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ABN 25 441 791 002
ACN 147 573 706

28 January 2022

The Hon Michael Sukkar MP
Minister for Housing and Assistant Treasurer
Treasury of Australia
Langton Crescent
PARKES, ACT 2600

PRE-BUDGET SUBMISSION 2022-23

Dear Assistant Treasurer,

As Australia's direct exposure to COVID-19 enters its third year, the business events sector has endured two years as one of the hardest hit industries with little to no opportunity earn revenue. Since the outcomes of the first National Cabinet meeting were announced in March 2020, business events have faced crippling restrictions, and in many cases, not been permitted to operate at all.

However, with a coordinated policy focus and effort, Australia's business events industry has the potential to reignite the post-COVID economy. The attached Recovery and Rebound Framework provides the basis for the Business Events Council of Australia to enhance the effectiveness of its engagement with Government on behalf of its members and the broader business events industry.

A unified industry

I write on behalf of the Business Events Council of Australia (BECA), which is the peak body representing industry associations and key infrastructure of the business events industry (meetings, incentives, conventions, and exhibitions):

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

A strong united sector sharing headline policy priorities, goals, and ambitions will unlock greater potential for the nation.

The value of Business Events

Australia's business events industry has been one of the quiet achievers of the Australian economy – growing at around 6% annually since 2014, directly generating over \$35 billion in economic activity and employing over 229,000 people across a broad range of sectors and trades. In 2019, 43.7 million people attended more than 484,000 business events across Australia.¹

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

Business Events: delivering innovation, knowledge and performance for Australia

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Government partnership and collaboration

Business events warrant recognition as a critical catalyst for the business-led, post-pandemic recovery of the Australian economy. Beyond the immediate benefits of visitation, business events will play an important role in driving demand by providing a marketplace for rebuilding industries and public-sector networks – creating future employment, innovation, investment, and knowledge exchange.

Response to the ongoing COVID-19 pandemic will require a stronger framework for driving business events with government and a new style of partnership with industry. A refocus is required to enhance coordination and drive partnership activity to deliver better outcomes for Australia.

BECA is committed to partnership and collaboration with government to see the business events industry play its part in the recovery of the Australian economy.

COVID-19 Recovery and Rebound Framework

The accompanying COVID-19 Business Events Recovery and Rebound Framework aims to sustain the business events industry and position it to rebound and grow effectively following the pandemic. It is a working document designed to adapt to a quickly changing environment and identify opportunities for collaboration.

The framework is divided across two phases – recovery and rebound – each pursuing different priorities across the short, medium, and long-term. It has been written with the belief that although the market for business events will be forever changed, the new world will see a surge in demand driven by a renewed premium on in-person contact for governments, businesses, and associations.

Government support for the visitor economy

The business events industry was one of the first to be impacted by COVID-19, one of the hardest hit and may be one of the last industries to recover due to the long lead times between booking and holding a major business event. The delay to international re-opening, coupled with state and territory lockdowns and restrictions on the domestic business events market over the past two years has prevented the industry from earning revenue and operating with consistency, and will see many businesses continue to run at a loss well into 2022.

This warrants the need for fair and targeted Federal financial support – made even more urgent given that a significant proportion of the Government's \$50m Business Events Grant Program has failed to reach the industry's supply chain as intended, more than 12 months after it was announced. BECA therefore recommends ongoing consideration to targeted financial support for critical tourism and events businesses to ensure we can sustain our industry and retain our event professionals into the future.

Throughout 2020 and 2021, the industry invested heavily in preparing its businesses to deliver COVIDSafe events in terms of protocols, training and infrastructure and has demonstrated its ability to do so safely and effectively. Yet Australia's response to the latest Delta and Omicron variants has seen business events businesses continue to face severe travel restrictions and gathering limitations through no fault of their own – compromising opportunities for survival, a pathway to recovery, and our global competitiveness.

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Business events and the visitor economy have a substantial role to play in the global competition for consumers, talent, business, and investment, and delivering positive outcomes for Australian communities. To best leverage these opportunities and achieve sustainable growth over the long-term, BECA recommends that the Australian Government adopt a whole-of-government approach to supporting and investing in the policy priorities put forward via the THRIVE 2030 strategy – *The Re-Imagined Visitor Economy*.

Investment boost to Business Events Australia

Tourism Australia not only plays a critical marketing role through its specialised unit, Business Events Australia, but it also positions Australia's brand globally, as the best place in the world to meet and do business.

An immediate consideration for the 2022-23 Federal Budget is to renew and boost the successful Business Events Bid Fund program for the next three years in addition to Tourism Australia's annual appropriation. The current program has been granted a \$3 million one-year extension in funding by Tourism Australia to June 2022, however, convention bureaux, convention centres, event organisers, and their clients need ongoing certainty to bid for global opportunities beyond this point. As program commitments are only activated for successful bids, and matched financial contribution is required, the bid fund offers an effective mechanism to improve our global competitiveness.

COVID-19 has not only decimated global business events markets, but Australia's response to managing the pandemic has placed severe restrictions and limitations on the domestic sector that will require dedicated short to medium term support from Business Events Australia in the recovery and rebound phases. This role will be influenced by accompanying BECA initiatives *1.3 New national business events growth and marketing strategy* and *2.4 International research, marketing, and promotion*.

I have attached our Recovery and Rebound Framework recommendations as they apply to the 2022-23 Federal Budget and forward estimates, which supports the business events workforce and businesses, and positions the sector to rebound and grow effectively following the pandemic.

I welcome the opportunity to provide further advice on the industry's strategic value to the Australian economy and BECA's recovery response to the global pandemic.

