



## SUBMISSION

**To:**

David Mortimer AO  
Chair  
Review of Export Policies & Programs  
C/- DFAT  
Canberra

**Prepared by:**

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## 1. Background

**The Association of Australian Convention Bureaux Inc** (AACB) welcomes this valuable review, and the opportunity to contribute. We look forward to the development of responses to the needs outlined in this submission and by our industry colleagues.

The AACB represents 14 city and regional convention bureaux, which collectively have over 2000 members across Australia that are directly involved in the business events industry. AACB and each CVB are responsible for marketing their regions and city destinations, along with Australia as a whole, for Business Event visitation.

AACB is a founding member of the Business Events Council of Australia (BECA - [www.businesseventscouncil.org.au](http://www.businesseventscouncil.org.au)), the peak body representing all Business Event industry associations.

This submission addresses only the specific needs of AACB members, i.e. the Convention Bureaux of Australia, and we will be submitting recommendations for the following in brief:-

1. Matters related to the EMDG Scheme,
2. Matters related to cross-government and business liaison, i.e. working closer with all of government and industry, and
3. Matters related to Branding Australia for export business across the board.

We would welcome the Review Panel consulting with us in the process of the review so that we can expand on our recommendations. For further background on AACB and members we invite you to refer to our website on [www.aacb.org.au](http://www.aacb.org.au), or more broadly; Accompanying Document # 1, page 3, i.e. our submission to the Review on the EMDG Scheme (by Peter Jollie AM).

With regard to other matters of interest raised in the terms of reference for the review; we have been in communication with our colleagues at ATEC (Australian Tourism Export Council) and AIE (Australian Institute of Export), and fully support their submissions for this review. Matters they have raised have been key points of discussion and lobbying for some time, and we warmly welcome the opportunity to have them considered in this Review. In particular, we firmly support ATEC's recommendations pertaining to;

- *The matter of institutional bias against export and innovation support for the services sector, and*
- *The Model recommended in their Additional Confidential Submission.*

**The business of Business Events:** Business Events (conventions, corporate meetings, exhibitions and incentive travel reward programs) represent an important "high yield" sector of Australia's visitation industry, with international Business Events visitors earning over five times the daily yield of international "tourists" (NBES, CRC, Deery, 2003). However, its growth and future is not guaranteed due to the significant growth in development of competitor destinations.

Australia has lost market share (see attached Accompanying Document # 2, page 3; Executive Summary from the Business Events Council of Australia's pre-budget submission). World market statistics demonstrate a 51% growth in the number of association meetings and a 33% growth in the number of delegates attending association meetings in the period 1996 to 2005. Whereas in Australia there has been a 30% and 11% drop respectively in both these key statistics (BECA PBS, Rich, 2006), as the Graphics demonstrate. More recent figures produced in Australia (ABS and IVS to Dec 2007) indicate a small rebound, but the consensus in industry is that *"we are simply continue to tread water, and lose market share, albeit it at a slower rate"* (BECA, Chair, Feb 2008).

To combat this environment and to continue to build growth of the Business Events industry, a sustained, professional and well-resourced international marketing effort is required. Our peak industry body, BECA, made the pre-budget submission mentioned above so as to address this need. This quest was supported in the Bipartisan Export Services Inquiry Report compiled by former MP, the Hon Bruce Baird in which the following key recommendation is noted: *"(that) the Government provide additional funding to Tourism Australia to extend the international marketing of Australia's business events capabilities"*.

The Government, in particular its marketing authority Tourism Australia, has made a start in addressing this situation. However, as with all Australian export trade, we have a long way to go to re-position the country as a leading "Export Trading Nation".

## 2. Recommendations with Rationale

### ***Recommendation # 1 – Improve the EMDG Scheme***

AACB acknowledges with appreciation recent Australian Government initiatives with the EMDG, for example;

The lifting of funds available to the Export Market Development Scheme (EMDG),

An extension by two years to a total of five for the term of Approved Bodies,

(In particular), the new Bill/Act destined (when implemented) to improve the amount of Grant per claim, and

The intended extension of the Approved Body Status facility to regional organisations promoting Australia for export business, organisations such as our members (the Bureaux of Australia).

However, this is but a start to a long climb back.

Access of funds, to carry out a sustained marketing campaign is critical to achieving success for the industry. Amendments to the EMDG scheme over the last 7 years – particularly the cap of \$150K placed on Approved Bodies – have severely hindered the efforts of industry and their associations to open up new export markets and win international business. These restrictions, AACB submits, represents a "false saving" given the quantified export income benefits that flow to Australia from Government supporting marketing efforts of business through the EMDG scheme.

Whilst we applaud the initiatives to improve the cap of funds available to the Scheme, and the cap of \$150K per claim to \$200K, we believe it is vital to;

- a). Increase the cap of funding for the scheme to a more realistic level to cater for the growth of exporters and costs related to marketing Australia for all businesses, and
- b). Increase the cap for Approved Bodies to a more realistic \$500K per claim so that the Approved Bodies can truly represent their membership. In this regard it should be remembered that in an ideal marketing environment, SMEs need their representative organisations to “market” so that they can get on with the job of selling (Prof. Marty V. Marshall, HBS 1991, amongst others, including former Australian Trade Ministers)

Accompanying document # 1 expands on the rationale for the increase of funds. And again, we encourage consultation.

