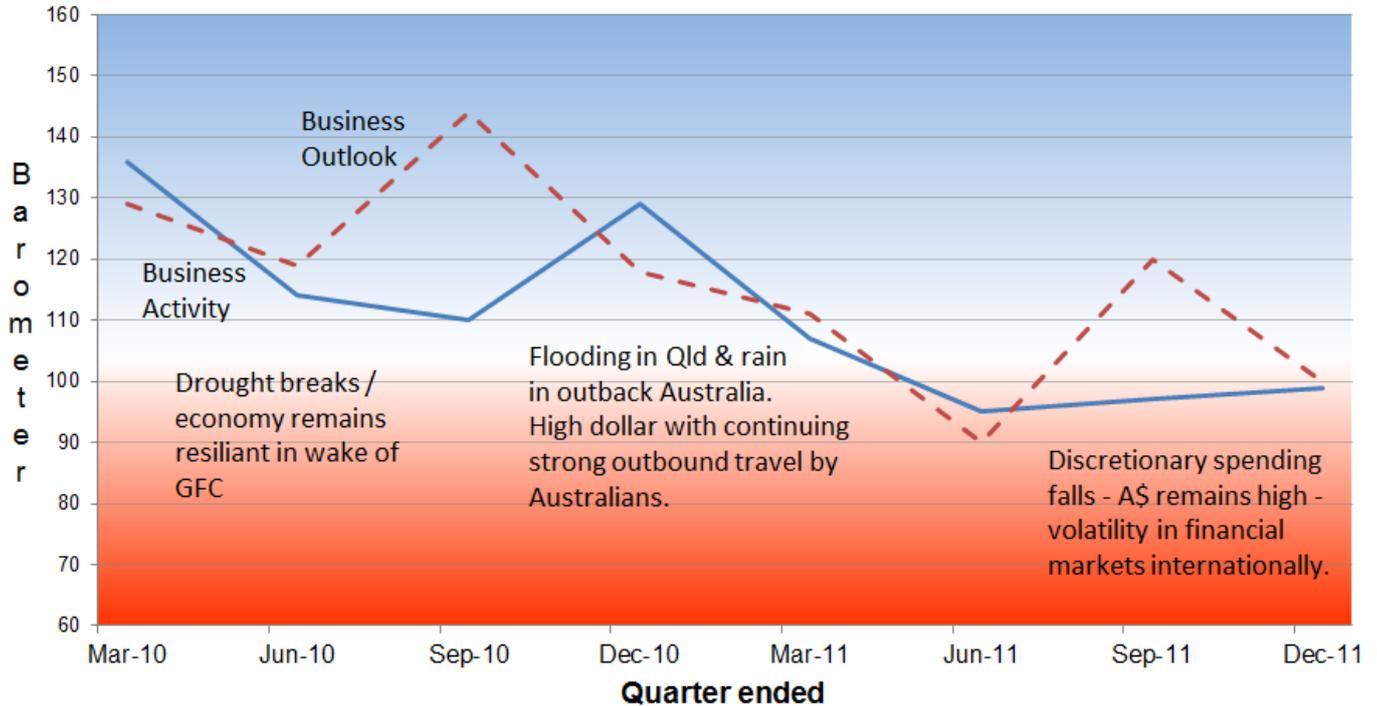


South Australian Tourism Barometer - December Quarter 2011

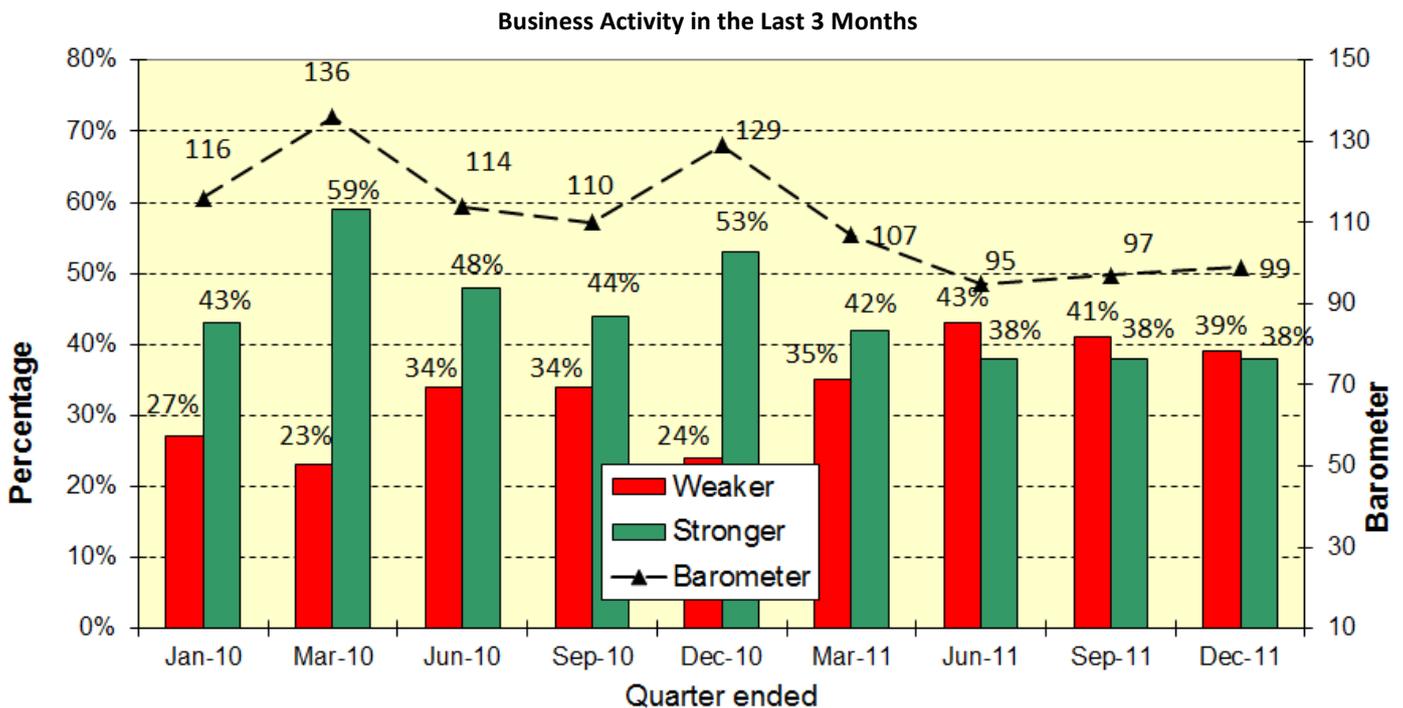


Barometer results for the December quarter show **tourism business activity increasing slightly (2%)** while **tourism business outlook fell strongly (17%)**. Over time the trend continues to reflect difficult conditions for the tourism industry.

Positive factors were repeat visitation and word of mouth with social media used by some to drive advocacy.

