House Economics Committee
Tourism Roundtable – Sydney
Wed 15 November 2006

SUBMISSION 43

Submission – The Sector of Business Events

AACB (the Association of Australian Convention Bureaux Inc) welcomes this opportunity to highlight the needs and opportunities that lie ahead for the high yielding sector of business events (BE).

AACB represents 14 leading convention bureaux around Australia, responsible for promoting their region and Australia as a destination for BE. AACB is proud to be a founding member of the National Tourism Alliance, and is also a leading member of the Business Events Council of Australia (BECA), the peak industry body representing the interests of the business meeting, convention and exhibition sectors in Australia.

BECA recently took over the membership of NTA from AACB thus bringing to NTA the whole-of BE community – details of sector specifics are attached to a handout for members of this Committee.

We have a problem. Simply, whilst Australia is very well recognised as a destination for the leisure visitor, the holidaymaker – or tourist, it is not as well known as a destination for BE. We know this to be a fact because very reliable evidence indicates that over the last ten years Australia's market share of BE delegate numbers has fallen. Not only have we failed to maintain our market share, our share has fallen in absolute and real terms (11% over 10 years). For example;

- In 2001 Australia hosted 295 international meetings,

- This has fallen by 32% over 5 years to 200 meetings in 2005,

- And this inturn has resulted in a decline in total market share from 3.1% to 2.2% for the same period.

These findings comprise part of a pre-budget submission that we will be presenting to the federal Government by the end of this month.

In the meantime, and I appreciate this may sound harsh, whilst Australia at a Federal level, has been doing very little to promote our country as a BE destination, countries like Germany and Singapore have been incredibly proactive;

- Germany's growth has been 61% driven by a dedicated BE marketing unit, and
- Singapore's BE industry has grown 166%, albeit from a lower base, but with a whole-of-government approach, i.e. addressing the economic benefits, and in particular with the government complementing the privates sector's investment in infrastructure.

Of course all this will be articulated in our submission (members of this committee will receive a copy), and more importantly; our view is that it presents an opportunity. There is a solution.

Again, in simple terms (the rationale and economic benefits will be fully detailed in our submission), the BE sector will be calling on the government to recognise the considerable opportunities, and the significant investment in marketing and infrastructure at a state level, by providing a structure within Tourism Australia to position Australia as a BE destination, with the appropriate resources that recognise a sector that yields up to nearly six times more than the leisure visitor per day. The National Business Events (NBES) Snapshot that I have for you demonstrates (see attached snapshot from the NBES).

I'd be happy to expand further, Chairman – and again thank you and the Committee for this opportunity.

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Attached:

1. Details of BECA membership,
2. Snapshot of the National Business Events Study (NBES)

BECA Members

The Business Events Council of Australia is the peak industry body representing the interests of the business meeting, convention and exhibition sector in Australia.

Its membership is as follows:

- **The Association of Australian Convention Bureaux (AACB).** Comprising 14 leading convention bureaux of Australia. (see www.aacb.org.au for further details). AACB's role comprises; development of Business Events (BE) marketing programs and policy, bureaux specific research and market intelligence, bureaux staff education, and federal government liaison and lobbying.
- **Exhibitions and Events Australia (EEAA),** Comprising 200 companies around Australia, EEAA's role is to address event education, research and forums.
- **International Convention and Congress Association (ICCA) (Australian Chapter).** Comprising 15 meetings industry companies around Australia, in particular companies targeting and catering to the convention business (bureaux, **convention centres** and such like), addressing local and international forums, research, education, news and specialist representation.
- **Meetings and Events Australia (MEA).** With a membership of 1600, MEA addresses professional development, accreditation, networking, e.g. annual conference, lobbying and industry updates –specifically focusing on the meetings industry.

the national business events study:

AN EVALUATION OF THE AUSTRALIAN BUSINESS EVENTS SECTOR

executive summary

Margaret Deery, Leo Jago, Liz Fredline and Larry Dwyer

SUSTAINABLE TOURISM CRC

foreword

*The Australian Government's Tourism White Paper: **A Medium to Long Term Strategy for Tourism** highlighted the importance of the event sector to the Australian economy in general, and to the tourism industry in particular. Although there has been substantial focus on events over the last decade, most of this has related to major events that tend to capture the imagination of the general public. The business event sector, which is an ongoing and high yield component of the event sector, is the 'quiet achiever' of the sector and has not received adequate recognition for its contribution.*

*The National Business Events Study (NBES) was initiated by leaders within the business event sector and the Sustainable Tourism Cooperative Research Centre (STCRC). It sought to update and extend further **Meetings Make Their Mark**, which was the first major study of Australia's business event sector that was undertaken by Tourism Research Australia (formerly the Bureau of Tourism Research) in 1999. Funds for the NBES were provided by Tourism Australia (formerly the Australian Tourist Commission), Association of Australian Convention Bureaux (AACB), Meetings Industry Association of Australia, Gold Coast Tourism – Business Tourism Division, Exhibition and Event Association of Australasia, and STCRC. Qantas airlines provided a substantial incentive prize for survey participation of two business class return airfares to any Qantas destination in the world. In addition to the STCRC financial contribution, the time and expertise of the STCRC researchers and managers was provided, without charge, in support of the project. Without this contribution, the project would not have been possible.*

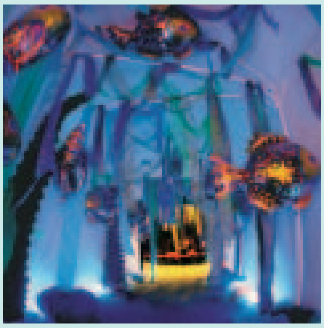
*It was through the efforts of the Business Events Council of Australia (BECA), a peak body that brings together the many associations from the business event sector, that the study was able to meet its objectives. BECA was instrumental in raising the funds for the NBES and ensured that the project steering committee comprised appropriately skilled members from across the business event sector. Special recognition is given to Ms Dee McGrath from the Canberra Convention Bureau who chaired the NBES Steering Committee on behalf of BECA. Ms McGrath played a key role in the earlier study entitled **Meetings Make Their Mark** and her experience and drive were invaluable for the NBES.*

The NBES is a truly national study that has engaged widely with all of the many facets of the business event sector in all states and territories of Australia. A decentralised approach to the data collection was adopted in order to engage more effectively with industry groups at the state and territory level. This involved the formation of small teams of researchers within the STCRC university network working in partnership with Convention Bureaux members in each region and led to better communication between industry representatives and the researchers involved in the study.

