

OVERVIEW

Under the Business Events Australia (BEA) brand, Tourism Australia focuses on the incentive sector in China, recognising that these events bring high economic value to Australia.

Through an integrated trade and marketing strategy aimed at inspiring its target customers, BEA raises awareness and consideration of Australia's quality business events product offering and delivery of incentive events. Activity includes brand and content marketing, educational visits, trade engagement and events that allow the Australian business events industry to meet with qualified buyers to grow their business.

Tourism Australia also supports the work undertaken by Australian industry in securing incentive events from the China market.

In the year ending June 2017, China was Australia's second largest inbound market for visitor arrivals and the largest market for total expenditure and visitor nights. In the same period, information based on the International Visitor Survey (IVS) tracked expenditure of AUD393m from 75,000 Chinese business events arrivals.

For more information on the China market, visit www.tourism.australia.com/markets/market-regions-greater-china.aspx

For more information on Tourism Australia's business events work and how to get involved, visit www.businessevents.australia.com

IMPORTANT FACTORS WHEN CHOOSING A BUSINESS EVENTS DESTINATION

Excellent business event facilities

A safe and secure destination

Friendly and passionate event staff

Clean cities and good infrastructure

A range of quality accommodation

A destination that offers value for money

Direct flight access

AVIATION UPDATE

Inbound seat capacity to Australia grew 32 per cent in 2016, with healthy average load factors at 80 per cent. New air routes to China in 2017 include;

Virgin Australia

- » Hong Kong to Melbourne five times a week from July 2017. Connects into mainland China through the Hainai Airlines network.

Qantas

- » Beijing to Sydney daily from January 2017

Air China

- » Beijing to Brisbane four times a week from December 2017

China Eastern Airlines

- » Shanghai to Brisbane daily from November 2017
- » Kunming to Sydney three times a week from November 2016

China Southern

- » Guangzhou to Cairns three times a week from December 2017

Tianjin Airlines

- » Chongqing to Melbourne three times a week from October 2017

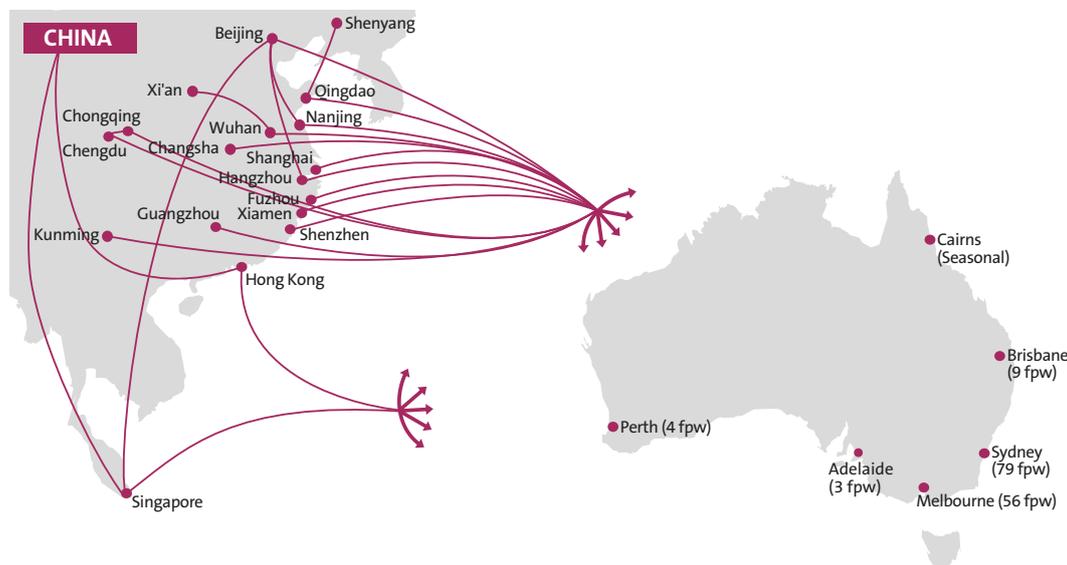
Beijing Capital Airlines

- » Qingdao to Sydney twice a week from August 2017

WHICH AIRLINES² DO CHINESE VISITORS USE TO TRAVEL TO AUSTRALIA?

