

# Business Events: Delivering Economic Prosperity for Australia.

2017-18 Federal Pre-Budget Submission  
By the Association of Australian Convention Bureaux

19 January 2017



Association of Australian  
Convention Bureaux

# EXECUTIVE SUMMARY

## Business Events power collaboration

New ideas are crucial to Australia's future prosperity. New ideas rely on collaboration, much of which happens at meetings, conventions and exhibitions.

For this reason, the Association of Australian Convention Bureaux entitled its 2016-17 federal pre-budget submission, *Powering Collaboration*<sup>1</sup>. In it we set out five ways in which the federal government can maximise the economic stimulus generated by Australia's convention centres and meeting spaces.

Our priorities have not changed in the past year, but the urgency has. This is particularly true for our number one priority, the establishment of a national convention bid fund.

The AACB's latest analysis of bids won, bids lost and the bid pipeline highlights that while its members have secured 360 international business events in the Forward Calendar (as at July 2016), 235 bids had been lost for the next decade<sup>2</sup>.

This lost business is estimated to be valued at \$805 million in direct delegate expenditure, that will now take place in other countries. This is the key motivation behind support for business events by governments of competitor destinations.

Of the 141 international association convention bids lost, some 36% were attributed to a more competitive financial package offered by a rival destination and other issues that accentuate risk associated with selecting a long-haul destination such as cost, distance and destination perception.

The trend towards governments offsetting the cost of convention staging is growing. The Australian federal government has an opportunity to co-invest alongside state, territory and local governments to ensure our cities can compete with well-funded Asian rivals. Without further investment at a national level, our convention infrastructure will not be maximised, with fewer international business travellers arriving as high yield delegates.

As the recent opening of the International Convention Centre Sydney illustrates, state and territory governments are investing heavily in conventions infrastructure. The time is ripe for federal departments to also invest in the business events sector, the tourism sector that delivers the highest rate of return.

Overleaf we have outlined our priorities for the federal budget 2017-18. We would encourage you to refer to our more comprehensive document submitted last year, as well as various submissions

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<sup>1</sup> *Convention bureaux: Powering collaboration. Pre-budget submission 2016-17*, Association of Australian Convention Bureaux, Canberra, February 2016

<sup>2</sup> International Business Events Forward Calendar (July 2016), Association of Australian Convention Bureaux, Canberra, 2016



made during 2016, such as *Australia's Future in Research and Innovation*, the *Australian Medical Research and Innovation Five Year Strategy*, and the *Smart Cities Plan*.



# 2017-18 BUDGET RECOMMENDATIONS

## Aligned with Australian Government priorities

Business events are a crucial part of the Australian Government's innovation agenda. As such, we have aligned the industry's five recommendations for 2017-18 with existing federal priorities.

### Business Events Recommendations

**Objective:** Grow the value of the business events sector to \$16 billion by 2020.

<b>Situation:</b>	<ul style="list-style-type: none"> <li>International delegate arrivals fell by 11% in FY16.</li> <li>Australia's ICCA ranking has slipped to 15th in the world.</li> <li>Australia lost 61 international association conventions in FY16, 18% due to stronger financial incentives from rivals.</li> </ul>	<b>Recommendation:</b>	<b>Invest in a national convention bid fund of up to \$10 million per year</b> to increase Australia's competitiveness in bringing conventions and exhibitions of national significance to our cities.
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**Objective:** To maximise the Australia-China Year of Tourism in 2017.

<b>Situation:</b>	<ul style="list-style-type: none"> <li>Chinese nationals face significant cost and time barriers to obtain visas for travel to Australia.</li> <li>Australia is less appealing as a business event destination due to fees and charges.</li> </ul>	<b>Recommendation:</b>	Grant access to the fee-free online Electronic Travel Authority visa scheme for attendees of major business events. <b>Estimated foregone revenue of \$10 million per year.</b>
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**Objective:** To reposition Australia as a leader in innovation, science and technology.

