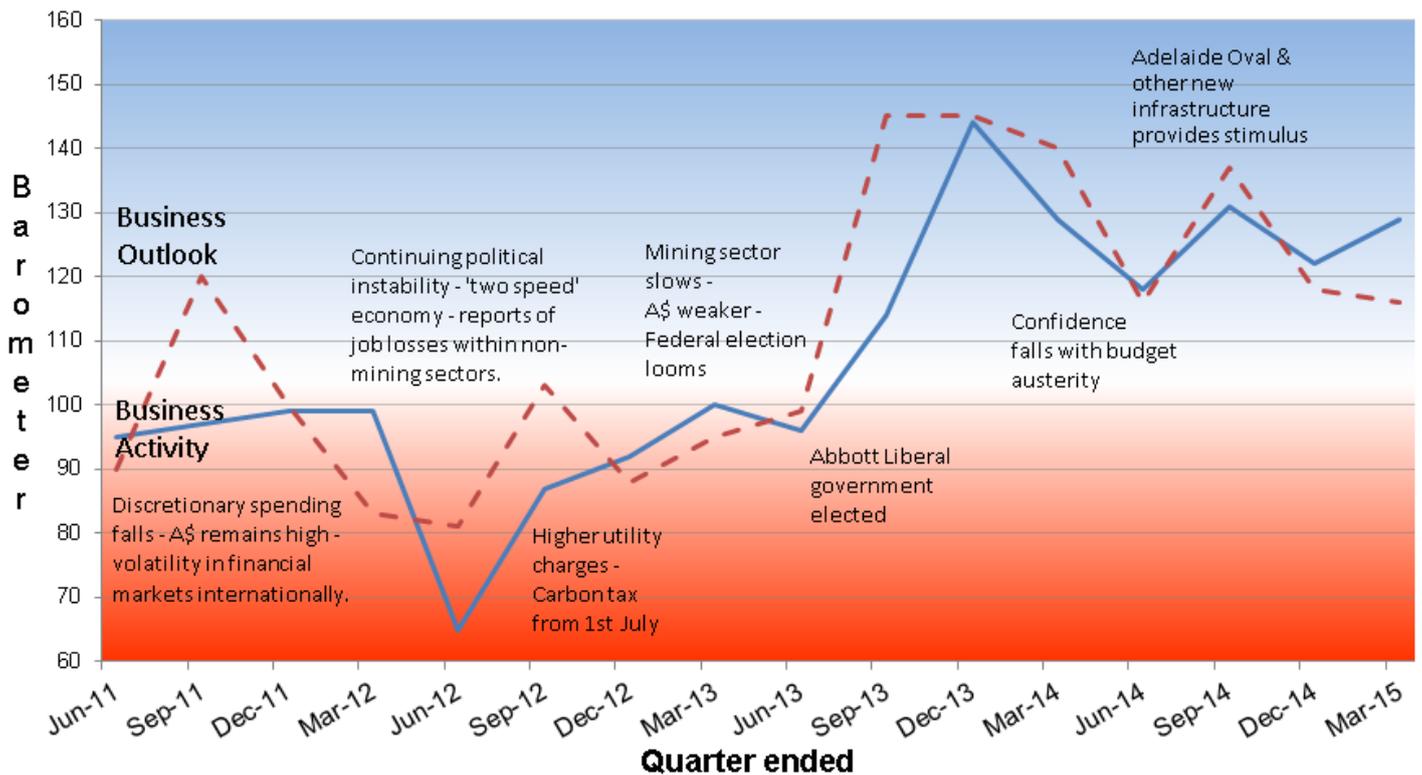


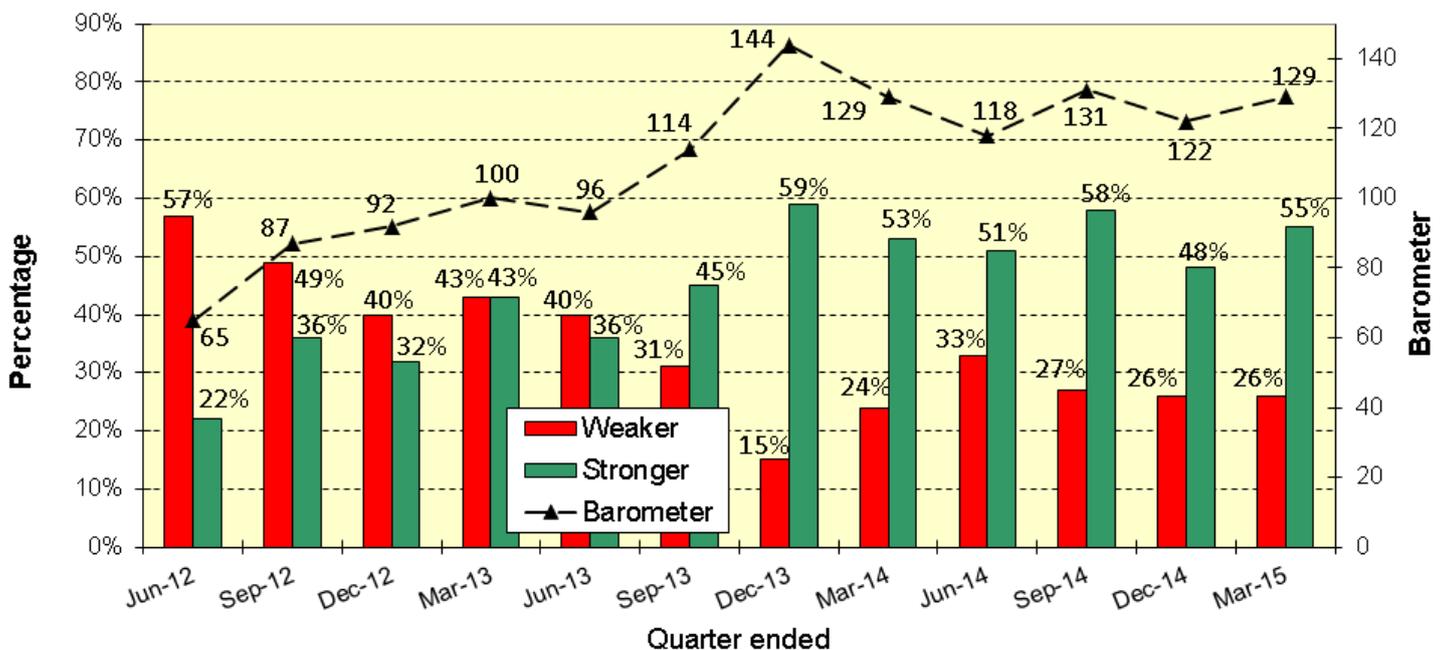
## South Australian Tourism Industry Council SA Tourism Barometer – March Quarter 2015



### Headline: Events Season Provides a Lift

In the March quarter 2015 survey the business activity index increased by 6% - from 122 points to 129 - while the short term business outlook index fell slightly – down by 2% to 116 points. Business activity was supported by the World Cup Cricket and the events season in Adelaide. The Adelaide Fringe reported a 21% increase in box office when compared with 2014. Domestic passenger movements at the Adelaide airport in the financial year to March were up by 3% and international up by 8%. The Riverbank Precinct and other new infrastructure in Adelaide continue to have a positive