



BACKING MAJOR EVENTS

AUSTRALIAN SUPPORT FOR MAJOR EVENTS AND
WHY GOVERNMENTS SHOULD GET BEHIND THEM

MAY 2014



Featuring research by:

REPUcom

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AUSTRALIA
Tourism & Transport Forum

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RESEARCH PARTNER

This paper was prepared in partnership with REPUCOM to support TTF advocacy around major events as demand drivers in the Australian visitor economy.

About REPUCOM

Repucom is a global leader in sports marketing research. Utilising the leading technology and facilities for market research, media evaluation and commercial auditing, Repucom has created the industry's first global, full-service portfolio for sports marketing research and consultancy. The company provides a single, independent source of holistic market data and insights to help its clients achieve value in their marketing and sponsorship activities. Since its founding in 2004, Repucom has become established as the research provider of choice for over 1,000 of the top rights holders, brands, agencies and broadcasters in sports and entertainment worldwide.

Expert advice, valuation and measurement today form crucial elements of any major events or tourism campaign. Repucom provided this insight and more, drawing on over 25 years' experience at the forefront of media impact and value analysis in the global sports, event and entertainment sectors. Repucom is the only global independent source of Holistic Evaluation and Impact Measurement focused on measuring and quantifying:

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- Community Impact.

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INTRODUCTION

Major events are a significant driver of demand in the visitor economy and a key strategic priority for tourism organisations around the country as they work to meet the Tourism 2020 target of doubling overnight visitor expenditure.

Major events are key to increasing visitor yield. International and domestic visitors who travel to and within Australia specifically for major events spend more than the average visitor, despite staying fewer nights.

Major events also have benefits broader than the visitor economy. They can be a catalyst for participation and engagement, enhance a city's liveability and encourage ongoing investment in infrastructure.

Research prepared for the Tourism & Transport Forum (TTF) by Repucom shows that Australians overwhelmingly recognise the importance of major events. The majority of Australians understand that major events can deliver an economic benefit and they are comfortable with governments supporting major events, including through the investment of public funds.

Governments already make a significant commitment to destination marketing and events acquisition and management and need to increase this in order to reach their Tourism 2020 targets. In a tight fiscal environment governments will come under pressure to reduce spending in a variety of areas, but continued investment in tourism marketing and major events is essential to maintaining Australia's competitiveness.

This funding commitment should also be backed by a commitment to cut red tape barriers for the visitor economy. Most important among these reforms is continuing to streamline visitor visa processing and reducing and removing tourism taxes.

Tourism is one of Australia's super-growth sectors that can underpin sustainable economic development into the future. Major events will continue to make a large contribution to the visitor economy and should continue to be supported by governments around the country.

KEY FINDINGS OF THE RESEARCH:

89 PER CENT OF AUSTRALIANS THINK IT IS IMPORTANT FOR THEIR STATE OR TERRITORY TO HOST MAJOR EVENTS

85 PER CENT OF AUSTRALIANS THINK IT IS IMPORTANT FOR GOVERNMENT TO BE INVOLVED IN ATTRACTING AND SECURING MAJOR EVENTS

AUSTRALIANS RANK **ECONOMIC BENEFITS** AS THE MOST IMPORTANT OUTCOME OF MAJOR EVENTS

AUSTRALIANS' PREFERENCE FOR MAJOR EVENTS ARE LED BY POPULAR **MUSIC EVENTS**, FOLLOWED BY **SPORT**, AND **FOOD AND WINE**.





WHAT ARE MAJOR EVENTS?

KEY CONTRIBUTORS TO THE VISITOR ECONOMY

Against the backdrop of an economy in transition, the visitor economy continues to emerge as one of the foundations of Australia's future prosperity. The tourism industry directly employs more than 540,000 people and has been identified as one of five super-growth sectors that have the potential to collectively add \$250 billion to the Australian economy over the next 20 years.¹

Major events make a significant contribution to the visitor economy. As key drivers of demand, major events create reasons for people to travel and engage in leisure and hospitality activities. They enliven cities and regions, drive job-creating economic activity and put Australia on the international stage.

