Sunshine Coast
December 2009 Quarterly Report

February 2010

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Introduction

- **The purpose of this report is to provide a relevant, timely and concise report for the Industry Operators and other Stakeholders.**

- **The scope of the report includes the following :-**

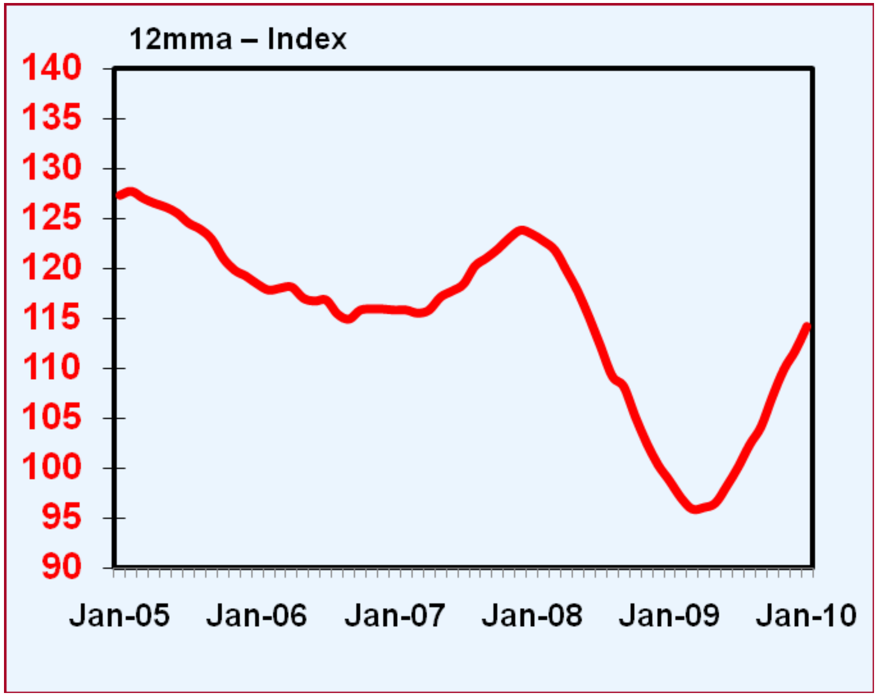
- Section 1 : The external environment and tourism trends.
- Section 2 : Sunshine Coast and Destination area trends.
- Section 3 : Consumer Preference for the Sunshine Coast and Destination areas.
- Section 4 : Business Performance.
- Section 5 : Economic Contribution
- Section 6 : Key Point summary

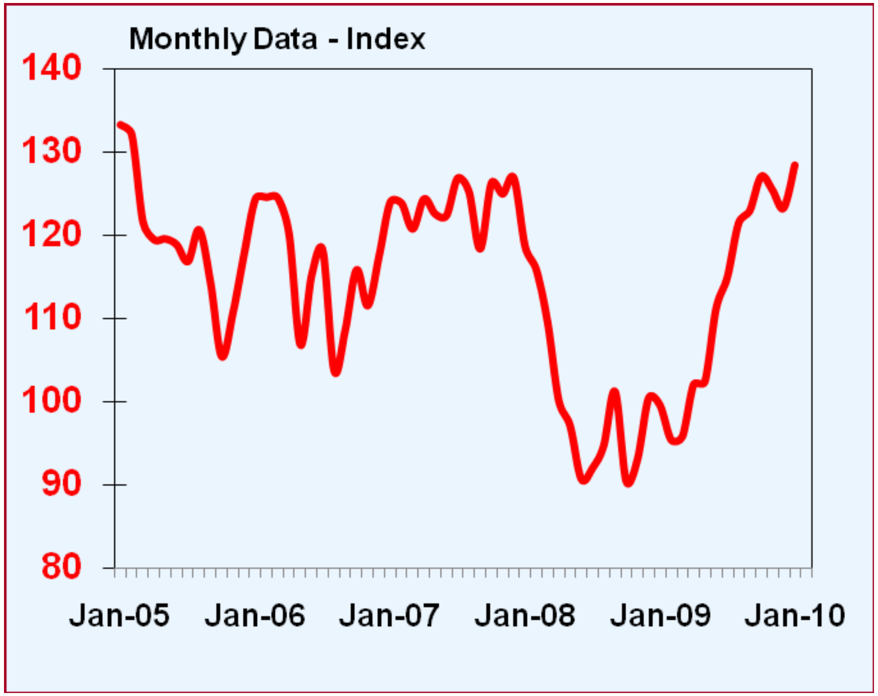
- **Note : Data used in the charts is trended data unless stated otherwise. Trending refers to a 12 month moving average.**

Data Sources

- **This report uses a number of data sources.**
- **Roy Morgan Research Single Source (September 2009).**
- **Roy Morgan Consumer Confidence Data (January 2010).**
- **International Visitor Survey (September 2009).**
- **Domestic Visitor Survey (September 2009).**
- **Australian Bureau of Statistics - Tourist Accommodation (September 2009).**
- **Australian Bureau of Statistics – Arrivals / Departures data (November 2009).**
- **Tourism Sunshine Coast – Standard Visitor Survey (January 2009).**
- **ABS Tourism Satellite Accounts (2008).**
- **Roy Morgan Single Source, Holiday Tracking Study (2006).**
- **SGS Economics and Planning -Tracking the Sunshine Coast Economy (2008).**

Australia Consumer Confidence - Year to Jan. 10

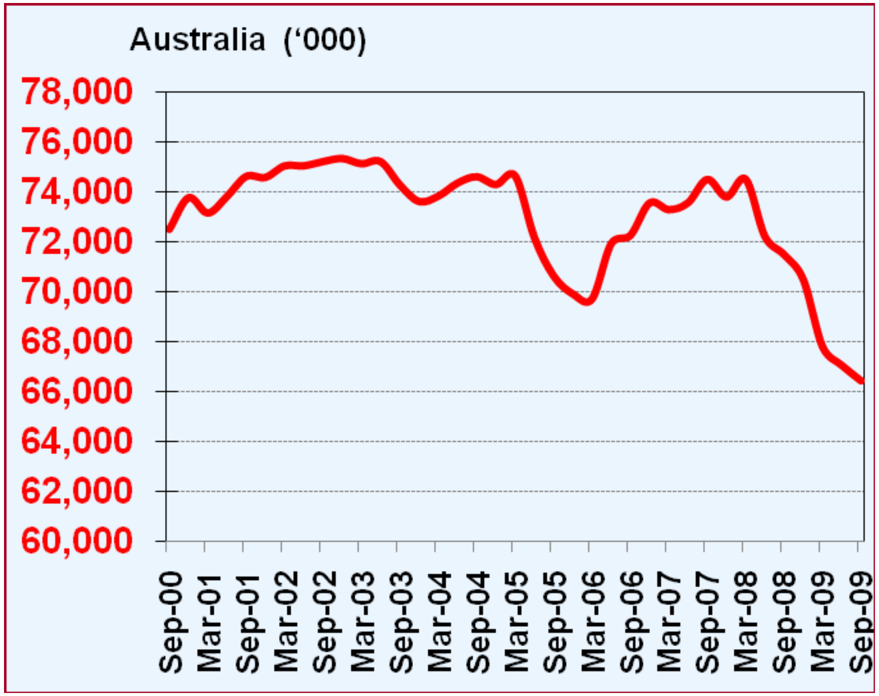


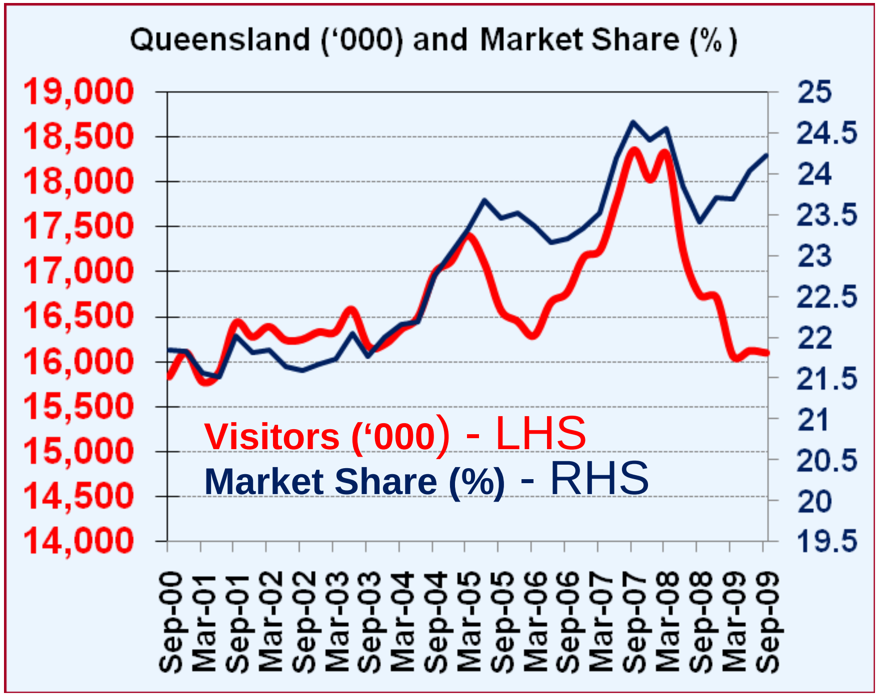


Source : RMR Confidence Data

- **Consumer (and Business) Confidence continues to grow, despite interest rate rises.**
- **Consumer Confidence is now at the boom level of 2006/07.**

Aus. Domestic Overnight - Overall Trends (YE September 2009)



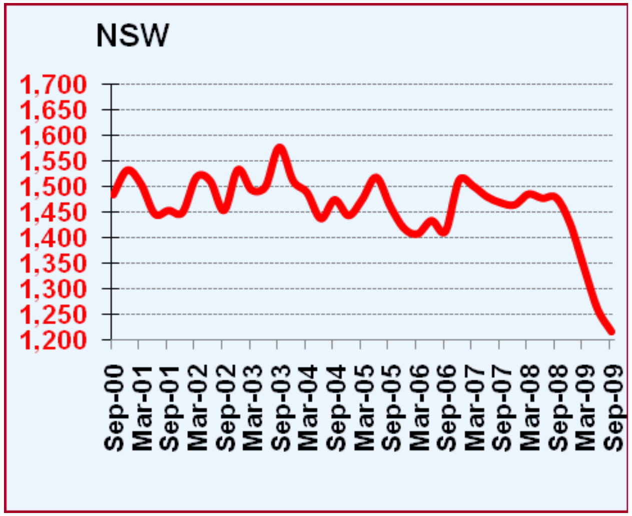


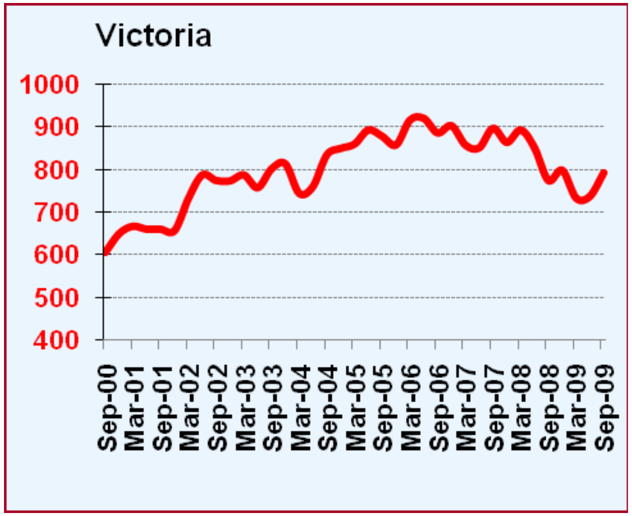
Source : NVS

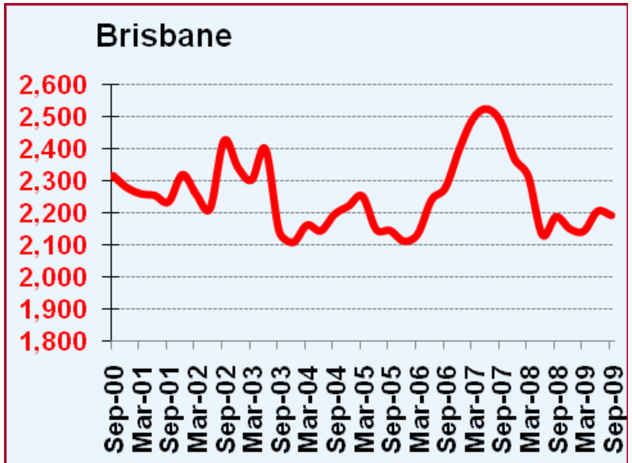
- **Domestic Overnight travel has suffered with the Global Financial Crisis (GFC). Since March 08, when the crisis started to hit Australia, the market has fallen 11%.**
- **Queensland has not been immune with visitor numbers falling during the GFC, but there are now signs of the market stabilising and market share is improving.**

Queensland Overnight Holiday - Source Markets ('000)

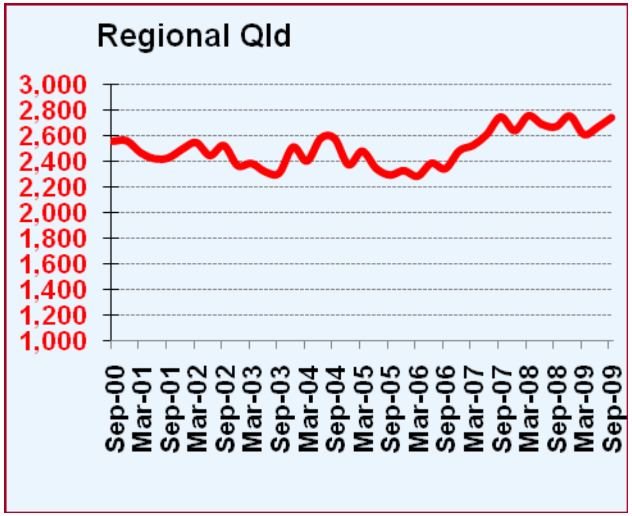
- **This charts domestic visitor numbers to Queensland source markets.**
- **NSW continues to be weak as their economy struggles.**
- **Victoria is reviving as their economy improves.**
- **Queensland has held up and this is a favourable trend for the Sunshine Coast.**





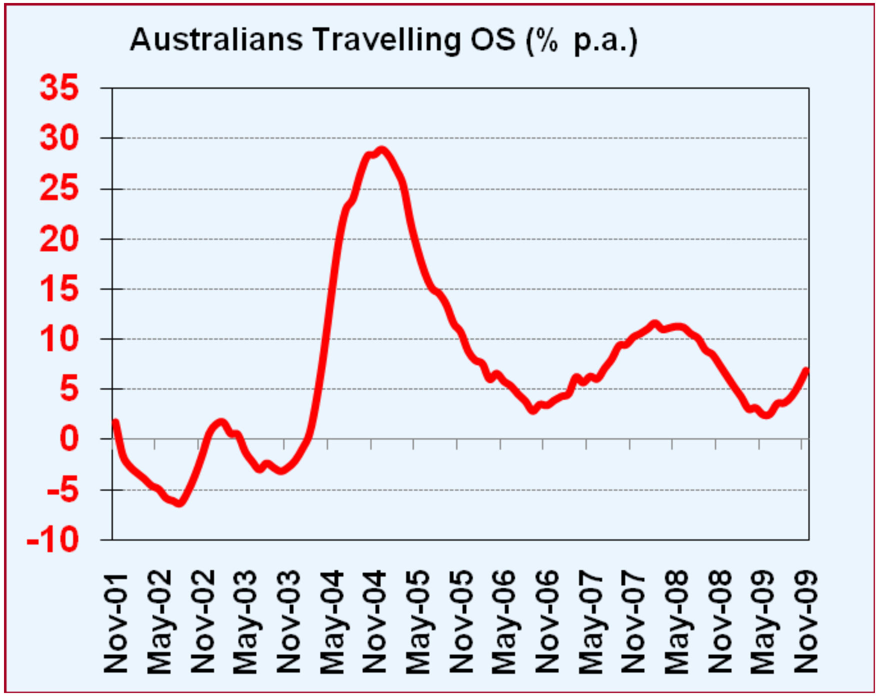


Source : NVS

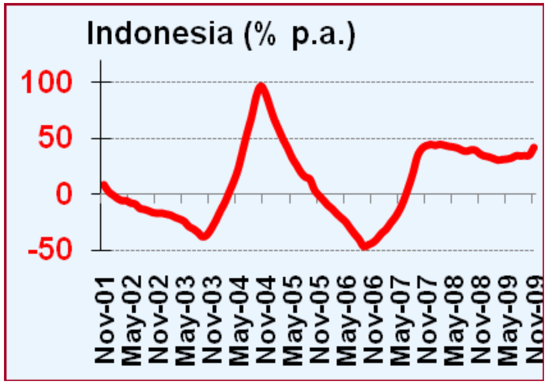


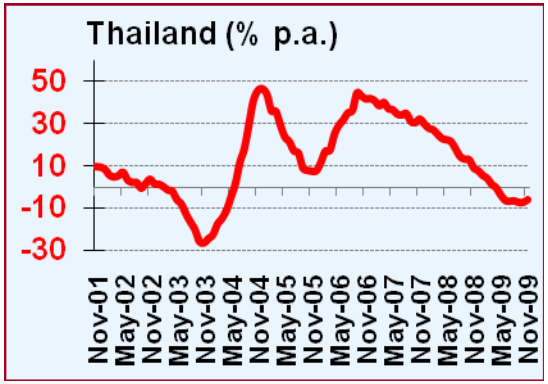
Australian Outbound (YE November 09)

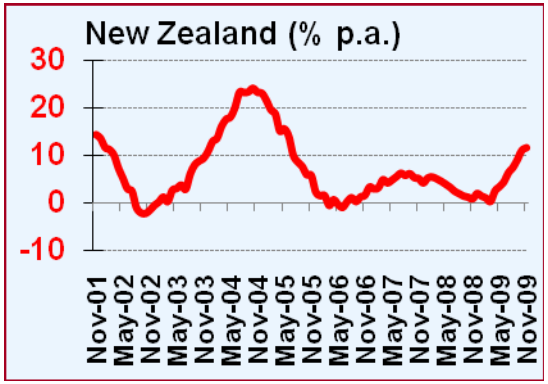
- Australians travelling overseas, in is starting to grow again, although the growth is subdued.
- Travel to Indonesia (Bali) is still growing spectacularly, and travel to New Zealand is growing strongly again.



Source : ABS



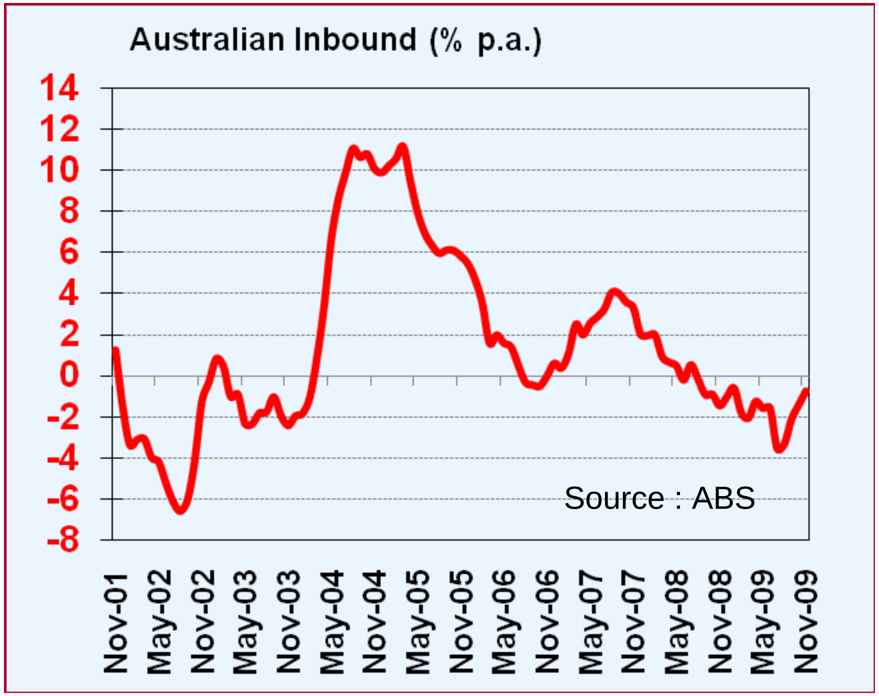


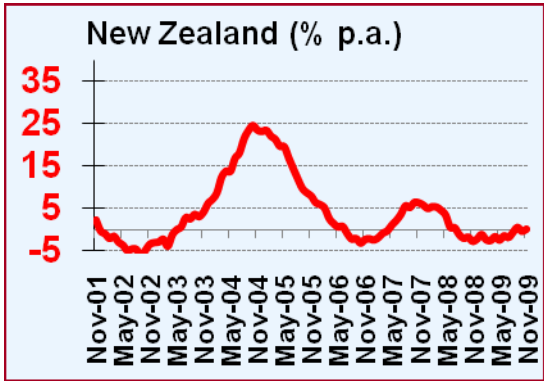


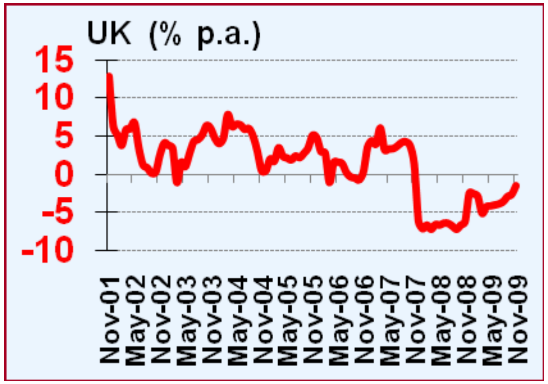
Australian Inbound (YE November 09)

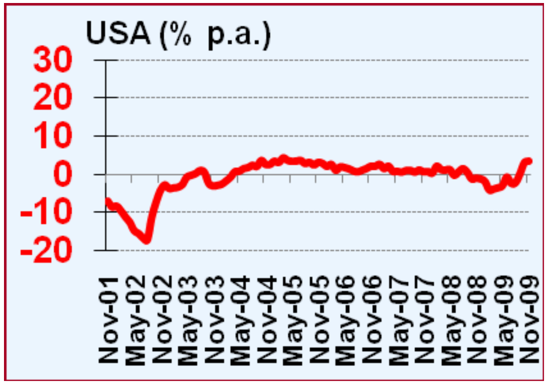
- **Inbound has been impacted by the Global Financial Crisis (GFC), but even here there are signs that the market is turning for the better.**

- **All three of the key source markets are showing some signs of life – but growth is still soft.**

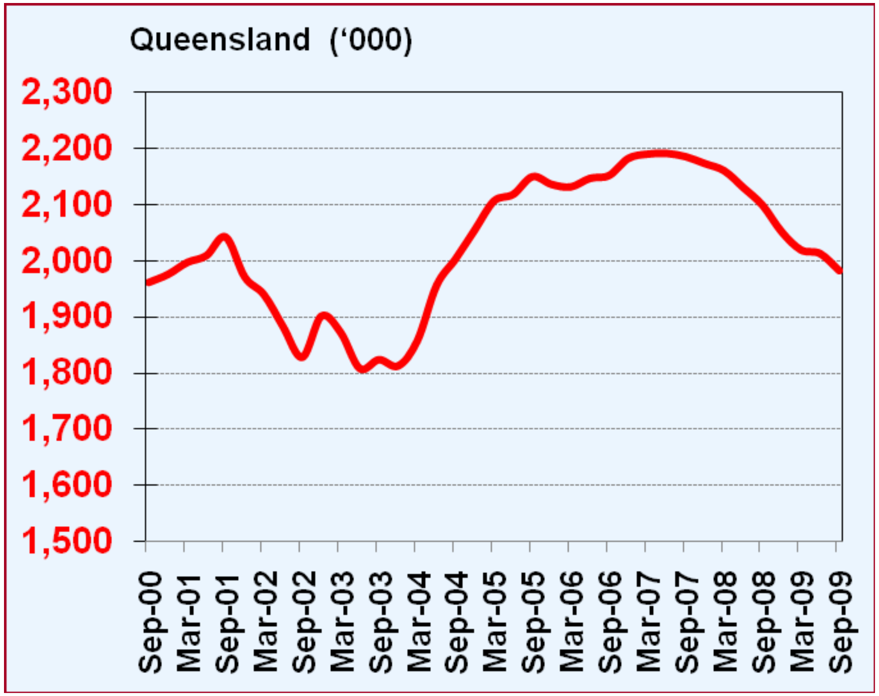


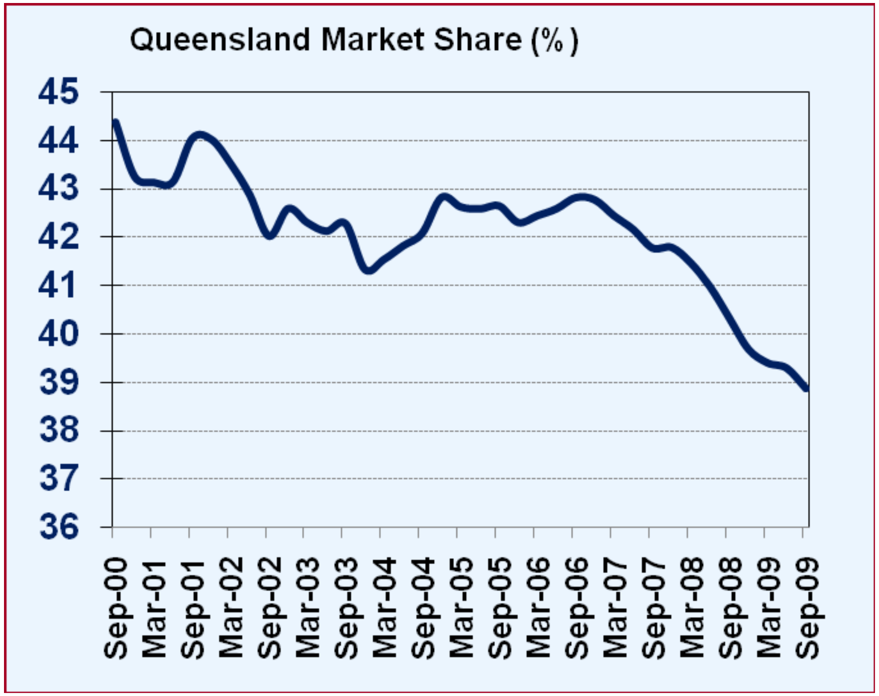






Inbound Overnight - Overall Trends (YE September 09)





Source : IVS

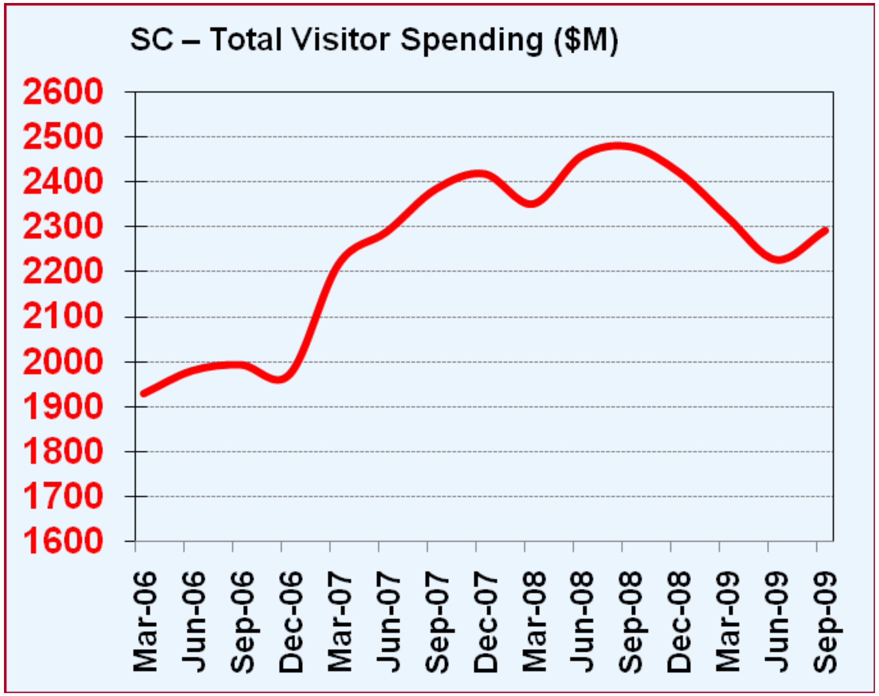
- **Total inbound visitors to Queensland has fallen 10% since the start of the GFC. Queensland has also been losing market share. Over the last 10 years there has been an erosion of market share. NSW is also losing share.**

- **Victoria is gaining share.**

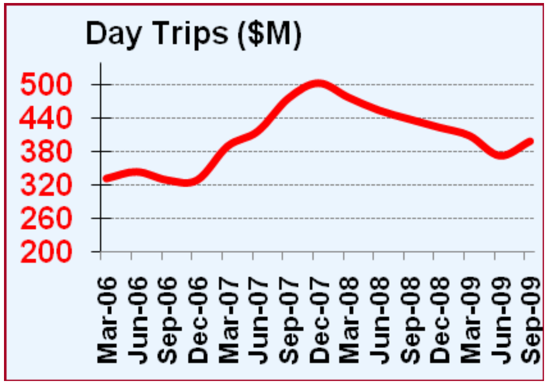
Sunshine Coast Regional Spending (YE September 2009)

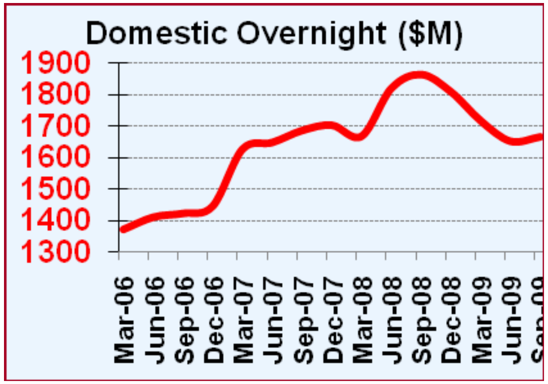
- There are also signs that spending on the Sunshine Coast is starting to improve again. Spending is up 2.9% (YE September 2009 compared with YE June 09).

