major economic, business and service hub for the Central Australia region, and also services parts of South Australia, Western Australia and Queensland. The economy is sustained by mining, tourism and primary industries and is underpinned by government funding for regional service delivery and defence.



The Central Australia region contributes an estimated 18% (\$2.9 billion) of the Northern Territory Gross State Product. At \$54 450, the average income in the Central Australia region is lower than the NT average (\$59 342). This can largely be attributed to the labour intensive service sectors associated with the accommodation, retail, construction, public administration and health care sectors. The average cost of a basket of goods in Alice Springs is comparable with Darwin, but cheaper than Katherine and Nhulunbuy.⁴

Strong visitor market:

Based on visitor data for the year ending June 2016, Alice Springs saw increases in the number of domestic and international visitors. Total domestic visitation was 267 000, an increase of 39% compared to the year ending June 2015. Domestic visitors spent 1.319 million nights in the region. There were a total of 112 043 international visitors over the same period, the same level as the year prior.⁵

Local attractions and activities:

Framed by the MacDonnell Ranges and desert landscape, Alice Springs is a base for outback adventure. Stunning landscapes, remote communities, and a unique pioneering history create a diverse and exhilarating destination to explore.

The galleries on Todd Mall in the CBD offer visitors an opportunity to get to know the art and

stories of the local Aboriginal Arrernte people. Sites around Alice Springs such as the Telegraph Station provide regional historic insights from legendary explorers, prospectors, cattlemen and pioneering women. Animals that live in Central Australia's habitats can be viewed at a number of wildlife parks.

There are a range of adventure activities on offer from hot air ballooning, mountain bike riding, surveying the MacDonnell Range from the cockpit of a helicopter, or exploring a working cattle station as part of a quad bike safari. Self drive or tag-along four wheel drive tours or a half or full day tour to Chambers Pillar, the gemfields at GemTree or the historic Arltunga gold fields in the East MacDonnell Ranges are all options available.

Discover different Aboriginal art styles at communities including Papunya, Ali Curung or Yuendumu on the Tanami Track, or explore rock art, artefacts, aboriginal pottery and ceremonial sites at Santa Teresa, Hermannsburg and Wallace Rockhole. The \$23 million upgrade to the West Macdonnell Ranges touring loop provides easy sealed road access from Alice Springs to iconic swimming waterholes, stunning scenic gorges, the nationally significant 223 km Larapinta Walking Trail and the historic Hermannsburg Historic Mission.

Alice Springs has a 18-hole golf course which is located alongside the Lasseters Resort and Casino. A number of major events are held in the region each year including the Alice Cup Racing Carnival (April), the Finke Desert Race (June) and Red Centre NATS (September). The Masters Games are held in Alice Springs every two years.

¹ Australian Bureau of Statistics Survey of Tourist Accommodation Year Ending June 2016; Catalogue Number 86350do008, Motels, Hotels, Guest Houses and Serviced Apartments with 15 or more rooms.

² STR Global, Tourist Accommodation Survey for the Year Ending September 2016.

³ Bureau of Infrastructure, Transport and Research Economics, Airport Tracking Data. October 2016. <http://bitre.gov.au/statistics/aviation/index.aspx>

⁴ Alice Springs Region Economic Profile, November 2016. NT Government. <https://business.nt.gov.au/business/investment-and-major-projects/regional-economic-development/nt-regional-economic-profiles>

⁵ Tourism Research Australia. 2016. National and International Visitor Survey Data

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