<b>Situation:</b>	<ul style="list-style-type: none"> <li>Australia struggles to attract leading scientific academics to major conferences.</li> <li>Australia is not perceived as a knowledge economy.</li> </ul>	<b>Recommendation:</b>	<b>Fund a dedicated \$10 million business events marketing campaign</b> to change perceptions of Australia as a knowledge economy.
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**Objective:** To grow the participation of women from developing countries in business.

<b>Situation:</b>	<ul style="list-style-type: none"> <li>Academics from the developing world in our region face significant economic barriers to attending international conferences.</li> </ul>	<b>Recommendation:</b>	<b>Allocate \$4 million of Australian aid per year</b> for a travel bursary to bring academics, scientists and business leaders from the Indo-Pacific to international conventions held in Australia.
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**Objective:** To encourage industry co-funding of tourism marketing.

<b>Situation:</b>	<ul style="list-style-type: none"> <li>Convention bureaux are penalised in Export Market Development Grant assessment due to their mixed public-private funding structures.</li> </ul>	<b>Recommendation:</b>	Restore the rules around the Export Market Development Grants to allow approved bodies to receive full funding for international marketing. <b>No new funding required.</b>
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# INDUSTRY OVERVIEW

## About the AACB

The Association of Australian Convention Bureaux is the peak business events network driving economic prosperity for Australia. The Association brings together Australia's most influential city and regional convention bureaux, each dedicated to marketing their specific regions as premier business events destinations.

AACB and its members represent more than 1,700 businesses and organisations across Australia. We welcome the opportunity to provide comment on the priorities our sector has for reform in 2017-18.

## What are convention bureaux?

Convention bureaux are the drivers of business events coming to the country with the support of industry. They directly bid for business events affiliated with the fastest growing global industries and facilitate the engagement of local businesses in conventions won for their host destinations. Convention bureaux models vary across Australia, but typically rely on a mix of public funding from state or territory and local governments, and private investment through membership and cooperative marketing.

## The business events industry

Deloitte Access Economics has described the business events sector as "a high-value, fast-growing component of the visitor economy". One in five dollars spent by international visitors to Australia is spent by a delegate attending a business event. In addition, international delegates spend, on average, 21% more than other international visitors over the course of their trip – and 77% more per day<sup>3</sup>.

However, the business events sector augments economic activity well beyond tourism. It underpins knowledge transfer and stimulates trade and investment. International business events play a significant role in building a more productive and more diverse Australian economy.

Around the world, business events are being used as strategic tools for attracting trade, investment and global talent. Governments invest in the business events sector because they

<sup>3</sup> Australia's international business events sector: the economic and strategic value proposition. Deloitte Access Economics for AACB, Melbourne 2014

## THE VALUE OF BUSINESS EVENTS TO AUSTRALIA

Over **38 million** people attended more than **429,500 business events** across Australia in 2015-16.

These business events directly generated:

- > **\$30.2 billion**  
in direct expenditure
- > **\$13.9 billion**  
in direct value added
- > **193,479**  
direct jobs
- > **\$24.9 billion**  
in total economic contribution (GDP)

*The Value of Business Events to Australia (provisional update), Ernst & Young for the*



recognise not just the high yield, but also the long-term benefits accruing from growth in the visitor and knowledge based economies.



## RECOMMENDATION 1: ESTABLISH A NATIONAL BID FUND TO HELP WIN BUSINESS EVENTS OF NATIONAL SIGNIFICANCE

**BUDGETARY IMPLICATION:** \$10 MILLION PER YEAR OF NEW FUNDING (FOR SUCCESSFUL BIDS)

### **The problem: Australia is losing market share in attracting major international conventions due to intense competition from rivals with national bid funds.**

Business events represent one of the highest yielding sectors in Australia's visitor economy. The Australian Government target under its Tourism 2020 goals is for business events to contribute up to \$16 billion each year to the Australian economy by 2020<sup>4</sup>. In the four years to 2014, the economic value of the meetings, incentive, convention and exhibition industries combined grew from just under \$10 billion to over \$13 billion<sup>5</sup>.