In addition to the high dollar and uncertain economic outlook there were concerns regarding pressure on yields due to increasing costs and consumers more aggressively seeking discounts on room rates and added extras.

The survey respondents were asked to state whether their business had experienced stronger or weaker business activity in the December quarter of 2011 when compared to the same period in 2010:



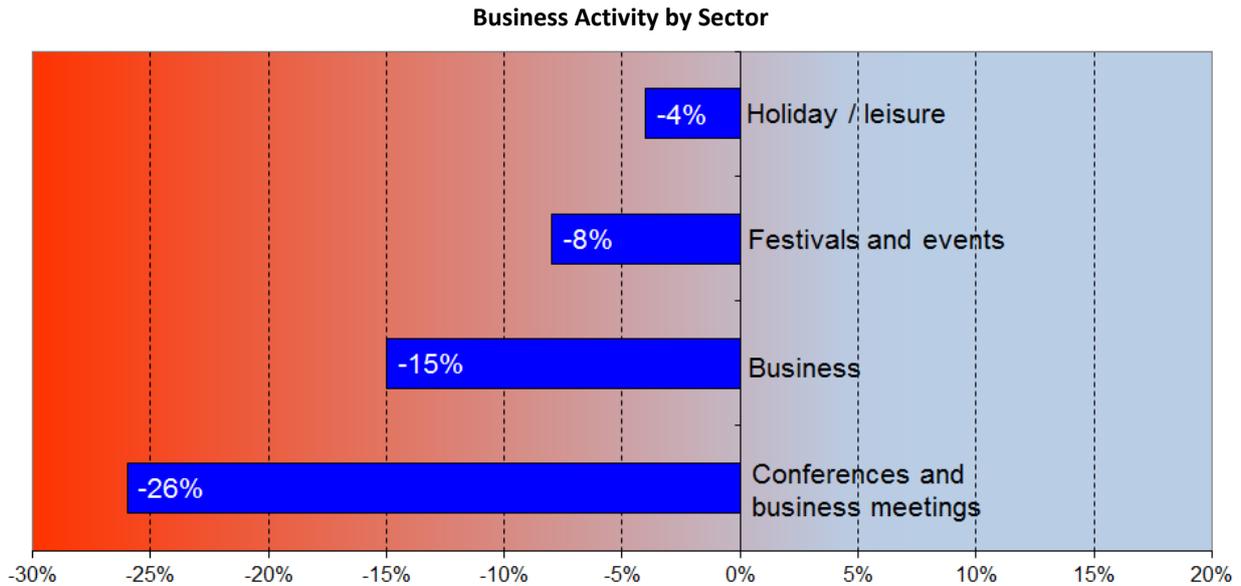
In the December quarter of 2011 the proportion of survey respondents experiencing stronger activity was 38% - **the same level reported by the June and September quarter** respondents.

