



COVID-19 Recovery and Rebound Framework

for the Australian Business Events Industry



BUSINESS EVENTS COUNCIL OF AUSTRALIA

An alliance of Australia's business events industry



Association
of Australian
Convention
Bureaux

Australian Convention
Centres Group



EXHIBITION & EVENT
ASSOCIATION OF AUSTRALASIA



MEA
Meetings & Events Australia



**KEEPING
AUSTRALIA
MEETING**

CONTEXT

The business events industry has been one of the quiet achievers of the Australian economy – growing at around 6% annually since 2014, **directly contributing over \$35 billion in economic activity in 2019 and employing over 229,000 people across a broad range of sectors and trades.**¹ In 2019, 43.7 million people attended more than 484,382 business events across Australia.² The direct industry gross value added by business events now sits at more than \$17 billion.

In March 2020, Australia's business events industry rapidly shutdown with the escalation of government responses to the COVID-19 pandemic. The impact of the pandemic and the Australian Government's response is continuing to be felt across the economy. For business events, our reliance on in-person gatherings and interactions of people were particularly exposed to the necessary ongoing public health orders and restrictions. As a result, **96% of business events scheduled for 2020 in Australia were cancelled or postponed.**³ Major international events due to be held in Australia in 2021 are increasingly in doubt.

Across the business events industry, the required cancellation of events has seen a near 100% loss of revenue. **The total lost value for the business events industry has been estimated at up to \$35.7 billion over the 12 to 15 months following the initial restrictions introduced in March 2020.**⁴ Revenue for January and February of 2020 was reduced to approximately 10% year-on-year due to the impacts of the summer bushfires and the escalating COVID-19 situation internationally. As early as January last year, before governments formally put in place their restrictions, global associations and businesses were making the decision that the risk was too high for their members and employees to be travelling.

For business event operators, this prompted difficult business decisions including cuts to casual workforces and redundancies for part-time and full-time staff, many of whom had built careers in the industry. Staffing losses across the industry were estimated at over 92,000 between the end of 2019 and 30 June 2020.⁵

The situation continues to be unprecedented and the business events industry has not just been facing hibernation but total dislocation and complete loss.

The Australian Government's economy-wide measures to support businesses, employers, and employees (in particular the JobKeeper payments) have been an important lifeline to many in the industry and has helped support some of the business events industry's workforce in the immediate term through to the cessation of JobKeeper 2.0 in March 2021 (which included those who were previously retrenched before Government support measures).

For the remainder of 2020, it was made clear that the business events industry would not be in full recovery mode given the long lead times for events to be held and revenue to start flowing again. In fact, without the ongoing support from the JobKeeper extension, the number of businesses that would have gone broke and staff who lost their jobs would have increased dramatically at the end of September 2020.

The longer-term situation continues to look bleak – without new business events being planned, booked, and providing cashflow to businesses, the industry is largely unable to maintain its large workforce when unsupported. This leaves the industry unable to sustain its capacity to recover over the medium-term or to position itself for a rebound when market conditions improve. Demand for business events has completely dropped off and stimulating demand for future events requires a return of business confidence across the economy, significant upfront investment, resourcing, retraining and industry coordination.

The situation was immediate and distressing for an industry that has been growing annually and was, just prior to the coronavirus outbreak, successfully showcasing Australia's credentials to major business event decision-makers and planners from across the globe.⁶

¹ Value of Business Events to Australia 2018/19, Ernst & Young, March 2020.

² Ibid.

³ Lost Business Report: Impacts of COVID-19 on the Business Events Industry, McCrindle, April 2020.

⁴ Ibid.

⁵ Ibid.

⁶ Minister for Trade, Tourism and Investment, Media Release, 3 December 2019. Available from www.trademinister.gov.au/minister/simon-birmingham/media-release/showcasing-australias-credentials-leading-business-events-destination.

It required the industry, led by the Business Events Council of Australia (BECA), to act and partner with the federal, state and territory governments to provide and facilitate targeted support to the business events workforce and businesses. This has required close engagement with the Australian Government (primarily Austrade, Tourism Australia, The Department of Industry, Science, Energy and Resources and Treasury's Coronavirus Business Liaison Unit) and a coordinated effort across industry stakeholders to ensure the support that is developed and delivered, targets those areas most critical to the industry's immediate needs, its recovery and its successful rebound.

The business events industry warrants government recognition as a critical catalyst for the business-led, post-pandemic recovery of the Australian economy.

Business events play an important role in:

- rebuilding industry and public-sector networks, partnerships, and research collaborations
- building business confidence, trade, and investment
- boosting the leisure and tourism sectors
- acting as marketplaces for buyers and sellers
- fostering innovation, knowledge creation, education, and cultural exchange
- catalysing industry growth and future employment
- facilitating regional dispersal and development.

The business events industry has the potential to be a key supporter across the Australian economy through its recovery and rebound if this is properly managed and supported by well-developed policy aligned to Australia's competitive strengths. Business events are unique because they are the only tourism sector that provides a vision of confirmed future business. This information can be used by governments and their departments to maximise the benefits, beyond tourism, that these events offer.

This document outlines a Recovery and Rebound Framework for the Business Events industry, including key challenges and solutions that can guide the development of a targeted industry support package.