Yours sincerely,



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BECA COVID-19 Recovery and Rebound Framework

Phase 1: Recovery

1.1 Government as an events leader	<p>BECA proposes a coordinated approach across government departments and agencies to maintain booked meetings and events and to bring forward planning and procurement for their planned business events over 2022-23. This could initially be led at the Commonwealth level with an eye to expanding the initiative to include States and Territories.</p> <p>Secondly, BECA asks that Commonwealth departments and agencies not cancel existing registrations and sponsorships of business events including not to seek return of deposits, but rather put all bookings that are in the risk category on-hold to be rescheduled for a later date.</p>
1.2 Australian business events catalyst and risk mitigation fund options	<p>Introduce a national, Commonwealth led event reinsurance scheme, achieved in partnership with state and territory governments, to cover for government-enforced cancellations and postponements resulting from COVID-19 restrictions.</p> <p>Provide a rebate to Australian businesses and associations in key recovery industries to cover the costs of changing their existing business event bookings due to COVID-19.</p> <p>Introduce an incentive payment to Australian businesses and associations to book and hold major business events in Australia before the end of 2022-23. This could include covering part or all an event deposit, providing a matching portion of the total event costs, providing a rebate per attendee or percentage of event cost at the successful completion of the business event.</p> <p>Establish a government underwritten loan facility that allows business events to be booked, deposits paid and planning work to commence. If the event needed to be cancelled or postponed because of COVID-19 restrictions, the loan would not be repayable. Such an initiative could also be extended to provide a dollar-matched contribution from the Government (a loan repayment of 50 per cent of the total value) for events that meet key criteria and are held before the end of 2023.</p> <p>BECA fully supports a review of the \$50m Business Events Grant Program to realign the guidelines with the primary intent and key principles of the program and taking account of the changed and enduring circumstances.</p>
1.3 New national business events growth and marketing strategy	<p>BECA proposes the development of a new whole-of-government strategy for growing the business events industry and its economic and employment contribution to Australia, building on the <i>National Business Events Strategy 2020</i>. This should be developed in close collaboration with industry and form part of the efforts and strategies of Austrade's short to medium term rebuild agenda and the longer-term visitor economy strategy – THRIVE 2030.</p> <p>Invest in short-term funding boost to Tourism Australia's business events division, Business Events Australia, in line with domestic recovery strategy.</p> <p>Conduct research on the domestic and international markets (in a phased approach) and an accompanying creative marketing strategy aligned to Austrade's development of Australia's Nation Brand and Tourism Australia's 'Event Here This Year' initiative.</p> <p>Conduct a national audit and infrastructure study of local and regional capacity and potential, eg. transport, venues, accommodation, catering, attractions, events planners, and local industries. Such an audit would support informed planning, investment attraction and growth, especially in regional areas. It would also underpin the creation of a public facing, interactive and online events planning tool that stimulates demand for business events and facilitates business event dispersal into more regional parts of the country.</p>
1.4 Fringe Benefits Tax Exemption	<p>Introduce a temporary Fringe Benefits Tax (FBT) exemption for Australian businesses undertaking corporate incentive travel programs.</p>
1.5 Education & Training Tax Incentive	<p>The Australian Government to introduce an incentive for businesses to train staff, like the R&D incentive, with tax deductibility of 125-150 per cent on all eligible training to encourage ongoing job training and stimulate the domestic business events market. Tax incentives for approved training programs run by employers for employees stipulate that the training must be delivered within Australia.</p>

BECA COVID-19 Recovery and Rebound Framework

Phase 2: Rebound

<p>2.1 Business Events Growth Facility – (a) Attractor (b) Activator</p>	<p>Attractor: Based on the significant success of the Business Events Bid Fund program, BECA recommends that the government make the program permanent, boosted, and in addition to Tourism Australia’s annual appropriation.</p> <p>Activator: BECA recommends expanding on the successful Bid Fund program to establish a co-funded business events activation initiative which can be utilised to create new business events in industries and regional areas of competitive advantage.</p> <p>Investment required for the Business Events Growth Facility, to drive the combined attraction and activation initiatives, would be \$10m per annum.</p>
<p>2.2 Improve visa competitiveness for incoming business events attendees</p>	<p>Ensure the 2020-21 competitiveness review of visa charges, fees and processes is promptly published and acted upon.</p> <p>Introduce Visa Application Charge (VAC) waivers for all delegates of qualifying international business events. The initial VAC waiver focus should be introduced to stimulate corporate incentive travel in the short to medium term, where the booking is made through a single entity and administered in bulk.</p> <p>Across the medium and long term, the Government should move to a ‘business events stream’ of the 600-subclass visitor visa to enable long-term incentivisation of the broader market and offer additional robust metrics.</p>
<p>2.3 Invest in more robust business events data and metrics</p>	<p>Invest \$500,000 to develop a national approach to delegate expenditure in partnership with industry. This would be achieved by building a national digital data collection platform, where industry takes responsibility for data collection across a wide range of business events, and collaborating with Tourism Research Australia in data analysis.</p> <p>Enhance the national and international visitor surveys for business events and compliment by investing in robust aggregated and segmented data capability.</p>
<p>2.4 International research, marketing, and promotion</p>	<p>In addition to recovery initiative 1.3, a new whole-of-government strategy for Australia’s business events industry will include an expanded scope to research post-COVID-19 global market opportunities. BECA calls for Government investment to deliver international research, marketing, and promotional activities as identified in the strategy.</p>
<p>2.5 Enhance the EMDG scheme for business events</p>	<p>Continue to increase investment in the Export Market Development Grant scheme and reverse the rules applied to approved/representative bodies on funding mix, restoring the initial intent of the program.</p>