



FEDERAL ELECTION 2010

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Business Events: delivering innovation, knowledge and performance for Australia

Consider this :

- Business events delegates are among the world's most desirable and lucrative visitors.
- Business events have the potential to significantly grow Australia's export earnings and stimulate domestic economic growth
- Australia has \$8.1 billion invested in business events infrastructure.
- Australia's business events industry is responsible for over 116,000 jobs.
- Once No 4 in the world ranking for international association conferences, Australia has the potential to recover from its nine year decline and reclaim prominence in the world's top 10 destinations.
- Australia has the opportunity to be a leader in the fastest growing business market in the world – Asia.

Why should the Federal Government invest in Business Events?

Because they deliver innovation, knowledge and economic performance for Australia.

Business events contribute to branding that associates Australia with professionalism and learning. This branding helps encourage investment in our country.

What other sector can do all this? :-

- Deliver highest daily visitor spend.
- Disperse visitors across regional Australia through satellite meetings and pre/post touring.
- Fill hotels beds and airline seats during off-peak leisure times.
- Bring world's best practice to Australia.
- Promote innovation through collaboration and networking face-to-face.
- Deliver education and skills training.
- Encourage trade in Australian products and services.
- Lift Australia's profile on the international scene in specific professions, trades and industries.

Australia cannot reach its potential in this field without strong support from the Australian Government. The most successful business events destinations in the world have the benefit of solid national government investment. Just as the Australian Government recognises the benefit of attracting international sporting events to Australia, so should it see the benefits of business events and support the sector with an appropriate investment.

How can the Federal Government help increase the economic return to Australia?

- A. Embed initiatives into government policies which boost Australia's potential to host international business events.**
- B. Join with industry in establishing a new co-operative venture: a National Business Events Fund.**
- C. Increase its cash investment in marketing Australia as a business events destination.**

(see specific details on page 6)

What are Business Events?

Any live event which is convened for a business purpose, be it scientific, academic, professional, trade, government, charity or corporate.

Conferences, congresses, conventions, seminars, trade and consumer shows, corporate meetings and events, work-related travel incentives, product launches, professional development seminars, all fall under the umbrella of business events. Hosts are associations, companies, charities, entrepreneurs and governments. Business events can be international, regional, national, state and local. Thousands of business events are held around Australia every year, attracting millions of participants.

Why are Business Events so important to Australia?

Often below the radar, and attracting less attention than major sporting events, these business events across Australia year round fill airline seats, hotel beds, meeting venues, restaurants, taxis and coaches. International and interstate delegates often stay on to do post touring in regional Australia. Conferences and exhibitions can fill destinations in low leisure periods. They keep caterers, production houses, audio-visual companies, stand builders, florists, event management firms and entertainers in business. They employ IT workers, electricians, painters, fork lift operators, and truck drivers to name a few.

116,000 full-time Australian jobs exist as a result of the Business Events Industry.

This figure rises to over 214,000 jobs when including indirect impact.¹

Business Event visitors are high-yield. They spend far more per day than the average leisure visitor. International delegates average daily expenditure is almost six times the average daily spend of international tourists.¹

The industry is worth \$17.3billion per annum, according to the National Business Events Study (NBES) released in 2005, the most comprehensive study ever undertaken into the industry which goes beyond the travelling tourist spend to include the critical and massive day-only business event

¹ National Business Events Study 2005, Sustainable Tourism CRC

market. Including direct and indirect effects, business events contribute 2% or \$6.13 billion of “value-added” to the Australian economy.¹

BECA believes the total industry today to be worth a conservative \$20 billion per annum to Australia.

The direct economic spend is not the only benefit.

Business Events deliver for Australia on many levels.