WHAT IS THE BUSINESS EVENTS INDUSTRY?

Business events is the collective term referring to meetings, incentives (reward travel programs), conferences, conventions, and exhibitions.

The event may be as small as 15 businesspeople convening an off-site workshop to solve a problem, through to a large international scientific congress attracting thousands of delegates or a trade exhibition generating activity for businesses and the public. It could also involve travel and accommodation for hundreds of corporate incentive participants.

Business events are essentially an in-person communication medium. They are generated by organisations choosing this form of communication to deliver a message, to train, to sell product, to reward, to promote goods and services, to educate, to celebrate or to collaborate on issues and solutions.

The event may be hosted in a large purpose-built convention centre, university, resort, hotel, or even held in a regional town hall, and collectively generate millions of accommodation nights annually around the country. They also drive significant business activity for event organisers, exhibition and event suppliers, caterers, speakers and entertainers, travel agents and airlines.

FRAMEWORK PRINCIPLES & SUMMARY

The Business Events Recovery and Rebound Framework is designed with the belief that although the market for business events will be forever changed, the new world of business events will see a surge in demand driven by a renewed premium on in-person contact for governments, businesses, and associations.

BECA developed a Recovery and Rebound Framework in April 2020 by identifying key challenges facing our industry and those gaps that are not alleviated or solved by the Government's existing stimulus and support measures. This framework was revised in January 2021 to reflect the uncertainty, severe limitations and restrictions compromising the business events industry and its pathway to recovery and survival.

As an industry, we want to emerge from the crisis in a position to help build business confidence across the Australian economy and, when the time is right, grow Australia's share of global business events in what will be a highly competitive and disrupted market.

Several principles underpin the development of the business events industry's Recovery and Rebound framework:

1. Business events was one of the first industries to be impacted by COVID-19 and may be one of the last industries to recover due to the long lead times - particularly for major business events (up to 4-6 years).
2. Business events for 2020 were put on-hold, rescheduled, or completely cancelled due to government restrictions on gatherings and travel. One month in to 2021 and there continues to be increasing concerns for the first half of 2021 as a consequence of internal border uncertainty.
3. Virtual events are acting as a backstop but are in no way a replacement for in-person events, do not support local employment and cannot deliver the broader benefits of business events.
4. Business events are a catalyst for Australia's broader economic recovery, local employment reactivation and job creation.
5. The holding of business events is a key signal of business confidence across the economy.

6. Business events have a symbiotic relationship with many other industries including airlines, hotels and venues, transport, catering, and cleaning. This means our industry's recovery is highly dependent on the simultaneous recovery of other enabling industries in the tourism, hospitality, and events ecosystem.
7. As the government moves to lift restrictions, a robust and sustainable distinction is made between highly organised and managed business events in controlled settings from mass gatherings.
8. Recovery of business events will be geographically phased as restrictions ease and business confidence returns on intra-state, inter-state, "safe" regional (eg. with New Zealand and within APAC) and "safe" international travel.
9. Australia's global market position in its rebound will be underpinned by the country's ongoing containment success, health service capacity and global health and hygiene reputation.
10. The global business events market will be subdued for several years but unique opportunities for Australia will exist. We have an opportunity to grow Australia's market share of the global business events industry.

In line with the Australian Government's own principles for stimulus and industry support measures, the initiatives proposed are:

- Targeted towards challenges unique to the business events industry.
- Timely, in that they can be delivered immediately and for a defined period.
- Aligned with other arms of policy, for example, the 'Event Here This Year' campaign and Trade and Investment Priority Areas.
- Designed to make use of existing mechanisms, for example, repurposing or modelling new support mechanisms from the existing Business Events Bid Fund Program, the Advance Program and the Government's own events plans and procurement processes across its departments and agencies.
- Designed to lift productivity, across our industry and across the Australian economy by acting as a catalyst for other industries in their recovery; and
- In line with the Government's \$50m Business Events Grant Program, which is administered by Austrade and established to support the business events industry.

PHASED APPROACH

The framework is divided across two phases, 'recovery' and 'rebound'. Each phase pursues different aims.

The **recovery phase** covers the short- and medium-term, with a focus on the domestic situation and market. This phase aims to:

- maintain industry capacity,
- build local confidence and demand for business events, and
- develop industry strategy and practices for the future market.

BECA has focused its immediate efforts on developing the recovery initiatives as a priority.

The **rebound phase** covers the medium and long-term with a focus on regional and global markets. This phase aims to position the industry to take advantage of new regional and global market opportunities.

These aims support our industry's overarching **'Recovery and Rebound' goal**: to support the wellbeing of our workforce and businesses through the crisis, and to emerge together, ready to take on the new world of business events.

To achieve this goal, we need to take a phased approach that recognises that the international business events market will take longer to recover than the domestic market in Australia.

We predict that as the Australian economy recovers there will be a strong preference for Australian companies to hold their events domestically only (this may be the case for the next 2-3 years). For Australian companies there will be more certainty about the public health situation here in Australia and greater predictability in necessary travel and meeting arrangements. This is likely also the case for foreign businesses and associations within their home countries.

On this basis, the **Business Events Recovery and Rebound Framework** is designed to first rebuild the domestic market in 2021 and into 2022 through targeted incentives, corporate, association and government-led business events that support national economic priorities.

