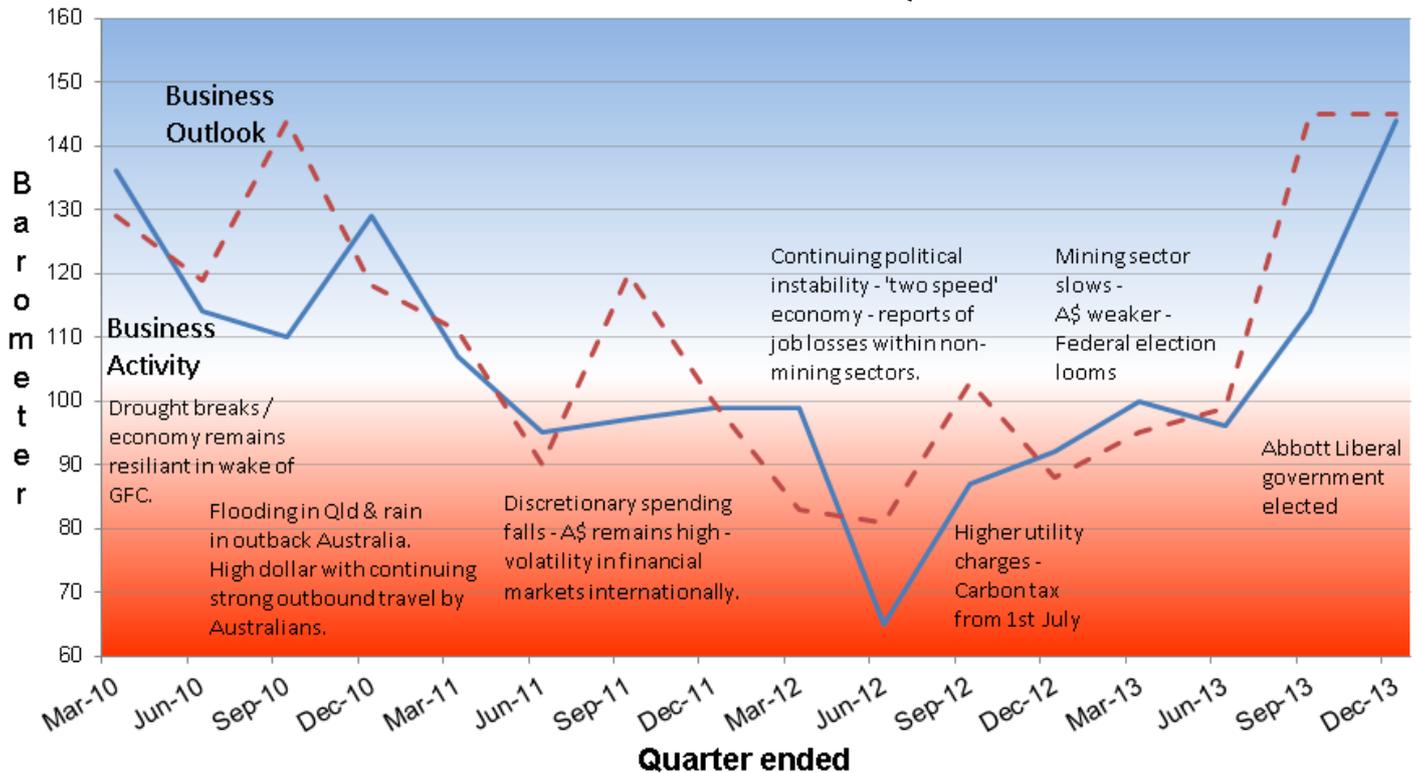


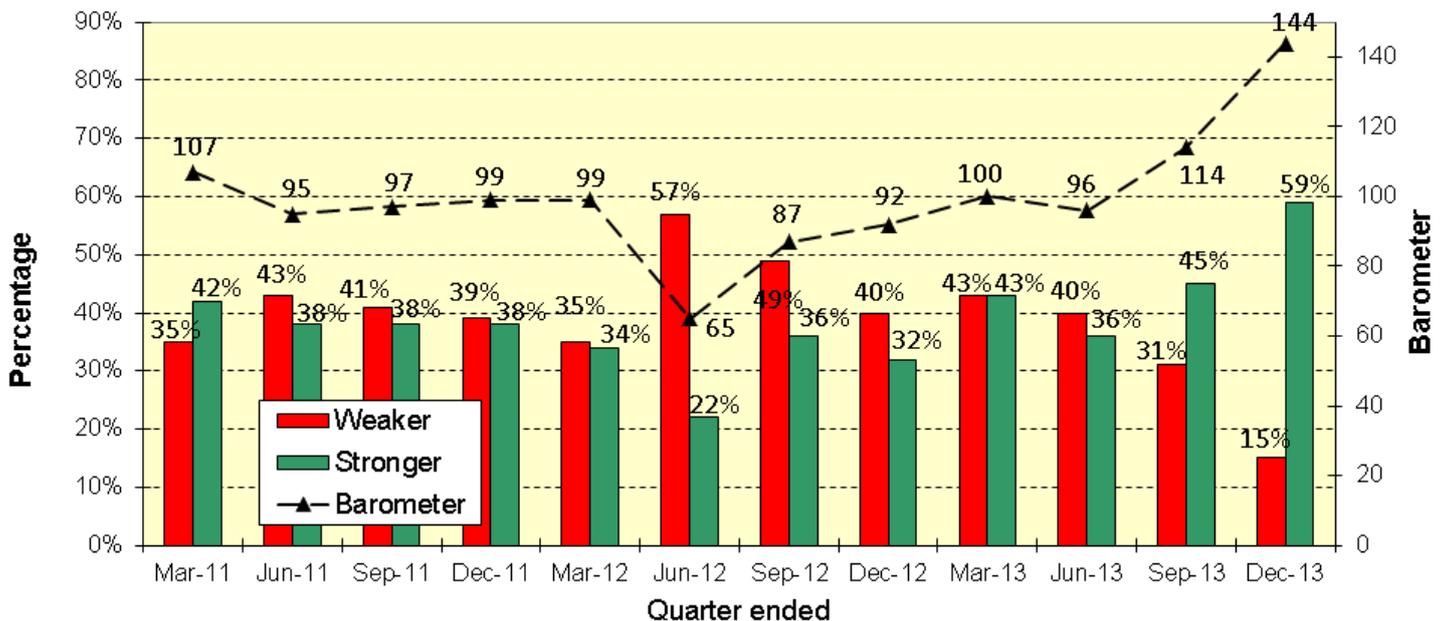
South Australian Tourism Industry Council SA Tourism Barometer – December Quarter 2013



