

# the national business events study:

AN EVALUATION OF THE AUSTRALIAN BUSINESS EVENTS SECTOR

## executive summary



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## National Business Events Study: Focus on the ACT



### Snapshot

Data relates to 2003	ACT	Australia
Total number of business events	19 thousand	316 thousand
Total number of business event participants	1.4 million	22.8 million
Total Expenditure	\$990 million	\$17.3 billion
Direct value added	\$350 million	\$6.1 billion
Indirect value added	\$300 million	\$5.2 billion
Contribution to total gross value added	\$650 million	\$11.3 billion
Employment	6.6 thousand	116 thousand
Indirect employment	5.6 thousand	98 thousand
Contribution to total employment	12.2 thousand	214 thousand

### Objectives of Study

The key objectives of the NBES were identified as follows:

- To provide an estimate of the events sector in relation to its:
  - o Size;
  - o Economic contribution;
- To provide increased knowledge on the decision-making processes of delegates/attendees in the business event sector; and
- To provide key indicators for monitoring the performance of the business events sector in subsequent years.

### Key Findings

As reported in the snapshot above, it is estimated that 19 thousand events were staged in the ACT in 2003 and that 1.3 million participants were involved in these events. A further breakdown of these events and participants is provided in Table 1 below. It can be seen that the ACT hosts a larger proportion of associate and government events and participants than the Australian average, and far fewer corporate events.

**Table 1: Comparison of event types in ACT and Australia**

	Single or part day events		Multi day events		Total	
	ACT	Australia	ACT	Australia	ACT	Australia
Association	31.2%	17.0%	14.7%	4.8%	46.0%	21.8%
Corporate	9.6%	36.0%	2.7%	18.3%	12.3%	54.3%
Government	27.7%	16.0%	14.0%	7.9%	41.7%	23.9%
<b>Total</b>	<b>68.5%</b>	<b>69.0%</b>	<b>31.5%</b>	<b>31.0%</b>	<b>100%</b>	<b>100%</b>
	Single or part day event participants		Multi day event participants		Total	
	ACT	Australia	ACT	Australia	ACT	Australia
Association	18.3%	15.7%	8.1%	13.4%	26.4%	29.1%
Corporate	8.3%	29.6%	6.8%	2.6%	15.1%	52.3%
Government	21.0%	12.8%	37.5%	5.9%	58.5%	18.7%
<b>Total</b>	<b>47.5%</b>	<b>58.1%</b>	<b>52.5%</b>	<b>41.9%</b>	<b>100%</b>	<b>100%</b>

*Satisfaction with the ACT as a business event destination*

The visitors (not including local residents) to ACT were compared with visitors to other regions in Australia in terms of their satisfaction with the destination on a number of dimensions. Satisfaction was measured on a five point scale where five indicates the highest level of satisfaction. As shown in Table 2, all the satisfaction ratings were high, but the ACT was higher on dimensions such as accessibility, range of accommodation, tolerance of other cultures, and transportations costs.

**Table 2: Comparison of satisfaction ratings**

	ACT	Other regions
Accessibility to city/town	4.5	4.2
Range of accommodation	4.3	4.0
Quality of accommodation	3.9	4.0
Safety and security of destination	4.1	4.2
Tolerance of other cultures	4.2	4.0
Range and quality of restaurants	3.8	4.0
Cleanliness of destination	4.2	4.2
Availability of tourist information	3.7	3.9
Range and quality of shops	3.6	3.7
Transportation costs (excluding airfares)	3.8	3.6
Attractions and entertainment	3.7	3.8
Friendliness of service staff	4.1	4.1
Opening hours of shops	3.4	3.6

Some of the comments made about the region include the following.

