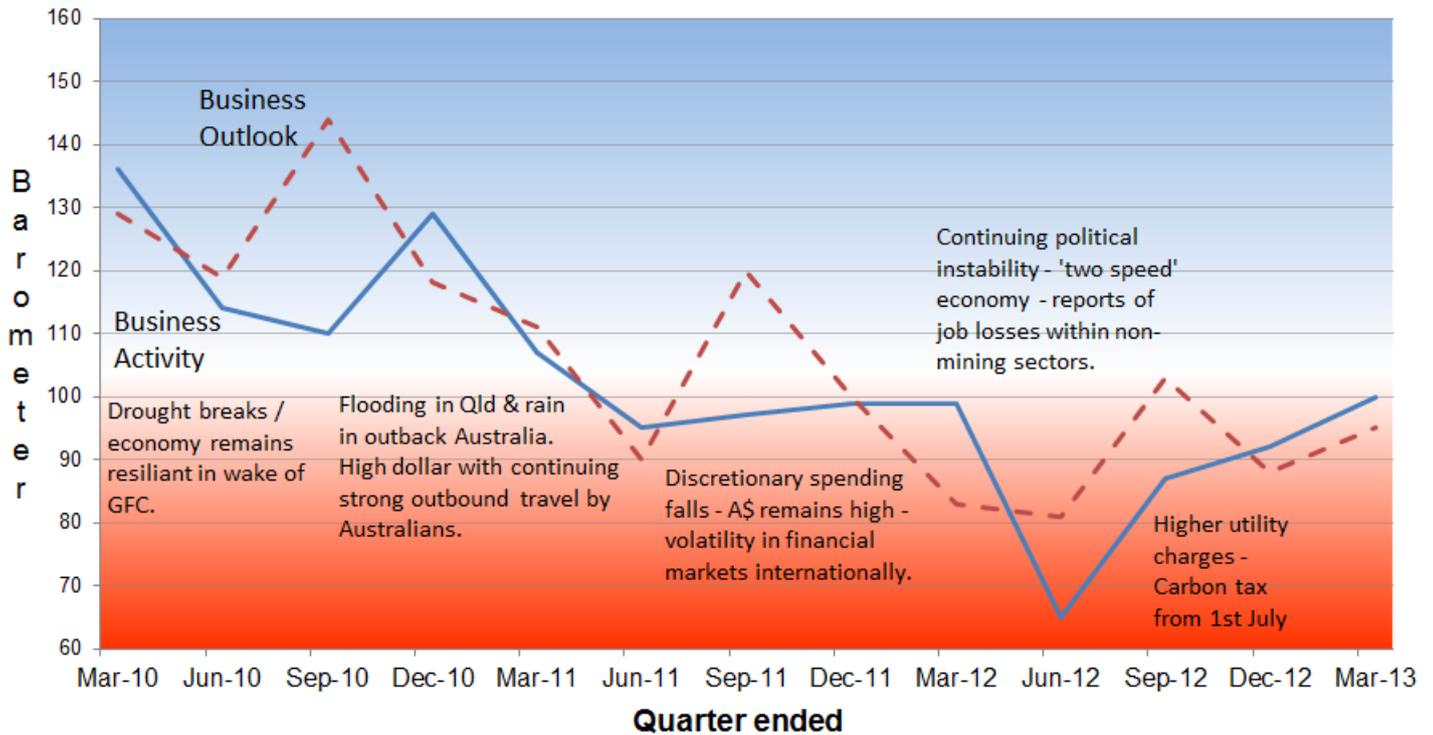


South Australian Tourism Industry Council SA Tourism Barometer – March Quarter 2013

