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**BUSINESS EVENTS COUNCIL OF AUSTRALIA**

# **BUSINESS EVENTS SUMMIT**

**Adelaide Convention Centre  
Sunday, 5 April 2009**

**POST SUMMIT REPORT**

## **Summit Objectives**

BECA convenes this annual event as a key forum to provide information and seek input from a broad range of senior stakeholders, the results of which help BECA determine its focus for the coming year. A Summit program circulated prior to the event contained background reading material for participants and can be found on [www.businesseventscouncil.org.au](http://www.businesseventscouncil.org.au).

## **Summit Participants**

Fifty-two senior executives of the Australian business events industry and key representatives from related organisations attended this Summit, including:

- BECA councillors
- Executive members from AACB, EEAA, ICCA and MEA
- CEOs of Australian convention bureaux
- CEOs of major convention centres
- TA and TRA representatives
- TTF and AHA representatives
- Senior hoteliers from major hotel chains
- Senior airline representatives
- Senior researchers
- Senior educators
- plus two young industry representatives

## **Summit Key Points and Outcomes**

### **“Beyond Tourism” Message**

The one-day program combined an update on progress since the last BE Summit one year ago, the challenges still being faced, particularly in the current economic environment, and open discussion on ideas to strengthen the industry’s position and profile.

In addition to the whole-of-government approach and the federal government funding recommendations raised in the BE Strategy, the industry recognises it needs to take action to ensure its own sustainability at all levels. There are steps that require action by government and by industry associations. Other steps can be taken by individuals and by companies to improve the development, delivering and marketing of business events. A strong cooperative approach is needed by marketing agencies and industry to develop innovative and effective strategies for Australia’s business events growth.

The Summit called for a new paradigm to respond to the changing environment. A much stronger emphasis is needed on the positive impact of business events beyond the direct tourism spend. More evidence-based information has to be gathered to drive this message. A communication strategy is required to deliver a stronger, consistent and clear message to the politicians, the media and the business community. Partnerships with other key industry stakeholders should be strengthened in the areas of strategy and research.

As the peak industry body for business events in Australia, BECA would be examining its plans, priorities and resources for the coming 2009/10 year, taking into account the report from this Summit.

## **NATIONAL BUSINESS EVENTS (BE) STRATEGY**

- The proposed National BE Strategy (announced by Minister for Tourism at MEA Conference 2008) was developed last year. Industry-produced Strategy, prepared by BECA with support of TTF, AHA and ATEC and input from Tourism Australia, was delivered to the Minister at the end of October 2008. Included 52 recommendations.

The Strategy can be downloaded from: [www.businesseventscouncil.org.au](http://www.businesseventscouncil.org.au)

- The Minister for Tourism accepted a number of the recommendations (non-monetary) to be taken up by a Business Events Strategy Implementation Group (BESIG) to be announced by Minister within next few weeks.<sup>1</sup>

Progress and comment on specific elements dealt with in the Strategy appears below, in addition to other matters raised during the Summit.

## **BE FUNDING**

- Result of Strategy recommendation for additional Federal Government funding for business events marketing will not be known until announcement of the 2009/10 Federal Budget in May, but industry bracing for a tough budget.<sup>2</sup>
- Further push for additional \$20M federal government funding made by BECA with a follow-up Pre-Budget Submission lodged in February 2009. (PBS download: [www.businesseventscouncil.org.au](http://www.businesseventscouncil.org.au))
- BE funding call supported by National Tourism Alliance (NTA) in its Pre-Budget Submission.
- 125% tax incentive for corporate training, proposed by BECA, supported by NTA. A similar call made by Restaurant & Caterers Association and the Australian Confederation of Commerce and Industry (ACCI).

## **GOVERNMENT RELATIONS**

- Presence of Mark Butler MP, Chairman, Labor Friends of Tourism, Member for Port Adelaide, welcomed.
- Apologies noted from Steven Ciobo MP, Chairman, Coalition Friends of Tourism.
- BECA's ongoing lobbying work at Federal Government level reported.

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<sup>1</sup> Postscript: the BESIG was formalised by the Minister in May 2009 and held its first meeting on May 18.

<sup>2</sup> Postscript: the May 2009 Federal Budget contained no specific funding for business events. There is a possibility that BE funding may be considered as part of the Minister's recommendations to Cabinet relating to the National Tourism Strategy.

- Ongoing challenge of service industries such as BE getting heard above the noise of the manufacturing, mining, construction and agricultural industries.
- Broader tourism industry not having a great deal of current success in terms of government assistance during very difficult market conditions, especially in comparison to some other industries such as automotive.