The strategy is to use this domestically focused period to ready our industry for the opening of the regional and international business events markets. This approach also leverages the use of any public funds to the exclusive benefit of Australian industries; companies; associations and event holders, by utilising business events as a catalyst for economic recovery across key Australian industries.



Figure 1 The Recovery and Rebound Framework takes a two-phased approach.

The sections that follow outline the key industry challenges and proposed support initiatives for each phase.

PHASE 1: RECOVERY

Challenges

Viability of industry businesses and organisations is at immediate risk with no cash-flow or forward pipeline of business events. Though new Government measures support some employee wages until March 2021, there is limited productive activity for the workforce to undertake. There is a limited ability of industry businesses to lift business confidence and stimulate demand among domestic businesses and associations to hold events. The business events industry faced significant challenges in maintaining its workforce throughout 2020 and continues to do so into 2021. Business events unlike most other industries cannot just be turned back on again once restrictions are lifted – the shortest lead times to plan an event are between 3-6 months. Inconsistency in COVID travel and gathering restrictions and measures around the country is particularly challenging for businesses that operate across many jurisdictions. As business events do recommence, organisers and staff will also need to upskill and implement strict COVIDSafe health and hygiene practices.

Aims

- To maintain industry capacity.
- To build local confidence and demand for business events.
- To develop industry strategy and practices for the future market.

The following initiatives have been outlined to support the business events industry in the **recovery phase** and focus on supporting the domestic market in the short and medium-term.

1.1 Government as an events leader

Government-held business events, sponsorship and delegate participation are a major source of income for the business events industry across Australia. In 2018-19, there were over 57,600 meetings and conventions held by governments (federal, state, and local) across the country with over 413,000 delegates in attendance.

Commonwealth departments and agencies are major sponsors of business events and send staff as delegates to attend relevant meetings and conferences across the country.

There are over 180 Commonwealth Government departments and agencies. Many of these (particularly the larger organisations) hold major conferences and exhibitions in cities and regional destinations annually. Some examples include:

- The Australian Public Service Commission's APS-wide conferences held in every Australian capital city and Townsville.
- The Australian Bureau of Agricultural and Resource Economics and Science Outlook Conference (Canberra) and the Outlook Regional Conference Series (held in various regional locations)
- The Department of Defence's Defence Force Air Show
- Australian Government Economist Network's Conference

The Australian Government's approach to its own business events (as well as sponsorships and participation in others) can be reformed to not only deliver professionally designed, managed and world-class events but at the same time directly support the Australian business events industry.

RECOMMENDATIONS

- BECA proposes a coordinated approach across government departments and agencies to maintain booked meetings and events (where appropriate) and to bring forward planning and procurement for their planned business events over 2021 and 2022. This could initially be led at the Commonwealth level with an eye to expanding the initiative to include States and Territories.
- Secondly, BECA asks that Commonwealth departments and agencies not cancel existing registrations and sponsorships of business events including not to seek return of deposits, but rather put all bookings that are in the risk category on-hold to be rescheduled for a later date.

1.2 Australian business events catalyst fund and loan facility

Business events have a long lead time from the planning and booking phase to the actual delivery of the event (up to 4-6 years for major international business events). This means that cancellations of planned business events and the lack of new business events being scheduled now due to COVID-19 will impact the industry both over the immediate and longer-term. As such, the business events industry may be one of the last industries to recover from the COVID-19 crisis.

This is further impacted by the industry's reliance on international travel. Yet with international travel set to return gradually there is a strong need to focus on the domestic business events market. The recovery of business events will need to be geographically phased as restrictions ease and business confidence returns – intra-state, inter-state, “safe”-regional and “safe”-international – as there will be more certainty about the public health situation here in Australia.

Therefore, as the Australian economy recovers, immediate Government support should focus on confidence building policies that encourage Australian companies and associations to hold their business events within the country in the short-term (eg. the next 1-2 years) against the uncertainty brought about by internal border closures.

Business events are driven by business confidence and there is little the business events industry can do itself to stimulate demand across Australian industries and businesses. Currently the demand for business events has completely dropped off with most domestic business events that were scheduled to take place in 2020 cancelled, postponed, or on-hold until there is greater clarity about the lifting of restrictions.⁷ Major business events scheduled for the first half of 2021 are also in doubt.

Without scheduled in-person business events going ahead and new business events being planned, booked, and providing cashflow, the industry is largely unable to maintain its workforce when unsupported. As such, the industry is unable to sustain its capacity to recover over the medium-term and be positioned for a strong rebound when market conditions improve.

The Government's JobKeeper program will support employees in the industry through to March 2021. Without urgent confirmation that business events can go ahead (and with gathering sizes that make it viable, noting the 3-6 month lead times) many businesses that make up the industry's critical supply chain will be unable to retain staff beyond the period for which there is Government support.

BECA proposes a significant government fund to incentivise Australian businesses and associations to book, plan and hold business events across 2021-22. This initiative could be a demand-side investment extension of Business Events Australia's “Event Here This Year” campaign and would be an important injection of confidence into growth sectors of the Australian economy.