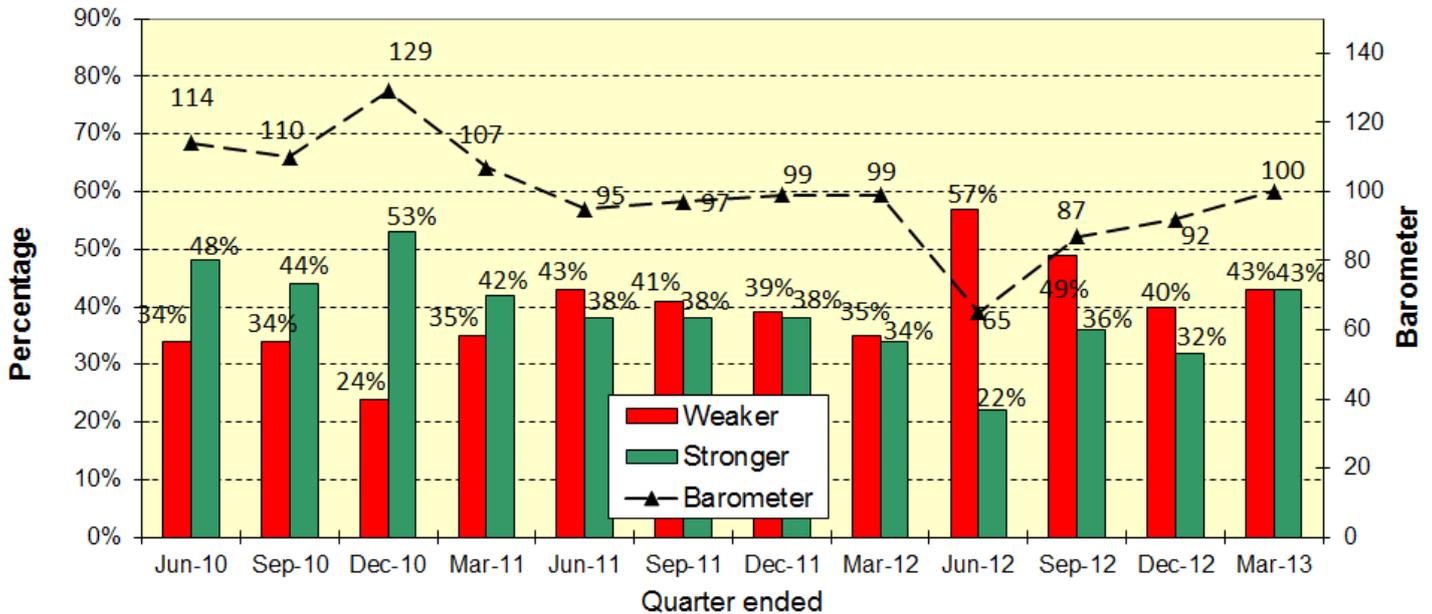


Headline: Blue Sky Ahead?

The SATIC tourism business activity barometer continued an upward trend in the March quarter increasing by 9% to 100 points. The short term business outlook barometer also improved rising by 8%, from 88 to 95 points. Businesses that performed well appeared to be those that were broadening their product offer, capitalising on festivals / events and embracing the digital environment.

The survey respondents were asked to state whether their business had experienced stronger or weaker activity in the March quarter of 2013 when compared to the same period in 2012.

Business Activity in the Last 3 Months



In the March quarter of 2013 the proportion of survey respondents experiencing improved business activity when compared to the same period last year was 43% - up from 32% at the December quarter survey. The proportion experiencing weaker conditions was also 43% - up from 40% in the December quarter. The activity index was up by 9% from 92 to 100 points.

Factors underpinning performance included:

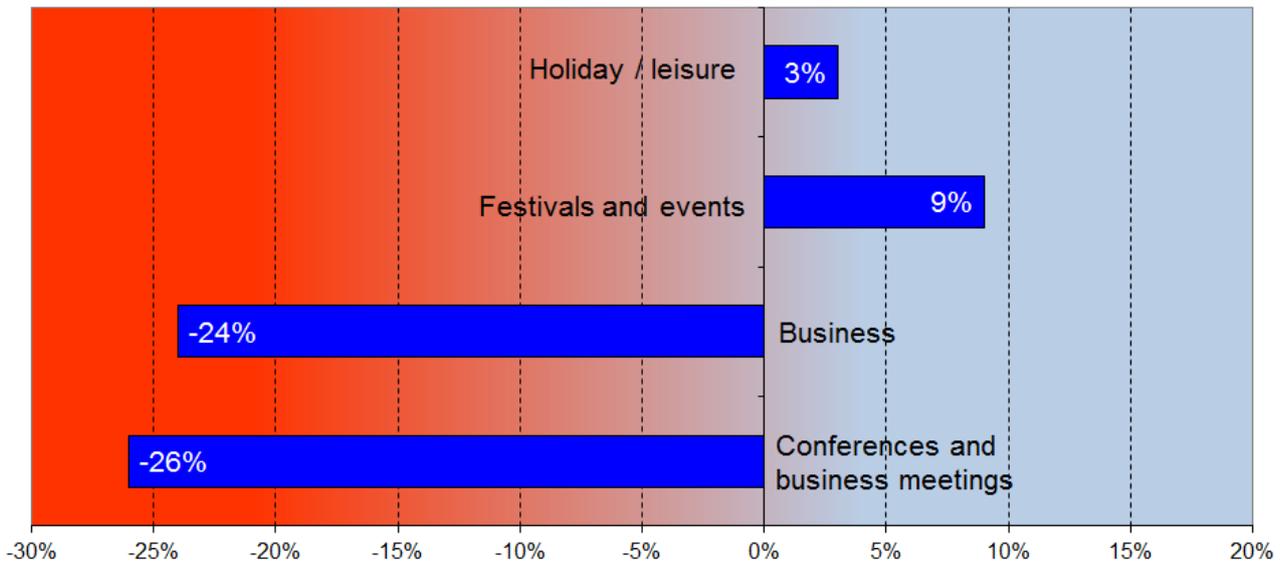
- Cruise ships.
- Early Easter.
- Events season – incl. Geltwood Festival in Millicent, Tunarama, Wooden Boat Festival.
- Functions / weddings / corporates.

- Improved digital marketing / SEO strategy.
- Murray River flows back to normal / no more negative press.
- Positive ratings on trip advisor.
- Referrals / repeat business.
- Visitors from the USA.

Less positively:

- Consumer confidence continues to be weak.
- Corporate / conference sector is weak.
- Events not as strong as in the past.
- Inbound weak.
- Lack of marketing for regions.
- More last minute booking – which means tours are cancelled as insufficient early bookings received.

