

A National Business Events Strategy for Australia 2020

The business of events –
Australia's untapped potential



Executive Summary / October 2008

Prepared by: The Business Events Industry Strategy Group
Convened by the Federal Minister for Tourism, Energy and Resources

Glossary

AACB	Association of Australian Convention Bureaux	NIS	National Incentive Study (TA)
ABES	Australian National Business Events Strategy	NLTS	National Long-Term Tourism Strategy
ABS	Australian Bureau of Statistics	NVS	National Visitors Survey
AIPC	International Association of Convention & Exhibition Centres	PCO	Professional Conference Organiser
AMC	Association Management Company	RET	Department of Resources Energy and Tourism, Australian Government
BE	Business Events	SITE	Society of Travel and Incentive Executives
BEA	Business Events Australia Unit, Tourism Australia	TA	Tourism Australia
BECA	Business Events Council of Australia	TRA	Tourism Research Australia
CVBs	Convention & Visitors Bureaux	UIA	Union of International Associations
CIC	Convention Industry Council (North America)		
CSR	Corporate Social Responsibility		
CTSR	Centre for Tourism and Services Research, Victoria University		
DMC	Destination Management Company		
EEAA	Exhibition and Events Association of Australasia		
EIBTM	Major annual business events international trade show, Barcelona, Spain		
ICCA	International Congress and Convention Association		
IMEX	Major annual business events international trade show, Frankfurt, Germany		
IVS	International Visitors Survey		
ME	Major Public Events		
MEA	Meetings and Events Australia (Association)		
MPI	Meeting Professionals International (Association)		
NBES	National Business Events Study		

BECA DEFINES A BUSINESS EVENT AS:

any public or private activity consisting of a minimum of 15 persons with a common interest or vocation, held in a specific venue or venues, and hosted by an organisation (or organisations). This may include (but not limited to): conferences, conventions, symposia, congresses, incentive group events, marketing events, special celebrations, seminar, courses, public or trade shows, product launches, exhibitions, company annual general meetings, corporate retreats, study tours or training programs.

National Business Events Strategy for Australia 2020

The Hon Martin Ferguson MP
Minister for Resources Energy and Tourism
Parliament House
Canberra ACT

Dear Minister

In May 2008 you convened a joint government and industry working group to produce a national business events strategy and the industry is very pleased to now submit this document to you.

Development of the Business Events Strategy has involved a wide ranging and comprehensive examination of demand and supply issues, opportunities and impediments facing Australia's business events industry. The Strategy includes 52 recommendations for consideration and action by both government and the business events industry, including a process to oversee implementation.

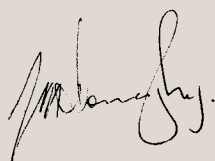
It is also intended to be a key input to the National Long Term Tourism Strategy deliberations, and expands on Pre-Budget submissions lodged by the Business Events Council of Australia (BECA) in 2007 and 2008.

Following extensive discussion and consultation as outlined in Appendix 2 this Strategy was finalised by BECA with the involvement, support and endorsement of major tourism industry organisations, TTF Australia (Tourism and Transport Forum), the Australian Hotels Association, and the Australian Tourism Export Council. Assistance from the Tourism Division within the Department of Resources, Energy and Tourism, and from Tourism Australia through its Business Events Australia unit and Tourism Research Australia, is acknowledged and appreciated.

It is important to note that the worst of the current global financial crisis was starting to unfold as this document was being finalised and as such it contains no direct or specific reference to these adverse circumstances. However these current critical world wide conditions do significantly magnify the urgent need to address matters and recommendations contained in this Strategy.

On behalf of the business events industry we trust that you and the Australian Government will support and endorse this National Business Events Strategy for Australia.

Yours sincerely,



Geoff Donaghy
Chairman
Business Events Council of Australia

15 October 2008

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Overview

The National Business Events Strategy for Australia 2020 was conceived in February 2008 when the Minister for Resources, Energy and Tourism, the Hon Martin Ferguson AM MP, met with business events (BE) and tourism industry representatives.

Central to their discussions were the industry's concerns about challenges and changes affecting Australia's performance as a business events destination – now and into the future.

The participants agreed to draft a strategy that would support the development of an internationally competitive industry and maximise its contribution to the Australian economy. To that end, a working group of key industry stakeholders was convened.

This document is the result of their labours: a strategy that describes the composition of the BE industry; examines its economic importance to Australia; identifies market failures and opportunities; and provides a program of actions that can be taken collaboratively by industry and Government to achieve their shared vision of building a competitive and sustainable Business Events industry for Australia.

International engagement is a priority for the Australian Government which is keen to see Australia playing a bigger role in the community of nations, especially in the Asia-Pacific region. Other priority areas for the Australia Government relate to trade and the expansion of bilateral free trade agreements, a revolution in education, and the need for Australia to be more innovative.

The BE industry's desires and strategies to strengthen its sector support and enhance the Australian Government's own priorities. The industry's principal goal is to:

Take a strong collaborative BE industry-Australian Government team approach to enable Australia to realise its full potential and build a competitive and sustainable Business Events industry.

What is the business events industry?

Business Events is a collective term referring to association conventions, corporate and government meetings, exhibitions and incentive travel reward programs. The event may be as small as 15 business people convening an off-site workshop to solve a problem, through to a large international scientific meeting attracting 10,000 delegates. It could involve travel and accommodation for hundreds of corporate incentive

"We cannot be complacent about Australia being able to hold its own against stiff international competition. That is why I have convened a Business Events Working Group to develop a strategy for the Business Events sector. . . its objective is to develop a strategy that will deliver better outcomes through improved coordination, marketing focus, and cooperation between the industry and different levels of Government. In such a competitive international market, we cannot rest. We must work together to fulfil Australia's enormous potential on the international and domestic scenes.