RECOMMENDATIONS

- A rebate to Australian businesses and associations in key recovery industries to cover the costs of changing their existing business event bookings due to COVID-19.
- An incentive payment to Australian businesses and associations to book and hold major business events in Australia before the end of 2021. This could include covering part or all of an event deposit, providing a matching portion of the total event costs, providing a rebate per attendee or percentage of event cost at the successful completion of the event.
- A Government underwritten loan facility that allows business events to be booked, deposits paid and planning work to commence. If the event needed to be cancelled or postponed because of COVID-19 restrictions, the loan would not be repayable. Such an initiative could also be extended to provide a dollar-matched contribution from the Government (a loan repayment of 50 per cent of the total value) for events that meet key criteria and are held before the end of 2021.

⁷ *Lost Business Report: Impacts of COVID-19 on the Business Events Industry*, McCrindle, April 2020.



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MEDIA RELEASE

11 Sep 2020

Prime Minister, Deputy Prime Minister, Minister for Infrastructure, Transport and Development, Minister for Trade, Minister for Trade Tourism and Investment, Minister for Industry, Minister for Industry Science and Technology

Prime Minister announces \$50 million injection to drive confidence for Australia's business events

On 11 September 2020 BECA welcomed the Government's \$50 million funding announcement to support the restart of Australia's business events industry.

The targeted support established to drive confidence and create momentum, will position the industry to rebound as market conditions improve.

Close collaboration with Government led to the announcement as BECA's Recovery and Rebound Framework highlighted the devastating impact of COVID-19 on the sector and the need for funding to drive business confidence.

Dr Vanessa Findlay, BECA Chair:

"Australia's business events industry is deeply appreciative of the Federal Government's support through this grants program. Our industry has been devastated by COVID-19. We can now look to rebuilding business confidence and kick-starting momentum across the entire business events supply chain."

Business Events Grant Program (BEGP)

The Government is to be commended for investing \$50 million into the business events industry via a grants program. It shows a clear understanding of both the impact of COVID-19 on the industry, as well as the important role business events will play in Australia's economic recovery and its key priority sectors.

Noting the primary intent and key principles of the program, and COVID issues during December 2020 and January 2021 that resulted in snap border closures and a devastating loss of business confidence, the business events industry is requesting a review of the BEGP to reflect the more highly challenged operating environment now than when the program was first designed. An update to the guidelines would make a massive improvement to the program's effectiveness.

RECOMMENDATION

- BECA fully supports a review of the current program with the objective of realigning the guidelines with the primary intent and key principles of the program to take account of the changed circumstances.

1.3 New national business events growth and marketing strategy

The COVID-19 crisis has decimated the Australian business events industry. The substantial impact on domestic and global markets provides an opportunity to recast the policy and program settings that seek to boost the Australian business events industry.

At the Government-level, the arrangements and policy basis for the business events industry has not changed since the 2008 National Business Event Strategy.⁸

RECOMMENDATIONS

- BECA proposes the development of a new whole-of-government strategy for growing the business events industry and its economic and employment contribution to Australia. This should be developed in close collaboration with industry and form part of the efforts and strategies of Austrade's short to medium term rebuild agenda and the longer-term Tourism 2030 initiative.
- Invest in short-term funding boost to Tourism Australia's business events division, Business Events Australia, in line with domestic recovery strategy.
- Conduct research on the domestic and international markets (in a phased approach) and an accompanying creative marketing strategy aligned to Austrade's development of Australia's Nation Brand and Tourism Australia's 'Event Here This Year' initiative.
- Conduct a national audit and infrastructure study of local and regional capacity and potential, eg. transport, venues, accommodation, catering, attractions, events planners, local industries. Such an audit would support informed planning, investment attraction and growth, especially in regional areas. It would also underpin the creation of a public facing, interactive and online events planning tool that stimulates demand for business events and facilitates business event dispersal into more regional parts of the country.

- Introduce a new assistant minister/parliamentary secretary for events which would recognise the significance of this market sector and ensure national coordination by bringing together commonwealth, state and territory events ministers to oversee the industry's recovery and rebound.

1.4 Fringe Benefits Tax Exemption

Incentive events generate the largest average direct expenditure per attendee.

Corporate incentive travel programs are used by corporations to motivate employees to achieve company objectives, usually a sales target, but incentive travel can also be used to motivate a behavioural change or reduce an operating cost or to stimulate innovation and boost productivity.

The sector is recognised as being a high-yield component of the business events industry, valued at \$2.2 billion to the Australian economy and generating 13,000 direct jobs.

With Australia's border closed and international travel unlikely for the next 12 months, there is an opportunity to stimulate the domestic corporate incentive sector and even keep activity that would have travelled overseas onshore.

With much of corporate Australia experiencing significant periods of work from home, there is a further opportunity to leverage the demand for reconnecting teams and kickstarting productivity via corporate incentive travel programs, while also generating much needed domestic tourism activity.

RECOMMENDATION

- Introduce a temporary Fringe Benefits Tax (FBT) exemption for Australian businesses undertaking corporate incentive travel programs.

⁸ Business Events Industry Strategy Group (convened by the Minister for Tourism, Energy and Resources), *A National Business Events Strategy for Australia 2020*, 2008.