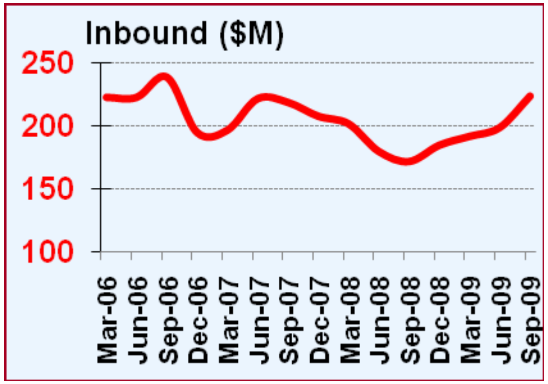
- Inbound spending continues to rise and domestic overnight is also up slightly (+0.8% YE Sept. 09 compared with YE June 09).



Source : IVS/NVS

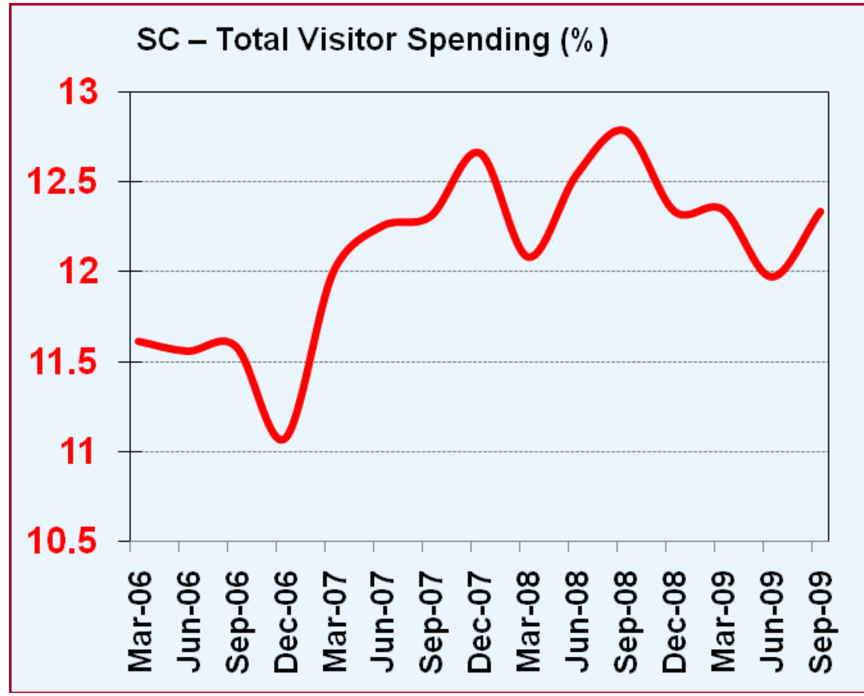




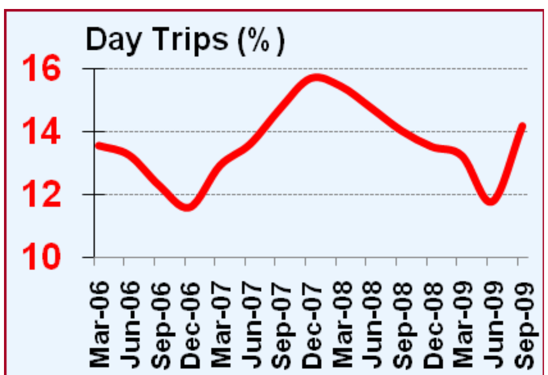


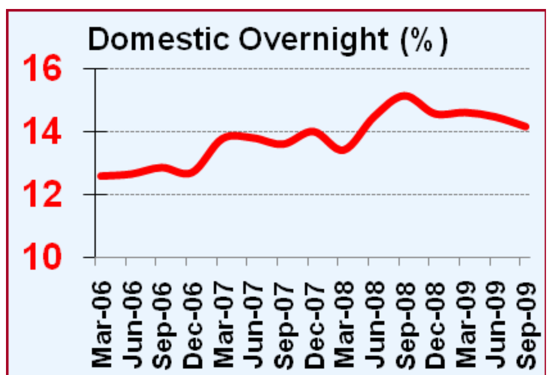
Regional Spending – Share of Queensland (YE September 2009)

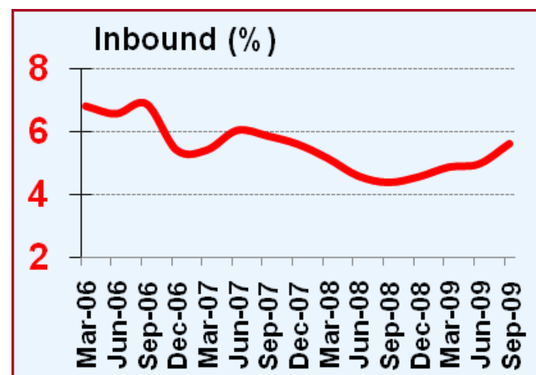
- The Sunshine Coast's share of spending also is recovering.
- Share of overnight spending has softened from the peak, while inbound continues to improve.
- Share of day trip spending is higher as access via the Highway improves.



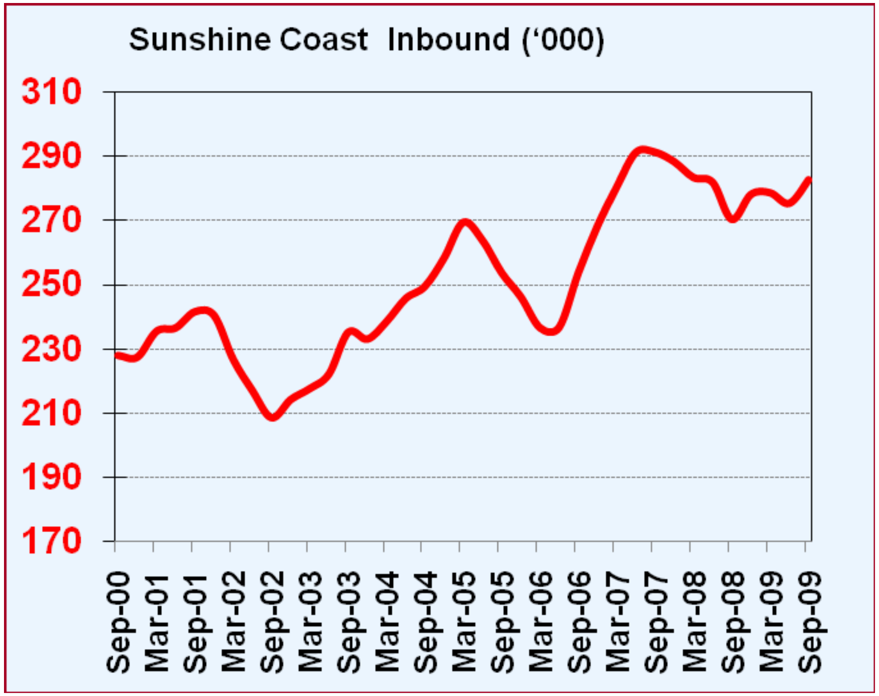
Source : IVS/NVS

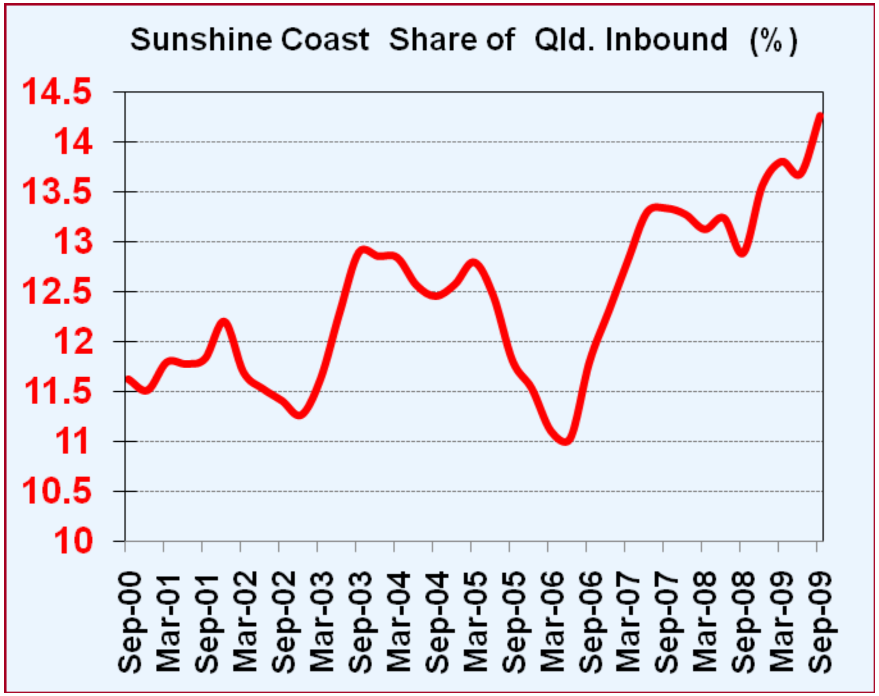






Sunshine Coast Inbound (YE September 2009)



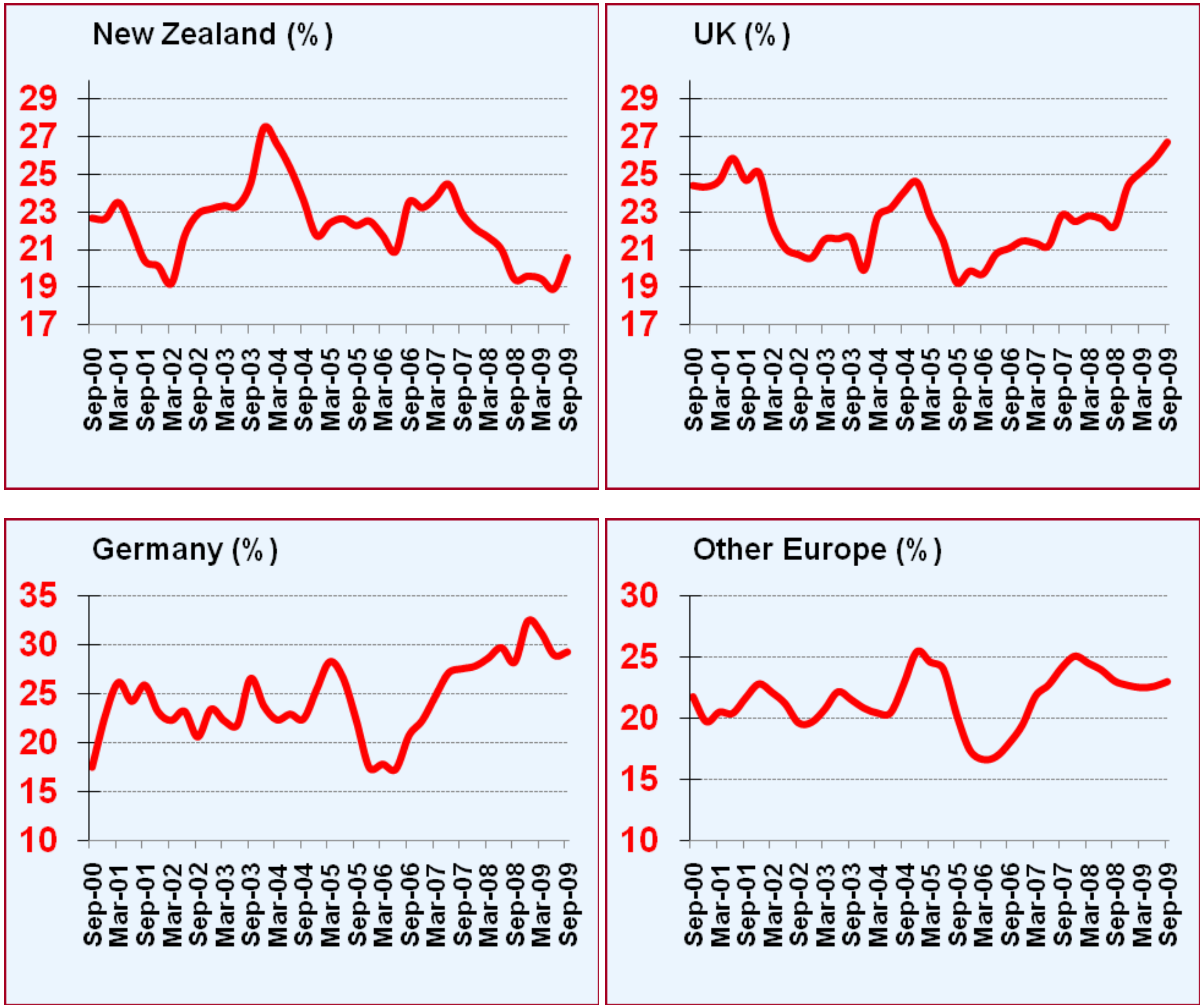


Source : IVS

- **Inbound visitor numbers to the Coast are improving slightly – but this is in a weak market.**
- **The Sunshine Coast is gaining share of Queensland Inbound visitors and share is now at record levels. Share is now at 14.3%, compared to 12.9% in September 2008.**

Sunshine Coast Inbound - Market Share Key Markets

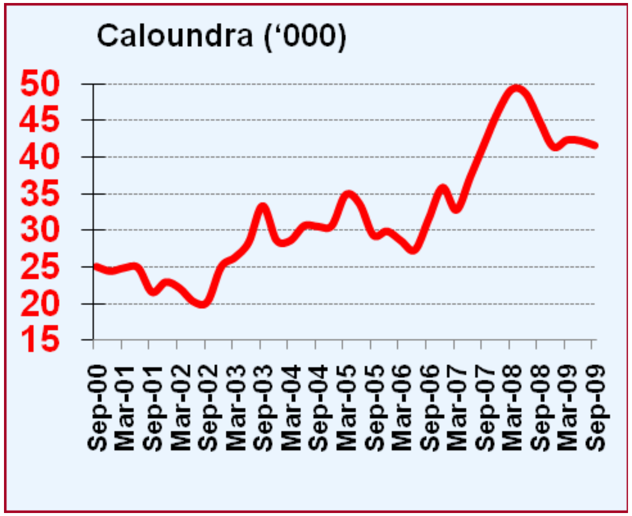
- **The top four source markets for the Coast are reviewed.**
- **The Sunshine Coast is gaining share of the UK and NZ market.**
- **There are signs that share of the German and Other Europe is turning for the better .**

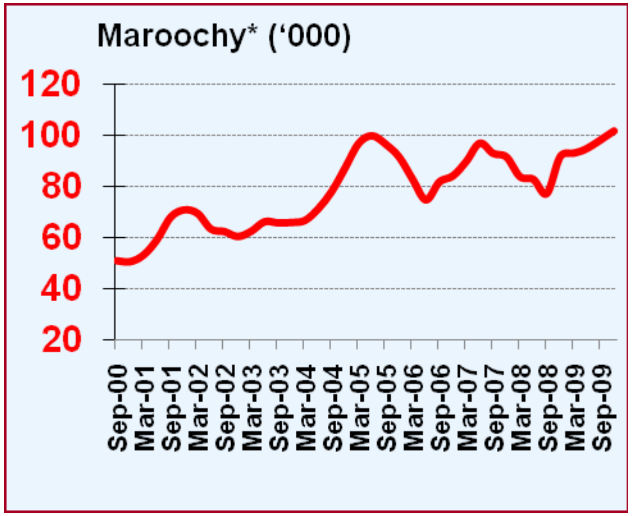


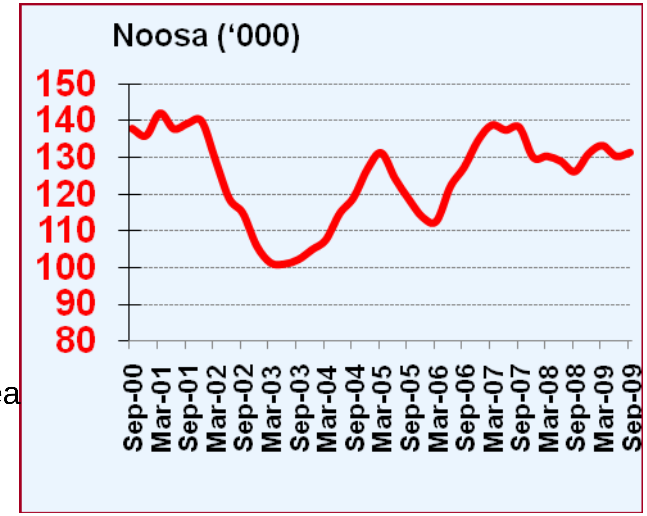
Source : IVS

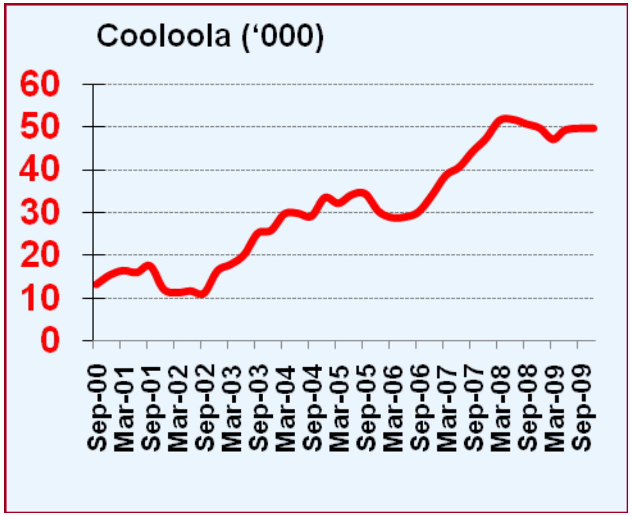
Destination Areas - Inbound Visitors

- **Inbound to Mooroochy is trending up.**
- **Noosa Inbound is steady, as is Cooloola.**
- **Caloundra is a little weaker after strong growth.**







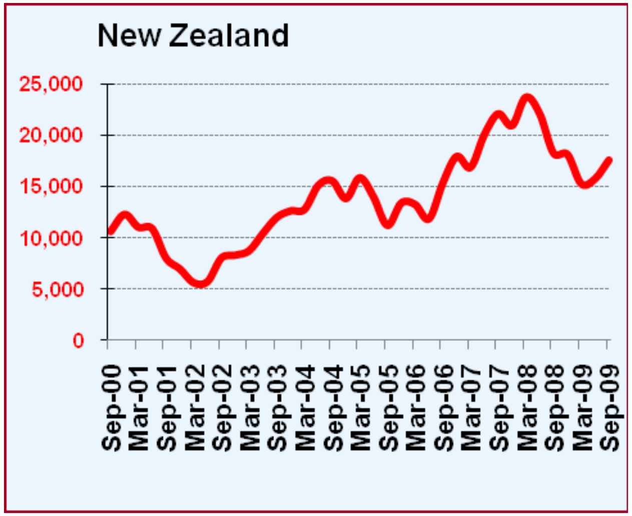


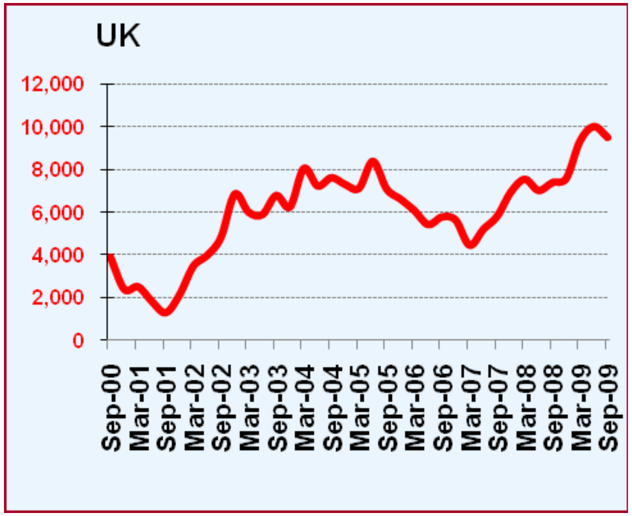
* Refers to the former Shire area

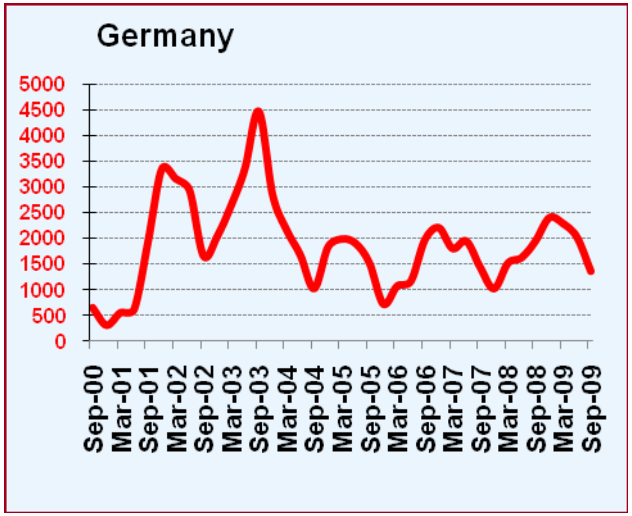
Source : IVS

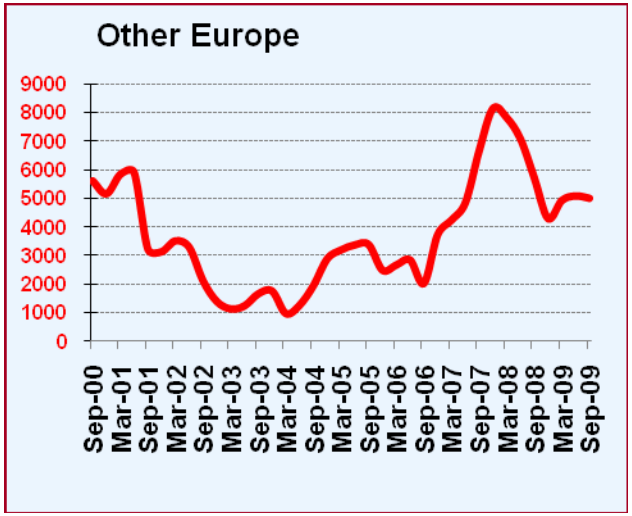
Caloundra - Inbound Visitors (number)

- Caloundra has a relatively smaller unbound component.
- The New Zealand numbers are better, with the market improving.
- UK numbers are near record levels.





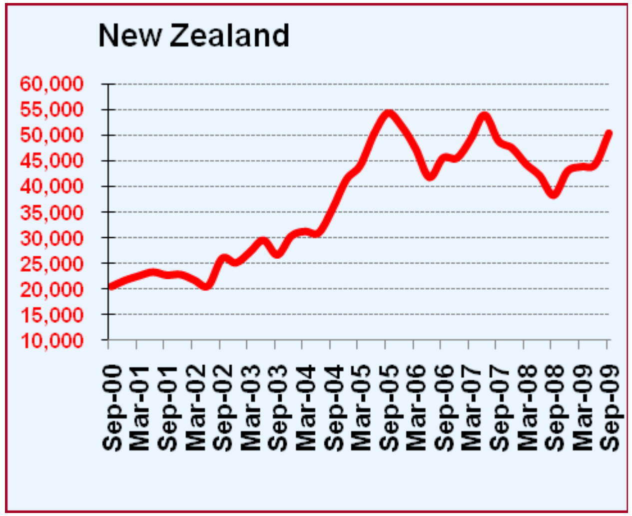


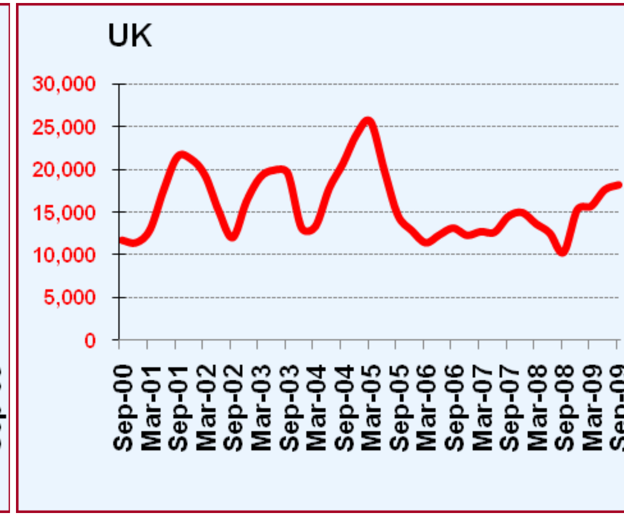


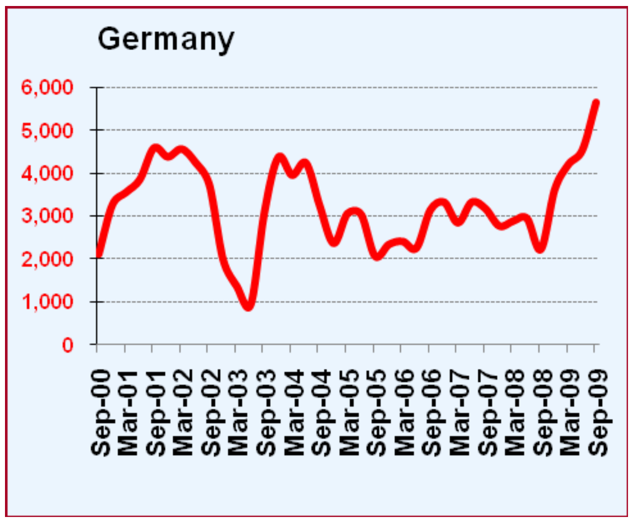
Source : IVS

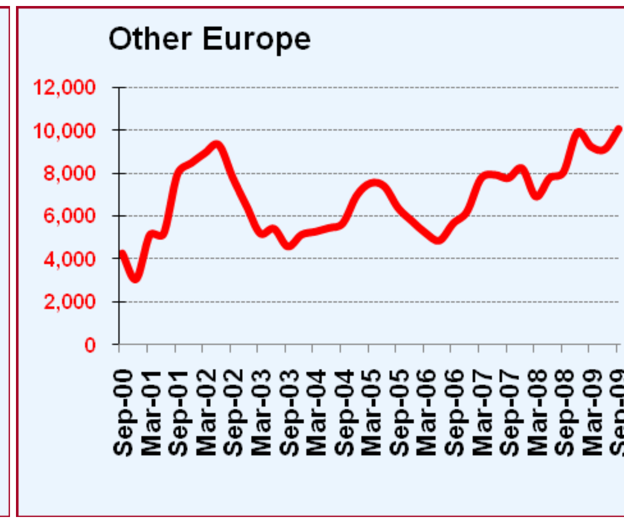
Maroochy - Inbound Visitors (number)

- Maroochy is improving the inbound numbers.
- NZ, UK Germany and Other Europe are all improving.