The legacy of business events can be felt long after the high-yield delegates have departed:

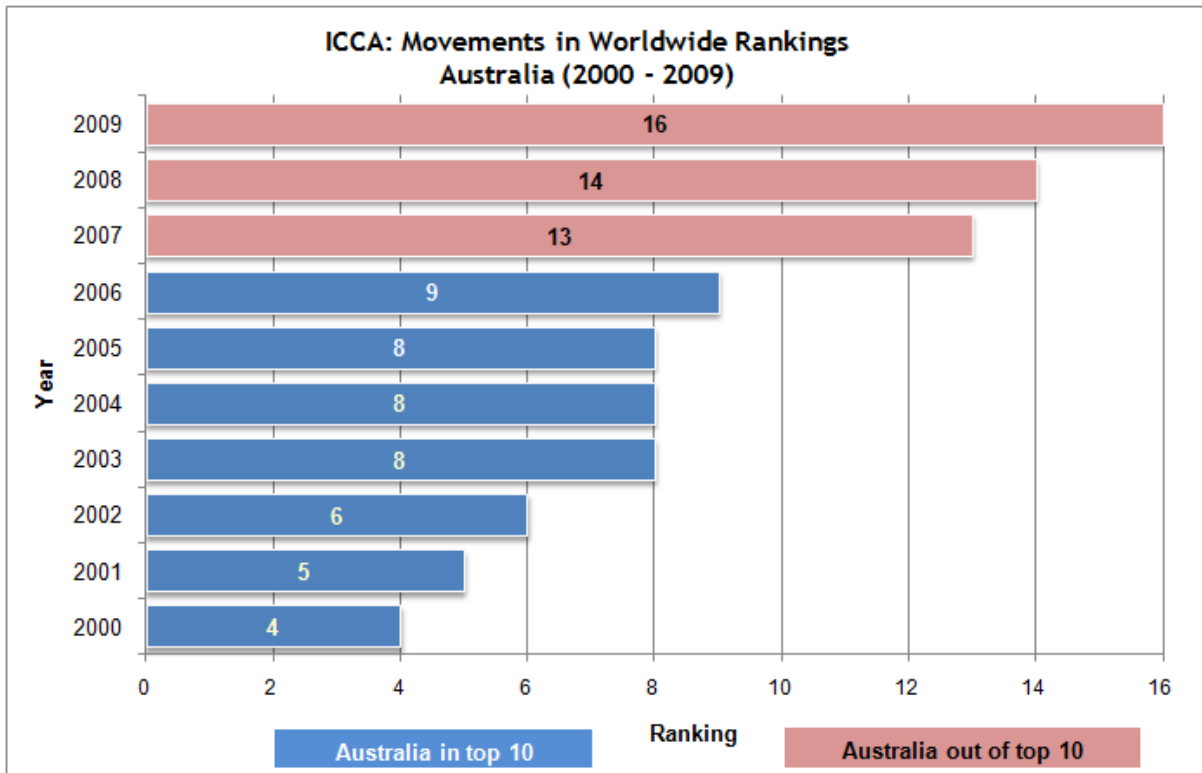
- Building Australia’s knowledge and skills base through exposure to world’s best practice
- Networking and enhancing business-to-business relationships
- Contribution to solving global issues
- Trade opportunities from exhibitions and commercial sponsorships
- Exposing original research to the marketplace
- Profiling Australians against their international peers
- Leveraging existing exports such as mining, medicine and technology
- Fundraising opportunities
- Enhancing international prestige
- Business migration inflow
- Showcasing host-nation infrastructure.

Business Events boost leisure tourism and regional dispersal

The NBES found that 46% of international delegates toured in other parts of Australia and more than a quarter of them (25.7%) brought accompanying persons.¹

How is Australia doing, and how should we be doing?