States and territories devote considerable resources to developing, attracting and supporting major events. Major events are a strategic tool used by states and territories to help reach their respective targets of doubling overnight visitor expenditure by 2020. A well-planned, vibrant and appealing annual events calendar can more evenly distribute major events throughout the year and create demand for accommodation and visitor services outside seasonal peak periods. This consequently drives economic growth and employment throughout the year for destinations that are otherwise at the mercy of the seasonal boom and bust cycles of visitation.

INTERNATIONAL VISITORS

Major events are an integral part of international visitation to Australia, with 15 per cent of all international visitors (898,400) attending a cultural or sporting event during their trip in 2012-13. These visitors generate higher yield, staying and spending more than twice the average of all international visitors.²

Major events often act as a specific motivator for travel. In fact, almost 100,000 international visitors travelled to Australia specifically to attend a cultural or sporting event. While these visitors have shorter trips, they are higher yielding, spending on average 20 per cent more per day than other visitors.³

Visitors who travelled specifically for cultural or sporting events are also more likely to stay in commercial accommodation, with 71 per cent staying in hotels, resorts, serviced apartments, motels, motor inns and hostels during their trip—compared to only 60 per cent for international visitors who did not travel for an event.

CASE STUDY

CRUISE SHIPS CAPITALISE ON EVENTS

Cruise shipping, the fastest growing tourism sector in Australia, is using major events to drive demand for its product.

In 2012, Carnival Australia launched its 'MainEvents' products, which organise cruises around the Melbourne Cup and Australian Open tennis tournament. In 2013 4000 passengers travelled to the Melbourne Cup on cruise ships, contributing \$3 million to the Victorian economy. Carnival also brought 2000 visitors from New Zealand to the Vivid Sydney festival in 2013.

Carnival also operates cruises on key dates throughout the year, including Easter, Mother's Day, Christmas and New Year's. Australia Day 2015 will see the entire P&O fleet on Sydney Harbour for the first time.

¹ Deloitte, 2013, 'Positioning for prosperity? Catching the next wave'

² Tourism Research Australia, 2013, International Visitor Survey

³ Ibid.

DOMESTIC VISITORS

Major events also play a key role in domestic overnight travel. In 2012-13, events were the main purpose of travel for 5.4 million domestic overnight trips. In addition, a further 7 per cent of all domestic overnight trips (5.3 million) involved attending a cultural or sporting event. These visitors stay longer (20 per cent longer) and spend more (30 per cent more) than the average domestic overnight visitor.⁴

The benefits for the hotel sector are significant, with half of those travelling specifically for a cultural or sporting event staying in commercial accommodation during their trip, compared to only 36 per cent for domestic overnight visitors who did not travel for an event.

DIVERSE APPEAL

Australia has a proud record of hosting major events and continues to attract them. Within the next 12 months, Australia will host three major international sporting events—the AFC Asian Cup 2015, the ICC Cricket World Cup and the Netball World Championships—while the Commonwealth Games will be held on the Gold Coast in 2018.

However, major events go beyond spectator sports and mega-events like the Olympics, important as they are. Major events are increasingly broad in their content, appeal and timeframe. They can include longer-run exhibitions of international artworks or artefacts, high-profile international performing arts companies, food and wine festivals or mass participation events like marathons and cycling festivals.

Tropfest, for example, is Australia's largest short film festival and attracted an estimated 90,000 attendees in its first year at Sydney's Centennial Park in 2013 while Queensland's 2013 Gold Coast Airport Marathon attracted almost 28,000 participants, generated 47,000 visitor nights and delivered an estimated \$16.56 million in economic benefits to the state.⁵

Large scale events have also been increasingly used to target specific sporting or cultural interests that are not traditionally well-served by events with broad-based appeal. The 2013 Australian Open of Surfing, for example, held at Sydney's Manly beach, attracted 166,000 spectators.⁶

