

discover**maroochy**.com.au
"The heart of Queensland's Sunshine Coast"



Sunshine Coast March 2010 Quarterly Report

April 2010



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Introduction

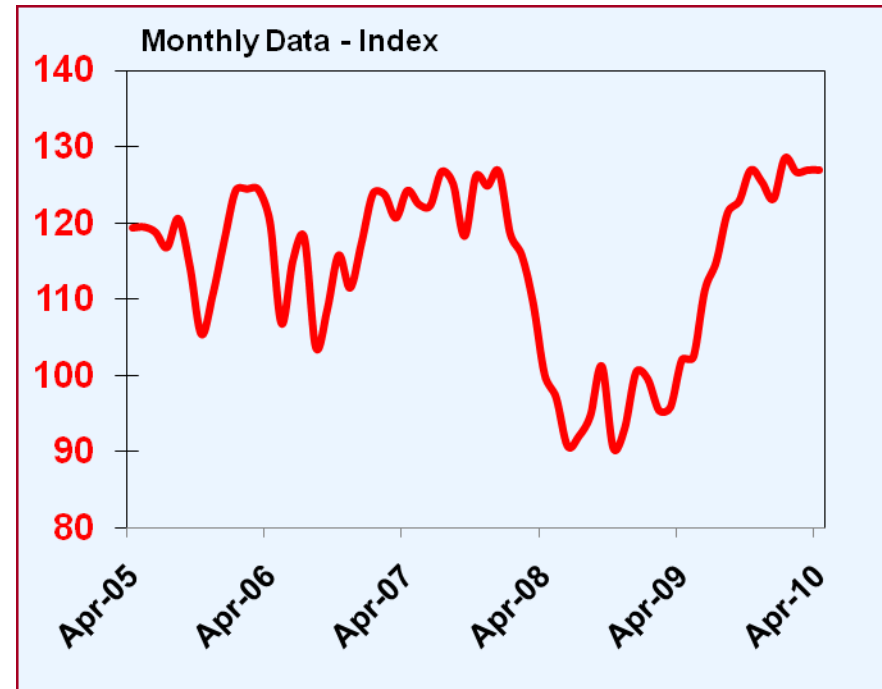
- **The purpose of this report is to provide a relevant, timely and concise report on Tourism trends on the Sunshine Coast for the Industry Operators and other Stakeholders.**
- **The scope of the report includes the following :-**
 - Section 1 : The external environment and tourism trends.
 - Section 2 : Sunshine Coast and Destination area trends.
 - Section 3 : Consumer Preference for the Sunshine Coast and Destination areas.
 - Section 4 : Business Performance.
 - Section 5 : Visitor Outlook.
 - 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 (December 2009).**
- **Roy Morgan Consumer Confidence Data (April 2010).**
- **International Visitor Survey (December 2009).**
- **Domestic Visitor Survey (December 2009).**
- **Australian Bureau of Statistics - Tourist Accommodation (December 2009).**
- **Australian Bureau of Statistics – Arrivals / Departures data (February 2010).**

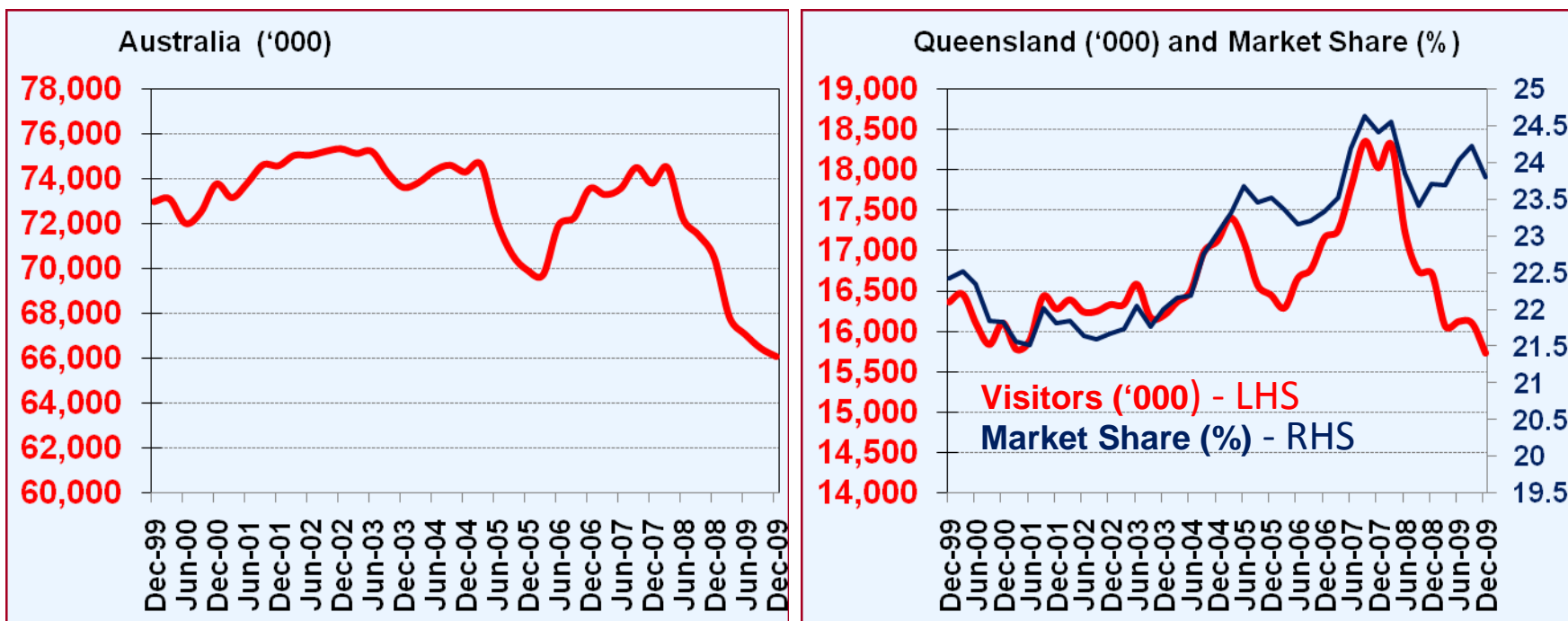
Australia Consumer Confidence - Date ends April 10

- **Consumer (and Business) Confidence continues hold at high levels.**
- **Threats of interest rate rises yet to dampen Confidence.**



Source : RMR Confidence Data

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

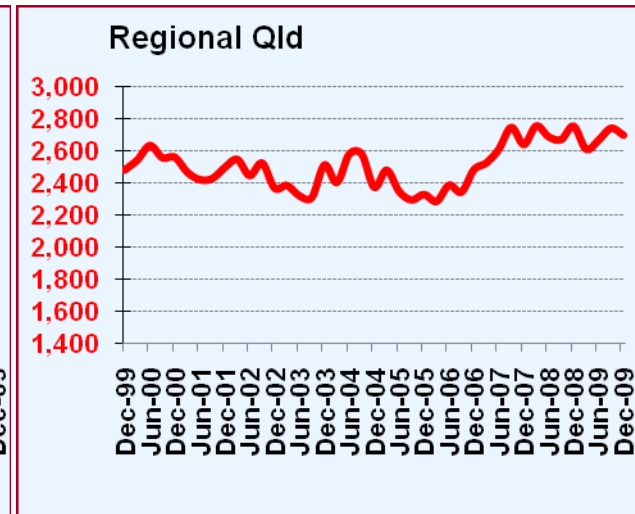
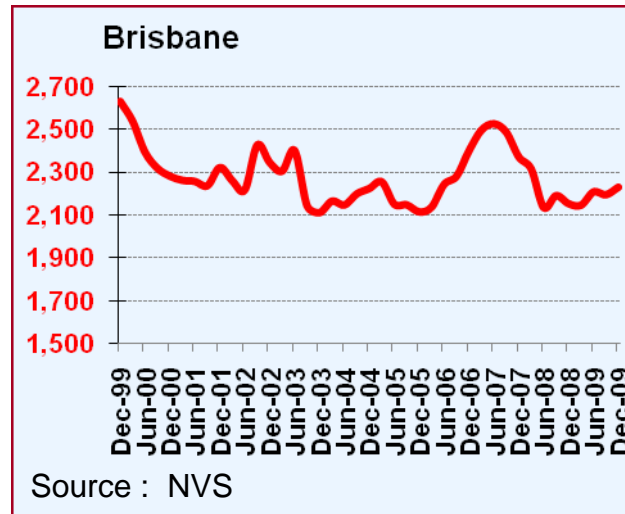
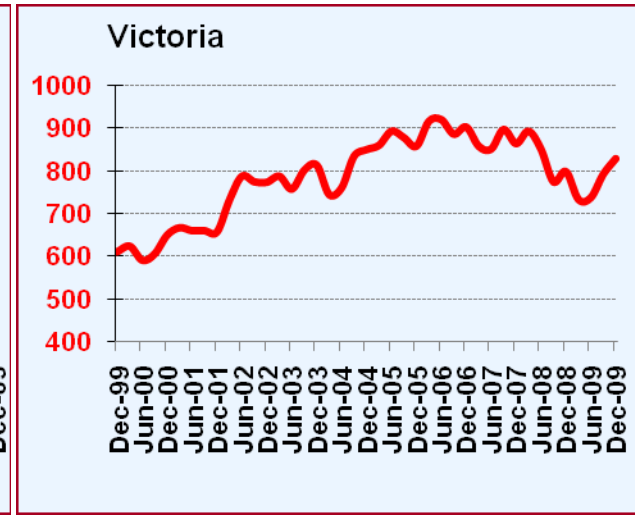
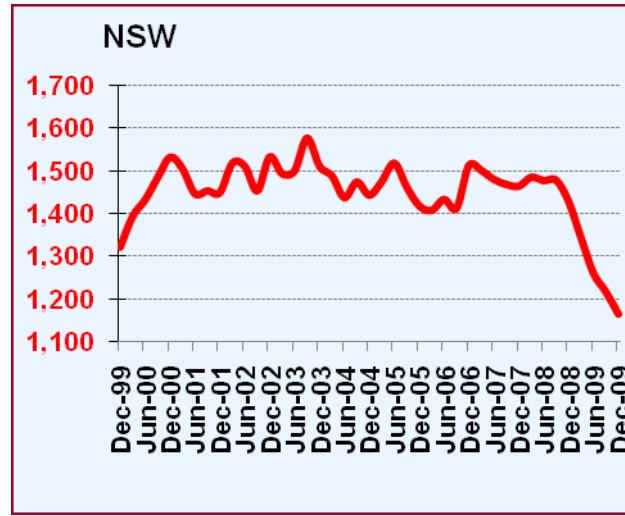


Source : NVS

- **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 11.3%.**
- **Queensland has not been immune with visitor numbers falling during the GFC, visitor number fell again in Dec. 09 and Qld. share has softened as well.**

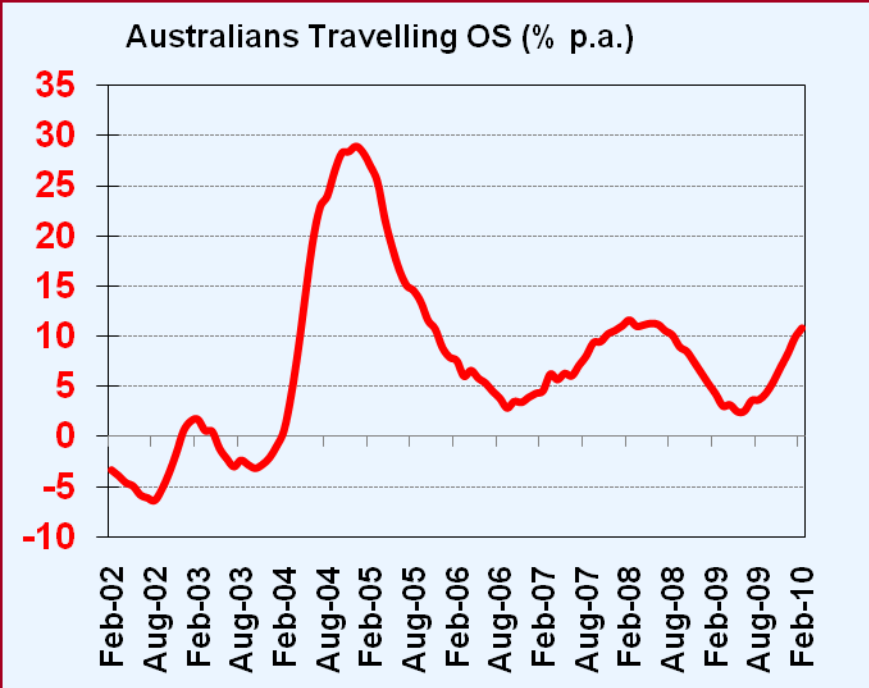
Queensland Overnight Holiday - Source Markets ('000)

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

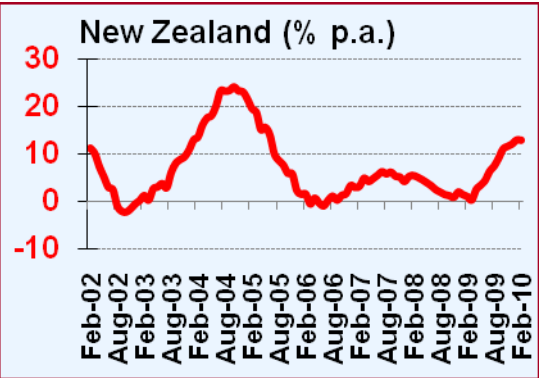
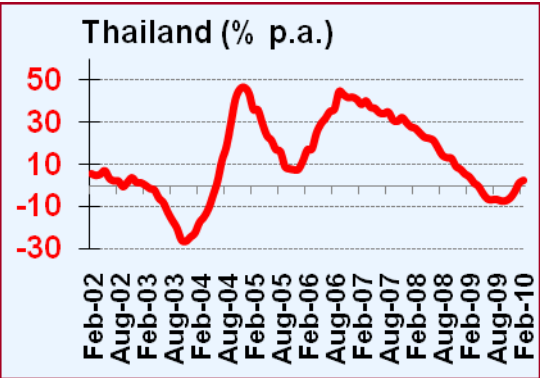


Australian Outbound (YE Feb. 10)

- **Australians travelling overseas, is starting to grow again, and the growth is picking up steam.**
- **Travel to Indonesia (Bali) is still growing spectacularly, and travel to New Zealand is growing strongly again.**

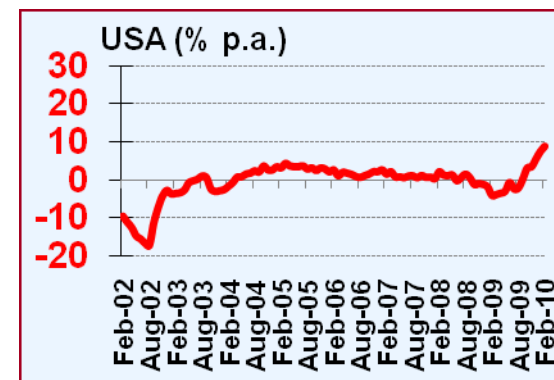
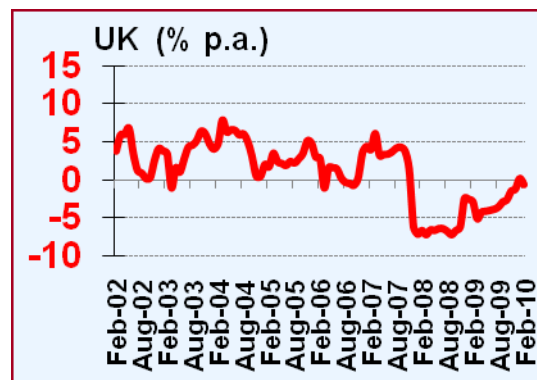
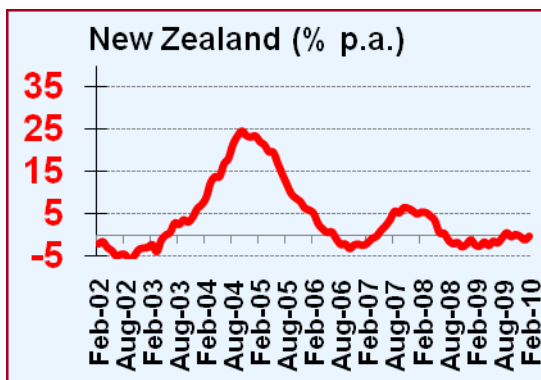
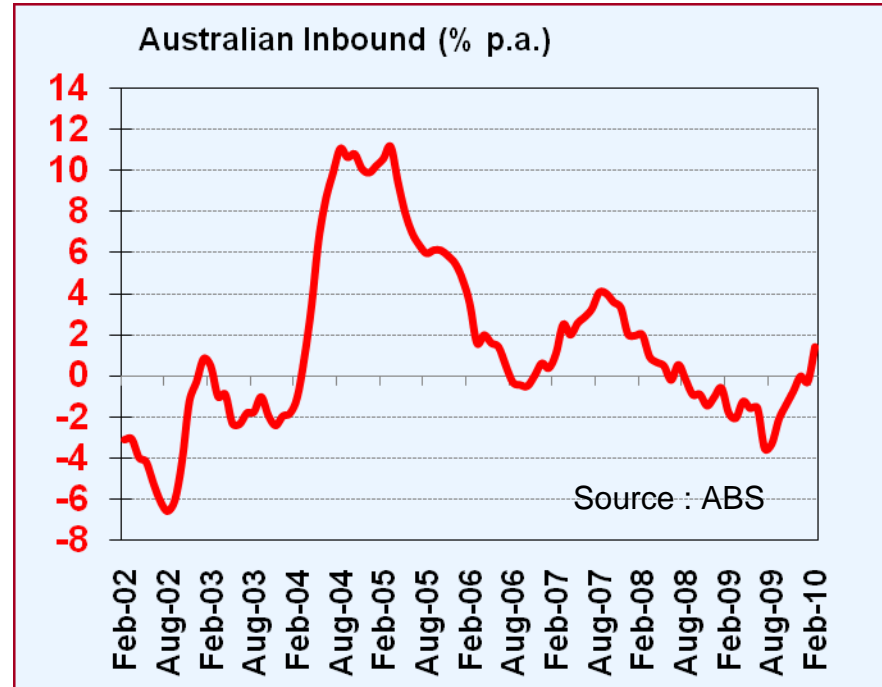


Source : ABS

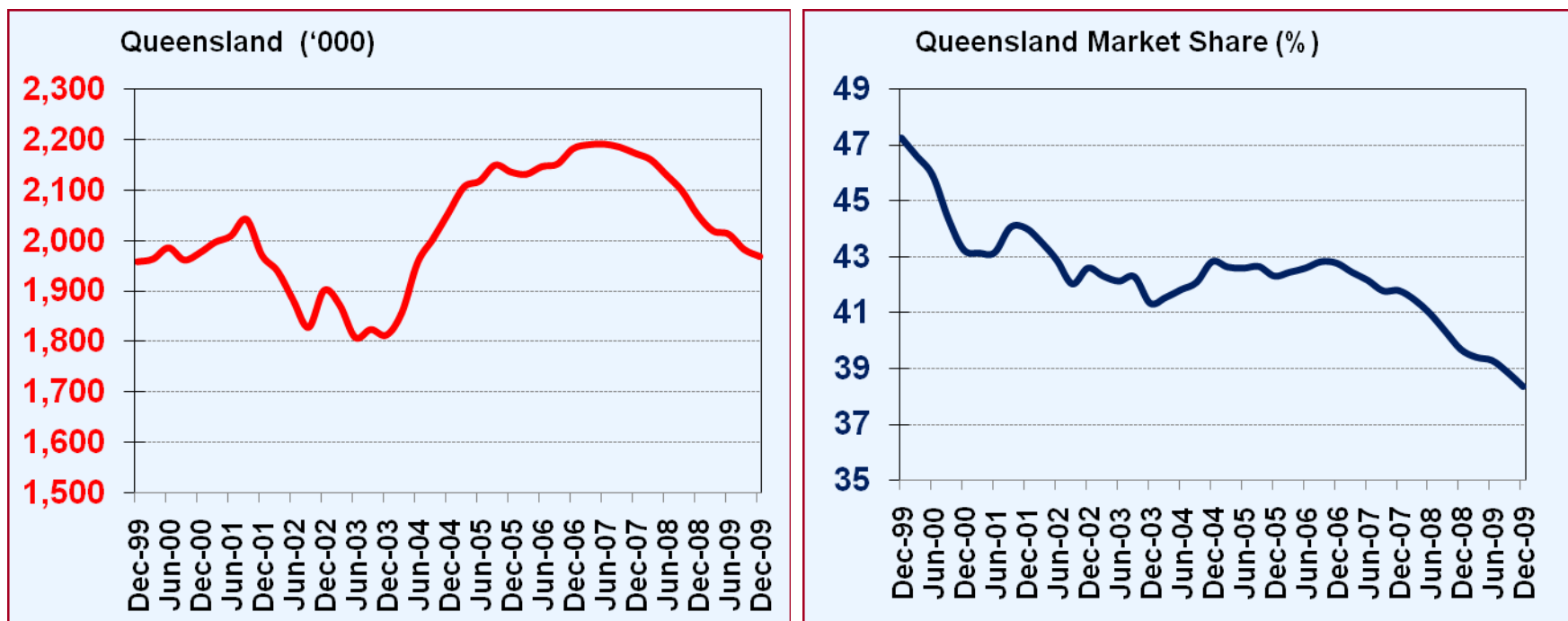


Australian Inbound (YE February 10)

- Inbound has been impacted by the Global Financial Crisis (GFC), but even here there are now clear signs that the market is turning for the better.
- All three of the key Sunshine Coast source markets are showing some signs of life – but growth is still soft – especially in New Zealand.