Factors underpinning improved performance included:

- Improved presence on the internet & social media.
- Increase in caravans & touring market.
- Increase in weddings and music events in the area.
- Interstate market has been better than last few years.
- More people taking short holidays close to home.

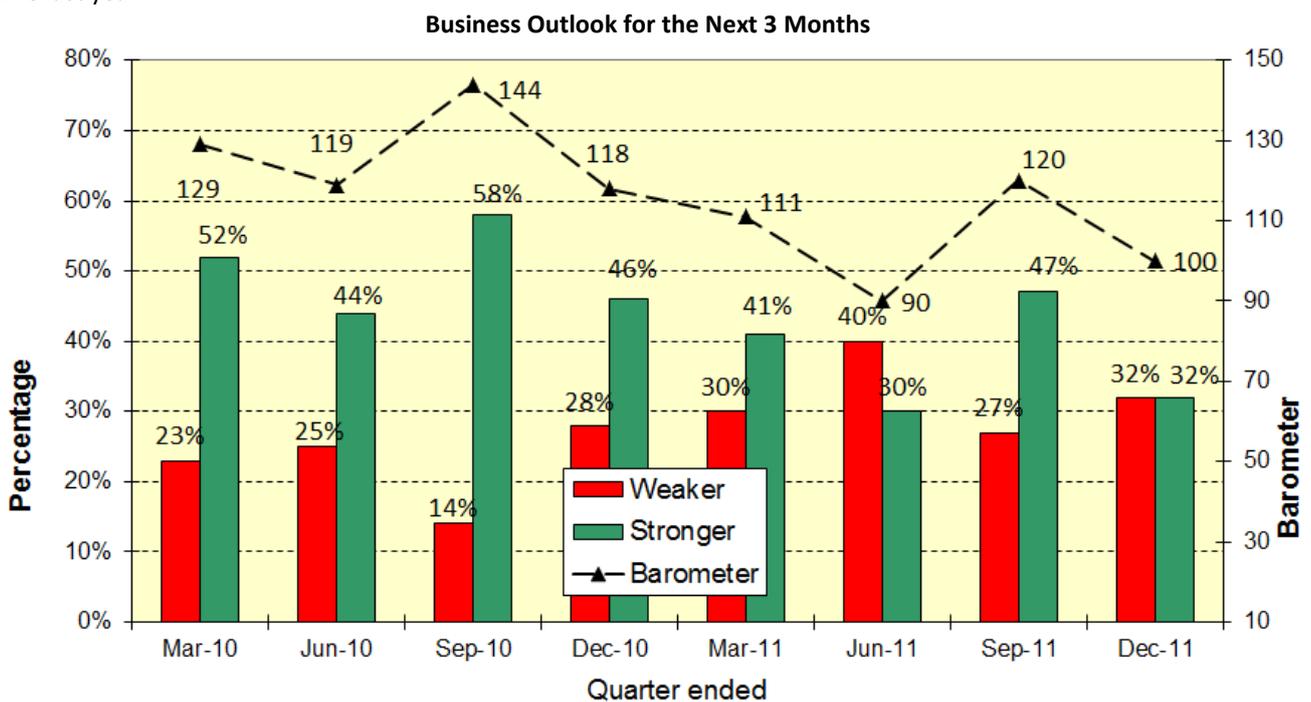
Where less positive:

- High dollar.
- Global economic uncertainty.
- International visitors & backpackers down.
- More price based competition for the available market.
- Perception of Murray River in flood which deterred some visitors.