impact. Labour force data indicates employment in accommodation and food services was up by 10% in February 2015 compared with the previous year.

### Business Activity in the Last 3 Months



In the March quarter of 2015 the proportion of survey respondents experiencing improved business activity when compared to the same period last year was 55% - up from 48% at the December quarter survey. The proportion experiencing weaker conditions was 26% - consistent with the December quarter result.

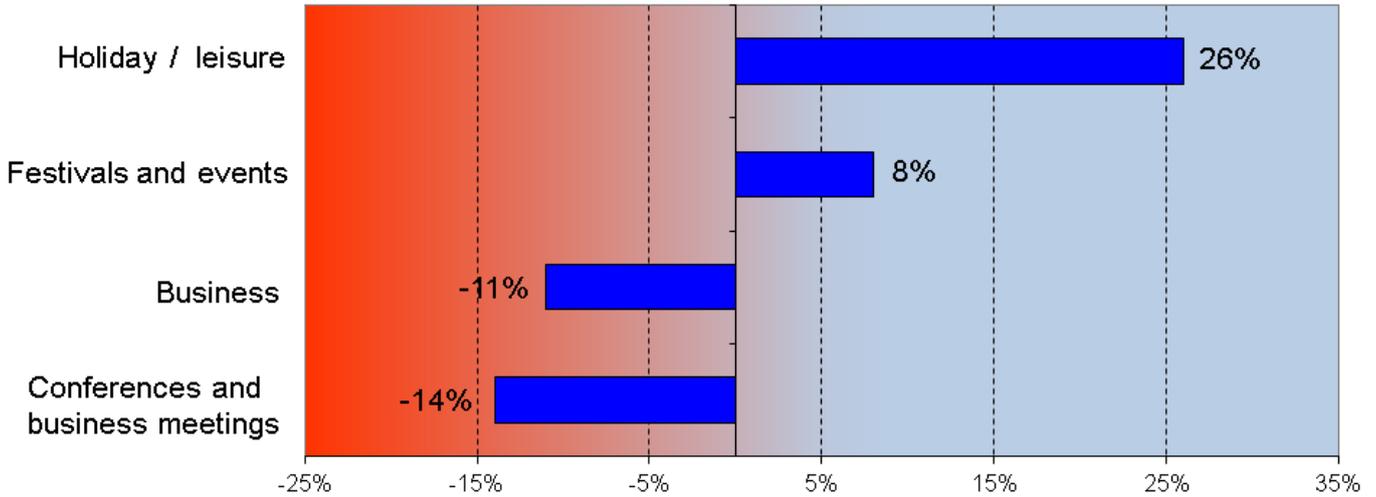
Factors underpinning performance were:

- The Adelaide events season / World Cup Cricket.
- Riverbank precinct, Adelaide Convention Centre, and Mayfair Hotel.
- More interstate and international visitors.
- Good weather & fishing.
- Lower exchange rate.
- Lower oil prices.