Inbound Overnight - Overall Trends (YE December 09)

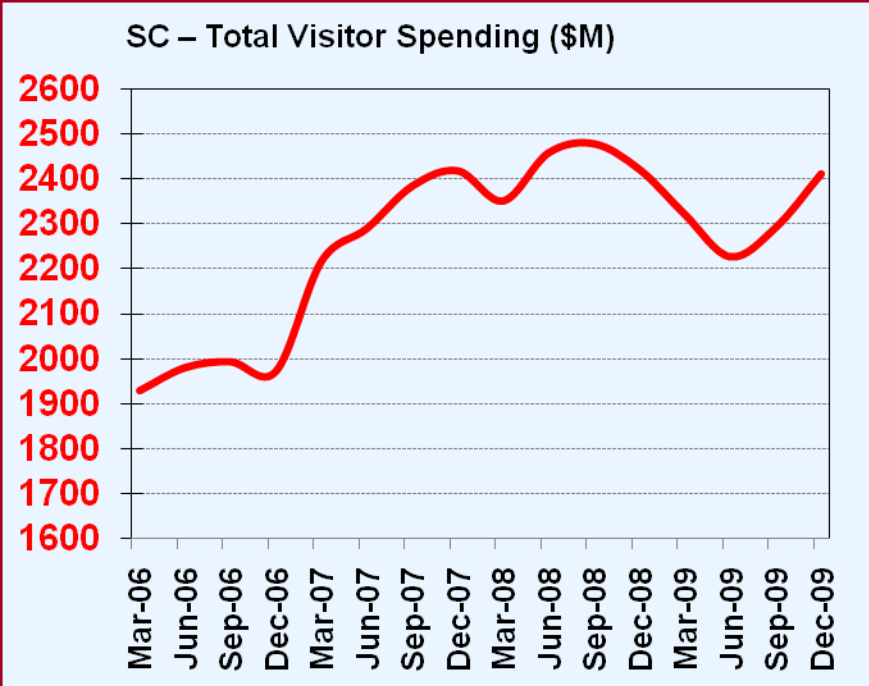


Source : IVS

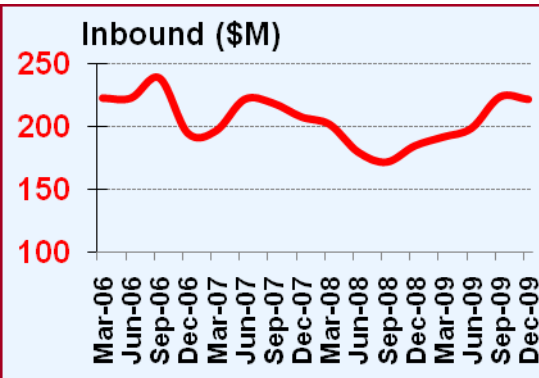
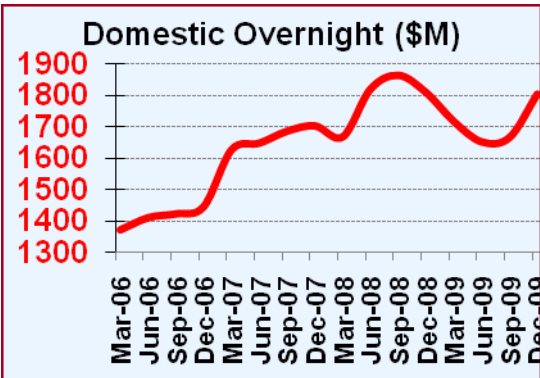
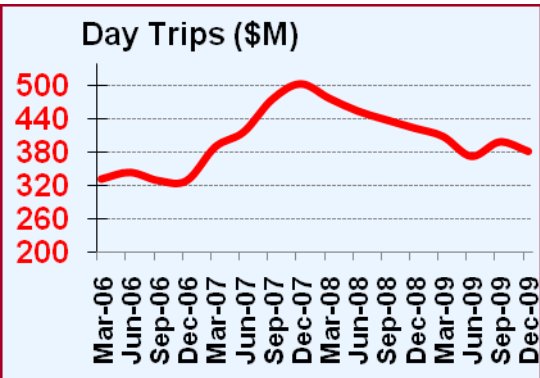
- **Total inbound visitors to Queensland has fallen 11% since the start of the GFC. Queensland has also been losing market share. Over the last 10 years there has been an erosion of market share. NSW is also losing share.**
- **Victoria continues to gain market share.**

Sunshine Coast Regional Spending (YE December 2009)

- Spending on the Sunshine Coast continues to improve again. Spending is up 8.3% (YE December 2009 compared with YE June 09).
- There has been a big turnaround in domestic overnight spending, since June 09 this has risen +9.2%.
- Inbound continues to be strong.

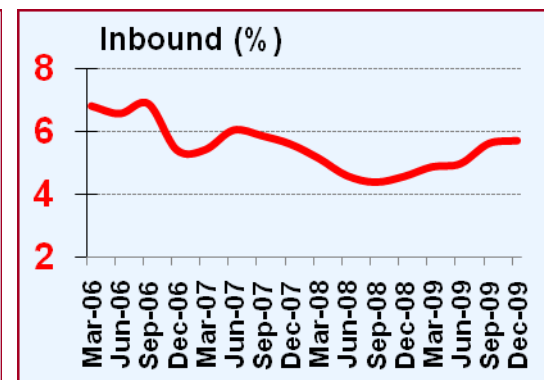
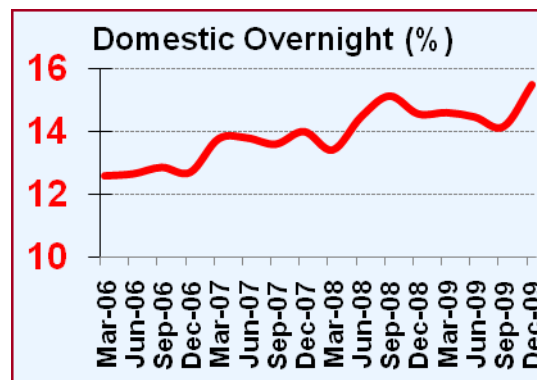
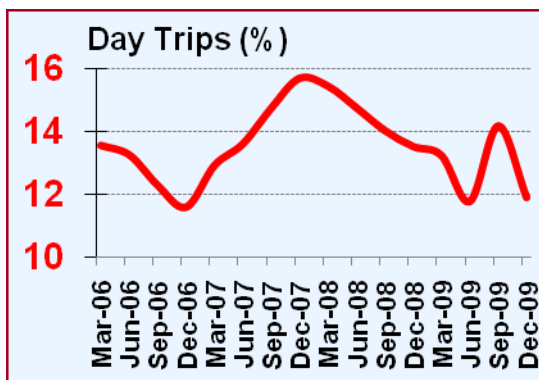
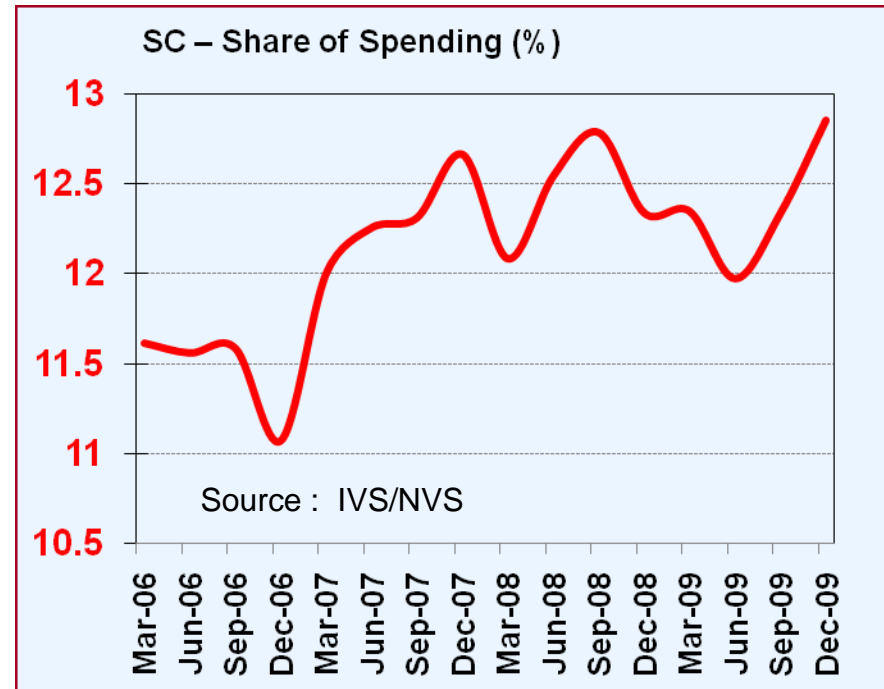


Source : IVS/NVS

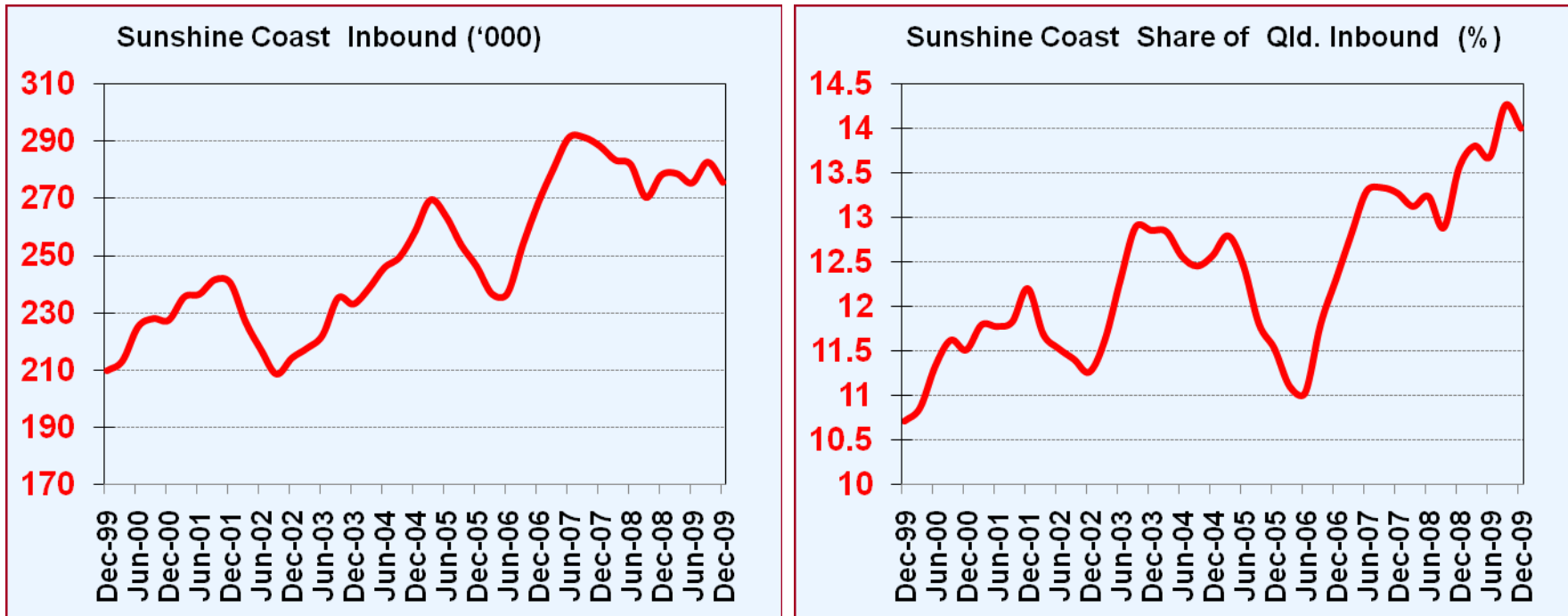


Regional Spending – Share of Queensland (YE December 2009)

- The Sunshine Coast’s share of spending also is growing and is now at its highest level 12.9%, which is well up from the 12% trough of June 09.
- Share of overnight spending has improved and share of inbound is steady, but well up from the GFC trough.
- Share of day trip spending is softer in Dec. 09.



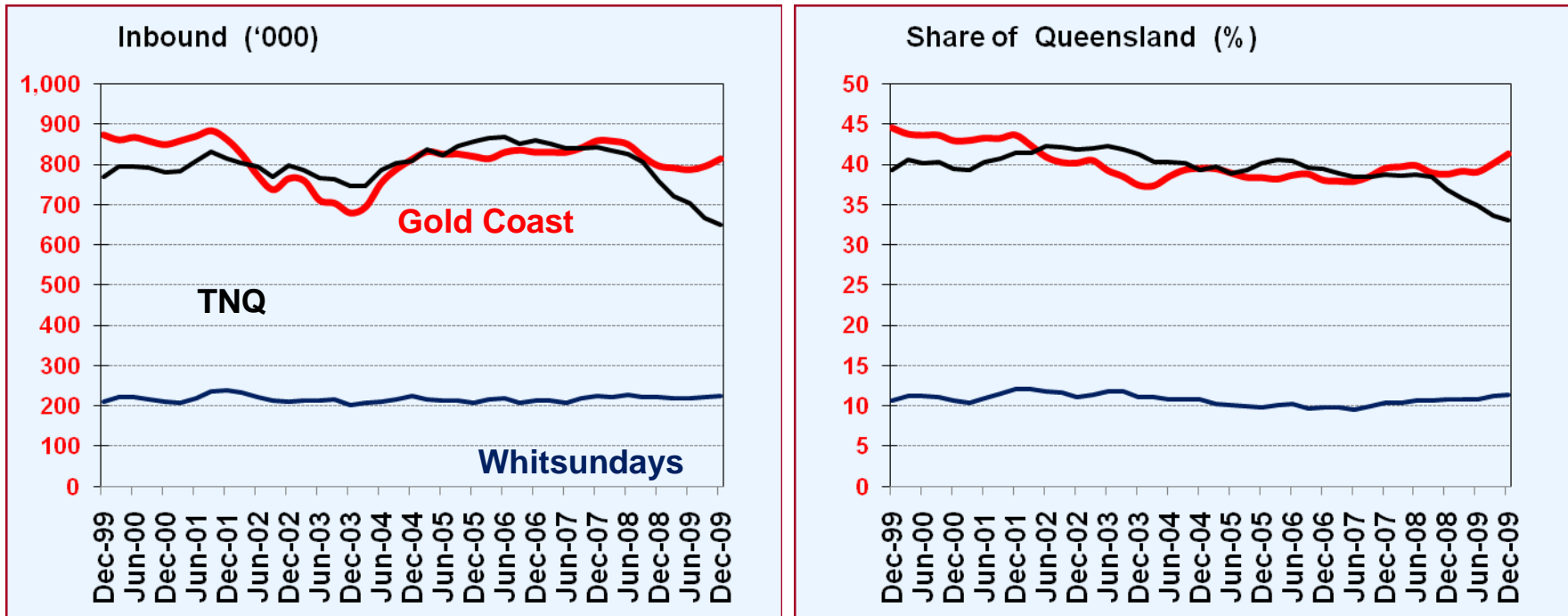
Sunshine Coast Inbound (YE December 2009)



Source : IVS

- **Inbound visitor numbers to the Coast softening slightly in Dec. 09, but in trend terms, the Sunshine Coast is performing well in this market, with visitor numbers and market share trending up.**

Other Large Regions Inbound (YE December 2009)

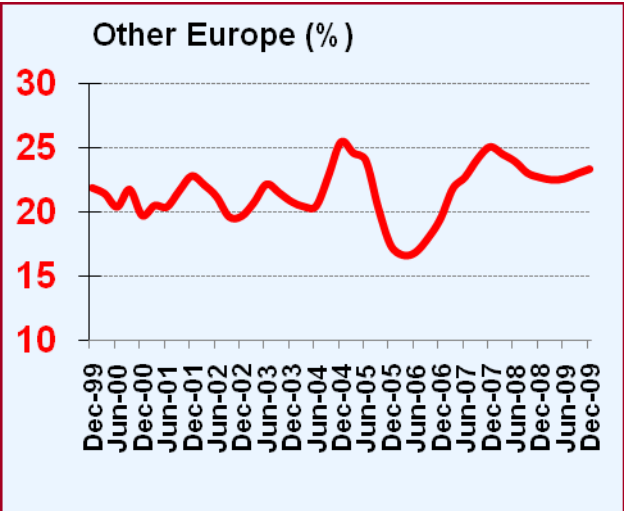
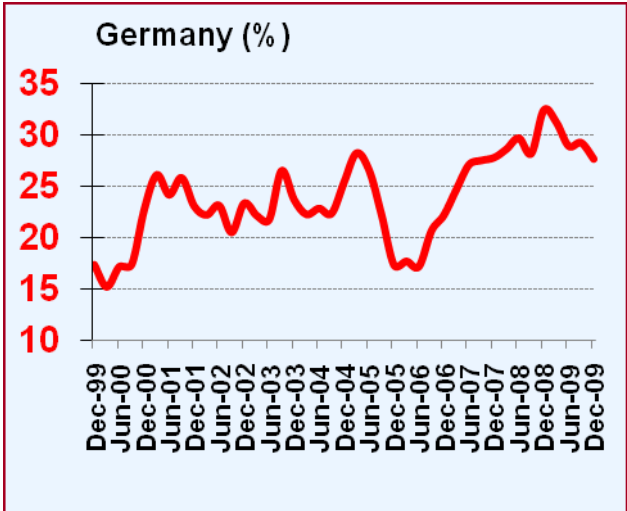
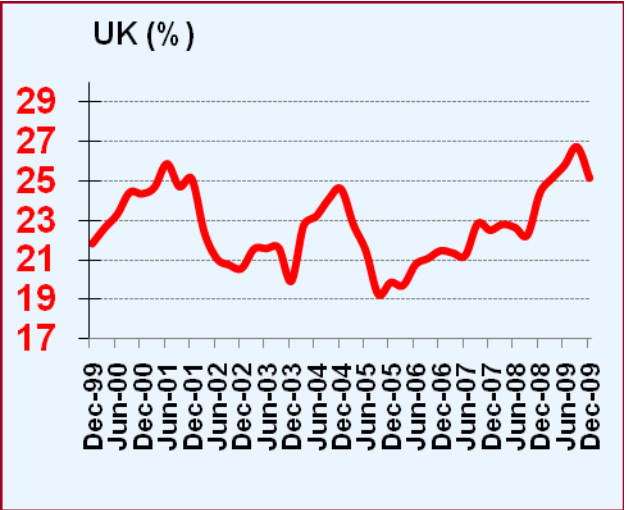
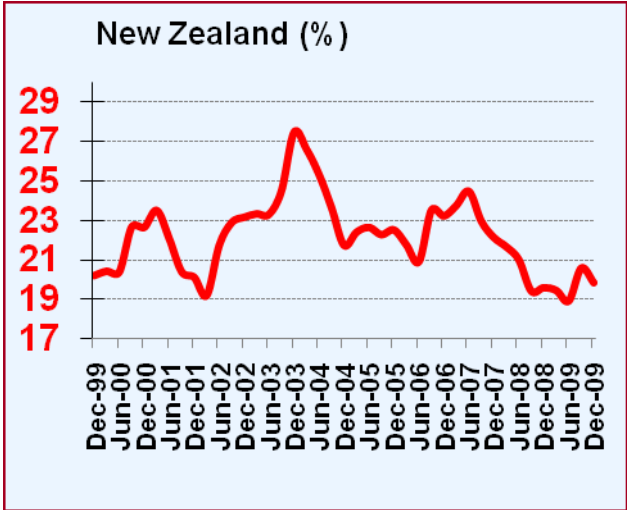


Source : NVS

- **Tropical North Queensland has really suffered in the GFC, losing visitor numbers and market share.**
- **The Gold Coast is starting the gain market share and so is the Whitsundays.**

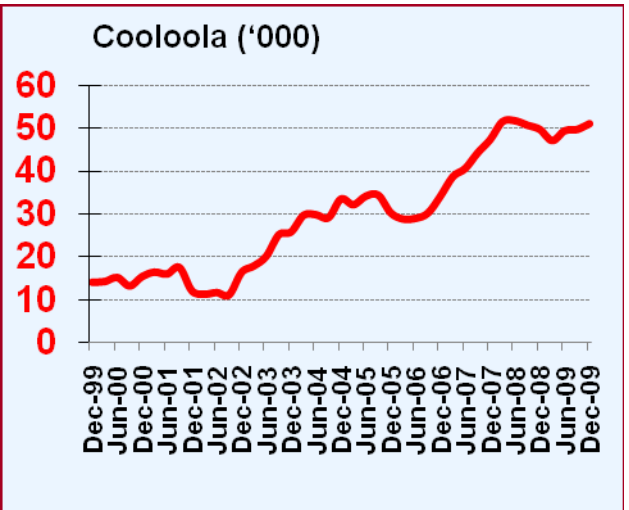
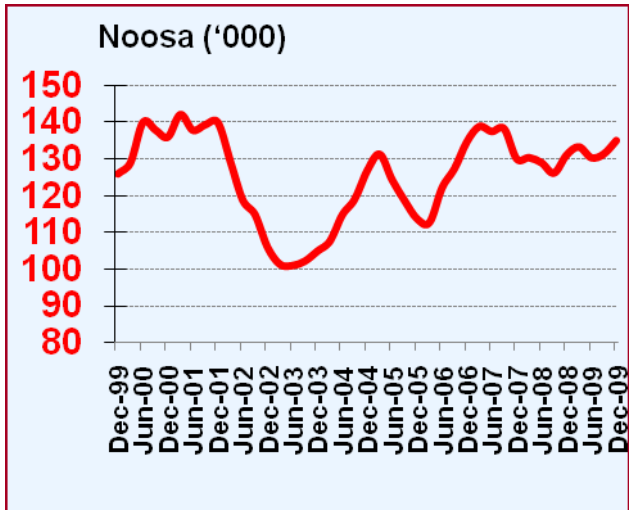
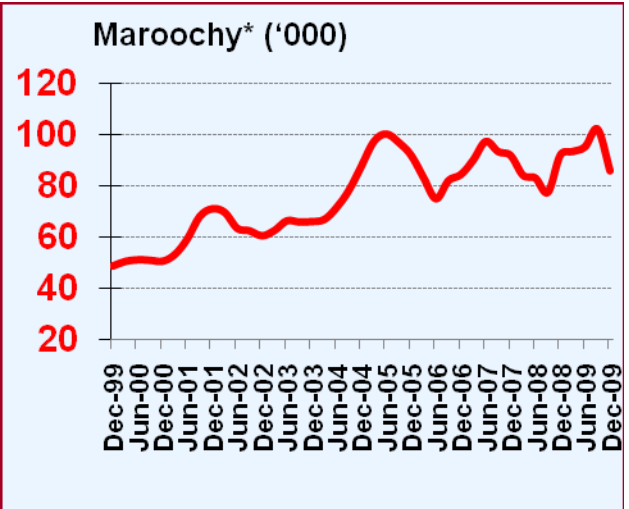
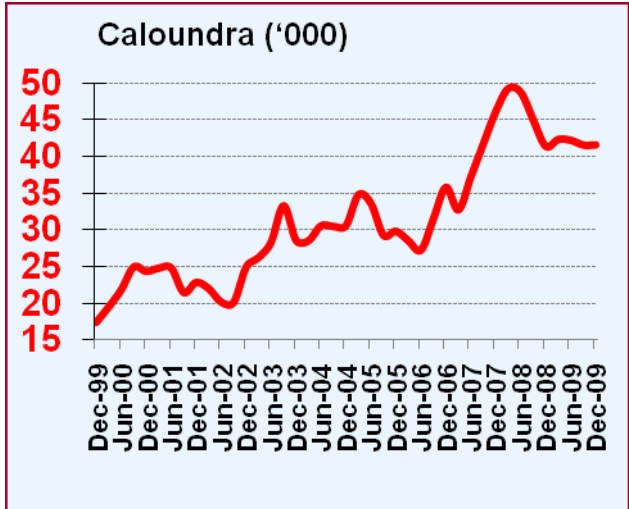
Sunshine Coast Inbound - Market Share Key Markets

