



13th April 2021

Submission to the Victorian Parliamentary Enquiry on the COVID19 impact on Tourism and Events

The Professional Conference Organisers Association (PCOA) of Australia has a membership of independent and in-house conference organisers. They are the peak professional body for such skilled service providers and take pride in raising the professionalism and capabilities of their membership. In surveys of their membership, they conservatively established their members were annually responsible for \$500m of domestic hotel bookings pre-COVID. This represents only a small dimension of their contribution to economic activity within Australia and of course Victoria – venue hire, catering, travel, production, audio-visual services and much more are all part of a mature, competent supply chain.

Government directives, both Federal and State, have smashed this industry. Face to face conferences disappeared from Victoria for more than 12 months and the disposition of State Governments to have snap lockdowns of varying duration and consequence have fuelled uncertainty that has left organisers bereft of opportunity to pursue in 2021 within Victoria.

A recently announced initiative of the Victorian Government to provide up to \$25k for reimbursable conference expenditure sounds well and good but it is not a step that is doing anything for conference organisers still struggling after losing the generous, but finite, JobKeeper support. This industry needs a different and more positive approach to protect the skills, reputation and the business event industry which has been measured to be worth billions annually to the Victorian economy.

PCOA is an active member of the Business Events Council of Australia (BECA). As the peak industry body for the business events sector, BECA provides a single voice for the industry and liaises with the federal government and relevant agencies on matters common to all sectors of the industry.

The PCOA's Victorian members have been impacted significantly more than their counterparts in other states because of the three lock down periods endured within Victoria and we make this submission on their behalf and the broader events. industry.

In research conducted by BECA, we know 96% of 2020 events were either cancelled or postponed to 2021 and 2022. Research undertaken by BECA with event owners and planners in late October 2020 demonstrated that 62% had cancelled or postponed events in the first quarter of 2021, with 57% having taken the same action for the first half of 2021.

Further research undertaken in February 2021, demonstrated the critical position the business events sector continues to face. The results drawn from the Victorian respondents showed:

- While 86% of business events businesses accessed the initial JobKeeper program to September 2020, reliance on the wage subsidy continued, only reducing slightly to 82% for the period January to March 2021;
- With JobKeeper concluding on 28 March, 50% of businesses would make more staff redundant, and without further government support, 23% of businesses will close;
- 66% of business events businesses saw a 75-100% reduction in turnover for 2020 compared to 2019, while 52% forecast the same result for the 6-months to June 2021;
- The business events industry has also seen a shift in confidence with 47% now believing they will return to pre-crisis levels in '3-5 years' – a significant shift from the '1-2 year' response in July 2020.

In the past months, we have already seen significant numbers of valued event professionals leave our sector in favour of working in more secure industries. We are losing talented individuals and valuable intellectual property. This is expected to increase further now that JobKeeper has concluded, as the BECA research shows companies will not be in the position to retain their people whilst still trying to plan for the business that lies ahead without an income stream. Our industry was already suffering from a skills shortage in key areas of event planning, business development and technical skills (as shown in the MEA Skills Shortage Survey 2019), which will only exacerbate if we are not able to retain event professionals in the industry.

Whilst the industry is seeing limited business opportunities for the first half of 2021, the Victorian industry has a strong pipeline of business for FY2021/2022. The challenge is how the industry sustains its businesses and retains our event professionals to implement the planning of these events in the interim when there is no revenue stream available.

The Victorian Government surely does not advocate the professionals of this field working for no remuneration for the next 6 months - considered a short gestation for a well organised and planned event – against a backdrop of uncertain travel prospects caused by Government health imperatives which do nothing to provide the confidence for an event to actually attract an audience be they domestic or interstate.

MEASURES NEED TO RESTORE THE EVENTS SECTOR AND LOST JOBS

Targeted Financial Support

Targeted financial support is critical to sustain valuable businesses and event professionals in the next 6 months.

The Victorian Business Resilience Package provided valuable assistance to the broad business community across the state. In addition, our colleagues in tourism, hospitality and the arts have received much needed targeted financial support, however, to date the events sector has not received any targeted support.

This is a sector that in FY19, business events alone contributed \$12.85 billion economic benefit and 84,730 jobs to the State economy, yet no targeted financial support has been made available.

