

Ms Liz Savage  
Chair  
Tourism Industry Reference Panel  
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Dear Chair

As the three largest convention bureaux in Queensland – Brisbane Economic Development Agency, Destination Gold Coast, and Tourism Tropical North Queensland, and the peak marketing bodies tasked with attracting major meetings, incentives, conventions, and exhibitions - we welcome the opportunity to respond to the Queensland Government-backed Tourism Industry Reference Panel and your recent call for industry input to the Action Plan for Tourism Recovery, *Designing our Tourism Future – May 2021* to support the growth of business events in Queensland.

Business events are a critical part of the visitor economy supporting the Queensland Government Economic Recovery Plan to drive sustainable economic growth and investment, create jobs and infrastructure leading our state recovery, resilience, and future prosperity.

Business events in Queensland provide the platform to:

- Influence and change government policy and investment
- Engage stakeholders across business, academia, and local community
- Build networks, partnerships, business trade opportunities and research collaborations
- Foster innovation, knowledge creation, education, and cultural exchange
- Profile the cities as places to do business, invest and gain knowledge
- Boost the leisure and tourism sectors
- Create long term jobs
- Build a culture of innovation and creativity
- Deliver long lasting societal outcomes for locals
- Connect government to industry, identifying investment opportunities

Business events are the most lucrative part of the visitor economy, with conference attendees spending 77% more per day than leisure tourists. In FY2019 business events directly generated more than \$35 billion in economic activity, employing almost 230,000 people across a broad range of sectors and trades, with 43.7 million people attending more than 484,382 business events across Australia<sup>1</sup>. As our international borders continue to remain closed for an indefinite period, business events are critical to drive visitation from Monday to Friday to balance the *weekend economy* in Queensland, as well as during traditional low or shoulder seasons for tourism.

We have provided our response to the discussion paper in detail over the next few pages. To increase Queensland's share in the lucrative yet highly competitive business events market, we encourage the State Government to develop and implement a specific business events strategy to grow the business events industry and its economic, industry growth and employment contributions to the State. It is recommended the following actions are incorporated within the strategy:

- Support for independent, destination-based Convention Bureaux underpinned by multi-year funding
- Investment in more robust business events data and metrics to drive strategic direction
- Retain and boost the National and International Business Events Investment Programs
- Commitment to a whole of government approach to securing and hosting business events in industry priority sectors as a key strategy to achieve the State Government's own strategic priorities.

These priorities align with the Business Events Council of Australia's, *COVID-19 Business Events Recovery and Rebound Framework*, a copy of which is enclosed with this submission.

We welcome the opportunity to be contacted, or to submit additional information, should the Expert Panel require any further detail on our submission.

Yours Sincerely



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**Brisbane Economic Development Agency**



Patricia O'Callaghan  
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**DESTINATION  
GOLDCOAST.**



Mark Olsen  
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<sup>1</sup>Value of Business Events to Australia 2018/19, Ernst & Young, March 2020

## **BUSINESS EVENTS IN QUEENSLAND**

Queensland offers world class facilities, an abundance of unique attractions and experiences, record delegate numbers and the ideal climate to host business events. This vital sector pre COVID-19 was valued at \$1 billion per year with 444,648 people attending 3,234 business events across Queensland<sup>2</sup>. However, the net worth of business events far exceeds the immediate benefits of visitation. Business events play an important role in stimulating trade and investment, knowledge exchange, nurturing research collaboration, fostering innovation and productivity, promoting cultural exchange, and attracting global talent.

Tourism and Events Queensland (TEQ) works in collaboration with five convention bureaux – Gold Coast, Brisbane, Cairns & Great Barrier Reef, Sunshine Coast and Townsville, and has three state-owned Convention Centres – Gold Coast, Cairns and Brisbane. This structure is unique compared to other states that have one convention bureau and one state owned convention centre. Currently TEQ allocates core funding on a one-year basis to the five convention bureaux, based on estimated economic contribution per bureau. It also operates a Business Events Investment Program including the International Acquisition and Leveraging Fund (ALF) and the Queensland National Business Events Program (NBEP).

<sup>2</sup> *Queensland Business Events Survey QBES 2018 – 19.*

Convention Bureaux have significant influence over the visitor spend (90 – 100%) compared to leisure marketing which directly influences less than 10 – 15%. This must be considered when reviewing return on investment as almost every dollar invested in business events can be measured and produces a return on investment.