Headline: Tourism Experience Growth in the December Quarter

Following on from the positive outlook recorded at the September quarter survey the majority of tourism businesses reported improved performance in the December 2013 quarter with the business activity index increasing by one quarter to reach 144 points. Performance was supported by improved consumer confidence and business activity, the opening of the Adelaide oval, the Ashes cricket and other events.

Business Activity in the Last 3 Months



In the December quarter of 2013 the proportion of survey respondents experiencing improved business activity when compared to the same period last year was 59% - up from 45% in the September quarter and the highest proportion experienced since the barometer survey began (the March 2010 quarter also saw 59% of respondents experiencing growth). The proportion experiencing weaker conditions was 15% - down from 31% for the September quarter.

Factors underpinning performance were:

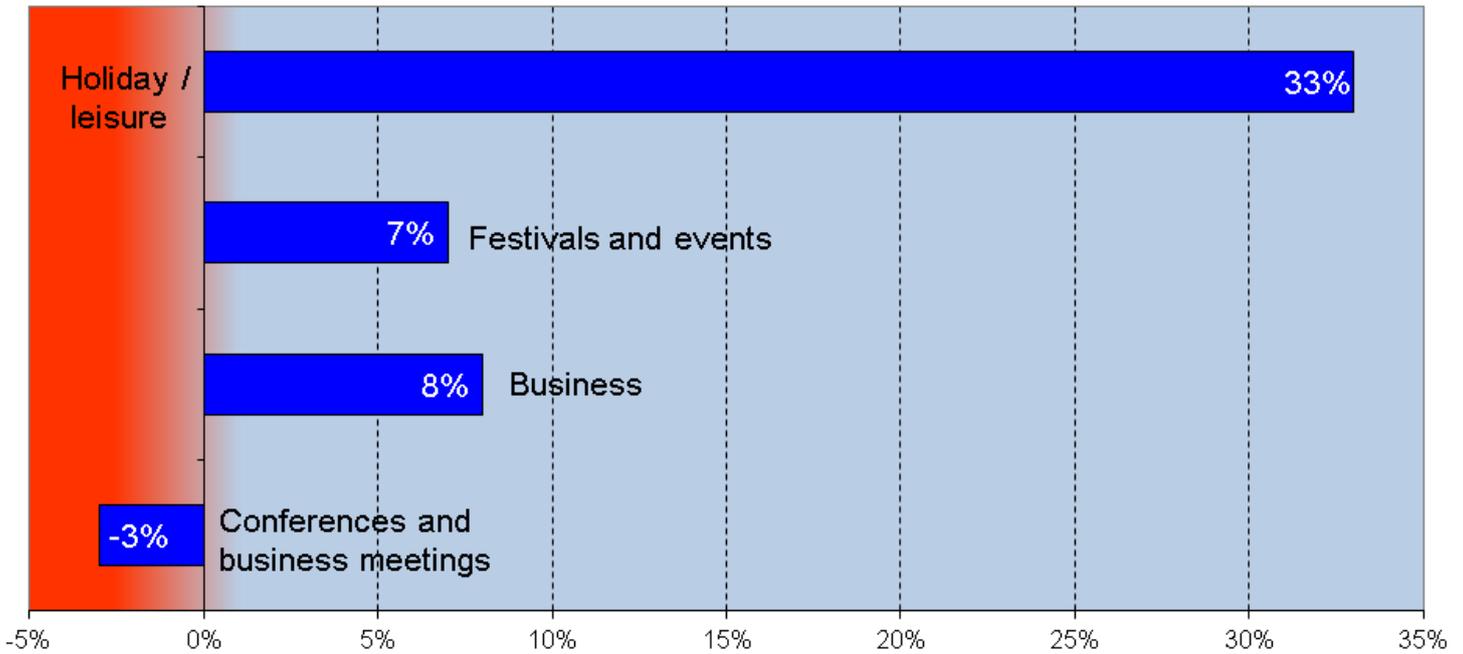
- Ashes tour and other events
- Barossa advertising campaign

- Change of government
- Development in Adelaide coming to fruition
- Improved consumer confidence
- More international and interstate visitors
- More business travelers and business meetings
- Weaker dollar.