Available from www.businesseventscouncil.org.au/files/BES%20full%20doc%20Nov08.pdf

1.5 Education & Training Tax Incentive

Conferences, congresses, seminars, and workshops all play an important part in adult education in the workforce. The introduction of an incentive to employers to train their staff would encourage more business events in Australia. An education and training tax incentive for approved training would encourage companies to provide staff training and boost the domestic business events sector with an anticipated increase in off-site seminars, courses, and professional conferences. This tax incentive would also encourage those corporate business events that would take place in offshore destinations to remain within Australia.

Furthermore, Australia is suffering a chronic skills shortage, evident not only in the tourism sector but across industry more broadly. Employers large and small are attempting many strategies to retain existing staff and should be focusing more on education and training to expand the skilled labour force as the country recovers from COVID-19.

The business events industry believes a tax incentive for approved training, like the R&D tax incentive, would serve many purposes. It would boost corporate investment in employer training, reflecting Australian Government priorities. 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 recovery of Australia's domestic business events market.

The business events industry believes a new tax incentive scheme would address both these issues. It proposes an incentive of 125 per cent tax deductibility on all eligible Australian-based training, like the R&D incentive.

The proposed new incentive scheme would:

- Encourage Australian companies to increase their investment in employee training and reignite productivity.
- Encourage Australian innovation through the fostering of face-to-face information learning networks.
- Aid the Australian Government's broader vision for Australia's "knowledge economy".
- Help stem any cuts in corporate training budgets which may result from the economic downturn.
- Be a major boost to the recovering domestic business events sector.

- Encourage companies to hold their conferences and related programs onshore rather than overseas.

RECOMMENDATIONS

- That the Australian Government introduces an incentive for businesses to train staff, like the R&D incentive, with tax deductibility of 125 per cent on all eligible training to encourage ongoing job training and stimulate the domestic business events market.
- That tax incentives (125 per cent) for approved training programs run by employers for employees stipulate that the training must be delivered within Australia.

1.6 National business events industry skills and training

BECA is committed to ensuring that industry skills and training initiatives are supported during the recovery phase to maintain and improve the industry's capacity in light of changed market conditions and requirements. BECA members, develop and deliver accredited education, mentoring and training programs customised for the business events industry and delivered by industry experts, providing continuing education opportunities for professionals in all stages of their career.

In the industry's recovery phase, it will need specific support to bring through a new cohort of staff, to refresh skills and to support the development of COVIDSafe skills. Industry training organisations, and in particular the industry's Registered Training Organisation and skills and training leader – Meeting and Events Australia – are currently tailoring, extending, and fast-tracking additional products and courses that will assist our industry to maintain an engaged workforce and get back on its feet as soon as possible. Some examples of these are outlined below.

Fast-Track Events Training Scheme

The business events industry was already experiencing a skills shortage prior to COVID-19.⁹ As the events industry recovers, it will need skilled event professionals to plan and deliver business events as the demand for in-person meetings returns. Planning for these events will take some months prior to their delivery.

The Fast-Track Events Training Scheme is designed to reskill workers and attract young people to the events industry by funding them to study event management through Universities, Colleges or Vocational Education and Training accredited courses.

The scheme would operate as a scholarship program that would fund an estimated 500 students to study in events. This would also include students in regional Australia as they would be able to access online courses in event management that would reskill and upskill people in regional centres. This is vital to assist students and entry level practitioners located in remote and rural areas to access certified courses and improve the nation's skills base.

Such training would be a targeted investment in ensuring productivity in the short-term and building capacity across our workforce to enable the industry to rebound strongly.

COVIDSafe Business Event health and hygiene micro-credential

A large percentage of the current workforce in the Australian business events industry have been stood down as evidenced in recent research estimating that over 92,000 event professionals have lost their jobs.¹⁰

The advent of COVID-19 and the repercussions that it will have on the management of business events will involve training to upskill event professionals on the new approaches to health and hygiene.

Given the breadth of the events industry across Australia and the multi-disciplinary nature of the industry it would be practical to develop a national training program that could be offered online to all those working in the business events industry.

This would be a national program that would have input from health experts to ensure proper health standards would apply. The course could be offered free to all the industry to ensure it is accessible to all.

RECOMMENDATION

- BECA is seeking advice and guidance from Government on the most appropriate approach and model to use, to sustain our skills and training capacity and where support may be available while the industry recovers.

⁹ Lost Business Report: Impacts of COVID-19 on the Business Events Industry, McCrindle, April 2020.

¹⁰ Ibid.

1.7 World-leading health and safety practices across Australian business events

BECA recognises that an opportunity exists to secure a restart of the industry much sooner than the allowances that will need to be made for mass gatherings. Because business events are an extension of the workplace and delivered in a controlled environment, organisers, personnel, and attendees can take steps that will minimise the health risks from COVID-19. Importantly, this includes that all persons related to a business event are fully contactable and traceable.

As Australian governments move to lift restrictions, BECA and its Safety and Hygiene Subcommittee seeks to work closely with officials to ensure a robust and sustainable distinction can be made between mass gatherings and gatherings of people in controlled settings.

The development of COVIDSafe Guidelines for the business events industry underpins this distinction and allows for the restart of business events and the reinvigoration of the businesses, industry groups and associations that rely on business events for their own success, as soon as possible.