- The top four source markets for the Coast are reviewed.
- In Dec. 09 the Sunshine Coast lost a small amount of share in the NZ, UK and German market.
- There are signs that share in the Other European market is turning for the better . Source : IVS



Destination Areas - Inbound Visitors

- **Inbound to Caloundra steadies at a high level.**
- **Maroochy inbound weaker in Dec. 09.**
- **Both Noosa and Cooloola have improved in the inbound market.**

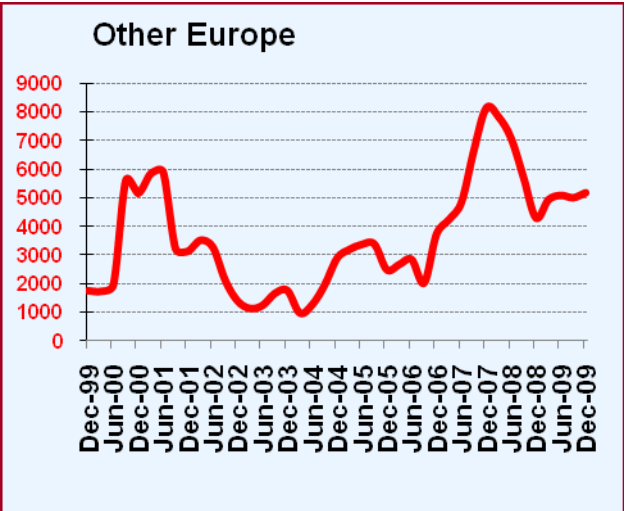
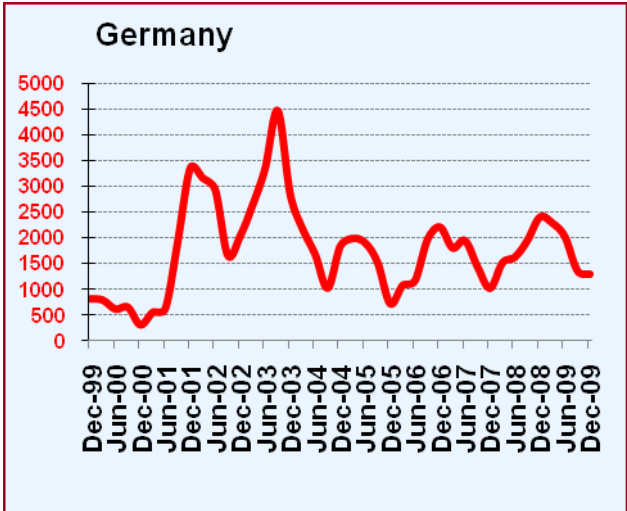
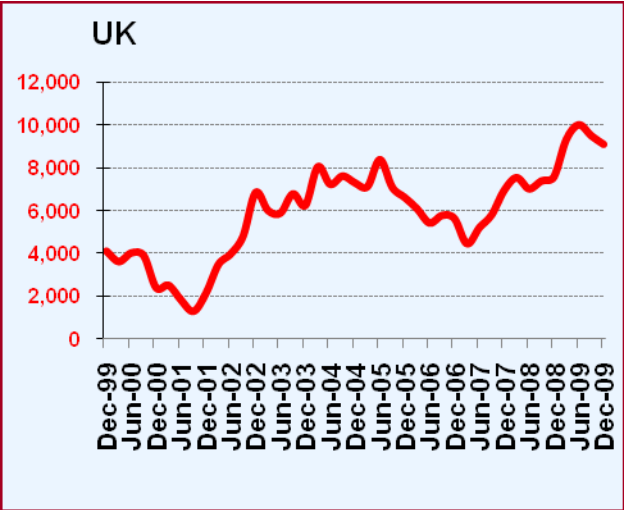
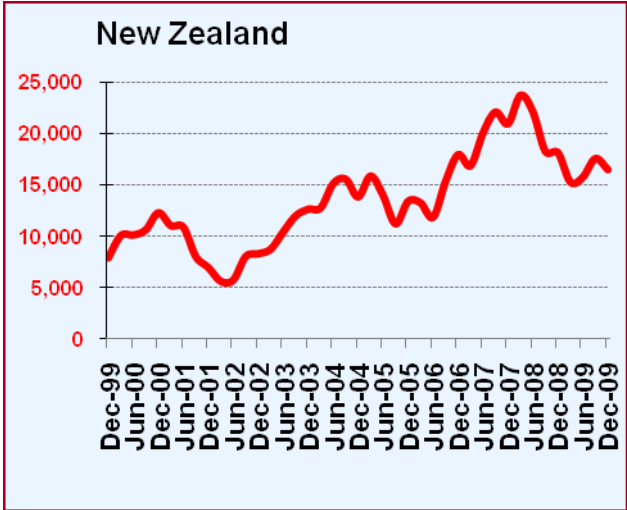


* Refers to the former Shire area

Source : IVS

Caloundra - Inbound Visitors (number)

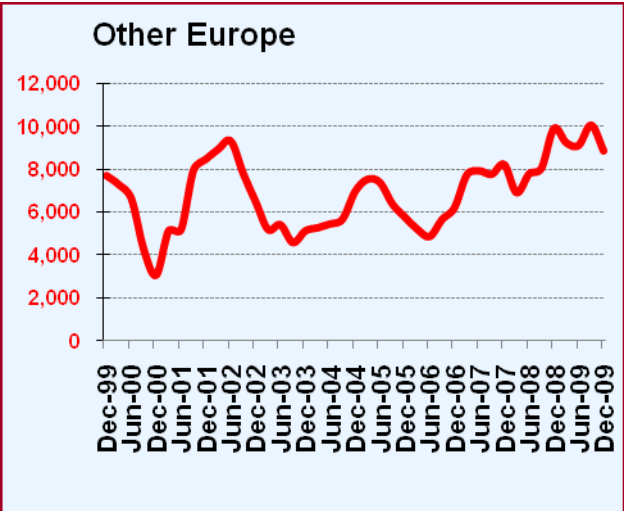
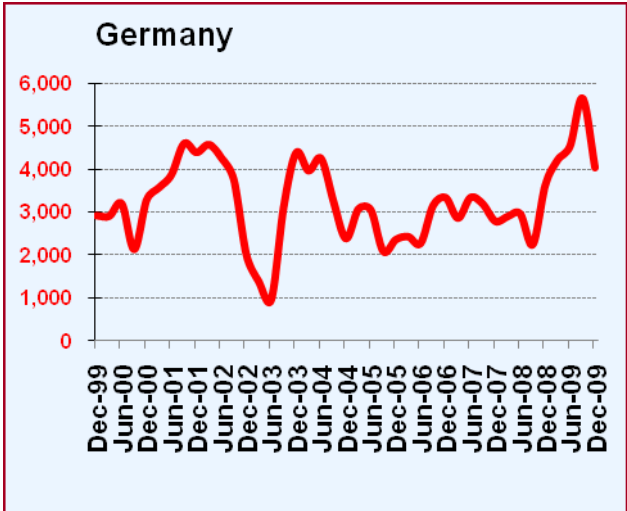
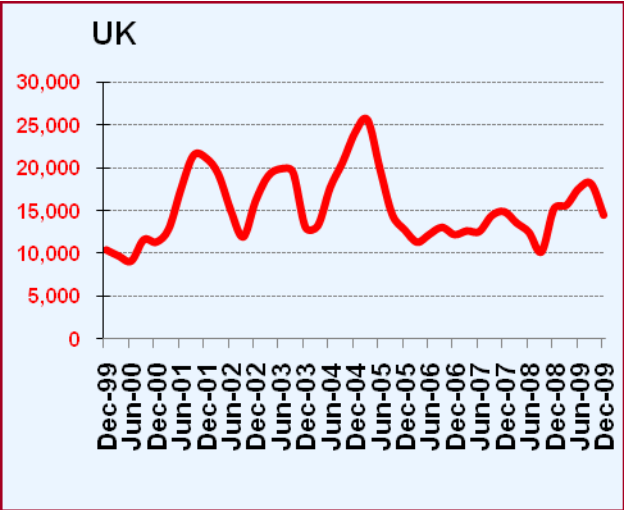
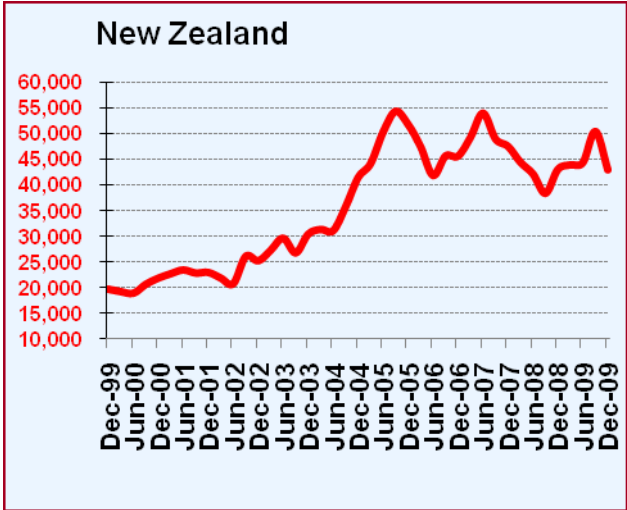
- Caloundra has a relatively small inbound component.
- The New Zealand numbers are slightly weaker - so too the UK and German markets.
- Other Europe slightly better.



Source : IVS

Maroochy - Inbound Visitors (number)

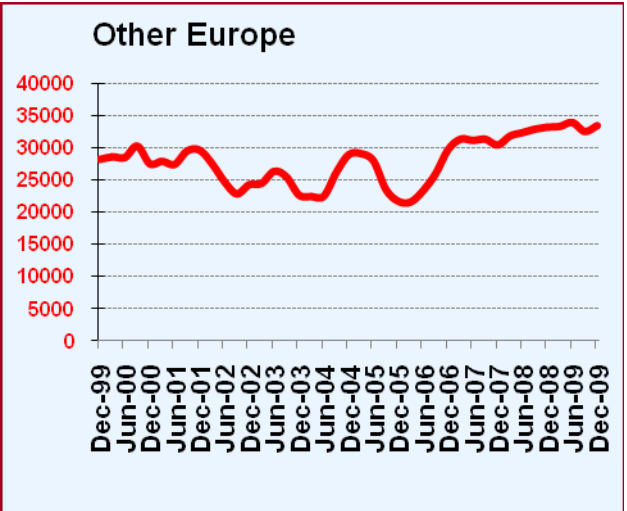
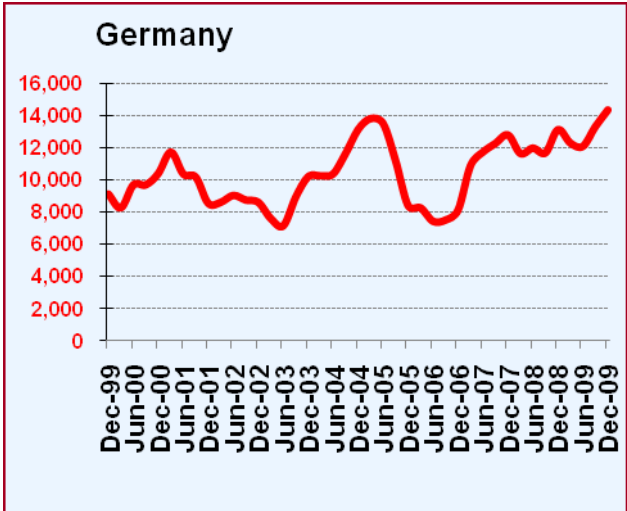
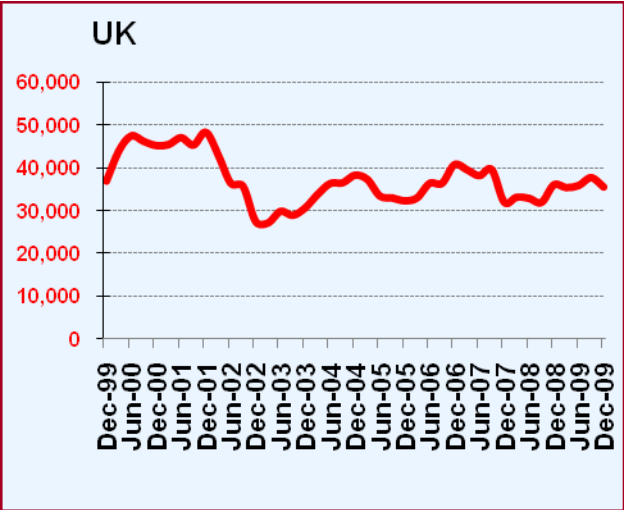
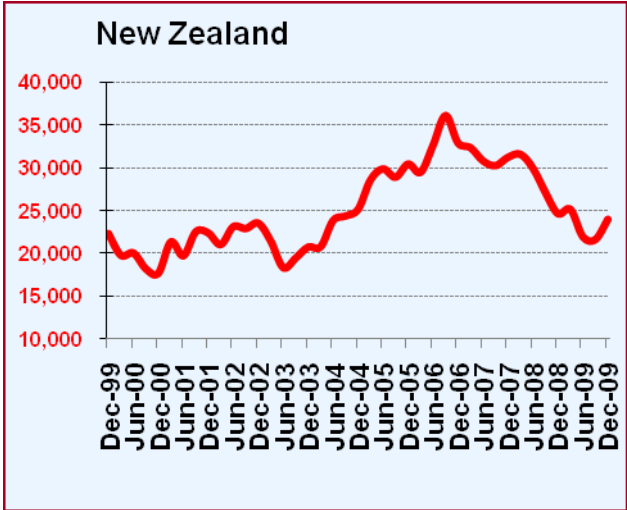
- Maroochy is softening in the key markets (Dec. 09).**



Source : IVS

Noosa - Inbound Visitors (number)

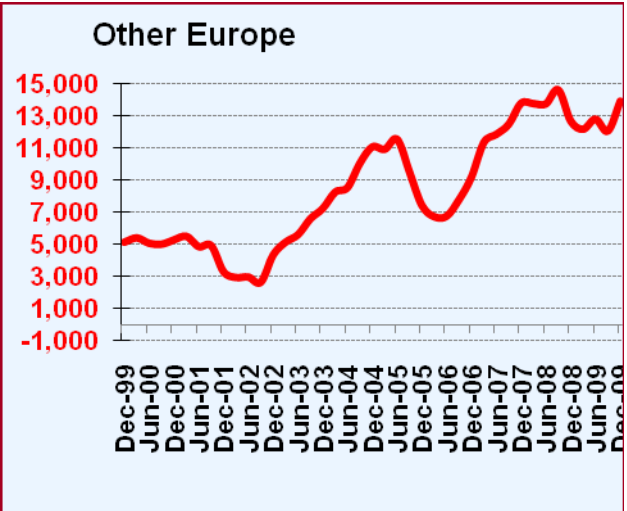
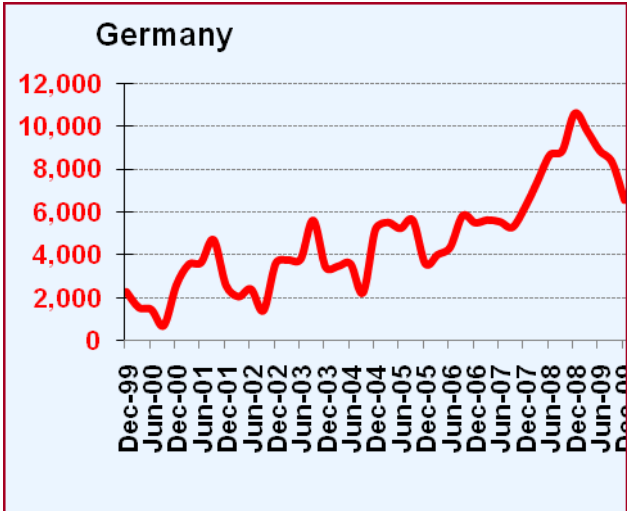
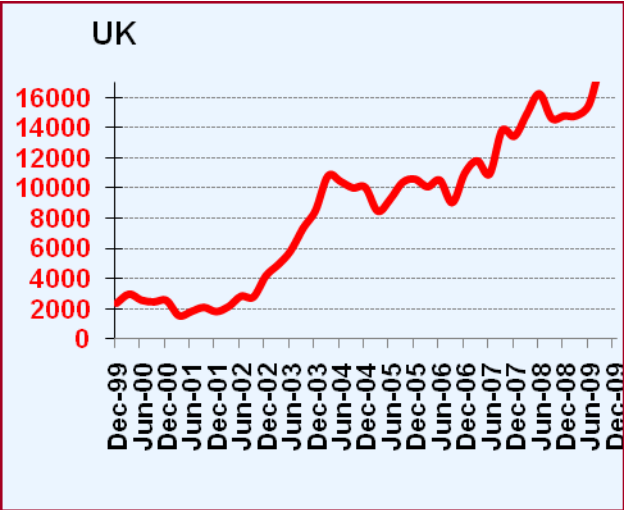
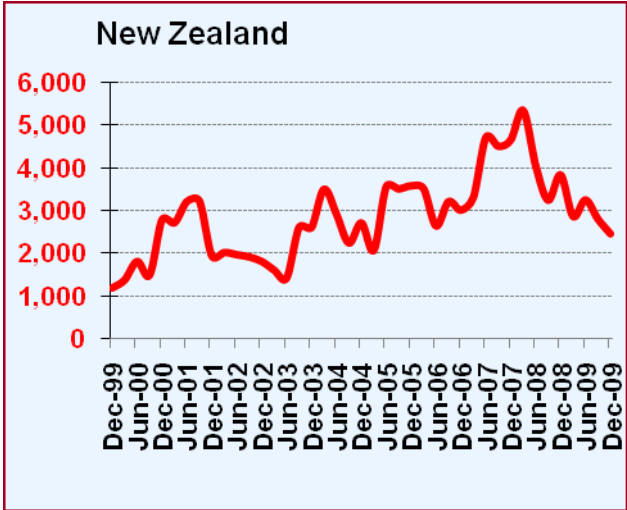
- **Noosa holding up well in the UK market.**
- **New Zealand numbers improved slightly is an early signs that their market is picking up.**
- **The German and Other Europe markets are stronger.**



Source : IVS

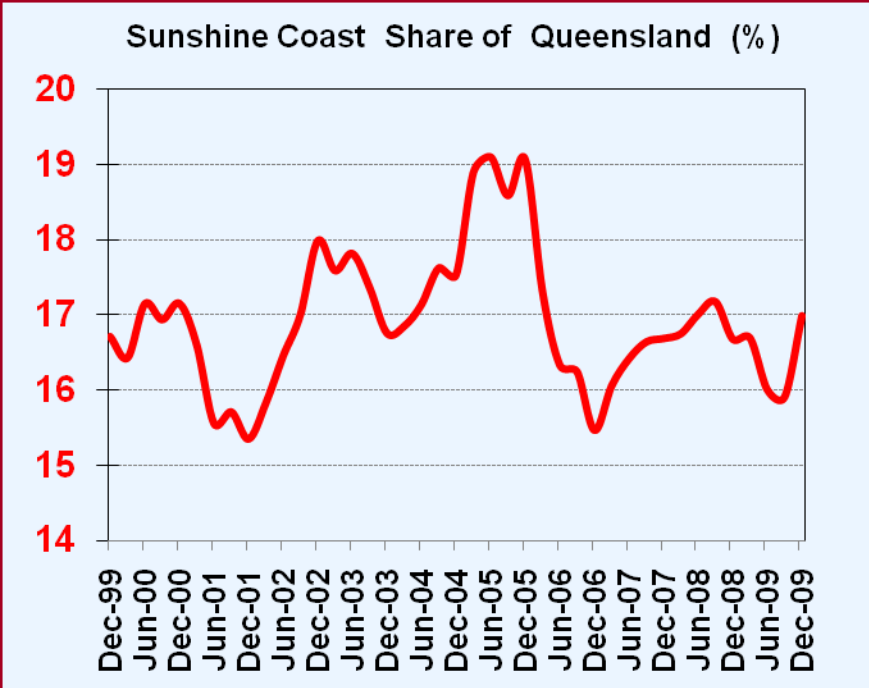
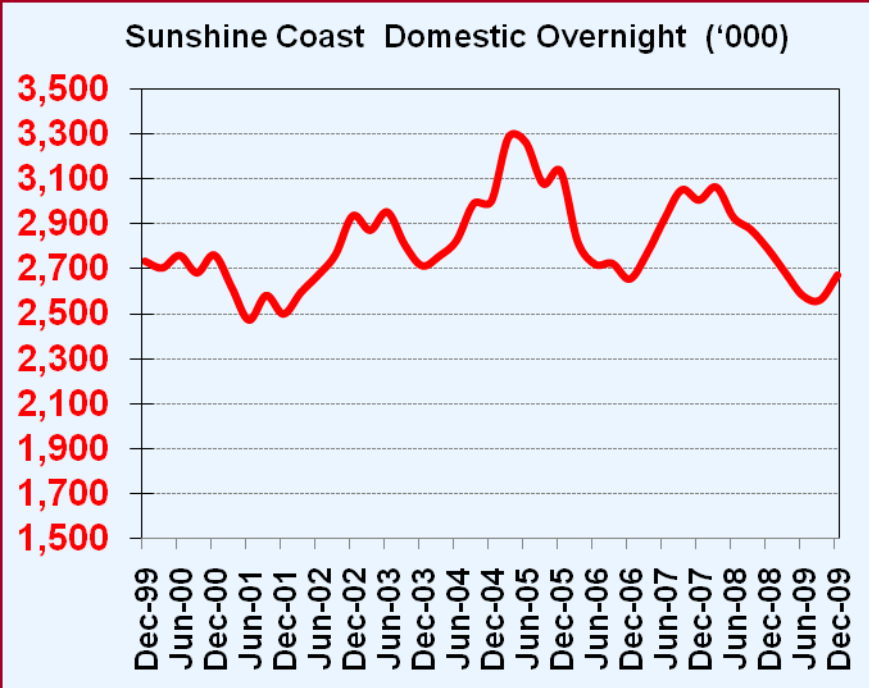
Cooloola - Inbound Visitors (number)

- Other than the New Zealand market, international visitors numbers are trending up over the last 3-4 years.
- German numbers though are weakening.



