

Round
table



Monitoring the Health of the WA Tourism Industry

Scorecard for July 2009

PUBLIC



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Monitoring the Health of the WA Tourism Industry

July 2009 Scorecard

- Visitation through WA's **airports** has seen the first negative growth in June 09: -0.2% for Interstate PAX. However analysis of quarter on quarter still sees positive growth in all markets for the June quarter – although the domestic growth rates are slowing and while international growth has spiked again in the last quarter, the growth is not as high as last year.
- **Occupancy rates** in all areas except Broome have tumbled in May according to AHA data. A peak at June via STR Global data shows Perth occupancy for the month to be (-)13.7% lower than June 08.
- Hotel **yield rates** per room have also tumbled in May (AHA), with the STR Global data for June showing Perth to have fallen further (-20.8%) compared to June 08.
- **Attractions and tours** show a 1% growth for June 09 compared to June 08.
- **Industry sentiment** is still relatively low, but amongst core panel members is not changing. Variability has mainly been due to a small number of panellists moving in and out of the survey.
- General **consumer confidence** in Australia has grown over the last 2 months. **Travel confidence** remains high (above 60%), although for Western Australians their intention to travel in WA and their consideration of WA (top 5 destination of choice for their next holiday) has dropped from peaks in May.

The Latest Industry Forecasts

International:

World-wide tourism declined (-)8% in the Jan-April 09 period (UNWTO).

World-wide airline passenger traffic forecast to fall (-)5.7% and revenues fall (-)12% in 2009 (IATA).

Australian international arrivals fell (-1.6%) to March 2009 (IVS).

But WA held up in first quarter of 2009: IVS reported +0.8% growth to March 2009, Perth airport reported +1.4% growth over the same period.

Domestic:

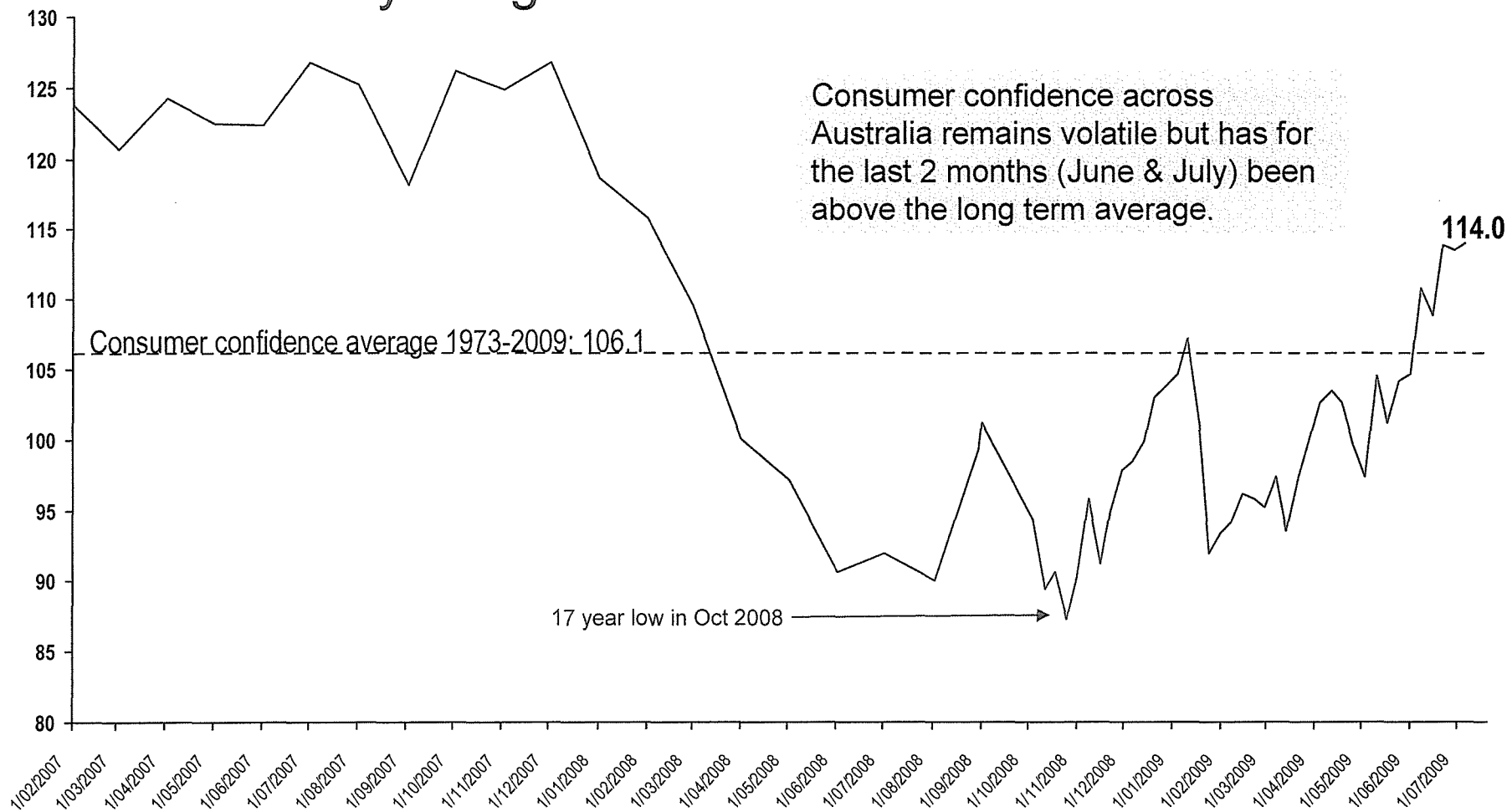
In Australia, expect a sharp decline in 2009 and then rise again slowly over next 3 years.