Even major events that are traditionally seen as having a predominantly domestic or regional appeal have the potential to attract thousands of international visitors. The annual Sydney Royal Easter Show, which showcases Australian agriculture and offers family-friendly entertainment, sold almost 21,200 tickets into key Asian markets in 2014.⁷

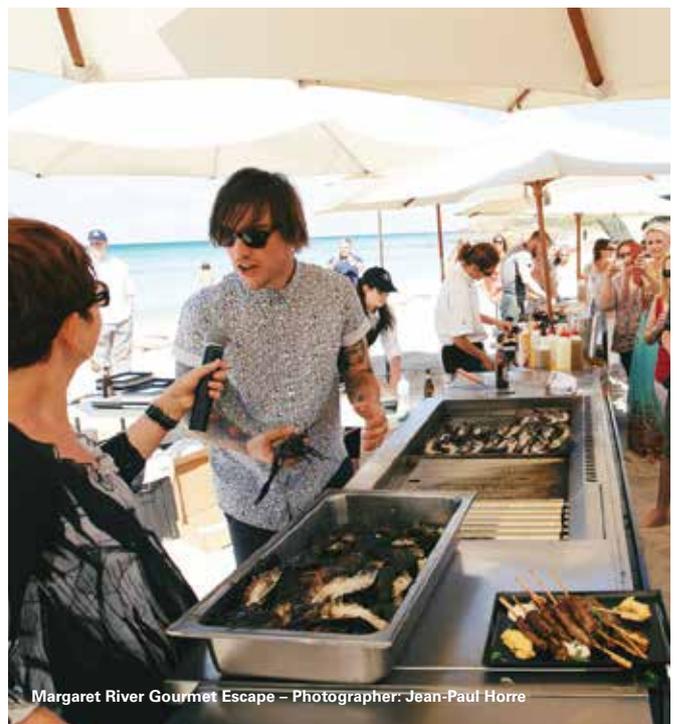
CASE STUDY

MARGARET RIVER GOURMET ESCAPE

Western Australia's Margaret River Gourmet Escape (MRGE), sponsored by the Eventscorp division of Tourism Western Australia, began in 2012 and grew for its follow-up in 2013. The event brings together the world's best chefs and wine experts for a series of food and wine festivals, utilising authentic locations.

The MRGE has been a significant success, attracting visitors, raising awareness and supporting regional dispersal to WA's south west. Interstate and international visitors at the 2012 event stayed in WA on average for 8.4 nights, while the national PR campaign reached over 21.6 million people (excluding broadcast). A TV series called 'Recipes that Rock' featuring chefs Alex James and Matt Stone was produced following the 2012 event and shown on the UK Food Network in June 2013 and nationally on Channel 7.

Significantly, the MRGE has also enabled local bodies such as the South West Development Commission to leverage additional trade opportunities including a "Culinary Trail" television program that showcased the South West. The trail started in the Great Southern, showcasing Denmark and Albany wines and produce, then onto Pemberton and finishing in Margaret River.



Margaret River Gourmet Escape – Photographer: Jean-Paul Horre

4 Tourism Research Australia, 2013, National Visitor Survey

5 Post-event report to the City of Gold Coast, http://www.goldcoast.qld.gov.au/documents/ma/community_20131107-adopted_report.pdf

6 'Australian Open of Surfing set to return to Manly', 3 July 2013, <http://www.destinationnsw.com.au/news-and-media/latest-news/australian-open-of-surfing-set-to-return-to-manly>

7 Sydney farewells a very 'Royal' Easter Show, RAS NSW press release, 23 April 2014

CLOSE LINKS TO DESTINATIONS

Destinations are also increasingly devoting more resources to developing their own major events, often held to bolster visitation outside peak holiday seasons. Successful events like Vivid Sydney, developed by Destination NSW and held in May and June (a period of traditionally lower demand) combine music, art and Sydney's night-time skyline to activate the CBD. The 2013 program attracted more than 800,000 people and generated \$10 million for the NSW economy.⁸ According to the Australian Bureau of Statistics, Sydney hotels achieved 80 per cent occupancy in the May/June period, representing an increase of approximately five per cent since 2009 when the event began.⁹ The success of Vivid Sydney also highlighted the capacity of major events as anchors for corporate incentive travel and conferences. In 2013, Business Events Sydney was able to use Vivid to help secure six business events during the period of the festival that, combined, delivered an \$8 million benefit to NSW.