Business Activity by Sector

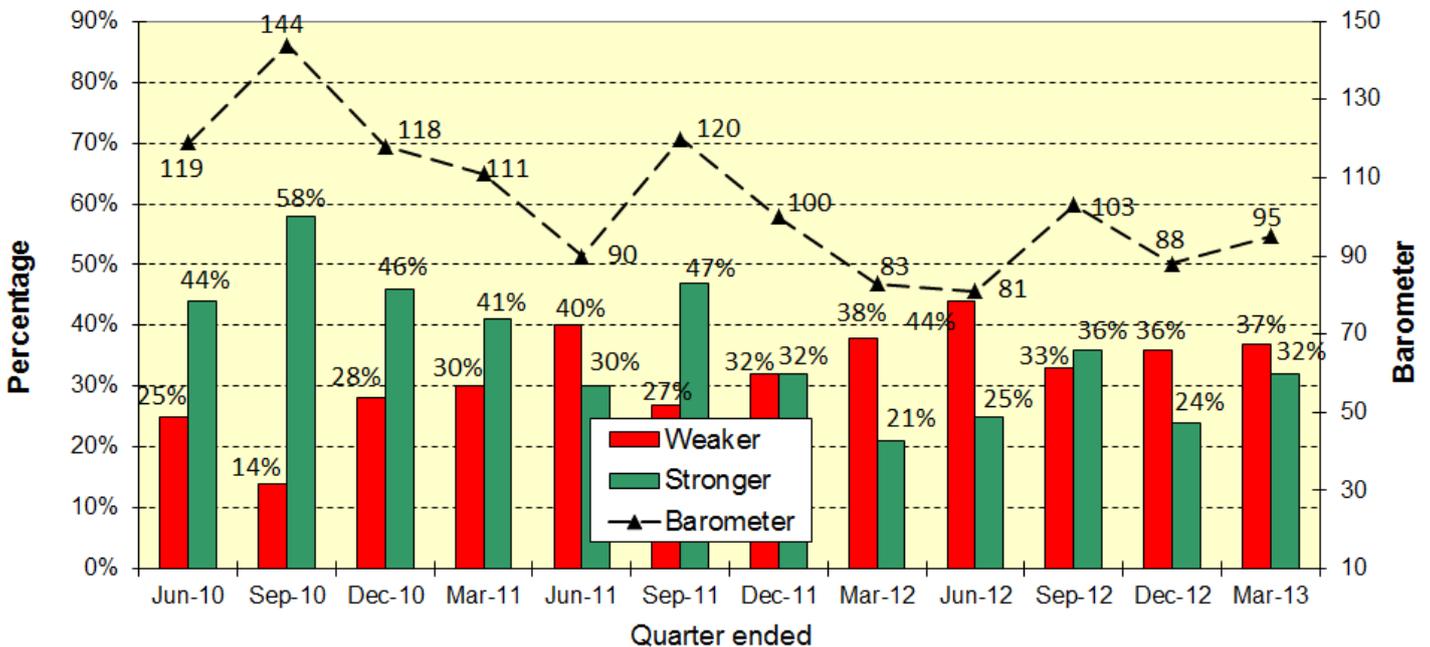


Business Activity - Deviation from Mid Point of 100

Analysis of business activity by sector indicated that the holiday / leisure and the festival and events sectors both showed improvement. The holiday / leisure sector was more positive with a barometer of 103 points (up by 11% from December 2012) while the barometer for festivals and events was 109 points (up by 33% from December 2012).

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



The short term outlook index was up by 8% (from 88 to 95 points). The proportion expecting improved performance had increased from one quarter (24%) at the December quarter survey to one third (32%) in the March 2013 survey.

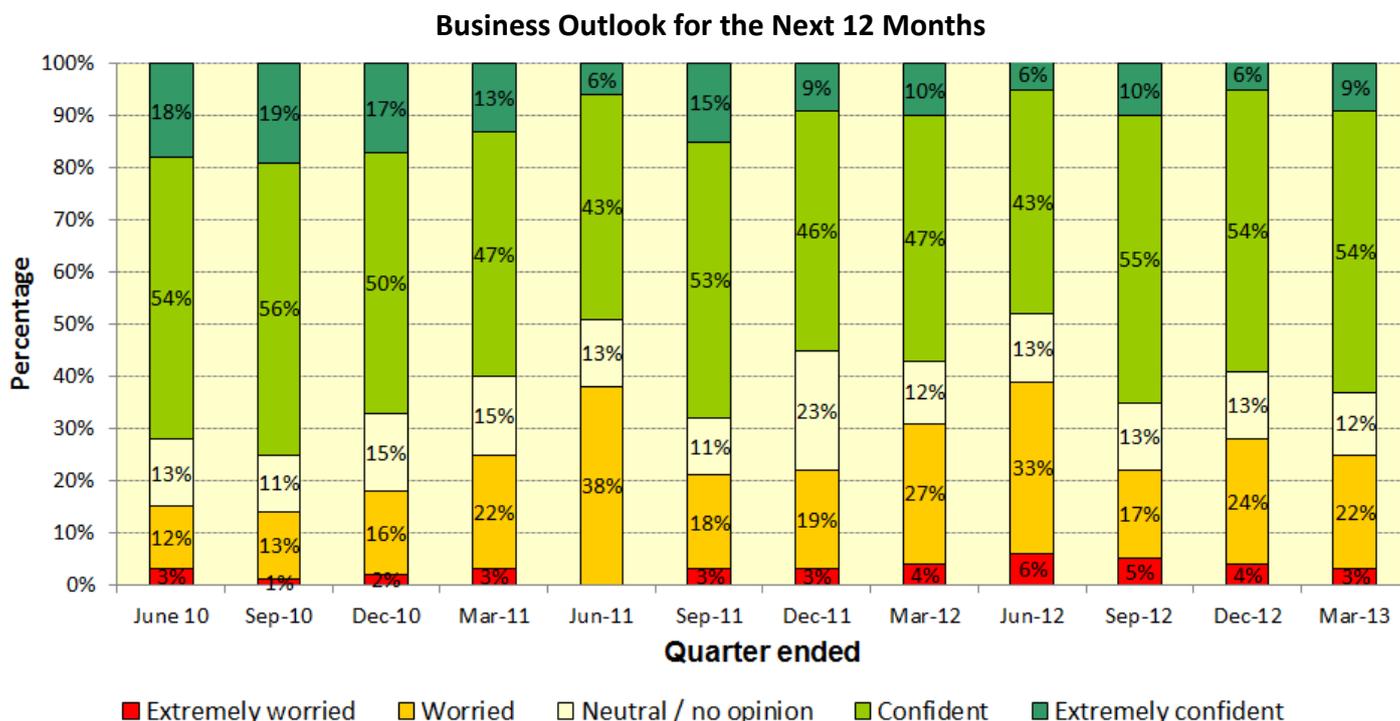
Factors influencing the outlook for the short term included the following:

- Enquiries are up – maybe a sign of improving confidence.
- Friendship groups / weddings are going well.
- Running more special events around wine & food.
- Touring market seems to be ok.

Less positively:

- Economic outlook / lack of discretionary spending.
- Families are stressed – more so than singles / couples.
- Forward bookings down.
- High dollar / outbound travel.
- Lack of water in Lake Eyre.

The outlook for the next 12 months was as follows:



In the March quarter 2013 quarter survey, 9% of the respondents were ‘extremely confident’ about the next 12 months which was an increase from 6% at the previous survey. The same proportion were ‘confident’ (54%) while the proportion that were ‘worried’ or ‘extremely worried’ was 25% - down from 28% at the December quarter survey.

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

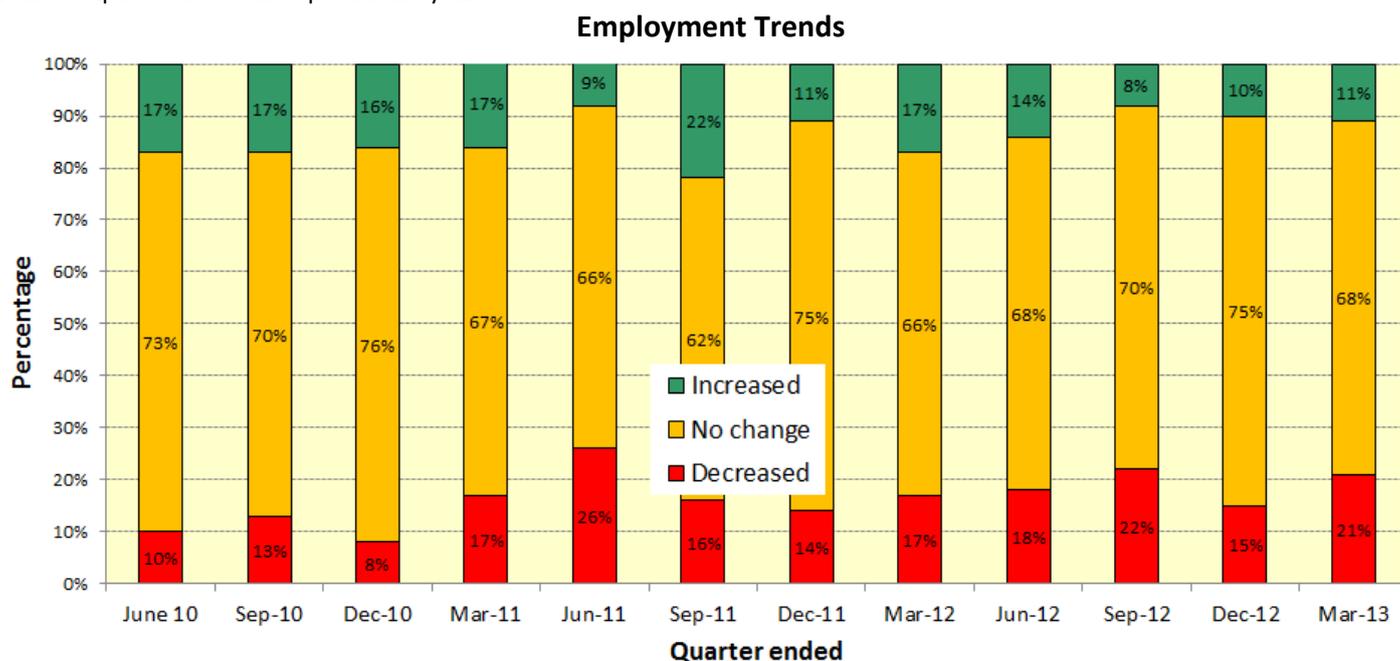
- Change of Government.
- Functions will be important to drive demand for accommodation. Less reliance on traditional leisure travel.
- Growth in Asian markets.
- Improvements to the product offering.
- Improved advertising / marketing.
- Increasing flights into Adelaide airport – both domestic and international.
- Mining projects will increase visitors for the Eyre and Yorke Peninsulas.
- Upcoming SATC campaign for the Barossa.

Less positively:

- Increasing domination of wine distribution by supermarkets and discounting has impacted cellar door visitation.
- Government charges and costs continue to increase.
- Lack of leadership at State and Federal level.

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 March quarter 2013 the proportion employing more people was 11% while 21% were employing fewer people. Further information regarding employment trends from the ABS Labour Force survey is attached on page 8.