One of the key difficulties encountered in this study was the lack of willingness of many operators to provide the base data needed to assess the size of the business event sector. Although there seems to be a universal call from operators for the statistics and research needed to support the development of the sector, many are unwilling to contribute their own data to this process. This problem added substantially to the cost of the NBES and resulted in the data collection period being extended. It is an issue that needs to be resolved prior to any further large scale study being undertaken in this area.

I am proud to present this report, which provides the most comprehensive study of the business events sector to date and covers components not investigated previously, such as the incentive travel sector. The findings from this study highlight the enormous value of this sector to the Australian economy and the potential for greater market share and opportunity.

Sir Frank Moore AO
Chairman - Sustainable Tourism CRC



snapshot

DATA RELATES TO 2003

Total number of business events	**316 thousand**
Total number of business event participants	**22.8 million**
Breakdown	19.9 million meeting & conference delegates
	2.4 million trade visitors
	256 thousand exhibitors
	274 thousand incentive delegates

Total expenditure	**$17.3 billion**
Breakdown	$11.5 billion from meetings & conference delegates
	$2.4 billion from meeting organisers
	$2.3 billion from exhibitors
	$540 million from trade visitors
	$585 million from incentive organisers

Direct value added	$6.13 billion
Indirect value added	$5.22 billion
Contribution to total gross value added	**$11.35 billion**
Employment	116 thousand jobs
Indirect employment	98 thousand jobs
Contribution to total employment	**214 thousand jobs**

INTERNATIONAL COMPONENT	
Expenditure	$1.86 billion
Contribution to value added	$638 million
Contribution to employment	17 thousand jobs
DOMESTIC COMPONENT	
Expenditure	$15.50 billion
Contribution to value added	$5.50 billion
Contribution to employment	99 thousand jobs

Business event visitors tend to be higher yield visitors as illustrated by the following data[1]

COMPARATIVE INTERNATIONAL VISITOR DATA

National Business Events Study for Business Events Visitors	
Average trip expenditure	$3,526
Average length of stay	7.3 nights
International Visitor Survey (2004) for all Visitors	
Adverage trip expenditure	$2,569
Average length of stay	27.4 nights

[1] Tourism Research Australia (2004): *International Visitor Survey*

introduction

The business events sector is recognised as a high-yield component of the tourism industry with direct connections to other key areas such as trade, foreign affairs, education, science, training and communications. It has great potential for further expansion.

A major study on Australia's meetings and exhibitions sector was released by Tourism Research Australia (formerly the Bureau of Tourism Research) in 1999 and this study estimated that business events contributed $7 billion to the Australian economy[2]. Given that the business events sector appears to have developed substantially over recent years, it was timely to undertake a comprehensive evaluation of the sector and to include other components of the sector that were not included in the last study such as incentive travel. As the earlier study was based on 1996/97 data, an update on the study was needed.

The National Business Events Study (NBES) is a more comprehensive evaluation of Australia's business events sector than has previously been undertaken. The NBES investigated all components of the business events sector including exhibitions, meetings and conferences, and the incentive travel sectors. Each component of the study was underpinned by information obtained from business event venues regarding the number of events and participants they hosted over the 2002/03 financial year. This information was used to weight the data in order to estimate the size and scope of the sector.

The NBES involved a number of surveys directed to the different components of the business events sector. Exhibitors, exhibition organisers and trade visitors were surveyed to obtain an understanding of the exhibition sector. In the meetings and conferences sector, meeting and conference delegates were surveyed as well as the organisers of those events, while data from the previously under-researched area of the incentive travel sector were obtained from destination management companies, inbound tour operators and incentive travel accommodation providers.

The NBES provides a comprehensive update of the business events sector and fills some of the research gaps that were in earlier business event studies. Whilst it is unlikely that a major sector-wide study such as this can be conducted more frequently than every 4-5 years, it is important for the health of the sector that key performance measures are monitored on a regular basis.

This document summarises the key findings from the NBES including the contribution that business events make to the Australian economy. A comprehensive report will be available in early 2005 from the STCRC, which provides greater detail on all components of the study.

[2]Johnson, L., Foo, L. and O'Halloran, M. (1999). ***Meetings Make their Mark: Characteristics and Economic Contribution of Australia's Meetings and Exhibitions Sector***, Occasional Paper No. 26, BTR, Canberra.

objectives of study

The key objectives of the NBES were identified as follows:

- To provide an estimate of the business events sector in relation to its:
  - Size, and
  - Economic contribution.
- To provide increased knowledge on the decision-making processes of delegates/attendees in the business events sector.
- To provide key indicators for monitoring the performance of the business events sector in subsequent years.

method

A steering committee was established to guide the NBES. This steering committee comprised key industry representatives from the business events sector as well as researchers with expertise in the business events field. A quantitative survey approach was used in this study and utilised a number of questionnaires designed to obtain an understanding of business events activity within Australia. Each of the questionnaires was developed by the steering committee and the method of questionnaire distribution varied with each component of the study. On-line distribution of the delegate, trade visitor, exhibitor and venue questionnaires was a cost effective means of maximising reach to large groups of potential respondents. Other questionnaires such as the incentive travel and the organiser surveys were faxed, emailed or mailed to respondents. An overview of the details relating to these surveys is contained in Table 1.

The data collected via the various survey instruments enabled the total expenditure generated by the business events sector to be estimated. This total expenditure was then modelled using ratios from the Tourism Satellite Accounts developed by the STCRC Economic Modelling Team (STCRC, 2003) to enable the sector's contribution to value added and contribution to employment to be estimated. The indirect effects of the expenditure were estimated using the Computable General Equilibrium (CGE) model M2RNSW, developed by the STCRC[3].

TABLE 1: AN OVERVIEW OF THE NBES SURVEYS

	Data Collection Period	**Sampling Frame**	**Response**
Venue Survey	2002-2003 (Financial Year)	1620 venues	531 venues
Convention Delegates Survey	2003 (A small percentage of data were collected in early 2004)	381 events attended	6,668 delegates
Meeting and Conference Organisers Survey	2003 (Calendar Year)	381 events attended	161 conference organisers
Exhibitors Survey	2003 (Calendar Year)	52 exhibitions	843 exhibitors
Incentive Travel Sector	2003 (Calendar Year)	257 incentive travel organisations	51 organisations

Although the venue data were collected in the financial year 2002/03 in order to underpin the sampling and collection of other data, all results for the study are assumed to relate to the 2003 calendar year.