The business events industry was identified as a high yield sector with a strong potential for growth, based on the rapid acceleration of professional industries and sales based economies across Asia. Of the \$13 billion expenditure total, the \$3 billion generated by international delegates, is expected to provide the strongest growth.

However, this growth expectation is now in doubt. One of the primary reasons for doubt is the reduction in Australia's share of major global conferences. Last financial year, Australia recorded a decline of around 11% of overseas visitors attending a conference/convention in Australia as primary purpose of visit<sup>6</sup>.

A decade ago, Australia was consistently among the ten most popular countries to play host to major international association conventions<sup>7</sup>. Today we sit at 15th<sup>8</sup>. Our respective market share has fallen to a low of 2%, despite the number of international association meetings growing globally in 2015 by 5% cent to 12,076.

While Europe and North America remain the dominant regions for hosting international association conventions, global rotation policies of the event organisers places Australian cities in competition with those in Asia. But Australia now lies behind Japan, China and South Korea. At a city level, neither Sydney nor Melbourne come close to the numbers of conventions held in Singapore, Seoul, Hong Kong or Bangkok.

The AACB has undertaken some detailed analysis of the reasons behind lost bids – whereby a competitor destination has been selected over Australia. Looking at the association's forward

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<sup>4</sup> *Tourism 2020 Business Events Sector Progress Report*, Business Events Australia, Sydney, July 2013

<sup>5</sup> *Attracting Business Events to Australia: Role of Government Agencies*, Austrade and Tourism Australia, Canberra 2014

<sup>6</sup> *International Visitor Survey*, Table 6, Australian Bureau of Statistics, Sydney, June 2016

<sup>7</sup> *ICCA Country & City Rankings*, International Congress and Convention Association, Amsterdam 2011

<sup>8</sup> *ICCA Statistics Report 2015*, International Congress and Convention Association, Amsterdam 2015