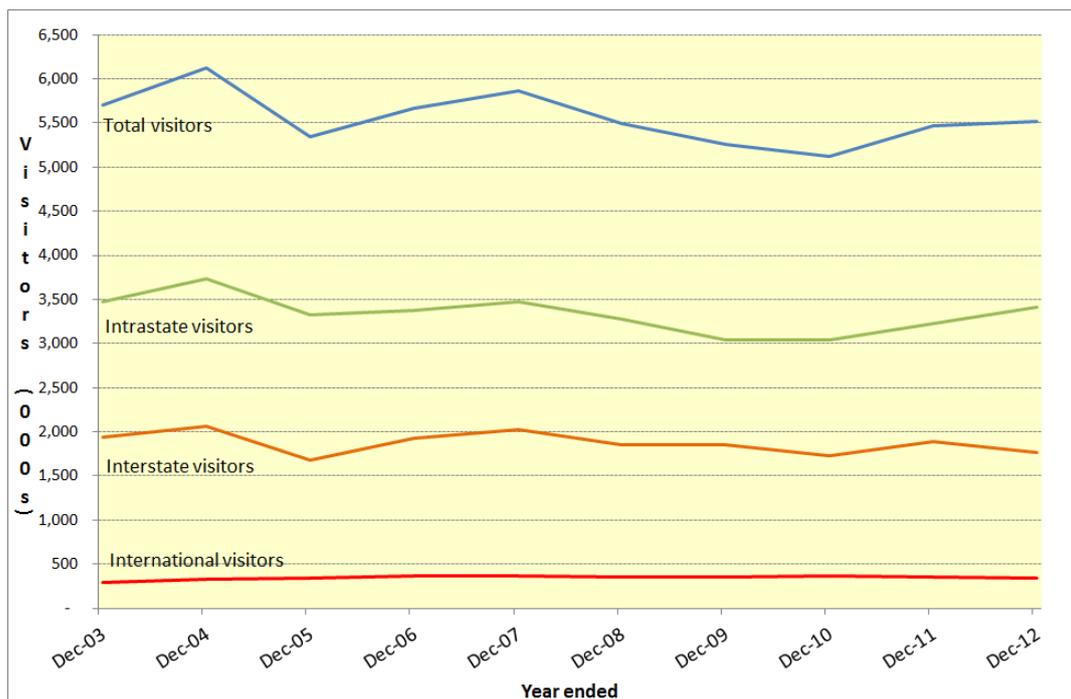
About The SATIC Tourism Barometer

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 97 members responded to the March 2013 quarter survey. *Report prepared by independent research consultants – Greenhill Research and Planning.*

Annual Performance to December 2012

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.

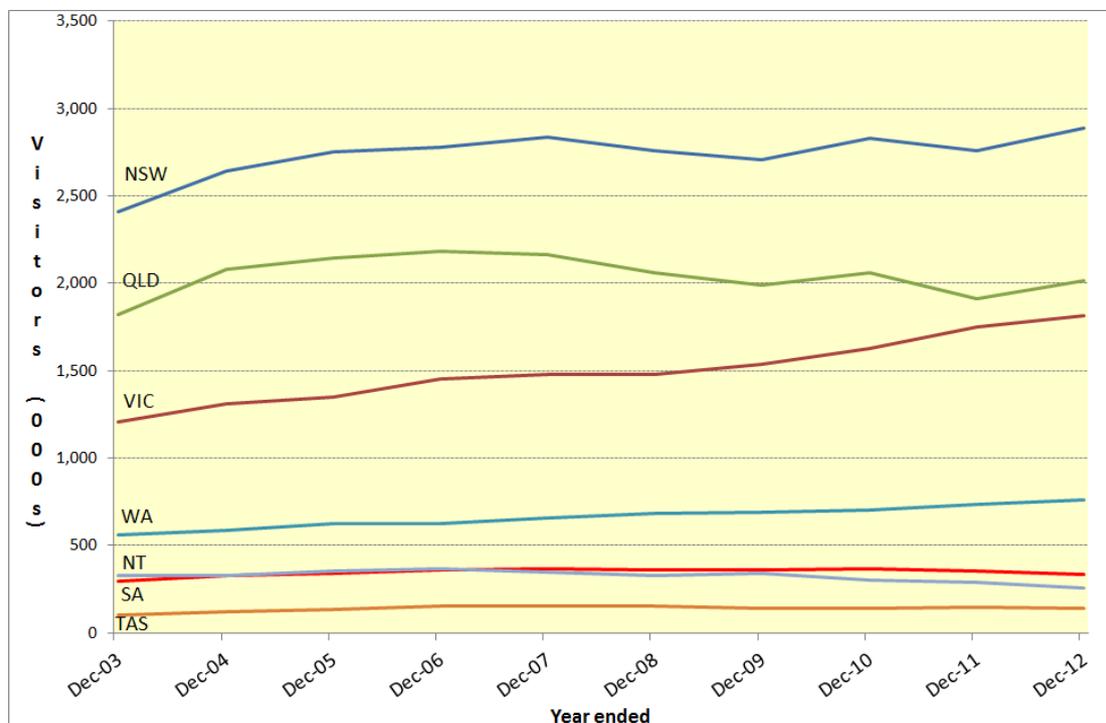
Overview of Visitor Demand for South Australia



The results of these surveys show that the number of overnight visitors to and within South Australia increased by 1% in the year to December 2012 compared with the previous year. Visitor demand within Australia as a whole increased by 4% during this period.

Intrastate demand in SA increased by 6%, interstate was down by 6% while the number of overseas visitors contracted by 5%.

