



AUSTRALIAN BUSINESS EVENTS SUMMIT

Venue: Crowne Plaza Hotel, Alice Springs

Summit dates: 11-12 May 2008

The Business Events Council of Australia convened the first Australian Business Events Summit, which was held in association with the MEA Conference in Alice Springs in May 2008.

The objective of the Summit was to canvas views on key issues affecting the development of the Australia Business Events sector and to develop recommendations on BECA's role in fostering industry development.

Around 50 senior industry representatives from across Australia participated in the program (see attached list).

The summit unanimously endorsed BECA's peak representative role and nominated Australia's international competitiveness and declining market share of key Business Events segments as the industry's major priority.

It was agreed that better capitalising on Australia's strong general brand image and the high quality of its Business Events infrastructure product and services requires a range of strategic responses.

These include increased Federal Government funding for Tourism Australia's Business Events marketing, together with elevation of the Business Events Australia Unit to a Division directly reporting to the CEO; increased engagement with other Government departments and agencies; and closer linkages with Government and broader industry (non Business Events) groups.

It was also recognised that potential supply impediments and constraints such as hotel capacity and labour and skills shortages need to be addressed and identified.

Agreement was also reached on strategies addressing research and statistical data on the Business Events industry and a plan to better address and present Australia's Green credentials in the global Business Events market place

A series of discussions papers was prepared and distributed prior to the Summit. This report should be read in conjunction with these papers.

The recommendations of the Summit have been submitted to the BECA Council to determine priorities and actions needed.

OUTCOMES

Government Relations

The Summit:

Endorsed the previous work which had been achieved by BECA on behalf of the industry – specifically, the pre-budget submissions calling for a \$20M p.a. incremental spend by the federal government on business events marketing through Tourism Australia and the concomitant elevating of the BE unit to Executive GM level.

Welcomed the Minister's announcement at the MEA conference to develop a joint industry/government National Business Events Strategy

Reiterated support for BECA as the cohesive voice representing the industry – the key contact for federal government and Tourism Australia at executive level.

Called for the development of a consistent BE message for state and federal governments and the encouragement of a better alignment of the BE efforts of federal and state governments and industry.

Strongly supported the broadening of the BE base beyond tourism to other key government departments, and to other key business portfolios such as foreign affairs and trade, education, health, in addition to government agencies such as Austrade and Invest Australia.

Called for the promoting of the term “visitor” to replace the more restrictive term “tourist” when referring to Australia's short term arrivals and domestic travellers. Business events delegates should fall under the “visitor” umbrella, along with holiday visitors, education and employment sort-term visitors which make up total inbound market.

Acknowledged the growing export of BE services and the need for this market to be recognized as part of the total BE industry.

Recognised the importance of the domestic BE market (estimated at around 80%), and the role state governments, Convention Bureaus (CBs) and individual operators played in driving this demand.

Supported the paper produced by Rod Cameron which highlights the essence and benefits of the BE industry, and encouraged wider use of the angles raised in the article to support the industry's position to governments and other relevant parties.

Driving Demand

The Summit:

Supported the new BE Brand launched by TA in 2008, noting its success would be linked to industry usage and asked that details be made available to the industry as to how it could integrate the new Brand with individual marketing efforts.

Noted and supported comments from AHA stating BE had a strong case to argue in terms of yield and desirability of BE visitors, for a greater ratio of TA's current budget to be directed to BE marketing. AHA would like to see more product-specific marketing by TA, linked to performance measurements, such as BE, and didn't necessarily agree that BE needed incremental funding from the federal government as opposed to a larger percentage of current funds.

Supported the call to move beyond traditional marketing to strategic marketing efforts which embraced other government departments and business links.

Noted call from ATEC for earmarking some of the Passenger Movement Charge to fund tourism R&D.

Noted comment from TTF that industry needs to set KPIs for Tourism Australia, allow them to deliver, and monitor performance.

Supported the idea that BE establishes closer ties with appropriate business organizations such as the Australian Chamber of Commerce and Industry.

Supported closer and more formal industry-based relationship with Austrade, noting the already close relationship which exists between individual exhibition companies and Austrade.

Noted current conditions providing challenges to driving demand e.g. rising fuel costs, rising Australian dollar.

Supported the development of an Australian Brand which was broader than Tourism.

Endorsed the importance of the EMDG grant to assist with overseas marketing.

Discussed opportunities to leverage of other non-tourism international trade shows.

Agreed on TA's need to also address the association market through appropriately expanded branding activities.

Agreed on the need to align TA and *Conventions Australia* activities.

Agreed on the benefits of using TA calendar of events on website for delegate boosting.

Skills shortage

The Summit:

Recognised that increased business for Australia required increased skilled labor to deliver the services.

Called for the appropriate industry associations and bureaux to foster better alliances with relevant educational institutions to encourage the educating of suitably skilled personnel.

Asked that industry operators be encouraged to use tertiary students in work experience to provide practical skills, with the recommendation that this be done through dissemination of innovative case studies (eg Sunshine Coast, Tour Hosts, Manly International College of Management)

Suggested that encouragement and recognition be given to industry employers who are providing on-the-job-training and, in some cases, apprenticeships, through dissemination of innovative case studies in the trade press (eg Darwin CC, Solution Red).

Recognised the vital role of industry associations such as MEA and EEAA to provide continuing education to industry and congratulated MEA for securing accreditation as a registered training authority which was expected to lead to more education services being provided.