Less positively:

- Lack of promotion for the outback and central corridor
- Slowing mining sector
- SA economy still weak.

Business Activity by Sector

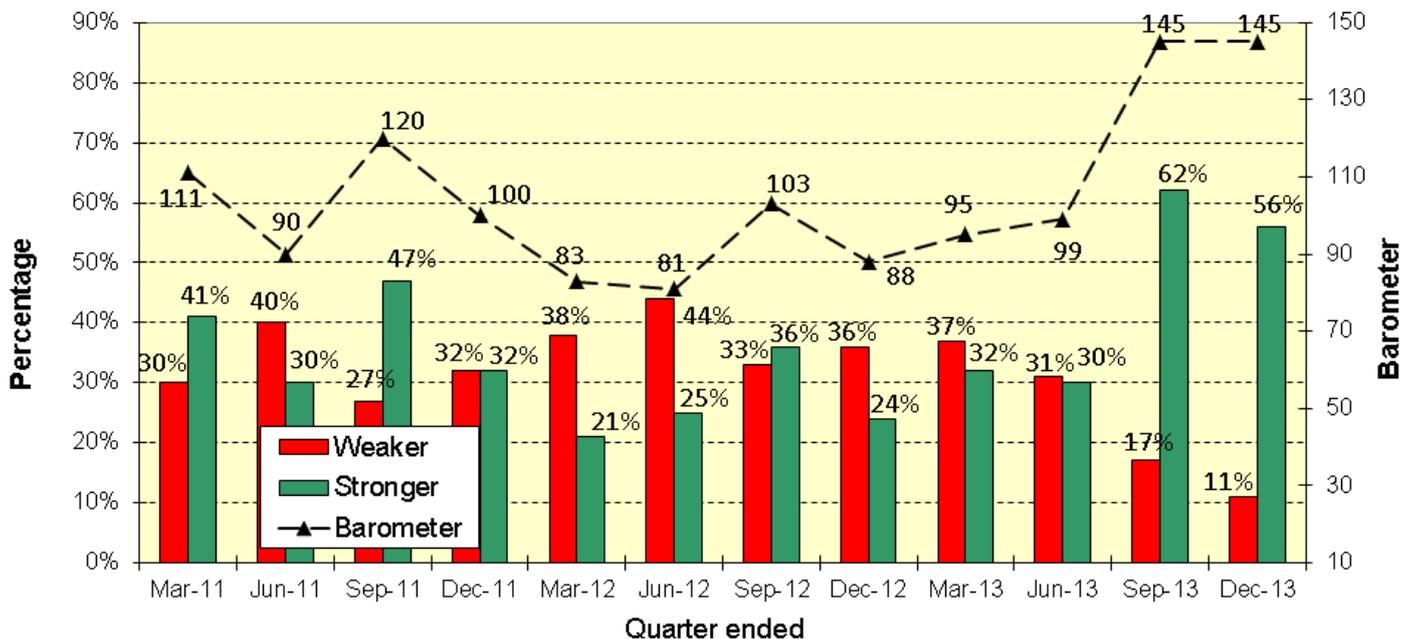


Business Activity - Deviation from Mid Point of 100

Analysis of business activity index by sector indicated that all sectors had improved from the last survey. In particular the holiday / leisure sector had improved with the index increasing by 18 points from 115 to 133. The index for festivals and events increased from 92 to 107; business from 98 to 108 points; and the MICE sector from 80 to 97 points.

The respondents were asked whether they expected business conditions to be stronger or weaker over the next three months when compared to the same period in 2012.

Business Outlook for the Next 3 Months



In the December quarter the short term business outlook index remained steady at 145 points. The proportion expecting improved performance declined slightly from 62% to 56% although this was offset by a fall in the proportion predicting weaker performance – down from 17% to 11%.