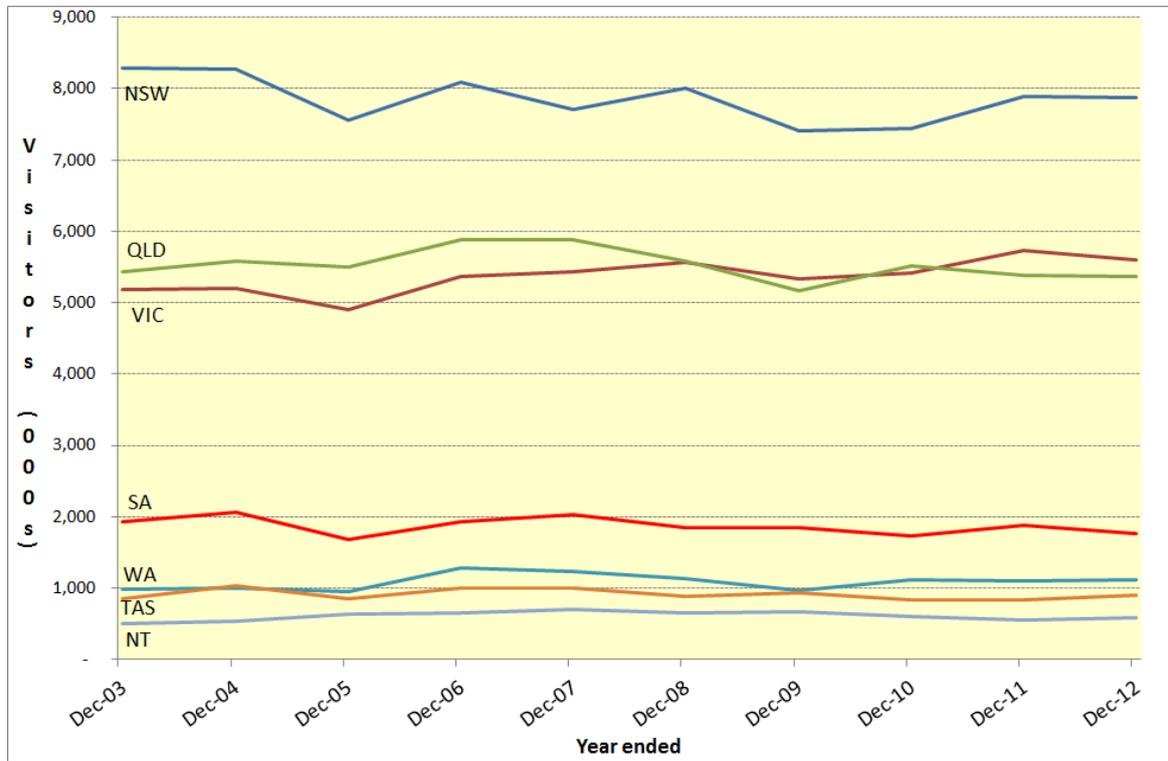
International Visitors by State / Territory



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

In the year ended December 2012 international visitors to South Australia contracted by 5% compared with an increase of 5% nationally.

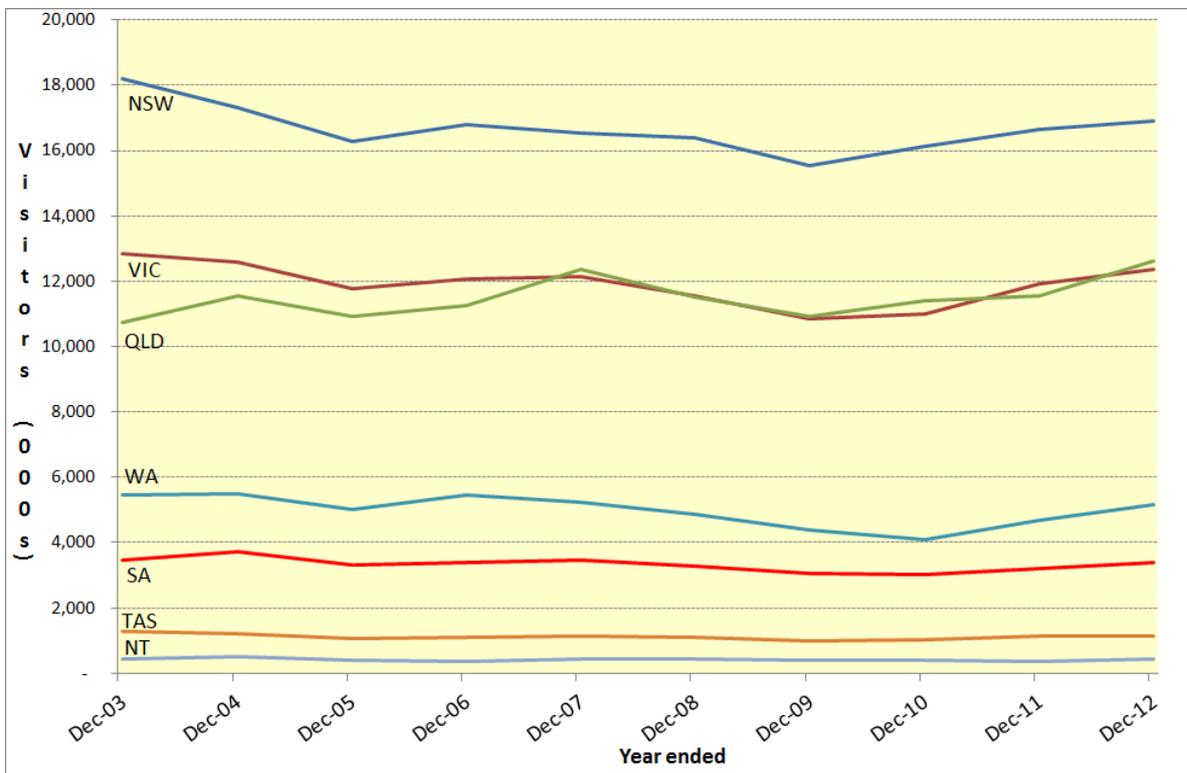
Interstate Visitors by State / Territory



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

In the year ended December 2012 interstate visitors to South Australia contracted by 6% compared with no change nationally.