Queensland has also underscored the importance of unique events supporting visitation to regional destinations. That state is taking a strategic approach to aligning events with its 'hero experiences' to generate repeat visitation and enhance the visitor experience.¹⁰ Particularly for regions like Cairns, extending the visitation season can help to balance out the strong seasonal shifts. Creating annual events that become 'must-do' events on the calendar and that can be held outside traditional peak visitation periods can help to generate a lasting interest in a destination and bolster visitor numbers (see case study, p.10).

POTENTIAL FOR STRONG LEGACIES

Major events have the capacity to leave behind substantial legacies. These can be in the form of physical assets, such as stadia, lasting recognition of destination branding in key tourism markets or better community understanding of a sport or cultural activity.

The success of an event can also encourage attendees to return for further leisure and hospitality. Results from a 2013 Gold Coast Marathon participant survey, for example, showed that 74 per cent of interstate and international participants were likely to book a return visit within the next three years.¹¹

While these legacies can often be assumed to flow through, they are not necessarily automatic and usually require a concerted effort by event organisers and destination managers. Identifying the best ways to capture the legacy benefits of an event is a constant challenge for organisers and governments. The Queensland government and City of Gold Coast have published a strategic plan to examine the potential legacies of the Gold Coast 2018 Commonwealth Games and the actions that need to be taken to make sure the region takes advantage of the event's benefits. This level of forward planning is necessary to ensure that stakeholders are clear about the strategic objectives for a destination following the staging of an event.

CASE STUDY

AFC ASIAN CUP AUSTRALIA 2015 – COMMUNITY LEGACIES

In 2015 Australia will host the AFC Asian Cup, the largest football tournament in the Asian region.

The month-long tournament will see 16 teams competing across five host cities—Newcastle, Sydney, Melbourne, Brisbane and Canberra—and is expected to draw an estimated 45,000 international visitors, many of whom will be from Australia's key target markets in Asia.

Event organisers also have an explicit goal to leave a lasting legacy for the sport in Australia "by enhancing football facilities, attracting and retaining new fans and promoting social inclusion for disadvantaged groups."

The event's community engagement program includes the appointment of 200 multicultural community ambassadors and the development of a free football-themed educational resource that has been made available to every Australian primary school in 2014.



FlashStudio – Shutterstock.com

⁸ 'Vivid Sydney draws record crowds', 17 June 2013, <http://www.destinationnsw.com.au/news-and-media/latest-news/vivid-sydney-draws-record-crowds>.

⁹ TTF analysis of Australian Bureau of Statistics 'Survey of Tourist Accommodation'

¹⁰ Destination Success: Action Plan January 2014-June 2015

¹¹ 'Survey confirms Gold Coast Airport Marathon vital to sports tourism', 16 December 2013, <http://goldcoastmarathon.com.au/2013/12/16/hello-world/>

CASE STUDY

SYDNEY OPERA HOUSE

The Sydney Opera House is one of the world's busiest performing arts centres, welcoming over 8 million people to the site each year and hosting 1900 shows, seen by almost 1.4 million people. The Opera House is also a symbol of modern Australia, with a 2013 Deloitte Access Economics report finding that the Opera House has a cultural and iconic value to Australia of \$4.6 billion. Internationally, the Opera House brand is viewed as more relevant and esteemed than the national brand of Australia itself. This value has been leveraged by and for major events in an interesting way.

The Opera House often hosts major announcements and media calls, in addition to major events themselves. Over the past 12 months, the Opera House has hosted the AFC Asian Cup Australia 2015 draw, the announcement that the Major League Baseball will be holding Opening Series Games in Sydney in 2014, launch events for the musicals *Strictly Ballroom* and *The Lion King*, the Vivid Sydney 2014 launch and the celebration event for the Australian cricket team on their Ashes victory in 2013, to name a few. It welcomes an average of 16,000 people to the site each year for New Year's Eve and was the principal venue for the 2007 APEC Conference.