Source : IVS

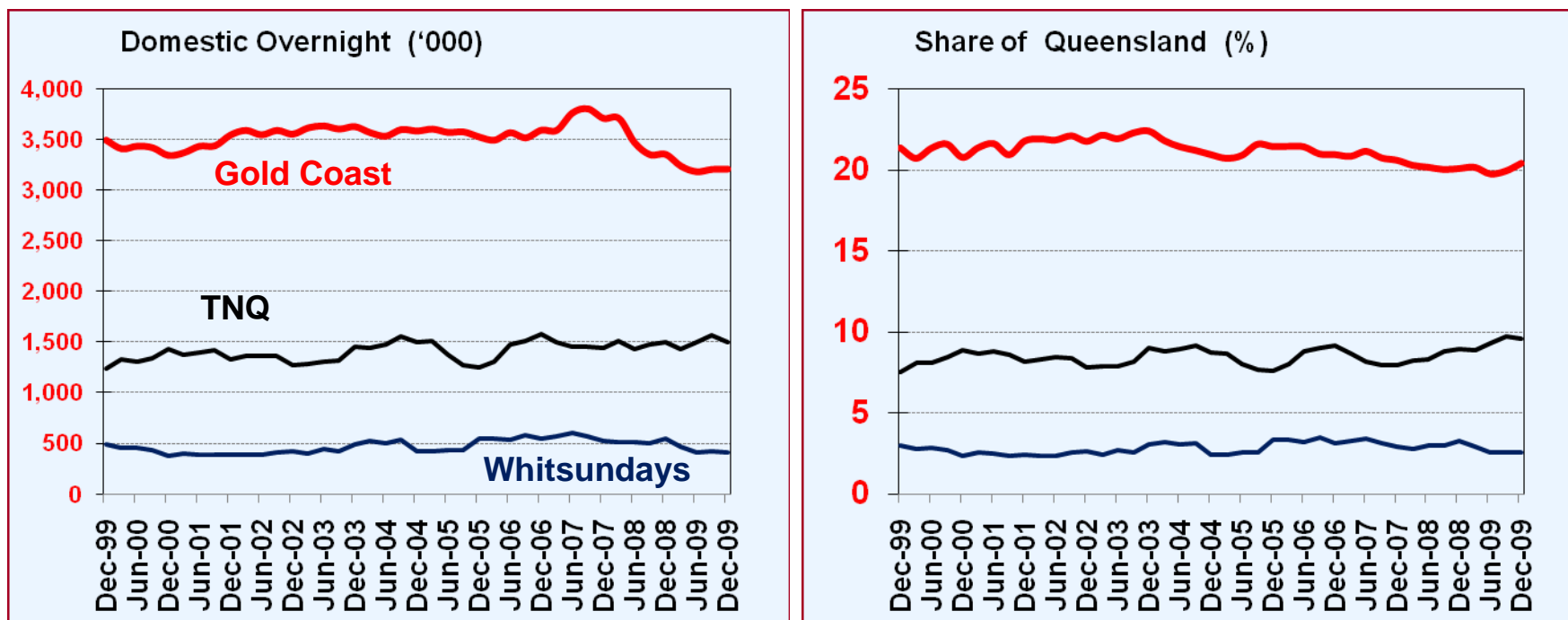
Sunshine Coast Domestic Overnight (YE December 2009)



Source : NVS

- **The Sunshine Coast bucks the trend, with visitor numbers rising and market share improving as well.**

Other Large Regions Domestic Overnight (YE December 2009)

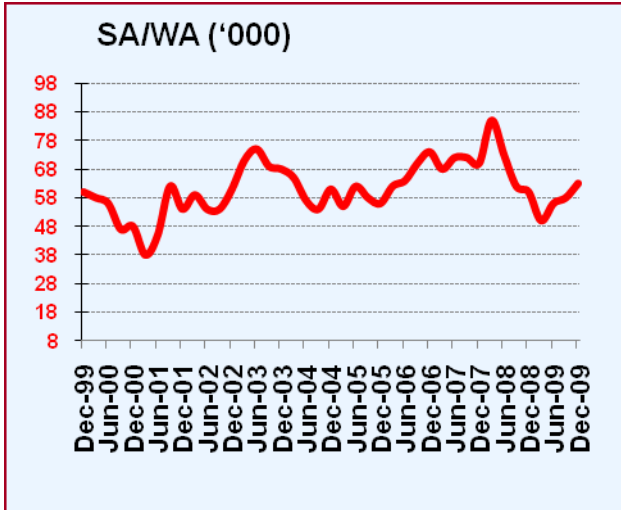
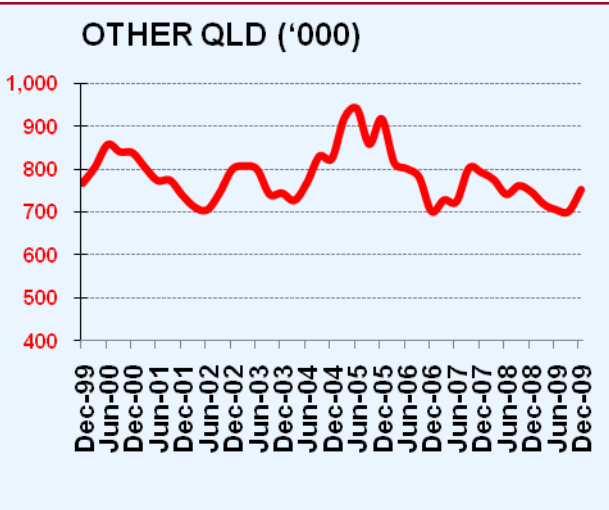
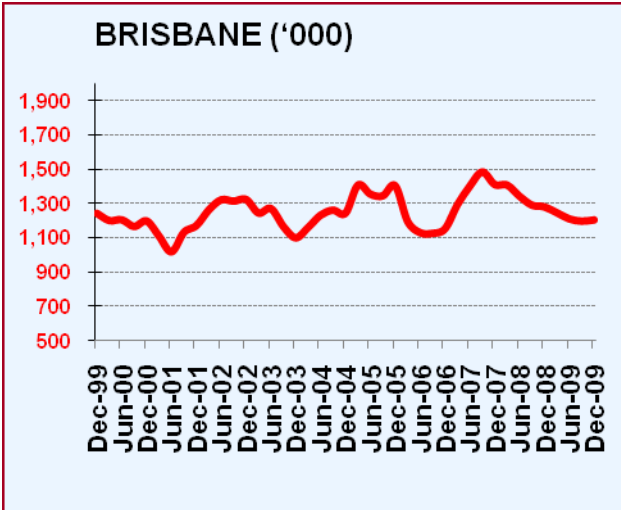
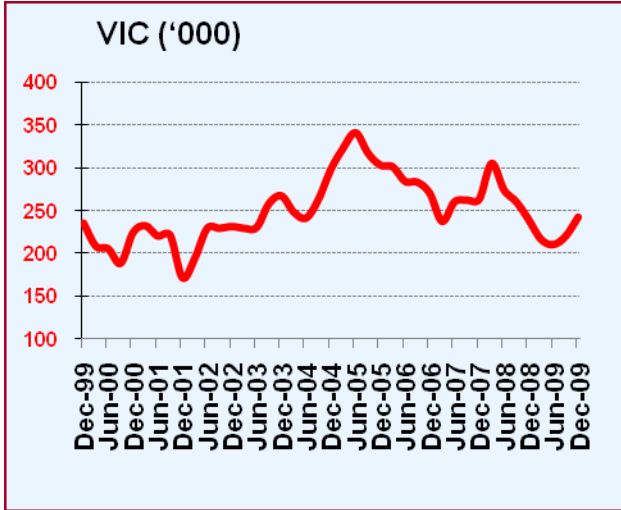
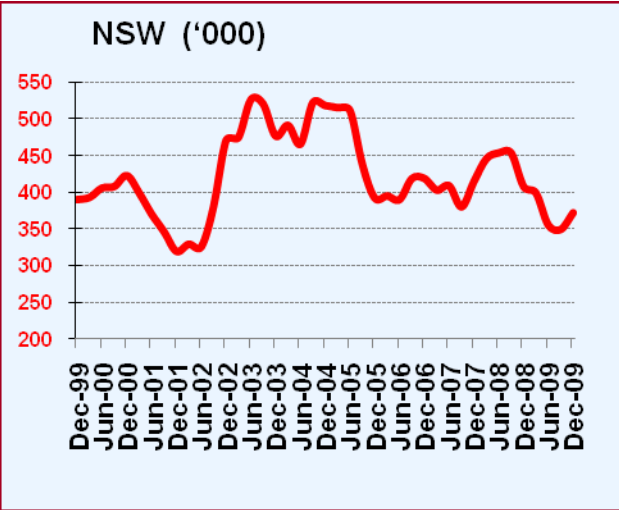


Source : NVS

- **Gold Coast was losing market share, but now share is picking up.**
- **Tropical North Queensland's share as well has trended up, although it is a little weaker in Dec.09.**
- **Whitsundays has been losing market share.**

Sunshine Coast Domestic Overnight - ('000)

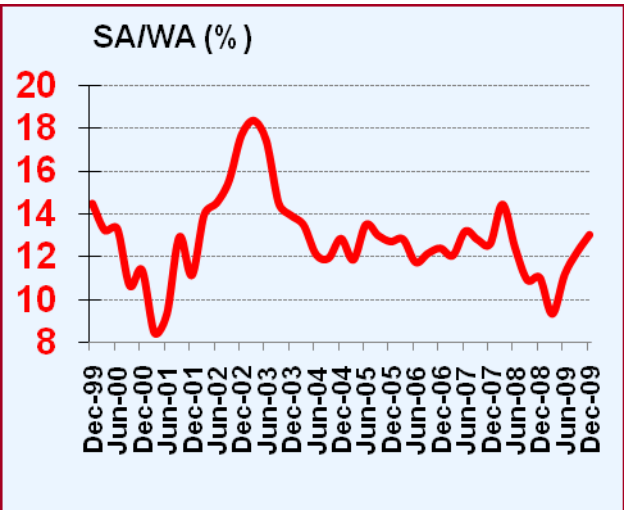
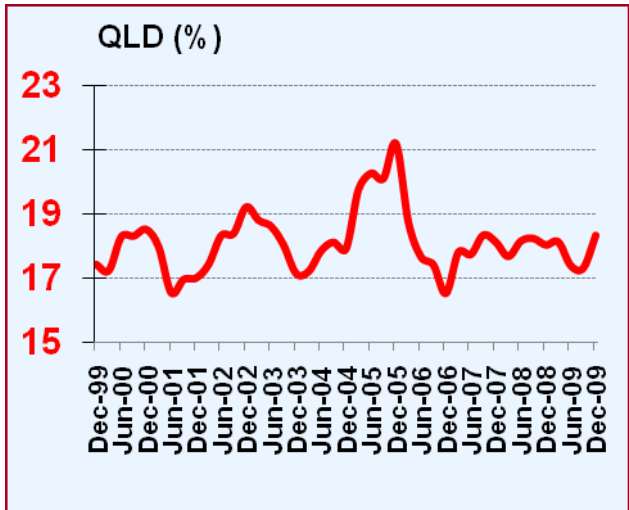
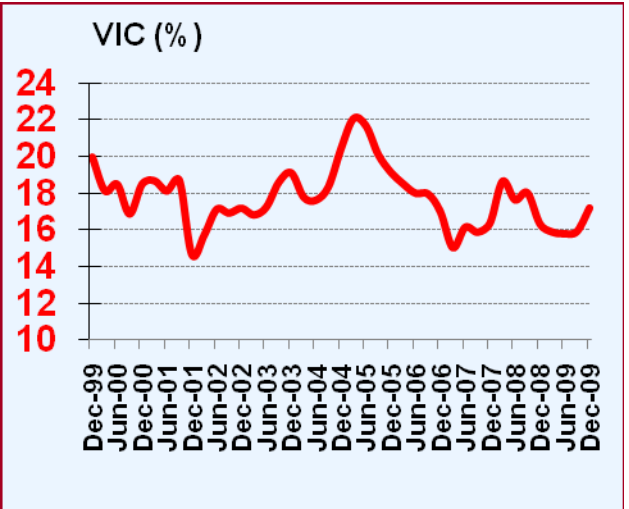
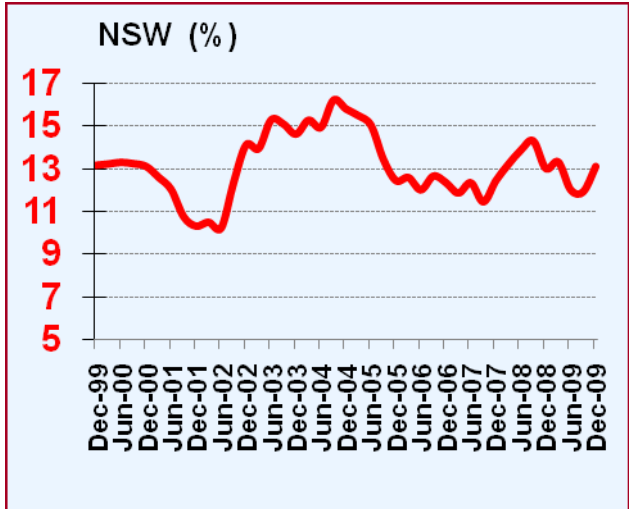
- All the source domestic markets are a little better in Dec. 09.
- Brisbane has steadied after softening over the GFC.



Source : NVS

Sunshine Coast Domestic Overnight - Market Share Key Markets

- Market share has turned around in all the key domestic markets.

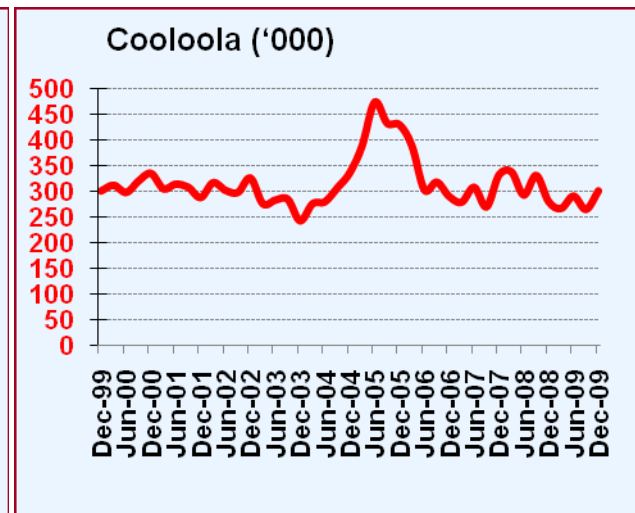
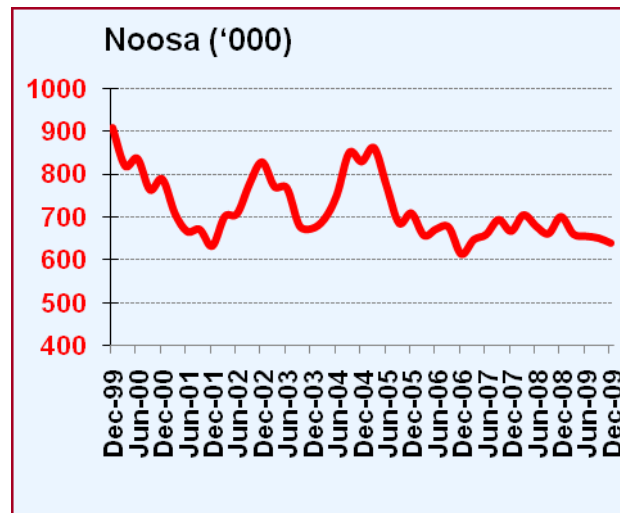
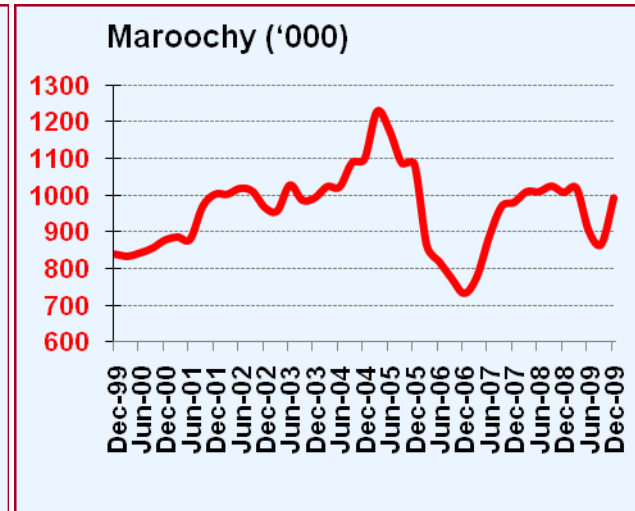
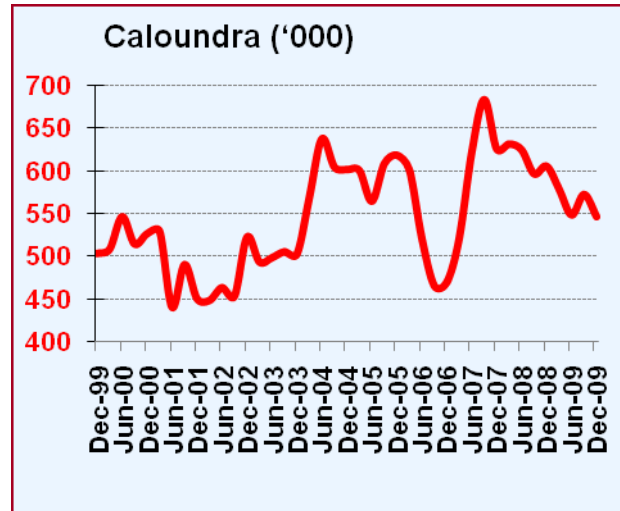


Source : NVS

Note : Share of Qld overnight domestic trips

Destination Areas - Domestic Overnight Visitors

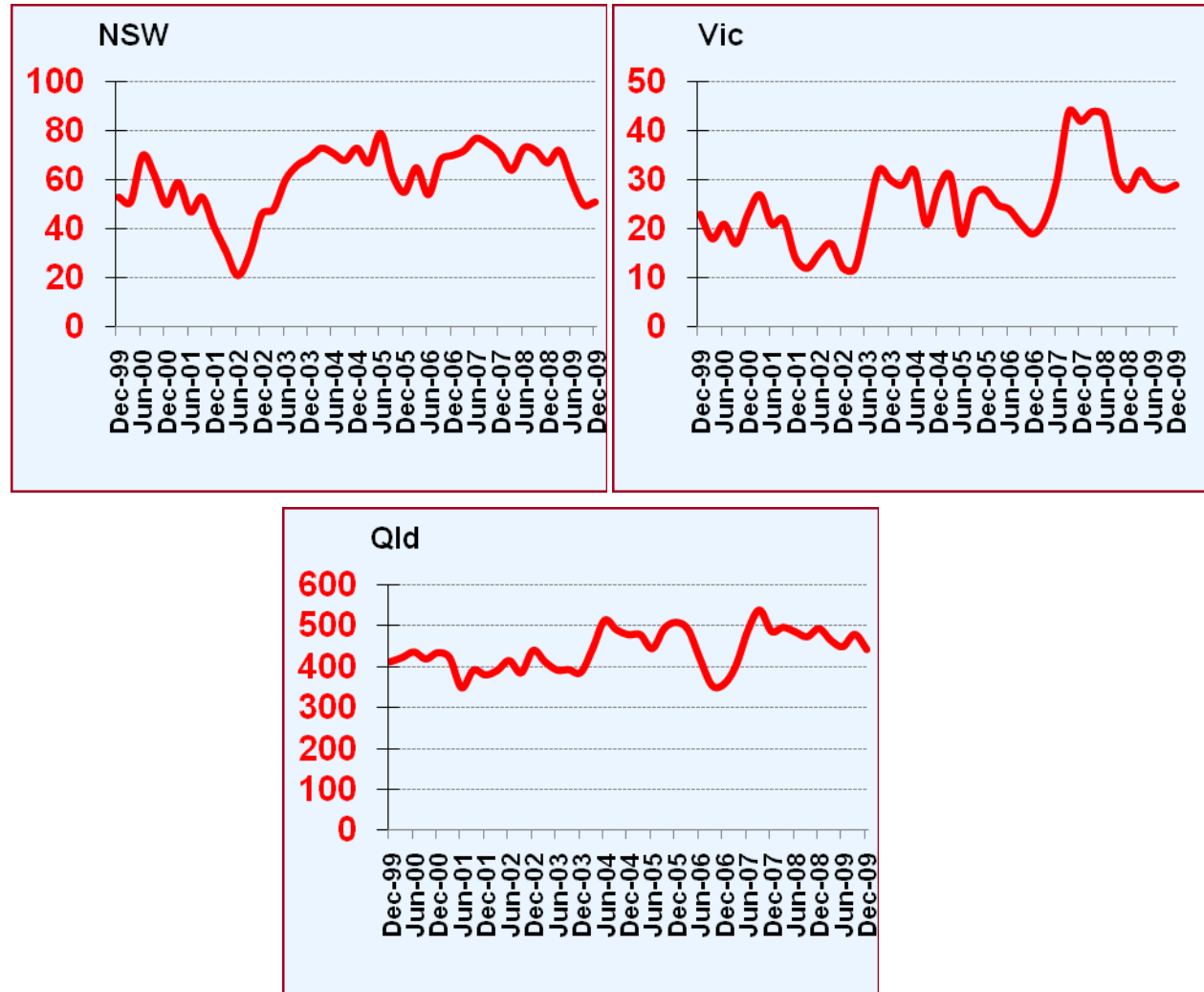
- **Caloundra – slightly weaker in Dec. 09.**
- **Maroochy is improving.**
- **Noosa slightly softer.**
- **Cooloola has lifted a little.**



Source : NVS

Caloundra - Domestic Overnight Visitors ('000)