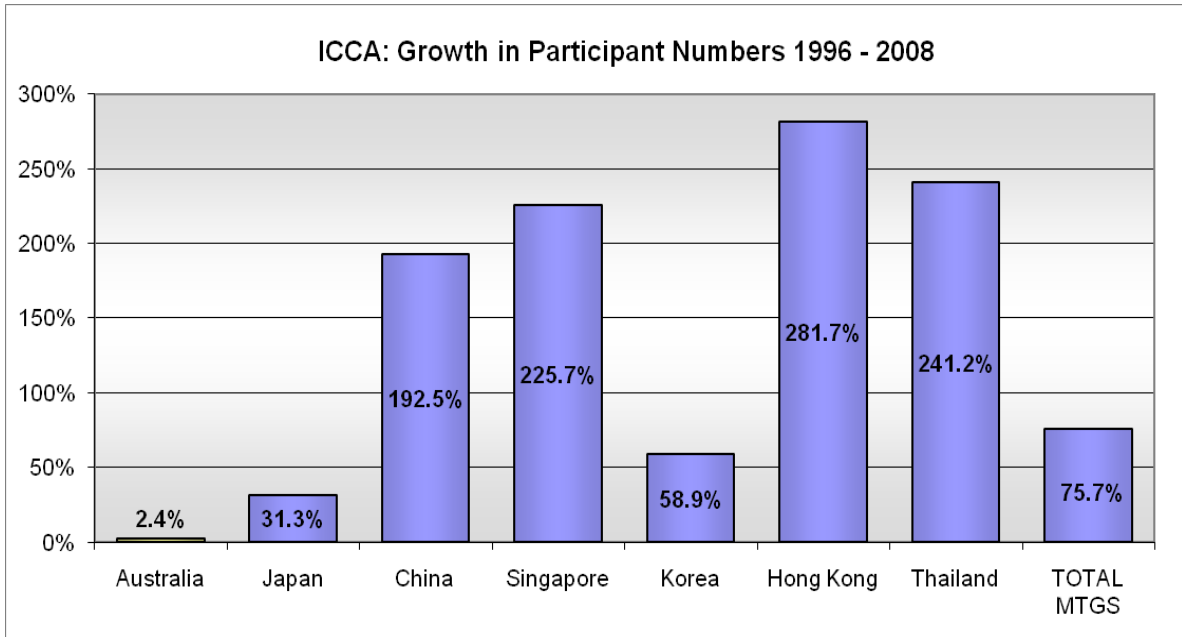
International competition is fierce for business events. Australia had enjoyed a prominence in this domain during the 1990s and early 2000s but has been losing ground. There has been a huge expansion in infrastructure which has led to emerging and revitalised competitor destinations, backed by massive private and government marketing dollars. Notwithstanding the impact of increased competition, Australia has not performed well in comparison to other mature successful destinations such as Singapore, Japan and Spain which have managed to maintain their positions.