Business Activity - Deviation from Mid Point of 100

The activity level was below 100 for each of the market sectors indicating **contraction across all sectors** when compared to the same time last year.



In the December quarter the proportion of respondents expecting conditions to improve in the next quarter was 32% - down from 47% in the September quarter survey. The **outlook barometer fell 17%** - from 120 to 100.

Factors influencing the outlook for the short term included the following:

- Benefited from Queensland floods last year and hoping this will continue.
- Forward bookings from leisure market are positive.
- Forward bookings from corporates.
- Increased social media.
- Mining activity.

Less positively:

- Carbon tax.
- High dollar, cheap outbound flights and general economic uncertainty.
- Lack of forward bookings.
- Pressure on yield - Consumers are shopping around online and expecting discounted rates and extras such as wine, chocolates, flowers. Trend for consumers not to accept advertised rates.
- Trend is toward shorter stays.



In the December quarter survey 9% of the respondents were ‘extremely confident’ about the next 12 months and **46% were ‘confident’**.

Factors underpinning the outlook for the next 12 months included the following:

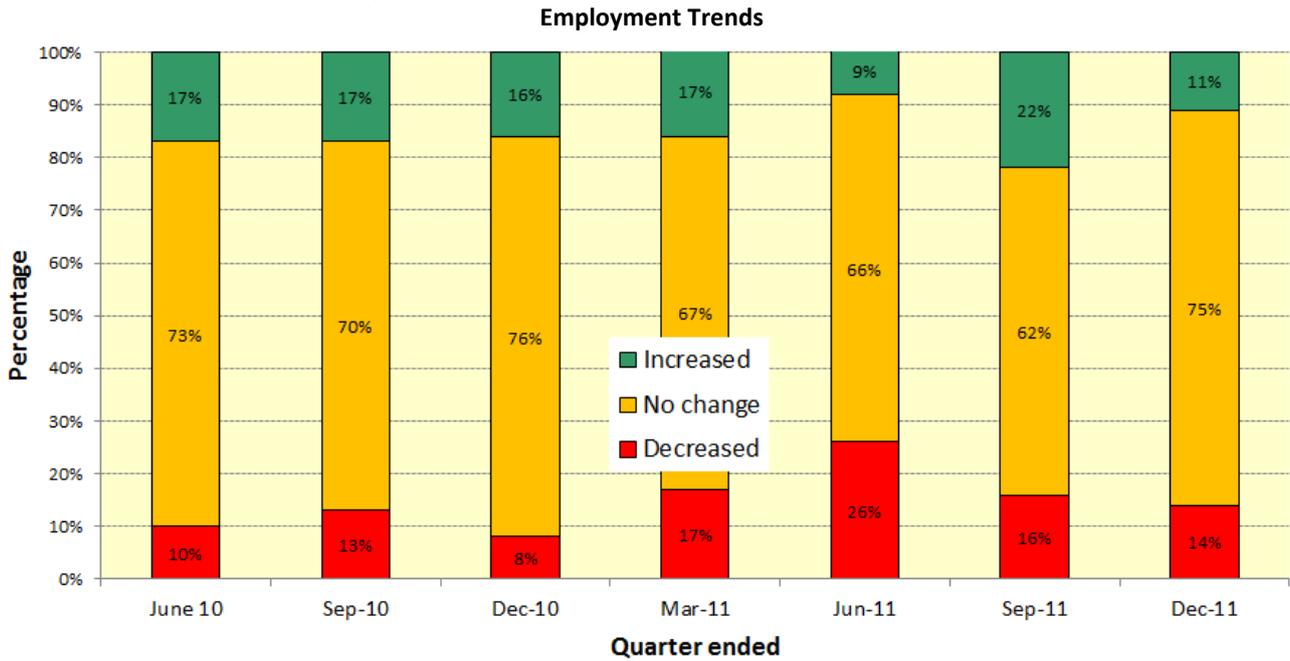
- Inbound from China.
- Mining industry and stabilising, more positive economic outlook.
- Return bookings.
- Social media / word of mouth / referral.
- Winning a tourism award.

