

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

Question: SR35
Topic: Business Events Tourism
Proof Hansard Page: Written

Senator Bushby asked:

Business events produce the highest daily yield of any sector of the tourism industry. The business events sector contributes an estimated \$17.6 billion a year to the national economy, generating 116,000 jobs.¹

They also promote and showcase Australian expertise and innovation to the world and attract global leaders and investment decision makers who might otherwise not have come to Australia.²

1. How much did Australia earn from hosting international conferences, business events and major sporting competition in the past year?

Answer:

There is presently no data gathered which comprehensively quantifies earnings for Australian from all types of major events, including business events and sporting events. However, Tourism Research Australia estimates that spending by all business events visitors in Australia in 2010 was \$8.4 billion. Tourism Research Australia (TRA) does not retain data on individual major sporting events.

2. What proportion of these were supported by taxpayer funds to support bids?

Answer:

The predominantly localised nature of events means that State and Territory Governments lead event bids. The Australian Government considers supporting efforts to win major business and sporting events where there is a specific national interest or benefit, for example major sporting events like the Commonwealth Games, or major business or government meetings, such as the Commonwealth Heads of Government Meeting. The Australian Government assesses its involvement in supporting these major events on a case by case basis. If involved, the Australian Government will work closely with the relevant State/Territory Government to ensure the maximum return/benefit from the combined investment. More generically, Business Events Australia (BEA) (a unit within Tourism Australia) implements marketing programs to support and promote Australia generally as an events destination. BEA does not bid for events, however BEA does support city and state bids with incidental marketing materials and generates leads with corporate end users which are passed onto the convention and visitors bureaux.

¹ The Business Events Industry Strategy Group, A National Business Events Strategy for Australia 2020, October 2008

² The Business Events Industry Strategy Group, A National Business Events Strategy for Australia 2020, October 2008

3. What amount of money was spent overall?**Answer:**

In 2010/11 Tourism Australia's (TA) gross spend for Business Events was \$3.5 million. This however does not include other major items of Australian Government expenditure which is provided from time to time on a case by case basis to directly or indirectly to support attempts to win and stage major events, such as the \$38 million allocated in the 2012-13 Budget for organising and staging the 2015 Asian Football Confederation Asian Cup; the \$6 million allocated in 2012-13 for the Centenary of Canberra celebrations; and the \$58.7 million allocated over three years to host the Commonwealth Heads of Government Meeting (CHOGM) in Perth in 2011.

4. What's the estimated size of the pool of such events internationally?**Answer:**

International data on the size and performance of the event sector is very limited and makes it difficult to make uniform comparisons. For example, international data on business events applies differences in the definition of a "business event" and "business event visitor" and this does not allow direct comparison with TRA business event data. The business events market is made up of the associations, corporate meetings and incentives market. There is no measurable data on the size of the international corporate meetings or incentives industry. Of the 9885 rotating international associations meetings, only 3,344 could potentially be held in Australia, according to International Congress and Convention Association data.

5. How is the Federal Government supporting renewed efforts by States like NSW and Victoria who are increasing their investment in this area?**Answer:**

The Australian Government supports State and Territory efforts on a case by case basis, to win major business and sporting events where there is a national interest or cross-jurisdictional benefit. The Australian Government may allocate funding to the range of different stages involved in preparing for and staging a major event, from coordinating marketing efforts through to funding for development of related event infrastructure that will have an ongoing life and value to the community beyond the event itself.

At an operational level, BEA works closely with all state and city convention bureaux to promote Australia as a business events destination. BEA delivers a comprehensive marketing program including an advertising campaign, digital presence, a PR program, media outreach, a trade program and educational visits. BEA also collaborates with industry through projects such as the Australia Associations Project, where funds are pooled to collaborate and effectively market Australia internationally.

6. Is there collaboration with the States in bidding for events (or are there areas of duplication where there can be better pooling of resources)?