[3]L. Dwyer, P. Forsyth, R. Spurr, T. Ho (in press). ***Economic Impacts and Benefits of Tourism in Australia: a general equilibrium approach.***

key findings

The key findings are presented in Tables 2 and 3. Table 2 shows the estimates of economic contribution from each business event sector. It should be noted that expenditure by conference and exhibition organisers was not modelled, because it was assumed that this expenditure would have been funded through delegate registration income and sales of exhibit space, both of which were modelled in other parts of the study. However, expenditure by meeting organisers was included as this would not have been counted elsewhere.

TABLE 2: KEY ECONOMIC FINDINGS

Sector	**Findings**		
	Expenditure $	Contribution to value added $	Contribution to employment
Direct Effects			
Meeting and Conference Delegates	11.452 billion	4.519 billion	78 thousand
Meeting Organisers	2.449 billion	707 million	16 thousand
Exhibitors	2.339 billion	522 million	12 thousand
Trade Visitors	540 million	179 million	4 thousand
Incentive Travel Sector	585 million	207 million	6 thousand
Total Direct Effect	*17.364 billion*	*6.135 billion*	*116 thousand*
Domestic	15.504 billion	5.497 billion	99 thousand
International	1.860 billion	638 million	17 thousand
Total Direct Effect	*17. 364 billion*	*6.135 billion*	*116 thousand*
Indirect Effects		*5.215 billion*	*98 thousand*
TOTAL EFFECTS (direct + indirect)		**11.250 billion**	**214 thousand**

TABLE 3: OTHER KEY FINDINGS OF THE NBES

Sector	Key Findings
Venue	316 thousand business events held during 2003
Meeting and Conference Delegates	Estimated number of delegates was 19.9 million Approximately 1% of delegates were from overseas International delegates on average spent 7.3 nights in the host city About 10% of business event visitors (not including locals) undertook a pre or post event trip On average, each delegate spent $558 per trip On average, each international delegate spent $3,526 per trip
Meeting and Conference Organisers	284 thousand meetings and conferences were held in 2003 Most conferences were held annually with the majority hosting between 100 and 500 delegates
Exhibition Organisers	8.5 million visitors attended exhibitions in 2003 including trade and public visitors and exhibitors Exhibitions ran for an average of three days, and the majority were held once a year NSW, VIC and QLD together account for nearly three quarters of exhibition business
Exhibitors	In 2003, there were an estimated 256 thousand exhibitors at Australian exhibitions The vast majority of these attended exhibitions in their own state (90%) with only 7% of exhibitors coming from interstate and 3% coming from overseas
Trade Visitors	An estimated 2.4 million trade visitors attended exhibitions in 2003
Incentive Travel	The incentive sector represents in excess of 1.5 million delegate nights in Australia

The estimated breakdown of business by state and territory in terms of events and participants is presented in Figures 1 and 2. These estimates are based on the data collected in the venue survey, with additional information from the International Visitor Survey (IVS) and National Visitor Survey (NVS) conducted by Tourism Research Australia (TRA).

FIGURE 1: BREAKDOWN OF EVENTS BY STATE AND TERRITORY

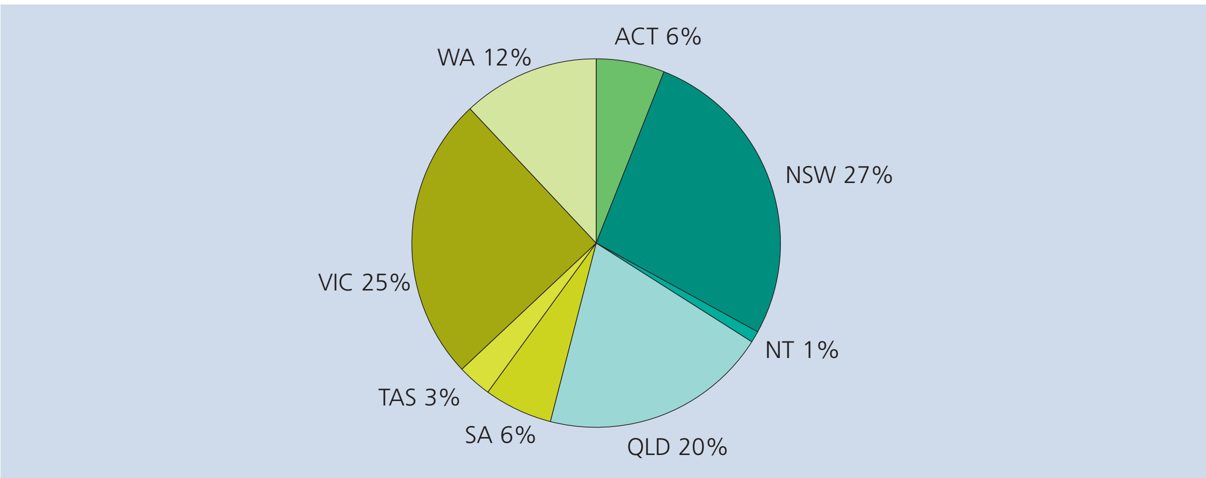
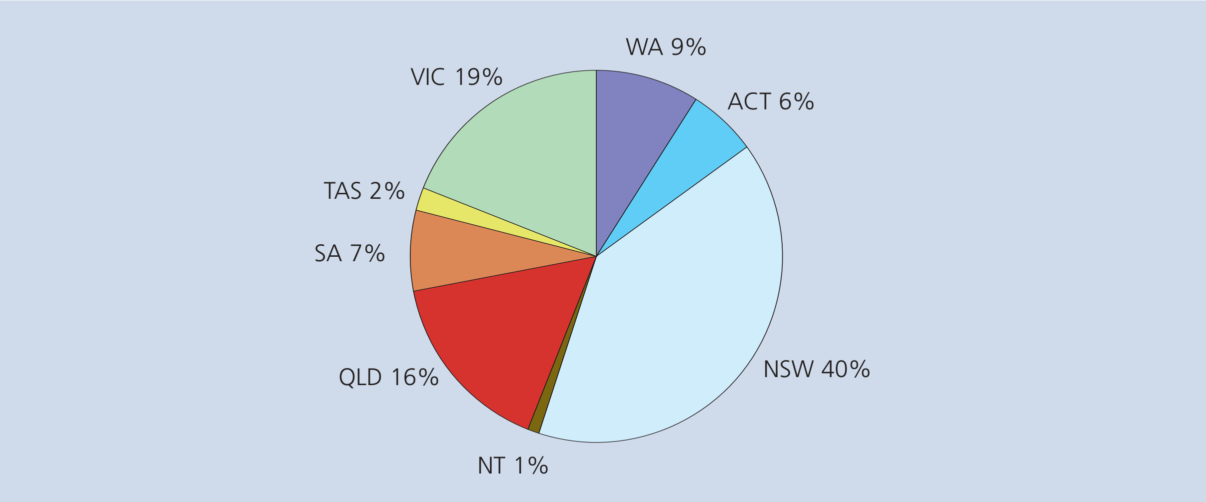