WA, less sharp drop in 2009, but no recovery (until 2013: +0.3%).

	2009	2010	2011	2012
Australia				
International arrivals	-4.0%	+3.1%	+6.9%	+5.9%
Domestic nights	-3.9%	+0.9%	+0.6%	+0.4%
Western Australia				
Domestic nights	-2.2%	-0.5%	-0.5%	-0.8%

1. General Consumer Confidence to July 2009

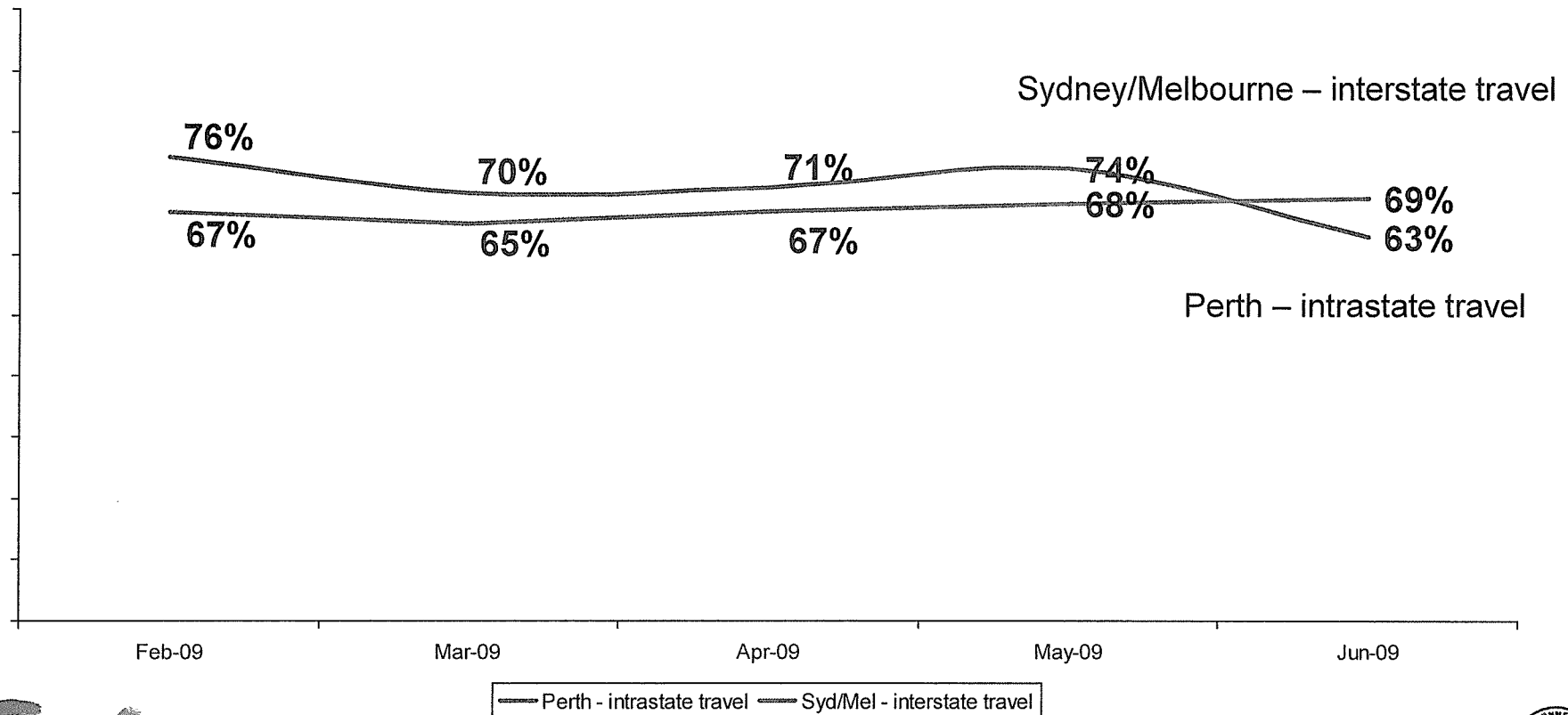
The Roy Morgan Consumer Confidence Monitor