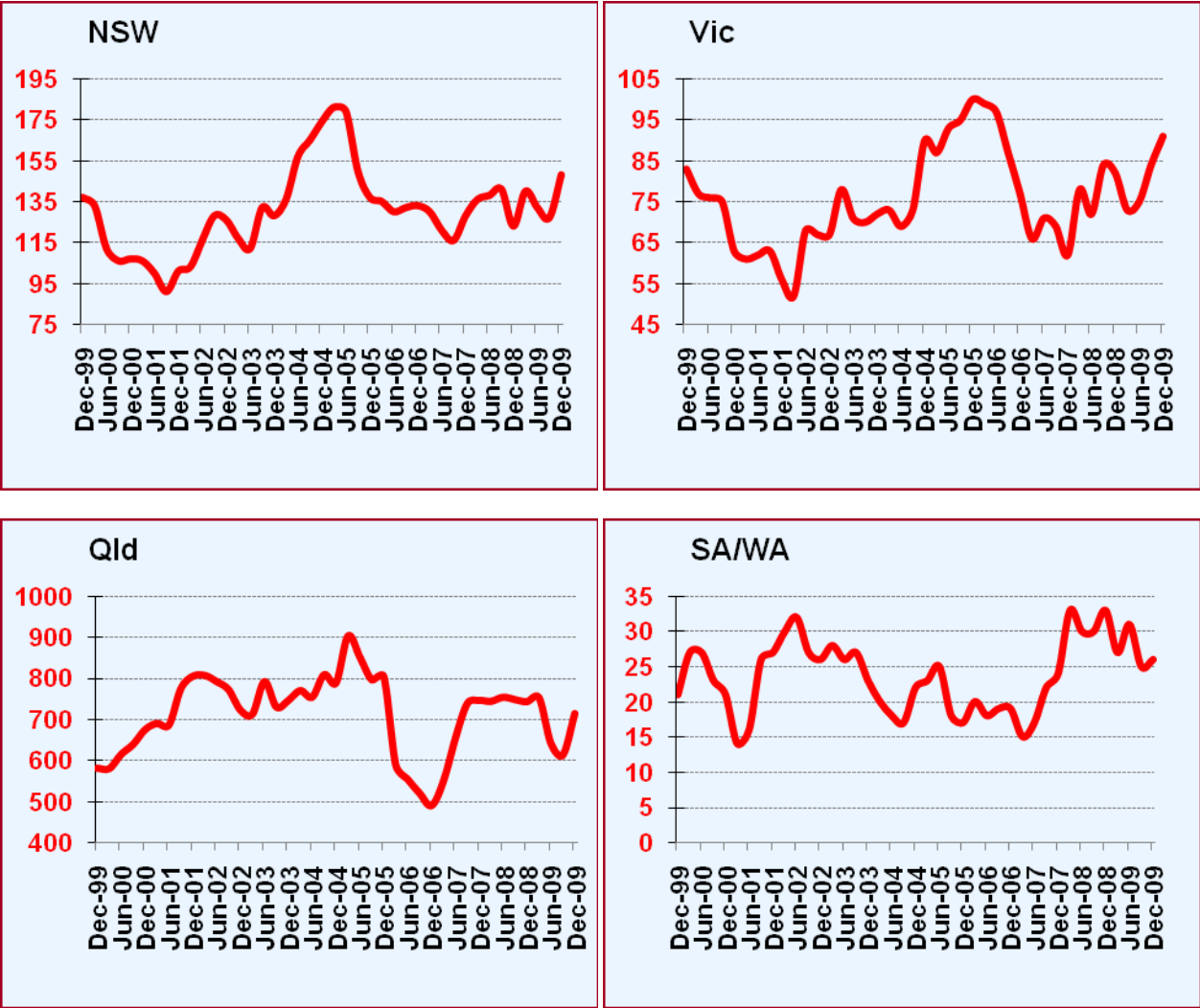
- **Caloundra numbers are holding quite well, although a softening from NSW and Vic markets.**
- **Qld. market has softened as well since the GFC started but the longer trend is better.**



Source : NVS

Maroochydore - Domestic Overnight Visitors ('000)

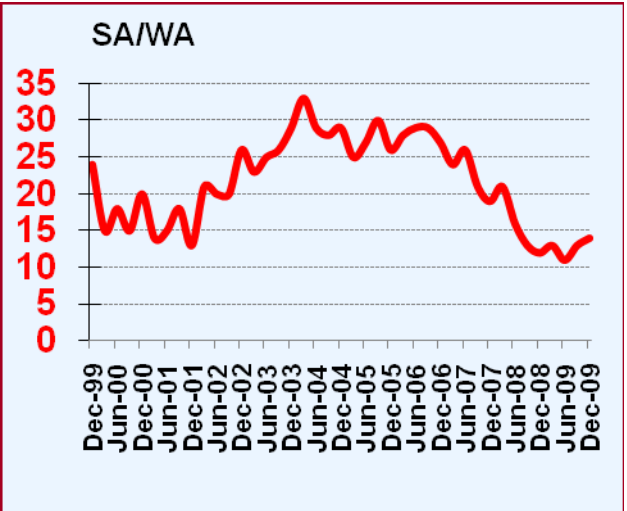
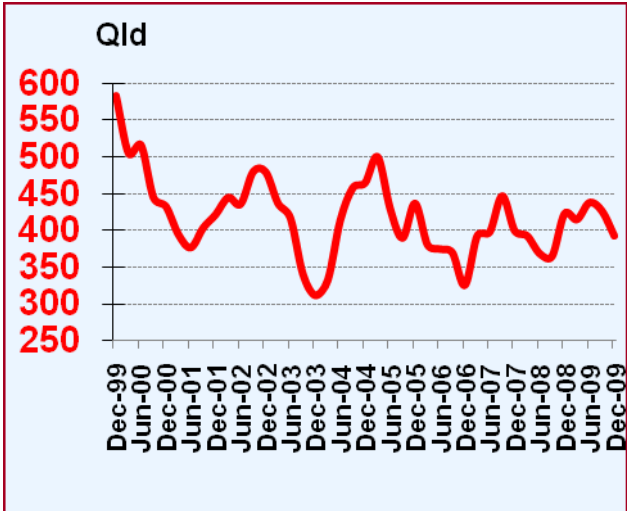
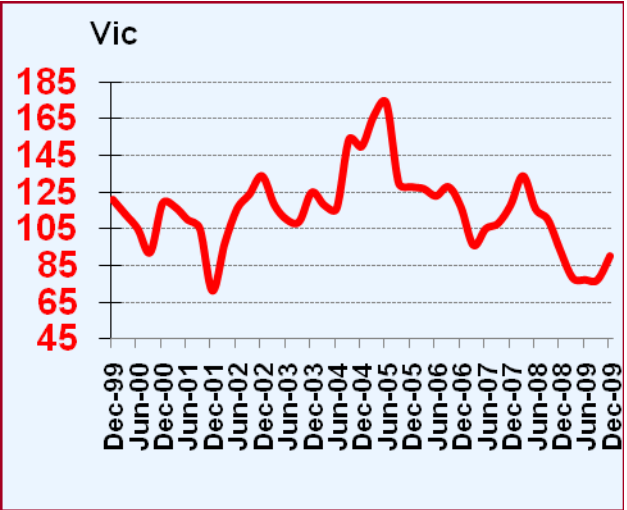
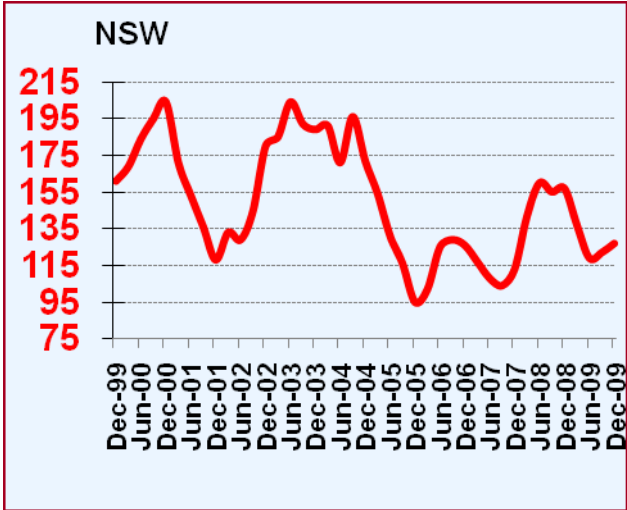
- NSW and Vic. numbers are improving.
- Queenslanders had been softer, but now improving.
- SA/WA also softening.



Source : NVS

Noosa - Domestic Overnight Visitors ('000)

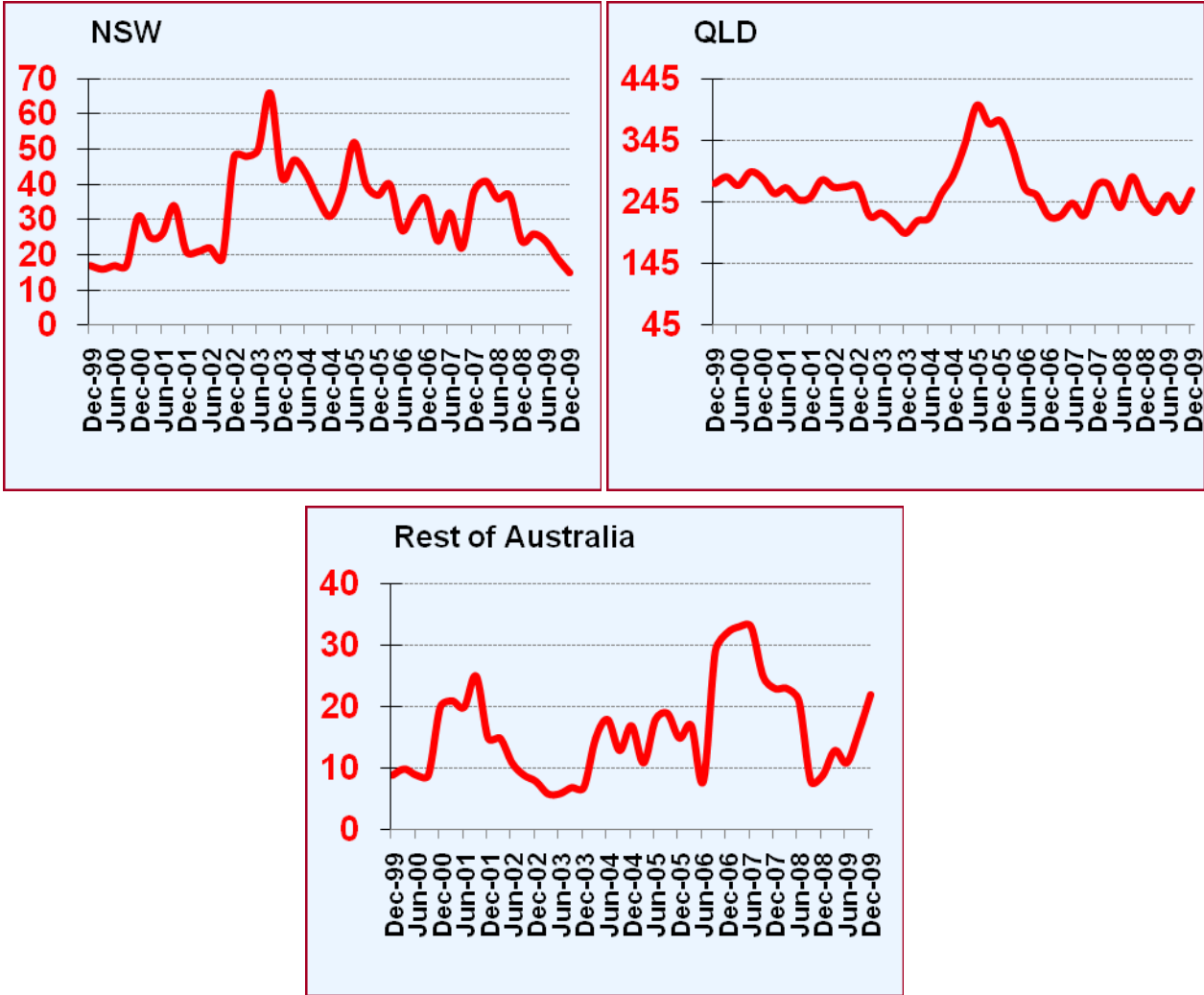
- There are signs that the interstate Noosa visitor numbers are improving after softening.
- Queensland holding up well – although a little softer in the last quarter.



Source : NVS

Cooloola - Domestic Overnight Visitors ('000)

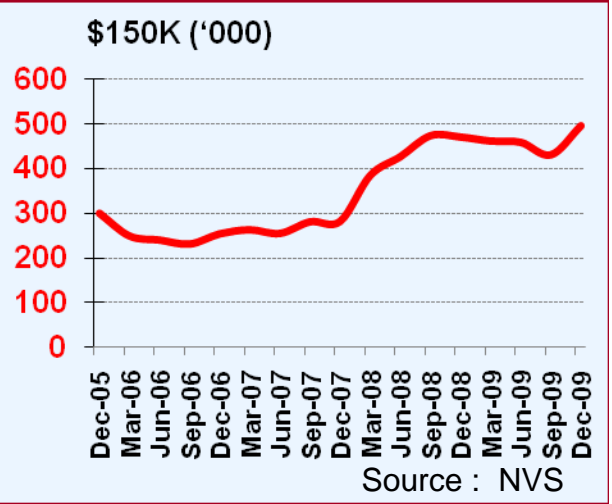
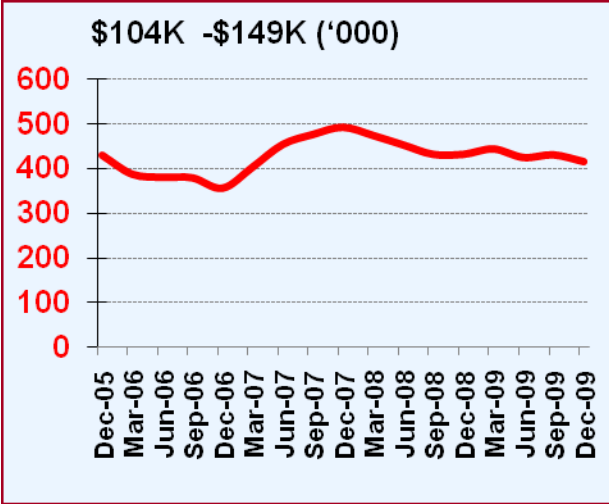
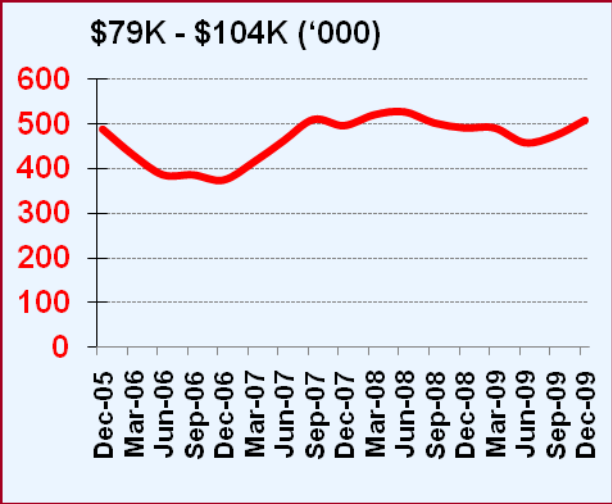
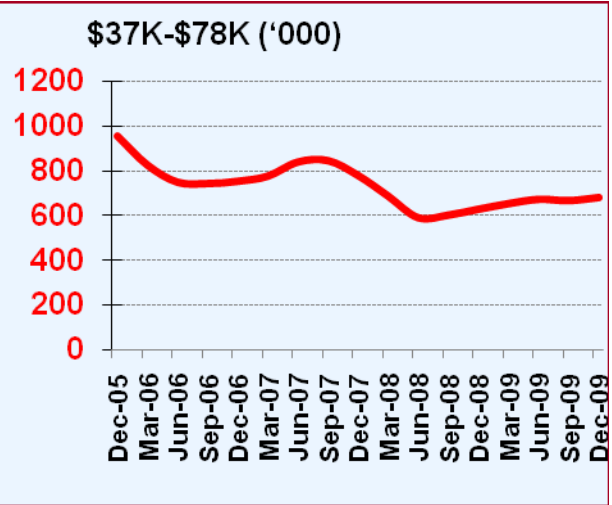
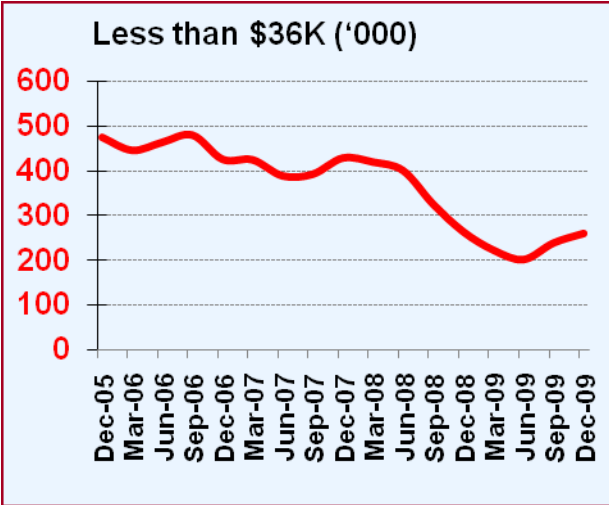
- Cooloola visitor numbers are weaker from NSW, but better in Qld.
- Rest of Australia also picking up.



Source : NVS

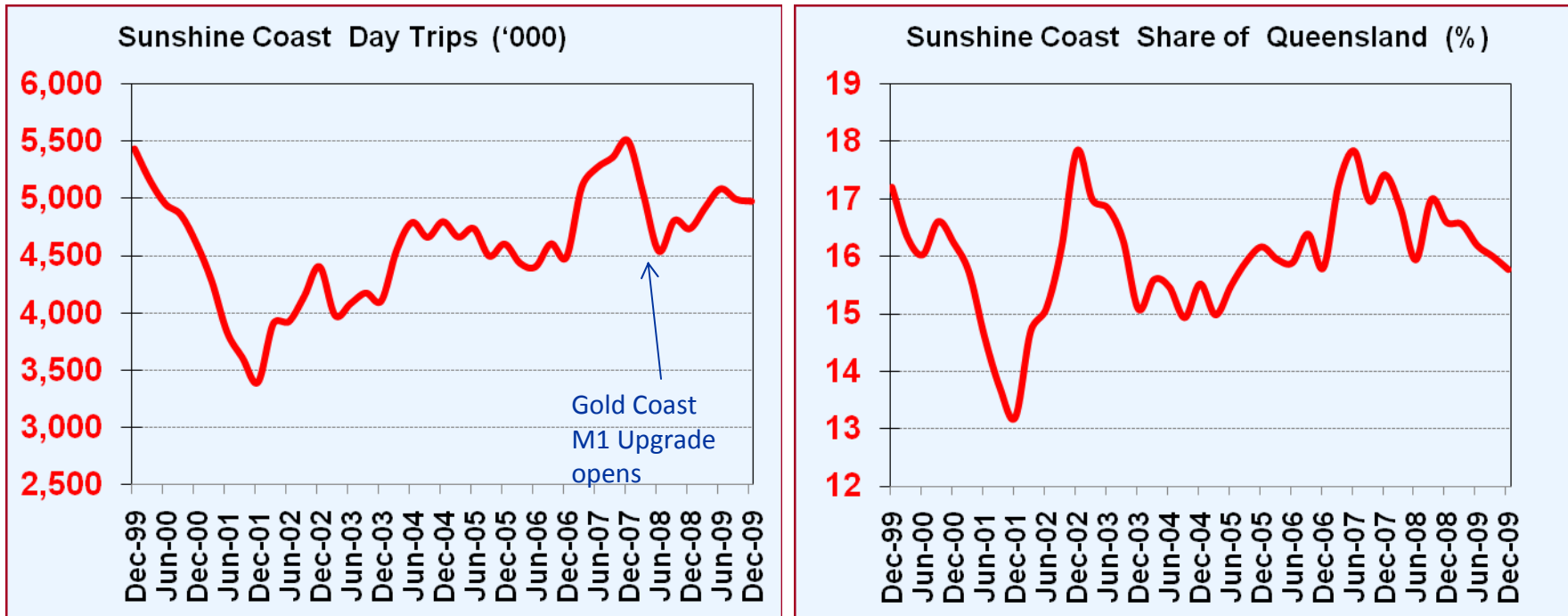
Sunshine Coast Visitors ('000) by Household Income

- All income groups either steady or improving.
- High Income groups improving the most and as the biggest spenders have contributed to spending share growth.