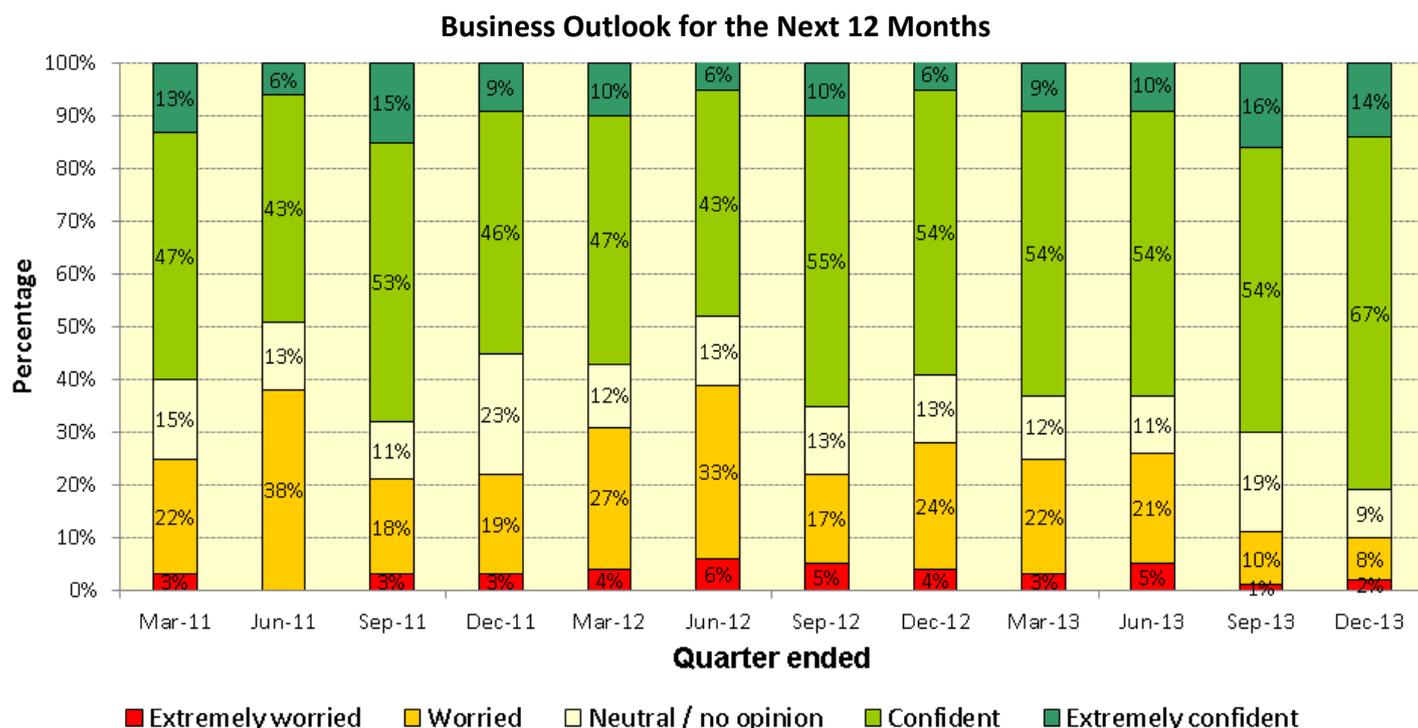
Factors influencing the outlook for the short term included the following:

- Increase in enquiries / forward bookings
- More interstate drive tourists about
- Positive publicity for Adelaide e.g. development and livability ratings
- SATC advertising
- Upcoming coming festivals and events.

Less positively:

- Consumers still seem to be tentative – not wanting to spend.
- Heat and fires.

The outlook for the next 12 months was as follows:



In the December quarter 2013 survey, 14% of the respondents were ‘extremely confident’ regarding the prospects for the next 12 months (down slightly from 16%) and 67% were confident – up substantially from 54% at the September quarter survey. The results show improved confidence for the next 12 months.

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

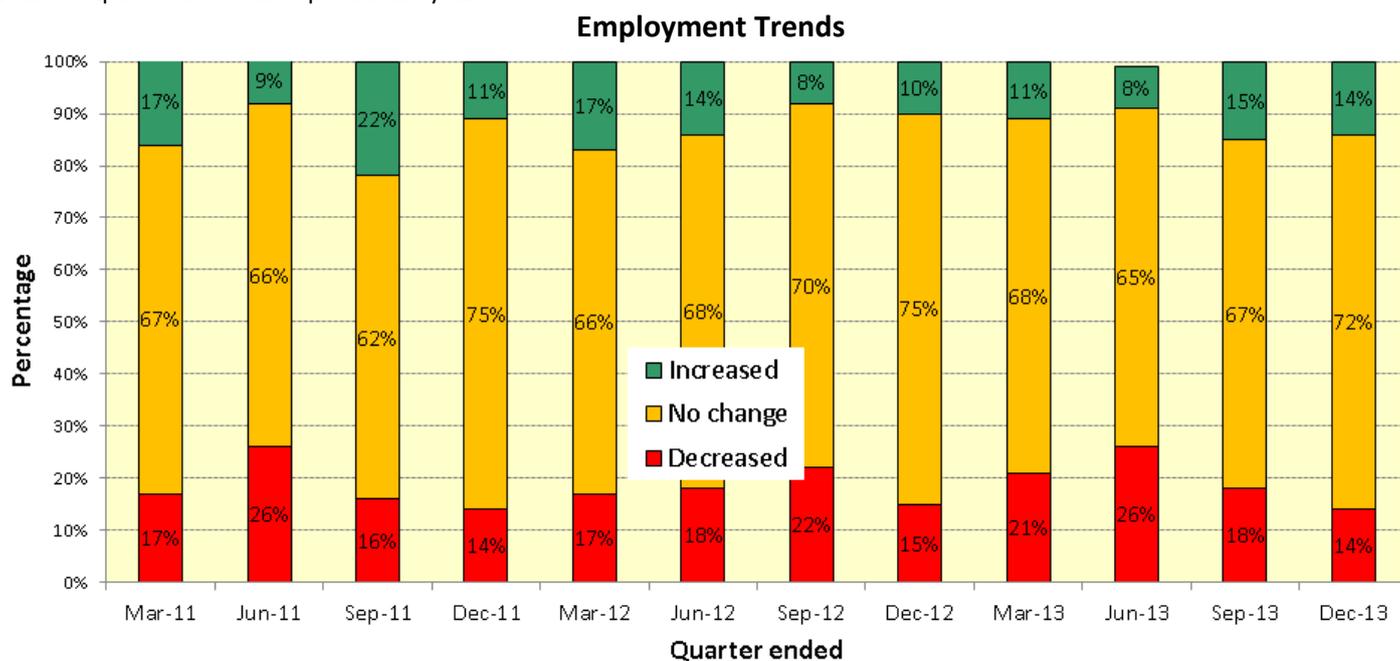
- Building relationships with industry and suppliers
- Caravan and motor home market will continue to grow with increasing number of retirees
- Change of government / stability
- Decline of \$A and economic growth in source markets
- Growth in Chinese and Asian markets
- Improved consumer confidence.