2. Consumer Travel Intentions to June 2009

Stated intention of Perth people to travel within WA in the next 12 months has dropped significantly in June.

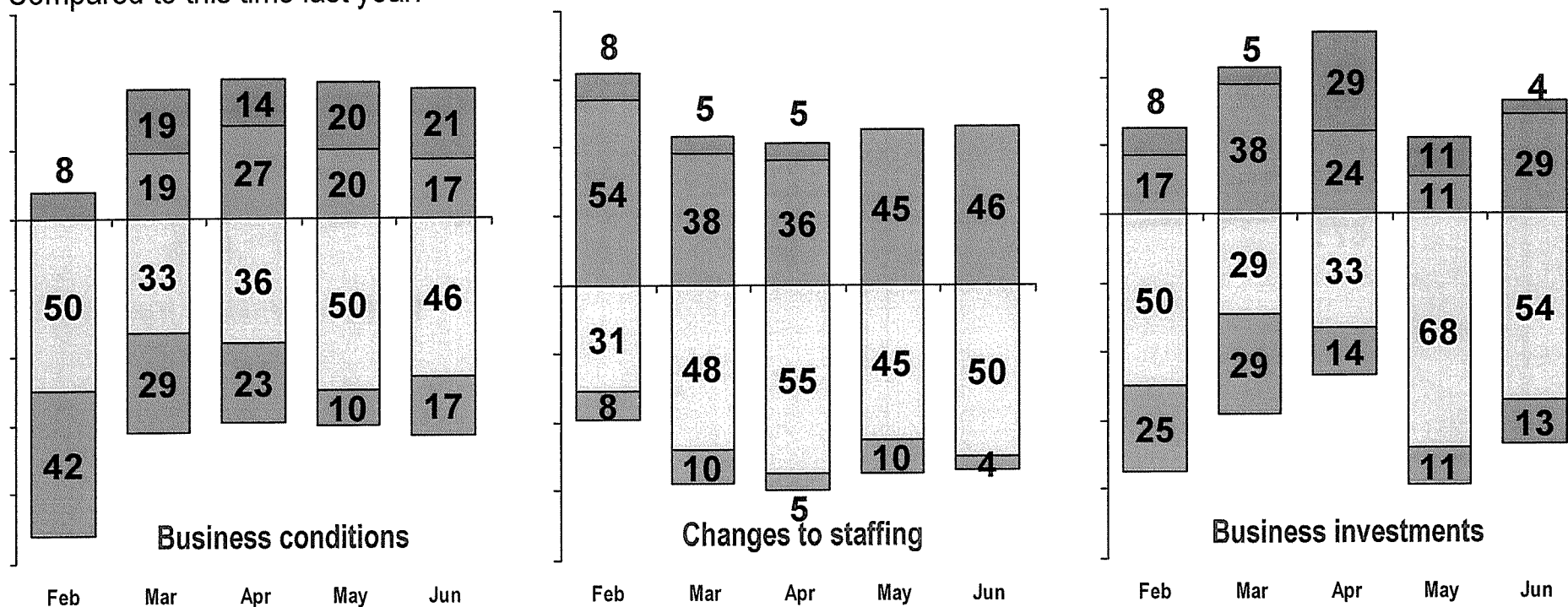
Consideration (Top 5 destination of choice for next holiday) has also dropped from a peak in May (66%) to 60% in June.