MINISTER FOR RESOURCES, ENERGY AND TOURISM,
THE HON MARTIN FERGUSON MP,
MEA CONFERENCE, MAY 2008.

participants; or it may be a trade exhibition attracting 5,000 business visitors. The event may be held in a regional town hall, a resort, a hotel or it may be hosted in a large purpose-built city facility.

Why are business events important to Australia?

Business events produce the highest daily yield of any sector of the tourism industry. The BE sector contributes an estimated \$17.36 billion a year to the national economy, generating 116,000 jobs¹. But the net worth to the nation of Business Events far exceeds their hard dollar value. Among many other benefits, they promote and showcase Australian expertise and innovation to the world and attract global leaders and investment decision makers who would otherwise not have come to Australia.

Why have a national strategy?

The industry's stakeholders consider a national framework and a strategic industry/Government team approach to be essential if the BE sector is to maximise its economic contribution. No such framework or comprehensive joint national strategy currently exists.

What was the strategy development process?

This Strategy was developed by the Business Events industry with secretariat support from the Department of Resources, Energy and Tourism (RET). The industry strategy group included representatives from the Business Events Council of Australia (BECA), the Australian Hotels Association (AHA), the Australian Tourism Export Council

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(ATEC), and TTF Australia (Tourism & Transport Forum). Australian Government liaison was provided by the Tourism Division of RET. Tourism Australia (TA) provided support and information through its Business Events Australia Unit (BEA) and Tourism Research Australia (TRA).

The policy context

This Strategy has been prepared as a stand-alone document but should ideally not be viewed in isolation. There are a number of Australian Government policy development processes and reviews underway in related areas of tourism, aviation, infrastructure and taxation. In particular is the current work being done on a National Long-Term Tourism Strategy (NLTTTS), and this BE Strategy will be provided to the NLTTTS Steering Committee for consideration in its Strategy which is due for release mid-2009.

Also helping define the policy context for this strategy is the Department of Innovation's September 2008 report on the National Innovation System Review. It identifies a structural weakness in "bringing parties together to bridge the gap between researchers and users of research." This has obvious implications for the BE sector and exemplifies how successful conferences and events can dovetail with Government thinking.

Economic contribution of business events

BE delegates are well known for providing the tourism industry with its highest daily yield. Including direct and indirect effects, Business Events contribute 2% or \$6.13 billion of "value-added" to the Australian economy². Related and interdependent industries on which the sector has a positive impact include transport, restaurants, hotels and retail.

Convention delegates and incentive travel reward winners tend to be high-net-worth individuals and professionals who stay in upscale hotel accommodation and whose employers often cover the costs of their travel. A large proportion undertake "pre and post touring," often with their partners and families, which represents a significant flow-on benefit for other sectors of the economy.

The Australian Hotel Association (AHA) recognises the value of the BE sector in delivering high-end business, especially to four and five-star accommodation and hotels with meeting facilities. In the case of some of the larger conference hotels, one-third of the hotels' income is derived from the Business Events market.

The Australian Tourism Export Council (ATEC) supports a similar view, believing business travel, in all its forms, is often the "beachhead" behind which leisure tourism follows up and prospers, as delegates return to Australia with their family and friends as holiday makers.

Tourism and Transport Forum Australia (TTF) Managing Director, Christopher Brown, captures the tourism industry view: "Over the past decade, the world has woken up to the fact that the business event delegate is the most lucrative visitor and they can also impact on the yield of leisure market."

Intangible contribution

In addition to the direct tourism spend in destinations by organisers and delegates, Business Events deliver wider benefits in networking and business generation. The intangibles that flow from having convention and exhibition delegates of high strategic value coming to Australia arguably provide the most enduring advantages for the nation.

BENEFITS BEYOND SPEND

"IWA's meetings are an absolutely critical network for water professionals, where they learn and interact with each other trying to get another league in understanding by exchanging information and building relationships . . . when we get a critical mass [it] leads to big changes, to new ideas and the rethinking of water research and strategies. It generates a lot of innovation . . ."

DR DAVID GARMAN, PRESIDENT,
INTERNATIONAL WATER ASSOCIATION (IWA)

Business events create tourists

Research proves that Business Events encourage tourism. The National Business Events Study 2003 found that 46% of international delegates toured in other parts of Australia and more than a quarter of them (25.7%) brought accompanying persons³.



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Performance of the business events sector

A variety of sources need to be used when judging the performance of the BE industry, since no single source can be said to provide a true picture of the market.

The latest Tourism Research Australia (TRA) figures⁴ show that, since the year ending June 2000, there has been average annual loss of around 9% for conference, convention and exhibition visitors, and a smaller decline of 2% for both nights and spend. However, these negative figures mask strong growth in international inbound BE visitors, which has been distorted by a significant decline in the domestic BE market.

Both Australian Bureau of Statistics (ABS) and International Visitors Survey (IVS) figures show good growth for inbound convention visitors in recent years. ABS figures show that inbound convention visitor growth has outstripped total visitor inbound growth. In particular, unpublished data from Tourism Research Australia 2008 shows estimated incentive and corporate inbound delegates is performing very well. New markets in Asia show great promise.

The principal areas of concern lie in the sluggish international association and domestic markets which are dealt with separately below.

In the international market, the primary issue is the country's performance in the association conventions sector. Australia has been losing market share: it dropped out of the top ten country rankings with ICCA for the first time in 2007, slipping from No. 9 position to No. 13 position in one year.⁵

Whilst the absolute number of international association meetings held in Australia has increased over the last decade, Australia's market share has in fact fallen. According to the latest ICCA statistics report Australia's market share in 1997 was 4.0% whereas in 2007 it was 2.9%.

Australia was rated No. 1 in the Asia Pacific region for number of association meetings held per country in 2000 and its position fluctuated in the following years. The most recent ICCA report (based on 2007 data, released in June 2008) shows Australia has dropped to third position behind Japan (first) and China (second).