FIGURE 2: BREAKDOWN OF PARTICIPANTS BY STATE AND TERRITORY



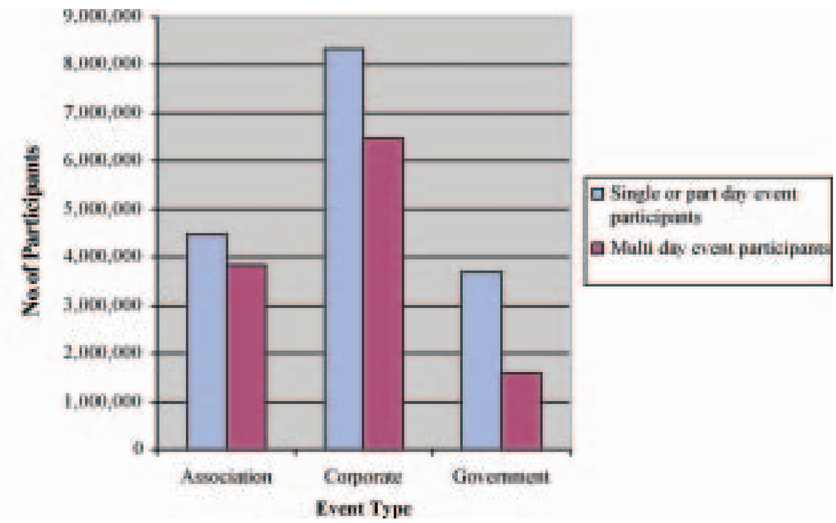
the venue survey

The total venue population for the study was 1620, a substantially larger population than was used in *Meetings Make Their Mark*[4] which only included 817 venues that were members of convention bureaux. Overall, 531 venue responses were received, representing a response rate of 33%. Based on the definition of meetings having 15 or more participants and held in a commercial venue (BECA, 2000)[5], there were 316 thousand business events held during this time. In terms of venue participants, these events attracted 28.4 million delegates. Other key findings include:

- Single day or part day events accounted for 218 thousand events, while multi day events accounted for 98 thousand events.
- The number of delegates attending events by type were:
  - Association: 8.3 million
  - Corporate: 14.8 million
  - Government: 5.3 million

Figure 3 provides a breakdown of delegates by event type and duration.

FIGURE 3: PARTICIPANTS BY EVENT TYPE AND DURATION



[4]Johnson, Foo & O'Halloran (1999). ***Meetings Make their Mark***

[5]Business Events Council of Australia (2000). Minutes of BECA Meeting held 14/8/2000

- The busiest quarter for business events activity was between October and December, which accounted for 29% of the events.
- In terms of average event size, Sydney hosts the largest events, followed by the Gold Coast and Melbourne. South Australia was the regional area that hosted the largest events.
- The Australian Capital Territory hosted more events per venue (307) than any other state or territory. New South Wales was placed second, hosting an average of 277 events per venue during the year.
- New South Wales hosted the majority of delegates (40%) followed by Victoria (19%) and Queensland (16%). These three states accounted for three quarters of the total delegates as shown in Figure 2.

In summary, the venue findings suggest that corporate events are the type of business events most frequently staged and single day events are more common than multi day events.

meeting and conference delegates survey

The data for the conference delegate survey were collected during 2003, although a few responses were received in early 2004. Information from TRA and various convention bureaux was used to define the sampling frame. In total, 381 events were attended from which the final useable sample of 6,668 delegate responses was obtained. Based on the venue survey, the number of conference delegates was estimated to be 19.9 million.

Profile

- The delegates attending conferences came from a range of occupations including business management/administration (31%), students (14%) and government employees (12%).
- The origin of the delegates was:
  - Local: 87%
  - Intrastate: 8%
  - Interstate: 4%
  - International: 1%
- Of the international delegates, the largest number came from the Oceania region (28%), followed by Europe (18%).
- Only 3.1% of all delegates brought accompanying people with them to the conference. Of this figure, however, international visitors were the group most likely to bring an accompanying person (25.7%), followed by interstate delegates (16.1%).
- Of those respondents who stayed in hotel or motel accommodation, the following proportions were found to stay in various levels of accommodation:
  - Luxury: 14%
  - Deluxe: 56%
  - Standard: 26%
  - Budget: 4%
- The majority (89%) of delegates stayed at home while attending the event, reflecting the predominance of locals in the sample.

Duration of Stay

- The average number of nights stayed in the event host city by international respondents was 7.3 and the total number of nights away from home (in Australia) was 10.9. This figure is down slightly on the number of nights (11.1) reported in *Meetings Make Their Mark*. Interstate respondents stayed away from home, on average, a total of 3.6 nights while average intrastate stays were 1.4 nights in duration.

Additional Nights and Pre-Post Touring

- About 10% of visitors to business events (excluding locals) undertook a pre or post event trip to another region. Of the international respondents, 46% took a pre or post event trip with 13% of interstate respondents taking additional trips.
- Overall, international delegates who undertook a pre or post event tour, toured for an average of 7.6 nights and the equivalent interstate delegates toured for 4 nights.
- The estimated total number of nights stayed additional to the event itself was 1.5 million.

Motivation to Attend a Conference

- The greatest influence on all respondents to attend a conference was the business or educational content of the conference program. This motive was highest for international delegates.
- The opportunity to network was the second most important motivation to attend a conference.
- The opportunity to visit a new city/town was the least influential motivational factor affecting overall delegate motivation. Again, this result was likely indicative of the large number of local delegates in the sample. However, examining the ratings by origin of respondent, it is interesting to note that this factor was the 4th most influential factor (out of 11) for international delegates.