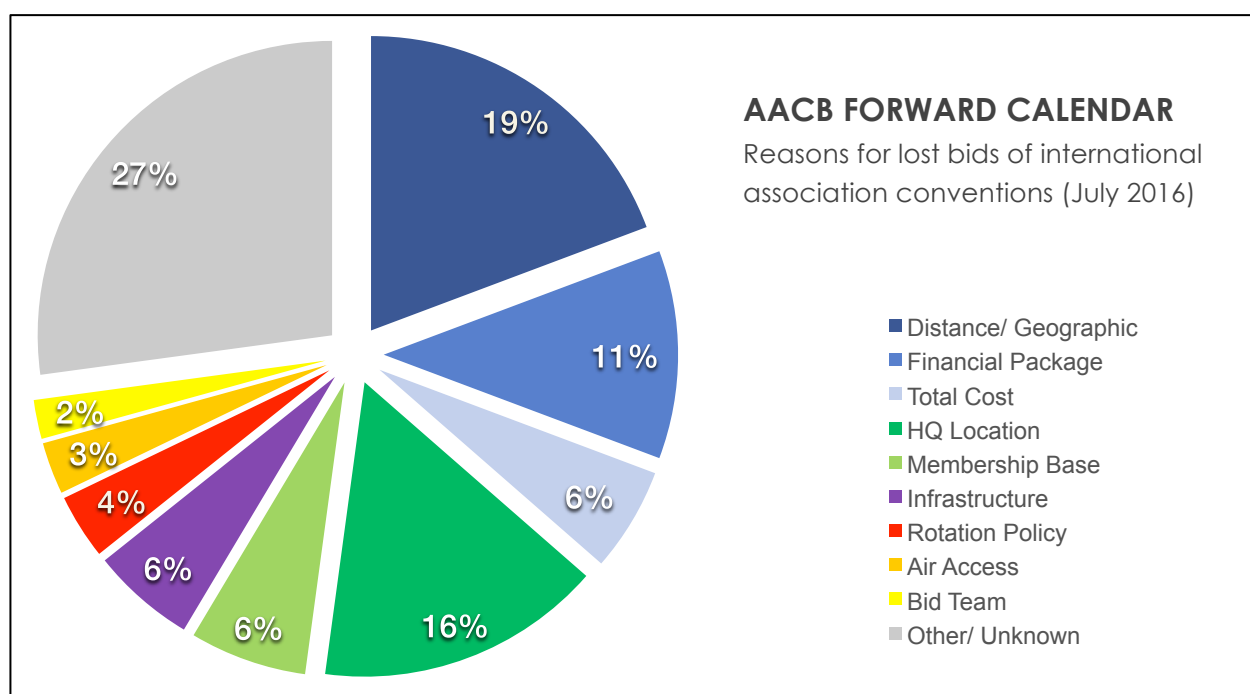


calendar analysis (which projects bid performance), some \$805 million worth of delegate expenditure has been lost for the next decade<sup>9</sup>.

Of the 141 international association convention bids lost by the AACB's members across this period, some 36% were attributed to stronger financial packages offered by rival destinations as well as risks associated with selecting a long-haul destination such as cost, distance and destination perception.

### The reasons for lost business

Although there are several factors that Australia cannot easily address (such as distance from an association headquarters or a low membership base within the Australian region), the emergence of government bid funds across Asia is also clearly evident in the bids lost due to superior financial packages offered elsewhere or those reporting high overall cost of hosting an event in Australia (see chart below).



As the agencies tasked with bringing major conventions to our cities, Australia's convention bureaux face unprecedented competition from Asian and Middle Eastern destinations, with new meetings infrastructure to fill. Many of Australia's competitors have government-backed funds available to secure business, leaving Australia at a competitive disadvantage.

As large conferences are extremely costly to stage, associations seek support from governments to mitigate the risks of hosting their event in various destinations. This support can vary from civic

<sup>9</sup> International Business Events Forward Calendar (July 2016), Association of Australian Convention Bureaux, Canberra, 2016





receptions and free public transport to requests for free convention space and access to marketing funds<sup>10</sup>.

Previously undocumented, over 50 cities around the world now have formal bid support funds and, as such, the importance of direct financial assistance in securing bids is growing. A recent US survey of 400 conference organisers found financial incentives to be the single biggest host city decision influencer<sup>11</sup>.

Our analysis confirms this trend is shaping decisions taken in Australia. Last financial year, some 18% of international association convention bids were lost as a direct result of stronger financial incentives offered by our rivals, almost double that of 2014/15.

### **The solution: Establish a federal convention bid fund.**

State and territory governments continue to make significant investments in expanded and renewed convention and event facilities. Yet if Australia wants to be fill this infrastructure, it needs to be able to compete effectively with its Asia-Pacific rivals. To do so, it will need its own national convention bid fund to enhance the commercial proposition of an Australian bid. The business events sector has collectively been calling for a national fund for several years, most recently in the lead-up to the 2016 federal election. The Business Events Council of Australia and the Tourism & Transport Forum have repeated this call in their respective submissions ahead of this budget.

In the 2010 federal election, the Coalition tourism policy contained a pledge for a Business Events Bid and Boost Fund for key international conferences worth \$17.5 million over four years<sup>12</sup>.

In the seven years since this pledge was made, the situation has become critical. Of the five leading host countries for conventions in Asia Pacific, only Australia lacks a bid fund. Singapore, for example, covers up to 70% of the organiser costs for large conventions, South Korea offers a flat ₩15,000 (\$17.30) per delegate to conference organisers and New Zealand has made available NZ\$40 million (\$37.5 million) to win bids<sup>13</sup>.