Support MEA approach to the federal government requesting recognition of Events personnel as skilled work migrants, to aid visa processing for permanent residency: that Events Management be added to recognised list and needed jobs. (MEA already doing)

Support MEA in establishing contact at Vice Chancellor level of relevant tertiary institutions to encourage development of appropriately trained personnel, and take a more proactive role at the appropriate Educators forums (eg CAUTHE) (MEA already doing)

Support MEA's development of competency sets/skills sets/occupancy standards for range of BE jobs (and salary ranges if possible).

Noted the shortage reported of component senior sales staff with the ability to communicate and negotiate at management level.

Noted the need for more language skills in the BE workforce, especially Asian languages.

Recognised the importance of promoting a BE Brand within Australia to lift profile and desirability of working in this sector.

Accommodation

The Summit:

Recognised the need for more accommodation infrastructure, and the importance of the market in driving new investment – especially in terms of better yields from the accommodation sector.

Recognised the paradox in needing increases of Australian room rates to drive investment v's the price competitiveness of off-shore destinations and potential loss of business.

Recognised the dichotomy of the large increase in convention and exhibition space in Australia over the past few years (and next 2 years) v's the tightening accommodation market.

Agreed to support TTF's lobbying to federal government to overcome barriers to potential investors in this area (eg land tax, payroll tax which act as disincentives to investors).

Suggested that the BE industry should promote speakers from its sector at appropriate investment conferences.

Welcomed an offer from IHG to organise an education session between hotel revenue managers and conference organisers so that the industry can work more effectively with current availability – covering topics such as yield management, promoting flexibility by moving away from peak nights Tues/Wed/Thurs and into low/shoulder seasons so as to ease pressure on accommodation.

Raised the question as to whether the industry should be promoting more BE events moving into regional areas to ease accommodation capacity, or whether this is better left to market forces.

Environmental sustainability

The Summit recommended that BECA should act on the following 10 point plan:

1. Form a taskforce (chaired by Sandra Chipchase) to develop a business events “green” industry action plan for endorsement and carriage by BECA
2. Research and recommend 3-4 carbon offset companies and accreditation schemes the BE industry can use with confidence
3. Compile Case Study information on the costs of “Going Green” and the savings, advantages and business won by going green to disseminate to industry and for use in Government lobbying and marketing.
4. Work with TA and ACCB and other stakeholders (eg CTSR, University of Victoria) to develop a snapshot or inventory of “green” venues and operators.
5. Work with TA, STOs and AACB to identify Australia’s key natural attractions, elements and advantages to use in brand marketing to support our green positioning and marketing.
6. Develop a checklist with key accreditation and environmental companies for use by industry to ensure the credibility of claims of “carbon neutral” events as “greenwash” will undermine our credibility.
7. Call on all partners to “embed” green practices in our industry RFPs – particularly for Government meetings and use our buying power to encourage suppliers to provide green/sustainable products and services.
8. Work with MEA and EEAA to provide more information and training sessions on a State and national basis to increase our industry’s knowledge of effective green business practices plus the pool of green event practitioners Australia can call on.
9. Call on Government to introduce “green” KPIs for all their events using BECA’s endorsed checklist.
10. Push Australia’s Green Events credentials.

Research

The Summit:

Endorsed the need for an Australia-wide ongoing data collection exercise to determine value, breakdown and trends in the industry.

Endorsed the validity of the National Business Events Study (NBES) while recognizing the data is now 5 years out of date.

Welcomed the offer by major hotel chains present to assist with data collection via a confidential third party, extending the venue pilot already initiated by BECA with the major convention centres

Welcomed the offer by AHA to convene a workshop with the relevant parties to progress the data collection proposal from hotels, which would deal with issues such as confidentiality, software systems, standardisation of definitions, etc.

Noted and welcomed the news from AACB that it is proposing to its bureaux membership:

- standard delegate expenditure survey questions common across Australia
- a three-tiered expenditure system to cover 1st and 2nd tiered major cities, and regional destinations, to more correctly track average daily delegate expenditure

Agreed that the opportunity existed, which should be developed, for the gathering of data from various sources (venues, bureaux, IVS/NVS) which could form the basis of a comprehensive, ongoing study of the BE sector.

Recommended approaching and involving Tourism Research Australia in BE research projects and obtaining endorsement of methodologies, so as to ensure credibility with government decision makers (including Treasury).

Agreed to work with TA and AACB on a “snapshot” or inventory of green case studies around Australia

Recognised the need to consider a range of available statistics when gauging the true position of Australia in terms of BE market.

Agreed the BE Strategy should consider acceptable statistics to industry and government when setting targets or goals for Australia’s BE performance.

Welcomed the offer from Victoria University’s Centre for Tourism and Services Research, of a short-term BE researcher for projects – preferably with a “green” slant.

Agreed on the need for the industry to develop a range of case studies which illustrate the wider economic and social contributions of BE to the community, beyond tourism spend.

Noted the growing wider tourism industry concern about the inbound leisure figures, and the recent release of TTF's Project X paper which called for a fundamental review of all aspect of the visitor market as part of a National Tourism Strategy (and the Minister's subsequent announcement of the development of such a Strategy).

Noted the desirability and value of more market intelligence targeting specific geographic regions, similar to the country reports provided by Austrade, but with a focus on potential for high yielding BEs

Future Summits:

The Summit:

Agreed the forum had been valuable and encouraged BECA to repeat the exercise

Expressed the preference not to run the program concurrently with MEA conference business sessions.

Recommended that invitees remain pitched at CEO level

Agreed the inclusion of four nominated young professionals should continue to be supported.

Agreed that an appropriate registration fee should be considered to cover costs.

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Attachment: List of Summit participants