Less positive:

- Economy may be impacted by external factors
- State economy is still weak
- Wage and transport costs are too high.

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 2013 the proportion employing more people was 14% which was around the same level observed at the previous survey (15%). The proportion employing fewer people fell to 14%. Further information regarding employment trends from the ABS Labour Force survey follows.

About The SATIC Tourism Barometer

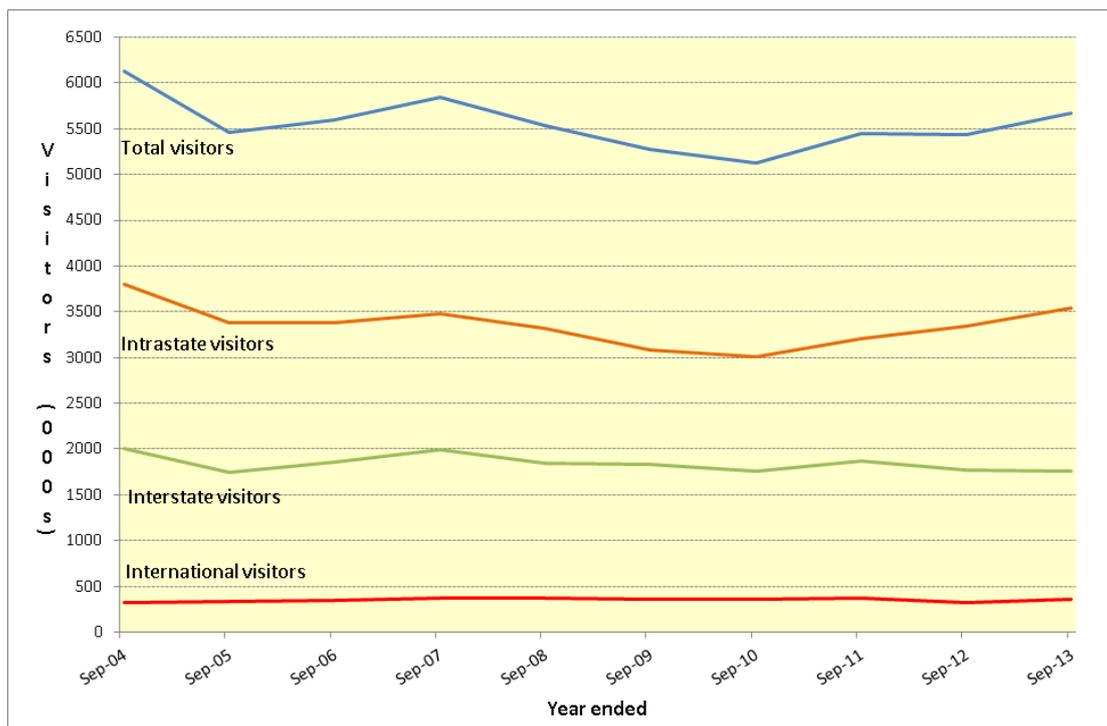
The SATIC Tourism Barometer is a quarterly survey of SATIC members designed to measure recent activity levels and the outlook for the future. The Barometer survey is conducted on-line and a total of 85 members responded to the December 2013 quarter survey.

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

Annual Performance to September 2013

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.