Less positively:

- Economy / lack of confidence.
- Demand same but yield down.
- Penalty rates.
- Fewer conferences.
- Oversupply of accommodation in Adelaide.

**Business Activity by Sector**

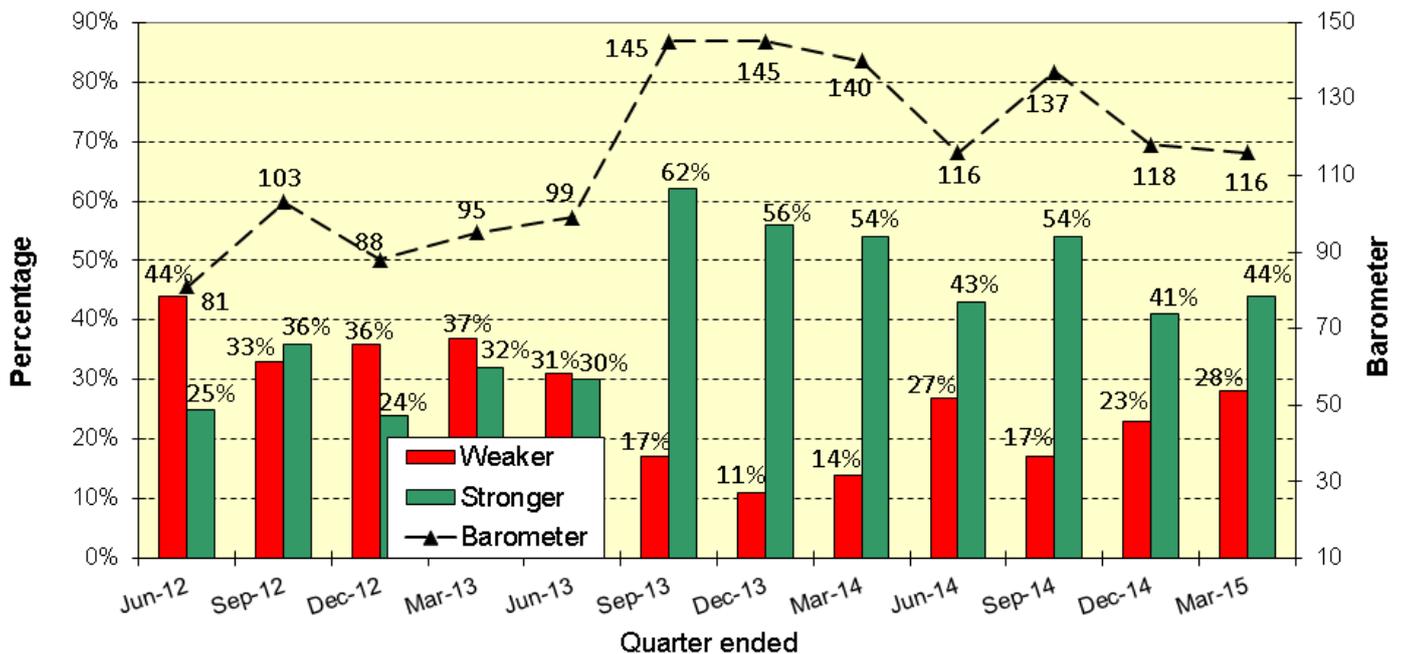


**Business Activity - Deviation from Mid Point of 100**

The performance index for the holiday / leisure sector was 126 points – up by 3% from the previous quarter. The index for festivals and events was up by 17% from the previous quarter reflecting the impact of the March events season. The sector indexes were below the midpoint of 100 for business – 89 points – and conferences and business meetings – 86 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 2014.

**Business Outlook for the Next 3 Months**



In the March quarter 2015 the short term business outlook index was relatively stable – falling slightly to 116 points. The proportion expecting improved performance was up from 41% in the December 2014 quarter survey to 44% while the proportion expecting weaker conditions was up from 23% to 28%.