The establishment of a convention bid fund now would further complement the framework laid down by former trade minister Andrew Robb which outlined how Government agencies can assist industry attract business events to Australia<sup>14</sup>.

A convention bid fund is also a safe investment for government where return on investment is guaranteed because funding is only granted to successful bids won for Australia, where such

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<sup>10</sup> Sally Greenhill and Tony Rogers. *Subvention and Bid Support Practices for International Conferences and Events in Britain*, Business Visits & Events Partnership, October 2011

<sup>11</sup> *Executive Perspective 2016*, Destination Marketing Insights from Meeting Executives, Kliman Group for Fulcrum Media, Santa Rosa, January 2016

<sup>12</sup> *The Coalition's Plan for Real Action on Tourism*, Liberal Party of Australia, Barton, August 2010

<sup>13</sup> Leo Jakobsen, *Tourism Boards and CVBs Offer Incentives to Attract Groups*, Successful Meetings, Meetings International, London November 2014

<sup>14</sup> *Attracting Business Events to Australia: Role of Government Agencies*, Austrade and Tourism Australia, Canberra 2014



support has been included in the business case. Funding earmarked for bids that are not successful return to the overall pool and can be used for future bids.

A federal bid fund would be the best way to ensure the investments by state and territory governments are maximised for Australia, as happens in other federal countries such as Malaysia and South Africa<sup>15</sup>.

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<sup>15</sup> South Africa National Convention Bureau briefing on the number of bids secured for South Africa, Parliamentary Monitoring Group, Pretoria, June 2013



## RECOMMENDATION 2: EXTEND THE ELECTRONIC TRAVEL AUTHORITY VISA SCHEME TO BUSINESS EVENTS DELEGATES

**BUDGETARY IMPLICATION:** ESTIMATED FOREGONE REVENUE OF \$10 MILLION PER YEAR.

### **The problem: Business tourism from China is unlikely to reach its full potential during the Australia-China Year of Tourism without visa fee reduction and reform.**

The Australian Government recognises the importance of China as a source of leisure tourists. Successive federal governments have nurtured the Chinese tourist market to over one million visitors per year. Former tourism minister Senator Richard Colbeck laid the groundwork for this success to be replicated in the business events space last year when he attended Business Events Australia's Greater China Showcase in Shanghai. The potential for business travel by Chinese to Australia is likely to grow following the implementation of the China-Australia free trade agreement. Encouraging large-scale incentive travel and conference attendance in Australia by Chinese citizens was foreshadowed by the then minister.

Yet visas remain a barrier to Australia reaching its full potential as a business events destination for Chinese nationals. Despite Chinese applications now live online, work remains to reduce the fee.

If the cost of obtaining a visa (both financial and time) is too high, potential travellers will go elsewhere<sup>16</sup>. In the case of conference delegates, budgetary constraints play a major role in securing approval to travel for around 60% of delegates<sup>17</sup>. For the incentive market, cost factors of Australia are even more acute, as visa fees add to the total package cost, impacting feasibility and destination selection.

Australia's current visa system discriminates against most, but not all, Asian travellers<sup>18</sup>. As an example of the disparity of this policy, visa applications for mainland Chinese citizens start at \$135 plus associated lodgement costs. By contrast, Hong Kong Chinese citizens have access to an immediate online visa waiver scheme known as the Electronic Travel Authority (ETA) costing just \$20.

But business events in Australia will increasingly rely on delegates and speakers from Asia to be commercially viable conferences<sup>19</sup>. The current visa fee schedule hinders the success of this plan.

### **The solution: Extend the ETA to business events delegates.**

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<sup>16</sup> *The Impact of Visa Facilitation in APEC Economies*, UN World Tourism Organization and World Travel & Tourism Council, Madrid, 2013

<sup>17</sup> *Association Conference Delegate Behaviour*, Snapcracker for Tourism Australia, Sydney August 2016

<sup>18</sup> Eric. Neumayer, *Visa Restrictions and Bilateral Travel*, *The Professional Geographer*, vol. 62, No. 2, 2010.