Less positively:

- Economic conditions in Europe.
- Increasing costs and stable or declining revenue.
- Local economy / consumers not spending / strong outbound.

Employment

Respondents were asked whether the number of people employed in their business had increased, decreased or remained the same when compared to the same period last year.



In the December quarter 2011 the proportion employing more people was 11% compared with **14% employing fewer people**.

About the SATIC Tourism Barometer

The SATIC Tourism Barometer is a quarterly survey of SATIC members designed to measure recent activity and the outlook for the future.

The Barometer survey is conducted on-line and a total of 79 members responded to the December 2011 quarter survey.

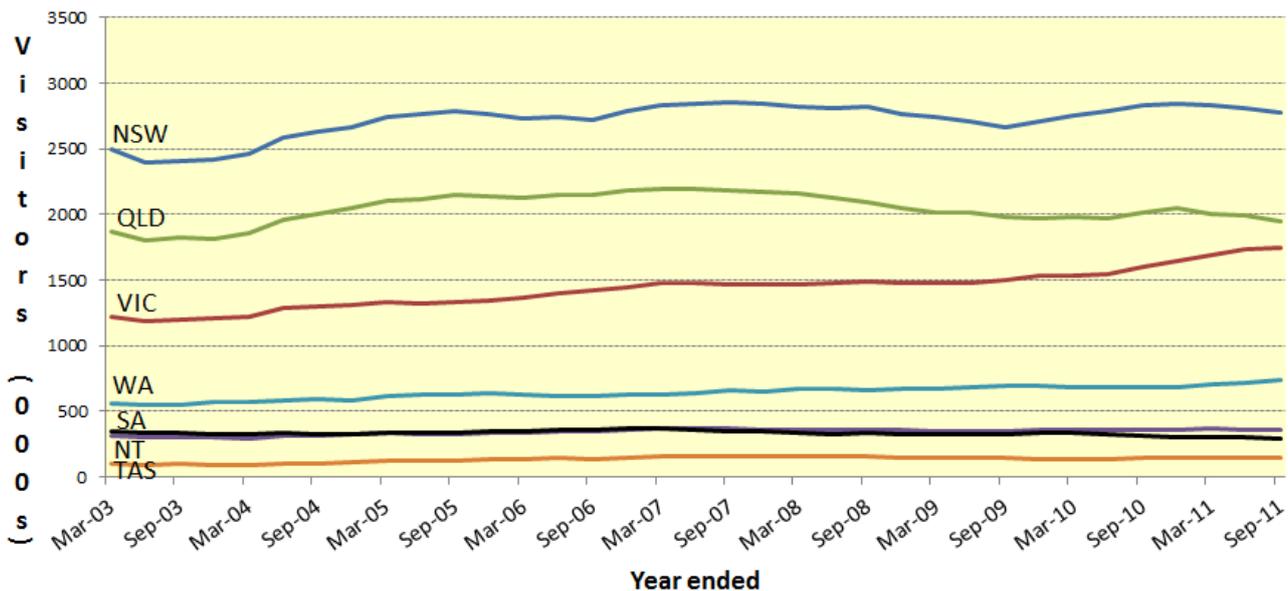
Report prepared by independent research consultants – Greenhill Research and Planning.

Annual Performance to September 2011

Information regarding travel demand in Australia is collected by Tourism Research Australia through two national sample surveys: the National Visitor Survey and the International Visitor Survey.

The results of these surveys show that the number of overnight visitors to and within South Australia increased by 6% in the year to September 2011 compared with the previous year. Visitor demand within Australia as a whole increased by 4% during this period.