Satisfaction with the Conference Destination

- Satisfaction with the conferences was generally high. Items that provided the highest levels of satisfaction were 'the accessibility of the destination', 'cleanliness of the destination', 'the friendliness of the staff' and the 'safety and security of the destination'.
- The items that provided the highest levels of satisfaction for international respondents were the 'safety and security of the destination' and the 'cleanliness of the destination'.
- Approximately 93% of respondents stated they would recommend the destination for future business events.
- Over 86% of delegates were satisfied with the host city as a holiday destination.

Overseas Visitors

- The majority (75%) of international respondents indicated that they had marked conference/convention as their main purpose of visit on their incoming passenger cards, although 11% marked business and nearly 5% marked holiday.
- Qantas was used by 42% of international respondents for all or part of their trip.
- The majority of international respondents travelled economy class with 11% flying business class and 1% travelling first class.
- The main method of booking flights was through a travel agent (74%).
- The main factor that influenced the choice of airline was that it provided the most direct flights to the conference destination (52%).
- Of the international respondents, 46% had not previously visited Australia.
- Of those who had visited Australia previously, the average number of visits was a high figure of 6.7. Respondents from the Oceania region had had an average of 9.7 previous visits.
- After weighting the responses to the total population, an estimated 63 thousand respondents indicated that it would be likely for them to return in the next two years and over 98 thousand reported that it would be very likely.

meeting and conference delegate expenditure

Total Delegate Expenditure

Meeting and conference delegates spent an estimated total of $11.5 billion in Australia in 2003, with $949 million being spent by international visitors and the remainder being associated with domestic delegates.

Average Expenditure per Delegate per Trip

On average, each delegate spent $558 within Australia, although this varied substantially according to the type of delegate:

- Local: $430
- Intrastate: $892
- Interstate: $2,019
- International: $3,526

When compared to an average trip expenditure for all international tourists of $2,569, and an average length of stay of 27.4 nights[6], it is clear that business events visitors generate much higher yield over a much shorter length of stay. This relates to the fact that they have additional expenses such as conference registration fees, and that they generally stay in higher than average standard accommodation.

Average Daily Expenditure

On average, delegates spent $205 per day when attending a meeting or conference. It is interesting to note that interstate delegates ($557) spent slightly more than international delegates ($554). This is largely attributable to the fact that international airfares were not included, while domestic airfares were:

- Local: $174
- Intrastate: $333
- Interstate: $557
- International: $554

Breakdown of Expenditure by an International Delegate

As shown in Table 4, a typical international delegate would spend nearly 30% of their total trip budget on accommodation and about 24% on conference registration. Shopping, restaurants and cafes, and domestic airfares also comprised substantial proportions of total expenditure.

TABLE 4: BREAKDOWN OF AVERAGE EXPENDITURE BY INTERNATIONAL DELEGATES

	$	%
Conference registration	843	24
Accommodation	1,026	29
Shopping	458	13
Local Ground Transport	165	5
Restaurants and cafes	372	11
Airfares within Australia	338	10
Theatres/cinemas	89	3
Tours	195	6
Other	40	1
Total	**3,526**	

[6] Tourism Research Australia (2004). ***International Visitor Survey.***

meeting and conference organisers

From the venue survey, it was estimated that the total number of events held in 2003 was 316 thousand events. Of this figure, 284 thousand events were classified as meetings and conferences. Using information collected from 161 conference organisers and the weighting system derived from consultation with industry experts (venue managers), this figure was further classified as comprising 206 thousand meetings and 78 thousand conferences. Other key findings of the survey include:

- Most conferences are held annually with the majority (79%) hosting between 100 and 500 delegates.
- The majority (62%) of conferences are planned six months in advance. The host city/town is commonly (48%) selected 6-12 months in advance.
- Based on comparison of expected and actual delegate numbers, about half of the events did not achieve expected numbers, with the average shortfall being 36 delegates.
- On-site food and beverage was the largest expense item and delegate registration fees was the largest revenue item.
- Subtracting total revenue from total expenditure, the mean financial result for meetings where no registration was charged, was a deficit of approximately $51 thousand, while for conferences a surplus of about $10 thousand was observed.
- Suitability of the venue was the main influence on the conference destination choice.
- For conference organisers, the main source of information on destinations was the convention bureaux.
- Overall, conference organisers were satisfied with the host city as a business event destination.
- Overall, there was a high likelihood of the conference organisers recommending the conference destination to other event organisers (mean of 4.8 on a five-point scale).

the exhibition sector

The findings from the exhibition sector relate to the exhibition organisers, the exhibitors and the trade visitors.

Exhibition Organisers

Based on the most recent findings of the Exhibition and Event Association of Australasia Exhibition Survey (2002)[7] , it was assumed that 300 large exhibitions were staged in 2003. It was important to differentiate these large exhibitions from the many smaller exhibitions reported by venues, because they differ substantially in their characteristics. Key findings of the exhibition organisers survey include:

- The majority of large exhibitions (51%) were organised by exhibition management companies.
- The host city/town was selected more than two years in advance for the majority of large exhibitions (53%).
- The average duration of large exhibitions was three days.
- The majority of the large exhibitions (73%) were annual events.
- New South Wales, Victoria and Queensland handled the vast majority of large exhibition business (72%).
- In 2003, an estimated 1.4 million m^2 of floor space was sold at large exhibitions in Australia. In 2001, this was estimated at 1.3 million m^2 (EEAA 2002).
- Average large exhibition organiser expenditure was $459 thousand in 2003. In total, this means that $137.7 million was spent to stage these 300 events.
- Average exhibition organiser revenue was $678 thousand per large exhibition. Total estimated revenue for all large exhibitions was $203.4 million.
- The main influence on destination choice for large exhibition organisers was the relevance of the local market for exhibitors.
- Overall, organisers were highly satisfied with the destination as a venue for large exhibitions and were likely to recommend it to other exhibition organisers.

[7]Exhibition and Event Association of Australasia, (2002). ***EEAA Exhibition Survey 2002***, Exhibition and Event Association of Australasia, July 2002.

Highly satisfied respondents indicated that the infrastructure at the destination, its proximity to exhibition markets and the availability of attractions and facilities were key reasons for choosing an exhibition destination.