Answer:

Yes. States and Territories undergo a national bid off for a number of business events where appropriate, to avoid duplication. Where the Australian Government does participate in winning major events, there are mechanisms in place to ensure maximum return from combined funds. These include interaction with all bidding State and Territory Governments to assess which jurisdiction has the best case to stage the particular event, and ensure a single Australian bid if brought forward. TA also plays a collaborative role in this area by working closely with the States and Territories on marketing initiatives to ensure work is relevant and there is no duplication.

7. In response to a question at Additional Estimates in February this year, the actual budget for Business Events Australia reduced from \$5,300,000 to \$4,060,000. What was the result of this decreased spending in terms of our success in securing major events?

Answer:

The decrease in budget was due to \$1 million being brought forward from 2010/11 to 2009/10. . Further, Dreamtime was not held in 2010 as it is a biannual event. Dreamtime is Tourism Australia's premier trade marketing event for international business event buyers, showcasing Australia's most outstanding incentive experiences and Australia's business event expertise. Funding for Dreamtime was returned in 2011/12. Note that BEA does not work on securing major events.

8. In identifying Tourism Australia's stretch targets for 2020, can Tourism Australia:

- a) **provide a breakdown of all marketing and promotional spend by country and indicate how this fits with the Mapping Destination Priorities work that is being done?**

Answer:

The Mapping Destination Priorities refer to work identifying what markets are in need of air service liberalisation and is not applicable in determining TA's market spend priorities. Instead, TA uses work carried out on the 2020 Tourism Industry Potential to prioritise market spend.

Provided below is a breakdown of all marketing and promotional spend by country in Australia's key international markets:

Market	Amount in AUD Millions	% of Global Marketing Budget (rounded)
China	12.82	20%
Domestic	8.5	13%
USA	8.3	13%
UK	6.55	10%
Japan	4.73	7%
Korea	3.83	6%
India	2.85	4%
Germany	2.51	4%
NZ	2.33	4%
France	2.01	3%
Canada	1.95	3%
Singapore	1.95	3%
Malaysia	1.89	3%
Hong Kong	0.92	1%
Indonesia	0.92	1%
Rest of World	0.7	1%
Italy	0.6	1%
Middle East	0.23	<1%
Brazil	0.18	<1%
Vietnam	0.18	<1%
Total	63.95	

b) indicate how Tourism Australia has linked this to its Key Performance Indicators against which its effectiveness can be measured by the ANAO and the Parliament?

Answer:

TA's Key Performance Indicators in both the 2011/14 Corporate Plan and the 2011/12 Portfolio Budget Statement were selected to measure TA in partnering with industry in delivering the 2020 Tourism Industry Potential. An important part of this is improving Australia's competitiveness against other destinations and increasing tourism's economic contribution to all Australians. Key Performance Indicators were also selected to report against critical supply side issues that TA's strategy to achieve the 2020 Tourism Industry Potential seeks to address.

- c) **Provide a list of those countries identified as those with the largest Tourism growth potential, based on Mapping Destinations Priorities work done to date?**

Answer:

As above, the Mapping Destination Priorities refer to work identifying what markets are in need of air service liberalisation and is not applicable in determining market growth potential. The 2020 Tourism Industry Potential was conducted to identify the potential growth and value of Australia's key markets.

Those markets identified as having the highest growth potential are:

China – growth of up to \$6.3 billion; worth as much as \$9 billion by 2020

UK – growth of up to \$3.3 billion; worth as much as \$6.7 billion by 2020

USA – growth of up to \$3.2 billion; worth as much as \$5.5 billion by 2020

Sth Korea – growth of up to \$2.2 billion; worth as much as \$3.4 billion by 2020

NZ – growth of up to \$2.2 billion; worth as much as \$4.2 billion by 2020

Japan – growth of up to \$1.8 billion; worth as much as \$3.3 billion by 2020

Singapore – growth of up to \$1.7 billion; worth as much as \$2.8 billion by 2020

India – growth of up to \$1.5 billion; worth as much as \$2.3 billion by 2020

Malaysia – growth of up to \$1.5 billion; worth as much as \$2.5 billion by 2020

Germany – growth of up to \$1.3 billion; worth as much as \$2.3 billion by 2020

France – growth of up to \$0.8 billion; worth as much as \$1.4 billion by 2020