3. Industry Sentiment to June 2009

Sentiment amongst the core panel is consistent each month – most of the variability is due to a small number moving in and out of the panel each month. Looking to move to a quarterly measure (in discussion with other STOs and TTF)

Compared to this time last year:



■ Better ■ Equal □ Worse ■ Much worse

■ Increase ■ No change □ Mod cuts ■ Sig cuts

■ Increase ■ No change □ Reduce ■ Stop



WA Business Sentiment Index: Feb 40; Mar 60; Apr 66; May 75; June 71
(National = 62 for Q2, 2009)

Sources: TWA local operator panel survey Feb (n=13), Mar (n=21) Apr (n=22). May (n=20) June (n=25)



4. Hotel Occupancy Growth to May 2009 (Australian Hotels Association Data)

Broome is the only region with an increase in occupancy in May.

A sneak peak at June data via STR Global shows an even larger decline in June 09.

	% Change YTD* Jan-May 2008 - 2009	% Change May 2008 – 2009	
Perth CBD	-0.9%	-6.7%	
Broome	+6.0%	+3.8%	
South West	+1.9%	-4.5%	
Perth Metro*	-2.9%	-5.1%	June 08- 09: -13.7% (STR Global)

Forward Bookings	Jan 09	Feb 09	Mar 09	Apr 09	May 09	July 09	June 09
Index	43	50	40	37	59	63	72

Forward Bookings Index: score of 100 would indicate bookings at the same as the same time last year. The index indicates that forward bookings are substantially below levels experienced 12 months ago.

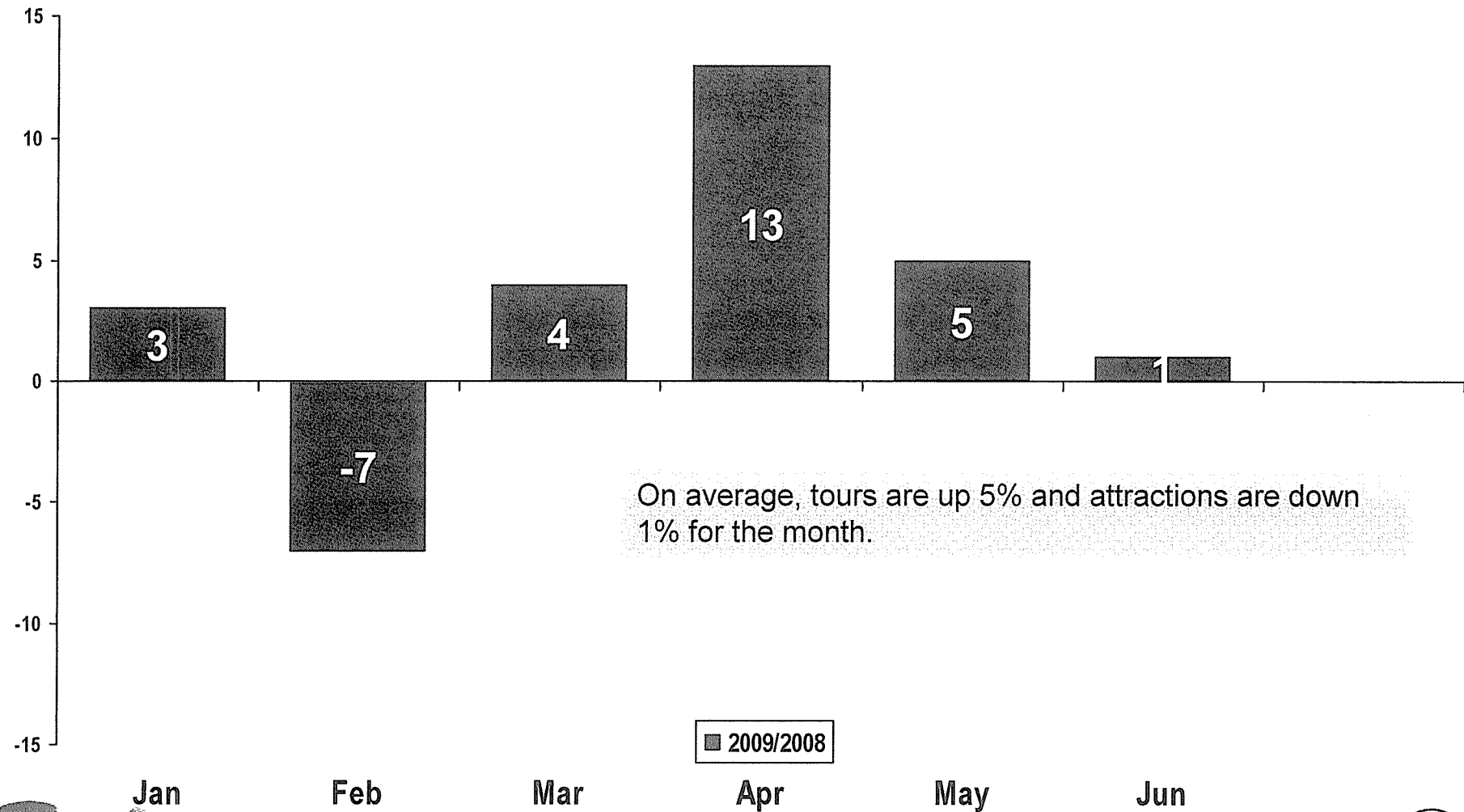
4. Hotel Yield Per Room Growth to May 2009 (Australian Hotels Association Data)