Exhibitors

The exhibitors survey yielded 843 usable responses from exhibitors at 52 different exhibitions. The average duration of these exhibitions was 3 days, and the vast majority of them were staged in large venues. Key findings of the survey include:

- The majority of exhibitors (90%) came from within the host state.
- On average, exhibitors had attended 5 exhibitions in the past 12 months.
- Exhibitors rated organiser and venue quality as the two components most affecting their overall satisfaction with the exhibition.
- On average, exhibitors spent $3,468 per event on floor space including power consumed. This was their largest single expenditure item.
- In 2003, there were an estimated 256 thousand exhibitors in Australia. This figure represents the total number of exhibitors counted at all events and includes multiple counting of individual exhibitors.
- The breakdown of exhibition type for these exhibitors was:

Exhibition at a conference:	22%
Trade only:	25%
Trade and public:	53%

- Average exhibitor expenditure was estimated to be $9,150, ranging from $7,740 for intrastate exhibitors to $42,000 for international exhibitors.
- The total expenditure by exhibitors in 2003 was $2.3 billion.

Trade Visitors

The trade visitor data were collected and weighted in a similar manner to the delegate survey. Although trade visitors are very similar in many respects to meeting and conference delegates, the survey identified some key differences between the two groups. Key findings of the survey include:

- An estimated total of 2.4 million trade visitors attended exhibitions in 2003.
- In terms of the exhibitions themselves, trade visitors were most satisfied with the quality of the exhibition venue (mean of 4.7 on a five-point scale).
- In terms of the destination, trade visitors were most satisfied with the accessibility to the destination (mean of 4.6 on a five-point scale), followed closely by the cleanliness of the destination (mean 4.5).

Incentive Travel Sector

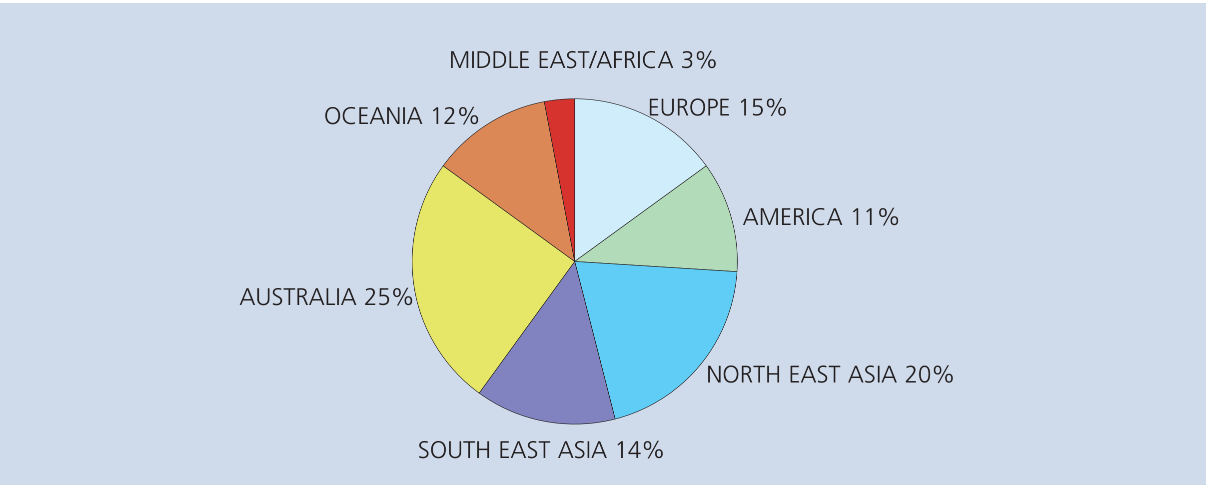
Australian domestic and inbound incentive travel has been under-researched. In undertaking the NBES, the opportunity arose to explore this segment in detail and measure its contribution to the Australian economy. The target population for the incentive travel survey was Destination Management Companies (DMCs), Inbound Tour Operators (ITOs) and accommodation providers involved in incentive travel. Two hundred and fifty seven organisations were identified based on this definition and responses were received from 51 of them (a response rate of 20%). The incentive travel data were weighted to reflect the entire population. Key findings from the survey include:

- It is estimated that in excess of $585 million was spent on incentive travel in 2003, with $46 million being domestic business and approximately $539 million being international business representing new expenditure in Australia.
- The average expenditure per incentive delegate, including some non domestic airfares and personal expenditure was:

Long haul delegates[8]:	$2,560
Short haul delegates[9]:	$2,180
Australian delegates:	$1,224

- It can be seen in Figure 4 that North-East and South-East Asia are important generators of this business.
- Respondents commonly indicated that the most recent incentive program they had hosted had involved groups from the pharmaceutical (13%), electrical (9%) and information technology (8%) industries.
- The average number of participants per incentive event was 194.
- On average, the incentive events lasted for 5 days and 56% included a meeting component that usually went over 1 or 2 full days.
- The most popular incentive destination was Sydney, followed by Gold Coast, Brisbane and Cairns.
- The quality of the incentive product and the variety of desirable products were the most important factors for clients when deciding on the destination for an incentive program.
- The incentive sector represents a total of 1.5 million delegate nights in Australia and there appears to be a high overall level of satisfaction with the Australian Incentive Travel product.

FIGURE 4: BREAKDOWN OF BUSINESS BY REGIONAL MARKET (% OF EVENTS)



[8]Long haul delegates include those delegates from Europe and the Americas.

[9]Short haul delegates include those delegates from Oceania, South East Asia and North East Asia.

economic contribution

Table 5 presents the direct, indirect and total contributions to value added and employment as a result of the expenditure in the business events sector. The direct economic contribution of the business events sector has been modelled using the Tourism Satellite Account (TSA) developed by the STCRC employing ABS methodology, and which is embedded in the M2RNSW Computable General Equilibrium model. The direct contribution to value added associated with $17 billion expenditure on business events is $6.1 billion and the direct contribution to employment is 116 thousand jobs. The indirect effects resulted in an additional $5.2 billion contribution to value added, and an additional contribution to employment of 98 thousand jobs. As indicated in Table 5, total contribution to value added as a result of total expenditure was estimated to be over $11.3 billion and total contribution to employment was estimated at 214 thousand jobs.

TABLE 5: DIRECT, INDIRECT AND TOTAL EFFECTS

Expenditure $	**Direct Effects**		**Indirect Effects**		**Total Effects**	
	Gross Value Added $	Employment	Gross Value Added $	Employment	Gross Value Added $	Employment
17,364,702,048	6,134,872,189	115,580	5,214,641,360	98,243	11,349,513,549	213,823

As shown in Table 6, the majority of the contributions came from meeting and conference delegate expenditure, which accounted for over 73% of value added and over 67% of employment.