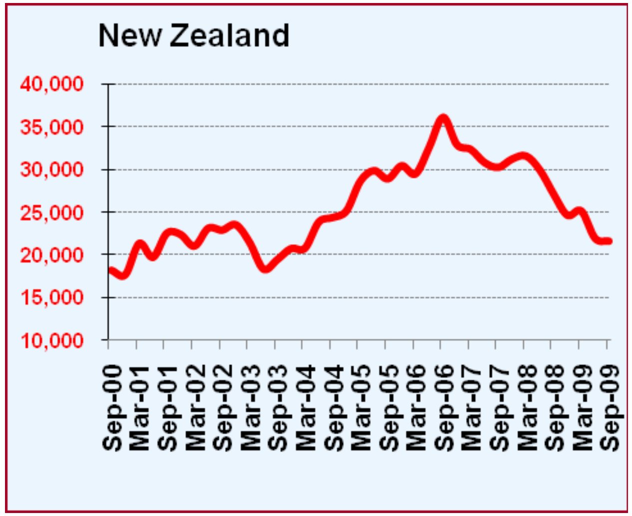


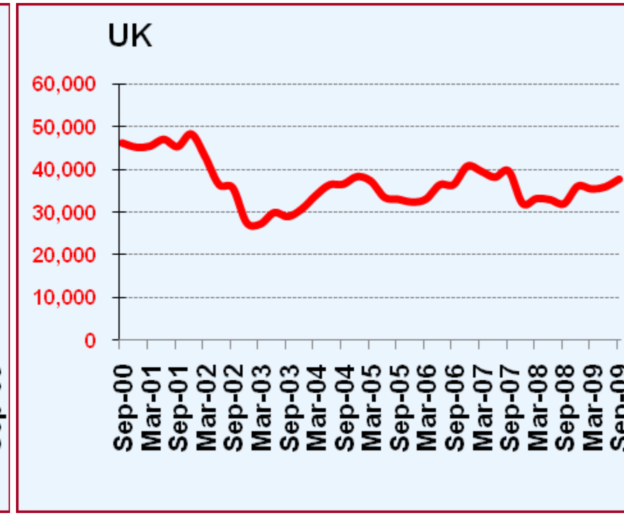


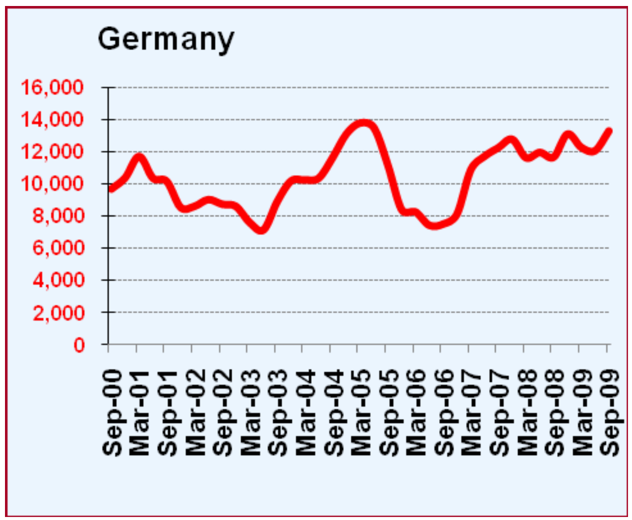
Source : IVS

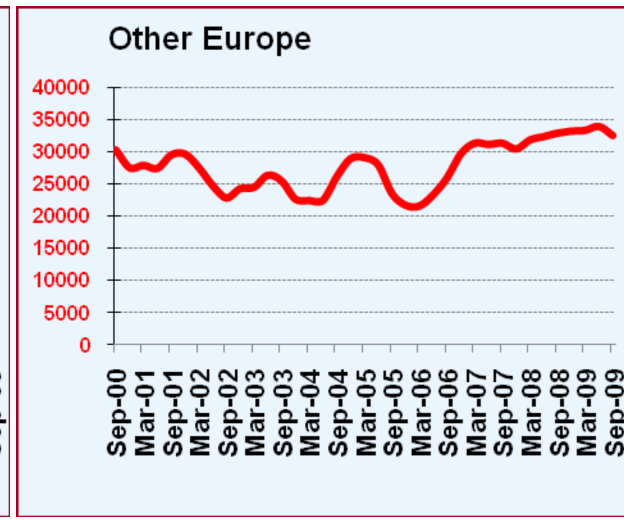
Noosa - Inbound Visitors (number)

- **Noosa holding up well in the UK, Germany and Other Europe.**
- **New Zealand numbers are well down.**





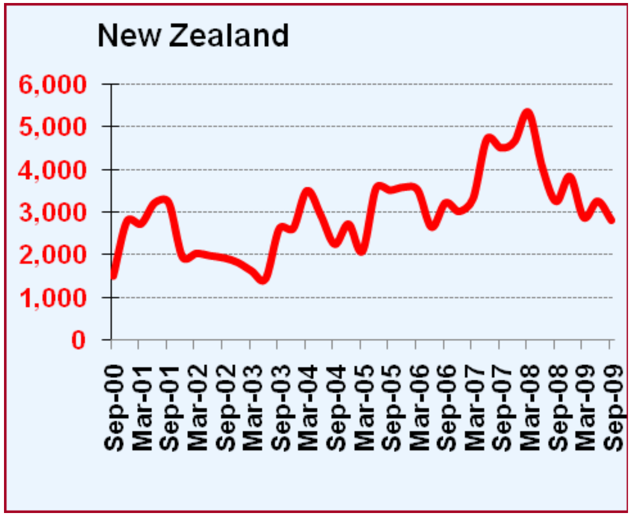


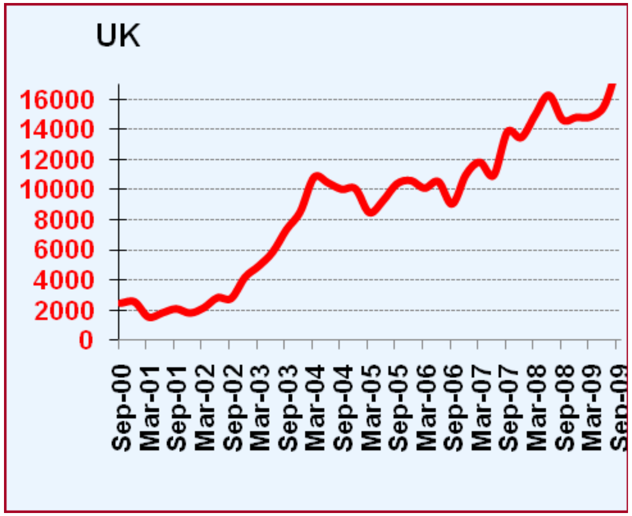


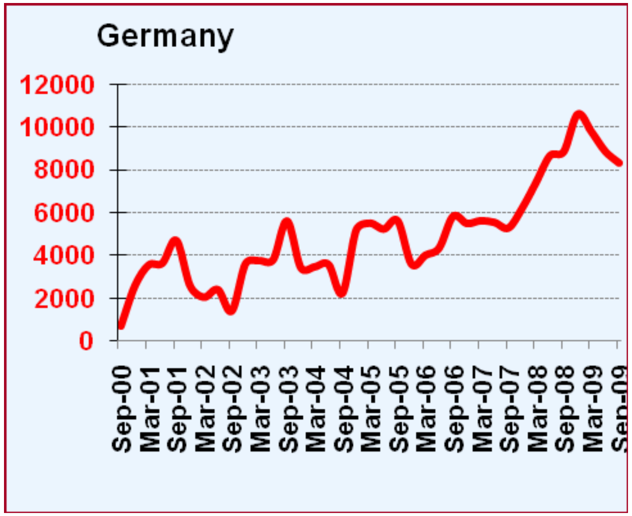
Source : IVS

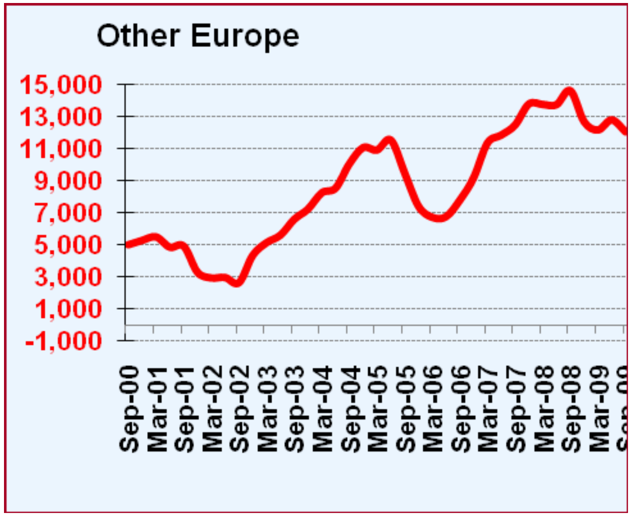
Cooloola - Inbound Visitors (number)

- **Other than New Zealand, international visitors numbers are trending up over the last 3-4 years.**



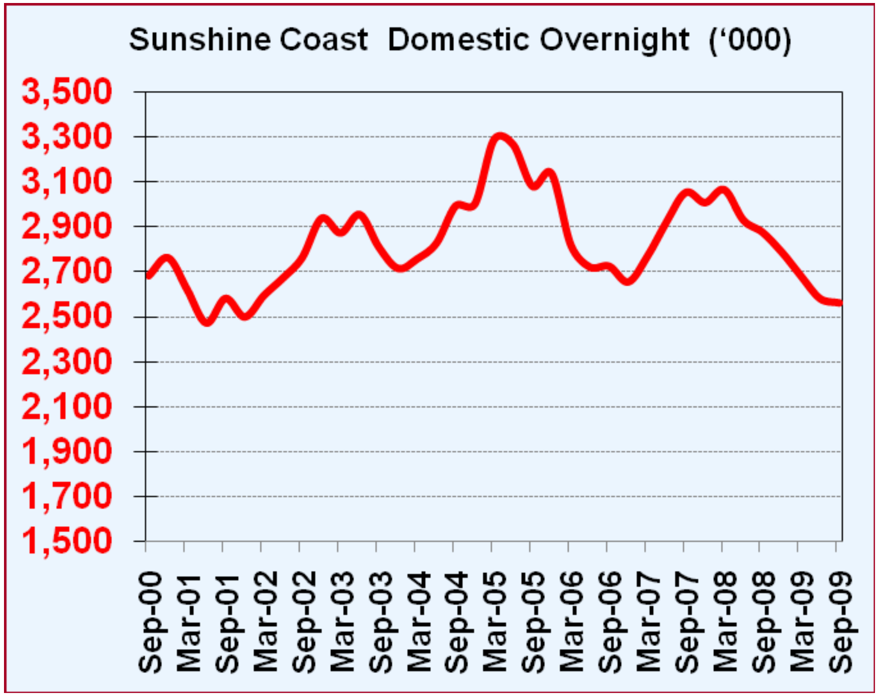


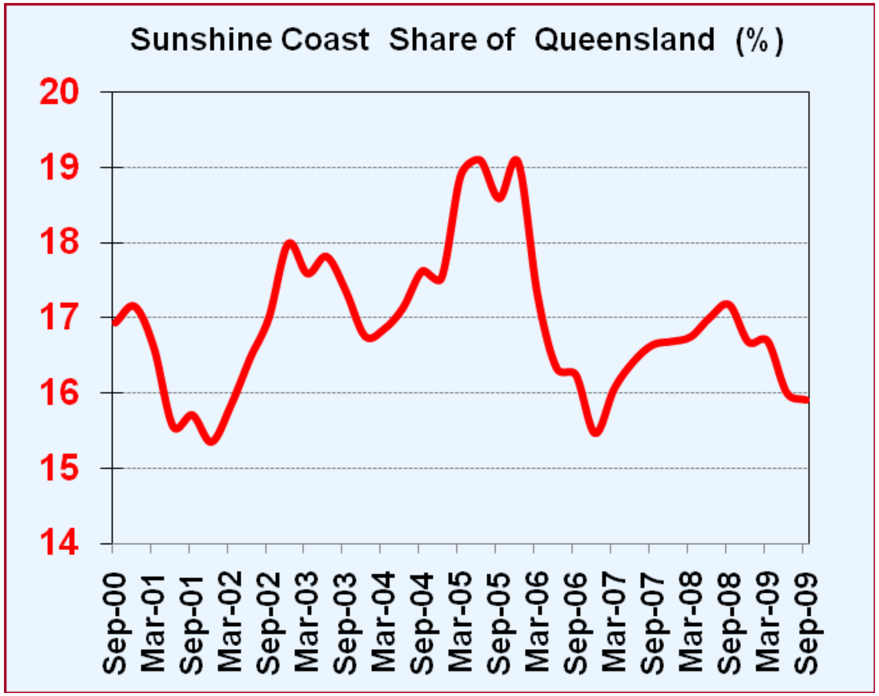




Source : IVS

Sunshine Coast Domestic Overnight (YE September 2009)



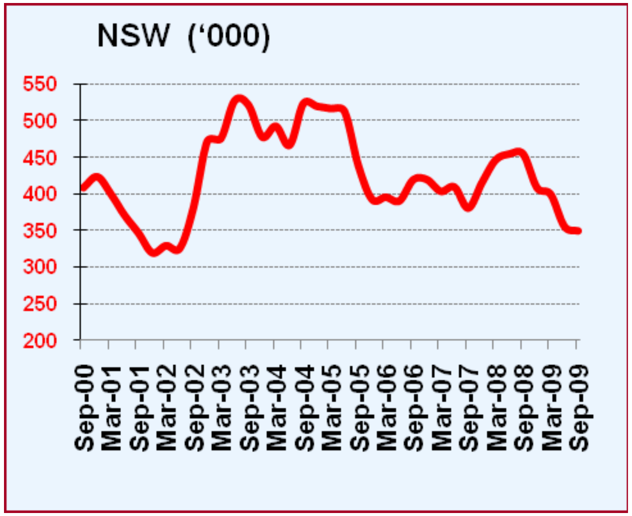


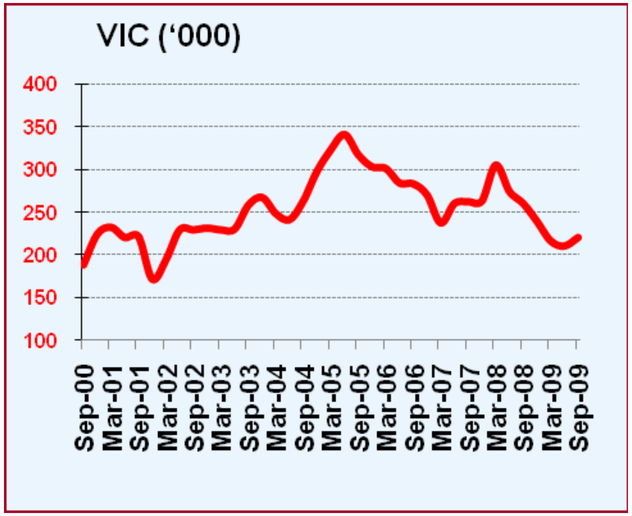
Source : NVS

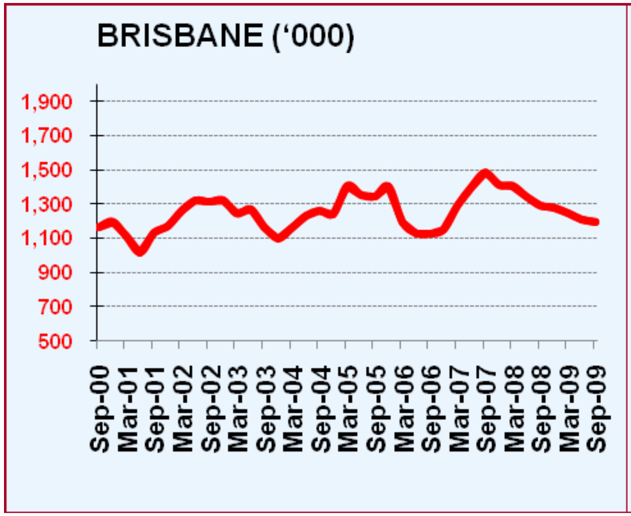
- **Like the domestic market overall, overnight visitors to the Sunshine Coast have been softening and market share as well, is down since Dec. 05.**

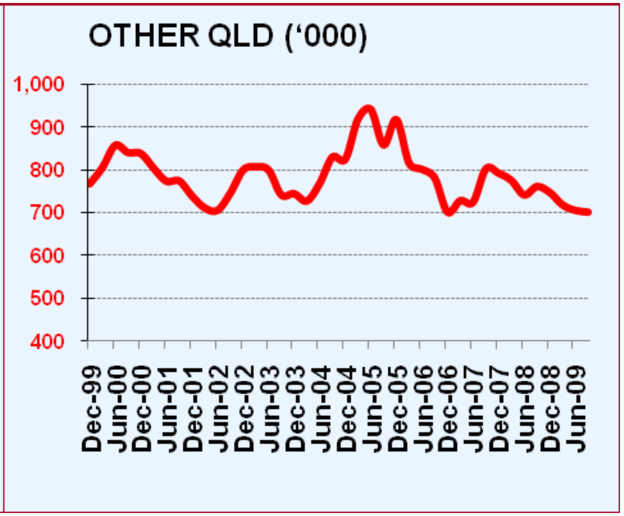
Sunshine Coast Domestic Overnight - ('000)

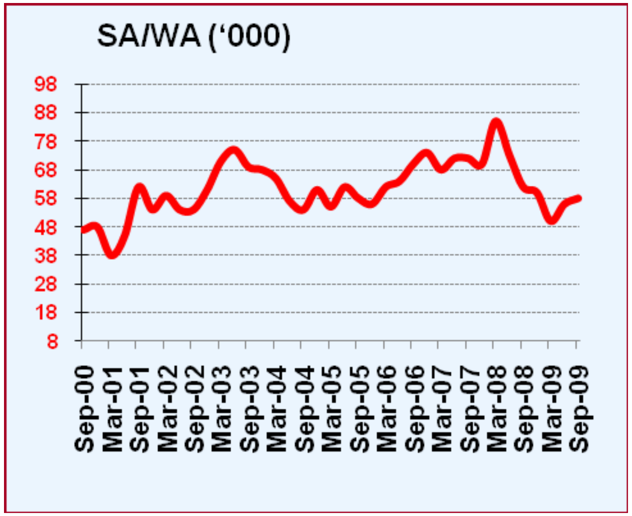
- **All the source domestic markets have weakened under the weight of the GFC and the weakening Preference for the Sunshine Coast as a holiday destination.**







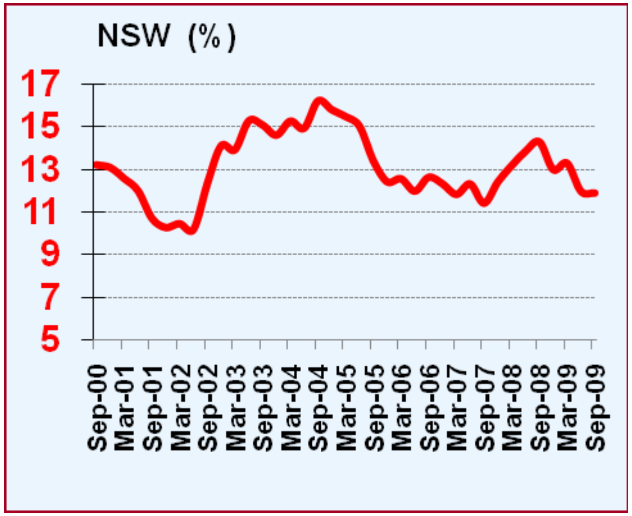


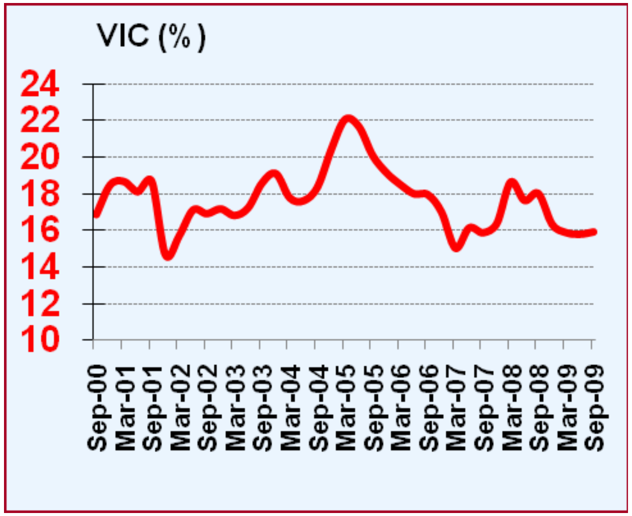


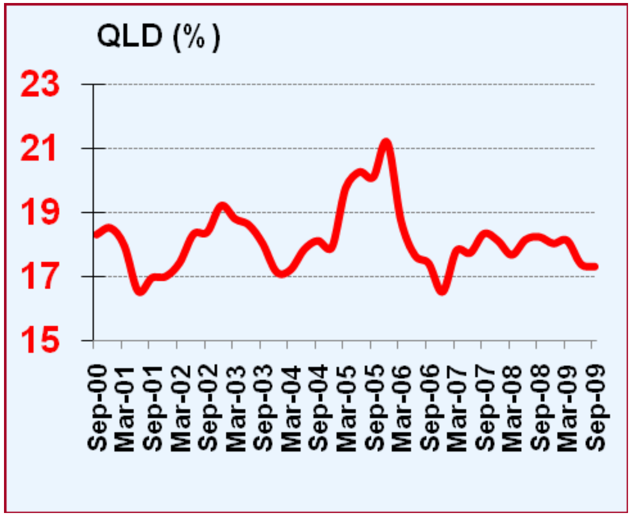
Source : NVS

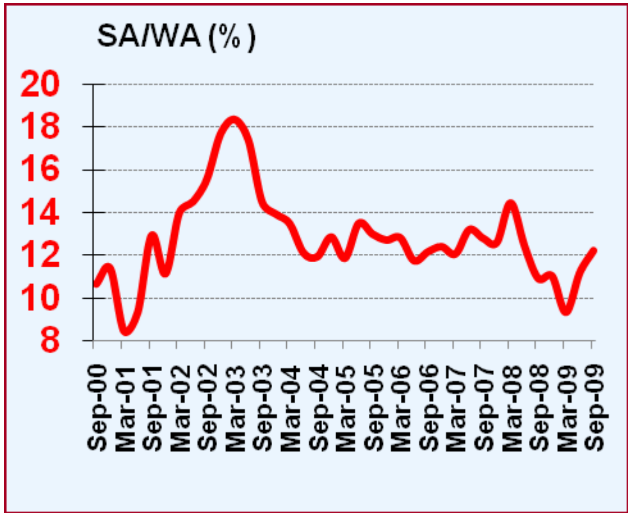
Sunshine Coast Domestic Overnight - Market Share Key Markets

- **There are signs that the decline in market share in NSW, Vic and Qld has steadied.**
- **Share of SA/WA has turned the corner.**







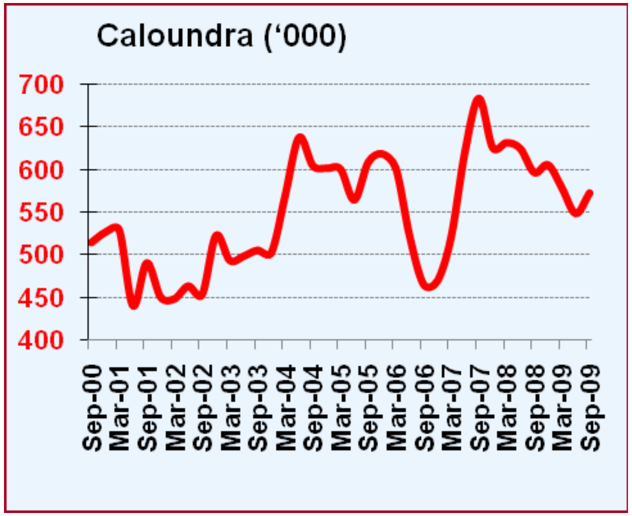


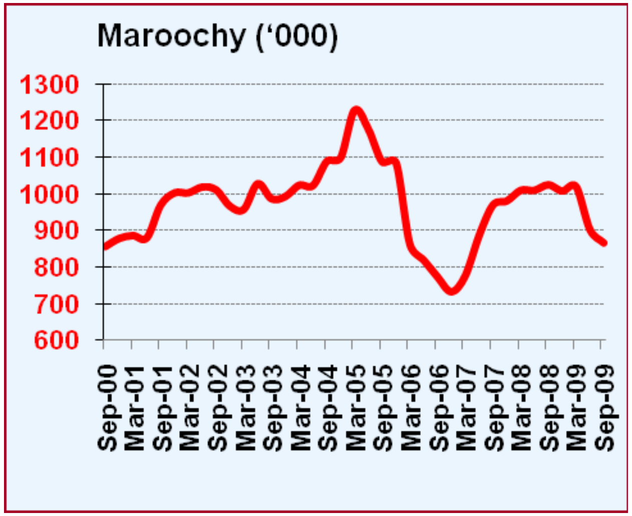
Source : NVS

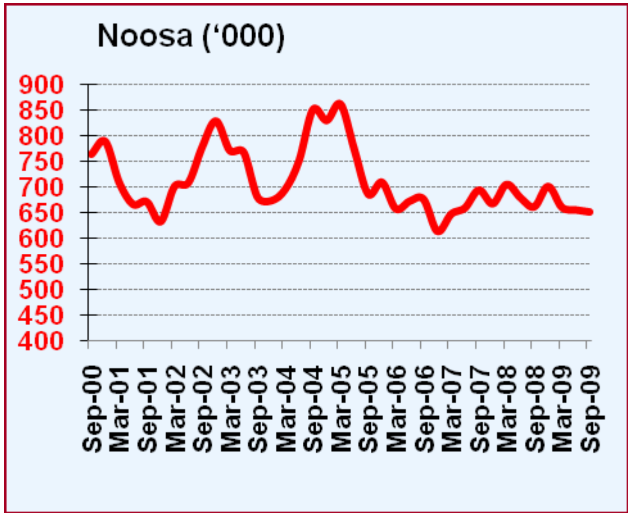
Note : Share of Qld overnight domestic trips