Again May has seen dramatic drops in yield/room in May.

A sneak peak via STR Global shows even larger decline in June 09.

	% Change YTD* Jan-May 2008 - 2009	% Change May 2008 - 2009	
Perth CBD	2.0%	-5.9%	
Broome	-4.6%	-11.3%	
South West	1.5%	-4.4%	
Perth Metro*	1.1%	-4.1%	June 08- 09: -20.8% (STR Global)

5. Tours and Attractions – Visitation to June 2009



6. Perth Airport Passengers to June 2009

This is the first month we have seen any negative growth through Perth Airport in 2009 – a small decline in Interstate passengers in June 09 compared to June 08.

Growth in domestic passenger numbers have been slowing each quarter, while international growth spiked again in the June 09 quarter – although it was not as high as the same time last year.

	% Change YTD* Jan-June 2008 - 2009	% Change June 2008 - 2009
All Interstate PAX	+1.9%	-0.2%
All Intrastate PAX	+9.3%	+10.8%
Total Foreign National PAX	+4.0%	+4.6%

% Change to the same quarter, previous year	June QTR 2008	Sep QTR 2008	Dec QTR 2008	Mar QTR 2009	June QTR 2009
Interstate PAX	+11.1%	+6.0%	+3.3%	+1.9%	+1.9%
Intrastate PAX	+26.4%	+21.6%	+21.6%	+10.0%	+8.6%
Total Foreign National Arrivals	+8.4%	+1.5%	+0.2%	+0.7%	+4.6%

6. Regional Airport Passengers to June 2009

Most regional airport passenger numbers don't show the same pattern of growth as Perth, except Broome and Kununurra.

Q: Will FIFO airports explain the differences?

	% Change YTD* Jan-June 2008 - 2009	% Change June 2008 - 2009
Albany (All PAX)	-15.4%	-6.0%
Broome (All PAX)	+9.4%	+8.4%
Esperance (All PAX)	-4.5%	-3.0%
Learmonth Airport (Exmouth) (All PAX)	-13.2%	-7.0%
Geraldton-Greenough Airport (All PAX)	-13.3%	-6.0%
Kununurra Airport (All PAX)	+5.7%	+7.0%

Visitor Centre Numbers to June 2009

Visitor Centre door count has been sourced for June 2009 compared to June 2008, and shows a mixed of results. Additional data by region is being sourced to investigate trends.

	% Change Apr 2008 – 2009	% Change May 2008 – 2009	% Change June 2008 – 2009	Comments from the Visitor Centres
Albany	+22.1%	+8.9%	+12.3%	
Augusta-Margaret River	+46.4%	+14.3%	+4.0%	
Broome	+4.6%	-6.0%	+0.5%	
Bunbury	N/A	-8.0%	+4.5%	
Geraldton – Greenough	N/A	+51.5%	-14.6%	Geraldton-Greenough Visitors Centre is under renovations, with automatic door counts being disabled. Manual door counts were used in June 2009 and are not as accurate or sensitive.
Kalgoorlie	N/A	-19.5%	-15.7%	Kalgoorlie Visitor Centre's hours have been reduced in the past year.
Kununurra	+19.8%	+0.4%	-1.5%	
Mandurah	N/A	-14.8%	-34.1%	Includes the Welcome and Visitor centres. The introduction of the Perth-Mandurah train commenced in January 2007, and as a result Mandurah experienced peak door counts in 2007 and 2008, resulting in a large drop in visitor walk-ins in 2009. Other data sources indicate increased visitor activity, including a 70% increase in accommodation booking and a 57% increase in tour bookings.
Perth WAVC	+8.7%	+8.7%	+21.4%	
Port Hedland	+8.5%	+4.8%	-9.0%	

3.

Industry Sentiment to June 2009

Since May, expected recovery has pushed out to quarter 3, 2010.