COVIDSafe Guidelines for the Business Events Industry

The Guidelines focus on five key areas, providing advice on managing a business event during the planning phase, the event itself and following the event. The Guidelines are to be considered, adapted, and implemented by industry stakeholders. The Guidelines will be updated as health advice develops (using the main sources of Government information including from the Department of Health and Safe Work Australia) and the industry gains experience in best-practice safety and hygiene regimes. As knowledge continues to develop about the virus and its characteristics, so will the Guidelines to be in the best position to support the business events industry, stakeholders, and participants.

The Guidelines

Ensure personnel and personal safety

- Manage the use of hygiene products and materials (eg. masks, hand sanitiser)

Enable physical distancing

- Provide barriers, markings and flow directions in all public spaces
- Ensure sufficient size venues to meet government requirements for space/person

Increase health and safety measures

- COVID training for all business events personnel
- Manage access controls, registrations and contact details for all event personnel and attendees
- Health screenings
- Initial deep-clean of venues and equipment
- Enhanced regular cleaning- before, during and after an event
- Sanitation stations – easily accessible and mandatorily used
- Ensure best practice ventilation
- No-touch policies

Implement maximum gathering control

- Adapt systems and processes including for registrations, catering, crowd flow
- Manage number of attendees
- Encourage and enforce measures
- Display measures and sanitation requirements
- Ensure role and routine clarity for all business events personnel, including on-the-day point of contact for managing issues and concerns
- Medical facilities onsite
- Monitor real-time movement of people and have mechanisms in place for corrective action

PHASE 2: REBOUND

BECA has focused its immediate efforts on developing the Phase 1 Recovery initiatives as a priority. The Rebound initiatives outlined below are indicative of the areas which BECA and its members will prioritise once the consideration, development, and implementation of the chosen set of Recovery initiatives is underway in collaboration with the Government.

Challenges

Positioning and marketing for success in the new global market.

Aims

- To position the industry to take advantage of new regional and global market opportunities.

Solutions

- Research, marketing, promotion, and facilitation.

The following initiatives have been outlined to support the business events industry in the **rebound phase** and focus on regional and global markets over the medium and long-term.

2.1 Business Events Growth Facility

There is potential to complement the Business Events Bid Fund program to include public investment to drive growth through events activation – aligning industry and region skills, expertise, and advantages to secure economic and community benefit from business events.

- **Attractor:** The attraction of nationally significant business events (Business Events Bid Fund)
- **Activator:** The creation of new business events that tap into our competitive advantages in key growth industries and regional areas.

This two-pronged approach will assist the business events sector and wider industry stakeholders to create new business events (capacity building) and attract nationally significant business events to Australia, including regional locations.

(a) Attraction Fund – Renew and boost the successful Business Events Bid Fund program

Since its introduction, the Business Events Bid Fund has assisted Australian destinations win 28 major business events with a combined economic impact of \$306 million¹¹. The estimated return on every dollar invested by the Australian Government for business event bids converted is \$62 for the Australian economy. Around 64 per cent of successful bids funded have been from the international association market, a fiercely competitive sector where Australia has been frequently outbid.

However, the global coronavirus pandemic has decimated the international business events market from an Australian perspective, given our borders to the rest of the world have been closed since March 2020.

At July 2020, there were 373 international business events confirmed for Australia through to 2027 by Association of Australian Convention Bureaux (AACB) members (down 28 at the same time in 2019). Of these, 129 (35 per cent) have been postponed due to COVID-19¹².

While some of these events are at risk in the short term, so too are the 373,000 delegates expected to attend them, with an estimated direct spend of \$1 billion to the Australian economy.

In addition, 59 international business events have been cancelled, with at least one in four taking place virtually and generating no economic benefit for Australia.

Of those deciding not to host their international association convention in Australia, the top three reasons cited were:

- **28% Geographic Preference** including perception of the destination and travel distance.
- **27% Total Cost and Financial Package** offered by competitors.
- **16% Executive Influence** of key decision makers.

¹¹ Bid Fund Progress Report, Business Events Australia, November 2019

¹² AACB Forward Calendar 2020 – COVID Edition, Association of Australian Convention Bureaux, November 2020

There are also a further 225 international business events scheduled to take place around the world over the next seven years with consideration being given to Australia to host, thanks to the bidding efforts of our convention bureaux. Together, these business events would attract more than 170,000 high-spending international delegates. It is critical to Australia's visitor economy that the governments on all levels do all they can to ensure these business events come to Australia, rather than to one of our regional competitors.

COVID-19 and the wider downturn of the global economy is placing the forward calendar at risk. The Bid Fund is a sound mechanism to offset the high cost of holding a business event in Australia and improving our global competitiveness. Looking forward, international competition for this strategic and high-yield visitor market will only increase.

With only 28 successful applications out of 115 submitted to the Bid Fund, there is clear scope to expand and extend the scheme further and provide greater flexibility. Convention bureaux, convention centres, event organisers, and their clients need certainty in the ongoing nature of the program to bid for opportunities beyond its initial three-year term.

(b) Activation Fund – Invest in the creation of new business events that tap into our competitive advantages

This complementary approach will assist the business events sector and wider industry stakeholders to create new business events and further develop existing business events – supporting the COVID-19 recovery phase.

Business events can help seed future industries and, by providing a vehicle of support, assist small businesses to grow into those that make valuable contributions to knowledge translation and job growth.