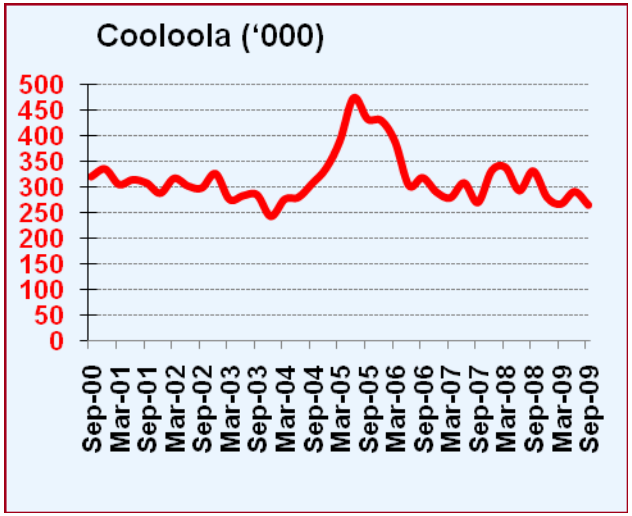
Destination Areas - Domestic Overnight Visitors

- **Caloundra is improving slightly.**
- **Maroochy is softening.**
- **Noosa steady.**
- **Cooloola has softened a little.**





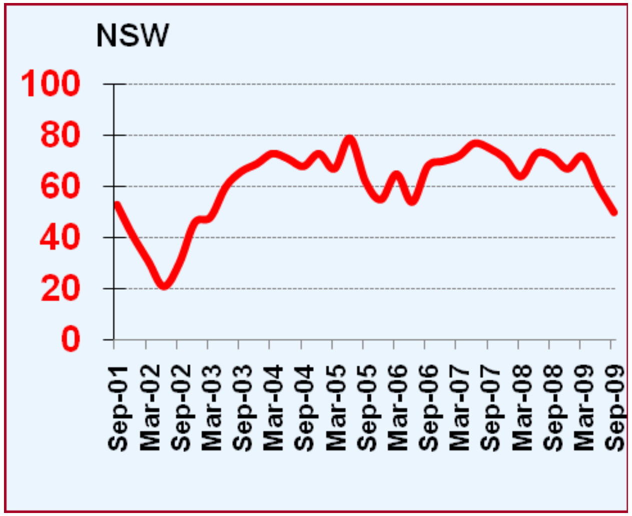


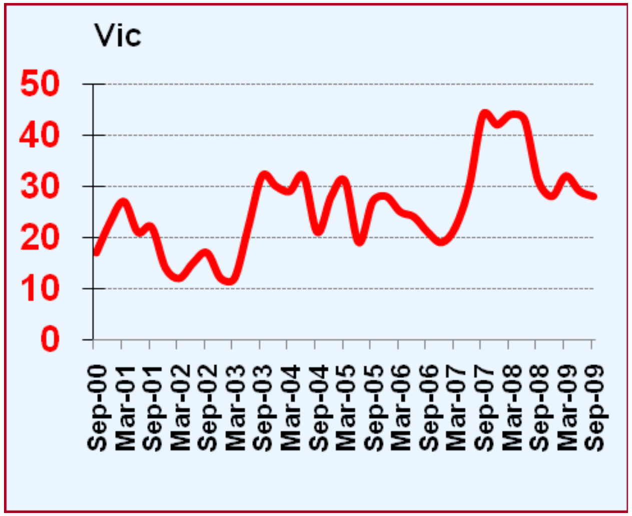


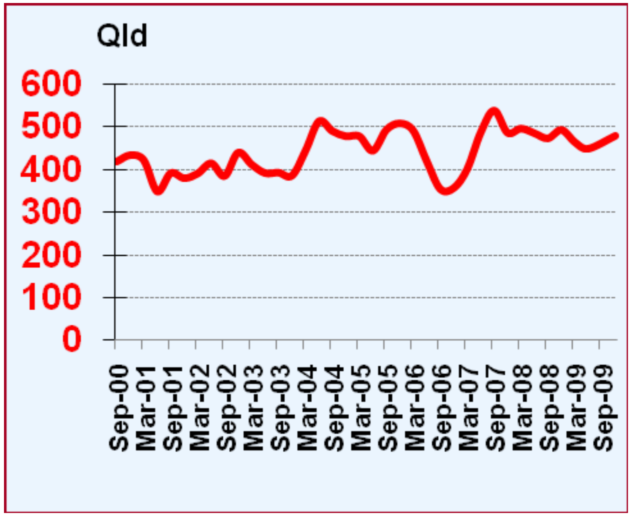
Source : NVS

Caloundra - Domestic Overnight Visitors ('000)

- Caloundra numbers are holding quite well, although a little softening from the NSW and Vic markets.



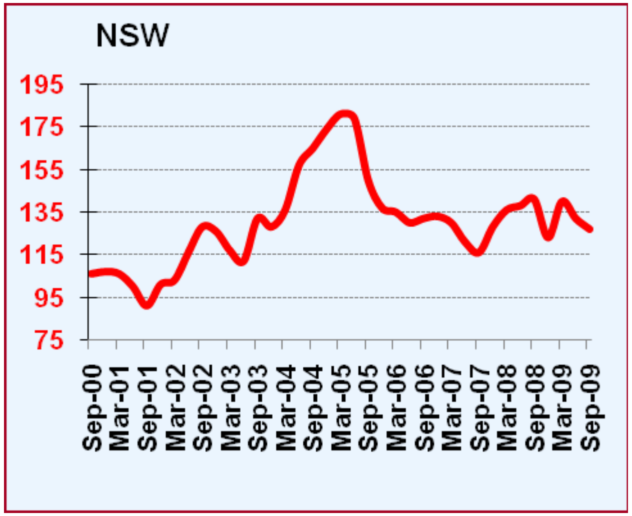


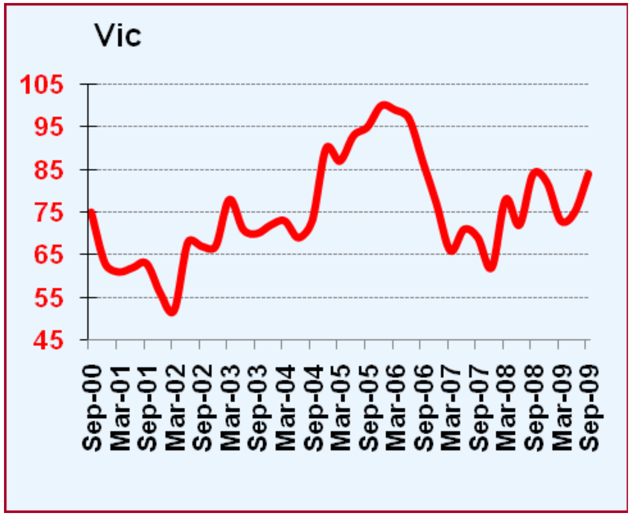


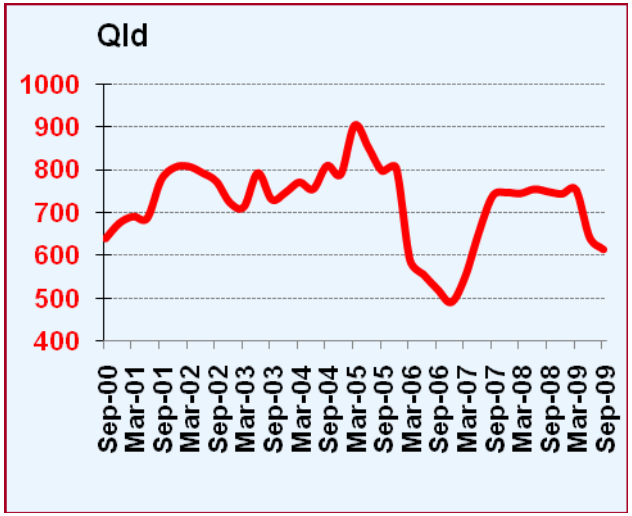
Source : NVS

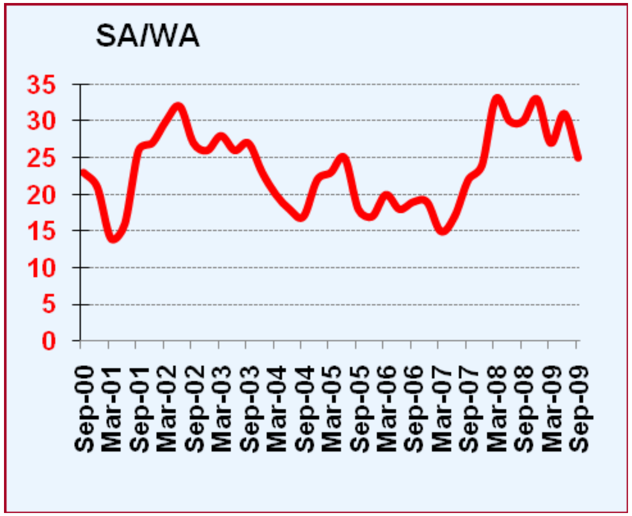
Maroochydore - Domestic Overnight Visitors ('000)

- **Interstate numbers are holding up OK.**
- **Main fall has been with the Queenslanders over the last year.**





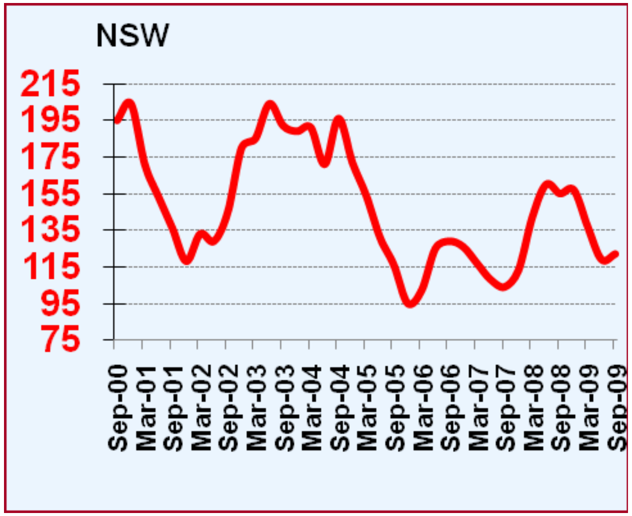


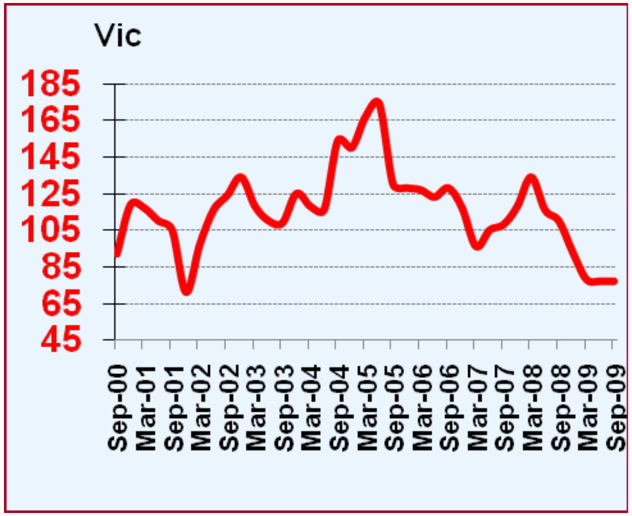


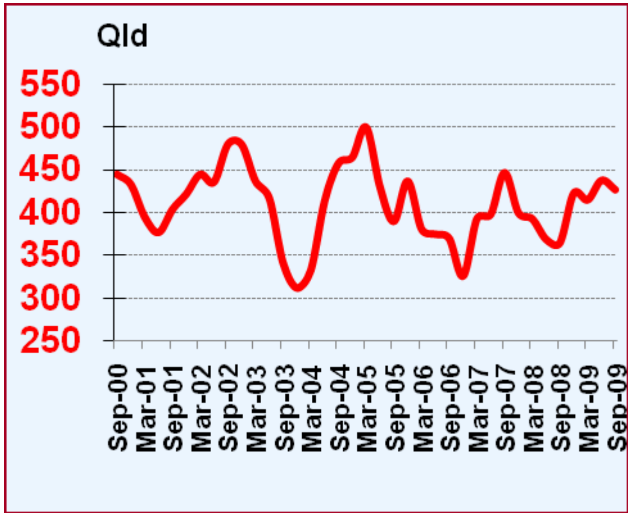
Source : NVS

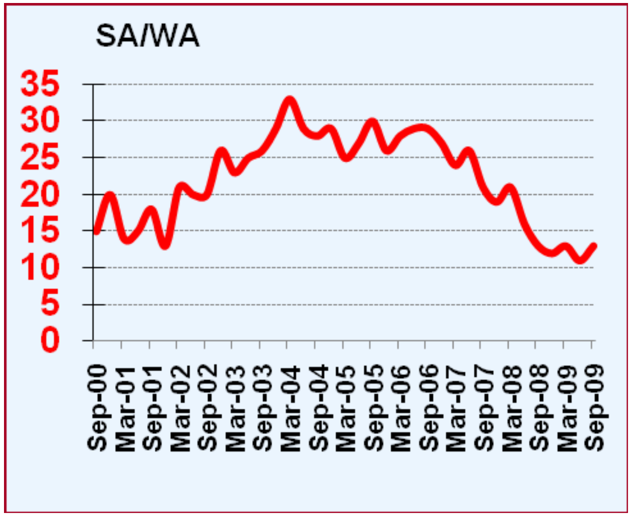
Noosa - Domestic Overnight Visitors ('000)

- **There are signs that the interstate Noosa visitor numbers are steadying after softening.**
- **Queensland holding up well.**





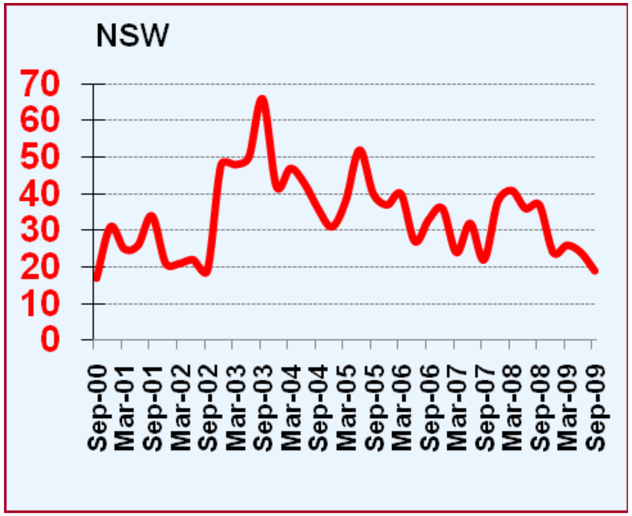


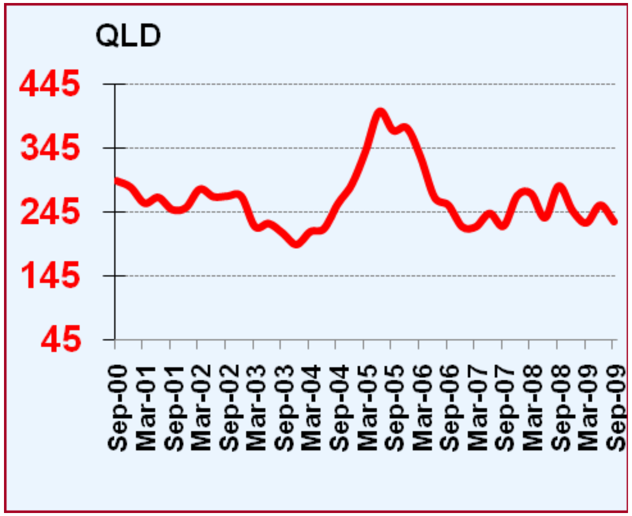


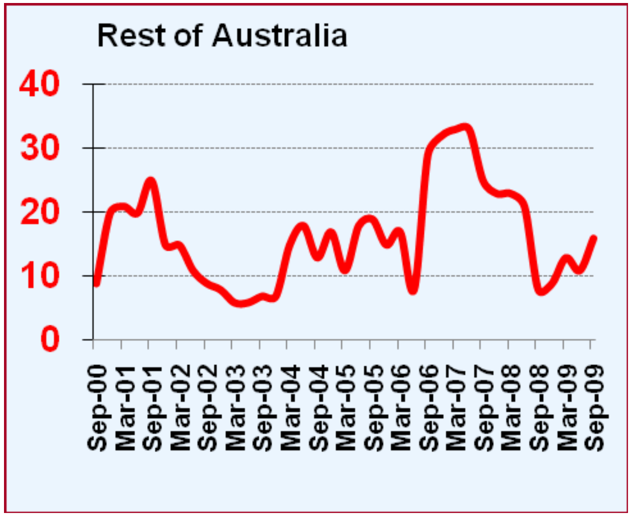
Source : NVS

Cooloola - Domestic Overnight Visitors ('000)

- **Cooloola visitor numbers are holding up reasonably well from Queensland.**



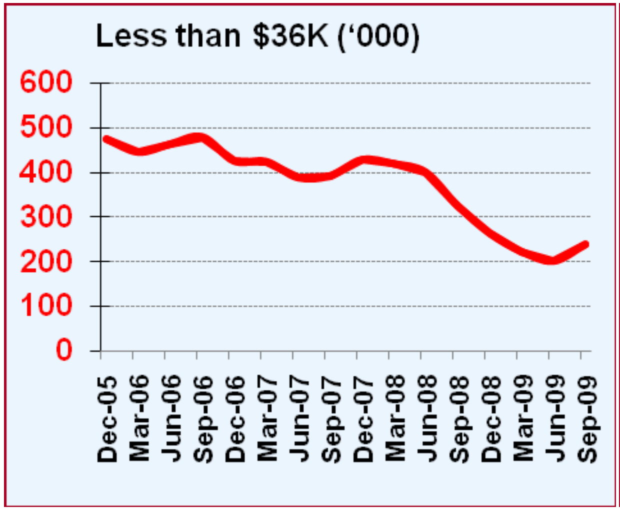


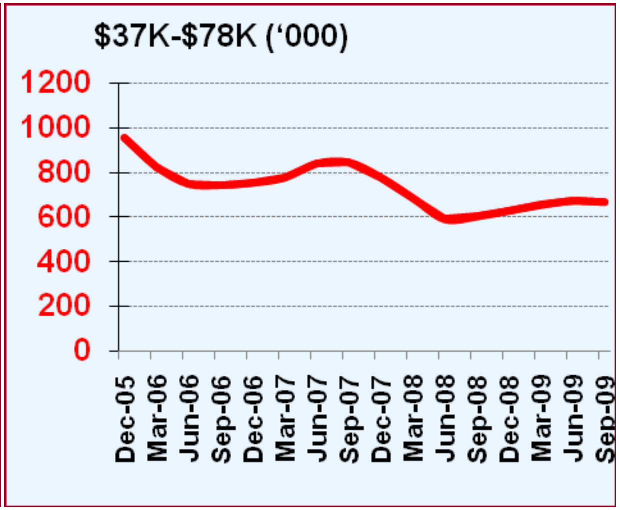


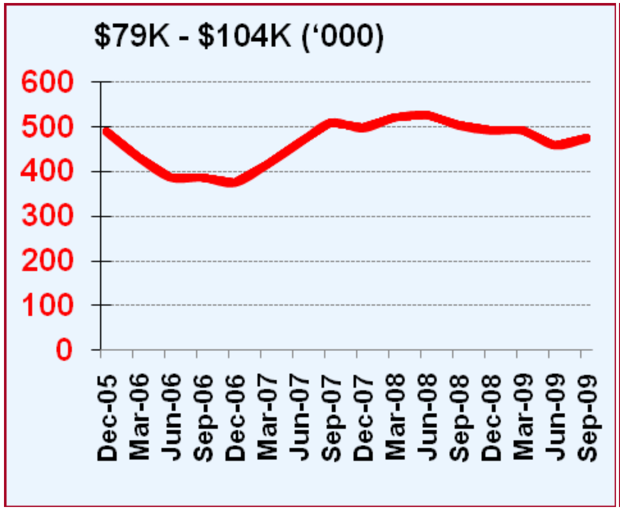
Source : NVS

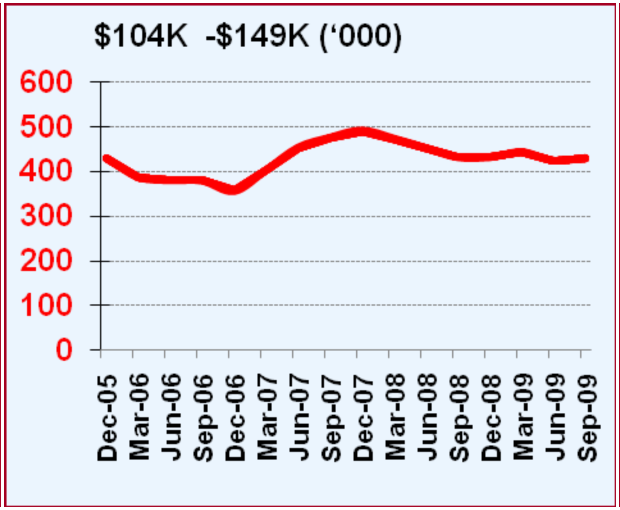
Sunshine Coast Visitors ('000) by Household Income

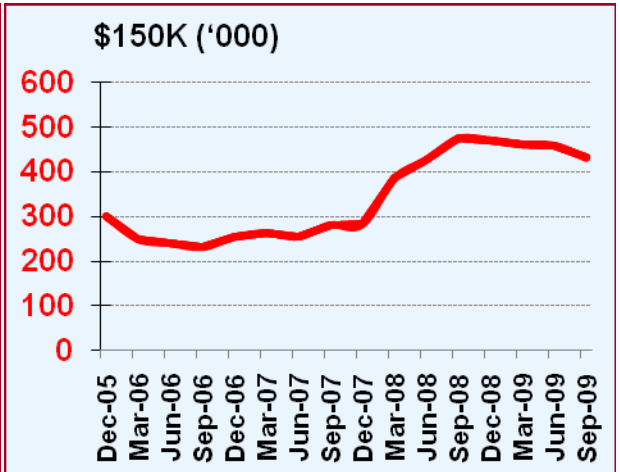
- Lower income groups (who spend less as well) have been trending down.
- Highest income group has grown over 4 years.
- $79K to $149K groups are reasonably steady.





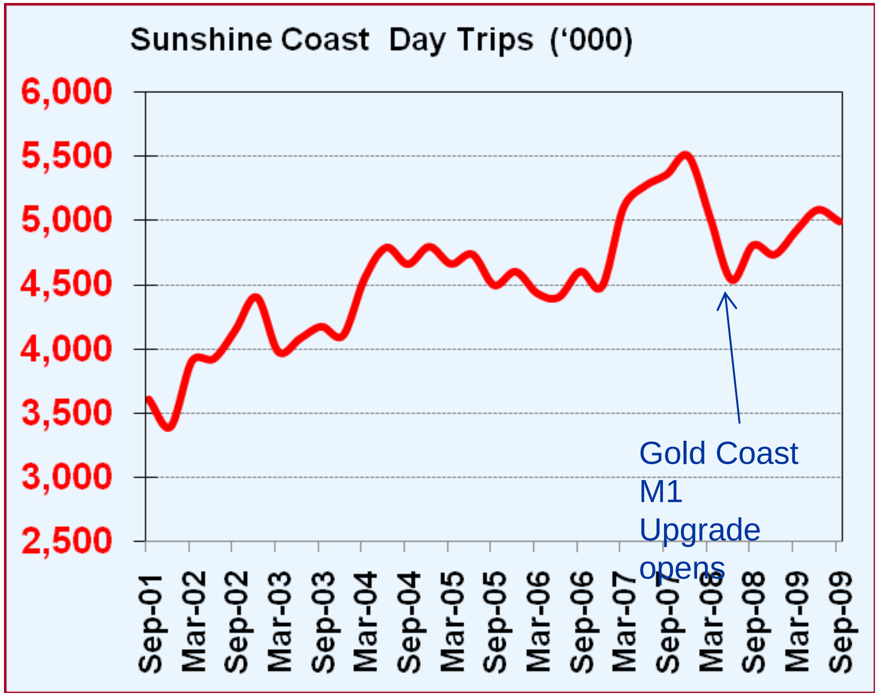


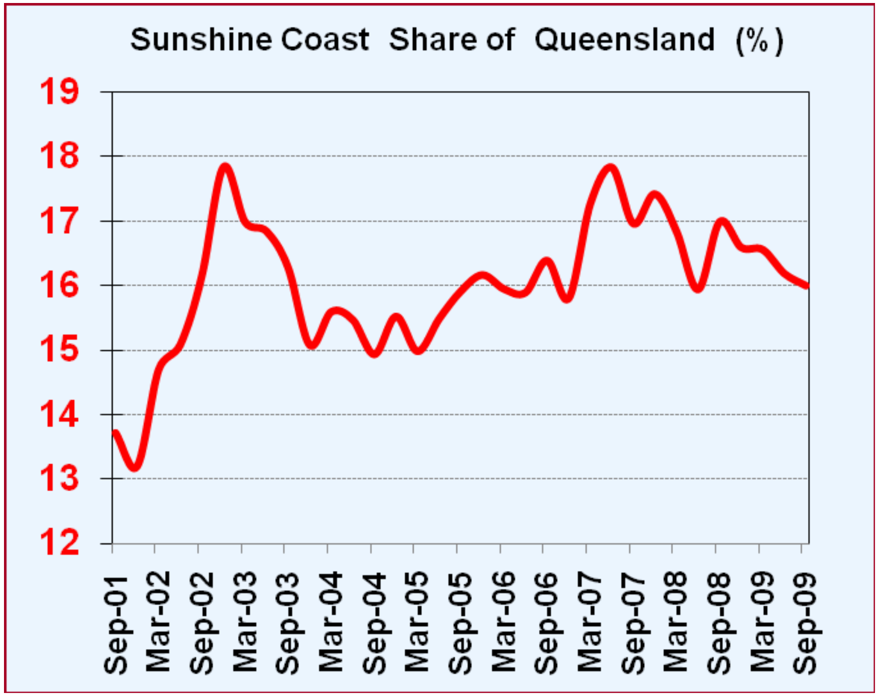




Source : NVS

Sunshine Coast Day Trips (Year Ended September 2009)