### ***Suggestions:***

- Stress the employment/jobs aspect, especially any loss of jobs in current economic climate and simplify the message eg for tourism, 1 bed = 1 job.
- Better sell the important role business events play as a generator and stimulator of commerce, education and other business activities. Business events suffering, particularly in the current US environment, from being viewed as non-essential events, even a luxury or junket.
- Ask government to help stimulate the sector through leading by example i.e. continuing to hold its own meetings; avoid cancellations; promote its own attendances; and send a message to the corporate community that it should be continuing to travel and meet.
- Provide government with more detail in terms of the delegate boosting ideas, and better explain the role of states and federal governments in the bidding process for international conferences, especially in terms of competing bids within Australia.
- Draw from templates of other successful industry lobby groups in terms of presenting BE case.
- Increase contact with Labor and Coalition Parliamentary “Friends of Tourism” groups.
- Push the innovation and trade aspects of business events.
- Ensure language is right. “Intangible” benefits of BE needs stronger term.
- Produce one-page handouts which deliver a powerful topline messages on BE potential.
- Use track record of high profile events from last two decades to illustrate how BE can deliver results (eg Aboriginal Reconciliation Conference; CHOGM, APEC, SIBOS) and project into next decade
- Reconsider if BE best served in Tourism portfolio. Should it be more closely aligned with trade, industry, investment or economic development portfolios? Is the current Australian BE marketing model through the TA agency the most effective one?
- Play a role in the debate regarding the need for a non-leisure Australia brand.
- Find more champions within government.

## **RESEARCH**

### ***Progress***

- IVS and NVS inclusion of supplementary BE questions for 2008 and 2009. Report of results from 2008 expected to be released within 4-6 weeks i.e. by mid-May 2009. No guarantee the BE questions will be retained in future years: fierce competition for supplementary questions. Review of core IVS/NVS questions likely.
- Monthly Overseas Arrivals and Departure (OAD) reports are available on the BEA website.

- BE Venue Project (BEVP), lead by Prof Leo Jago at Victoria University, has now been extended beyond all major convention centres to a pilot of 5 hotels. Software system allows for automatic updating by venues each month which will provide timely aggregate reports for industry showing volume and trends of business by BE categories. Stage 3 involves correlating volume data with delegate expenditure data to obtain ongoing economic values for the industry.
- AACB introducing standardised delegate expenditure surveys through all the convention bureaux in 2009 to establish three-tiers of delegate expenditure for major cities, secondary cities, and regional areas.
- MCVB has commissioned an ROI study on four specific events (conferences with exhibitions) to study the longer term “intangible” benefits flowing from these events over 3 years, such as export orders, business migration, investment, IP and education.
- UNWTO working on a global “meetings industry” satellite accounts project.
- TA’s recent market monitor survey introduced to track current BE market drew a poor response from industry.
- AACB planning a survey to track industry jobs and forward business.

### *Suggestions*

- Request TRA retain IVS and NVS supplementary BE questions be retained for future years. Lobby for support through the STOs which are major survey stakeholders.
- Request TRA to provide faster turnaround on topline IVS/NVS BE results to industry at end of each quarter.
- Support TRA efforts to gain access to business class lounges at airports for IVS surveys to help capture the business travellers.
- TTF offered to financially assist with BEVP, joining industry partners BECA and AHA which have already committed funding.
- Industry agree on performance measurements to monitor Australia’s BE performance – BE Strategy recommendation expected to be taken up by new BESIG.
- Set forecasts for the BE sector – BE Strategy recommendation expected to be taken up by new BESIG.
- More focus on ROI and ROO for business events: need for industry to take up this challenge to improve measuring events, including the measuring of the non-tourism benefits such as education, trade, innovation and collaborative projects.
- BECA consider developing an “outlook” survey which would provide quick intelligence on the health of the sector, covering booking, enquiries, jobs. TTF offered to work with BECA using its Sentiment Survey.

## **SUSTAINABILITY/CSR**

### ***Progress:***

- Business Events Australia (BEA), Tourism Australia, produced a CSR audit which was launched at AIME, February 2009.  
[http://www.businessevents.australia.com/Assets/Australia\\_National\\_CSR\\_Audit\\_Report\\_FINAL.pdf](http://www.businessevents.australia.com/Assets/Australia_National_CSR_Audit_Report_FINAL.pdf)
- Melbourne Convention & Visitors Bureau, in response to the action called for at the last BE Summit, commissioned a comparison report on carbon calculator companies which has just been completed and would be provided to BECA for publication on its website for use by the industry.
- Increase in industry awards recognising *Green* products/services, sustainability, and CSR aspects.
- Increase in low carbon industry events eg AIME trade show, MEA conference.

### ***Suggestions:***

- As an industry policy, promote reducing, reusing and recycling as a priority, with offsetting as the final option.
- Although environmental/CSR credentials redefining new “hygiene” levels for industry across the globe, Australia can not afford to lag behind best-practices and should continue to use outstanding examples in marketing activities, especially to combat other factors such as aversion to long-haul travel.

## **VISAS**

### ***Progress:***

- BE Strategy recommendation to have Business Events sector represented on the Department of Immigration’s Tourism Visa Advisory Group already actioned. BECA now has a representative on the Group.

### ***Suggestion:***

- Use short-term business visa application numbers as an outlook indicator for future business.