The UIA rankings confirm this decline. Singapore, as a single city/country destination, achieved the remarkable No. 4 spot in the 2007 country list, behind the USA, France Germany, with Japan reaching No. 5 position. Australia's position was No. 14.

On the domestic front, conventions/conference/exhibition overnight visitors declined by 6% across all three areas: visitor numbers, spend and visitor nights from June 00 to June 08. The domestic day figure for the same group showed a higher decline: -11% in visitor numbers and -13% in visitor spend.⁶ There are no comparable figures available for the incentive sector.

We're losing more visitors than we are gaining

Concern in the tourism industry has grown that Australia has become a "net importer" of total short-term visitors for the first time in recent history. The convention sector has been a net importer for seven of the last ten years⁷.

Potential

Australia has a strong domestic BE market, accounting for an estimated 80% of the total value of the industry. International growth in the BE market has reflected the growth in the world's economies, particularly the rise of Asia. This has led to expanding multinational corporations, growing memberships of associations, new trade agreements and growing dialogue between nations. All these factors have boosted face-to-face Business Events.

The challenges for the BE industry are to maintain a strong domestic market and ensure Australia retains and grows its share of the international market.

Impediments

The market is affected by influences beyond the industry's control, such as global and domestic economies, exchange rates, and external threats like terrorism. Clearly the industry operates in a fluid environment and must make adjustments as necessary. It also needs to be proactive to ensure its future, considering new strategies which can help drive demand.

Current international impediments include increased global competition, the price competitiveness of Asian destinations, long haul/environmental concerns and the growth in web-based as opposed to face-to-face learning. Domestic impediments include competition from

4 IVS and National Visitors Survey (NVS), Tourism Research Australia, 2008, unpublished data.

5 International Congress and Convention Association (ICCA) Annual Statistical Report 2008

6 National Visitors Survey (NVS), Tourism Research Australia, 2008, unpublished data.

7 ABS arrivals and departures for convention visitors 1998-07.

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online seminars and web conferencing plus the limited growth potential resulting from our small population base.

Other impediments relate to specific market segments, dealt with in Chapter 5, or larger supply-side issues covered under Chapter 8.

Opportunities

To counter the impediments, many factors work in Australia's favour including a solid association base on which to expand the conference market, an excellent reputation in delivering professional events, a strong leisure brand, a unique Indigenous culture, and a stunning and vast landscape.

Australia could capitalise more on its country's strengths to build its BE industry. Strengths such as its recognised trading national status, its secure business environment, its world leaders in many fields of endeavour, close contact with its Asian neighbours, and its established annual major events.

There remains an untapped potential for more conferences hosted in Australia to boost world-best practice in the country, and to encourage innovation across a wide variety of industry, professions government and academic life. Proactive strategies could unleash this potential.

Competition

Australia has faced massive growth in global competition for international Business Events over the past decade, particularly from Asian neighbours and the rapidly expanding Middle East region.

As more such competition comes on line backed by new five-star-product, our long-haul destination can no longer take its share for granted. Australian industry stakeholders *must* work as a united team to ensure future success, playing to the country's unique advantages and concentrating on niches most likely to deliver business.

Business events stakeholders

The Australian Government: its contribution to the BE industry lies primarily in its support for promotion and marketing activities of Business Events Australia (BEA), a unit within Tourism Australia (TA), and policy support through the Tourism Division of the Department of Resources, Energy and Tourism (RET).

Support for Tourism Australia to market Australia as a BE destination is provided on the policy basis that there is market failure in the promotion of Australia. As no private

business is able to gain the full benefit of such activity, marketing of Australia is undersupplied by the private sector.

TA's Business Events Australia strategy is to:

- Build global awareness of Australia as a sustainable business events destination.
- Deliver a clear brand for business events in Australia and a marketing toolkit.
- Deliver trade marketing programs that bring buyers face-to-face with sellers.
- Provide industry access to research and market insights.
- Provide industry leadership to promote ongoing development of a sustainable Business Events sector.

More details on TA's activities in the Business Events market is provided in Chapter 6.

State, Territory and local Governments: these Governments have had direct involvement in the BE industry through investment in infrastructure and marketing of their particular cities or regions. Purpose-built convention and exhibition centres are generally owned by State Governments, though there's been a trend in recent years towards Public Private Partnerships (PPPs). State and territory and regional Governments provide support to local convention bureaux to market their states or regions as BE destinations and generate export dollars for that state.

The private sector: the largest contributor through investment in infrastructure, products and services, and marketing. It contributes to BE marketing through its individual efforts, support for the convention bureaux and cooperative marketing ventures with both the CVBs and TA.

Industry associations: a number of industry associations operate in the BE sector. The key BE associations fall under the umbrella of the peak organisation, the Business Events Council of Australia (BECA). BECA is a member of the National Tourism Alliance, and works closely with relevant tourism industry associations which have members involved in the BE market, such as the Australian Hotels Association (AHA), Australian Tourism Export Council (ATEC) and TTF Australia (Tourism & Transport Forum).



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Market segments

There are five main segments: association conventions; exhibitions; corporate meetings; corporate incentive travel; and government meetings. Although there are trends common across all types, each segment has its own distinct processes, features, and issues which are covered in detail in Chapter 5 and in Appendix 4.

Association-hosted events are a vital component of the BE sector globally and have experienced healthy growth over the past decade. They provide the largest share of business for some operators, like convention centres.

The relative stability of the association sector compared with corporate meetings makes it particularly attractive to destinations. The market is less susceptible to short-term changes in economic conditions because of the long-led nature of the business and the need to maintain meetings as a revenue generating form of member communication.

Exhibitions cover both trade and public events. Stand-alone exhibitions are often developed and owned by entrepreneurial exhibition organisers, a number of which are global companies that determine the feasibility of staging shows in certain countries and regions. Exhibitions also form an important component of many association conferences, providing a valuable revenue source and commercial boost to the event. Exhibitions are increasingly being run alongside conferences and seminars, and vice versa.