*“Canberra has a range of accommodation and conference venues. Close proximity to city centre, shops, restaurants and tourist attractions”*

*“It was a wonderful place for my children and spouse to visit and be entertained whilst I was at the Conference. Everything was close by and reasonably priced”*

*“I think Canberra is perfect - great amenities, shopping and tourist destinations. The people are friendly and non-discriminatory”*

## Method

A steering committee was established to guide the NBES. This steering committee comprised key industry representatives from the business event sector as well as researchers with expertise in the business events field. A quantitative survey approach was used in this study and utilised a number of questionnaires designed to obtain an understanding of business event activity within Australia. Each of the questionnaires was developed by the steering committee and the method of questionnaire distribution varied with each component of the study. On-line distribution of the delegate, trade visitor, exhibitor and venue questionnaire was a cost effective means of maximising reach to large groups of potential respondents. Other questionnaires such as the incentive travel and the organiser surveys were faxed, emailed or mailed to respondents. An overview of the details relating to these surveys is contained in Table 3.

The data collected via the various survey instruments enabled the total expenditure generated by the business events sector to be estimated. This total expenditure was then modelled using ratios from the Tourism Satellite Accounts developed by the STCRC Economic Modelling Team (STCRC, 2003) to enable the sector's contribution to value added and contribution to employment to be estimated. The indirect effects of the expenditure were estimated using the Computable General Equilibrium (CGE) model M2RNSW, developed by the STCRC

**Table 3: An overview of the NBES surveys**

	<b>Data Collection Period</b>	<b>Sampling Frame</b>	<b>Response</b>
<b>Venue Survey</b>	2002-2003 (Financial Year)	1620 venues	531 venues
<b>Convention Delegates Survey</b>	2003 Some data collected in early 2004	381 events attended	6,668 delegates
<b>Meeting and Conference Organisers Survey</b>	2003 (Calendar Year)	381 events attended	161 conference organisers
<b>Exhibitors Survey</b>	2003 (Calendar Year)	52 exhibitions	843 exhibitors
<b>Incentive Travel Sector</b>	2003 (Calendar Year)	257 incentive travel organisations	51 organisations

*Although the venue data were collected in the financial year 2002-2003 in order to underpin the sampling and collection of other data, all results for the study are assumed to relate to the 2003 calendar year.*

**Table 4: Mean daily expenditure comparison between ACT and Australia**

	International \$		Interstate \$		Local \$		Overall \$	
	ACT	AUS	ACT	AUS	ACT	AUS	ACT	AUS
Conference registration	141.84	141.02	143.51	208.67	66.95	145.74	73.72	153.69
Accommodation	117.23	158.79	62.63	94.16	0.04	0.23	6.04	8.49
Shopping	41.46	73.37	23.95	46.04	7.07	3.41	8.72	7.60
Local Ground Transport	27.50	25.00	14.55	21.83	9.21	11.42	9.80	11.87
Restaurants and cafes	26.55	55.62	20.80	38.46	6.31	7.93	7.64	10.54
Airfares within Australia	41.11	53.56	72.93	128.20	0.01	1.71	6.19	8.32
Theatres/cinemas	5.77	12.29	4.77	6.99	0.66	1.13	1.03	1.53
Tours	3.09	27.12	1.08	6.78	0.17	0.61	0.27	1.10
Other	4.62	7.46	4.11	5.38	0.14	2.00	0.50	2.25
<b>Total</b>	<b>409.17</b>	<b>554.23</b>	<b>348.35</b>	<b>556.52</b>	<b>90.57</b>	<b>174.20</b>	<b>113.90</b>	<b>205.39</b>

**Error Rates**

The nature of statistical inference, that is, using a sample to infer the characteristics of an entire population, is such that it is liable to error. The level of error is a function of the variability in the characteristics being measured, and the size of the sample.

The sample size in the ACT was small compared with other capital cities because of its relatively smaller population and geographical area. There were 29 valid responses from venues in this region. An acceptable relative standard error (9.3%) was observed for the estimate of total events in the ACT because of a fairly small variance in this statistic. However, the relative standard error for the estimate of participant numbers is beyond acceptable levels (35.4%). Therefore, conclusions about this statistic should be made with caution.