Unlike our colleagues in tourism and hospitality, our start up is not immediate so the same approach cannot be applied to our recovery. By their very nature, events take weeks or months to plan, market,

implement and then deliver. There is a lag time between when we are able to execute events and generate income.

Critical financial support is needed over the next 6 months for organisations that are still facing significant reductions in revenues (70% or more) until consumer confidence grows in both holding and attending events and revenue returns with momentum.

PCOA supports the proposal for targeted financial support for the critical supply chain of suppliers for a defined 6-month period as proposed in collaboration with our industry colleagues, The Meetings and Event Association (MEA), The Exhibition & Events Association of Australasia (EAAA) and the Victoria Tourism Industry Council (VTIC).

Business Confidence - Border Management

The pipeline of business is there, however is dependent on the ability to conduct national and state-based events with certainty and confidence in Victoria. The survival of the industry is heavily reliant on this market, with the loss of the high yield international conferences until at least 2022/23, given international border closures. It is crucial that we are able to restore and activate events as soon as possible.

Our industry cannot fully recover with the threat of national border closures hanging over us. We need the Government to consider its approach to national border management with a view to agreeing to nationally consistent thresholds and principles with other state jurisdictions that will provide confidence to organisers and participants around how the borders will be managed in the event of an outbreak.

We need to communicate nationally that Victoria is open for business – safely and effectively. We would support a national business events brand campaign strategy to drive domestic events business into Victoria.

Clear Operating Guidelines

Throughout 2020, our industry was proactive in developing and investing in COVID safe protocols to ensure events can be conducted safely and effectively in alignment with the Government's prevailing guidelines. Given the lock down restrictions Victoria faced in 2020, the industry is essentially 6-8 months behind counterparts in other states who have been able to conduct events working within the appropriate protocols and restrictions and in consultation with their respective Health Departments. The Victorian industry was not able to have direct engagement with DHHS. Collectively, this gave other states a competitive edge whilst placing Victorian businesses at a disadvantage to their interstate counterparts. There appears to have been little understanding of the nature of the events sector by Government and how to approach and support its recovery.

The release of the Public Event Framework in December was long awaited, however did not provide the necessary clarity for the business events sector to understand how events could be approved and conducted. The language used and the references to venue or event types were not relevant and it was difficult to understand how they could be applied to specific events. Industry consultation was offered to help better inform these guidelines to ensure they are aligned with the Government's protocols and responsive to our industry's needs; some of this simply entails changing the language.

These guidelines are essential to enable our industry to start on its road to recovery and maximise the events that can be happening throughout Victoria with certainty.

There are also concerns about the complexity of the process and the long delays in processing approvals, resulting in some events having to cancel given the uncertainty.

SUMMARY

The events industry is still facing considerable challenges before it is able to operate with any momentum.

We are seeking the Victorian Government's urgent support of measures that will see the valued events sector and vital jobs sustained over the next 6 months, which is critical to our recovery.

We also look to work with Government on longer term strategies that will bring a greater understanding of the events sector and outcomes that are aligned with the State's priorities.

As has been proven, the events sector makes a significant and valuable economic, knowledge and cultural contribution to the State. With targeted support to our industry over this critical time, the events industry will recover from the impact of COVID-19 and be able to once again contribute significantly to the recovery of Victoria.

Recommendations:

- Support for the critical event supplier support financial package model proposed by MEA, EEAA and VTIC designed to provide grants to businesses in the next 6 months to meet ongoing operating and planning costs and retain staff in readiness for forthcoming events.
- Support for an Events Supplier Advance Deposit scheme to facilitate much needed cash flow through the key supply chain of suppliers who are vital to the industry
- Support immediate industry consultation to clarify the operating guidelines for conducting events throughout Victoria safely and with certainty (less than 1000 and more than 1000)
- Develop ongoing strategies to support and retain specialised staff to minimise the impact of a future skills shortage
- Support a national marketing campaign to demonstrate Victoria is open for business – safely and effectively
- Support a long-term approach to work with Government to greater understand the eco-system of the events sector and how events can support the Government's key priorities and have a positive impact from a cultural, social, knowledge, business and economic value aspect for the state of Victoria.

Reference Documents

[Business Events Council of Australia Government Support & Future Confidence Report 2021](#)

[Business Events Council of Australia Value of Business Events 2018-2019](#)

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