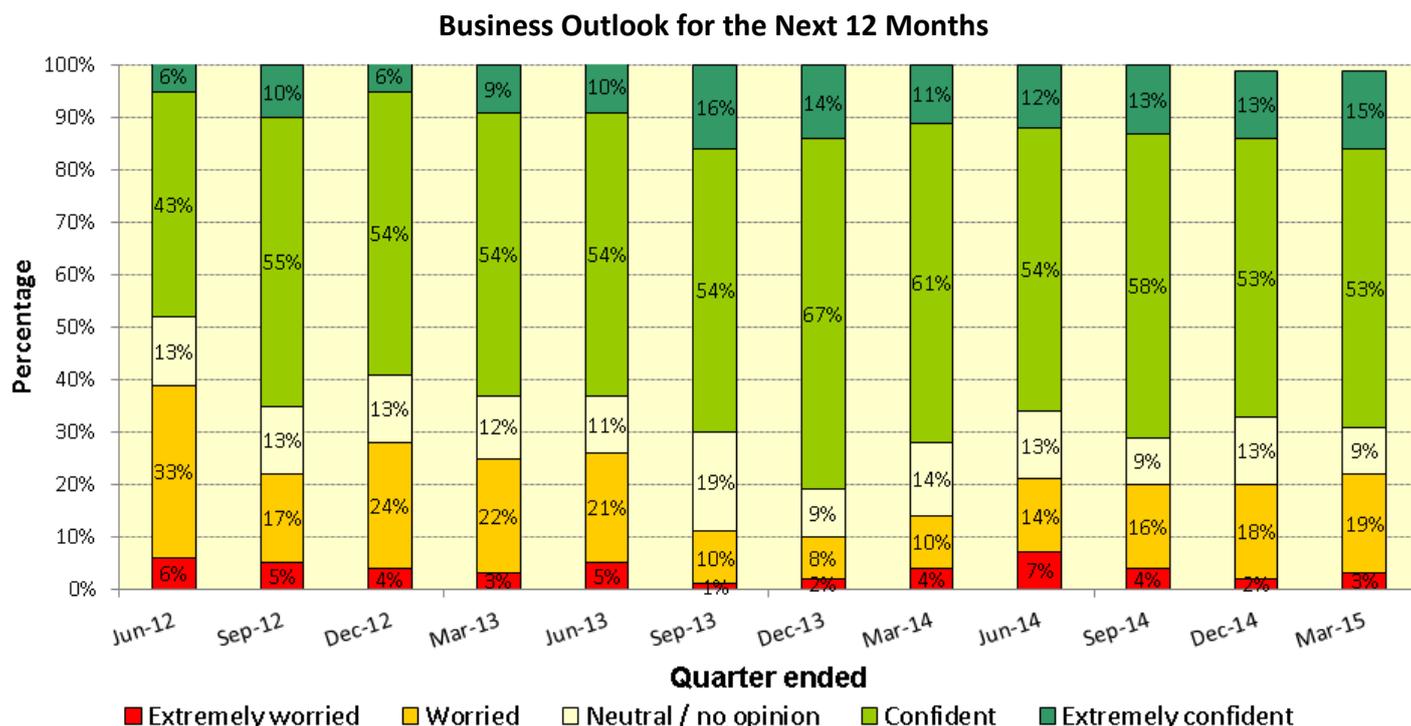
Factors influencing the outlook for the short term included the following:

- Greater focus on regions.
- Stronger forward bookings than previous years.
- Weaker dollar.
- Destination SA.
- Convention business.
- Events - Vintage Festival / Cornish Festival.

Less positively:

- Lower yields – people not spending.
- Forward bookings are poor.

The outlook for the next 12 months was as follows:



In the March quarter 2015 survey, 15% of the respondents were ‘extremely confident’ regarding the prospects for the next 12 months and 53% were ‘confident’. These results were consistent with the previous survey.

Factors underpinning business confidence in the longer term were:

- A strong start to the year.
- Lower exchange rate.
- Improved outlook for business events and conventions.
- Repeat business – particularly at the high end.
- Developing an ‘open all year’ strategy.