The Australian Government has recognised the innovation and commercialisation challenge and in response has introduced an Industry Growth Centres Initiative. It is designed to drive innovation, productivity, and competitiveness by focusing on areas of competitive strength and strategic priority, and thereby assist Australia transition into smart, high value and export focused industries. The Initiative seeks national action on key issues such as collaboration, commercialisation, international engagement, skills, and regulation reform.

The business events activator initiative could focus on the six Growth Centre industries targeted to deliver competitive strength and strategic priority:

- Advanced manufacturing
- Cyber security
- Food and agribusiness
- Medical technologies and pharmaceuticals
- Mining equipment, technology, and services
- Oil, gas, and energy resources.

Linked to these nationally significant priorities, the Activator element would support related events/outreach/satellite visits to regional areas that support the development of key growth industries, including through collaboration with Growth Centres. This will enable industries and regions to showcase and nurture their areas of competitive advantage or excellence and drive regional dispersal.

RECOMMENDATIONS

- Based on the significant success of the Business Events Bid Fund program, BECA is recommending that the government make the program permanent, boosted, and in addition to Tourism Australia's annual appropriation.
- BECA recommends expanding on the successful Bid Fund program to establish a co-funded business events activation initiative which can be utilised to create new business events in industries and regional areas of competitive advantage.
- Investment required for the Business Events Growth Facility, to drive the combined attraction and activation initiatives, would be \$10m per annum.

2.2 Improve visa competitiveness for incoming business events attendees

In line with the Government's stated commitment to visa simplification, BECA is working with the Tourism Visa Advisory Group (convened by the Department of Home Affairs) to examine opportunities ensuring Australia's visa system supports the business events industry. That is, BECA supports the development of mechanisms by which the federal government can waive or reduce visa application fees for large groups of qualified international delegates to stimulate corporate incentive group travel in the recovery phase.

As Australia seeks to spearhead recovery from the effects of COVID-19, it must prime the market by encouraging business travellers to Australia, who can spread the word via their networks that Australia is safe and ready for visitors again.

Like other parts of the visitor economy, business events are reliant on international travel, and the continued growth of the industry depends on growth from Asia. This is also particularly true of incentive travel source markets. Yet, Australia restricts access to this very market. Unlike Europeans, most Asian visitors face an expensive visitor visa option of around \$250 per visitor.

Additionally, many specialist staff engaged in the staging and management of events on behalf of international organisation require short term specialist working visas, which are often several thousand dollars in additional expense that our competitor destinations do not levy.

When the cost of obtaining a visa (either financial or time) is too high, potential travellers will go elsewhere¹³. In the case of conference delegates, budgetary constraints play a major role in securing approval to travel for around 60 per cent of delegates¹⁴.

Pre-COVID-19 analysis suggests that 14 per cent of all international bid losses are due to high total cost of hosting an event in Australia, including airfares and visas. This increased to 16 per cent when looking at the corporate market in isolation.

Employee reward travel, or incentive programs, is the most price sensitive of all, with travel agents organising mass group visits to luxury accommodation and Australia's world-famous attractions. Any saving that can be offered as part of the bid proposition makes Australia more competitive against other cost-effective destinations. Other countries have formalised programs to discount visa application fees for large scale corporate incentive groups, as part of the bid package.

For the incentive travel sector, the cost factor of visa fees are even more acute, as demonstrated by the loss of an 8,000-delegate trip from China that would have cost \$1.3 million in visa fees. Instead, the event was won by New Zealand which waived visa charges and saw some NZ\$60 million of expenditure flow to the New Zealand economy¹⁵.

Asian leaders have highlighted the significant disparity between the laborious and costly visa application processes of many Asian travellers against the easy access afforded to Australians visiting in the other direction¹⁶. The time to improve our global competitiveness is now, with an expansion of electronic travel authorities for Asian countries.

RECOMMENDATIONS

- Ensure the 2020-21 competitiveness review of visa charges, fees and processes is promptly published and acted upon.
- Consider enacting a mechanism by which the federal government can waive or reduce visa application fees for large groups of qualified international delegates to stimulate corporate incentive travel in the rebound phase.

¹³ *The Impact of Visa Facilitation in APEC Economies*, UN World Tourism Organization and World Travel & Tourism Council, Madrid, 2013

¹⁴ *Association Conference Delegate Behaviour*, Snapcracker for Tourism Australia, Sydney August 2016

¹⁵ *Supporting the jobs of today, generating and securing the jobs of the future*, Business Events Council of Australia, March 2018

¹⁶ Elias Visontay, *Scott Morrison to rethink visa entry for Indonesians*, *The Australian*, 10 February 2020

2.3 Invest in more robust business events data and metrics

BECA backs enhanced survey capacity and capability for business events by investing in a robust, aggregated, and segmented data system (as identified by the Beyond Tourism 2020 Steering Committee). While there are some data tools currently used in the industry, these are sporadic, often based in individual jurisdictions and do not form part of a national system that allows for holistic insight and assessment of contribution and performance.

Without additional investment and reform, assessing the impact of the COVID-19 crisis and planning for recovery will be extremely difficult. We urge the government to carry out its pledge to deploy the very latest and most sophisticated digital technology in collecting and modelling this data¹⁷.

Data drives industry, business and government decision making. If the benefits, strengths, and weaknesses of any industry cannot be measured, they cannot be managed. The best way to do this is to implement big data sources that complement and enrich best practice visitor surveying methods.