Corporate meetings tend to be smaller in size than the association conferences, but overall represent a larger share of the total BE market, in terms of number and frequency of events. The meetings can take many forms: from annual corporate conferences to retreats, training seminars, AGMs and product launches. This strength of this sector tends to reflect the strength of the economy and, as such, there are concerns that state of the global economy could depress the corporate meetings sector in the foreseeable future.

Corporate incentive travel, used to reward top clients, distributors and/or staff, can range from very small groups or couples to large groups of many thousands at one time. This segment is the newest on the BE scene and has been a rapidly growing market over the past two decades. Traditional source markets of North America and Europe are being overshadowed by large movements and growth from Asia.

Government meetings represent a large slice of the BE market (24% of the total⁸) although the category has the smallest number of participants. These meetings are often held as part of a regional rotation, such as APEC meetings, or in response to a political, economic or humanitarian crisis. Many government meetings and their decision makers remain unidentified and the BE industry believes it represents an important untapped potential segment for expansion.

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Issues, strategies and recommendations

Market failure & government's role

Chapter 7

Driving demand is vital to the ongoing sustainability of the BE sector. Without demand, the supply-side issues addressed in this strategy become academic.

A serious challenge looms for the BE industry: Australia is working in an increasingly competitive global environment in which industry and governments around the world are aggressively seeking to grow their share of the global BE market. Australian industry participants must unify behind cooperative marketing efforts and adopt innovative strategies to counter this competition.

The industry cannot do this in isolation. It needs more Australian Government support to help identify and address market failures, remove supply-side impediments, secure more events for Australia and increase the impact of business already won through delegate-boosting activities. In particular, the industry believes current funding does not allow Tourism Australia's BEA unit to adequately cover all BE sectors or exploit synergies between State and city based BE marketing for the overall benefit of Australia.

Market failure

The industry's structure is fragmented and diverse with a prevalence of small business operators. This leads to market failure because individual businesses, if they were to fund their own marketing, would be unable to capture fair returns from their investment due to the ability of non-contributors to "free ride" on that investment.

This is why, if left to the market, businesses in the industry will tend to under-invest in marketing. Continuing Government funding for marketing provided to assist the industry to address this problem is effectively an admission by Government that market failure exists.

Additionally, hosting international meetings, conventions and exhibitions generates significant benefits to the Australian economy and the community similar to those created by Australian Government support for research and development programs in other industries.

Yet industry believes Government's current BE investment is inadequate.

Another area of market failure in the industry relates to the need for research (dealt with in more detail in "Supply-side issues", Chapter 8.)

Government's Role

In its Statement of Intent, Tourism Australia, the statutory authority of the Australian Government which has

The Access Economics 2002 Report on the economic value of tourism⁹ finds the "market failure" case for tourism is very strong in relation to marketing Australia as a destination for overseas visitors.

"Indeed, in no other tourism area is the case for Government intervention anywhere near as strong as that for export promotion marketing. Australia-wide, this puts the Commonwealth Government at centre-stage."

Referring to state and private funding, Access makes the point that because of the "free rider" problem, Commonwealth funding support is a complement to, not a substitute for, such funding for tourism promotion.

responsibility for tourism marketing at home and internationally, has this as one of its key priorities:

"As part of its strengthened commitment to promoting Australia as a business events destination, Tourism Australia intends to continue the roll out of a new brand message that will more strongly position Australia as a world class business events destination for meetings, conventions, incentives and exhibitions."¹⁰

The Business Events industry welcomes this acknowledgement by the Government of the importance of the BE market. While recognising positive steps have been taken by Government through TA, *the industry believes unaddressed market failure issues mean policy objectives cannot be met.*

TA's annual budget for Business Events marketing is understood to be \$5.8 million in 2007/08. (No breakdown of marketing vs administration overheads is available.) Given the suggested return for each dollar invested and the benefits that Business Events bring to Australia (described elsewhere in this Strategy) there is a case for a substantial increase in the funding for Business Events marketing through TA so a more comprehensive marketing approach can be taken. Under-investment in marketing is especially relevant in the international association conventions business where Australia's global market share is in decline.

9 The Economic Value of Tourism for Australia: a Post-September 2001 Stock-take and Update, Access Economics Pty Limited for the Australian Tourism Commission, May 2002

10 Excerpt, TA Statement of Intent, 2008

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BIPARTISAN SUPPORT FOR BE

The Committee recommends that the Government provide additional funding to Tourism Australia to extend the international marketing of Australia's Business Events capabilities.

BIPARTISAN PARLIAMENTARY COMMITTEE REPORT
ON CURRENT AND FUTURE DIRECTIONS OF
AUSTRALIA'S SERVICES EXPORT SECTOR, 2007

Tourism Australia: funding & consultation

Chapter 7.5

Marketing Funds

TA's Business Events Australia Unit has the potential to play a more significant role in market development for the Business Events sector. TA's new BE brand work has been well received by the industry, but more resources are needed to effectively market globally to this sector.

The industry calls upon the Australian Government to allocate increased funding to TA for dedicated BE marketing.

The key areas for requiring additional funding are:

- Bid Support
- Convention Delegate Boosting
- Global Marketing
- Research

The following major initiatives are recommended:

Association Bid Support Fund

Establishment of an Australian Government Fund to help Australia win and host international conferences that potentially offer major benefits to Australia beyond the BE sector.

Convention Delegate Boosting Fund

Help Australian maximise attendance at conferences already secured, and boost pre and post touring, through specific funding for collateral, promotional assistance, and direct marketing campaigns to potential attendees.

Major BE Brand Advertising and Integrated Marketing Campaign

Using the new BE Brand, provide a major boost to marketing funds to allow this Brand to be effectively marketed in an integrated and ongoing campaign to the global BE market.

Research

Allocate additional funding to TRA's budget specifically to support targeted research on BE, focusing on ongoing measuring of the size, value, and market segments of the BE sector from which performance can be judged and trends identified.