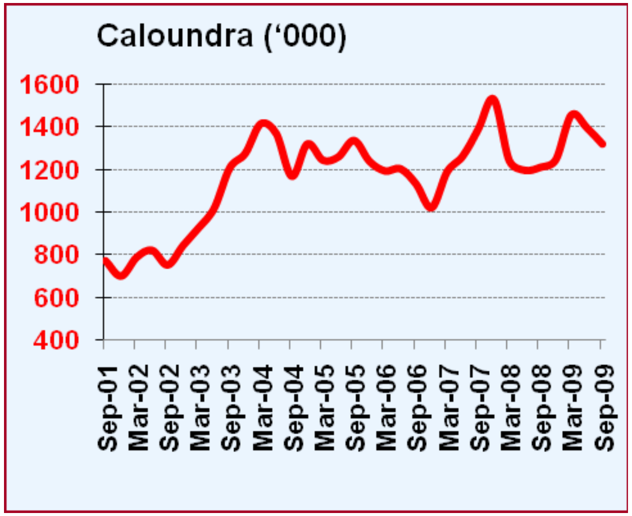


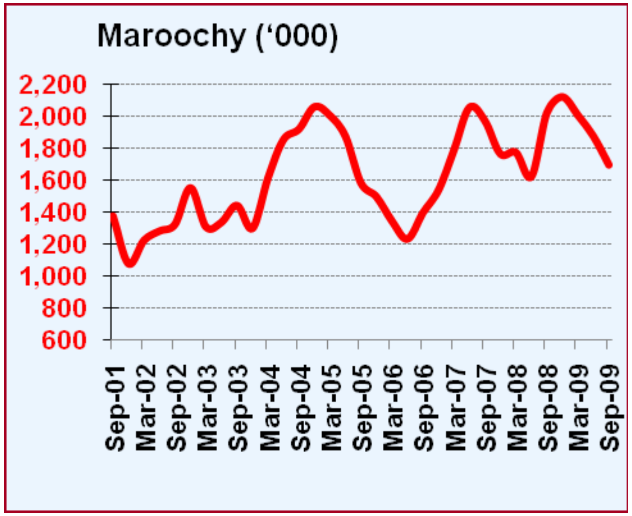
Source : NVS

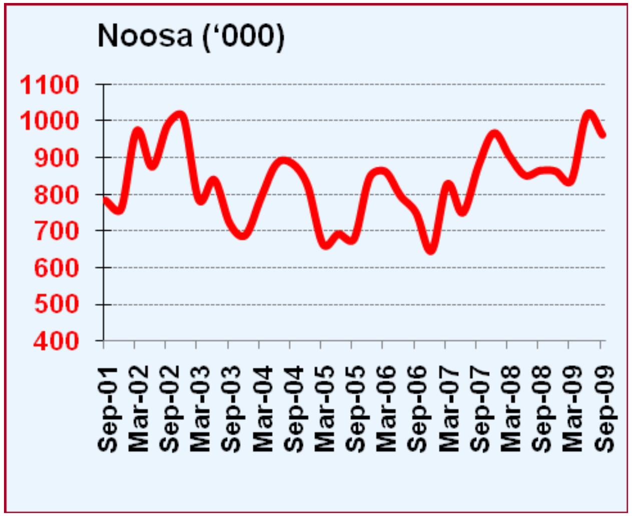
- **More day trippers are coming to the Sunshine Coast and they are spending more in total.**
- **The Sunshine Coast is losing share of Queensland day trippers. Better access to the Gold Coast (since mid 2008) has contributed.**

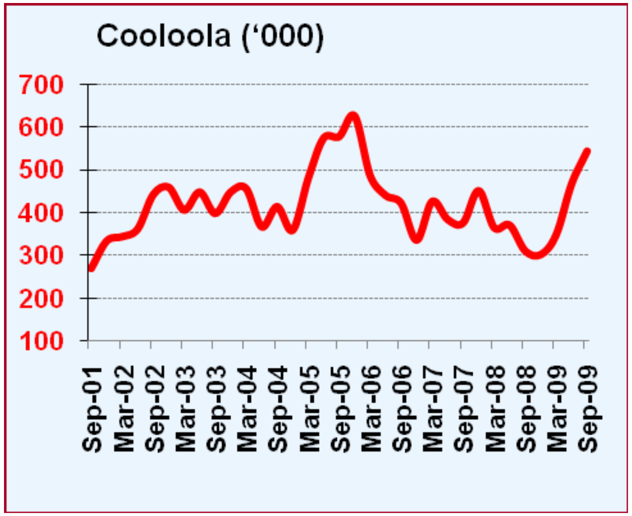
Destination Areas - Day Trip Visitors

- **All four Destinations have a large number of day trippers.**
- **Maroochy has nearly 1.7 Million day trippers.**



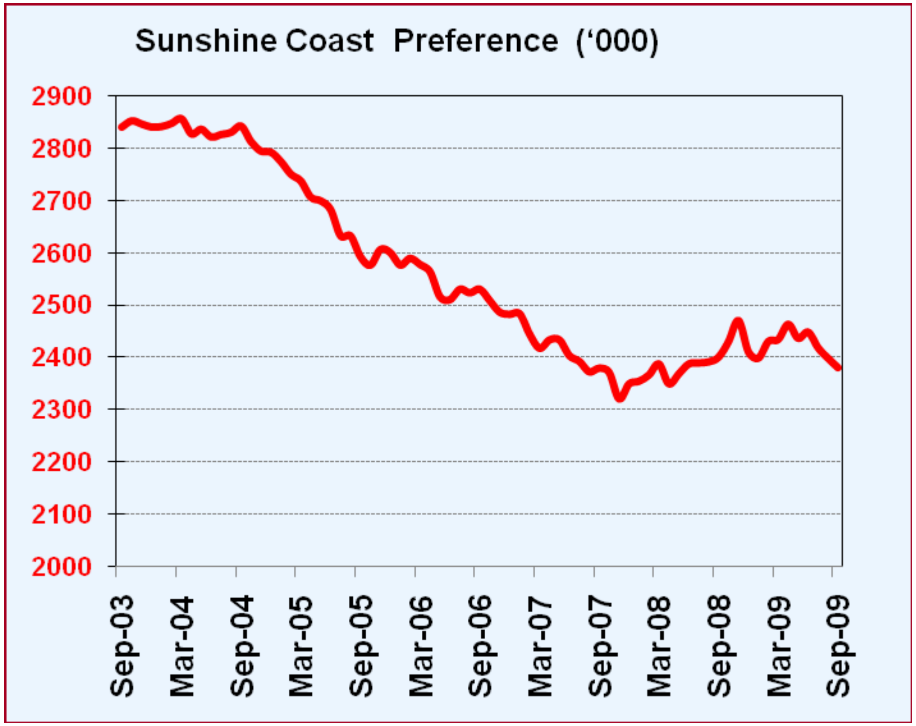


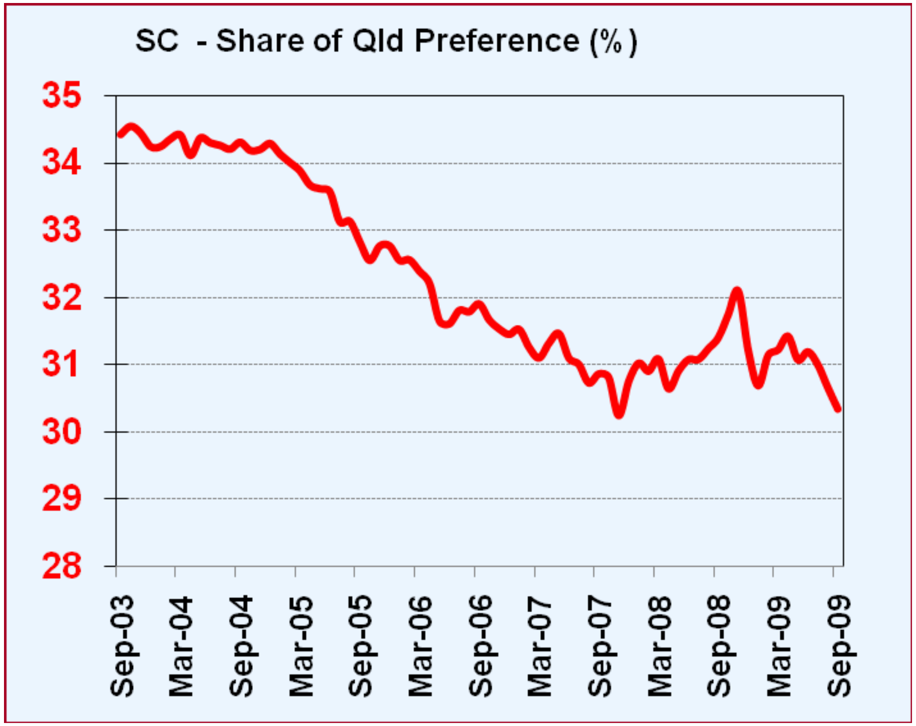




Source : NVS

Sunshine Coast Preference (YE Sep 09)



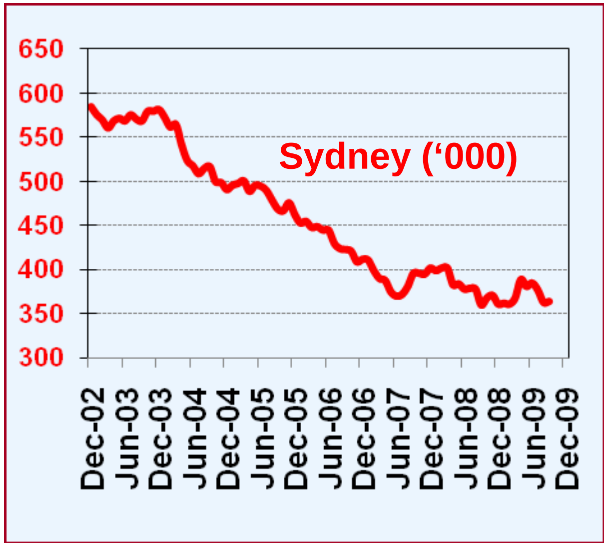


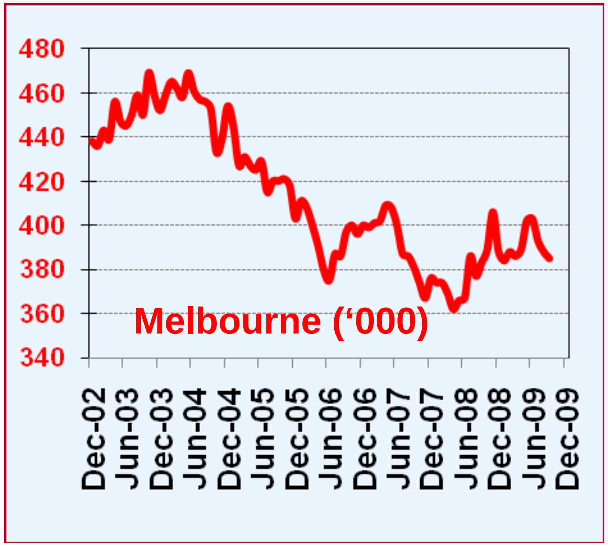
- **The Sunshine Coast Preference has declined again and share of Queensland Preference is at its equal lowest point.**

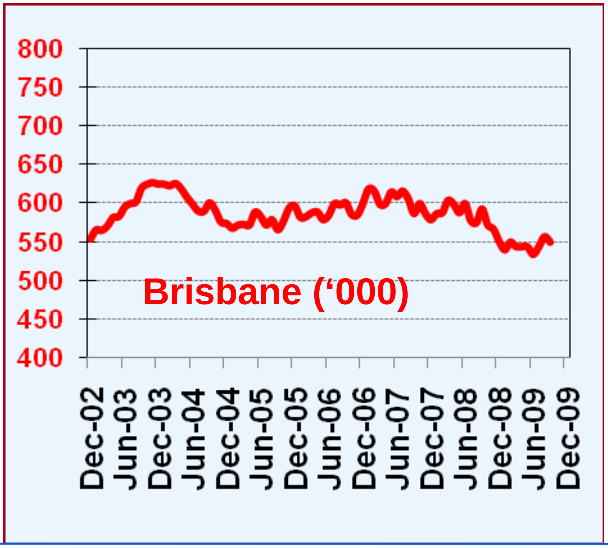
Source : Roy Morgan Holiday Tracking Study

Sunshine Coast Preference (YE Sep. 09) - Key Source Markets

- In terms of key markets, Preference is well down in Sydney from the 2003 peak. At this stage it has stabilised.
- Brisbane Preference has softened over the last two years.
- Preference from Melbourne is softening again and still well down from the December 2003 peak.





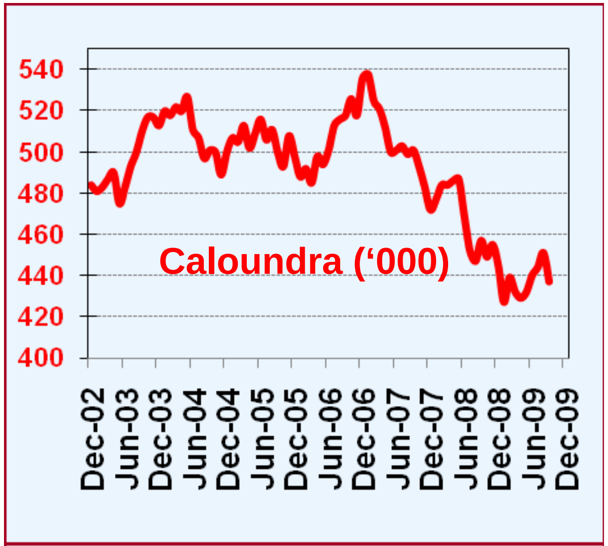


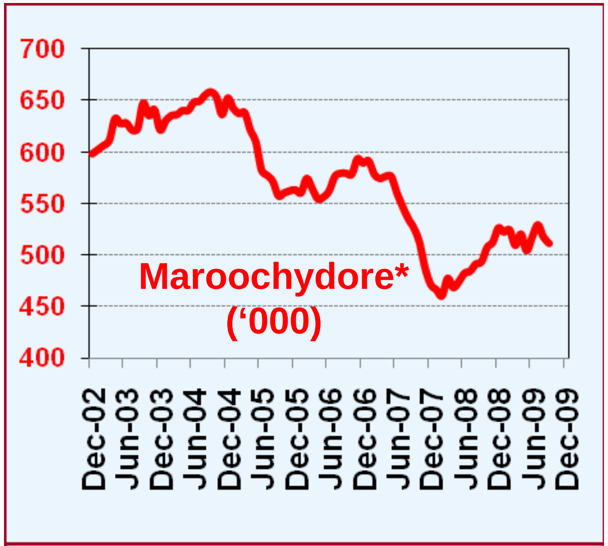
Source : Roy Morgan Holiday Tracking Study

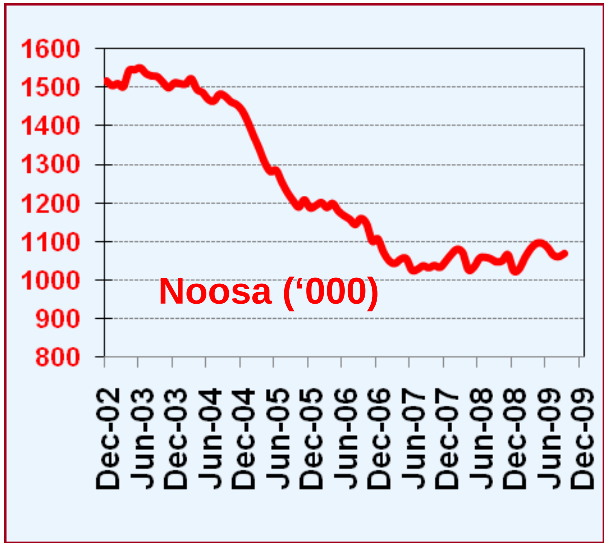
Sunshine Coast Preference (YE September 2009)

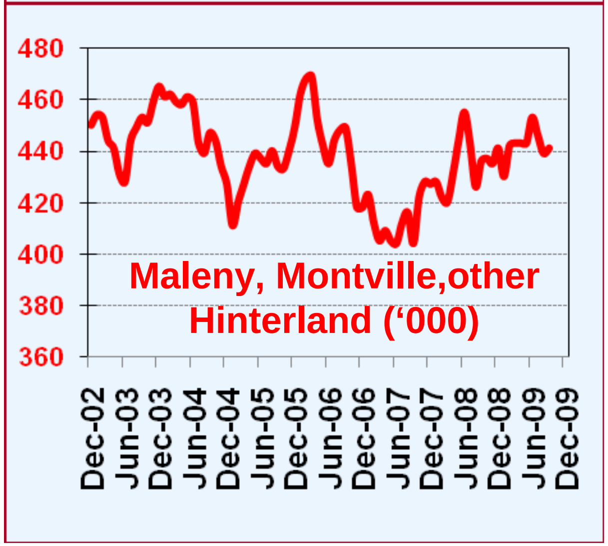
- Preference for Noosa is stabilising, Caloundra as well.
- The Hinterland Preference is growing while Preference for Maroochydore is steady.

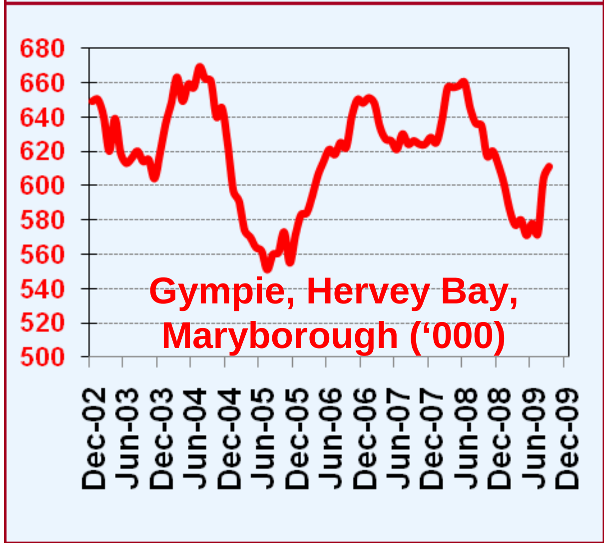
* Refers to the town



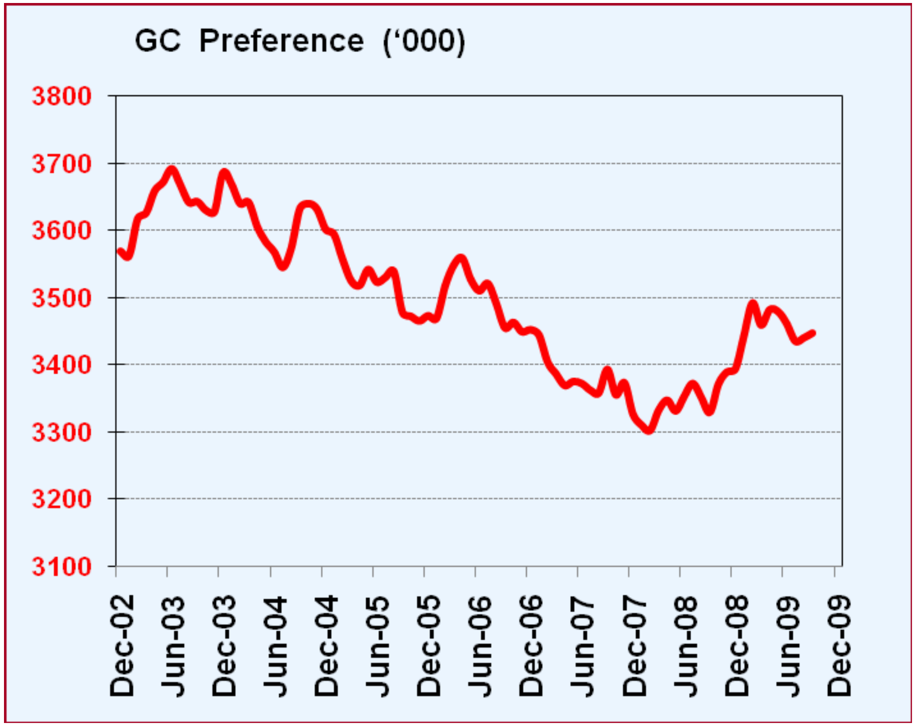


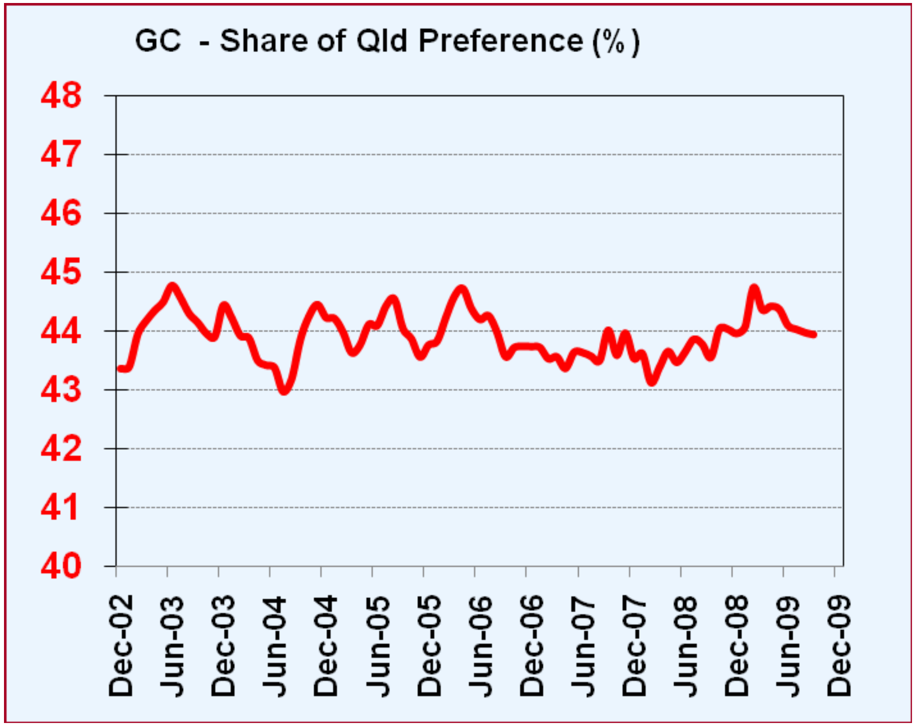






Gold Coast Preference



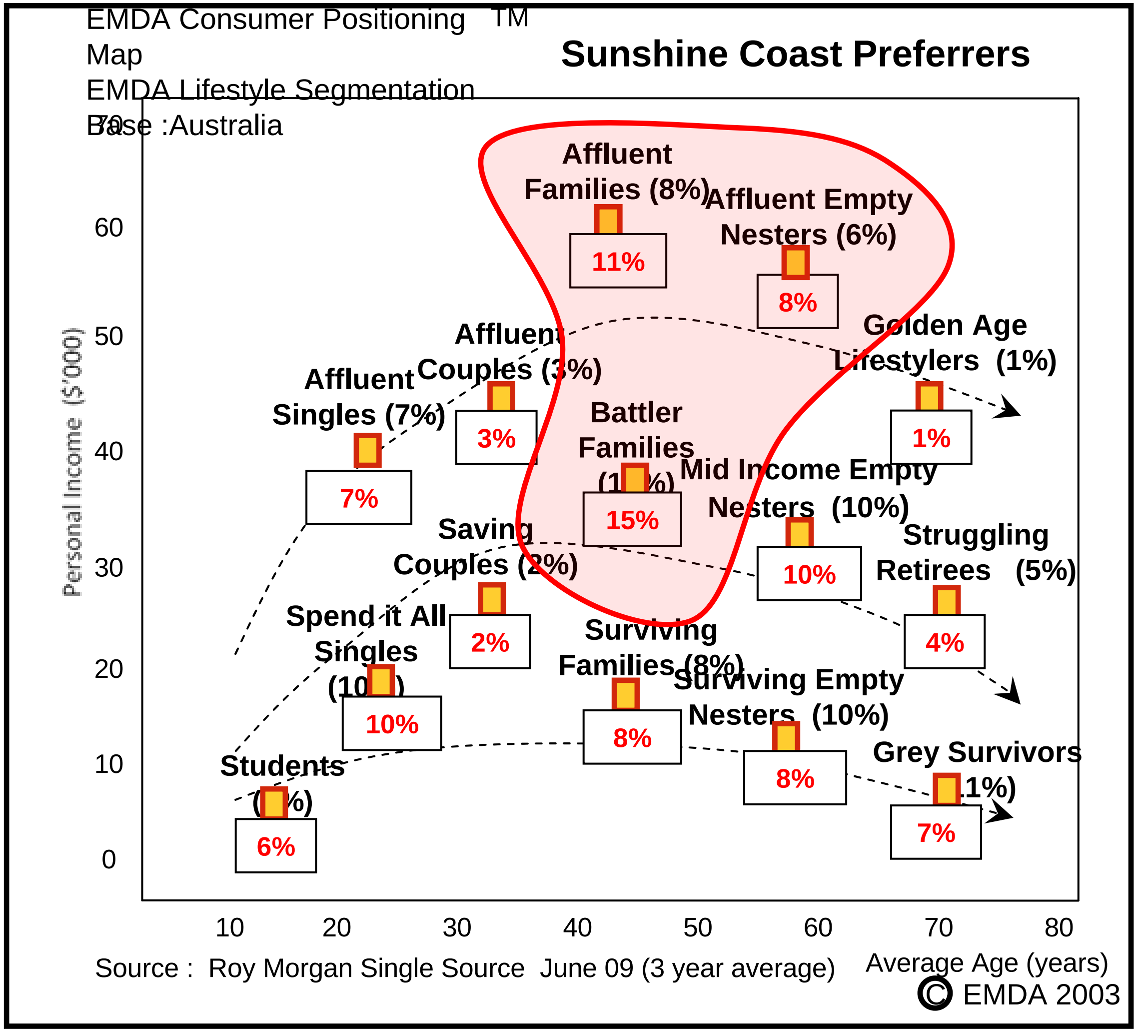


- **The Gold Coast 's Preference has steadied and is well up from the Dec. 07 trough– share is trending up over the last 12-18 months.**

Source : Roy Morgan Holiday Tracking Study

Sunshine Coast – Positioning Profile

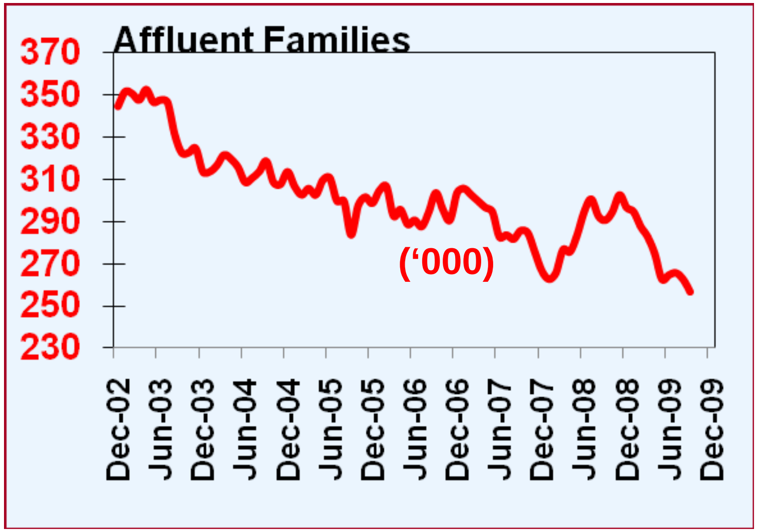
- **This charts the alignment of a destination (in this case the Sunshine Coast) with Lifestyle Segments.**
- **For example, while Affluent Families are 8% of the population, they account for 11% of SC Preference – that is this segment has a higher propensity to want to holiday on the Sunshine Coast.**
- **Sunshine Coast is more aligned with the family and more affluent segments.**