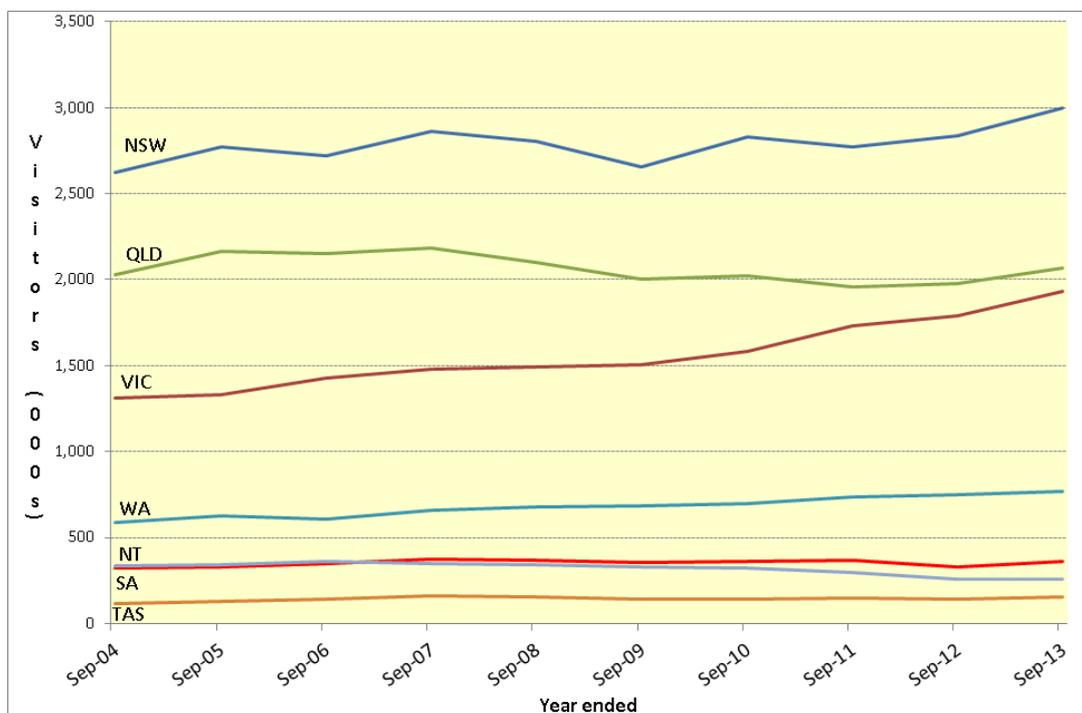
Overview of Overnight Visitor Demand for South Australia



The results of these surveys show that the number of overnight visitors to and within South Australia increased by 4% in the year to September 2013 compared with the previous year. Visitor demand within Australia as a whole also increased by 4% during this period.

The number of international visitors to SA grew by 11% while Intrastate demand in SA grew by 6% and interstate was flat – down 1%.

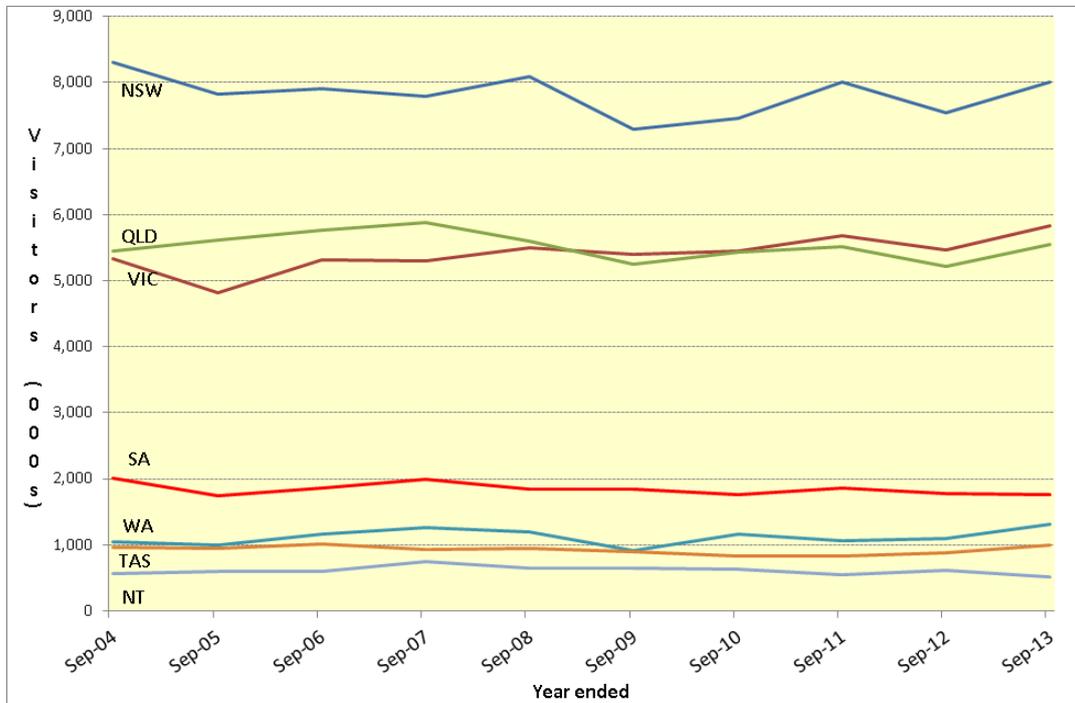
International Visitors by State / Territory



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

In the year ended September 2013 international visitors to South Australia grew by 11% compared with an increase of 5% nationally. Since the year ending September 2004 international visitors to SA have increased by 13% compared with 24% nationally. Victoria has enjoyed the largest increase, rising by 47% followed by Tasmania - 37% and Western Australia - 30%.