A more detailed list of suggested initiatives to be covered by additional TA funding is contained in Chapter 7. Refer to Chapter 6 for details of TA's current BE activities.

Consultation

The BE industry recognises that TA has a series of Industry Advisory Panels (IAPs). If working effectively, these Panels act as an excellent conduit for up-to-the minute advice on industry conditions and issues provided by operators directly to the Tourism Australia Board. However, the BE industry believes Tourism Australia needs to ensure the Business Events Industry Advisory Panel meets regularly and operates efficiently in a way which encourages industry input direct to the Board. TA's current BE Industry Advisory Panel has not met since November 2007.

The Australian BE Strategy Implementation Group, recommended in this Strategy, should not be confused with TA's BE Industry Advisory Panel. The broad-based Strategy Group would take into account all aspects of the BE sector, including supply-side issues as well as demand-side and reaching out to other partners in areas such as business, innovation, education, foreign affairs and trade. TA's IAP for Business Events focuses specifically on the BE marketing activities of TA.

The BE Industry believes that a stronger collaborative and consultative approach between BEA and the Industry will see increased joint ventures and greater industry commitment to cooperative marketing opportunities.

Recommendations

- That increased funding be provided to TA so it can boost its BE activities in the key areas of bid support, convention delegate boosting, marketing and research, as outlined in this Strategy.
- That TA increase its efforts to improve the effectiveness of its BE Industry Advisory Panel, to ensure an effective conduit exists between the industry and the TA Board.
- That the BE industry and TA continue to strengthen their collaborative efforts through joint ventures.

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Aviation

Chapter 8.1

Even when world-class convention and exhibition centres and incentive venues are located in enticing destinations, without affordable and regular air access this infrastructure is wasted. It is essential that Australia has airline capacity to cater for growth in demand, particularly from emerging markets.

There are three aviation issues to consider in relation to the Business Events Strategy: capacity; passenger facilitation; and regional aviation.

Delays in processing passengers by border control agencies frustrate the legitimate movement of people into and out of Australia. Express Paths are currently being trialled at our airports to provide fast passenger processing for first and business class passengers and reduce delays.

Recommendations

Capacity

- That air service arrangements be negotiated ahead of demand.
- That air services negotiations be targeted at key BE growth markets.
- That Australia actively pursues both bilateral 'open skies' air services arrangements with key individual nations and multilateral 'open skies' arrangements.
- That there be a defined strategic use of fifth freedom rights.
- That additional short-term capacity be made available in bilateral agreements to meet major event demand.
- That air service arrangements with other Governments be facilitated to permit short-term addition of capacity by airlines of both countries for large events.
- That bilateral air services negotiations be targeted at the key business event growth markets of China, India, Canada, Taiwan and Asian countries outside the top nine Asian inbound markets. >

Regional aviation

- That a formal mechanism be established where industry can provide airlines with forward client/bookings data to facilitate improved scheduling and planning.

Passenger facilitation

- That the Express Path trial be made permanent and extended to all Australian international gateway airports.

Export Services

Chapter 3.5

The growing global recognition and reputation of Australian Business Events personnel and companies has led to an expanding export market for BE services. Indeed overseas work for BE individuals and companies represents a good news story and export opportunity for Australia. The Sydney Olympics is widely seen to have been a catalyst in this regard. Australian BE personnel have also developed a particularly strong reputation in the management of convention centres.

Some practitioners have established overseas offices, particularly in Asia. Others have formed alliances with overseas colleagues or have become part of multinational organisations.

Recommendation

- That the BE Industry and the Australian Government work together to establish an agreed methodology to capture the scope and value of this growing BE export market.

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Climate change & sustainability

Chapter 8.2

The BE industry believes Australia should aim to lead the world in the delivery of “green” business events venues, products and “low carbon” events.

This goal is essential to a) counter the negative arguments associated with long-haul travel when choosing BE destinations and b) to ensure Australia can promote its green credentials when bidding for international business. Local bidding organisations will increasingly need to address sustainability in BE bid criteria and RFPs (Requests For Proposal) issued by corporations and associations.

All purpose-built convention and exhibition centres across Australia have introduced green policies and attained environmental accreditation in the past few years.

An opportunity exists for Australia to further enhance its international standing and profile by bidding for more conferences related to energy, sustainability, the environment and climate change.

TA believes Australia's strong image as a nature tourism destination gives it great appeal in the CSR category and represents a genuine opportunity for the BE sector.

Awareness of CSR product is low in the distribution system. Australia's green credentials need to be marketed proactively. Australian destinations and products will need to work as a united team through convention bureaux and TA in marketing their green capabilities.

Australia's proposed Emissions Trading Scheme is expected to be the best in the world and this alone should provide a prime opportunity. The Australian Government could support efforts to help secure relevant existing events and create worthwhile inaugural events on these topics. An Australian Government/industry working party could be established to identify such opportunities.

Recommendations

- That the Australian Government encourage its Departments to reduce the environmental impact of their conferences and aim for carbon-neutral events.
- That the Australian Government's Requests For Proposals/Tenders for the organisation of their meetings include a mandatory requirement for companies/suppliers to provide information on their CSR credentials and how they will run the meetings according to sustainable event guidelines. >

- That the Australian Government introduces a short-term incentive scheme and/or tax relief to encourage all event organisers to aim for carbon-neutral events.
- That Government introduces a short-term incentive scheme and/or tax relief to encourage all BE operators to introduce and/or trial CSR activities and programs.
- That the BE industry and Australian Government collaborate to identify appropriate international climate-change related conferences and provide support for the creation of worthwhile inaugural “anchor” events in Australia.
- That TA, in partnership with the CVBs and industry, introduce and adopt the practice of running carbon-neutral familiarisations for media and BE buyers as a benchmark for industry.
- That TA demonstrate and actively promote a low-carbon footprint through its international trade shows, ATE and other appropriate events and acknowledge and promote efforts made by tourism-related associations and convention bureaux to stage their own carbon-neutral meetings.
- That the BE industry, through its representative associations, implement a program of green initiatives including:
 - Running low carbon events
 - Running educational sessions on world's best management practices
 - Endorsing creditable and sustainable carbon calculator companies
 - Providing best practice green case studies for branding and promotional purposes
 - Entering Australia's BE products and services in national and international green awards programs
 - Participating in, and assisting, TA's green BE inventories.
- That BECA in collaboration with the National Tourism Alliance (NTA) and TA provide a “Green” website portal as a central information point for industry on how to access information on staging “green events” and accessing suppliers who are accredited.