Intrastate Visitors by State / Territory

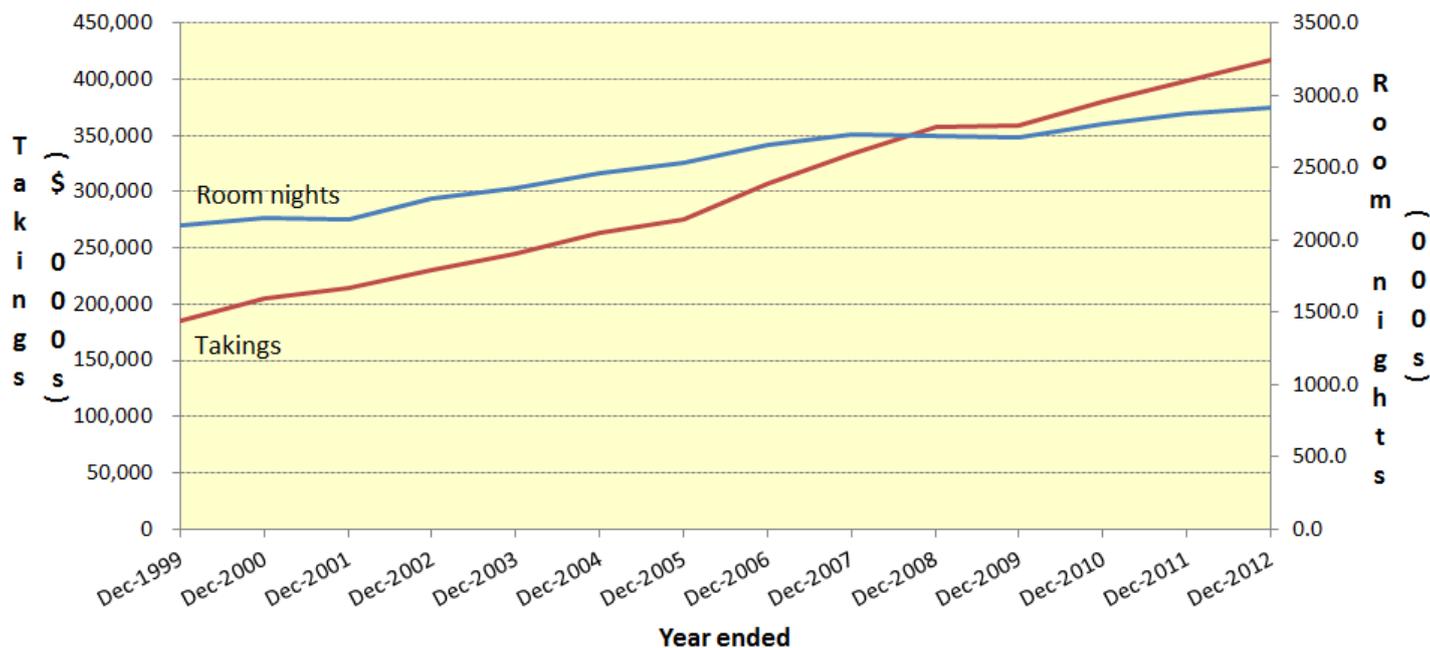


Tourism Research Australia. <http://www.ret.gov.au/tourism>. Travel by Australians. National Visitor Survey

In the year ended December 2012 intrastate visitors in South Australia increased by 6% which was above the national trend (5%).

Information regarding the performance of the accommodation sector in South Australia 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