<sup>19</sup> *Australia's international business events sector: the economic and strategic value proposition*. Deloitte Access Economics 2014



The easiest way of extending visas to business events travellers would be to enable delegates attending nationally significant conferences or incentive group tours to apply for an ETA (subclass 601) rather than a full subclass 600 visitor visa<sup>20</sup>. The move towards electronic visa waivers like the ETA for low-risk, high yield travellers is gaining traction around the world.

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<sup>20</sup> Powering Collaboration, AACB pre budget submission 2015-16, Canberra February 2016



## RECOMMENDATION 3: FUND A DEDICATED KNOWLEDGE-LED MARKETING CAMPAIGN TO CHANGE PERCEPTIONS OF AUSTRALIA

BUDGETARY IMPLICATION: \$10 MILLION OVER FOUR YEARS OF NEW FUNDING

**The problem: Australia needs greater international collaboration if it is to improve its record of translating innovation into commercial outcomes.**

Australia consistently ranks among the most desirable places to hold a conference<sup>21</sup>. Yet Australia's widespread appeal as a conference destination is offset by a perception that "Australia does not produce or attract world-class business leaders – which can lead to conferences held in Australia being considered as less international in their content and attendees<sup>22</sup>."

Australia possesses research and innovation clusters around its major hospitals and universities that rival those in other developed nations, yet our knowledge economy is poorly recognised internationally.

Innovation and science are critical for Australia to deliver new sources of growth, maintain high-wage jobs and seize the next wave of economic prosperity<sup>23</sup>. But Australia is not very efficient at translating innovation into commercial outcomes and faces challenges around business collaboration<sup>24</sup>.

Medical and scientific conventions, conferences, meetings and exhibitions are crucial to collaboration, according to over 90% of scientific conference delegates surveyed<sup>25</sup>. Yet Australia often fails to attract the best speakers or delegates. Distance is a factor, but so too is a negative perception among academic event organisers in Europe and North America<sup>26</sup>.

**The solution: Fund an ideas-based marketing campaign.**

As illustrated by the recent \$10 million funding of a dedicated campaign to attract backpackers, Tourism Australia is very adept at promoting discrete aspects of tourism through targeted campaigns. We believe additional funding is required to highlight the specifics of Australia's

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<sup>21</sup> *Australia Ranked 'Most exciting destination for conferences'*, Media Release, The Hon Steven Ciobo, Minister for Trade, Tourism and Investment, Sydney, 15 August 2016

<sup>22</sup> *Association Conference Delegate Behaviour*, Tourism Australia, Sydney August 2016

<sup>23</sup> Department of the Prime Minister and Cabinet, *National Innovation and Science Agenda*. Commonwealth of Australia, Canberra 2015

<sup>24</sup> *Science & Commercialisation*, The Department of Industry and Science, Canberra 2015

<sup>25</sup> Dr Carmel Foley, Dr Deborah Edwards, Dr Katie Schlenker, Ms Anja Hergesell, *Beyond Tourism Benefits - Building and International Profile*. University of Technology, Sydney for the Future Convention Cities Initiative, Sydney May 2014

<sup>26</sup> *Attracting talent, growing prosperity: The role of business events in our cities*. AACB submission to Smart Cities Plan, June 2016



academic and scientific prowess in a campaign that would complement Tourism Australia's existing and successful business events promotion.

Given the specialised target market of association conference organisers, \$10 million would be sufficient to undertake a dedicated campaign highlighting Australian innovation, scientific and medical advances to the association sector in Europe and North America. The tailored campaign would seek to reposition Australia as a country rich in human capital in the minds of event decision makers.