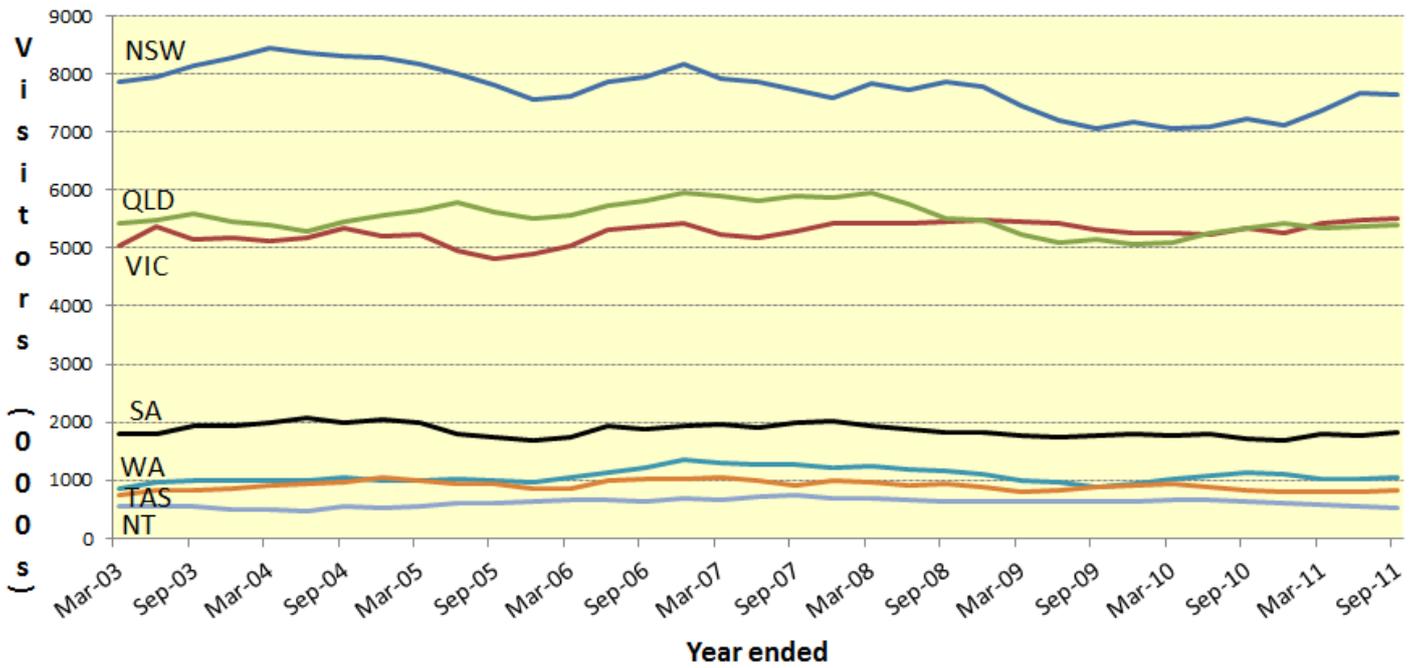
International Visitors by State / Territory



Tourism Research Australia. <http://www.ret.gov.au/tourism>. International Visitor Survey

International visitors to South Australia contracted slightly by 1% compared with an increase of 1% nationally.

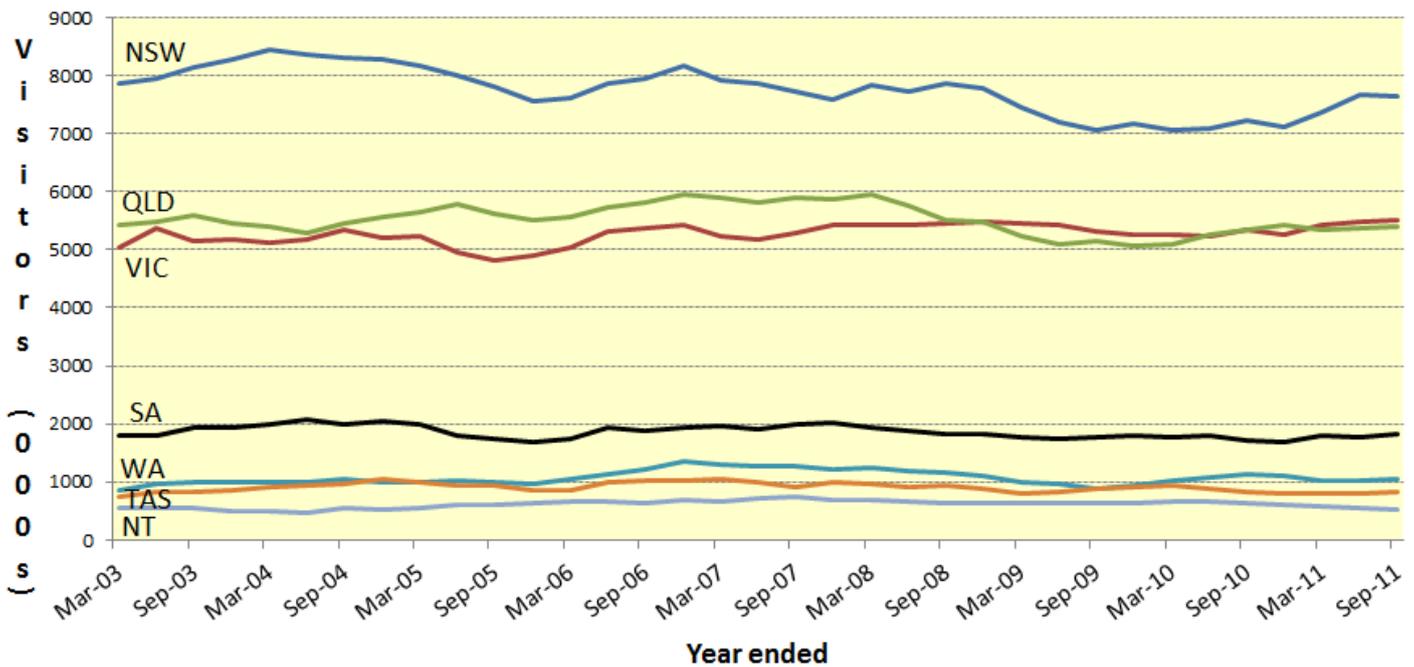
Interstate Visitors by State / Territory