TABLE 6: TOTAL DIRECT CONTRIBUTIONS BY SECTOR

Sector	**Total Expenditure $**	**Direct contribution to value added $**	**% of direct contribution to value added**	**Direct contribution to employment**	**% of direct contribution to employment**
Meeting and conference delegates	11,452,165,759	4,519,696,687	73.7	77,962	67.4
Meeting organisers	2,448,738,534	707,118,542	11.5	15,949	13.8
Exhibitors	2,338,929,144	521,834,394	8.5	12,142	10.5
Trade Visitors	539,797,688	178,870,924	2.9	3,658	3.2
Incentives	585,070,923	207,351,643	3.4	5,869	5.1
TOTAL	**17,364,702,048**	**6,134,872,190**		**115,580**	

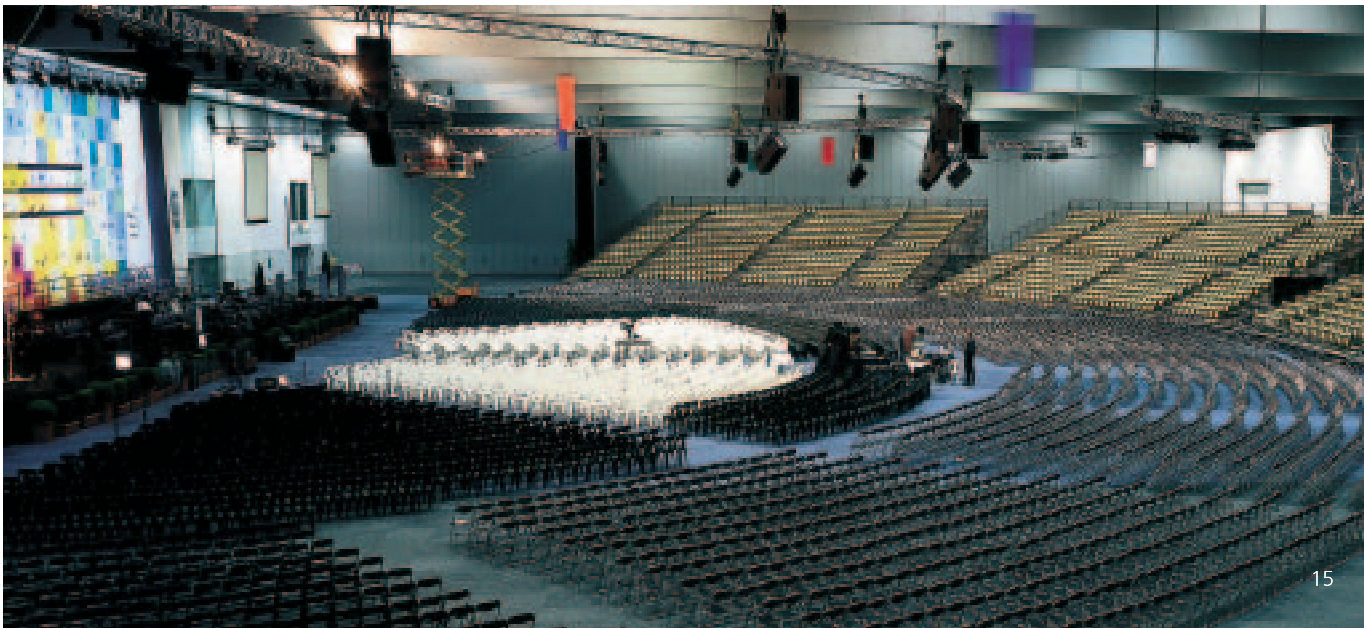


Table 7 shows the direct contributions made by international expenditure. Here incentives represent a relatively larger proportion than in the overall figures, because the majority of the incentive delegates are international.

TABLE 7: DIRECT INTERNATIONAL CONTRIBUTIONS BY SECTOR

Sector	Total expenditure $	Direct contribution to value added $	% of direct contribution to value added	Direct contribution to employment	% of direct contribution to employment
Meeting and conference delegates	948,692,407	342,678,040	53.7	8,973	52.7
Meeting organisers		NIL - all assumed to be domestic expenditure			
Exhibitors	272,311,970	70,111,873	11.0	1,719	10.0
Trade Visitors	100,258,786	34,335,727	5.4	895	5.3
Incentives	539,046,759	190,846,876	29.9	5,455	32.0
TOTAL	**1,860,309,922**	**637,972,514**		**17,042**	

Table 8 shows the sectorial contributions made by domestic expenditure.

TABLE 8: DIRECT DOMESTIC CONTRIBUTIONS BY SECTOR

Sector	Total Expenditure $	Direct contribution to value added $	% of direct contribution to value added	Direct contribution to employment	% of direct contribution to employment
Meeting and conference delegates	10,503,473,352	4,177,018,645	76.0	68,989	70.0
Meeting organisers	2,448,738,534	707,118,542	12.9	15,949	16.2
Exhibitors	2,066,617,174	451,722,521	8.2	10,423	10.6
Trade Visitors	439,538,902	144,535,198	2.6	2,763	2.8
Incentives	46,024,164	16,504,766	0.3	414	0.4
TOTAL	**15,504,392,126**	**5,496,899,671**		**98,538**	

Table 9 presents the contribution of total expenditure across each industry grouping affected by business event tourism. The greatest amount of expenditure went to ‘Registration’ which totalled $7,547,092,612, but ‘Registration’ is not an industry in itself. Registration fees are spent by meetings convenors on a variety of goods and services including food and beverages, vehicle hire, accommodation, entertainment, advertising etc. In the absence of more detailed information regarding ‘registration’ expenditure, this was allocated to other sectors in the same proportion in which total expenditure is allocated by sector. Once this is done, the contribution to value added and sector employment can be estimated. The food and beverage and accommodation industries are seen to make the greatest contribution to value added, while the accommodation industry is the greatest source of employment.