## **NATIONAL LONG TERM TOURISM STRATEGY**

- In May 2008, the Minister for Tourism announced the intention to produce a joint government/industry long term tourism strategy (focusing on supply-side issues). The report is expected to be delivered mid-2009. Whilst the BE Strategy had been provided to inform the Tourism Strategy Steering Committee and recognition of the BE potential of has been requested, it is not expected that detailed sector recommendations would be included in this document.

## CURRENT BE MARKET

- Big drop in corporate market, particularly corporate training/seminars. Corporate meetings tending to be smaller and shorter in length. Harder to lock in business as decisions delayed.
- Association business proving much more stable. Business holding due to reluctance of associations to cancel and view that association members want to meet more in difficult times, but concerns about delegate numbers in the mid-term on business already locked in, and in securing long-led business now for 3+ years out. Noted that some associations experiencing increases in memberships.
- Need to watch trend in academic circles for potential conference speakers to choose other avenues through which to have their research work published.
- Consolidation of trade shows, some cancellations, concerns about attendances at some consumer shows. Large exhibition centres reporting drops in exhibition revenue of between 15-20%.
- Drop in airline business, especially in business class travel, resulting in reduced services on some routes and staff cuts.
- GFC impact expected to magnify in 2009/2010 once current decisions on forward budgeting flow through.
- Entering an era of austerity with corporate perceptions seeing a more frugal approach. Ripple effect expected from the USA TARP legislation which cracks down on spend on corporate travel and events.
- Stronger justification required to hold or attend an event.
- Mixed reaction to importance of CSR factors in site and product selection.
- BE industry trade shows holding well.
- Anecdotal evidence of governments and corporates increasing use of virtual meetings technology.
- Australia facing aggressive competitors in international association conference business with high levels of subvention from other countries.
- Anecdotal evidence of retrenchments in the industry as a fallout from big drops in revenue.
- Price pressure on accommodation and airfares.
- Tighter event budgets and more flexibility expected of suppliers in terms of price and contracts.
- Australia picking up some short led corporate business which was considering off-shore location. Some pick-up on Asian and New Zealand business.
- Chronic skills shortage situation of one year ago has reversed due to GFC.
- Increased number of students undertaking events courses will see more graduates entering the workforce.

## **IDEAS TO SECURE OUR FUTURE**

- Develop the business events profile outside the traditional tourism parameters.
- Place more emphasis on the potential of BE to drive trade, innovation through bringing the latest research to the marketplace , education, exports and international relations.
- Make greater use of Australia’s expatriate business community.
- Deliver a stronger message to Austrade at the highest levels on potential to work collaboratively.
- Develop a closer relationship with Austrade so as to make better use of its 70 global offices.
- Make greater use of the beneficiaries of conferences to act as champions for the industry, university vice-chancellors, union leaders, key influencers in specific industries.
- Strengthen lobbying efforts to encourage government to recognise industry accreditation programs.
- Conduct more research on employment levels within the business events industry.
- Develop a comprehensive BE communications strategy, part of which would see investment in a public relations campaign for the industry, aimed at key business and political targets.
- Use existing PR and media expertise from BECA partners, including encouraging greater use of hotel PR people when successful events are held onsite.
- Approach industry trade magazines to run more hard stories on ROI of business events.
- Consider how the web can be used more effectively to spread the BE message.
- Provide tools which in-house meeting managers and other BE organisers can use to strengthen the arguments to support staging events.
- Build a cache of evidence-based resource information which demonstrate the benefits of business events beyond tourism.
- Call for powerful case-studies from all sectors in the industry.
- Be sensitive to the external “optics” of some business events which may be viewed as extravagant.
- Foster closer relationships with other key stakeholders and develop stakeholder management plan which leverages of common goals to maximise the BE message.
- Consider new initiatives for any future government stimulus packages and budgets.

## Glossary

AHA	Australian Hotels Association	MCVB	Melbourne Convention & Visitors Bureau
ATEC	Australian Tourism Export Council	MEA	Meetings & Events Australia Association
BE	business events	NTA	National Tourism Alliance
BEA	Business Events Australia, unit within Tourism Australia	NVS	National Visitors Survey
BECA	Business Events Council of Australia	ROI	Return on Investment
BESIG	Business Events Strategy Implementation Group	ROO	Return on Objectives
BEVP	Business Events Venue Project	TARP	USA government's Trouble Asset Relief Program
CSR	Corporate Social Responsibility	OAD	Overseas Arrivals and Departures statistics
EEAA	Exhibition and Events Association of Australasia	TA	Tourism Australia
GFC	Global financial crises	TRA	Tourism Research Australia
IVS	International Visitors Survey	TTF	Tourism and Transport Forum
		UNWTO	United Nations World Tourism Organisation

*BECA gratefully acknowledges the support of the Adelaide Convention Centre and Meetings & Events Australia in hosting this event.*



ABN: 25 441 791 002

*The Business Events Council of Australia Inc. (BECA) is the peak industry body representing the interests of the meetings, conventions and exhibitions and incentive events sectors in Australia.*

*Member organisations: Association of Australian Convention Bureaux • Australian Convention Centres Group • Exhibition & Events Association of Australasia • International Congress & Convention Association • Meetings & Events Australia*

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