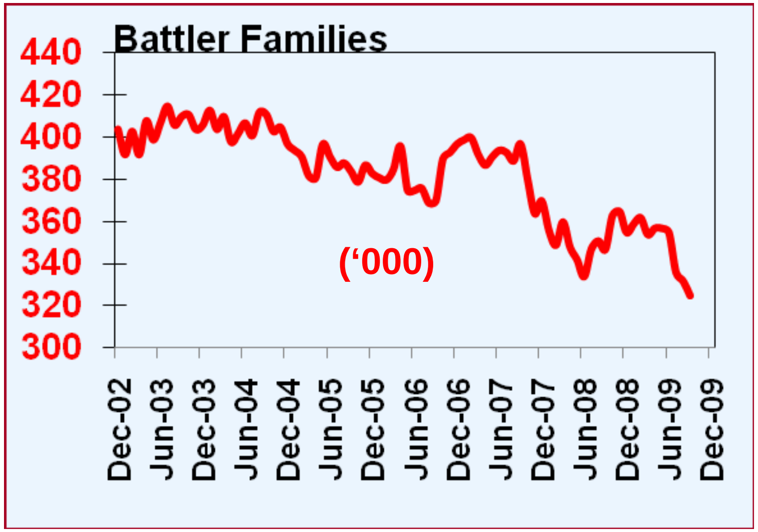


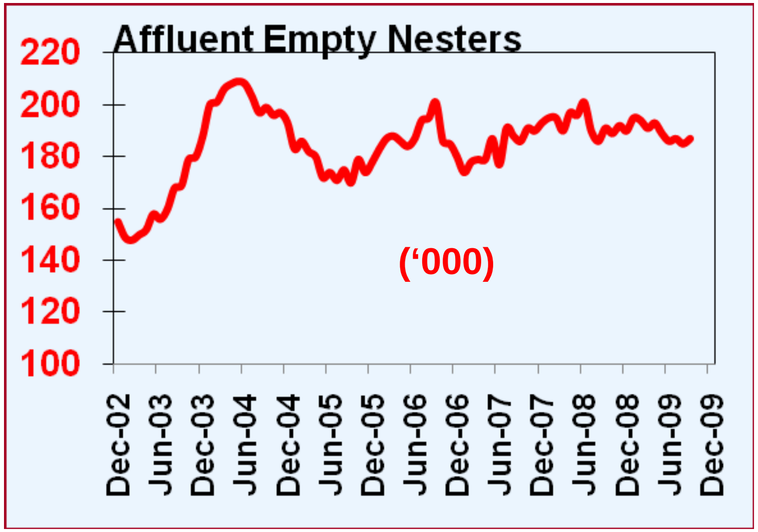
Australia – Sunshine Coast Preference / Core Segments

- **Preference is falling amongst the core family segments – *Affluent Families* and *Battler Families*.**

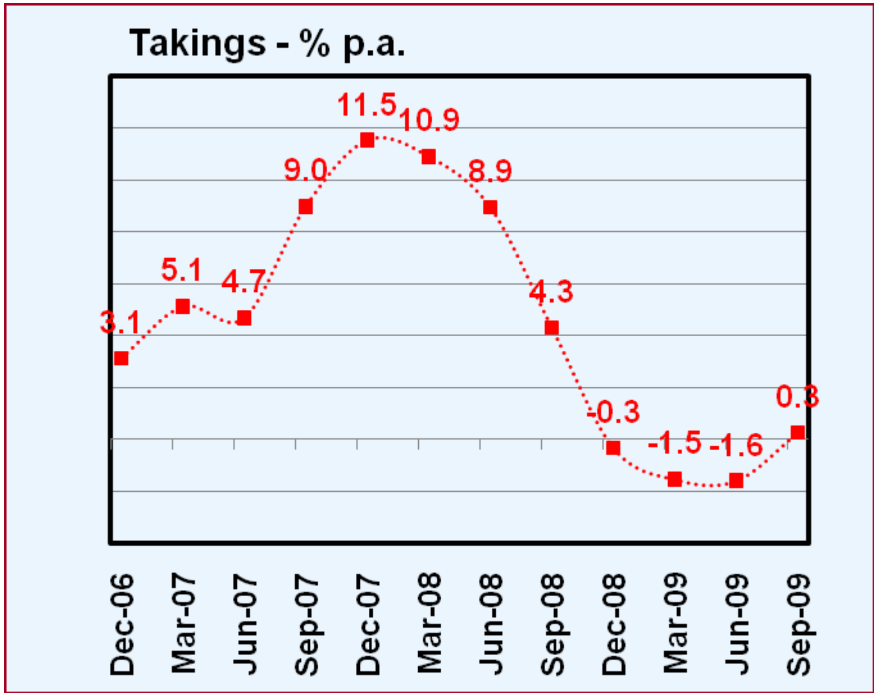
- **Amongst the *Affluent Empty Nesters*, Preference is holding up.**

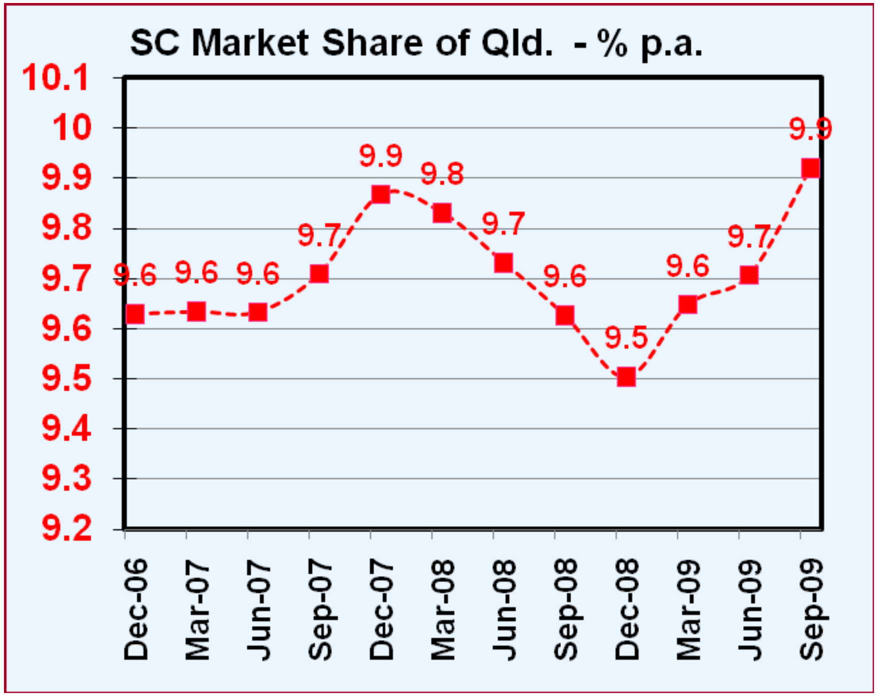






Sunshine Coast Accommodation





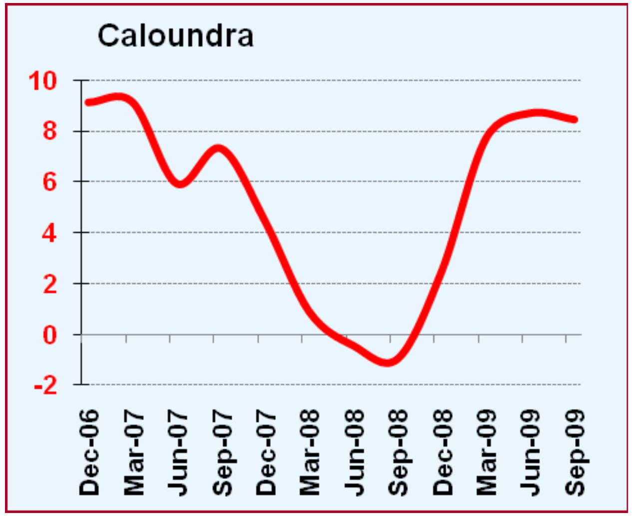
Source : ABS

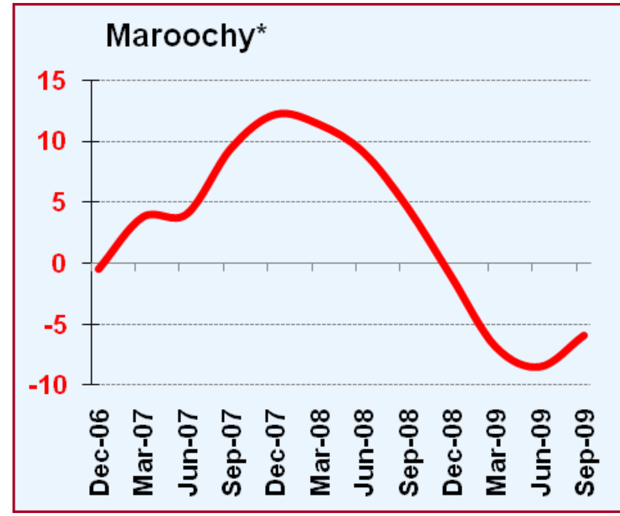
- **Economic woes and the issues raised in the Preference decline report took their toll on this sector, since early 2009 with revenue growth stalling.**
- **In September 2009, market share is at pre:GFC levels. Market share is now at 9.92% compared with 9.62% share in September 2008.**

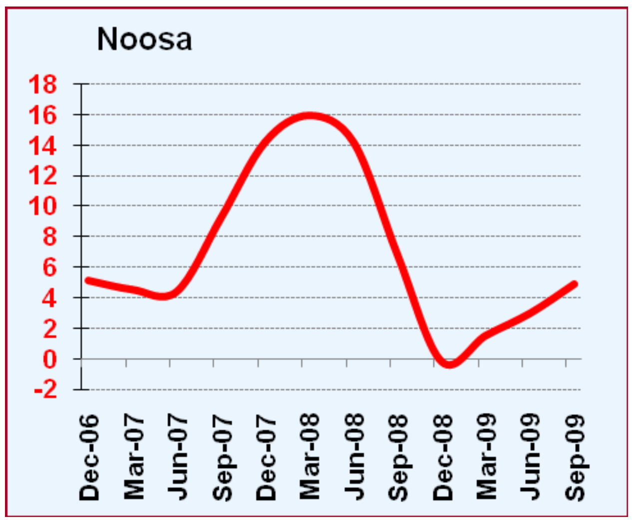
Includes establishments with 5 or more rooms.

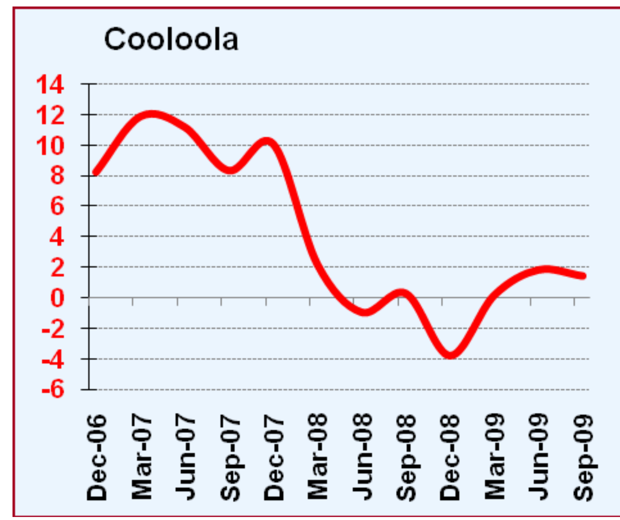
Destination Areas - Takings (% p.a)

- **Caloundra is growing strongly (+8.5%).**
- **Noosa and Cooloola recovering.**
- **In Maroochy, although takings are falling (-5.9%. The decline has slowed from June 09 when revenue fell -8.5%. Maroochy NZ's market has declined from June 2007 and this has impacted.**









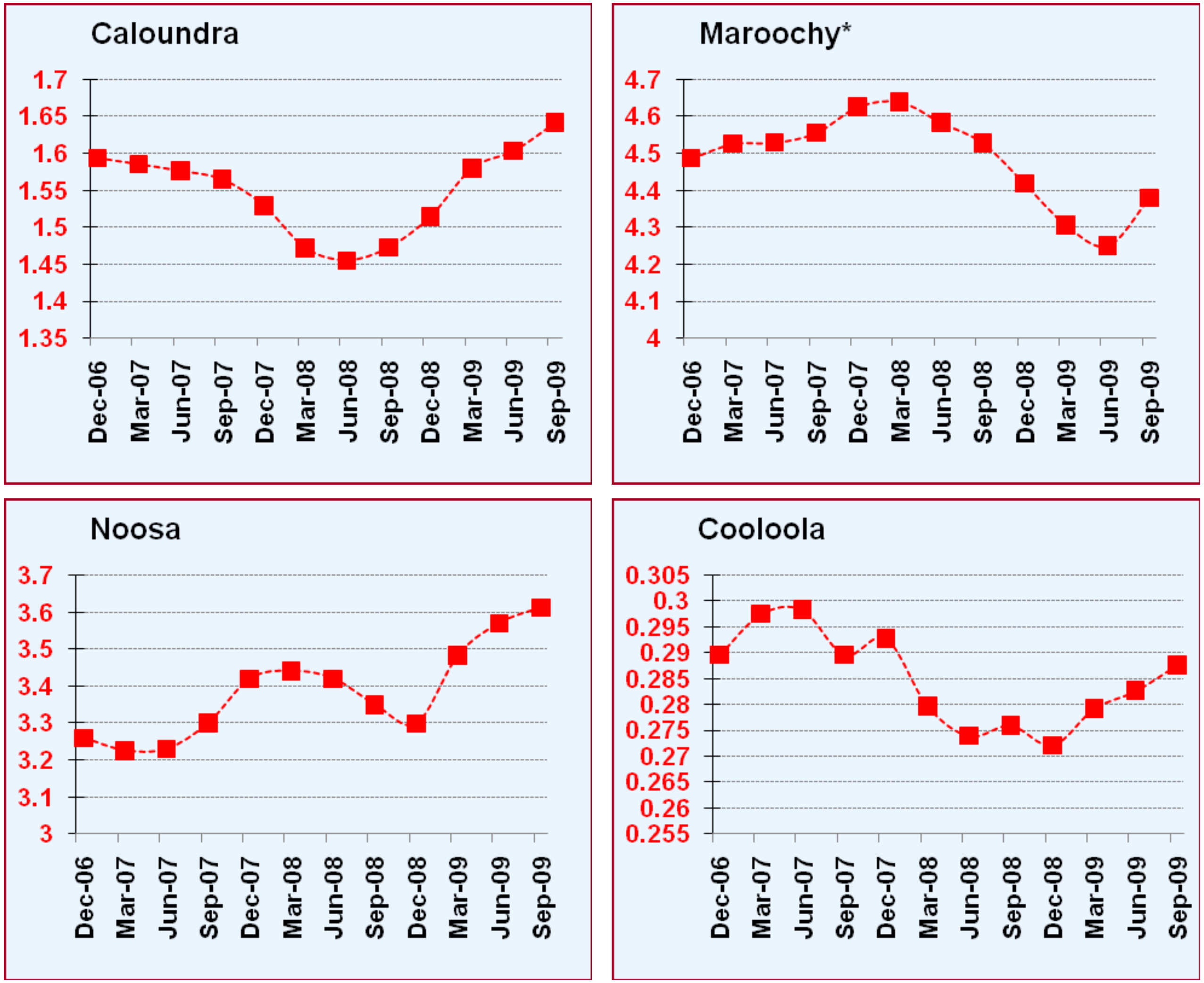
Note : March 09/June 09 Sep/09 data modelled from ABS destination area data. The modelling component represents 5% of the total recorded turnover.

* Refers to the former shire area.

Source : ABS

Destination Areas - Share of Queensland Takings (% p.a)

- **All four Destination Areas are gaining share of Queensland accommodation takings.**
- **Caloundra's share at record levels (1.64%).**
- **Noosa's share also at record levels (3.61%).**

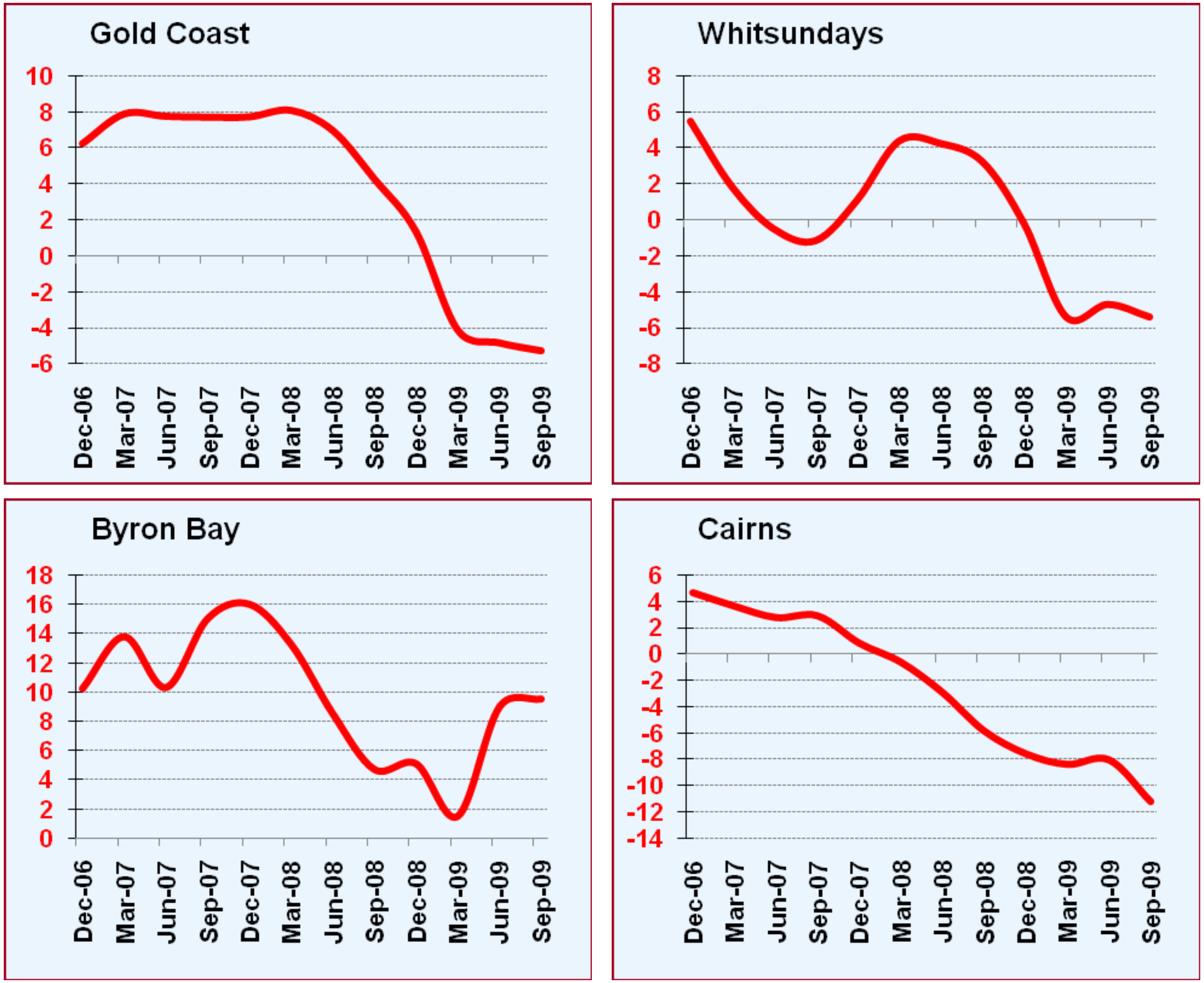


* Refers to the former shire area.

Source : ABS

Destination Areas - Takings (% p.a)

- **Gold Coast is also slowing – Conventions have been hard hit.**
- **Byron Bay is growing again.**
- **The accommodation sector in Cairns is really suffering – with takings down nearly 12%.**
- **Whitsundays suffering as well.**



Source : ABS

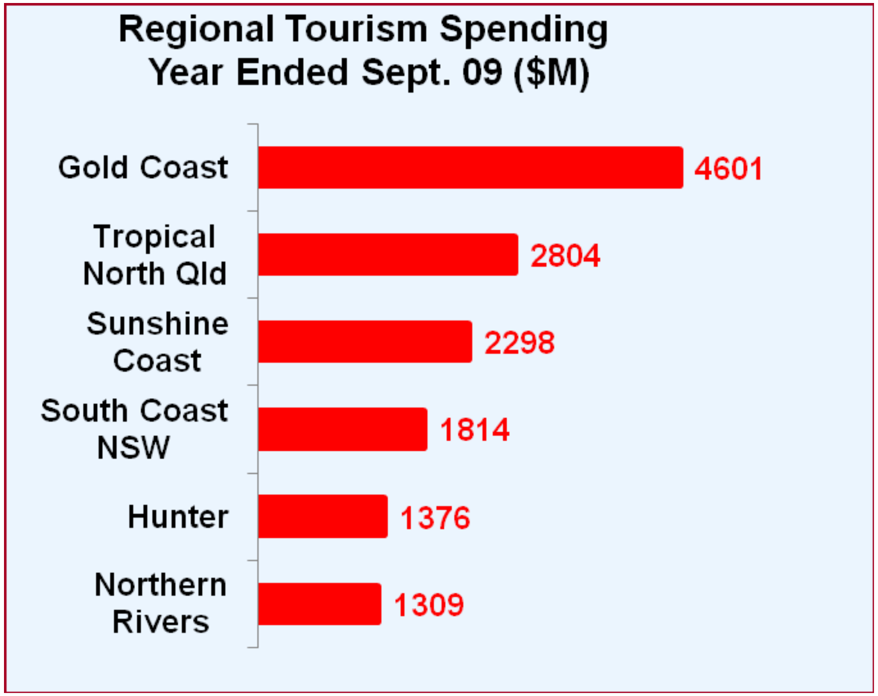
Economic Contribution - Introduction

- **The purpose of this section is to provide an update on the economic value of tourism on the Sunshine Coast to September 2009.**

- **The scope of the Section includes the following :-**
- Sunshine Coast – total tourism spending, economic value added, total jobs and full time equivalent jobs.
- Destination Areas – total tourism spending, economic value added, total jobs and full time equivalent jobs.
- Outline of the methodology and data sources used.
- A glossary of terms.

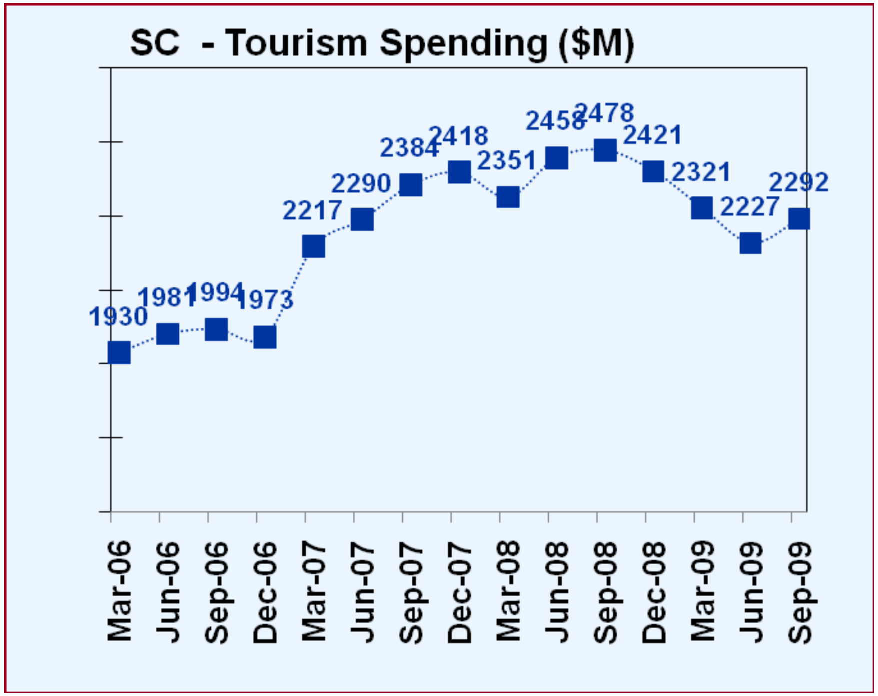
Visitor Spending on the Sunshine Coast

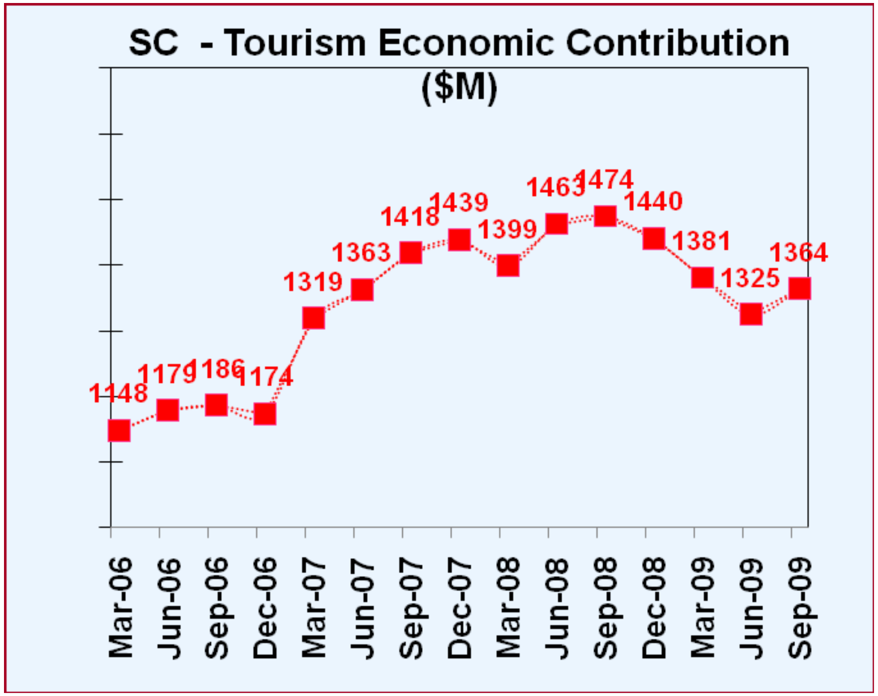
- The Sunshine Coast is ranked the Number 3 Regional Destination in terms of tourism spending.
- Total Sunshine Coast tourism spending is $2.3Billion.
- This is larger than Tasmania ($2.1B) and the NT ($1.9B) and close to Tropical North Queensland.