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Forecasts & Performance Targets

Chapter 9

There are currently no official forecasts provided for the BE sector, either on a global or domestic basis. The United Nations World Tourism Organisation (UNWTO) forecasts that tourism will continue to grow at about 4% a year at least until 2020. Australia's Tourism Forecasting Committee (TFC) is responsible for setting forecasts for the country's inbound visitors and is predicting inbound visitor growth of 4.4% until 2017.

The industry recognises the difficulties and dangers in developing forecasts and targets for Australia. Many external factors such as economic conditions, fuel prices, and exchange rates come into play. However, without further policy support Australia is expected to continue losing BE market share as other countries invest more heavily in BE marketing to support their expanded venues. Concomitant with the additional BE funding recommended in this Strategy, Australia should set goals and KPIs for the BE sector.

While the BE industry supports the establishing of forecasts and goals for the sector, it believes that any targets should be expressed in relative terms. For example, targets relative to:

- global market share, using available market segment data
- total inbound visitor and domestic numbers and spend
- occupancies of meeting venues relative to total available space
- CountryBrand Index convention destination ranking.

Recommendations

- That the Tourism Forecasting Council includes inbound BE attendees in their visitor projections.
- That the new Australian BE Strategy Implementation Group defines the mechanisms which will enable industry performance to be judged and national BE goals to be set.
- That the projections expected to be included in the National Long Term Tourism Strategy be taken into account when setting BE forecasts.

Infrastructure

Chapter 8.3

To compete internationally, Australia must have world-class meeting, exhibition and incentive venues and related products which are recognised as such by global peers and clients.

Australian State Governments have invested roughly \$5.7 billion in BE infrastructure both directly and through public-private partnerships. These convention and exhibition centres are recognised as world-class and have the potential to attract prestigious events and generally the market is well served in this regard.

However there is a recognised shortfall in both convention and exhibition space in Sydney and Adelaide, as well as there being a need for increased exhibition space in Melbourne.

The most pressing issue relates to Australia's hotel accommodation supply. There is a current disconnect between the increase of convention/exhibition space and the tightening of the accommodation market, and some five-star hotel product is lacking or outdated in some regions for incentive travel markets.

A paradox exists here. On one hand there is a need to increase Australian room rates to drive further investment; on the other there is the price competitiveness of many offshore destinations and the potential loss of business associated with this competition.

Hotel accommodation is subject to a number of state taxes which do not affect other forms of development – land tax, payroll tax, and stamp duty. The impact of these taxes on investor appetite has a direct impact on new accommodation developments.

Taxes that make accommodation development uncompetitive, in comparison with other land uses, should be addressed.

Recommendations

- That Governments identify crown land and property in capital cities that would be better used for tourism development.
- That Governments ensure all tourism development exceeding \$20 million is not subject to local council approval but assessed and approved under States' environmental and planning laws as matters of state and regional significance. >

Executive Summary

- That State Governments provide a “one-stop-shop” service to facilitate the assessment and approval of major tourism development projects.
- That Governments urgently provide a targeted program of payroll and land tax incentives for tourism development, including land and payroll tax refunds for furniture, fittings and fixtures and other product refurbishment and five-year land and payroll exemptions for new development.

An onerous anomaly in GST laws is the obligation to pay GST on the total estimated account when paying a deposit. This seriously affects event organisers and other related tourism operators when booking venues and paying a nominal deposit – often years in advance. The GST ruling on deposits as it relates to the tourism industry must be scrapped and the timing of GST liabilities brought in line with other liabilities.

The ATO should also provide simple, easy-to-use advice on GST refunds for overseas Business Events organisers and delegates. There is an opportunity for the current Tourist Refund Scheme (TRS) to streamline refunds for BE visitors.

The BE Industry believes a tax incentive for approved training, similar to the R&D tax incentive, would serve many purposes. It would boost corporate investment in employer training, reflecting the Australian Government's education revolution. It would address Australia's chronic skills shortage by encouraging more employer-funded training of staff. Additionally, an increase in training seminars, conferences and workshops would boost the sluggish domestic BE market.

Research

Chapter 8.4

The growth in the BE industry in Australia has not been matched by consistent collection of data on its scope or the economic impact of the industry. There is a clear market failure in the delivery of credible, timely BE industry research which can be used to judge performance and trends and allow informed decisions to foster a sustainable industry.

Recommendations

- That additional Government funding be provided to TRA specifically to boost its BE research.
- That BE industry organisations allocate an annual budget for research and BECA play a coordinating role to ensure research investments are maximised.
- That the BE industry and the Australian Government agree on the base of available research results which can be used regularly to determine the performance of the industry.
- That the BE industry supports TRA efforts to have relevant airlines agree to allow surveys to be undertaken in airport club lounges.

Recommendations

- That the GST ruling on deposits as it relates to the tourism industry be scrapped and the timing of GST liabilities brought in line with other liabilities.
- That the Australian Government eases the regulatory burden of the process of the making and implementation of tax rulings.
- That the Department of Resources, Energy and Tourism establishes a joint taxation panel with the industry which requires the ATO to consult with the industry prior to new draft rulings.
- That the ATO provides simple, easy-to-use advice on GST refunds for overseas Business Events organisers and delegates.
- That the Australian Government introduces an incentive for businesses to train staff, similar to an R&D incentive, with tax deductibility of 125% on all eligible training, as part of the Australian Government's “education revolution” to encourage ongoing job training and to stimulate the domestic BE business.
- That tax incentives (125%) for approved training programs run by employers for employees stipulate that the training must be delivered within Australia.

