

King Island accommodation study

The *Accommodation Supply Analysis: King Island* examines the impact of visitor growth on King Island with regard to local accommodation supply. It provides insights to guide accommodation infrastructure and development opportunities to meet future demand.

As the market for golf tourism continues to develop, the study provides a short to medium-term forecast of accommodation demand and supply.

The study, undertaken by TRC in 2016 on behalf of the Office of the Coordinator-General also addresses a number of priority actions identified in the King Island Destination Action Plan 2016-2020 including those related to accommodation shortages, quality of visitor accommodation and visitor access.

Snapshot

- King Island's visitor economy is growing rapidly due to the completion of two world class golf courses.
- The visitor economy currently generates \$20.57 million in spending both on and off the Island and generates 64.3 or nine per cent of direct and indirect full time equivalent jobs.
- 189 rooms are currently available for visitor accommodation.
- The majority of accommodation is small properties, such as houses, cottages and bed and breakfast located in Currie.
- Short stay golf visitors prefer hotels, motels and units at the higher end of the rating scale. There are currently three motels on the island.
- Average star rating is 3.5 stars (self-rated) and median price of \$170 to \$180 per night.
- Current annual occupancy sits is between 44 and 50 per cent with winter being very quiet and operators reporting being full or close to capacity between November and April.
- Golf driven visitor demand could require up to 179 additional rooms for five months during high season.
- There are currently 236+ visitor accommodation rooms in the pipeline several of which are targeted to the golf market and include the facilities essential for the higher-end visitor and meeting market.



- Current development and project pipeline projects could create 180 to 250 new jobs, plus jobs in the construction phase.
- King Island has close to full employment. Stakeholders indicate that it is difficult to attract skilled workers to the island for service industry roles.

Findings

Obtaining a balance of accommodation supply for both visitors and employees on King Island is the key challenge to ensuring the successful growth of the golf visitor market and broader tourism economy.

There is currently sufficient accommodation in the pipeline to target high-end golf visitors, however, accommodation for workers is not likely to meet demand.

The report presents a number of options to address the imbalance in demand and supply of worker accommodation in the short, medium term and long term. It also highlights that other potential barriers to the growth and development of the visitor economy include the scale and size of the airport and the telecommunications capacity.

Government Action

The Government is working with the King Island Council and other key stakeholders on a number of suggested options, particularly the development of worker accommodation.

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