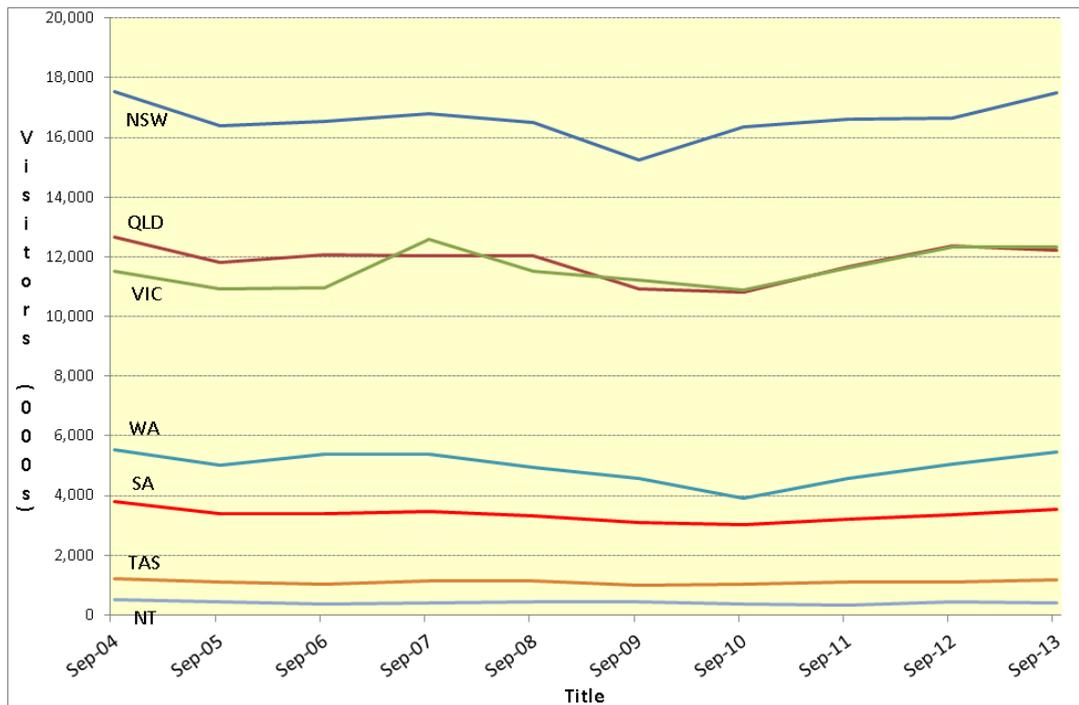
Interstate Visitors by State / Territory



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

In the year ended September 2013 the number of interstate visitors to South Australia contracted by 1% when compared with the previous year. In the period since the year ending September 2004 interstate demand in SA has declined by 12% compared to a national increase of 4%. WA has experienced the strongest growth in interstate travel demand during this period increasing by 26%.

Intrastate Visitors by State / Territory



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

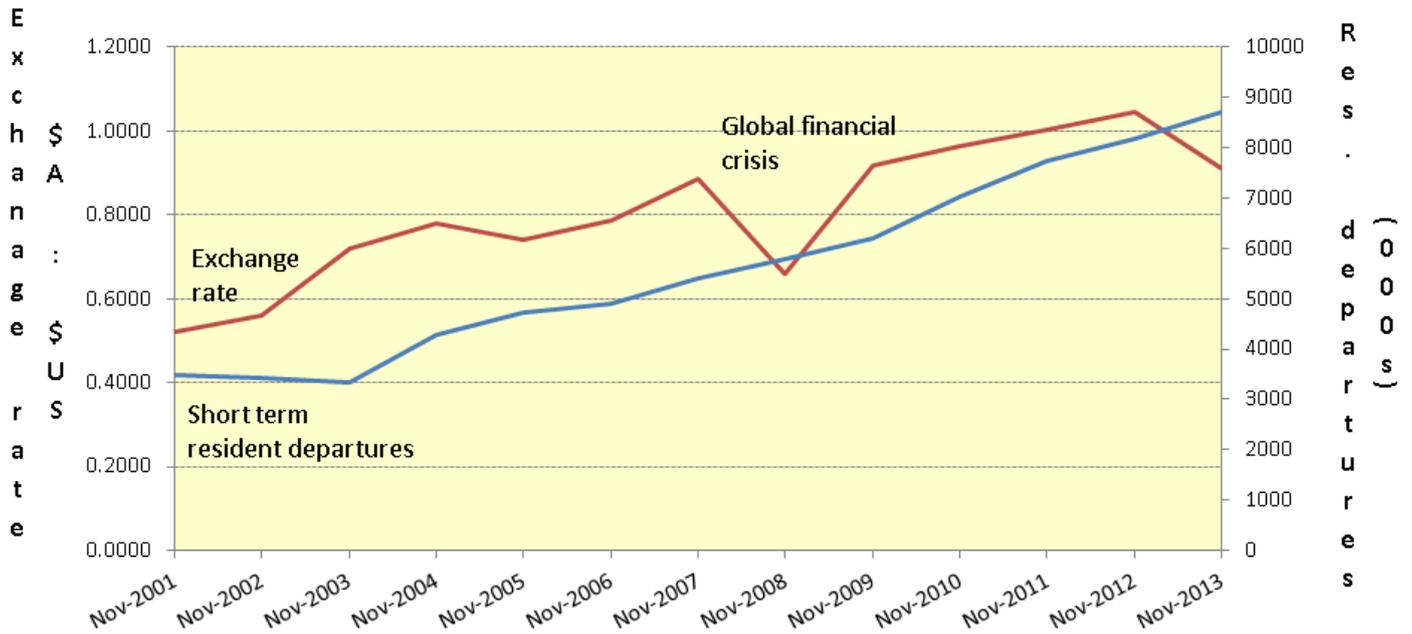
In the year ended September 2013 intrastate visitors in South Australia grew by 6% compared with the previous year. Nationally the intrastate market grew by 3%. Since the year ending September 2004 intrastate demand in SA has declined by 7% compared with a fall of 3% nationally. All states and territories have experienced a contraction in intrastate travel over the longer term with the exception of Queensland which has grown by 7%.