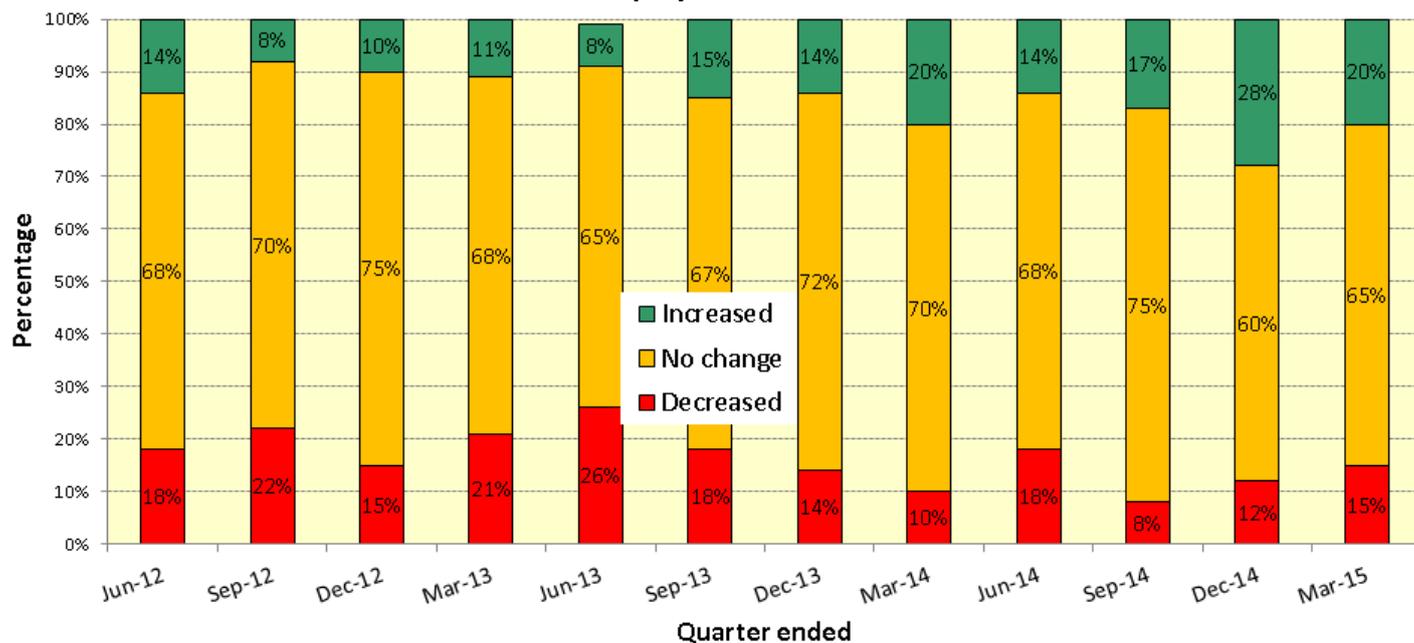
Less positive

- Outbound travel doesn’t seem to be slowing.
- Cost of compliance, overheads, low margins.
- Cost of wages.

## 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.

**Employment Trends**



In the March quarter 2015 survey 20% of the respondents had employed additional staff in their business – down from 28% in the December quarter survey. The proportion that had fewer staff had increased slightly to 15% (from 12% in December). Further information regarding employment trends from the ABS Labour Force survey follows.

### About The SATIC Tourism Barometer

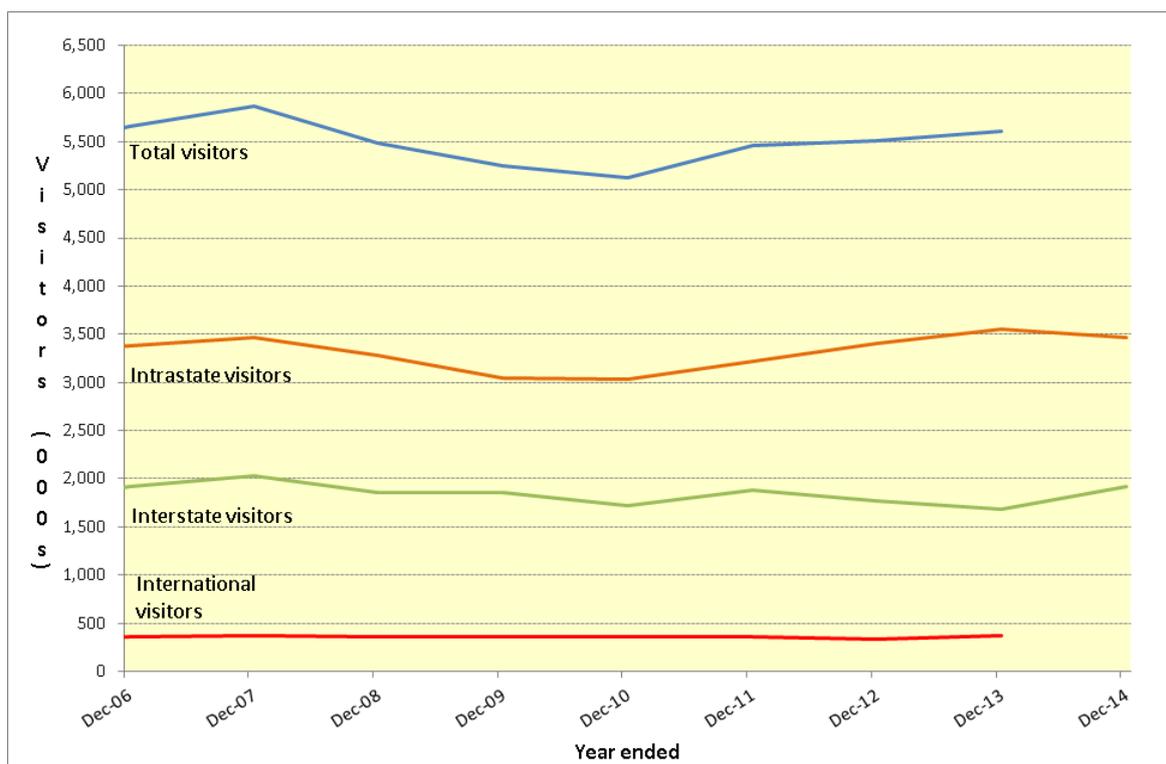
The SATIC Tourism Barometer is a quarterly survey of SATIC members designed to measure recent activity levels and the outlook for the future. The Barometer survey is conducted on-line and a total of 86 members responded to the March 2015 quarter survey.