Containment success of the pandemic has meant that Queensland is *open for business*, with events taking place safely by following the *Industry Framework for COVID Safe Events* with a strong future pipeline.

## **CURRENT CHALLENGES**

- Uncertainty caused by border closures and business confidence through to risk mitigation.
- International borders remaining closed until 2022.
- Increased competition from all Australian cities with significant government investment, to attract business events. Cities reliant on international business events are very aggressive in the domestic market so the cost to attract and retain business is much higher.
- No clear business events strategy for Queensland, as the focus is on leisure and major events.
- Current uncertainty around TEQ's budget has made long term planning more difficult for convention bureaux.
- Hybrid events impacting face to face meetings.

## **RECOMMENDATIONS**

To increase Queensland's share in the lucrative yet highly competitive business events market the Queensland Government is encouraged to:

## **1. Develop a Queensland Government Business Events Strategy**

For Queensland to secure a larger market share in this competitive industry, a State-Government-wide strategy is required to enable forward planning, competitive strategies, and increased benefits to key priority industries. A strategic plan will determine the investment, structure and resources required to accelerate business events to achieve government objectives.

We propose the development of a State Government Business Events Strategy for overcoming challenges and growing the business events industry and its economic, industry growth and employment contributions to the state. This strategy should be developed in consultation with industry and local government agencies and form part of the efforts and strategies of our collective short to medium-term rebuild agenda and the longer-term initiatives.

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

Business events play an important role in:

- Rebuilding industry and public-sector networks, partnerships, and research collaborations
- Building business confidence, trade, and investment
- Boosting the leisure and tourism sectors
- Acting as marketplaces for buyers and sellers
- Fostering innovation, knowledge creation, education, and cultural exchange
- Catalysing industry growth and future employment
- Facilitating regional dispersal and development.

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

### **Convention Bureau Structure**

The role of Convention Bureau has never been more important as our customers' resources have been reduced and they are reliant on local experts to connect them to the community to ensure they have the right product, access and can deliver an event aligned with safety/hygiene standards. Convention Bureau staff act as consultants, sharing local knowledge regarding destination core capabilities and leveraging assets, setting up site inspections, creating itineraries, identifying bid leaders, and establishing bid teams. Local stakeholder and member engagement with the local supply chain is critical to the event success.

The recommended structure in Queensland to deliver the greatest return for business events is via independent destination-based convention bureaux, as each region has its own distinctive attributes, infrastructure, knowledge sectors, and value proposition. This structure is critical to be competitive, leveraging local knowledge and aligning to local industry sectors to provide the best possible commercial outcomes. For example, in 2019 the Gold Coast Convention Bureau contributed \$144 million economic impact towards \$570 million, representing 25%.

TEQ needs to act in partnership with the Convention Bureau to deliver the best outcomes. Their role is as a supporting service, developing strategy in collaboration with industry to combat trends (e.g.

with hybrid meetings impacting face to face meetings, we need to leverage Queensland profile and reputation and look for ways to increase physical delegate attendance), market research and data collection, operating the Business Events Investment Programs (bid funds), providing access within Government to support bids, access to knowledge leaders, research and strategy into bidding opportunities aligned to priority sectors (advanced manufacturing, aerospace, biofutures, biomedical, defence, mining equipment, technology and services), advocating for aviation access and infrastructure, creating a Queensland presence at trade shows, delegate boosting initiatives and seeking opportunities to profile Queensland as a premium business events state.

### **Convention Bureau Funding**

The state strategy must be supported by the appropriate convention bureau funding commitment. With the average length of a bid taking up to 4 years to research, bid and deliver, our sector needs assurance of the continued availability of funding for several years in advance. Certainty of funding for a period beyond one year would enable convention bureaux to deliver enhanced strategic initiatives and commitments, which would better support and leverage business events acquisition to deliver wider industry sector growth and legacies. It is recommended that funding is to be allocated via TEQ in proportion to the economic contribution of each convention bureau, determined by research and reassessed every year. Convention Bureau would determine the best allocation of funds to achieve the greatest return. Funds to be allocated to domestic and international marketing initiatives, trade engagement, and event attraction. Key performance indicators to be determined and reported quarterly including visitation and number of events secured aligned to government priority sectors.