Source : NVS

Sunshine Coast Day Trips (Year Ended December 2009)

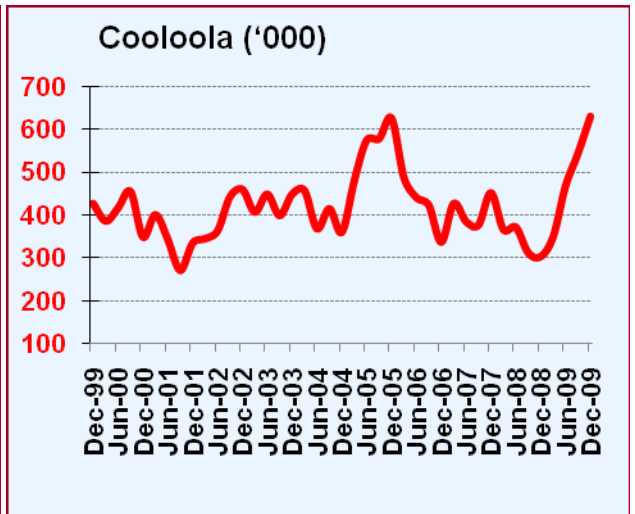
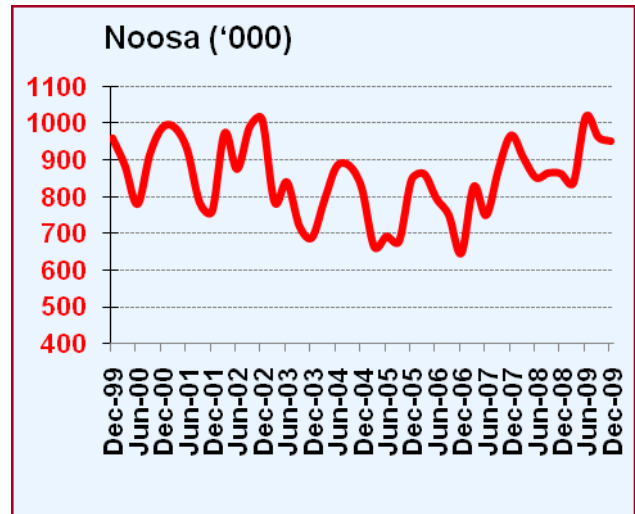
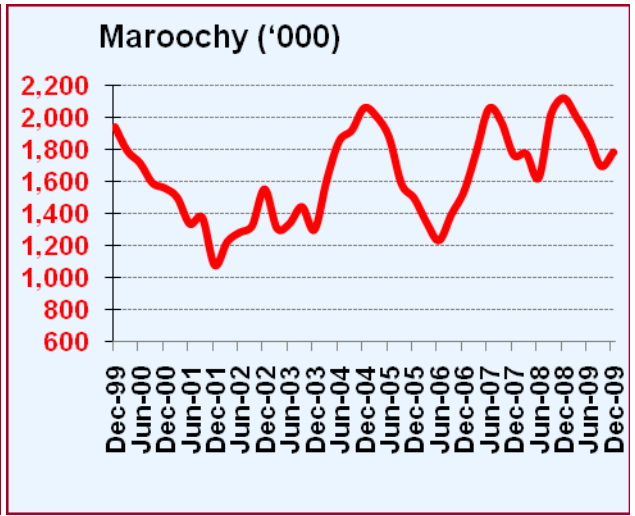
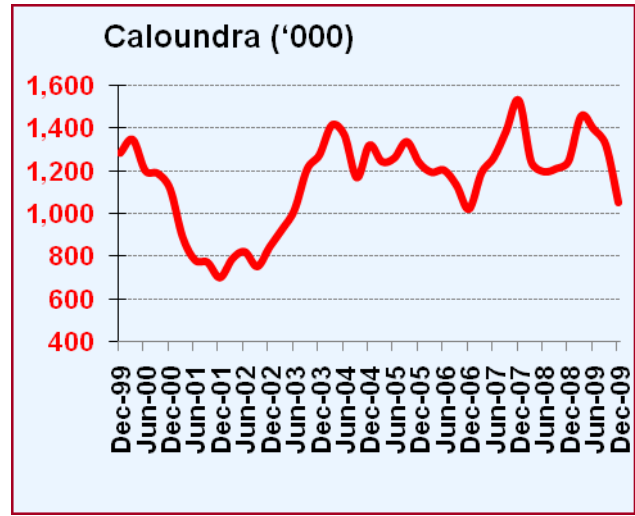


Source : NVS

- Slightly fewer day trippers are coming to the Sunshine Coast and market share is trending down.
- The Sunshine Coast is losing share of Queensland day trippers. Better access to the Gold Coast (since mid 2008) has contributed.

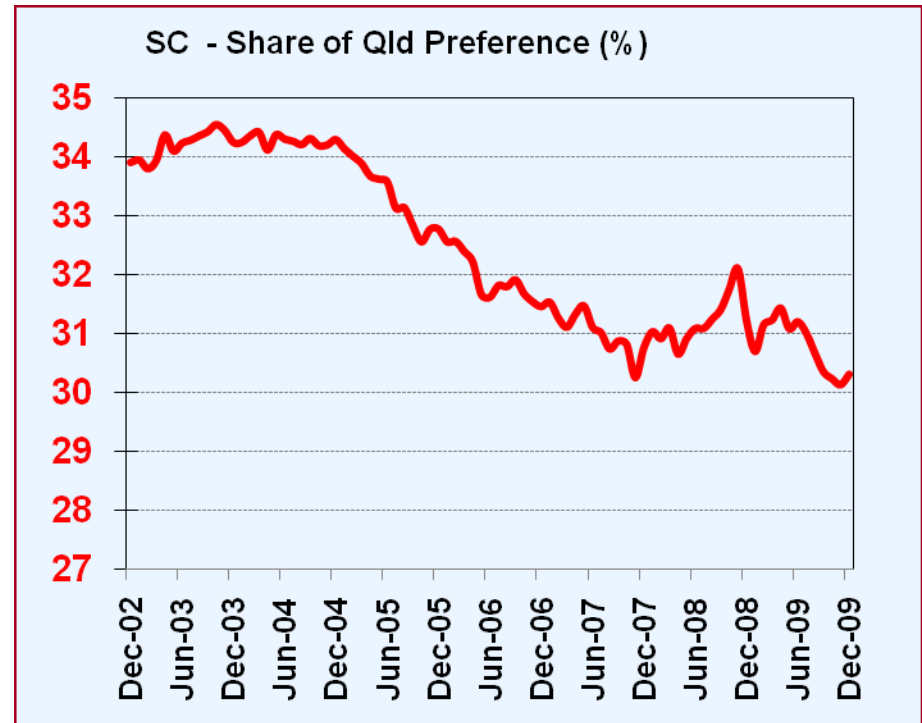
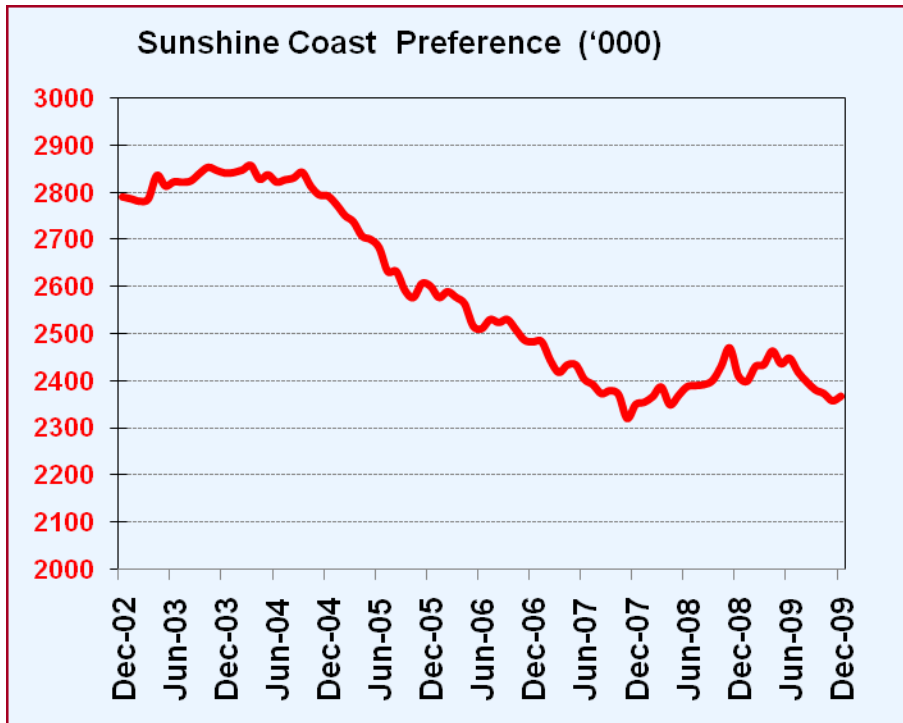
Destination Areas - Day Trip Visitors

- All four Destinations have a large number of day trippers – but their average spend is low.
- Maroochy has nearly 1.8 Million day trippers.
- Day trippers growing to Cooloola.



Source : NVS

Sunshine Coast Preference (YE Dec 09)

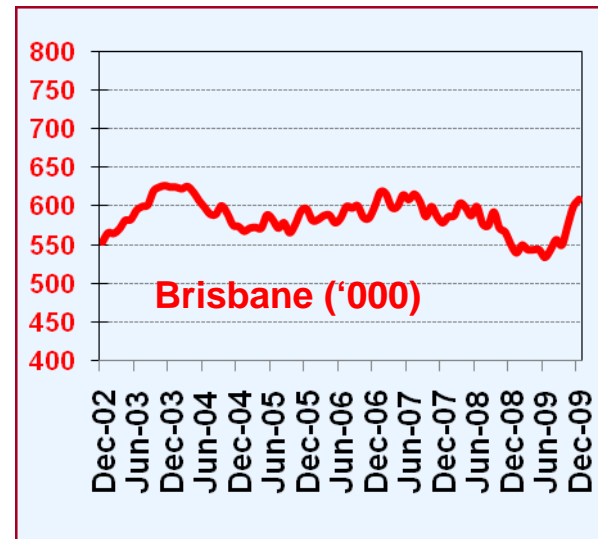
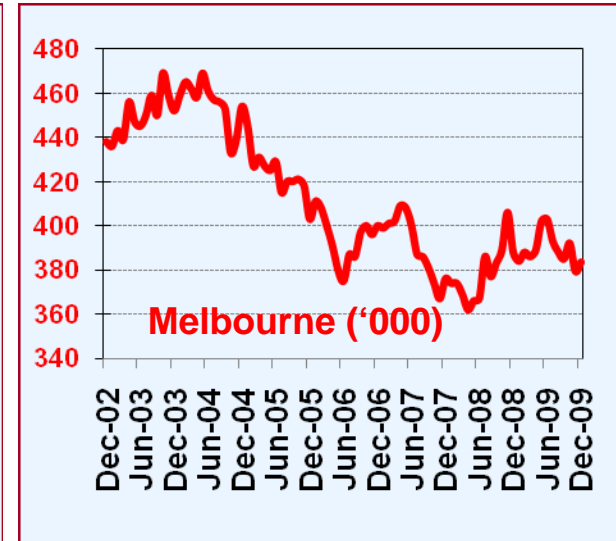
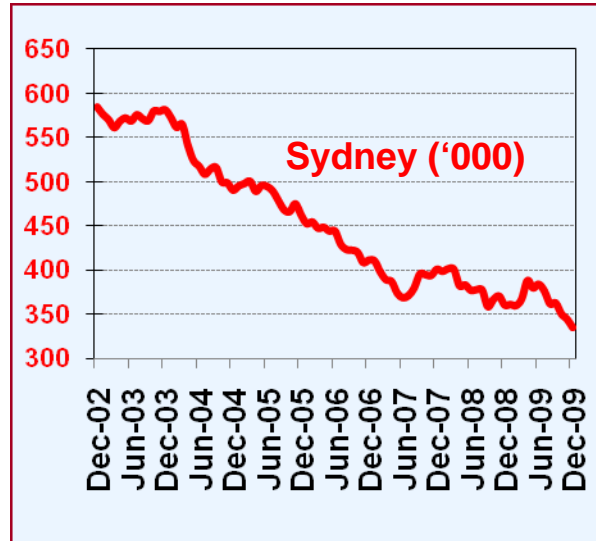


- The Sunshine Coast Preference has declined again and share of Queensland Preference is at its equal lowest point – but at least the Preference level is holding the 2007 levels.**

Source : Roy Morgan Holiday Tracking Study

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

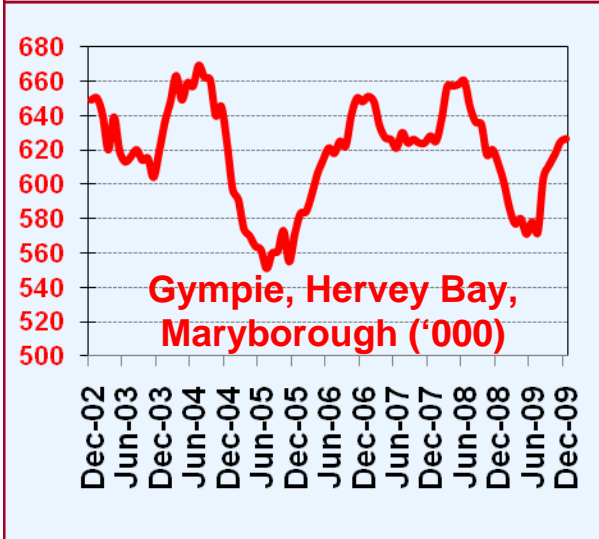
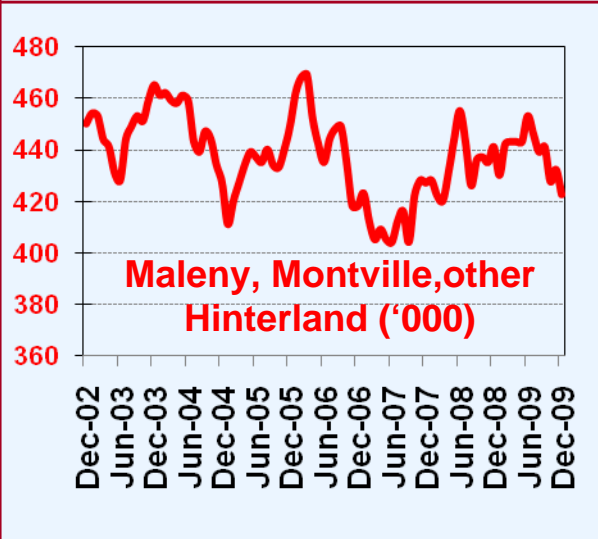
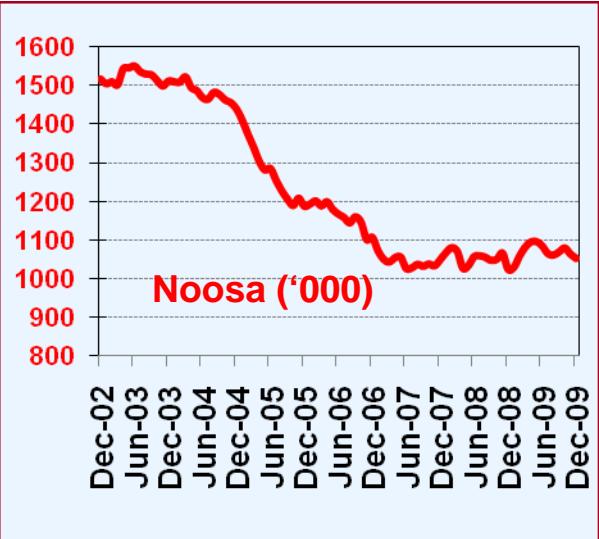
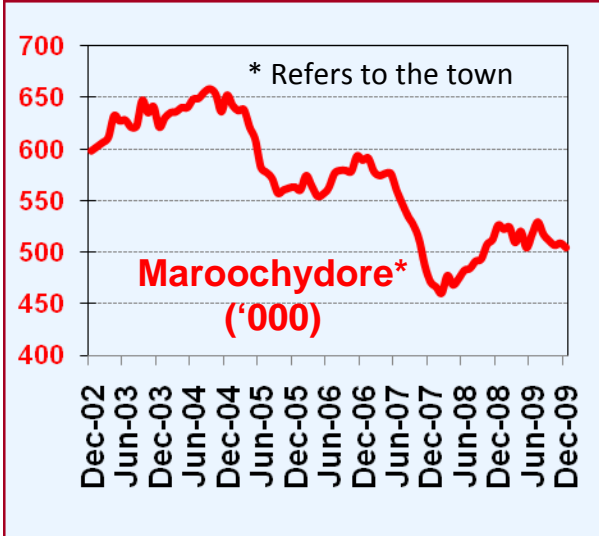
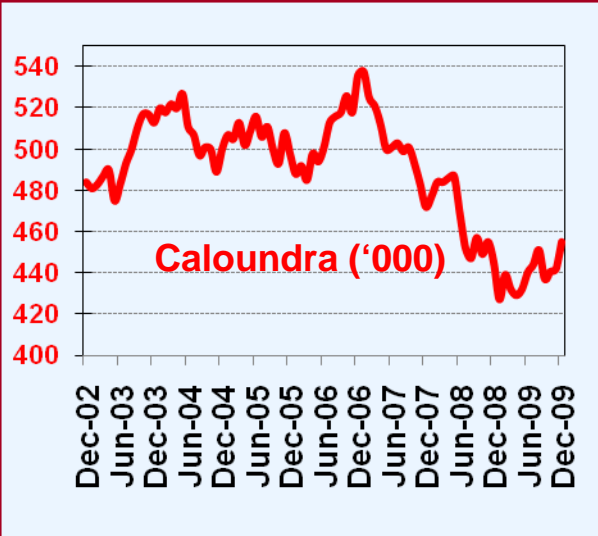
- In terms of key markets, Preference is well down in Sydney from the 2003 peak.
- Brisbane Preference is now growing again.
- Preference from Melbourne is softening again and is still well down from the December 2003 peak.



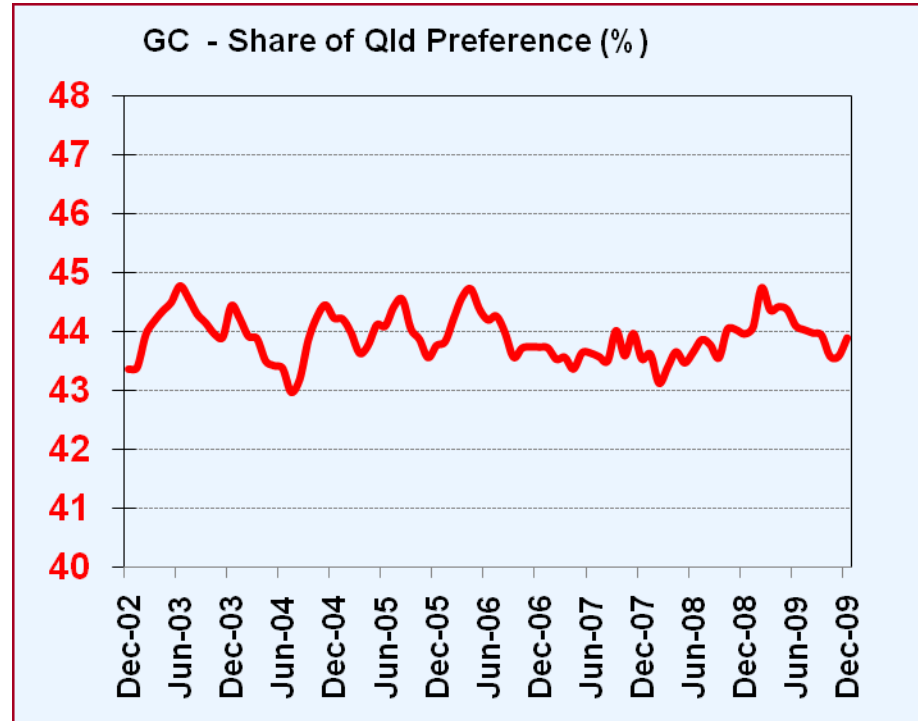
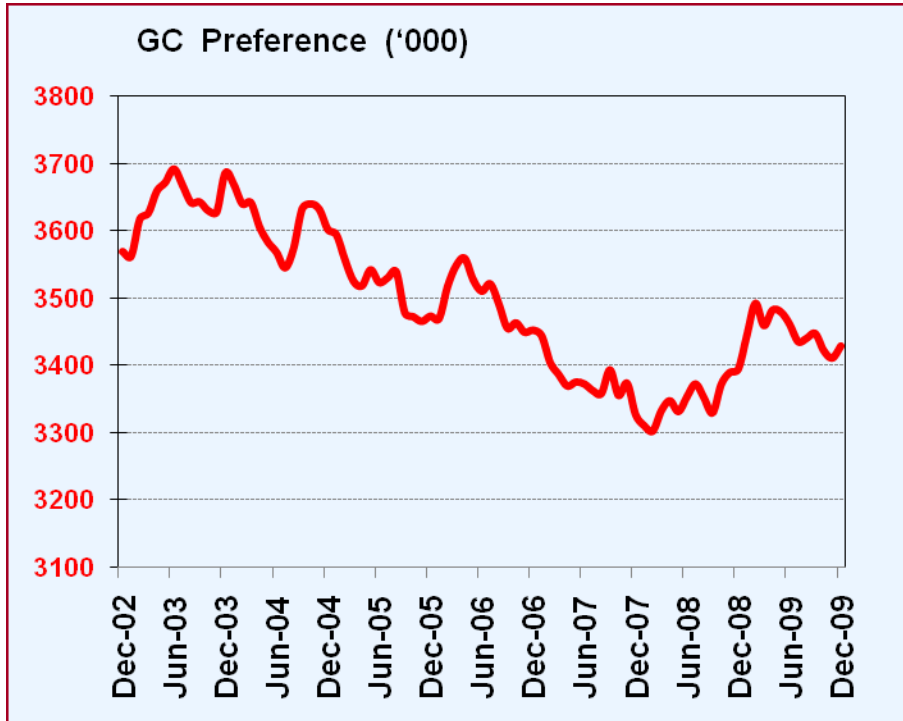
Source : Roy Morgan Holiday Tracking Study

Sunshine Coast Preference (YE December 2009)

- Preference for Noosa is stabilising, Caloundra showing signs of recovery.
- The Hinterland Preference is softening while Preference for Maroochydore is steady.