Other Indicators

Information regarding the performance of the accommodation sector in South Australia is no longer published on a quarterly basis by the Australian Bureau of Statistics. A report covering the 2013/14 fiscal year will be released in December 2014.

Information regarding short term overseas departures by Australian residents is published by the Australian Bureau of Statistics.

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



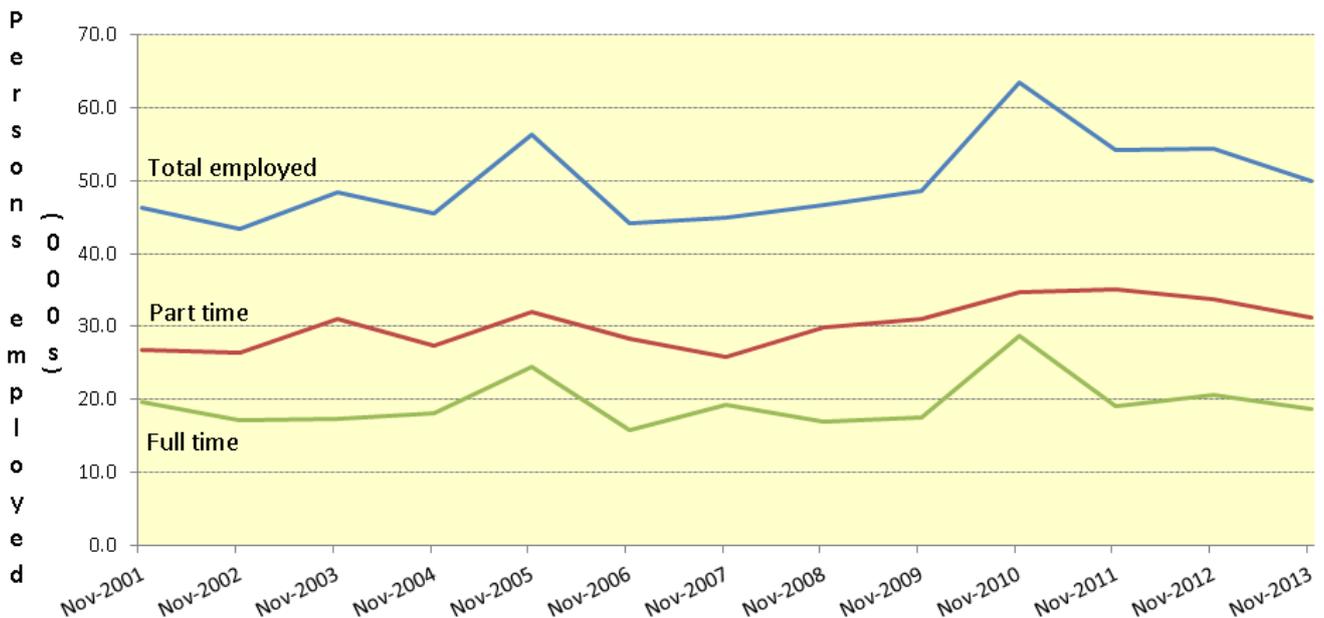
Source: Australian Bureau of Statistics Cat. 3401.0 - Overseas Arrivals and Departures.

Reserve Bank of Australia. <http://www.rba.gov.au/statistics/frequency/exchange-rates.html> The data is the specified point in time and does not represent the interim periods. The exchange rate was above A\$1.00 for most of the year 2012-2013.

The latest figures for the year to November 2013 show that outbound travel continues to grow with short term resident departures increasing by 6.3% to a total of 8.7 million when compared to the previous year. Annual average growth since September 2001 is 7.9% pa.

The Australian Bureau of Statistics also publishes information regarding employment across a range of industry categories. At State level accommodation is combined with food services.

Employment in Accommodation and Food Services in South Australia



Source: Australian Bureau of Statistics. Cat. 6291.0.55.003. Labour Force Australia, Detailed.

The Labour Force figures for South Australia for the month of November 2013 show a decline of 8% in the number of persons employed overall in the accommodation and food services sector when compared with November 2012. Part time employment was down by 8% and full time employment was down by 9%.

Due to the seasonal nature of employment in the accommodation and food services industries annual comparisons may vary depending on the point in time at which the comparison is made. The September quarter barometer indicated an increase in employment in August 2013 when compared with the same time in 2012.