Airline	2016
China Southern Airlines	21%
China Eastern Airlines	15%
Cathay Pacific	11%
Qantas Airways	11%
Air China	9%
Jetstar (Australia)	5%
Singapore Airlines	4%
Sichuan Airlines	4%

AVIATION ROUTES FROM CHINA TO AUSTRALIA¹



Sources: 1. Department of Infrastructure and Regional Development, December 2016
2. Department of Immigration and Border Protection, December 2015.

BUSINESS EVENT INSIGHTS AND TRENDS

- » Australia has recently introduced ten year multiple-entry visas for Chinese nationals, facilitating return visitation from this important market
- » Australia continues to be perceived as an aspirational long-haul destination and benefits from being the closest Western destination to China in proximity, with excellent direct flight routes.
- » The Chinese incentive customer is developing and maturing, as travel becomes a more established part of Chinese life. In addition, repeat visitation to Australia by some Chinese incentive groups is driving demand – and expectations – for new, adventurous and unique products and experiences. Bespoke team building activities, unusual forms of transport and more creative theming and activations for gala functions are becoming the norm.
- » Australian food and wine experiences, including those allowing access to fresh produce such as seafood tours, vineyard visits, or team building activities like cooking classes, feature in many programs.
- » Direct selling, finance/insurance, healthcare and IT are the key industries for outbound incentive groups from China.
- » Competition for the incentive customer continues to increase with many destinations such as New Zealand, Dubai, Europe (France and UK) and the USA (particularly Hawaii) active in the China market.
- » Beijing, Shanghai and Guangzhou continue to represent the majority of opportunities for Australia. Over a third of direct selling companies in China, a key industry for outbound incentive groups, are based in these three cities.
- » Due to significant growth in incentive business opportunities from Nanjing, Tianjin, Chengdu and Qingdao, Tourism Australia has expanded its work to include these cities.
- » In 2016, 23 new direct selling companies, including cosmetics and health care brands, acquired operating licenses from the Chinese government, bringing the total number of official direct selling companies operating in China to 82.
- » Local cosmetic companies are on the increase and offer good opportunities for Australia. Average group sizes are around 300 people with some groups up to 1,000 people.
- » Finance, insurance, healthcare and IT companies are also growing their consideration of Australia
- » Incorporating corporate social responsibility (CSR) elements into an incentive itinerary is emerging as a trend in China as companies become more interested in providing additional benefits to host communities. Environmental initiatives such as tree plantings are popular choices for CSR activity.
- » Cruises are emerging as an attractive option for Chinese incentive planners, offering the advantages of a variety of food and beverage, entertainment, leisure, touring and team-building activities within one location.
- » There has been a noted uptake in long-haul incentive destinations amongst medical equipment companies such as Bard Medical, Abbott Devices, Roche Diagnostics, increasing opportunities for Australia.
- » Some direct selling companies in China are starting to offer a more tailored experience on their incentive trips, providing options for delegates to choose from as part of the program instead of mandatory activities for all participants.
- » Chinese companies will plan and budget for their incentive trip based on their previous year's profits, sales or revenue, which may affect budgets for incentive programs.
- » Large-scale incentives of over 1,000 people often begin consideration of potential destinations 18 months out, but may not contract until six months from the departure date.
- » Destinations are generally announced within nine months to one year from the proposed travel date to allow enough time for promotion of the trip to staff and to inspire them to increase their performance to qualify for the trip.
- » Requests for quotes for an incentive program may originate from the corporation directly, from an incentive agent in China or an Inbound Tour Operator in Australia (see China Business Events Distribution System for details).
- » Event sizes vary between industry sectors. IT and finance average around 70-200 people; healthcare around 200-500 people; direct selling around 500-2,000 people.
- » Some direct selling events can reach sizes of up to 12,000 people and travel in several waves.
- » Key Australian destinations for large-scale incentive events continue to be Sydney, Melbourne and the Gold Coast, however Hobart, Adelaide and Cairns are increasingly being considered for smaller (70-200 people) events.
- » The association sector is changing in China, with the Chinese government announcing an initiative to decouple industrial associations from business councils and administrative institutions. Chinese associations are being encouraged to run commercial operations, including eventually hosting association events overseas. Tourism Australia is keeping a watching brief on this development, to ensure opportunities for Australia are fully utilised.