More detail on the error rates in the study can be found in Section 3.4 of the National Business Event Study (Deery et al, 2005)

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## Glossary of Terms

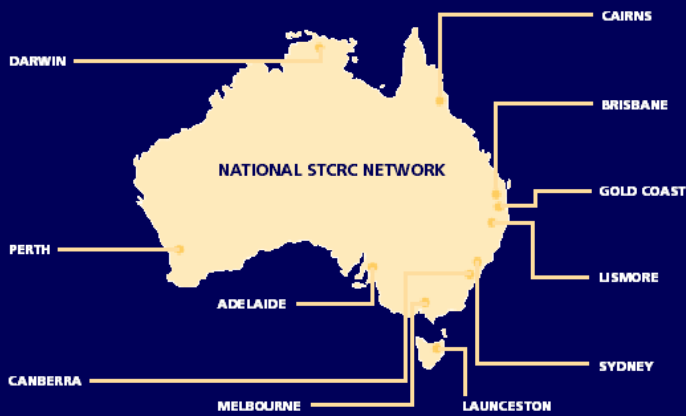
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Association Meeting	In which the organiser represented an association with members from more than one entity, which could include service and sporting clubs.
Business Event	Any public or private activity consisting of a minimum of 15 persons with a common interest of vocation, held in a specific venue or venues, and hosted by an organisation (or organisations). This may include (but not be limited to): conferences, conventions, symposia, congresses, incentive meetings, marketing events, special celebrations, seminars, courses, public or trade shows, exhibitions, company general meetings, corporate retreats, training programs.
Corporate Meeting	A meeting in which the organiser represented a commercial entity.
Delegate	Any person who attends a meeting.
Exhibition	An event, which is designed to bring together suppliers of products, equipment and services in an environment where they can demonstrate their products and services. An exhibition may be targeted at either the consumer (public exhibitions) or the trade/industry (trade shows).
Exhibition organiser	Any person, agent or business that has hosted an exhibition at a hired venue.
Exhibitor	Any person or organisation that utilises display space at a meeting or exhibition for the purpose of selling goods or services, or promoting their products, services or organisation.
Government Meeting	In which the organiser represented a Commonwealth, state or local government agency or enterprise.
Incentives	The term “incentives” refers to a global management tool that uses an exceptional travel experience to motivate and/or recognise participants for increased levels of performance in support of other organisational tools.
Meeting	Any off-site gathering (including conventions, congresses, conferences, seminars, workshops and symposiums) which brings together people for a common purpose, the sharing of information. This defines both corporate business (CB) and association meetings.
Multi Day Meeting	A meeting where some delegates use commercial accommodation. Meeting held only within Australia, where 55% of the delegates are from states other than the one in which the meeting is being held.
Organiser	Any person, business, association, government body or other organisation that hosts a meeting or exhibition at hired venue.
Single Day Meeting	Consists of a whole day, or part thereof, where overnight accommodation is not required.
Trade Visitor	Someone who attends a trade exhibition.
Value Added	The value of outputs after the value of pre-existing inputs has been deducted. Taxes are also excluded. There are direct and indirect components. The direct component is the value added of the direct expenditure by event organisers and participants. The indirect component is the “downstream effect” of expenditure stimulated by the flow of direct expenditure.
Venue	A venue is any commercial space for which the hosting of business events is seen as part of their core business; however, the following types of venues were excluded. <ul style="list-style-type: none"><li>• Metropolitan community halls, school halls</li><li>• Bowling clubs, scout halls</li><li>• RSL clubs</li><li>• Motels, serviced apartments, apartments</li><li>• Restaurants</li><li>• Cruise ships, boats</li><li>• Leisure and aquatic centres, small sports clubs</li><li>• Guest houses, cottages</li><li>• Marquees.</li></ul>
Visitor	Any person who takes an overnight trip or a daytrip. In the meetings context, this includes both delegates and accompanying persons.

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## Bibliography

Deery, M., Jago, L., Fredline, L. and Dwyer, L. (2005) The National Business Events Study: An evaluation of the Australian business event sector, Altona, Victoria: Common Ground.



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The comprehensive report, *The National Business Events Study: an evaluation of the Australian Business Events sector*, will be available in early 2005 through STCRC's online bookshop. Alternatively complete the online order form at STCRC's web site ([www.crctourism.com.au/bookshop](http://www.crctourism.com.au/bookshop)) and fax or mail to the Publishing Manager.

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