Source : TRA Sep. 09

SC Tourism Economic Contribution



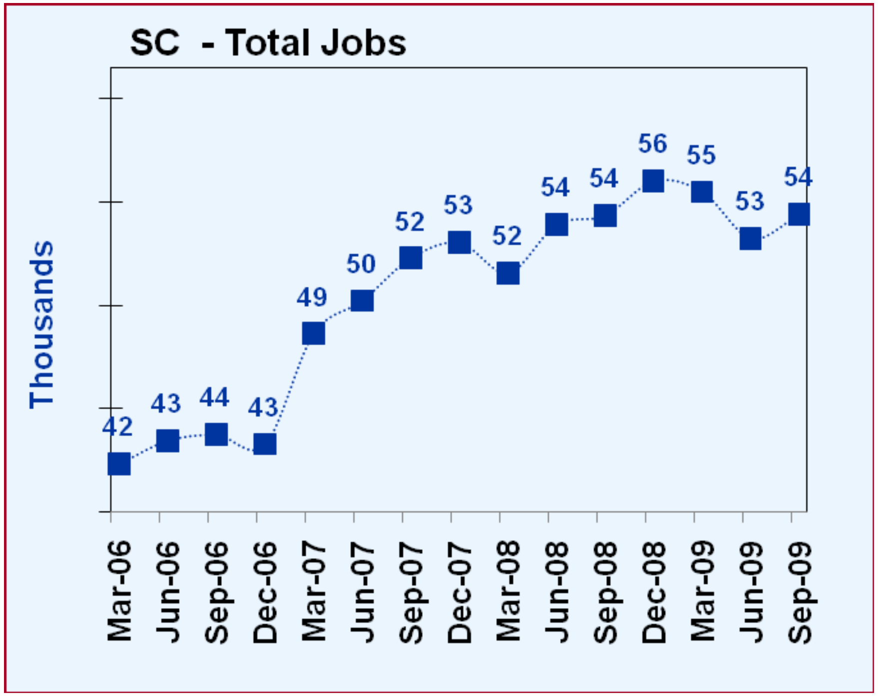


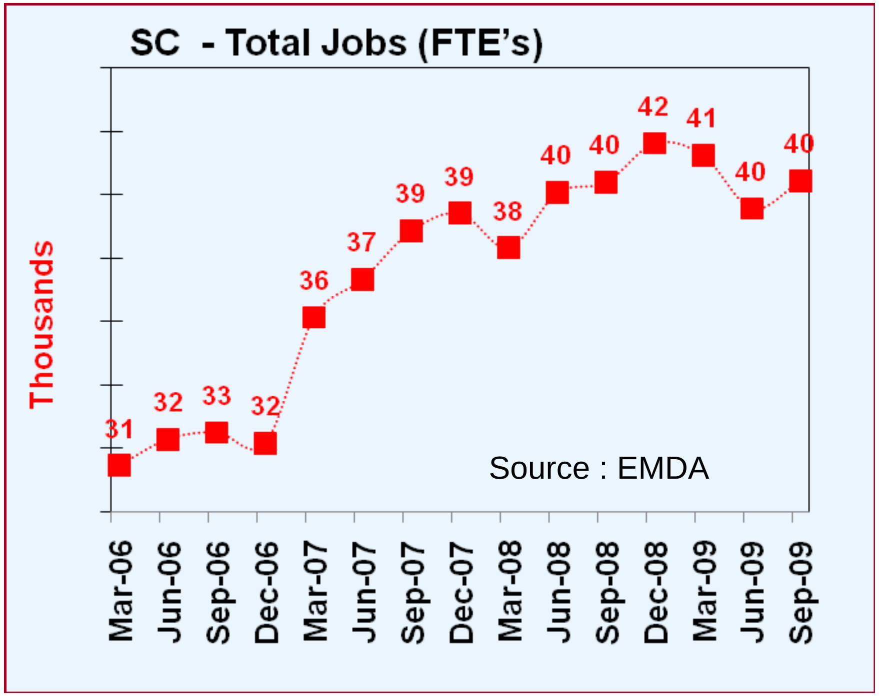
Source : SGS Economics and Planning,2003-2008, EMDA 2009 and quarterly data

- **Economic value added is lower than spending as some spending goes on goods and services that are produced outside the Region.**

- **Value add softened with falling tourism spend in 2009, but is showing signs of recovery in Sept. 09. Value add is still an impressive $1.36Billion.**

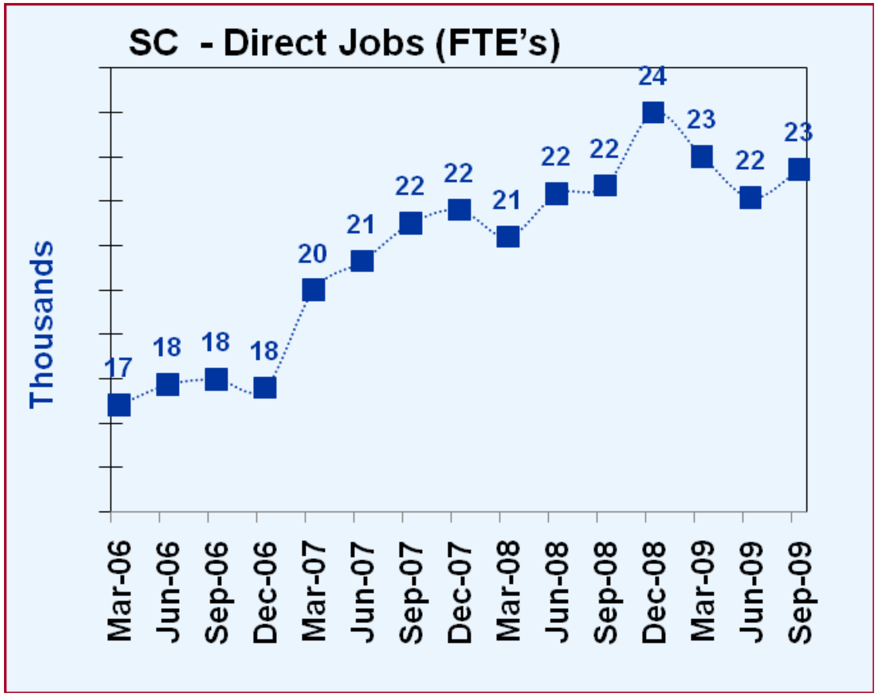
Sunshine Coast Tourism Job Contribution

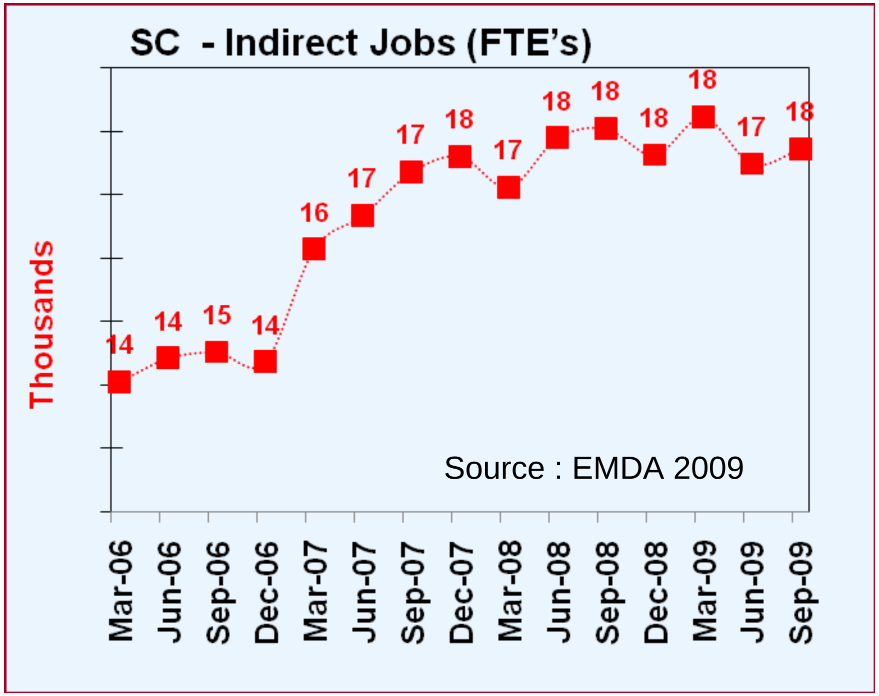




- **Tourism jobs have also fallen during the GFC, but are showing signs of recovery in Sept. 09.**
- **54.000 people are either directly or indirectly employed in the tourism sector (37% of the total employed). This includes full time and part time positions.**
- **There are 40,466 FTE positions dependant on tourism on the coast.**

SC Tourism Job Contribution – Direct/Indirect (FTE's)



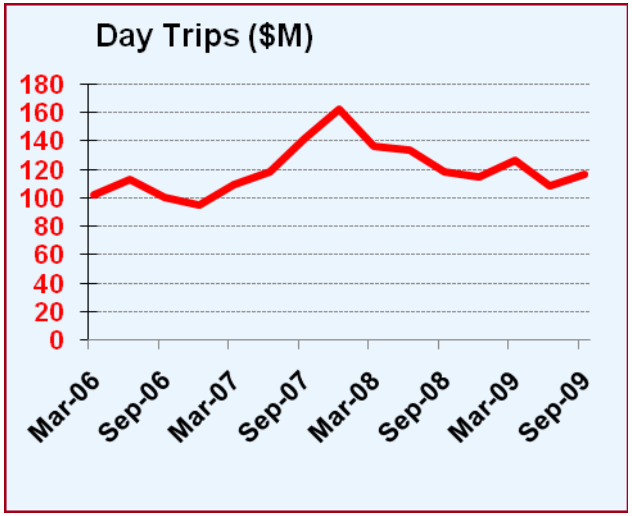


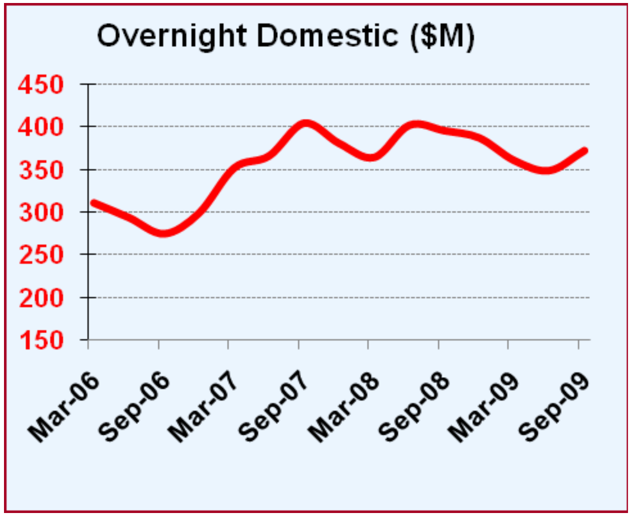
- **Direct jobs supported by tourism are starting to grow again after the GFC.**
- **Indirect jobs are also starting to improve again.**

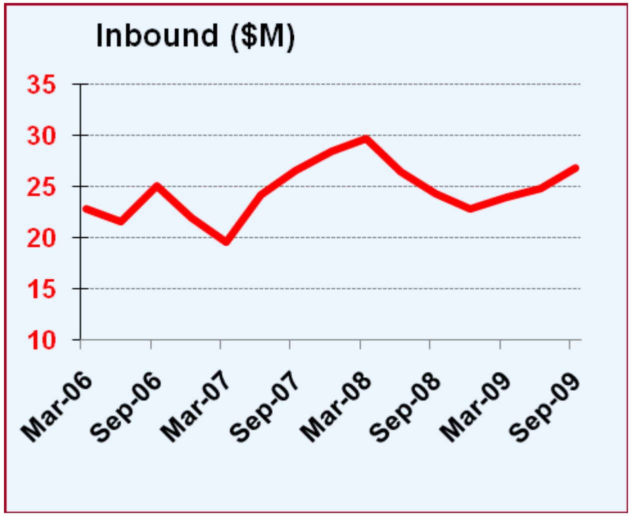
Caloundra Spending

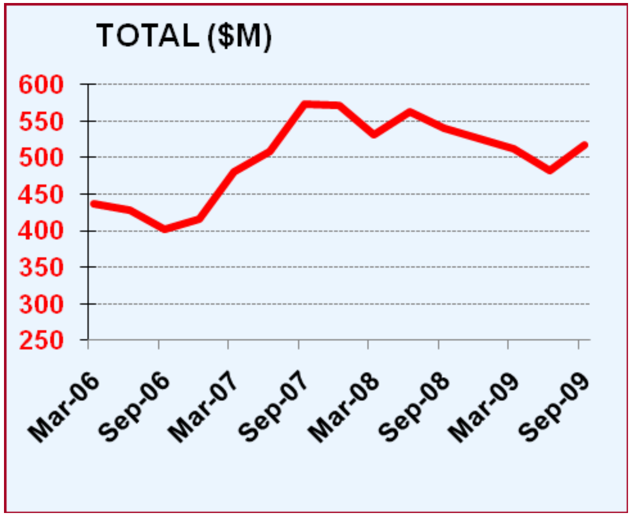
- In total tourism to Caloundra generates just over $500M.

- This has risen from 2006 and the bulk of the spending originates from overnight domestic visitors.



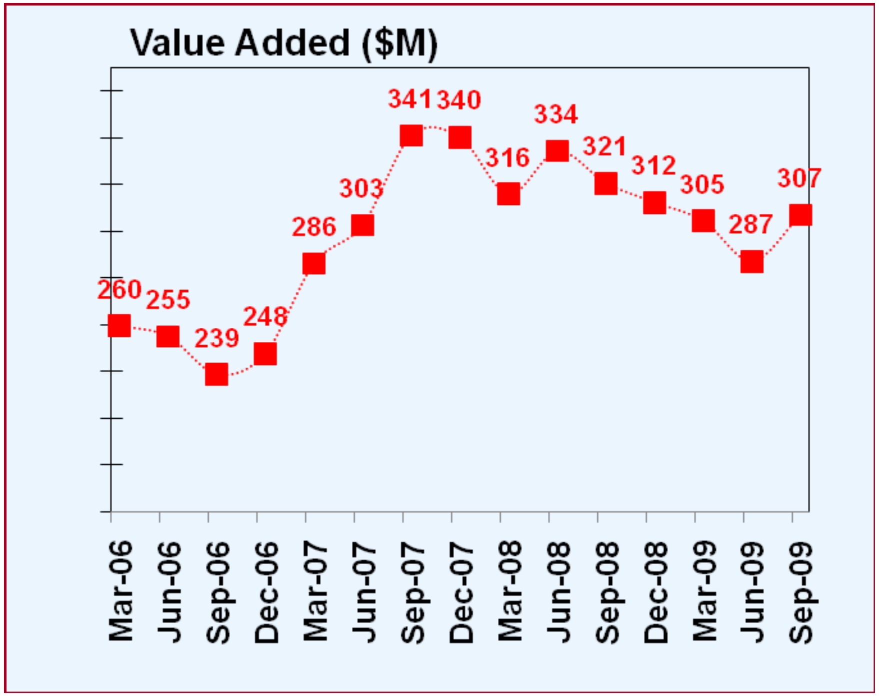






Caloundra Value Add

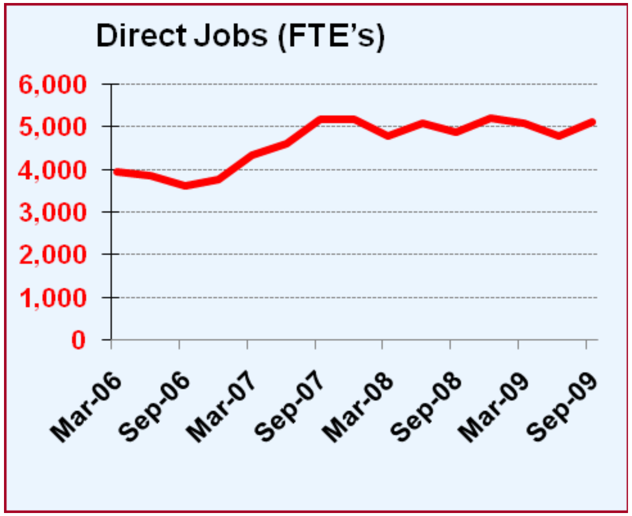
- **Tourism generates an estimated $307M in economic value added terms to Caloundra.**
- **This has started to increase again.**

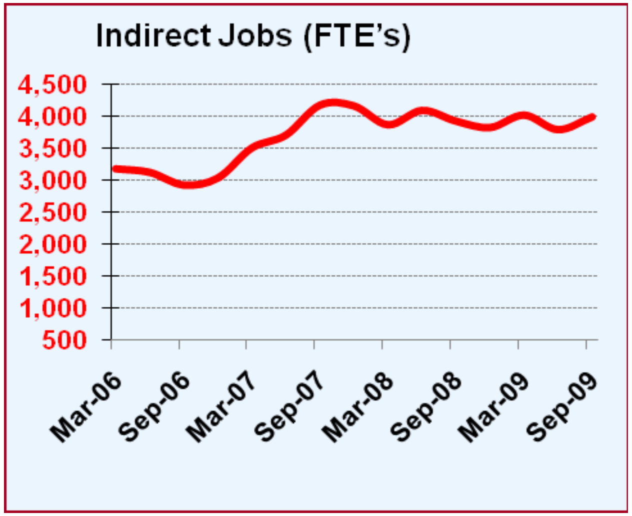


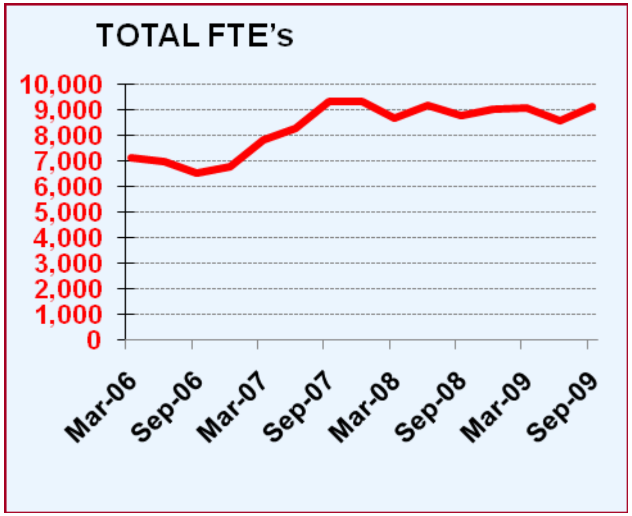
Source :, EMDA 2009

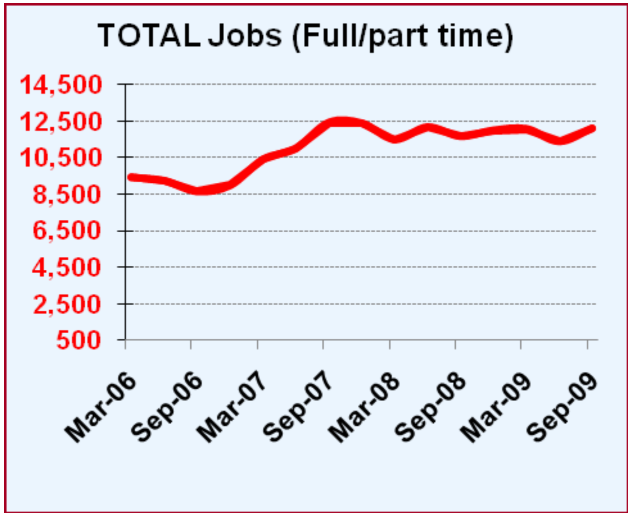
Caloundra Jobs Contribution

- This level of tourism spending supports 12,250 jobs in total or just over 9,000 FTE positions.
- The GFC had very little impact on employment.



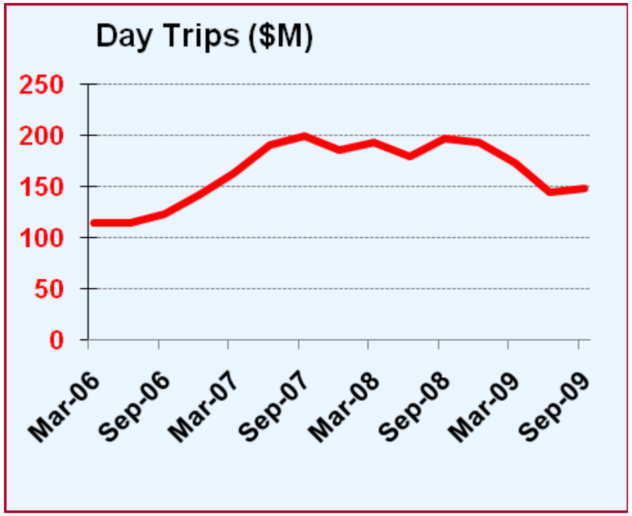


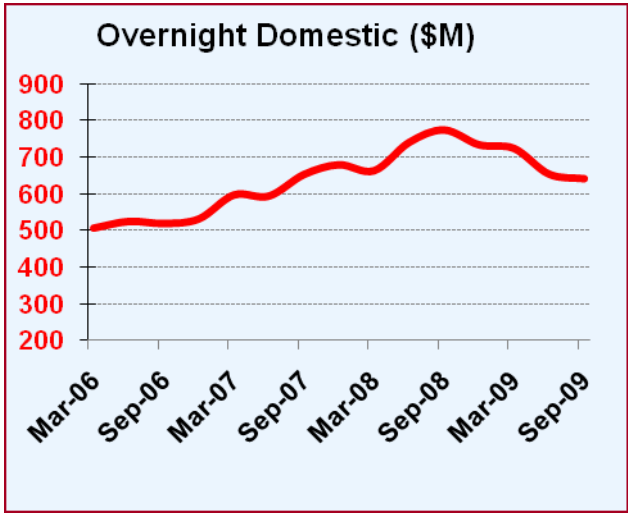


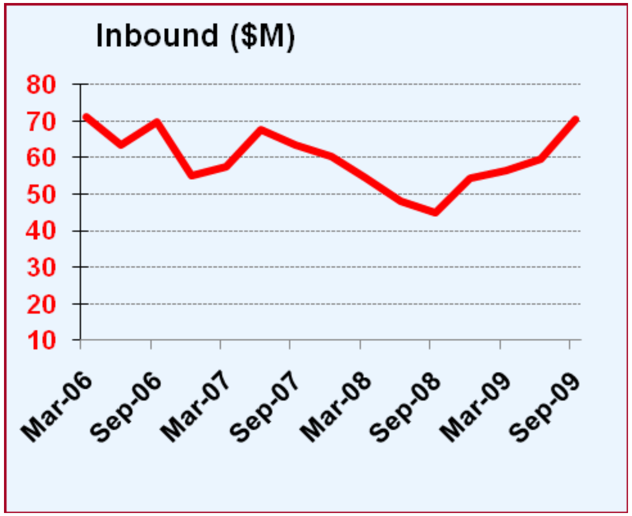


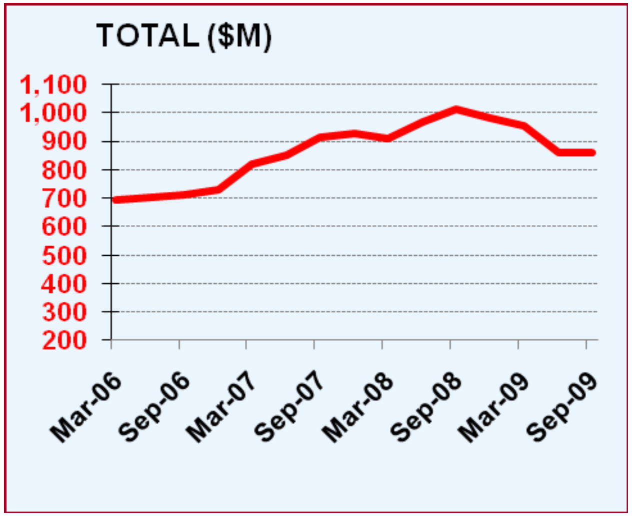
Maroochy Spending

- Tourism in Maroochy is estimated to generate $850M in tourism spending (YE Sept. 09).
- Most of the spending originates from overnight domestic visitors which has softened.
- Inbound is growing.





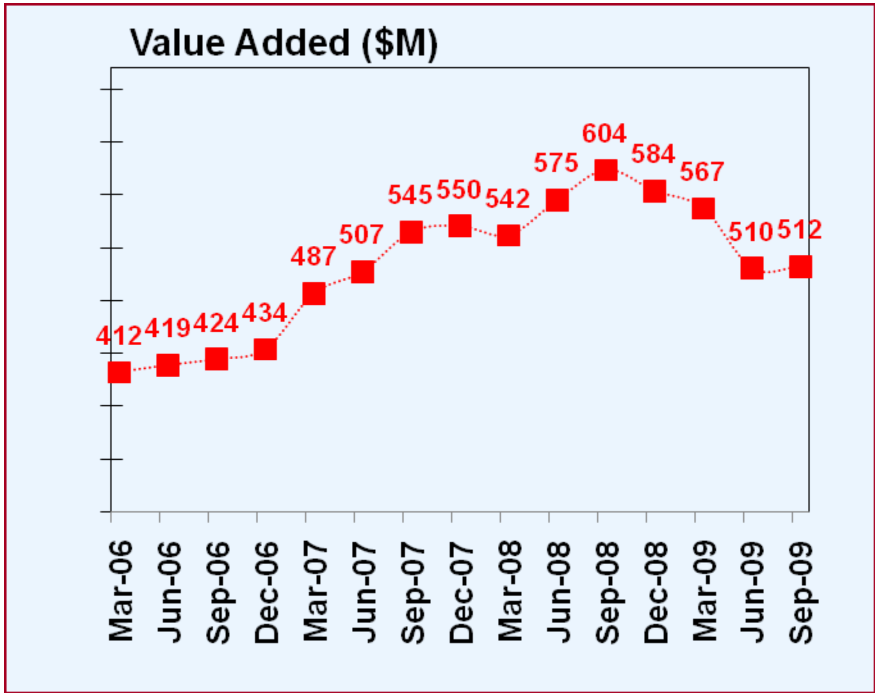




Maroochy Value Add

- This level of tourism spending generates $512M in value added terms for Maroochy.

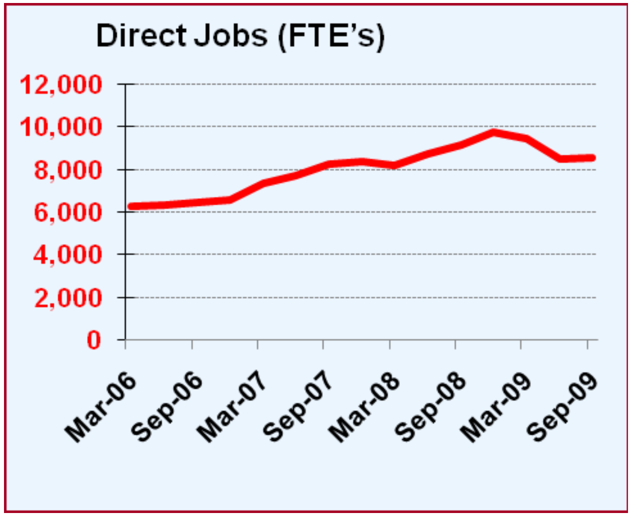
- This has fallen with lower spending.

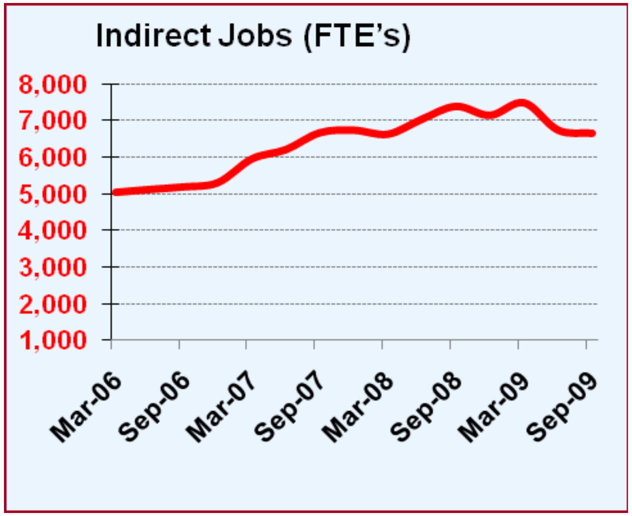


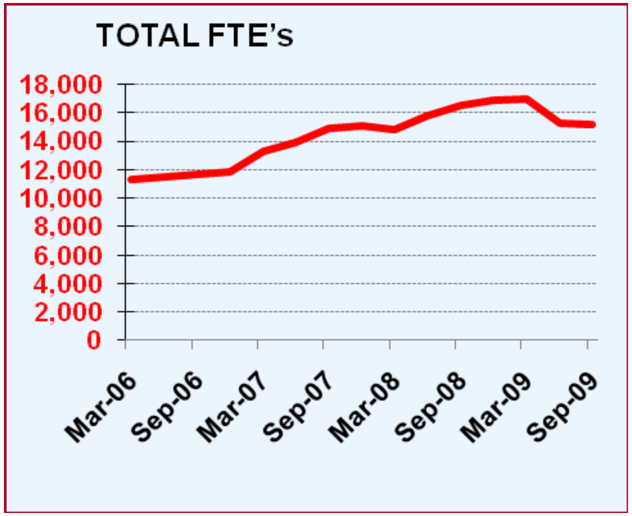
Source : EMDA 2009

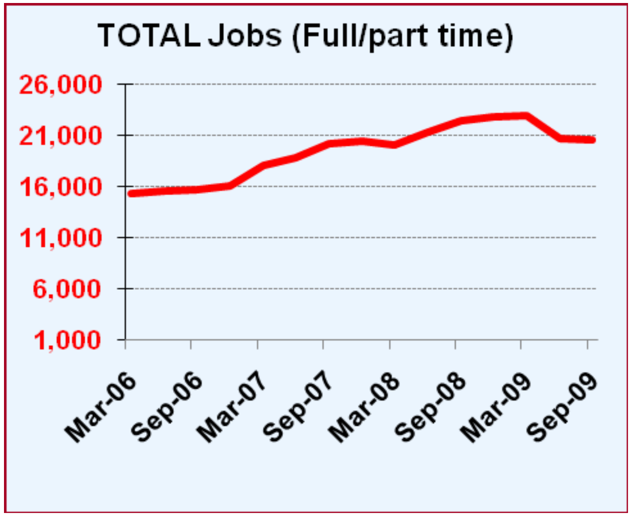
Maroochy Jobs Contribution

- This level of economic activity supports 20,250 positions in the economy.
- In terms of FTE's 15,100 positions are supported.