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

## Annual Performance to December 2014

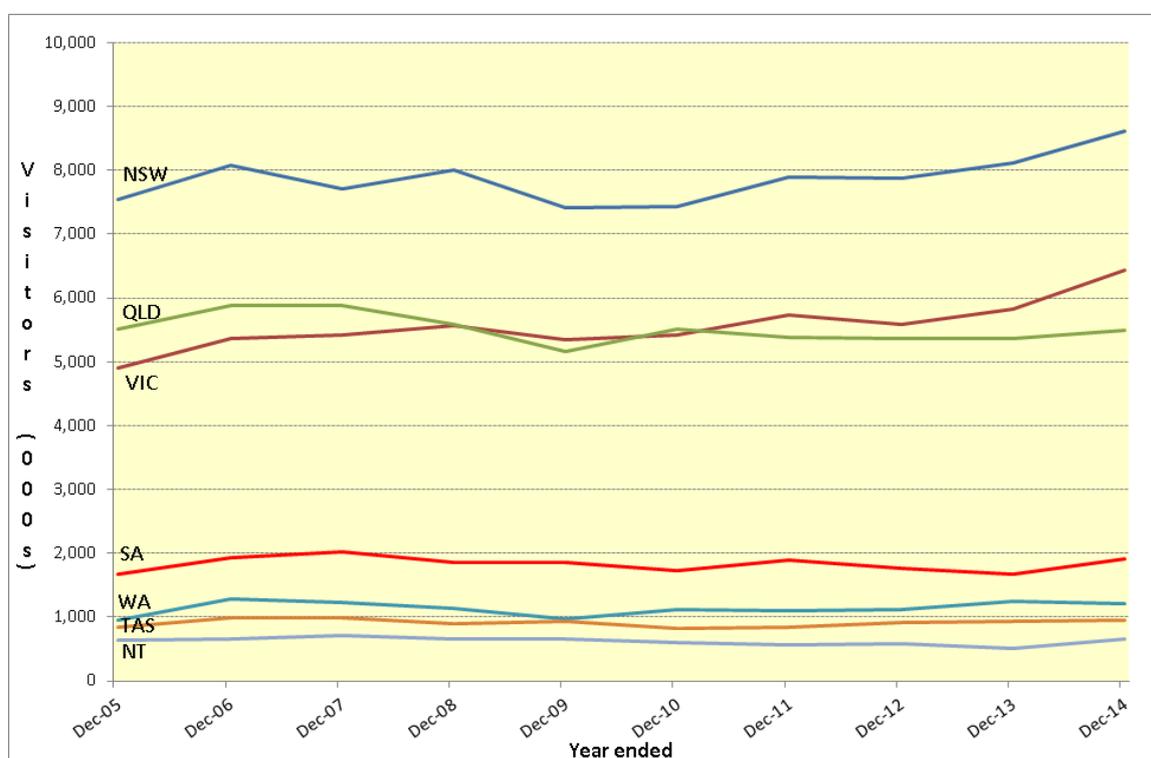
Information regarding travel demand in Australia is collected by Tourism Research Australia through two national sample surveys: the National Visitor Survey and the International Visitor Survey. The International Visitor Survey data for the December 2014 quarter has not been released at the date of publication due to delays in the processing of the passenger cards.

### Overview of Overnight Visitor Demand for South Australia



The number of interstate visitors to SA in the year to December 2014 was 1,919,000 – up 14% from the previous year – while the number of intrastate visitors was 3,467,000 – down by 3%.