Taxation

Chapter 8.5

Australia *must* have an internationally competitive taxation system if the Business Events industry is to remain competitive and maximise its economic contribution. A review of some areas of taxation legislation relevant to the BE industry is urgently required. There is also a need for the Australian Government to embrace new taxation initiatives to support the industry's growth.

Executive Summary

Visas

Chapter 8.6

The BE Industry acknowledges improvements made by the Australian Government over the past decade to streamlined visa processing including the Department of Immigration's establishment of an International Event Coordinator Network (IECN) to facilitate visa processing for large groups attending major events and conferences. Further improvements such as expanded visa exemptions and fast-tracking would help keep Australia competitive; improvements which have been picked up by some of our international competitors.

Recommendation

- That the Australian Government appoint a BECA representative to the Tourism Visa Advisory Group (TVAG) so the BE sector can be represented in discussions to further streamline the visa process, particularly for large group movements related to major conventions/Business Events.

Workforce skills & training

Chapter 8.7

Education and training in Australia has come a long way in the past decade. With the move to new apprenticeships and new apprenticeship centres, all industries have benefited from an increased emphasis on Vocational Education and Training. Despite this progress, in June 2004 the Department of Employment and Workplace Relations defined a range of shortages in skills within the Business Events industry.

Recommendations

- That Business Events is officially recognised by the Australian Government as a sector suffering from a chronic skills shortage by adding it to the national skills shortage list, ensuring that assistance with visas and migration of skilled labour is offered.
- That the Australian Government recognises and supports BE industry accreditation programs; namely in the first instance, the Meetings & Events Australia's (MEA) industry accreditation program. This support will ensure that endorsed accreditation programs are recognised well beyond their own industry and offer security >

in regard to professionalism to those using Meetings Managers to deliver their business events, meetings or conferences.

- That the Australian Government requests its own federal departments and agencies, recognise and give preference to Accredited Meeting Managers in relevant appointments or contracts, given the large number of meetings hosted by government.
- That significant research is undertaken in the areas of salary band recommendations so that there are salary benchmarks against other industries, and that this research is developed and funded by the BE industry on a dollar-for-dollar matching basis with the Australian Government.
- That the Australian Government provides encouragement to BE industry to providing training support to both vocational and tertiary education institutions by expanding its GST free component beyond the current articulated training arrangement to approved non-articulated training.
- That the Australian Government supports BE career education in secondary schools by providing funding through the Department of Education, Employment and Workplace Relations on a dollar-for-dollar matching basis with the BE industry.
- That BE industry organisations continue to address workforce skills and education issues; expanding professional development and accreditation programs; strengthening relationships with secondary and tertiary institutions and private training providers; developing clear education articulation pathways; and fostering appropriately trained industry practitioners to deliver practical education and training.

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Impact of Technology

Chapter 4.4

There is an increasing expectation among event organisers and attendees of a high degree of technology sophistication within the BE industry. Rapid technology advances have ushered in a new generation of virtual conferencing systems. The BE sector must maintain its effectiveness against other communication options, many of which are IT related.

Recommendations

- That BE industry associations develop case studies which demonstrate the effectiveness of face-to-face events.
- That BE industry associations foster improvements in business event programs, in terms of new meeting technologies, content, delivery and networking opportunities, delivered by organisers to enhance the live event experience.

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Strategy implementation and review