Gold Coast Preference

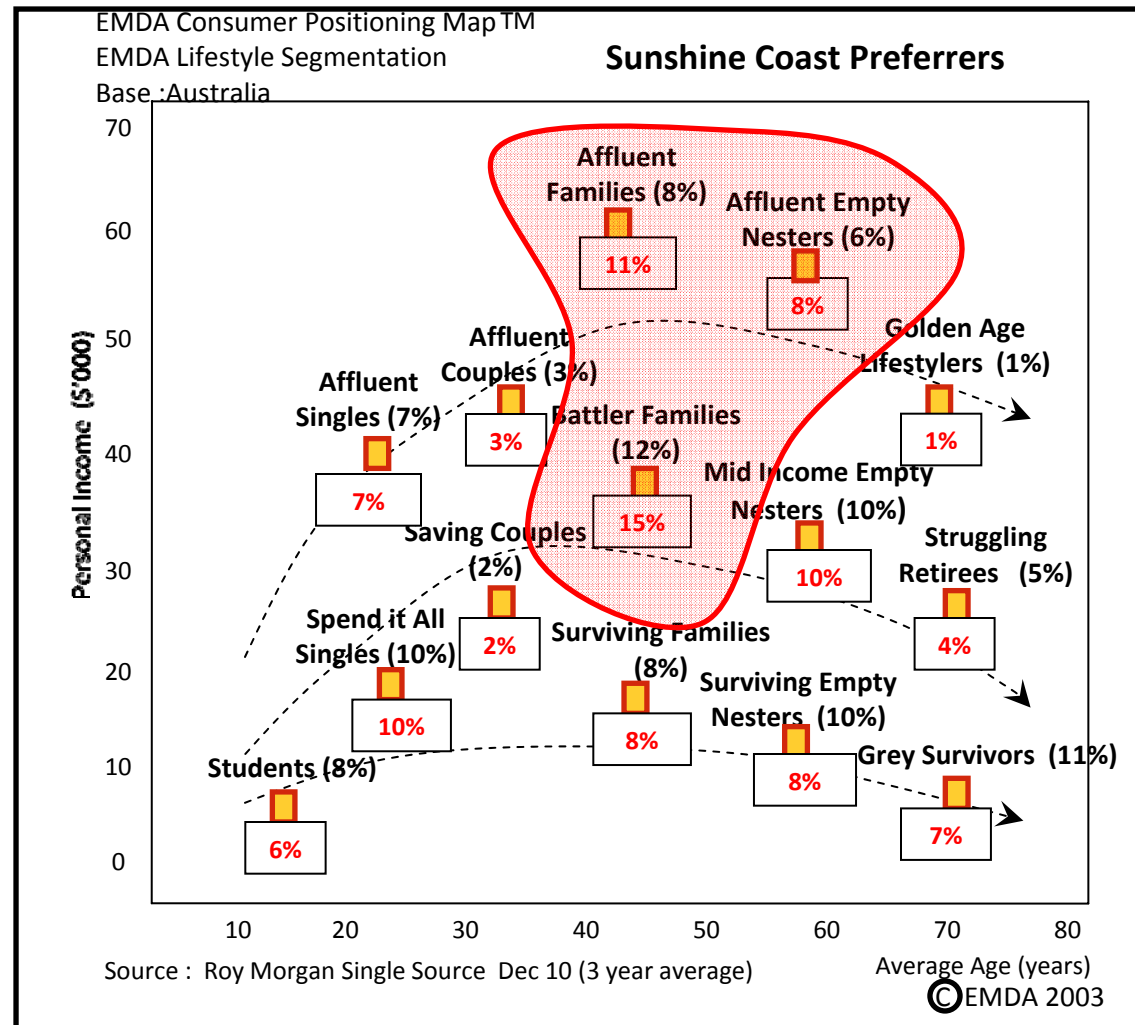


- **The Gold Coast 's Preference has steadied and is well up from the Dec. 07 trough– share is slightly better in the Dec.09 quarter.**

Source : Roy Morgan Holiday Tracking Study

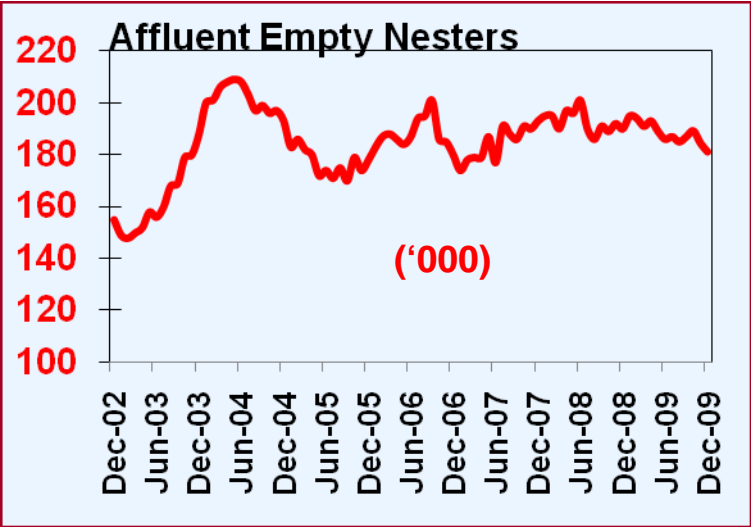
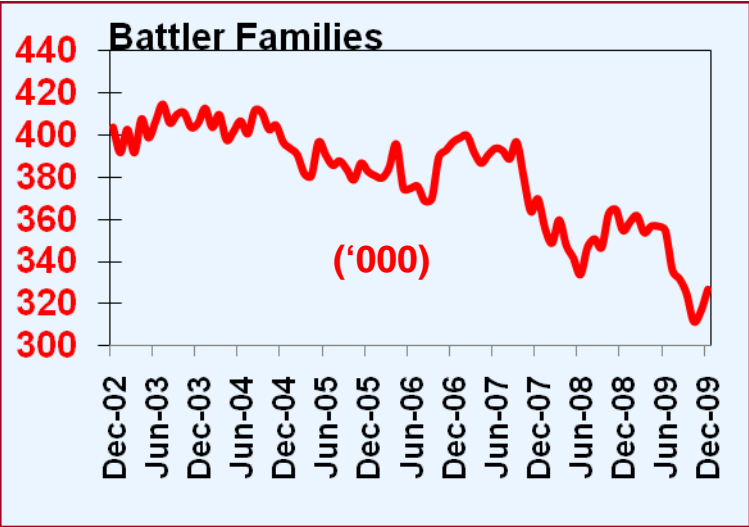
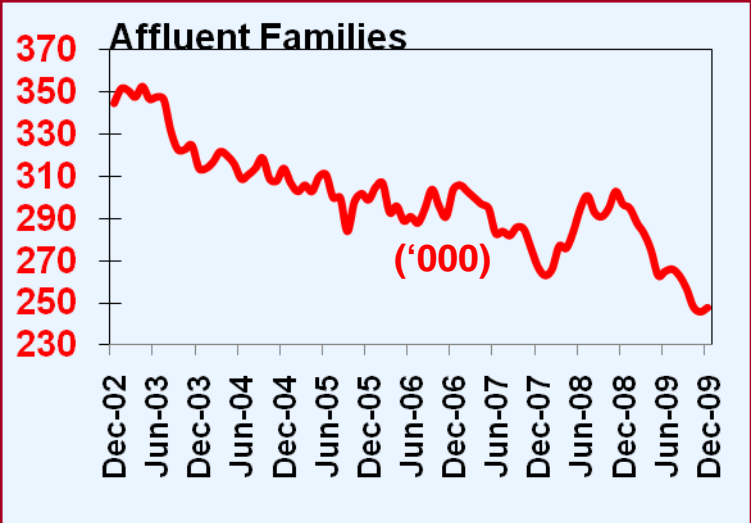
Sunshine Coast – Positioning Profile

- 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.

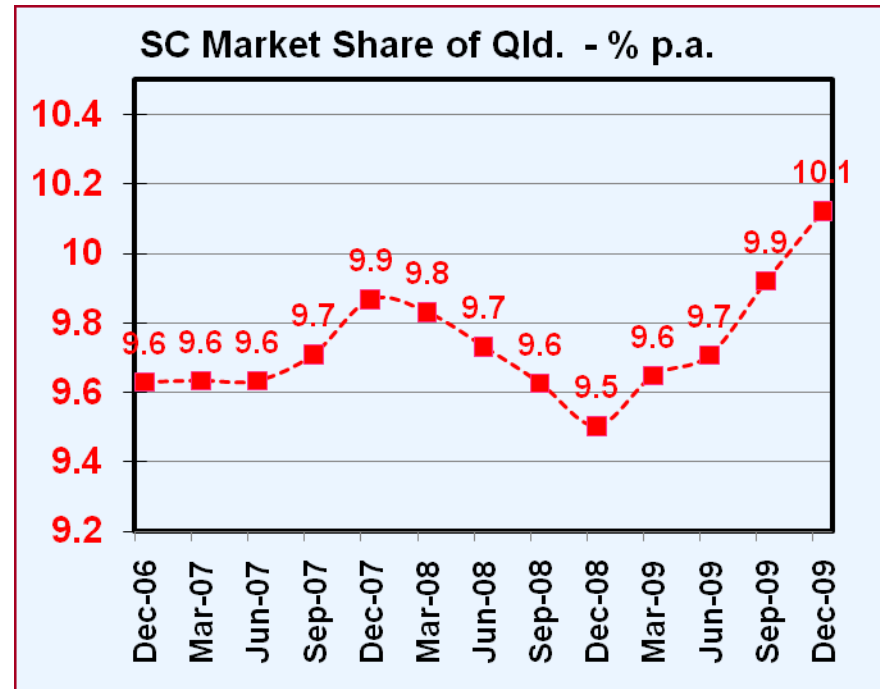
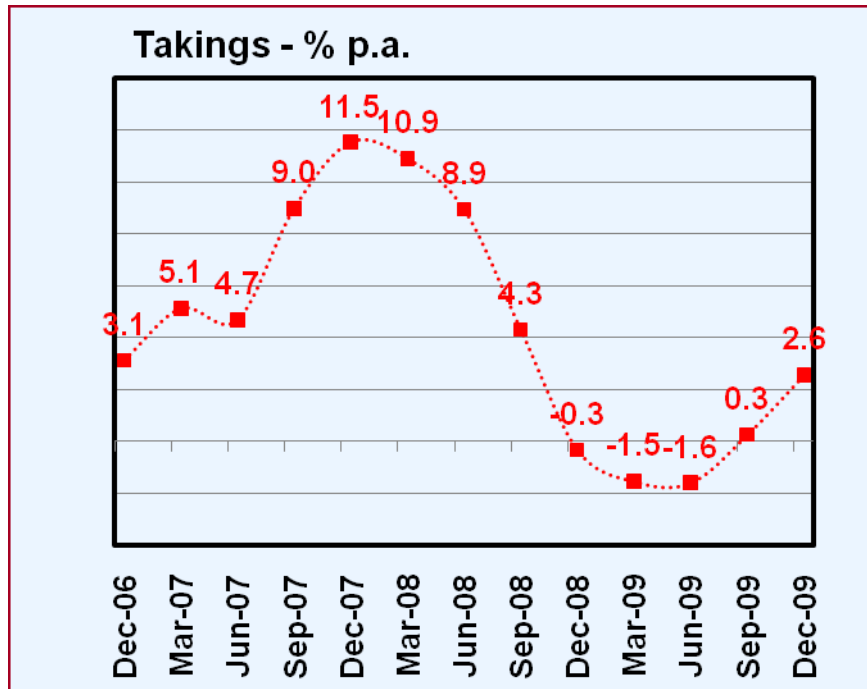


Australia – Sunshine Coast Preference / Core Segments

- Preference is falling amongst the core family segment – *Affluent Families* but amongst the *Battler Families* there are signs of a turnaround.
- Amongst the *Affluent Empty Nesters*, Preference is holding up - although softening slightly as OS destinations become more attractive.



Sunshine Coast Accommodation



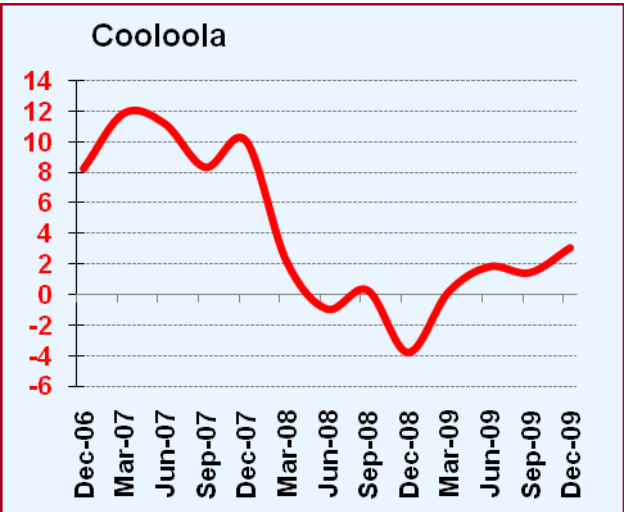
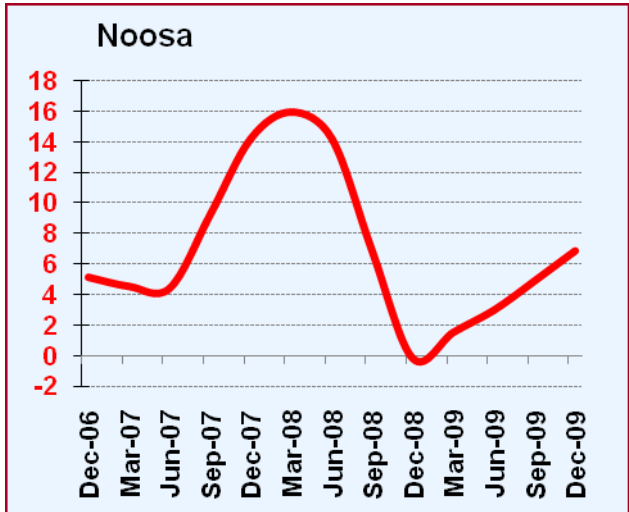
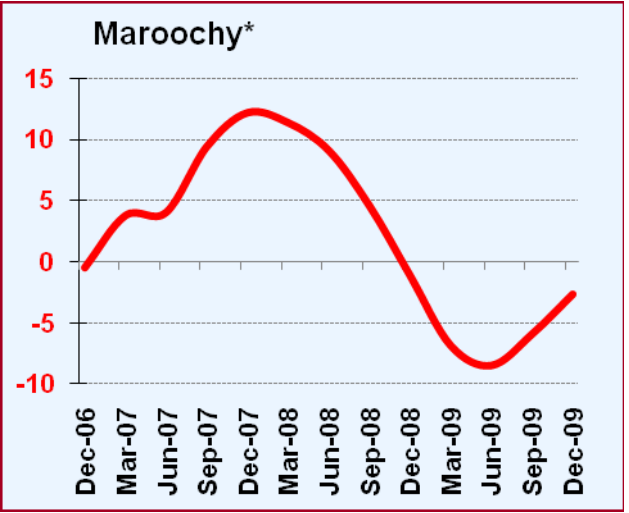
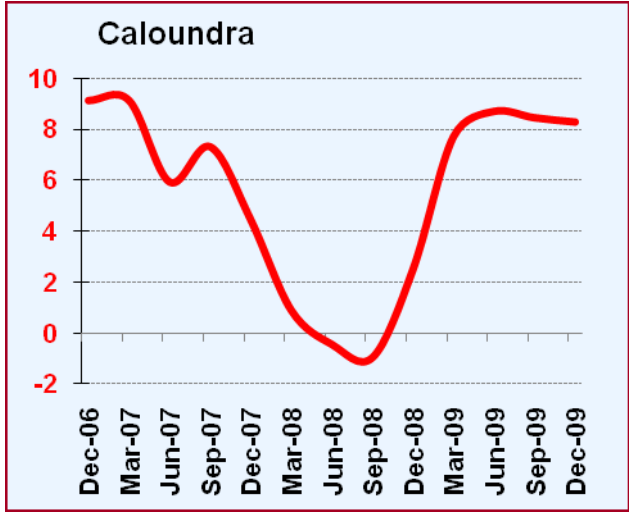
Source : ABS

- **The Sunshine Coast accommodation sector has rebounded in growth.**
- **Market share is now at record levels (+10.1%).**

Includes establishments with 5 or more rooms.

Destination Areas - Takings (% p.a)

- **Caloundra is growing strongly (+8.3%).**
- **Noosa and Cooloola now growing again as well.**
- **In Maroochy, although takings are falling - 2.7%. The decline has slowed from June 09 when revenue fell - 8.5%.**



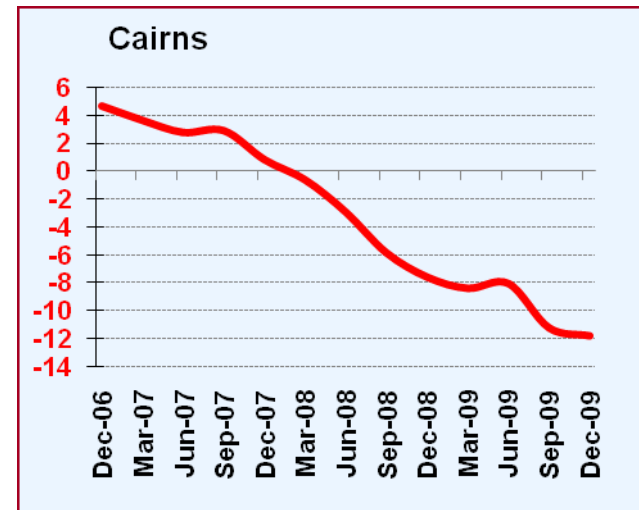
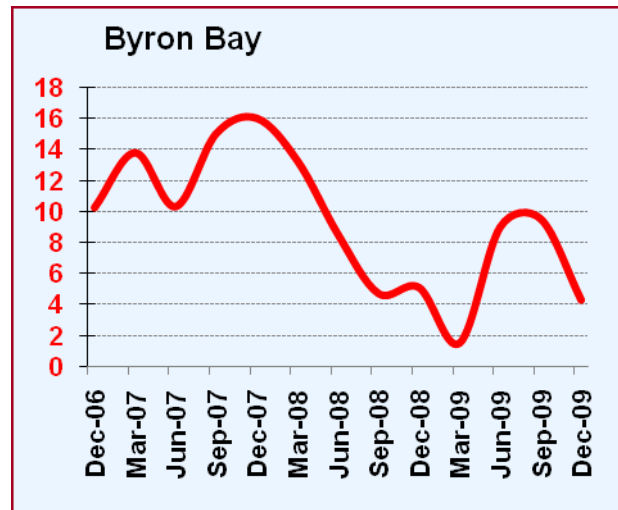
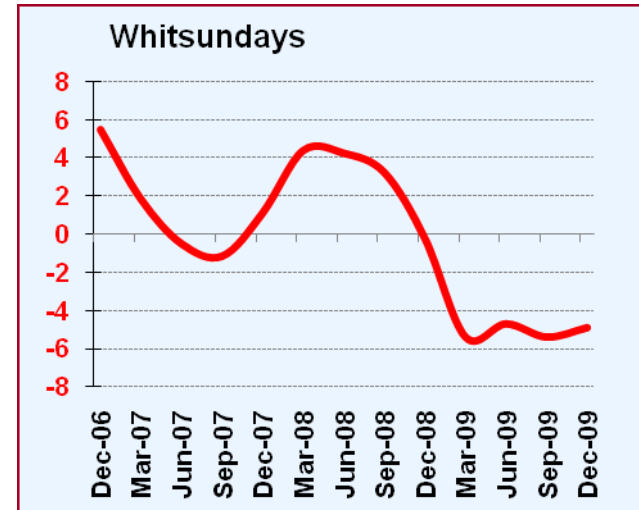
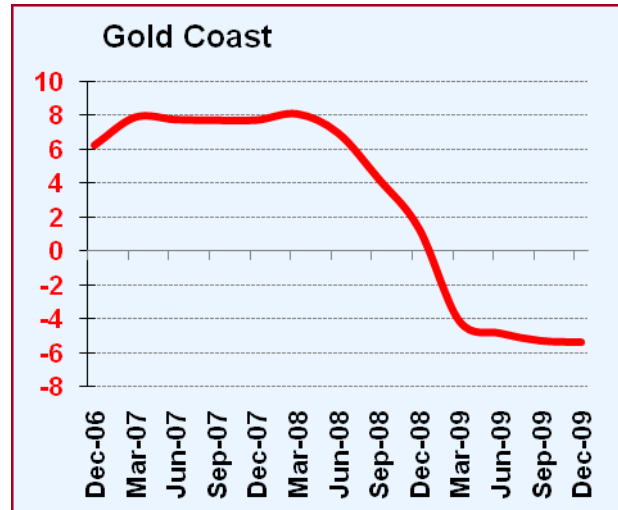
Note : March 09/June 09 Sep/09 data modelled from ABS destination area data. The modelling component represents 5% of the total recorded turnover.

* Refers to the former shire area.

Source : ABS

Destination Areas - Takings (% p.a)

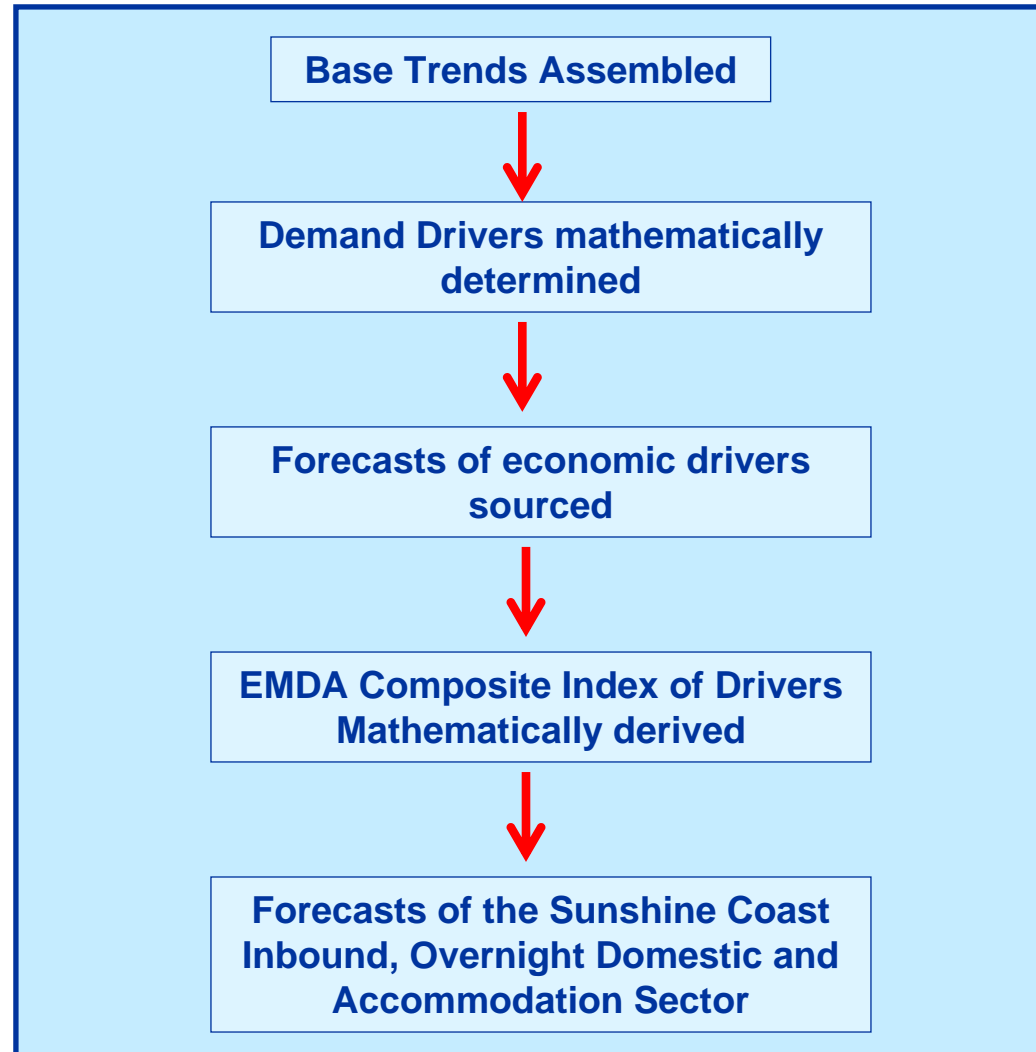
- **Gold Coast is also slowing still.**
- **Byron Bay is still growing but the pace has slowed.**
- **The accommodation sector in Cairns is really suffering – with takings down nearly 12%.**
- **Whitsundays suffering as well – takings are still falling.**