Tourism Research Australia. <http://www.ret.gov.au/tourism>. Travel by Australians. National Visitor Survey

Interstate visitors to South Australia increased by 6% compared with a national increase of 1%.

Intrastate Visitors by State / Territory

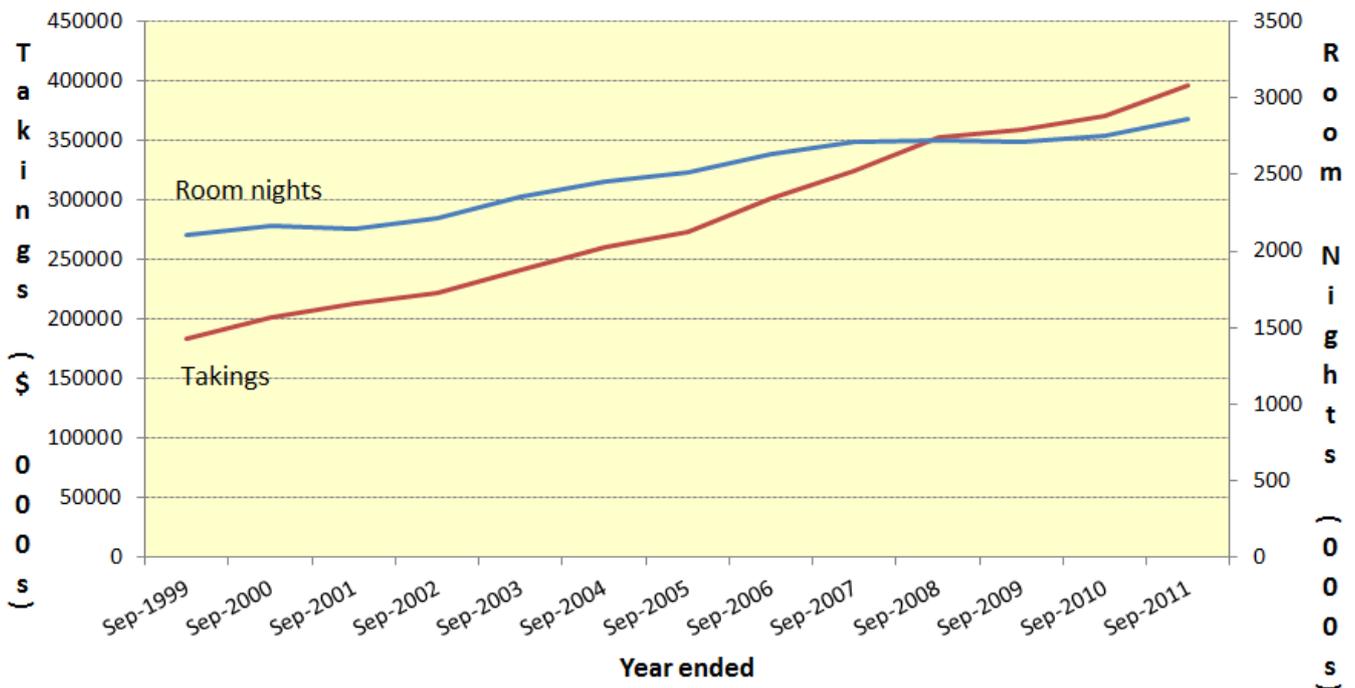


Tourism Research Australia. <http://www.ret.gov.au/tourism>. Travel by Australians. National Visitor Survey

Intrastate visitors in South Australia increased by 6% which was consistent with the increase nationally (6%).