## RECOMMENDATION 4: ESTABLISH A TRAVEL BURSARY FOR DELEGATES FROM THE INDO-PACIFIC REGION

**BUDGETARY IMPLICATION:** \$4 MILLION PER YEAR FROM EXISTING AUSTRALIAN AID BUDGET

### **The problem: Financial barriers prevent academics, researchers and entrepreneurs of the developing world from attending international conventions.**

Developments discussed at business events, can make a significant contribution to eliminating poverty<sup>27</sup>. For delegates coming from the developing world, this knowledge transfer is crucial to bring their home nations up to speed with medical, scientific and technological breakthroughs. Yet too often conference attendance is out of reach for those from developing nations due to financial constraints<sup>28</sup>.

The Australian Government has a commitment to promote gender equality and the empowerment of women and girls, particularly in the Indo-Pacific region. The Department for Foreign Affairs and Trade promotes programs that enhance women's voice in decision-making, leadership and peace-building<sup>29</sup>. Attendance at conferences is central to building these strengths, but few women from the region can afford to travel internationally to learn from their peers in Australia.

Since major congresses are unlikely to travel to the Indo-Pacific due to lack of infrastructure, Pacific Islanders and Timorese should be invited, at our cost, to come here. At the recent AIDS Congress, for example, over 80% of the 11,750 delegates were from overseas, many from the developing world<sup>30</sup>.

Guaranteed places for developing world delegates at Australian events would also provide a significant enhancement for convention bureaux when bidding to bring association conventions to Australia.

### **The solution: Establish a delegate bursary fund for Indo-Pacific residents.**

Federal funds can be used to bring in academics, scientists, medical industry leaders and other luminaries from the developing world to Australia under a travel bursary program. Special attention needs to be given to ensuring women from these countries are given priority under the scheme.

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<sup>27</sup> *Science, Technology and Innovation for Poverty Reduction*, The Parliamentary Office of Science and Technology, London, 2009

<sup>28</sup> Andrea Shettle, *Funding For Conference Participation From Developing Nations*, We Can Do, Washington, DC, November 2007

<sup>29</sup> *Gender equality and women's empowerment strategy*, Department of Foreign Affairs and Trade, Canberra, 29 February 2016

<sup>30</sup> *Case study - 20th International AIDS Conference 2014*, Business Events Council of Australia, Sydney 2014





Many European countries set aside a portion of their aid budgets to fund travel, visa processing and accommodation of leading scholars, academics and professionals from the developing world to attend international conferences, notably Sweden<sup>31</sup>.

As Australia seeks to grow its global presence, a targeted foreign aid program funding travel to major association conferences held in Australia is a logical step. International business events are an integral part of Australia's economic diplomacy agenda<sup>32</sup>.

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<sup>31</sup> *Arbetsätt och Metoder - Stöd till forskning*, Swedish International Development Agency, Stockholm June 2015

<sup>32</sup> *Attracting Business Events to Australia*, Austrade & Tourism Australia, Canberra, 2014



## RECOMMENDATION 5: RESTORE THE RULES AROUND THE EMDG TO ALLOW APPROVED BODIES TO RECEIVE FULL FUNDING

BUDGETARY IMPLICATION: NO ADDITIONAL FUNDS REQUIRED

### **The problem: The current rules around the Export Market Development Grant (EMDG) limits the ability to offset international marketing conducted by convention bureaux.**

Business events are the most lucrative part of the visitor economy. One in five dollars spent by international visitors in Australia is spent by an international visitor attending some form of business event and international business events delegates spend 77% more per day than leisure tourists<sup>33</sup>.

For this reason, Austrade has encouraged the business events industry to use the EMDG scheme to offset some costs when promoting Australia in overseas markets<sup>34</sup>. The scheme aims to support activities that lead to increased numbers of foreign visitors coming to Australia<sup>35</sup>. The EMDG reimburses up to 50% of eligible export promotion expenses, with the top three export promotion activities currently being overseas marketing visits, engaging overseas representation, and attending trade fairs<sup>36</sup>.