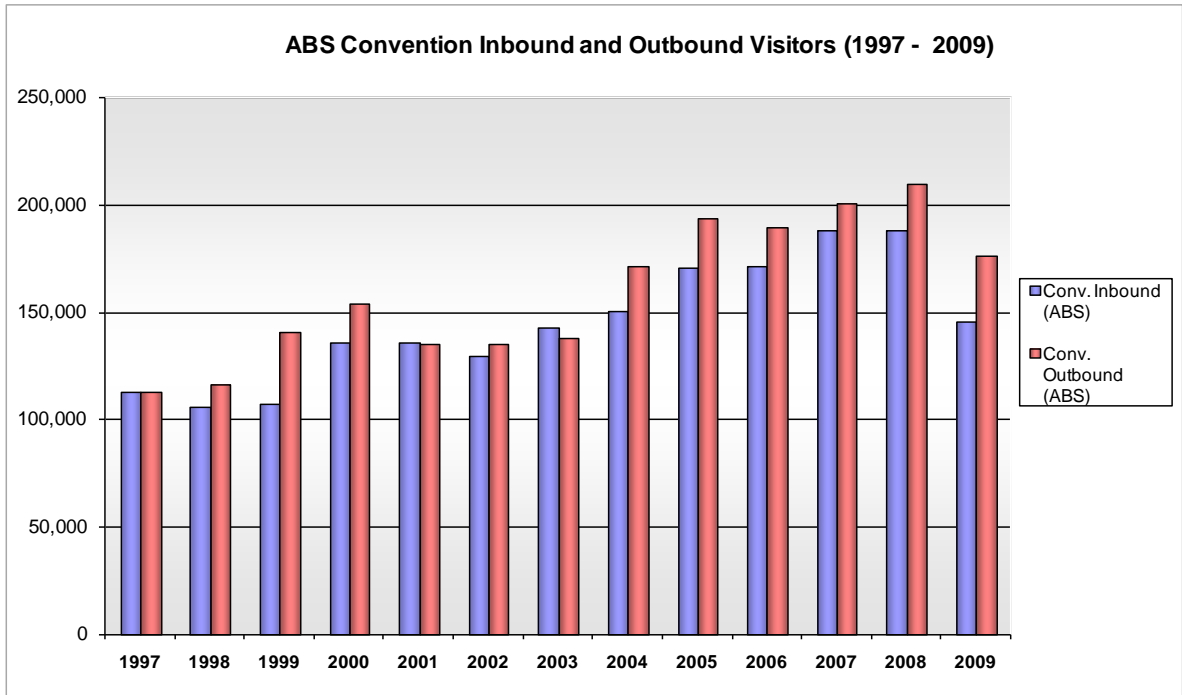
Australia Competitive ICCA Ranking in the Asia Pacific
Based on number of meetings

Ranking	2004	2005	2006	2007	2008	2009
1	Australia	Australia	Australia	Japan	Japan	Japan
2	Japan	Japan	Japan	China PR	China PR	China PR
3	China PR	China PR	China PR	Australia ↓	Australia	Korea = Australia
4	Singapore	Singapore	Singapore	Korea	Korea	

Significantly, the slide in Australia’s market share of international association meetings is even more evident in actual participant numbers. **Not only does Australia need to lift the number of international meetings it is hosting, but it needs to boost the delegates attending these meetings, maximising the return on business secured.**



We have a net loss of convention visitors. More Australians leave the country than overseas visitors arrive to attend conferences. **We need to reverse this trend and aim for a net gain for Australia.**



Who's contributing what to the Business Events Industry?

State and Industry investment	Federal investment
\$8.1 billion in infrastructure*	
\$36 million per annum in marketing #	\$5.7 million per annum via Tourism Australia

* *Tourism Australia's* audit on business events infrastructure investment, including new-builds and renovations across accommodation, venues, incentive experiences and convention centres.

combined budgets of 16 convention bureaux, excluding direct marketing spend by individual BE venues and related suppliers

The above table demonstrates the heavy lifting being done at state and industry level. Bureaux around Australia are constantly researching and chasing leads for business, and mounting bids for both domestic and international events. In many cases, the bureaux compete for the right to bid for an international conference in an Australian bid-off, with the successful destination going forward as the official Australian bid. It is at this point that Federal Government support is sought to assist in the bidding process.

Industry works cooperatively with the bureau in marketing efforts, in addition to the extensive marketing and sales efforts they undertake direct with potential clients.

What's needed?

Supply

Australian convention and exhibition centres are world-class. Destinations needing expanded space and upgrading are largely being addressed by state governments and private industry. Expansions are planned or underway for Adelaide, Brisbane, and Melbourne convention and exhibition centres, plus a feasibility study announced to consider a Sydney expansion.

Demand

More is need to stimulate demand. A closer working relationship is needed between industry and the federal government to develop bold, strong ideas to boost Australia's performance.

How can the Federal Government help increase the economic return to Australia?

A. Embed initiatives into government policies which boost Australia's potential to host international business events.

Specifically:

1. Provide a mechanism within Federal Government to develop and drive the initiatives; and liaise with all relevant government departments.
2. Establish a new industry-government working group to develop joint ventures which tap into portfolios outside the traditional tourism area such as trade, foreign affairs, health, education and training, industry and innovation.
3. Identify convention funds already existing within federal government departments and promote the existence of these funds to host or support relevant conferences.