***Recommendation 2 – “Encourage and Develop” cross-government and business liaison, i.e. working closer with all of government and industry to develop export marketing opportunities***

A few years ago, Austrade initiated a “services industries” workshop, inviting a broad range of industry associations (including AACB) to confer on the matter of export marketing needs for Australian services. As far as AACB is aware, nothing really eventuated from that workshop other than a strong, united call by all participants for the Federal Government to address the branding of Australia for export business (see our recommendation # 3).

In the meantime, our sector, through its peak body, the Business Events Council of Australia (BECA), has fully recognised that businesses of Australia, working in an increasingly competitive global environment, with limited resources, need to unify behind cooperative marketing efforts, engage with and deliver smart strategic ideas, and include all relevant stakeholders so as to optimise opportunities. AACB and BECA have been quietly driving this need since 2000, in particular when the former Minister for Tourism, the Hon Joe Hockey MP initiated the Tourism White Paper in 2001.

Until recently we’ve been unsuccessful. As such, in relation to our particular sector, BECA has called on Martin Ferguson MP, Minister for Resources, Energy & Tourism to drive a “round-table” forum comprising heads of key Federal Departments, with the objective being to encourage and assist Federal Government Departments and agencies to identify and bid for appropriate Government meetings which match Government goals in specific areas e.g. climate change; water and energy; health and education. BECA has also asked the Minister to drive a gathering of like minds from the national business associations of Australia, such as the Australian Chamber of Commerce and Industry and Australian Health Export Industry Council.

We are delighted at the positive response to date. Ms. Jane Madden Head of Tourism Division at the Department of Resources, Energy & Tourism should be able to enlighten you further on this project-under-development, and when you are able to accept our invitation for further consultation we will be inviting BECA's Executive Director, Ms Elizabeth Rich, to join us and expand on the initiatives. In the meantime, here are some examples of roles and benefits:-

- It will allow us to more fully develop and implement marketing opportunities and strategies, and undertake joint promotional activities that will include cooperative marketing with the likes of Austrade, Invest Australia, ACCI and such like. This will assist us, for example, in not only "spreading the word", but also in identifying international and Australian companies that do business together and have not yet used Australia for their Business Events.
- It will allow us to identify, coordinate and enhance the bidding for prominent international Business Events, including economic forums, corporate motivational programs (incentives), corporate meetings and product launches, industry/profession specific study tours of Australia, and other prominent world events. (There is operational and development methodology involved with all this, of course, and greater branding opportunities such as the creation of permanent Australian based international forums, but we can expand during the consultation and involvement process).
- Importantly, it will assist in the development and achievement of regional dispersal for the Business Events industry, thus not only encouraging sustainable development of regional business event destinations, but also complimenting the huge investment in infrastructure by the private sector and State Governments.

We encourage The Minister for Trade, the Hon. Simon Crean MP to embrace this initiative, and to confer with his colleague Minister Ferguson. And whilst the above addresses our specific sector, we recommend the concept be adopted for all industry sectors. Simply; this will develop a culture of "Australian Export Trading". Cooperative marketing with industry is critical to success. It not only ensures integration with whole-of-industry efforts, but also, significantly builds on the total dollars available.

***Recommendation # 3 – Initiate the development of Brand Australia so that all export industries and professions of Australia are able to capitalize on the awareness***

At the outset, we once again draw you attention to the comments in ATEC's submission (and TTF Australia's) on this matter. We fully support the notion of a "Brand Council". AACB, with the support of the National Tourism Alliance members and BECA have been encouraging this development since our experience in co-hosting the Business Club Australia with Austrade during the Sydney Olympic Games. We would appreciate being part of the development process.

Developments in this area would fully support the initiatives called for in recommendation # 2. By way of example; AACB co-sponsored the "Happy Hour" at Business Club Australia with Austrade and Tourism Australia during the 2000 Olympics. Its major success was a stronger understanding of our sector by Austrade.

A significant outcome was the realisation that we needed a creative/brand to position our sector in the export trade arena, and out of that came the development by AACB of the “**Business Events Australia**” brand. Since then, in the spirit of goodwill (to assist Tourism Australia with its role in promoting Australia as a destination for Business Events – see Accompanying Document # 2), the brand, domain and all matters related to the brand have been donated by AACB to Tourism Australia at no cost. We note with delight that the brand creative is now in use. And we acknowledge with appreciation the robust consultation process by Tourism Australia in the recent development of this brand.

### **3. Conclusion**

The Business Events sector is determined to drive the issues we have previously outlined, in particular recommendations 2 and 3. In this regard, and to ensure the entire sector has the opportunity to contribute, BECA will be conducting a Business Events Summit in Alice Springs in the first half of May. There will be panel sessions on; Environmental Sustainability, Driving Market Demand, Government Relations, and Research (sector specific). As part of this review process you are welcome to review the papers (simply contact AACB or BECA directly), and in the consultation process we can also share with you the Summit outcomes.

### **4 Background to the Papers Accompanying this Submission**

- 1. AACB’s submission to the Peter Jollie Review on the EMDG Scheme:** The Paper AACB produced resulted in some improvements of the Scheme. More importantly, it outlines the role and needs of the AACB and its members so as to put our recommendations into context. It is somewhat dated of course, but it is robust and the core information remains relevant.
- 2. Executive Summary of BECA’s submission to the Australian Government:** Whichever way we measure it, and whatever the current trend of (small) growth, Australia is losing its share of the Business Events global market. This summary explains why, but it also explains (in brief) what we can do about it as a country. Again, it puts our recommendations into context and serves as an “indicator” of what needs to be done in Australia for the whole-of-trade.