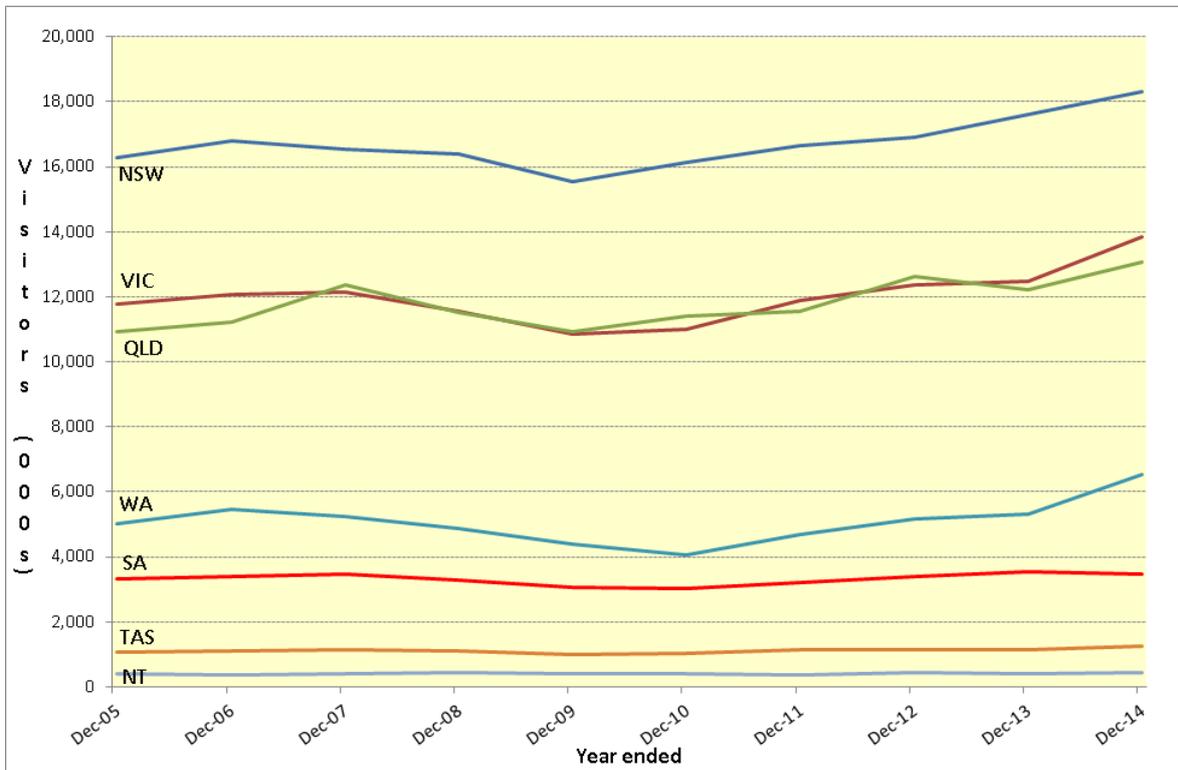
### Interstate Visitors by State / Territory



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

In the year ended December 2014 the number of interstate visitors to South Australia increased by 14% to reach 1,919,000 visitors. Nationally interstate travel grew by 6%. SA recorded the second highest growth for the year behind the Northern Territory (up by 29%).

## Intrastate Visitors by State / Territory



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

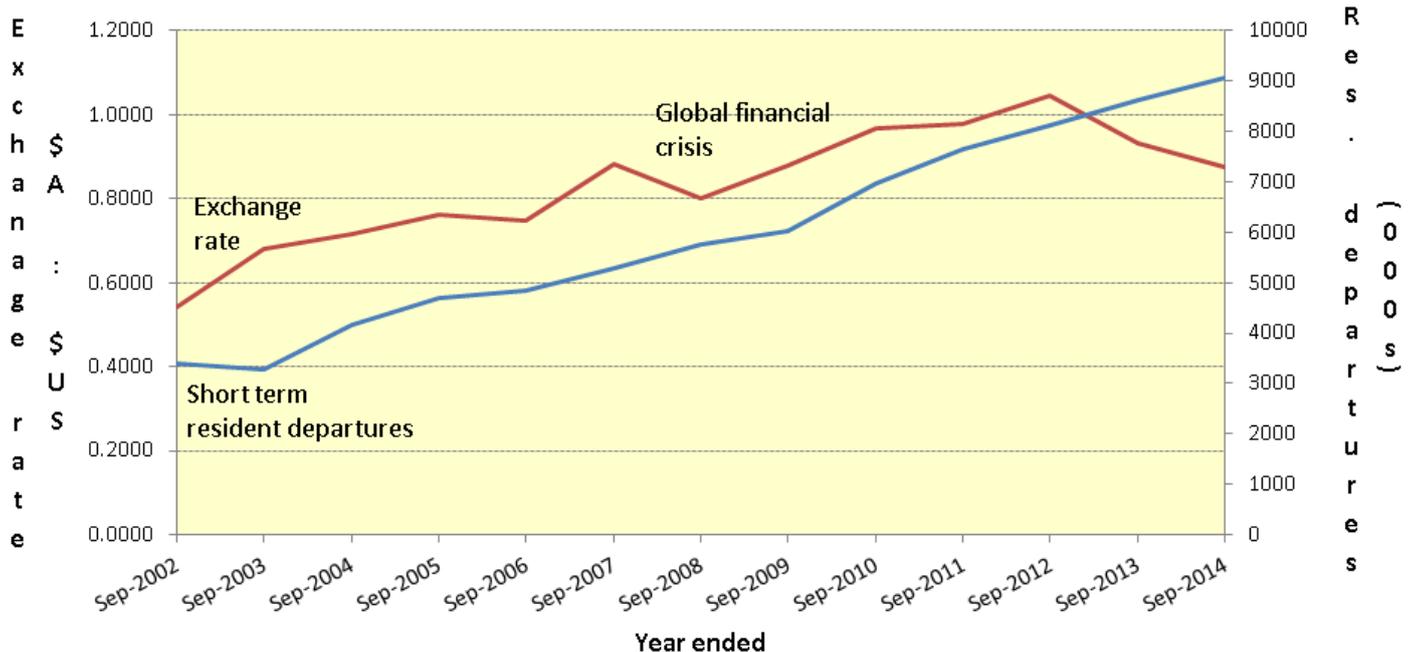
In the year to December 2014 intrastate visitors in South Australia fell by 3% from the previous year to 3,467,000 overnight visitors. Nationally the intrastate market grew by 8%. Over the period since 2005 intrastate demand in SA has increased by 4% compared with an increase of 18% nationally.