4. Include as a KPI in key government departments, agencies (such as Austrade) and overseas embassies the delivery of a number of leads each year for potential international conferences which Australia could host.
5. Add criteria to federal government grants for research which encourages promulgation of research results through Australian-hosted conferences.
6. Consider key international conferences the Australian Government could host which link with the government's own directions and targets. For example, a major government meetings relating to energy, agriculture, biotechnology. And work with the experts within the business events industry to develop feasibilities on hosting these events.
7. Strengthen Australia's ability to capture the fast growing Asian conference market, by working with industry to identify opportunities for government to host regional Asian conferences.
8. Assist Australia's reputation as a sustainable business events destination by establishing environmental policies for government events which encourage a low-carbon footprint.

How can the Federal Government help increase the economic return to Australia?

B. Join with industry in establishing a new co-operative venture: a National Business Events Fund.

Specifically:

A co-funded industry/government National Business Events Fund would overcome the vital missing federal link in the partnership between industry, state, territory and local government efforts to win, create and boost international business events for Australia.

The success of the Fund could be easily measured and monitored through a variety of KPIs including bid wins, estimates economic returns on increased number of international visitors, regional dispersal, educational value, media coverage.

- International bids

The Fund would be open to applicants needing assistance to bring existing key international conferences to Australia and to applicants wishing to establish new anchor international business events or expand existing Australian events into Asia Pacific events. Preference to be given to applicants requiring bid support to win business events which:

- will help promote world's best practice to Australians in the fields of industry, scientific and professional sectors
- will help promote Australia's research efforts
- encourage innovation through learning and international research collaboration
- promote export trade
- make a strong business case with regard to the feasibility of the event
- include substantial support from private industry and/or state governments
- can show a return on investment to Australia
- have the support of the relevant local convention bureau
- promotes industry sectors consistent with government policy

- Delegate boosting

The Fund would allow successful applicants to undertake additional delegate boosting activities to attract international visitors, maximising the value of bids already won.

- Creation of new events

The Fund would provide initiatives to encourage the establishment of world-class business events anchored in Australia, according to criteria which determined the feasibility of the proposed event.

- Enhancing national events to encompass Asia Pacific

The Fund would provide incentives for Australian conferences to expand into Asia through program content and marketing. Such an incentive might be sponsorship of an Asian speaker for the program, and marketing assistance through relevant Asian-based government offices. Applicants would need to outline the potential market opportunities which lay in expanding national conferences into the Asia Pacific region such as the potential interest in industry sectors within this region and Australia’s ability to deliver programs which would attract overseas attendees.

How can the Federal Government help increase the economic return to Australia?

C. Increase its cash investment in marketing Australia as a business events destination.

Specifically:

Boost Tourism Australia’s resources allocated to market Australia as a business events destination, leveraging off the new TA campaign “*There’s Nothing Like Australia*” and the *Australia Unlimited* Brand recently launched by Austrade.

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“Whatever kind of business or professional activity you can imagine, chances are that there is a major convention, exhibition or meeting associated with it. These are the kinds of activities that make the economy work and grow. They are also what help a city or country engage more effectively with the global economy. By hosting such events – and attracting them into the local community – centres are not only driving delegate spending, but generating a lot of business-related activity that will ultimately benefit the broader business and professional prospects of that community.” Edgar Hirst, President, International Association of Conference Centres (AIPC)

Additional reading:

1. *A National Business Events Strategy for Australia 2020 – Australia’s Untapped Potential.*
2. National Business Events Study 2005, Sustainable Tourism CRC.
3. *Delivering, Innovation, Knowledge and Performance: The Role of Business Events, 2010*, Profs L Jago and M Deery, Victorian University
4. BECA’s Pre-Budget Submission 2010

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