

Report on the health of the Australian Marina Industry 2010/2011

BY MIAA PRESIDENT ANDREW CHAPMAN

I AM VERY PLEASED TO PRESENT THE TOP LINE FINDINGS FROM THE FIRST ANNUAL HEALTH OF THE AUSTRALIAN MARINA INDUSTRY SURVEY.

Despite a challenging business climate, our industry is reporting a positive outlook across most indicators of business performance. In summary, the survey indicates a slight pick-up in 2010/11 compared to the previous year across a range of indicators. Marinas are proving to be resilient economic and employment hubs. The survey also demonstrates marinas are providing environmental leadership within their respective communities, with increasing investment in environmental facilities and technologies.

The annual survey of marinas was designed and developed by industry

with the world class technical expertise of the Recreational Marine Research Centre at Michigan State University.

During September and October this year, 106 or 31% of Australia's marinas participated in the first annual Health of the Australian Marina Industry Survey. The survey covers financial, employment, social and environmental indicators of the health of the industry. Marinas face many barriers to growth. The provision of sound industry data based on robust sample sizes is increasingly important if the industry is to not just survive, but thrive in the years ahead. I encourage more marinas to participate in the 2011/12 survey.

The following summary data is based on 2010/11 actuals and 2011/12 forecasts with reference in some instances to 2009/10 actuals.

Marinas are a good business in tough times. Nearly half of

Australia's marinas expect an increase in gross revenues this current financial year, compared to 2010/11. Only 4% of marinas expect a decrease in revenues.

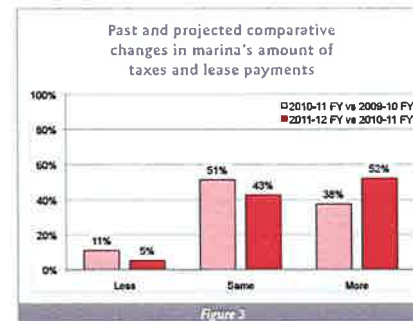
(See figure 1)

35% of marinas that had larger gross revenue in 2010/11 over 2009/10 also expect a further increase in gross revenue in 2011/12.

Marinas are important employment hubs. As demonstrated in the previous MIAA Australian Marina Value Pilot Study, marinas employ on average 17 persons per marina. 85% of marinas anticipate employing the same number of staff in 2011/12 as they did in 2010/11. 11% of marinas anticipate an increase to their employment, while only 3% expect to employ fewer people this financial year.

Nearly all (98%) of marinas indicate their 2011/12 payroll will either stay the same or increase over 2010/11.

(See figure 2)



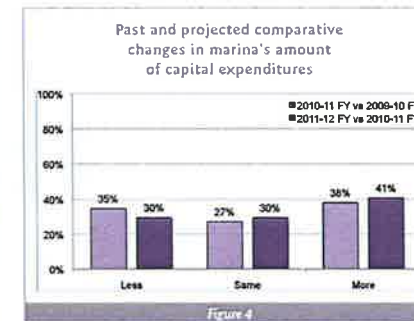
As indicated in the above graph, 28% of marinas that paid more in wages in 2010/11 than in 2009/10 also expect to continue to pay more in wages this financial year.

Another indicator of the pick-up in business for marinas is that while 11% of businesses paid less tax and lease charges in 2010/11 compared with 2009/10, this year only 5% of businesses expect to pay less than for the 2010/11 period.

(See figure 3)

The above graph highlights the fact that the majority of marinas in Australia expect to be paying more tax and lease charges this year, than last.

41% of marinas expect to increase capital expenditures this financial year over the previous year. This is up 3% from the 2009/10 – 2010/11 period, indicating a further increase in



optimism about future business prospects for the marina sector. (See figure 4)

The previous Marina Value Pilot Study indicated 70% of marinas had business tenants at their marina. This survey indicates the vast majority (80%) of marinas expect to maintain the current number of tenants. This again indicates that for most marinas business conditions are positive with only 6% of marinas expecting to have less tenants this financial year, compared with last.

(See figure 5)

One of the highlights of this 2010/11 survey is the evidence provided of a growing commitment by marinas to investment in environmental facilities and technologies. MIAA are very active in encouraging marinas to be environmental leaders within their communities. For example, during 2011 there has been a 14%

growth in Clean Marina program participation. As indicated in the below graph, there is a strong increase in forecast investment in environmental facilities/ technologies over the 2009/10 and 2010/11 period. Nearly 40% of marinas expect to spend more in this area this financial year: up a very significant 16% from the previous period.

(See figure 6)

Despite recognised state by state variations in trading performance (details of this will be available once the further break down of the data is completed) and issues faced by Meridian Marinas, this study provides hard evidence that marinas are generally tracking well in Australia. More detailed results from the survey are currently being tabulated with the full survey available to participants within two months.