TABLE 9: DIRECT CONTRIBUTION FROM TOTAL EXPENDITURE ACROSS INDUSTRY GROUPS

	Total expenditure from NBES $	Direct contribution to value added $	% of direct contribution to Value Added	Direct contribution to sector employment	% of direct contribution to employment
Total accommodation	2,713,972,897	982,829,325	16.0	27,679	23.9
Total shopping	1,226,578,833	381,572,532	6.2	12,220	10.6
Total local ground transport	1,670,892,564	695,849,295	11.3	12,525	10.8
Total food and beverage	3,826,079,370	1,011,541,116	16.5	14,883	12.9
Total airfares	1,607,527,749	897,287,421	14.6	10,817	9.4
Total entertainment	370,460,669	138,913,869	2.3	2,346	2.0
Total tours	213,145,892	163,856,703	2.7	2,777	2.4
Total recreational	427,053,758	193,655,882	3.2	2,538	2.2
Total floor space, stand const, equip, elec, advert, temp staff, display mat, admin etc	4,264,659,838	438,951,208	7.2	10,723	9.3
Total other	1,044,330,478	1,230,414,839	20.1	19,071	16.5
Total	**17,364,702,048**	**6,134,872,189**		**115,580**	

future action

The NBES provides an overview of the business events sector and has estimated its contribution to the Australian economy. It is important that this study be enhanced further and repeated on a regular basis in order to monitor and improve where necessary, the performance of the sector. The following recommendations are made for future studies:

- **Recommendation 1:** Future studies of the business event sector should be conducted periodically to track changes in the sector and these studies should adopt the definition of business event venues used in the NBES, which will facilitate longitudinal comparison.
- **Recommendation 2:** Business event venue data should be collected in collaboration with the Australian Bureau of Statistics under the Census Act in order to maximise the data returns from venues and thus the reliability of the estimates.
- **Recommendation 3:** In keeping with recommendation 2, a template should be developed and distributed to venues that would facilitate their on-going collection and recording of data relevant to assessing the overall size of the sector. This would overcome the problem of having to trawl back through records in order to complete the questionnaire, and the potential this creates for error. Ideally this template should be in the form of a software package and it is suggested that the industry should invest in the development of this.

summary

The business events sector is a valuable contributor to the Australian economy and generates expenditure in excess of $17 billion, a direct contribution to value added of over $6 billion and a direct contribution to employment of over 115 thousand jobs. In addition, there is an indirect contribution to value added in excess of $5 billion and an indirect contribution to employment of 98 thousand jobs. The business event sector is made up of a range of complementary components, each of which makes an important contribution and it is crucial that all components are considered in evaluations of the sector.

acknowledgements

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- Meetings Industry Association of Australia (MIAA)
- Gold Coast Tourism – Business Tourism Division
- Exhibition and Event Association of Australasia (EEAA)
- Tourism Australia (Formerly Australian Tourist Commission)
- Association of Australian Convention Bureaux (AACB)
- Tabcorp

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The NBES Steering Committee comprised:

Ms Dee McGrath	Business Events Council of Australia (Chair of the NBES)
Ms Elizabeth Rich	Business Events Council of Australia
Ms Milica Loncar	Tourism Australia
Ms Meg Yeates	Tourism Australia
Mr Mick O'Halloran	Tourism Research Australia
Mr Michael Cannon	Association of Australian Convention Bureaux
Ms Jane Ianniello	Tourism Queensland
Ms Sandra Passaro	Gold Coast Tourism – Business Tourism Division
Ms Anne Lewis	Melbourne Convention and Visitors Bureau
Prof Leo Jago	Sustainable Tourism CRC
A/Prof Margaret Deery	Victoria University (Project Leader of the NBES)

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Ms Jenny Davies	University of South Australia
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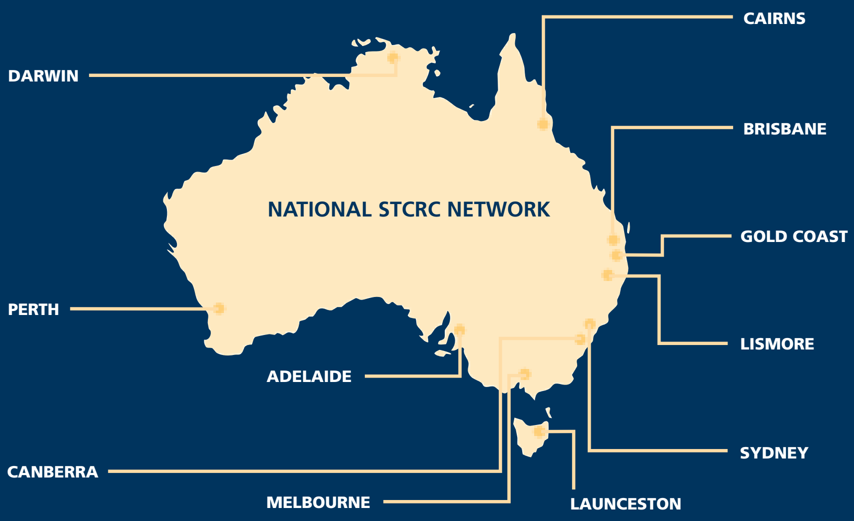

SUSTAINABLE TOURISM CRC

ABOUT SUSTAINABLE TOURISM CRC

The Sustainable Tourism Cooperative Research Centre (STCRC) is established under the Australian Government's Cooperative Research Centres Program. STCRC is the world's leading scientific institution managing and delivering research to support the sustainability of travel and tourism - one of world's largest and fastest growing industries.

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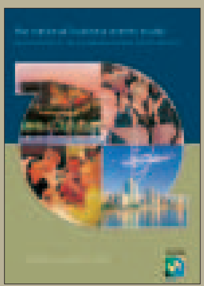

The comprehensive report, ***The National Business Events Study: an evaluation of the Australian Business Events sector***, will be available in early 2005 through STCRC's online bookshop. Alternatively complete the online order form at STCRC's web site (www.crctourism.com.au/bookshop) and fax or mail to the Publishing Manager.

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national business events study

The business events sector is recognised as a high-yield component of the tourism industry with direct connections to other key areas such as trade, foreign affairs, education, science, training and communications. It has great potential for further expansion.

The National Business Events Study (NBES) is a comprehensive evaluation that examines the size and scope of the Business Events sector in Australia.

It has obtained data from conference delegates and trade visitors, exhibitors, exhibition and event organisers, business event venues and the incentive travel sector.

Each component of the study was underpinned by information obtained from business event venues regarding the number of events and participants they hosted over a full year.

The data provides the most comprehensive overview of the business events sector since the 1999 Bureau of Tourism Research report, *Meetings Make their Mark*.

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