CHINA BUSINESS EVENTS DISTRIBUTION SYSTEM

In China, business event planners are known as Conference & Incentive or Meetings Incentive, Conference, Events (MICE) Agencies. Most agencies are divisions of large travel management companies.

Large online travel agencies such as Ctrip, Tuniu.com and JD.com have invested in business events divisions and have successfully targeted smaller, premium incentive groups of 100 to 300 people.

An Inbound Tour Operator (ITO) is an Australian-based business that provides itinerary planning and coordinates the event program within Australia on behalf of their overseas clients. This includes accommodation, tours, transport, functions and meals. ITOs can have offices in both China and Australia.

It's important to note that the Chinese travel distribution system is highly regulated by the Chinese government.

Conference & Incentive, MICE agencies

Key agencies in China include:

- » China CYTS MICE Service Company
- » CITS International MICE Company
- » CTS MICE Service Company
- » Grand China MICE Service
- » UMICE International Travel

Travel Agencies

Key agencies in China include:

- » Ctrip
- » New View
- » Swallow Travel
- » Tuniu

Inbound Tour Operators (ITOs)

Key Australia-based ITOs include:

- » Auga Travel
- » Australian Tours Management
- » Encounter Australia Pty Ltd
- » Equity Travel
- » Eversun Tours & Travel
- » Experience Tours Australia
- » PTC Express

PLANNING A VISIT TO MARKET

- » Tourism Australia encourages the Australian industry to undertake trips to China to develop their knowledge of the market and recommends contacting the in-market BEA team to gain relevant insights.
- » The Australian business events industry is encouraged to join Tourism Australia's trade activity program in China and to organise additional sales calls during this time in order to maximise trade visits.
- » There are no peak or off-peak seasons for sales calls in China, however it's advisable to avoid the month before Chinese New Year and the end of the calendar year, which are usually the busiest period for agencies and corporate decision makers.
- » Chinese incentive agencies welcome Australian industry providing a tailored training session for staff in their offices. It's advisable to work in collaboration with the relevant in-market convention bureau and Tourism Australia when organising and delivering these training sessions.
- » Your product information should be tailored to the Chinese market and be translated or created in Simplified Chinese. It is also recommended that business cards are in both English and Simplified Chinese.

KEY BUSINESS EVENTS TRADE ACTIVITY

Event	Location	Date
Business Events Australia Greater China Showcase	Shanghai, China	April 2018
Best Partner Program	Various	Various

The Business Events Australia Greater China Showcase, hosted in-market, provides the Australian industry with the opportunity to meet and do business with qualified buyers and media.

The Best Partner Program is a networking initiative that provides information on Australian destinations and business events products to corporate decision makers. The Best Partner Program is delivered by Tourism Australia in partnership with Australian industry active in market.

Other activity in market throughout the year includes engagement activity that demonstrates why there is nothing like Australia for business events. This includes sales calls and training seminars for business events agents.

As part of its trade activity, Tourism Australia also conducts educational visits to Australia from the China market.

For more information on any of these trade activities, contact bea@tourism.australia.com

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For more information please visit

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