The role of convention bureaux is to market their cities and regions to the world with the specific goal of securing large business events such as conventions, corporate incentive trips and exhibitions. In this regard, they are part of the destination marketing matrix.

The Australian Government has consistently called for greater private sector involvement in tourism marketing<sup>37</sup>. Convention bureaux are the best model of public-private partnerships in destination marketing, with industry members working alongside state, territory or local governments.

Yet the interpretation around double-dipping on the EMDG effectively constrains the amount of international promotion convention bureaux can do. Convention bureaux have consistently seen their grants reduced in relation to the proportion of state, territory or local government funding received<sup>38</sup>.

### **The solution: Apply double-dip rules only to expense claims.**

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<sup>33</sup> *Australia's international business events sector: the economic and strategic value proposition*. Deloitte Access Economics 2014

<sup>34</sup> *Attracting Business Events to Australia - a Guide for the Australian business events industry*. Austrade Canberra, 2014

<sup>35</sup> *Export Market Development Grants - Industry Fact Sheet for Arts & Events Promotion*, Austrade, Canberra 2015

<sup>36</sup> Michael Lee, *Certainty and confidence—exports and jobs for a changing global economy: Review of the Export Market Development Grants scheme*, Austrade, June 2015.

<sup>37</sup> *Converting the Opportunity - The current role, challenges and potential of tourism in Australia's trading future*, Submission to the House of Representatives Economics, Finance and Public Administration Committee's Inquiry, Tourism Australia, 2015

<sup>38</sup> [AACB Submission to the 2015 Review of the Export Market Development Grants Scheme](#), Melbourne, March 2015



Resolution is required ensure 'double-dipping' rules do not apply to the source of funding of approved bodies, but continues to be enforced to prevent the same expense being claimed twice. An example would be the specific exclusion for events promoters inserted into the legislation in 2014<sup>39</sup>.

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<sup>39</sup> Section 46(1A), Export Market Development Grants Amendment Act 2014, Canberra 2014



# CONCLUSION

Australia faces aggressive competitor cities backed by national governments committed to investing in business event attraction. To keep up with the region, Australia needs a federal convention bid fund.

The need for this has never been greater. Last financial year, some 18% of international association convention bids were lost as a direct result of stronger financial incentives offered by our rivals, almost double that of 2014/15.

Never-the-less, opportunities lie within the bid pipeline. As at July 2016, 157 international bids had been submitted by members of the AACB, where the host destination had not yet been decided. The unique future focus that the business events industry offers, empowers the Australian government to invest in attracting conventions and exhibitions of national and strategic significance.

The business events industry understands the economic situation in which the Australian government finds itself. Yet the negative externalities around underutilised convention facilities, such as urban unemployment and damage to Australia's competitiveness outweigh any additional investment required.

We have also reiterated our call to reduce the cost of obtaining a visa for many Asian visitors. Too many of our neighbours require full visitor visas to attend a business event here. We need to extend electronic fee-free visas to business event attendees.

If we are to maximise the Australia-China Tourism Year, this must include business travellers, whose value is around four times greater than leisure tourists.

We also need to fund a dedicated marketing campaign to reverse Australia's perception as not being a centre of innovation, knowledge and learning. A campaign targeting association event buyers in their home territory would be an inexpensive way to augment the existing business event promotion activities undertaken by Business Events Australia, part of Tourism Australia.

Existing aid schemes can also be used to address stem gender imbalance among delegates from the developing world, especially those on our Pacific doorstep.

Finally, the Australian Government can also make good its promise to support convention bureaux through existing export grants, regardless of their funding mixes.

There is a golden opportunity for the Australian Government to embrace the most lucrative part of the visitor economy, the business events sector. Through greater, modest investment, the sector will be able to enhance not only Australia's economic bottom line, but also create jobs in our cities, implement soft diplomacy through delegate referrals and reposition Australia as a knowledge-led economy.



The economic imperative for investment in this sector is compelling and we commend Treasury to explore our recommendations further.