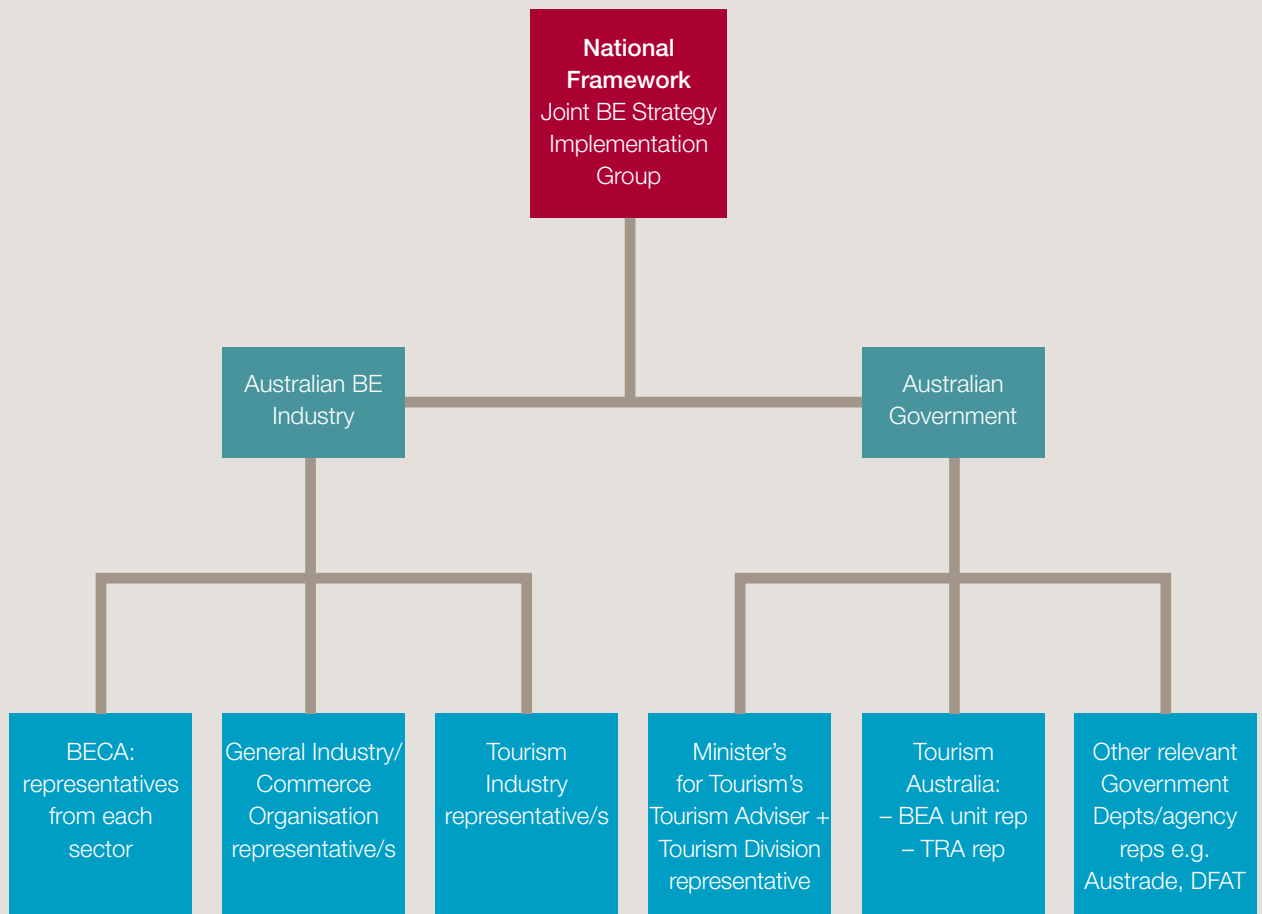
Chapter 10

This Strategy is intended for use as a national blueprint for the development of a sustainable Business Events industry over the next decade. To ensure it delivers its maximum potential economic benefit to Australia, a strong and effective working partnership needs to be formed between industry and the Australian Government. The framework needs to be established for topline review and direction of the strategy.

The BE industry strongly believes a new and broad group needs to be established by the Minister for Resources, Energy and Tourism to address all the issues raised in this Strategy.

Recommendations

- That an Australian Business Events Strategy Implementation Group be established to provide ongoing guidance and review of the Strategy.
- That the Australian BE Strategy Implementation Group promotes increased co-ordination between the BE industry and the Australian Government.
- That the Australian BE Strategy Implementation Group meets at least twice annually.
- That the Australian BE Strategy Implementation Group be structured as per table below:



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Recommendations

National Business Events Strategy's full list of recommendations for action by the Australian Government and the BE industry:

Funding and Tourism Australia

- That increased funding be provided to TA so it can boost its BE activities in the key areas of bid support, convention delegate boosting, marketing; and research, as outlined in this Strategy.
- That TA increase its efforts to improve the effectiveness of its BE Industry Advisory Panel, to ensure an effective conduit exists between the industry and the TA Board.
- That the BE industry and TA continue to strengthen their collaborative efforts through joint ventures.

Aviation

Airline Capacity

- That air services negotiations be targeted at key BE growth markets.
- That Australia actively pursues both bilateral 'open skies' air services arrangements with key individual nations and multilateral 'open skies' arrangements.
- That there be a defined strategic use of fifth freedom rights.
- That additional short-term capacity be made available in bilateral agreements to meet major event demand.
- That air service arrangements with other Governments be facilitated to permit short-term addition of capacity by airlines of both countries for large events.
- That bilateral air services negotiations be targeted at the key business event growth markets of China, India, Canada, Taiwan and Asian countries outside the top nine Asian inbound markets.

Regional Aviation

- That a formal mechanism be established where industry can provide airlines with client/bookings data to facilitate improved scheduling and planning.

Passenger Facilitation

- That the Express Path trial be made permanent and extended to all Australian international gateway airports.

Climate change & sustainability

- That the Australian Government encourages its Departments to reduce the environmental impact of their conferences and aim for carbon-neutral events.
- That the Australian Government's Requests For Proposals/Tenders for the organisation of their meetings include mandatory requirement for companies/suppliers to provide information on their CSR credentials and how they will run the meetings according to sustainable event guidelines.
- That the Australian Government introduces a short-term incentive scheme and/or tax relief to encourage all event organisers to aim for carbon-neutral events.

- That Government introduces a short-term incentive scheme and/or tax relief to encourage all BE operators to introduce and/or trial CSR activities and programs.
- That the BE industry and Australian Government collaborate to identify appropriate international climate-change related conferences and provide support for the creation of worthwhile inaugural "anchor" events in Australia.
- That TA, in partnership with the CVBs and industry, introduce and adopt the practice of running carbon-neutral familiarisations for media and BE buyers as a benchmark for industry.
- That TA demonstrate and actively promote a low-carbon footprint through its international trade shows, ATE and other appropriate events and acknowledge and promote efforts made by tourism-related associations and convention bureaux to stage their own carbon-neutral meetings.
- That the BE industry, through its representative associations, implement a program of green initiatives including:
 - Running low carbon events
 - Running educational sessions on world's best management practices
 - Endorsing creditable and sustainable carbon calculator companies
 - Providing best practice green case studies for branding and promotional purposes
 - Entering Australia's BE products and services in national and international green awards programs
 - Participating in, and assisting, TA's green BE inventories.
- That BECA in collaboration with the National Tourism Alliance (NTA) and TA provide a "Green" website portal as a central information point for industry on how to access information on staging "green events" and accessing suppliers who are accredited.

Export services

- That the BE Industry and the Australian Government work together to establish an agreed methodology to capture the scope and value of this growing BE export market.

Forecasting

- That the Tourism Forecasting Council includes inbound BE attendees in their visitor projections.
- That the new Australian BE Strategy Implementation Group defines the mechanisms which will enable industry performance to be judged and national BE goals to be set.
- That the projections expected to be included in the National Long Term Tourism Strategy be taken into account when setting BE forecasts.

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National Business Events Strategy for Australia 2020

The business of events – Australia's untapped potential

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