### Other Indicators

Information regarding the performance of the accommodation sector in South Australia is published by the Australian Bureau of Statistics. The data is now published annually with results for the 2013/14 fiscal year published in December 2014. See the December quarter 2014 Barometer for the latest information.

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



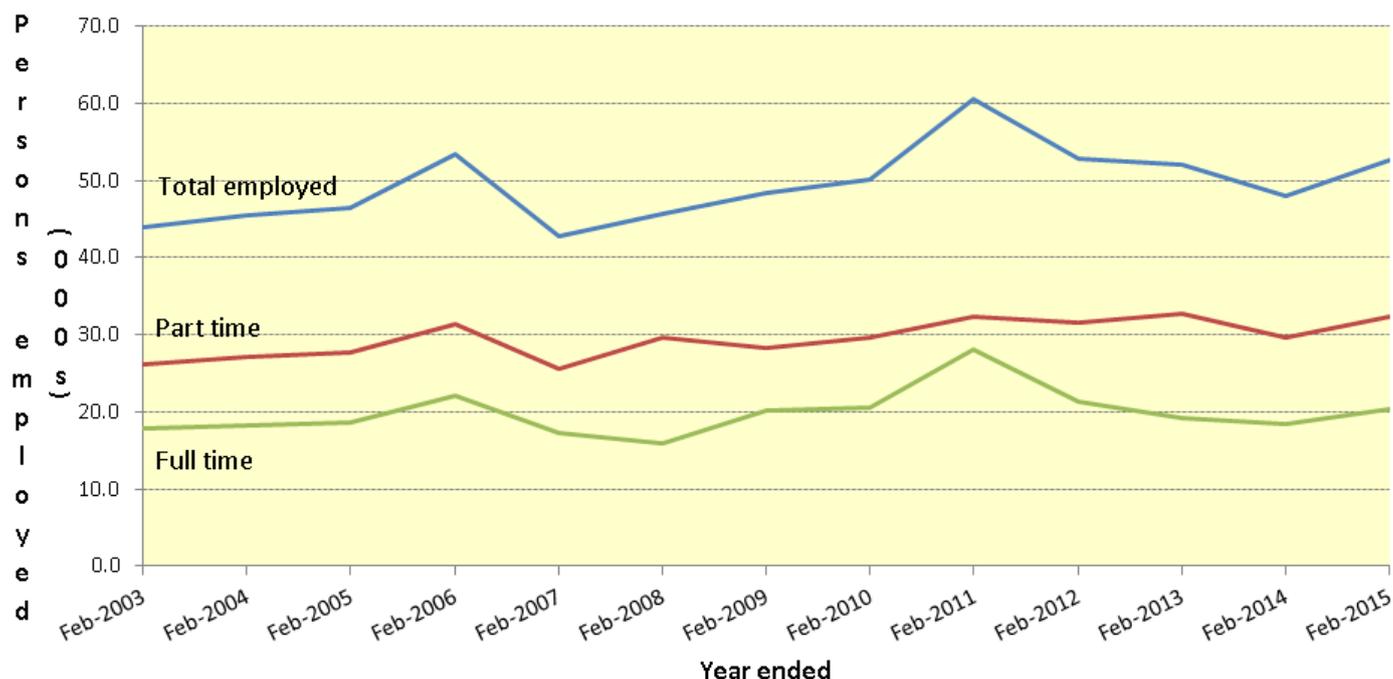
Source: Australian Bureau of Statistics Cat. 3401.0 - Overseas Arrivals and Departures.

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 release of data relating to overseas arrivals and departures has been delayed due to issues with the processing of passenger cards. In the year ended September 2014 there were 9.06 million departures – an increase of 5.2% from the previous year.

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 2015 indicated an increase of 10% in the number of persons employed overall in the accommodation and food services sector when compared with February 2014. Full time employment was up by 9% and part time by 10%. 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.

### Adelaide Airport – Passenger Movements

Passenger movements through Adelaide Airport for the period 1<sup>st</sup> July 2013 to 31<sup>st</sup> March 2014 and 1<sup>st</sup> July 2014 to 31<sup>st</sup> March 2015 are presented below.

Pax (’000s)	Financial Year to Date		
	Mar-15	Mar-14	Growth (%)
Domestic	4,818	4,693	2.6%
International	726	671	8.2%
Regional	420	432	-2.9%
<b>Total</b>	<b>5,964</b>	<b>5,797</b>	<b>2.9%</b>

Source: Adelaide Airport

International passenger movements were up by 8% while domestic movements were up by 3%.