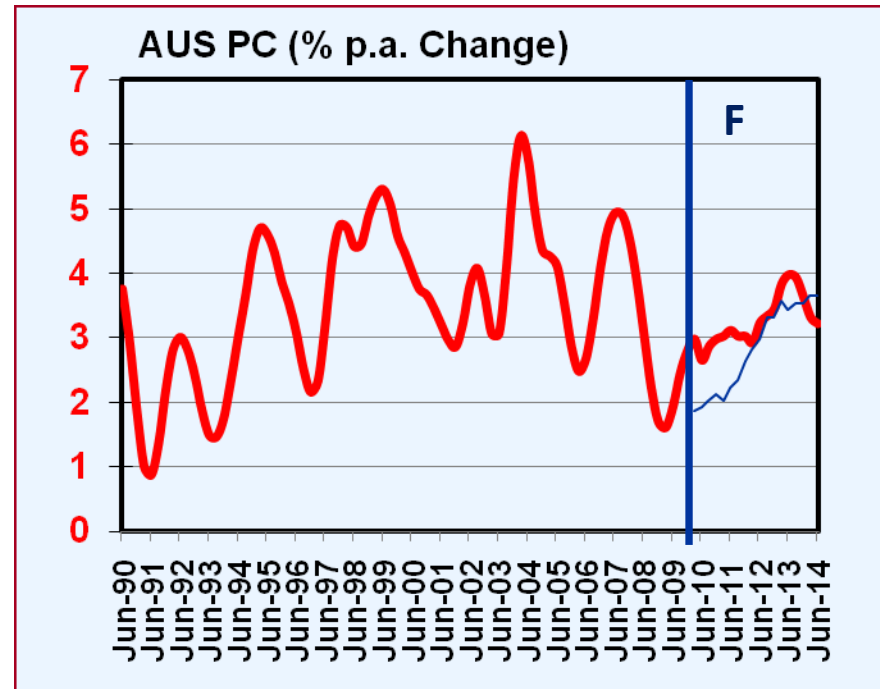
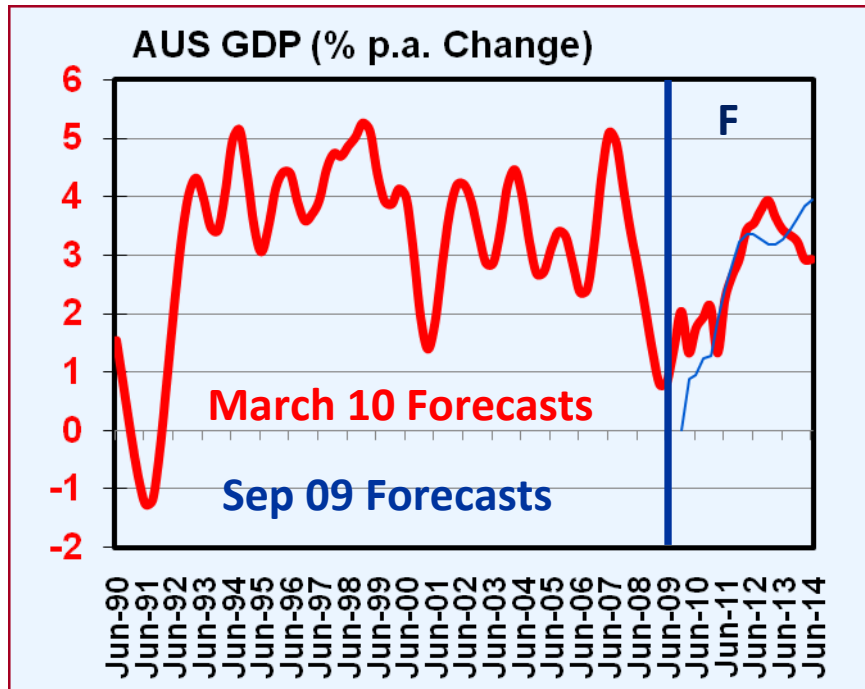
Source : ABS

Model Update Process - *SunMo*

- The diagram right outlines the model development process.
- Government Stimulus Programs are also included in the underlying economic forecasts.
- Excludes the impact of major new changes to the product.



Economic Outlook

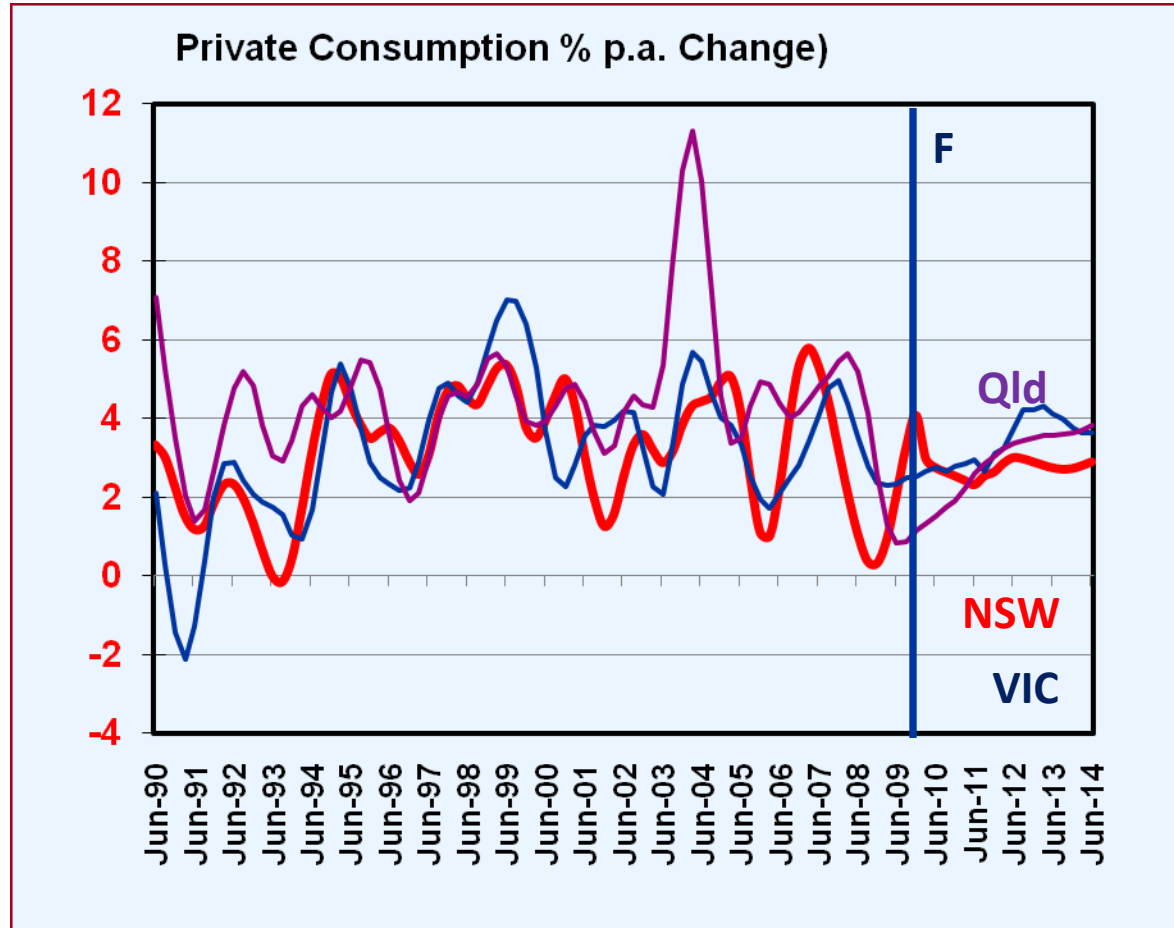


Source : ABS / EMDA

- **The Global Financial Crisis did impact on the Australian economy, but the worst is behind us and GDP and Private Consumption are growing again.**
- **Both Australian GDP and Private Consumption are expected to continue to recover.**

Economic Outlook – Key Source States

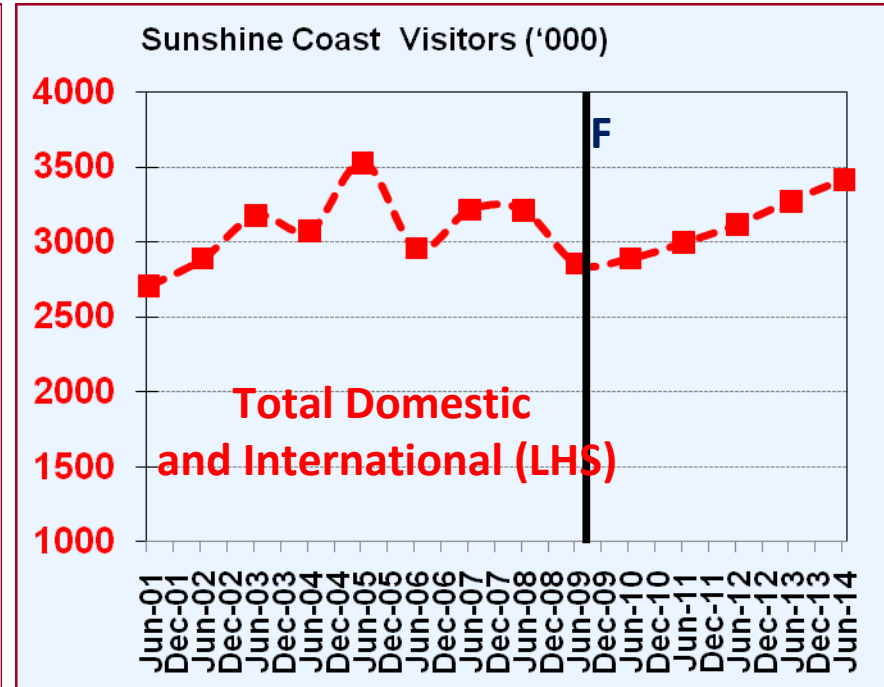
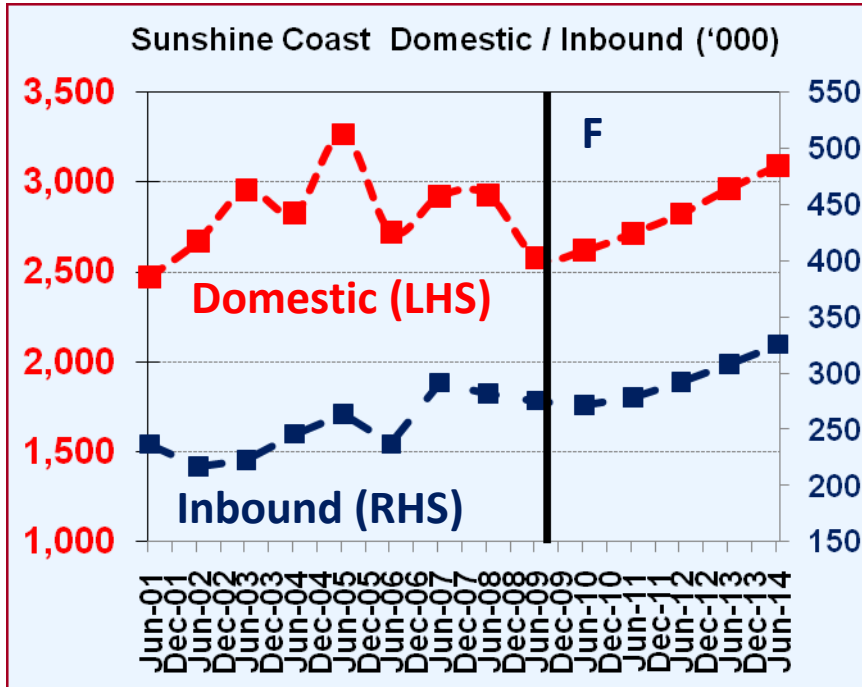
- For the core source States, the outlook is much better.
- All are expected to recover, although NSW is forecast to lag behind a little as it has since 2000.
- Queensland has been a surprise with the economy weaker than expected.



Source : ABS/ EMDA

Sunshine Coast Visitor Forecasts

Source : EMDA



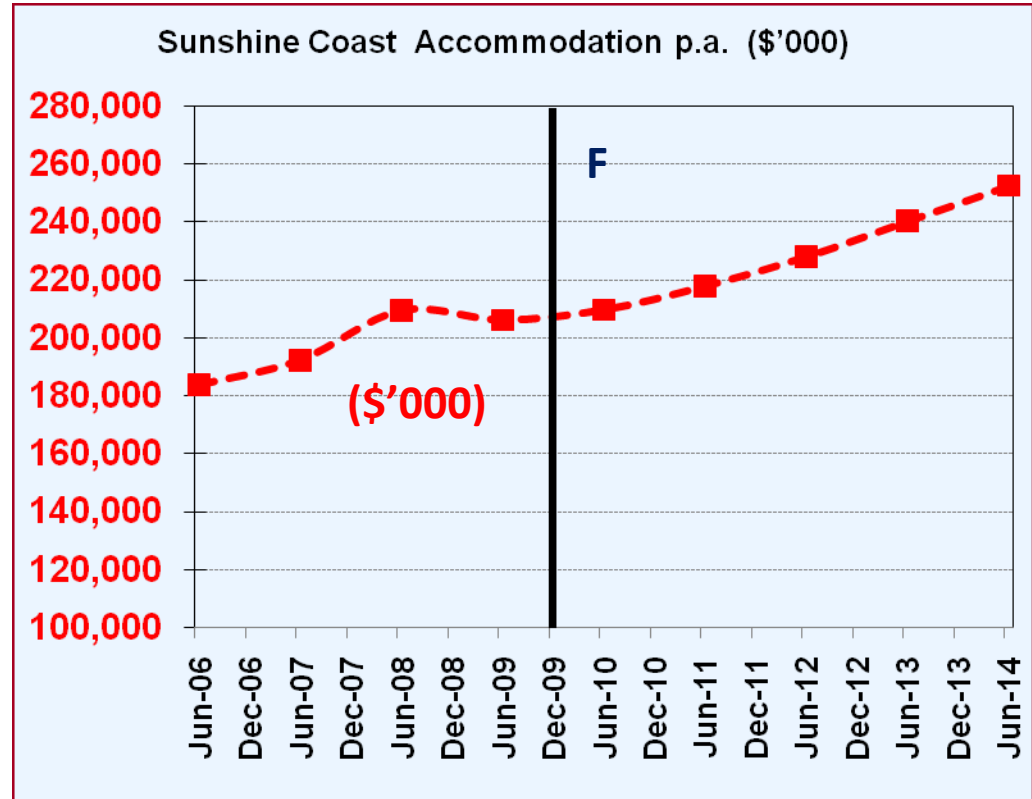
- With growth gathering pace over 2011, the outlook is better in terms of visitor numbers.
- Inbound is still forecast to be more impacted than Domestic overnight.

Inbound Drivers (R2 = 0.86)
 NZ GDP, UK GDP, TFC Outlook, \$A exchange Rate

Domestic Drivers (R2 = 0.88)
 QLD, NSW, Vic Private Consumption., RMR Preference

Sunshine Coast Accommodation Sector Forecasts

- **With better visitor number forecast, the accommodation sector is forecast to grow +3.9% by June 2011.**



Source : EMDA

Inbound Drivers (R2 = 0.86)

NZ GDP, UK GDP, TFC Outlook, \$A exchange Rate

Domestic Drivers (R2 = 0.88)

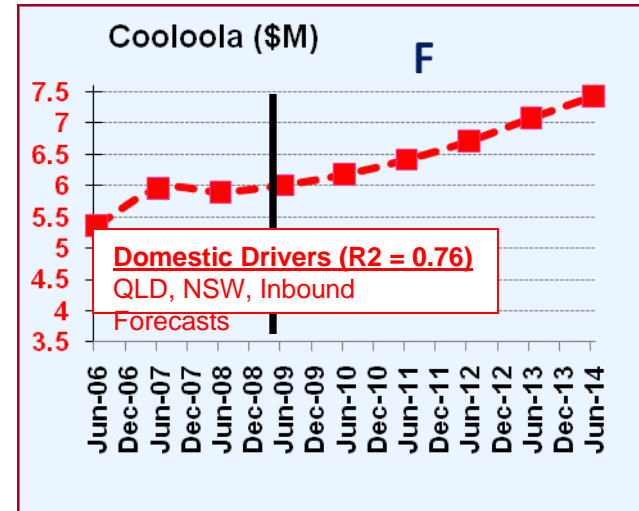
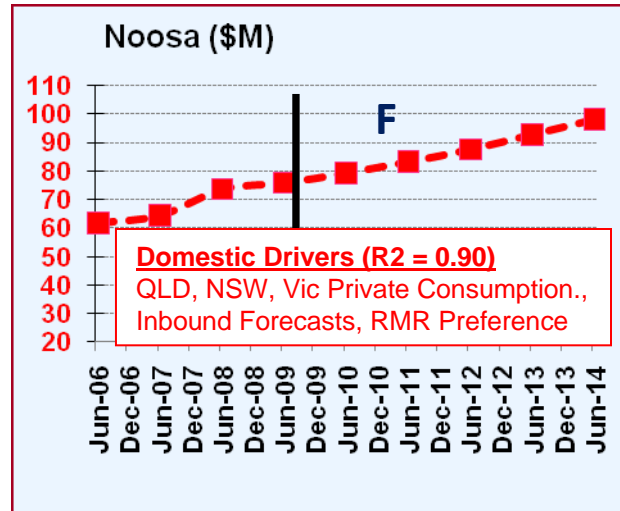
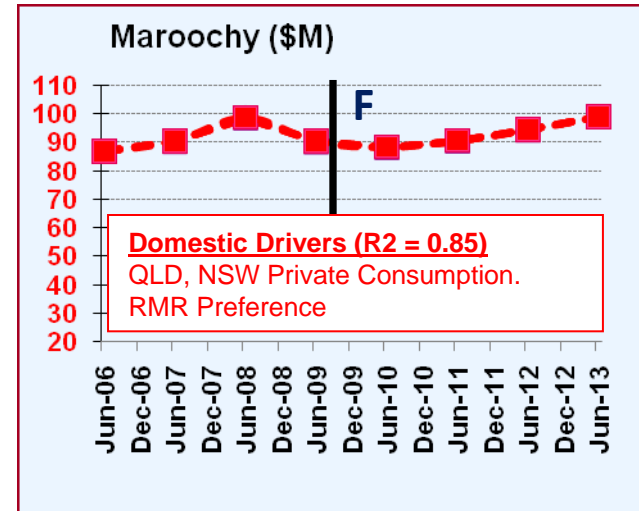
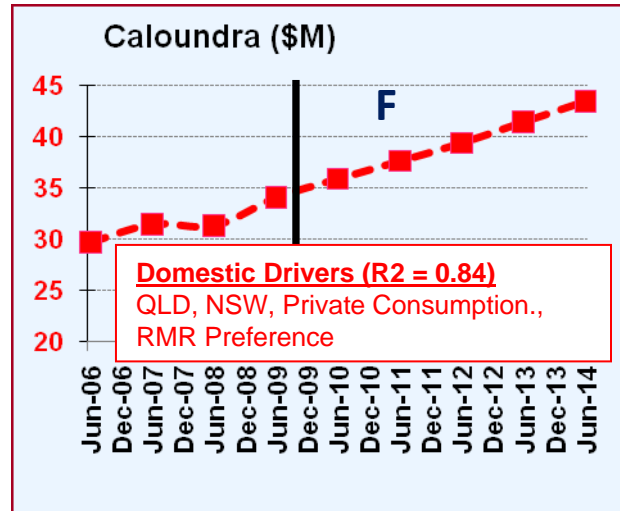
QLD, NSW, Vic Private Consumption., RMR

Preference

Note : ABS Base Establishments with 5 or more rooms

Accommodation Forecasts (SC and Destination Area)

- Now, only Maroochy is expected to be soft in the year to June 2010.
- Outlook for all destinations is better in 2011.
- Caloundra (+4.8%).
- Maroochy (+2.5%).
- Noosa (+5.0%).
- Cooloola (+3.9%)



Source : EMDA

Summary - Overall

- **Consumer confidence is now fully restored to pre GFC levels, with the economy expanding and unemployment falling. However, domestic tourism overall remains weak, although Queensland's share has remained reasonably steady. The NSW domestic market remains particularly weak, while the Qld. domestic market is quite good and this has been a beneficial trend to the Sunshine Coast.**
 - **With the economy and confidence growing, Australian outbound is growing again.**
 - **Inbound to Australia is showing signs of improvement, although the NZ market remains weak. Queensland is losing share of the inbound market (visitors) with weaker arrivals numbers.**
 - **The Sunshine Coast has been performing well on a number of metrics :-**
 - Tourism spending is up +8.3% from June 09 to just over \$2.4B, with domestic overnight spending rising +9.2% since June 09.
 - The Coast's share of spending is now at its highest level (12.9%) and share of domestic overnight spending is also at its highest level (15.5%).
 - International visitor numbers are close to their peak and market share is only slightly below the September 09 record level.
 - Share of domestic overnight visitors is also growing and is well up from the Dec. 06 trough.
 - Share of accommodation takings are also at record levels.
-

Summary - Overall

- **Domestically, the Sunshine Coast continues to grow visitor numbers in the highest income bracket, although visitors from all incomes are either rising or steady. The growth in high income groups has supported to growth in spending.**
- **The one area that is troubling is the fall in domestic preference for the Sunshine Coast , but here at least Preference has stabilised at a lower level although share of Preference is weaker. Preference from the Sydney market is particularly weak and Preference amongst the Affluent Families continues to fall. 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.**
- **With an improved economic outlook, the outlook for the Sunshine Coast is better, both in the domestic and inbound markets. Accommodation takings are also forecast to grow (+3.9% by June 2011).**

Summary - Destination Areas

- **Caloundra**

- Inbound visitor numbers are a little weaker after strong growth.
- Domestic overnight visitation levels are softening. Preference is now improving.
- 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 also a little weaker.
- Domestic overnight visitors are picking up and Preference (Maroochydore) is better.
- Takings are still falling, but the rate has slowed and market share of Queensland takings has improved for the second consecutive quarter.

- **Noosa**

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

- **Cooloola**

- Cooloola inbound visitor numbers are rising as well.
 - Domestic overnight visitors has lifted a little.
 - 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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