

Australian hotels look to two million Chinese visitors in the next decade with new wave of hotels and China-friendly services - TAA

Sharp rise in Chinese hotel investment follows record Chinese visitor growth

27 January 2017: On the eve of **Chinese New Year** and the start of the **first-ever Australia-China Year of Tourism**, Tourism Accommodation Australia (TAA) believes that the massive expansion in Australia's hotel sector will help drive Chinese inbound numbers from the current one million to up to two million over the next decade.

Since 2009, Chinese visitor numbers have grown over 350% from 300,000 to 1.1 million, with China expected to become Australia's leading inbound market by the end of the year. China is also one of the highest spending markets, injecting \$8.3 billion into the Australian economy last year, with spend estimated to grow to \$13 billion by 2020.

A record number of direct air services from China, and the capacity to grow the figures even higher as a result of Air Service Agreement signed by the China and Australian governments, combined with a more liberal and streamlined visa process for Chinese visitors, is set to drive annual double-digit growth figures over the next five years. Already this month, Sydney attracted a group of 8000 Amway incentive winners to the city, and hotels were reporting record bookings for Chinese New Year.

Australia's capacity to cater for the vast increase in numbers has been significantly boosted by the largest-ever expansion of hotel rooms across the country, with up to 120 hotels and 30,000 new rooms in the pipeline for development over the next five years.

Australian hotels have embraced the Chinese market by introducing a wide range of 'China Ready' services and facilities, such as Mandarin translated compendiums, menus and maps, Mandarin speaking reception staff and guest relations, Chinese TV channels and papers, more Chinese breakfast buffet items, Union Pay facilities and extensive cultural awareness programs for managers and frontline staff. Many hotels also offer extensive Chinese decorations and features during Chinese New Year. .

CEO of Tourism Accommodation Australia (TAA), Carol Giuseppi, said that the Australian hotel industry's willingness to introduce specialist services for the China market had played a key role in the rapid growth in Chinese visitor numbers.

"The Australian hotel industry has invested heavily in catering for the China inbound market because it offers the greatest sustainable growth prospects for the industry," said Ms Giuseppi.

"The industry has worked closely with Australian and State tourism organisations to participate in the China market through sales mission, Chinese media promotions, including far more effective use of Chinese social media channels, and innovative marketing programs.

"The China market is gradually evolving from a mainly group-based business to a more comprehensive sector that includes experienced individual travellers, small groups, incentive and business travel. Many of their travellers are opting for 5-star accommodation and it is expected that this year Chinese travellers will not only become Australia's largest market, but also the biggest spenders.

"A significant follow-on result from the China tourist boom has been the China hotel and tourism investment boom. In just three years, China has become one of the largest investors in the Australian hotel and tourism market, with some of their most high-profile property groups – such as Dalian Wanda, Greenland, Forise and Nanshan – investing up to A\$10 billion in the transformation of Australia's hotel and tourism landscape.

“In 2016, Chinese capital accounted for 38% of total hotel transactions volume, compared to just 6% in 2012 (figures from Colliers).

“Already cities like Brisbane, Perth, Adelaide, Darwin, Canberra and Melbourne have experienced the benefits of new room supply, and Sydney will see a big injection of new supply from later this year. The development boom has spread from CBDs to key commercial areas such as airports and suburban areas, though investment in regional leisure destinations still lags.

“Governments at Federal and State level deserve congratulations for investing significantly in major tourism infrastructure such as airports, convention centres and urban redevelopment. The hotel and tourism sector is leading the way in the Australian economy by delivering economic and jobs growth, and we will be looking to governments to maintain their support for the industry by promoting tourism and conferences, encouraging employment and training in the industry, and cracking down on commercial unregulated short-term accommodation.”

About Tourism Accommodation Australia

Tourism Accommodation Australia (TAA) represents the interests of Australia’s accommodation chains and individual members in the hotel, serviced apartment, integrated resort, motel and vacation ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.
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