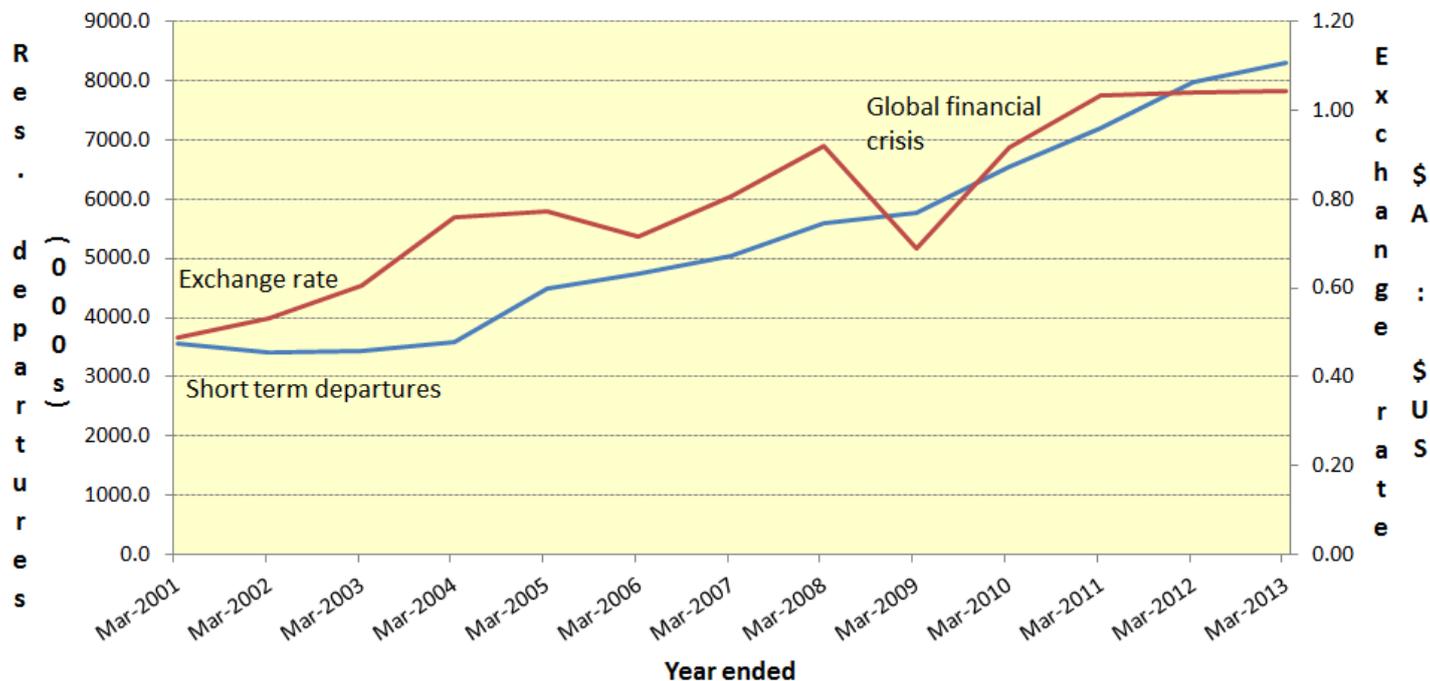


Source: Australian Bureau of Statistics. Cat. 8635.0. Tourist Accommodation, Australia.

Room nights sold in hotels, motels and serviced accommodation in South Australia increased by 1.4% in calendar 2012 to 2.92 million while takings from accommodation increased by 4.5% to \$417 million.

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

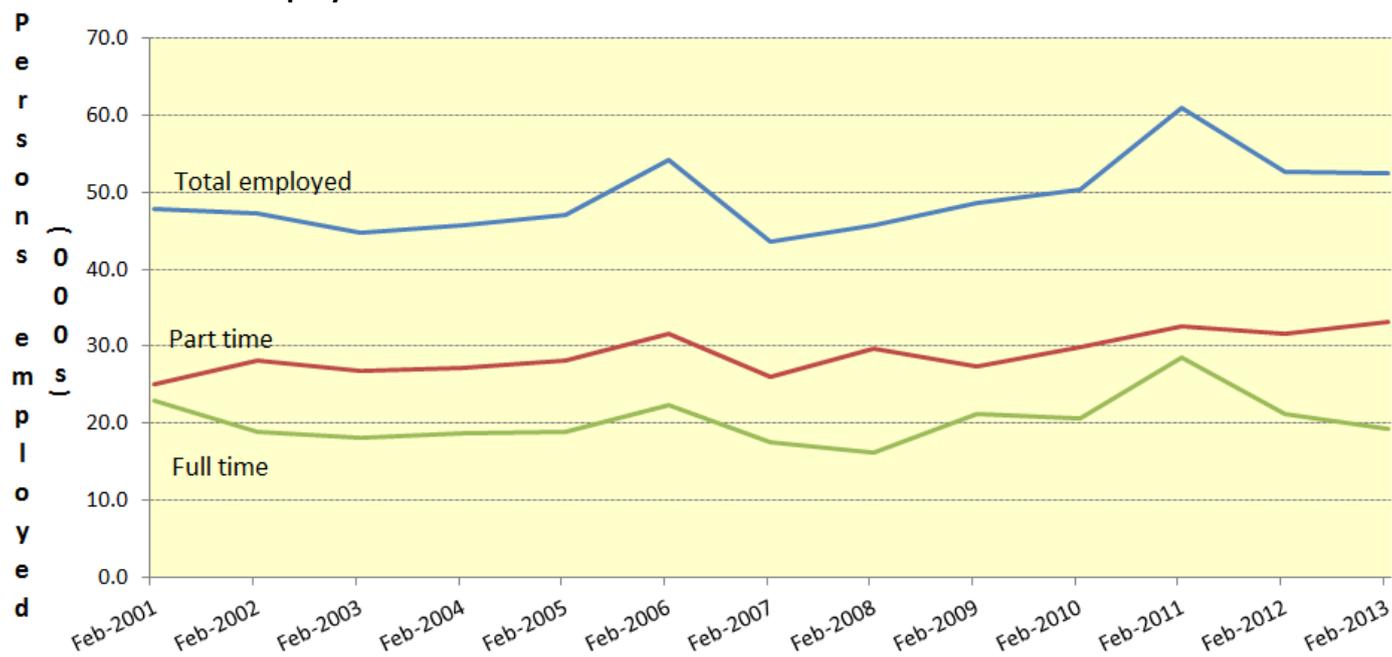


Source: Australian Bureau of Statistics Cat. 3401.0 - Overseas Arrivals and Departures.
Reserve Bank of Australia. <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>

The latest figures for the year to March 2013 show short term departures by Australian residents grew by 4.3% to 8.3 million when compared to the previous year. Annual average growth since March 2004 is 9.8% 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 February 2013 show a decrease of 0.5% in the number of persons employed overall in the accommodation and food sector when compared with February 2012. Part time employment was up by 5% while full time employment was down by 9%¹.

¹ Labour force data is subject to seasonal variation – in the December quarter barometer which compared employment at the month of November part time employment was down by 4% while full time employment was up by 8%.