Total Queensland Convention Bureau funding from State Government currently shared with the five convention bureaux is \$1.8 million. This is significantly lower than other bureau around the country that have security of funding over multiple years and additional bid funds to attract business events.

<b>CONVENTION BUREAU</b>	<b>FUNDING PER YEAR</b>
Victoria	\$8 million
New South Wales	\$10.6 million
South Australia	\$2.1 million
Perth	\$6.6 million
Northern Territory	\$2.2 million
Tasmania	\$1.3 million
Australian Capital Territory	\$2.1 million

*Reference Association of Australian Convention Bureaux (AACB) Comparison Report 19-20*

**RECOMMENDATION: State Government to develop and implement, in consultation with industry, a specific business events strategy to grow the business events industry, and its economic, industry growth and employment contributions to the State of Queensland. This strategy must be supported by a 4-year total funding commitment of \$5 million per year, allocated via TEQ proportionally based on economic contribution, to the five convention bureaux.**

## **2. Retain and boost the TEQ Business Events Investment Programs**

The Queensland Government's Acquisition and Leveraging Fund (ALF), established in 2011 and administered via TEQ, has been instrumental in Queensland destinations winning international business events. In response to COVID-19, TEQ also established a National Business Events Program (NBEP), assisting Queensland destinations to secure 19 national business events. The current understanding is that TEQ will extend both the ALF and the NBEP for an additional year, taking the programs to 30 June 2022.

In FY2019 the ALF secured 18 international business events held around the state worth more than \$81.5 million to the state's economy and 158,000 delegate days.

The return on investment for the bid fund of (\$2 million each year) to the Queensland economy is significant. For example:

- Nojima – Gold Coast incentive secured when bidding against Singapore and Hawaii and held in January 2020. The event contributed an economic impact of \$7.6million, attracted 3,152 delegates for four days in nine waves staying at four hotels and using multiple venues and products/services throughout the city.
- TEQ investment of \$50,000, returned \$7.6 million to the economy, \$1 ROI = \$152.

The economic impact of COVID-19 and border closures on the business events industry has been significant, and now more than ever event organisers are looking for destinations to support through funding initiatives to secure their business events. Cities in Australia that were dependent on international business events, like Melbourne and Sydney with significantly larger budgets to attract these events, are now aggressively pursuing business in the domestic market. If not managed, this trend will negatively impact Queensland's ability to retain this important and highly coveted business. Cities such as Melbourne are also able to capitalise and plan strategically for opportunities beyond one year as they are provided surety of support from the Victorian Government, as per the recent announcement of the four-year funding commitment for business events.

As international borders open, international competition for this strategic and high-yield visitor market will only increase and a state-based bid fund will support Queensland's competitive opportunity to secure this business market. Queensland destinations need certainty around the ongoing nature of the state-based bid fund programs, as well as an increase in funds available in order to compete with other destinations, both nationally and internationally.

**RECOMMENDATION: Based on the significant success of both the ALF and NBEP, the State Government make the Business Events Investment Programs permanent, boosted, and in addition to TEQ's annual appropriation. To be competitive we propose a \$5 million bid fund each year, over 4 years.**

### 3. Invest in more robust business events metrics

Whilst uncertainty continues to feature in our economic future, making data-informed decisions is more important than ever. Investment in research that is current, timely and robust is crucial to maximising our finite resources. We urge the State Government to carry out its pledge to deploy the very latest and most sophisticated digital technology in collecting and modelling this data.

To determine the true value of business events, research must include:

- Visitor Expenditure – Broadening the scope of the Queensland Business Events Survey (QBES) to capture all event costs including venue hire, audio visual, theming, functions, accommodation, additional spending in the local area – transport, restaurants, attractions, retail and accompanying guests expenditure.
- Beyond tourism/economic benefits – Knowledge expansion, networking, relationships and collaboration, investment and business attraction, future research capacity, industry development and social impact on the benefit to the community. When referring to measurement, it is vital to look at the trailing impact of business events on investment and trade. For example in Canada [Deloitte](#) conducted a study to highlight this.
- Market Position – To determine Queensland’s unique value proposition, performance, reputation, areas of specialty and opportunity.

**RECOMMENDATION: Enhance the Queensland Business Events Survey (QBES) to broaden the scope beyond visitor expenditure to include social impact and market position to demonstrate the true value of business events to the economy.**