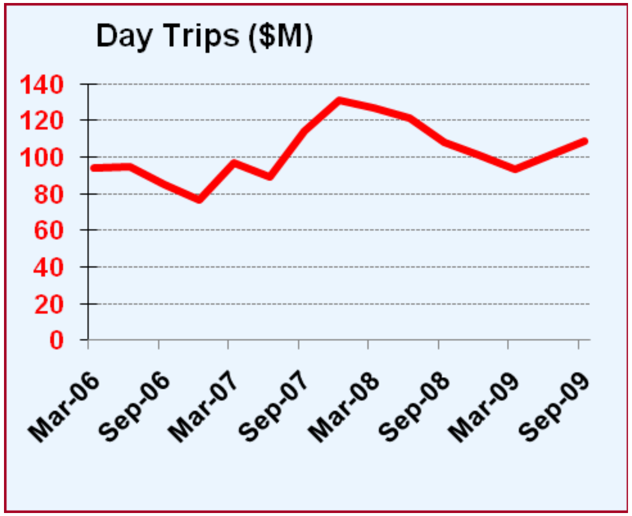


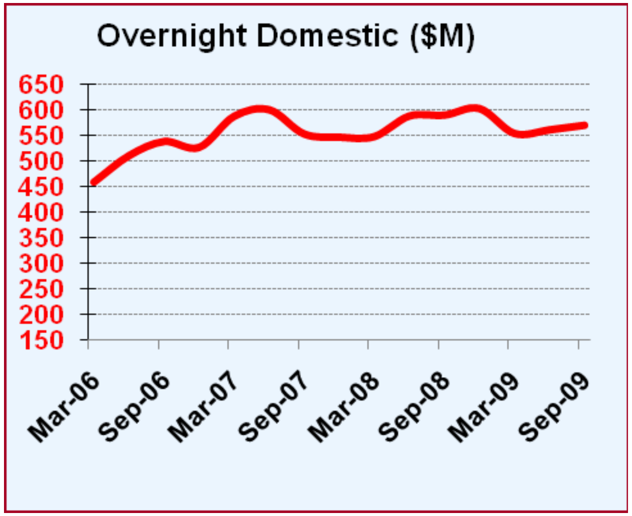


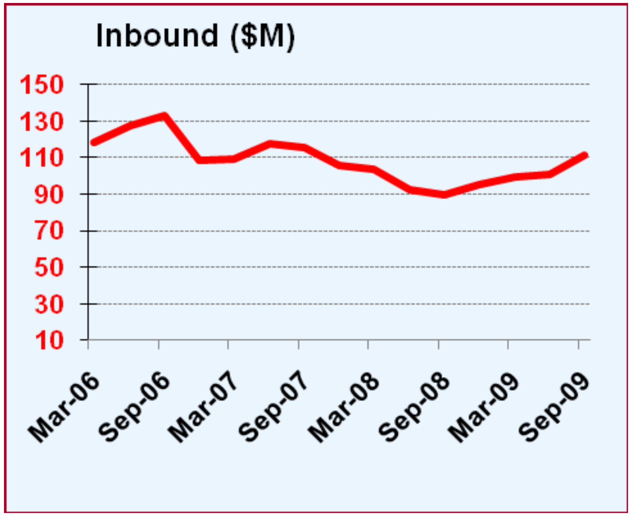


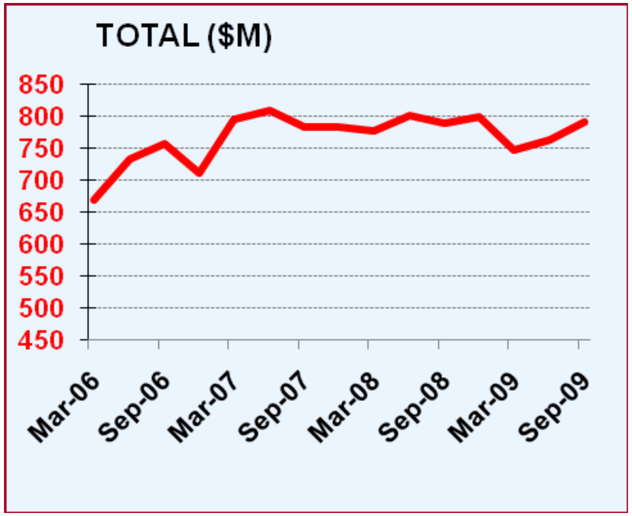
Noosa Spending

- Tourism spending is just under $800M in Noosa.
- Overnight domestic is worth just over $550M.
- Inbound is starting to grow again.



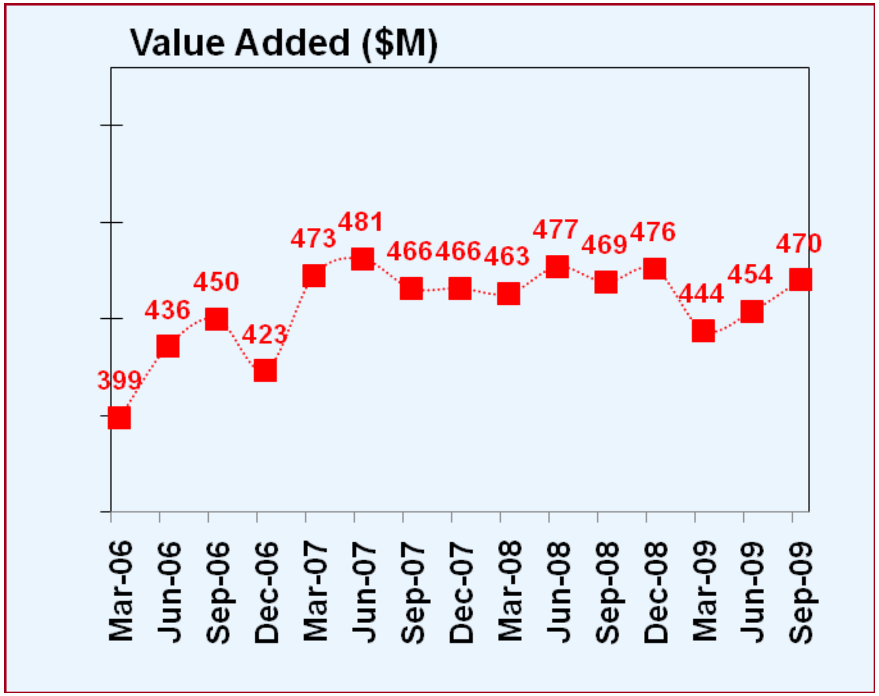






Noosa Value Add

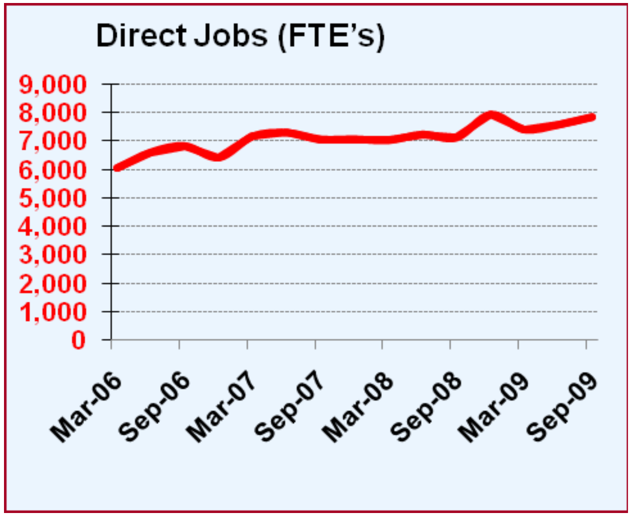
- In Noosa $800M in tourism spending generates $470M in economic value added terms.
- With spending increasing again, value add is rising as well.

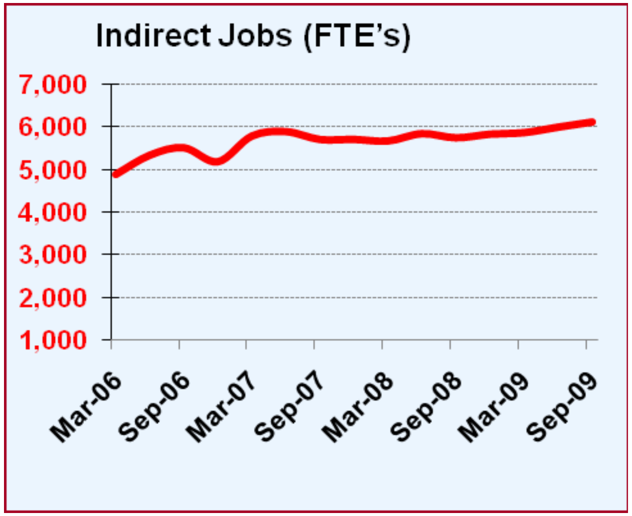


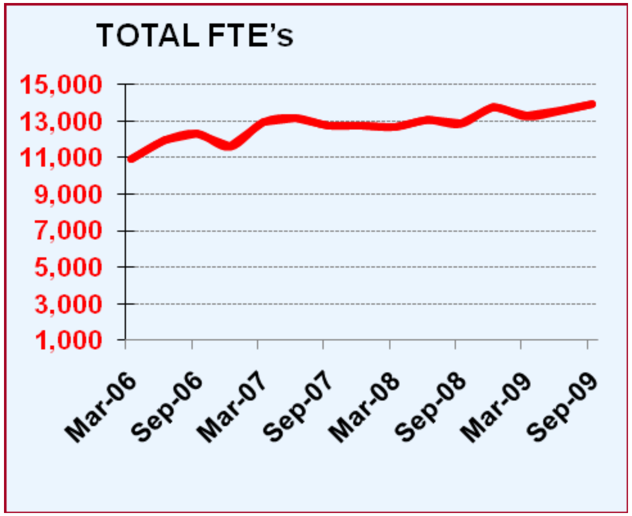
Source : EMDA 2009

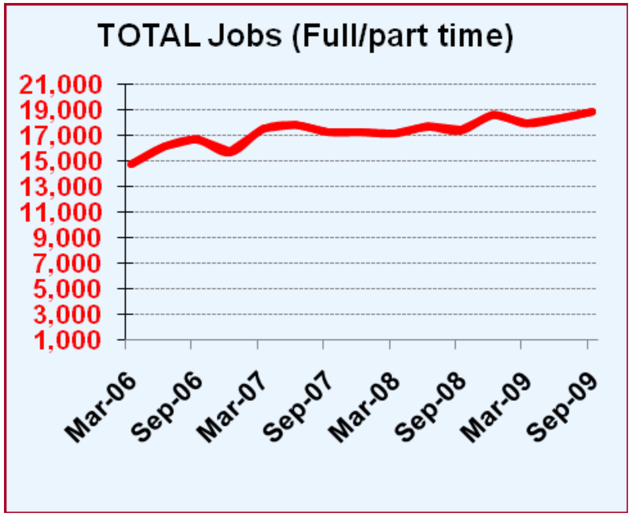
Noosa Jobs Contribution

- **Tourism supports a large number of jobs in the Region.**
- **Just over 13,000 FTE's and a total of 18,900 total jobs.**
- **Noosa is now growing jobs again.**



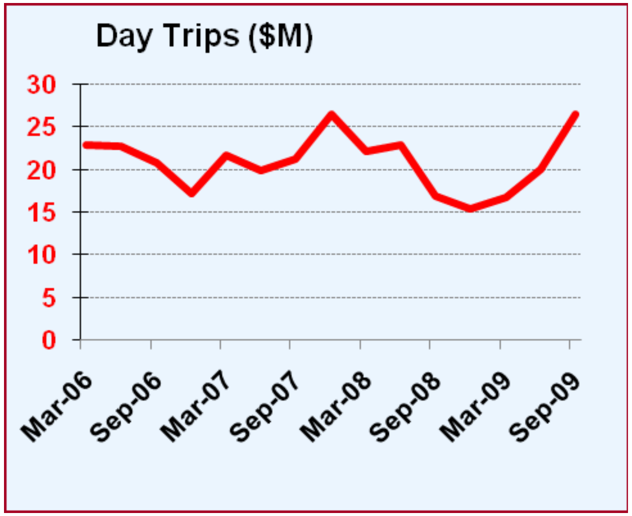


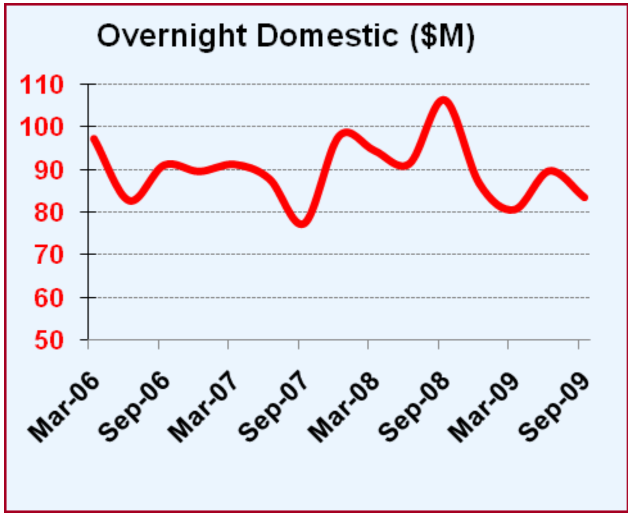


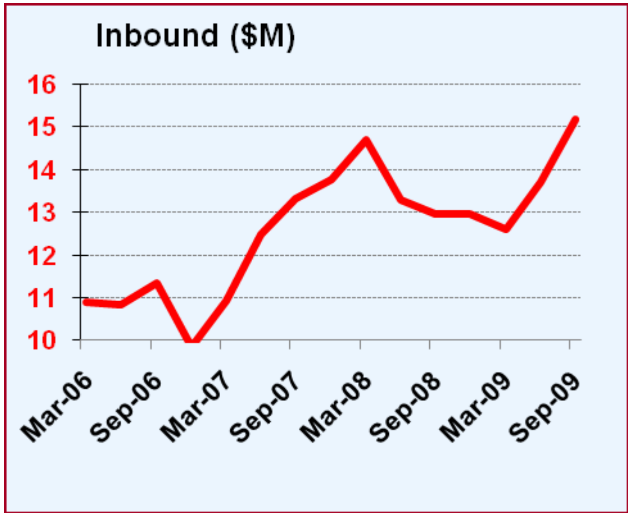


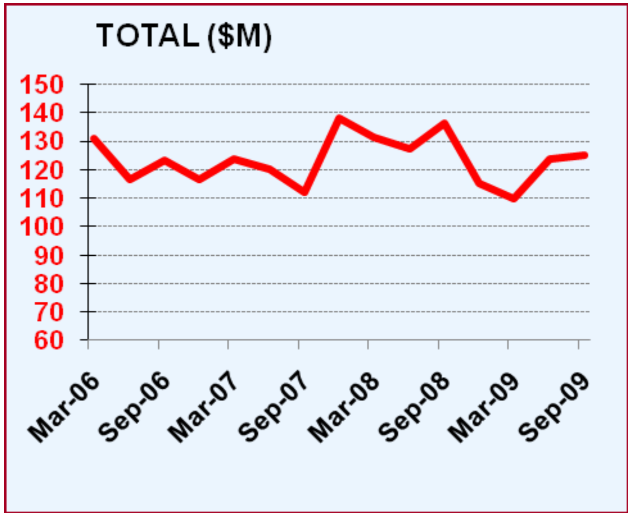
3.10 Cooloola Spending

- Most tourism spending in Cooloola is generated by domestic overnight visitors.
- Inbound is a small but growing component.



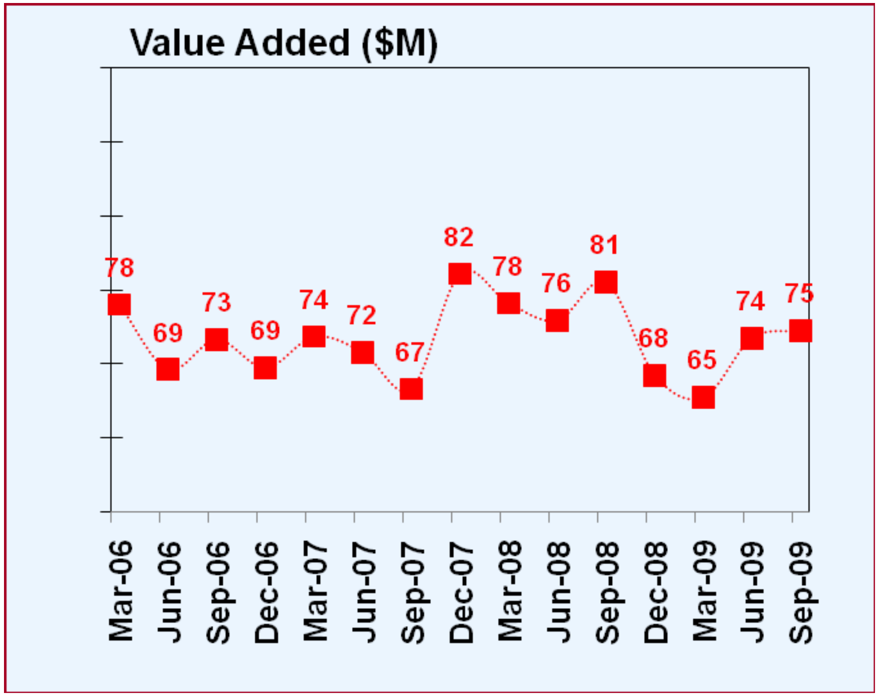






Cooloola Value Add

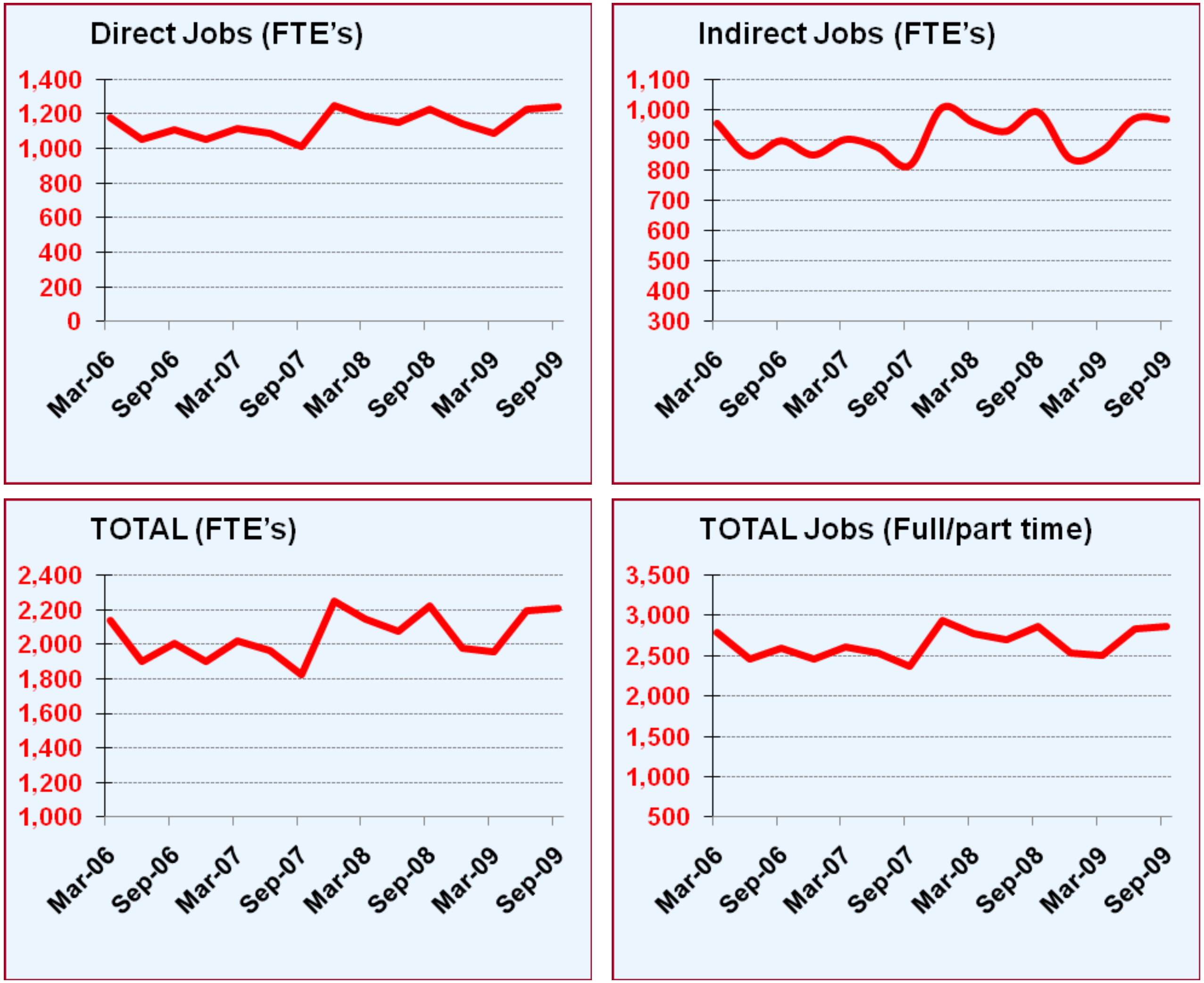
- **Economic value add has been reasonably steady for this region.**
- **The Region now generates $75M in value added terms.**



Source : SGS Economics and Planning,2003-2008,
EMDA 200 and quarterly data

Cooloola Jobs Contribution

- Tourism spending generates just over 2,750 total jobs, or just over 2,000 full time equivalent positions.



Methodology

- **Tourism Spending by Destination Area/Sunshine Coast**
- Total Sunshine Coast tourism spending was sourced was from the NVS and IVS publications.
- Spending by Destination Areas derived by weighting the visitor numbers by category (day trips, domestic overnight and inbound) by the average spend to each destination area , then the gross data reweighted to the actual overall Sunshine Coast spending.

- **Economic Value Add by Destination Area/ Sunshine Coast**
- Total Sunshine Coast value add updated from the 2008 SGS data (this report derived total value add) by calculating the conversion ratio of tourism spending to value add and applying this figure to the 1999 spend.
- Destination area value add then is calculated using the ration of value add to tourism spending , applied to each Destination spending (see above).

- **Employment by Destination Area /Sunshine Coast**
- Using the SGS FTE employment data, the ratio of tourism spend to direct employment was calculated. This ratio was then applied to each DA spending to derive total direct jobs for each DA. The ratio of direct to indirect jobs was derived from the Queensland Tourism Satellite Accounts and this ratio was then applied as the DA level.
- SGS calculated the number of Full Time Equivalent jobs in tourism and on the Sunshine Coast in total. This conversion rate was applied to the number of total jobs calculated for each DA.

Glossary

- **Full Time Equivalent Positions (FTE's)**
- This coverts part-time positions into a smaller number of full time jobs. This means that two people working 50% rather than counted as two jobs are counted as one FTE.

- **Economic Value Add**
- The value of goods and services produced in an area. Essentially, this includes wages paid and profits in a Region.
- This data is lower than spending as some of the spending supports goods and services outside the Region and this is deducted from spending in a Region.

Summary - Overall

- **Despite the GFC in 2008/2009, tourism on the Sunshine Coast remains a big business.**

- **Tourism generates $2.3Billion in spending. This makes the Sunshine Coast the third largest regional destination. It is also larger than Tasmania ($2.1B) and the NT ($1.9B). This level of spending generates $1.36 in economic value add.**

- **By September 2009 54.000 people are either directly or indirectly employed in the tourism sector on the Sunshine Coast (37% of the total employed). This includes full time and part time positions. There are 40,466 FTE positions dependant on tourism on the coast.**

- **After the softening to June 2009, September 2009 is showing signs of growth with spending up 2.9%. Value added has also grown by the same percentage (+2.9%).**

- **Maroochy is the largest Destination Area in terms of spending, jobs and value add, however, this is the only DA to experience a flat September 2009.**

- **The other three DA’s – Noosa, Caloundra and Cooloola experienced modest growth.**

Summary - Overall

- **The external environment continues to be more positive than it was in late 2008 / early 2009. Consumer confidence is fully restored to pre GFC levels and domestic overnight visitor numbers to Queensland have stabilised.**

- **Reflecting this improvement, more Australians are going overseas again and inbound to Australia is starting to show signs of improvement, although inbound visitor numbers to Queensland are still weak.**

- **NSW as an origin market for Queensland is still weak, reflecting the weak economy in that state.**

- **The Sunshine Coast has been growing share of the International market and all the key markets are showing some signs of improvement, including New Zealand. Inbound spending is also growing.**

- **Accommodation takings are recovering and the Sunshine Coast's market share has regained all the ground lost during the GFC. The relative lack of exposure to the International market and business travel has resulted in the regain in share.**

Summary - Overall

- On the domestic front, Visitor numbers are slightly lower and so is market share, The relatively stable Queensland source market continues to benefit the Sunshine Coast.

- Preference for the Sunshine Coast continues to decline, especially amongst families. A number of factors have been identified that contribute to this including , the Bruce Highway, insufficient advertising weight in the Sydney and Melbourne, consumers wanting a change, climate, losing appeal to the kids, consumers looking for more packages and crowding at peak times.

Summary - Destination Areas

- **Caloundra**
- Inbound visitor numbers are a little weaker after strong growth.
- Domestic overnight visitation levels are improving, Preference has stabilised after falling.
- Accommodation takings are strong, indicating that accommodation yield per person is growing and share of Queensland takings is at record levels.

- **Maroochy**
- Inbound to Maroochy is trending up**.**
- Domestic overnight visitors are still softening and Preference is trending down.
- Takings are still falling, but the rate has slowed and market share of Queensland takings has improved.

- **Noosa**
- Noosa Inbound visitor numbers are steady.
- Domestic overnight visitors are steady and Preference is steady as well after falling.
- Accommodation takings are growing and market share is also higher.

- **Cooloola**
- Cooloola inbound visitor numbers are steady.
- Domestic overnight visitors are steady.
- Accommodation takings are growing and so is market share.

Disclaimer

While every effort has been made to ensure accuracy of the data in this report, EMDA has not audited the data sources and therefore does not accept any responsibility in relation to financial and/or decisions based on this information.

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