Tourism Research Australia's international (IVS) and national visitor surveying (NVS), in addition to their analysis of overseas arrivals and departure data collected by the Australian Bureau of Statistics, have been regarded as the gold standard around the world. Sadly, recent resourcing issues have constrained innovation and reversed this accolade¹⁸.

The data on business events delegates is incomplete when it comes to the IVS and NVS. The IVS falls short in that its questioning focuses on personal spend, missing out on the lucrative business contribution to delegate travel, and the NVS no longer investigates domestic delegate spend due to the small sample size.

Our own industry analysis shows that although visitors to Australia are estimated to spend \$15 for every \$1 in government funding Tourism Australia receives, delegates are estimated to spend at least 150 per cent more and potentially seven times more per head¹⁹.

However, visitor spend is only a small part of the overall contribution that business events offer the Australian economy. A focus on visitor spend only ignores the significant beyond tourism benefits attributed to people meeting in-person such as stimulating trade and investment, transferring knowledge, nurturing research collaboration, boosting innovation and productivity, promoting cultural exchange, and attracting global talent.

Early work indicates that for less than \$500,000, a national data collection tool could be developed and rolled out as a partnership between Government and industry, where industry takes responsibility for data collection from a wide cross section of business events. From a time-series perspective, the post-COVID operating environment provides the perfect time to commence a new approach to the collection, monitoring and analysis of the business events industry.

RECOMMENDATION

- Invest \$500,000 to develop a national approach to delegate expenditure in partnership with industry. This would be achieved by building a national digital data collection platform, where industry takes responsibility for data collection across a wide range of business events.
- Enhance the national and international visitor surveys for business events and compliment by investing in robust aggregated and segmented data capability.

¹⁷ *Our Plan to Back Australian Tourism and Jobs*, Liberal Party of Australia, Sydney, May 2019

¹⁸ Albert Stafford, *Tourism: Supercharging Australia's Future*, Tourism & Transport Forum, Sydney, January 2018

¹⁹ Australian Chamber - Tourism's 2017-18 Pre-budget submission to Treasury, February 2017

2.4 International research, marketing, and promotion

As proposed at recovery initiative 1.3 New national business events growth and marketing strategy, the whole-of-government strategy must include an expanded scope to research post-COVID-19 global market opportunities aligned to develop rebound initiatives for the business events industry.

Australia's global and regional competitors will be investing heavily in rebuilding connections to attract strategically significant and high-yield international business events to support their economic recovery policies.

The global pandemic has caused wholesale disruption, and pre-pandemic strategies will not be effective in the new world. International research and marketing activities must focus on identifying and promoting Australia's competitive advantage.

RECOMMENDATION

- In addition to recovery initiative 1.3, a new whole-of-government strategy for Australia's business events industry will include an expanded scope to research post-COVID-19 global market opportunities. BECA calls for Government investment to deliver international research, marketing, and promotional activities as identified in the strategy.

2.5 Enhance the EMDG scheme for business events

BECA welcomes the additional investment by the Government of \$60 million to the Export Market Development Grant (EMDG) scheme. However, an additional opportunity exists to use the program as the backbone of post-COVID export recovery.

Due to recent oversubscription rates, reductions in the second tranche payment have been challenging applicant's confidence and this translates into hesitancy to make decisions about growing export opportunities. An expanded scheme will grow and nurture export opportunities at a time when gaining market share is an achievable goal given how well Australia has managed its COVID response and impact. We are now incredibly well placed to compete strongly in the post-COVID rebuilding phase.

An increase in investment in the EMDG should come with a review of the assessment criteria and funding approach to ensure that those groups and bodies who have the capacity and capability to make significant contributions to rebuilding export markets are able to do so.

A particular case in point are the convention bureaux (as approved bodies), whose role it is to market cities and regions to the world with the specific goal of securing international business events. Currently, they are penalised regarding EMDG funding due to their public private partnership structures.

The current rules around government funded entities accessing the EMDG effectively limit the amount of overseas promotion convention bureaux can do. Convention bureaux have consistently seen their grants reduced in line with other government funding received, even in instances where the other funding does not relate to the same activities.

During the post-COVID rebuilding phase, some minor changes to the EMDG mechanism would enhance the returns to the Australian economy.

RECOMMENDATION

- Continue to increase investment in the Export Market Development Grant scheme and reverse the rules applied to approved bodies on funding mix, restoring the initial intent of the program.

ABOUT BECA

The Business Events Council of Australia (BECA) was formed in 1994 as a peak industry body for the business events industry to liaise with the federal government and relevant agencies on matters common to all segments of the business events industry.

The Council provides a formalised umbrella structure for the key industry associations operating in the Australian business events industry.

BECA's members are:

- Association of Australian Convention Bureaux (AACB)
- Australian Convention Centres Group (ACCG)
- Exhibition and Event Association of Australasia (EEAA)
- Meetings and Events Australia (MEA)
- Professional Conference Organisers Association (PCOA)

It is BECA's role to develop business events industry positions on issues of common interest and communicate those views to government and relevant agencies. BECA also provides a forum for the industry associations to exchange information and cooperate on appropriate matters, with a view to strengthening and growing the business events industry in Australia.

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