Information regarding the performance of the accommodation sector in SA and short term overseas departures by Australian residents is published by the Australian Bureau of Statistics.

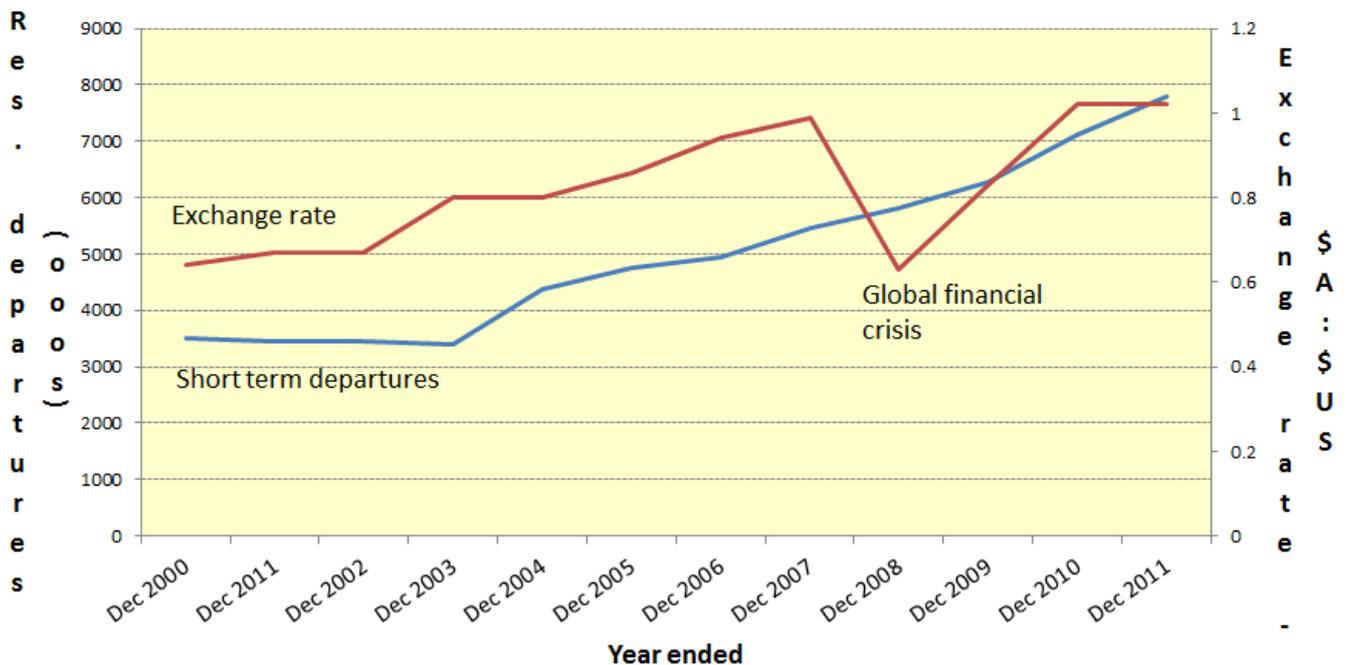
**Trend in Room Nights Sold & Takings from Accommodation
In SA - Hotels, Motels & Serviced Apartments with 15+ Rooms**



Source: Australian Bureau of Statistics. Cat. 8635.0

Room nights sold in hotels, motels and serviced accommodation in South Australia **increased by 3.8%** in the year to September 2011 to 2.86 million while takings from accommodation increased by **6.6% to \$396 million**.

Trend in Short Term Australian Resident Departures and \$A - \$US Exchange Rate



Australian Bureau of Statistics Cat. 3401.0 - Overseas Arrivals and Departures. Reserve Bank of Australia. <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>

The latest figures for the year to December 2011 show **short term departures by Australian residents grew by 9.6%** when compared to the previous year to a total of 7.8 million for the 12 month period.