CASE STUDY

SANTOS TOUR DOWN UNDER

The Santos Tour Down Under began 15 years ago and is owned and managed by the South Australian government. Held in January each year, it marks the start of the professional cycling season. Following strong lobbying from the SA government, the tour achieved pro-status in 2008 and has garnered a reputation for its hospitality towards cyclists and their teams and engaging spectators in the event. The Santos Tour Down Under now attracts the largest cycling spectator crowds outside of the Tour de France and importantly also features a number of events where cycling enthusiasts can participate.

The event's major turning point was the 2009 appearance of Lance Armstrong, who used the tour to make his professional comeback. This saw a doubling of crowd numbers and a massive increase in the global coverage of the event.

The 2013 event generated almost \$44 million in economic activity for South Australia, with 760,000 spectators, including 40,000 from interstate and overseas.

Vivid Sydney



Destination NSW – James Horan



SURVEY: AUSTRALIANS BACK MAJOR EVENTS

THE SURVEY

As part of research prepared by Repucom for TTF, more than 3000 Australians around the country were surveyed about the value they placed on major events, what types of major events they want to see in their home states and the importance they placed on government support.¹²

AUSTRALIANS WANT MAJOR EVENTS

Australians are a welcoming audience for major events. Major sporting and cultural events are constant fixtures on the Australian calendar and can range from global sporting tournaments like the Olympics or Commonwealth Games to blockbuster art and performance exhibitions.

The research shows that an overwhelming majority—89 per cent of Australians—believe that staging major events is important or very important to them and to their community.

The research also demonstrates that Australians are receptive to a wide range of events. Australians have the highest preference for popular music events, followed by sporting events, food and wine events, performing art events, and visual arts and cultural exhibitions.

Event organisers are responding to this demand for a greater diversity of event types by staging events like Western Australia’s Margaret River Gourmet Escape food festival (see case study, page 6) and Tasmania’s arts-based Dark MOFO (see case study, page 12).

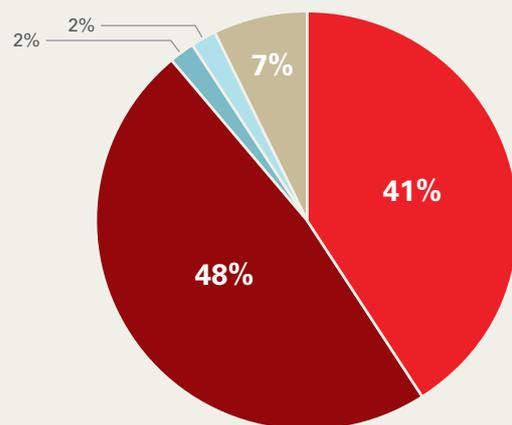
Carving out an event niche can also help to define a destination. The New South Wales regional town of Tamworth is now synonymous with country music (see case study, page 15), while the Victorian country town of Stawell, with a population of just over 6000 people, is home to Australia’s richest and most prestigious track event, the Stawell Gift.

The Queensland Performing Arts Centre’s International Series (see case study, page 11) and major exhibitions like Melbourne Museum’s *Tutankhamun* (see case study, page 10)

or the Museum of Contemporary Art’s *Yoko Ono—War is Over!* further underscore the enormous demand for events built around performing arts and cultural exhibitions.

While there has been a rationalisation of music festivals in recent years, mainstays like Byron Bay’s Bluesfest and the Tamworth Country Music Festival continue to attract significant international acts and large crowds. Destinations have also used music-based events to promote visitation, often targeting higher-yield visitors with luxury products. This has occurred most notably among wineries, which have packaged accommodation and tours in the region with performances by high-profile international musicians.

IMPORTANCE OF MAJOR EVENTS TO AUSTRALIANS

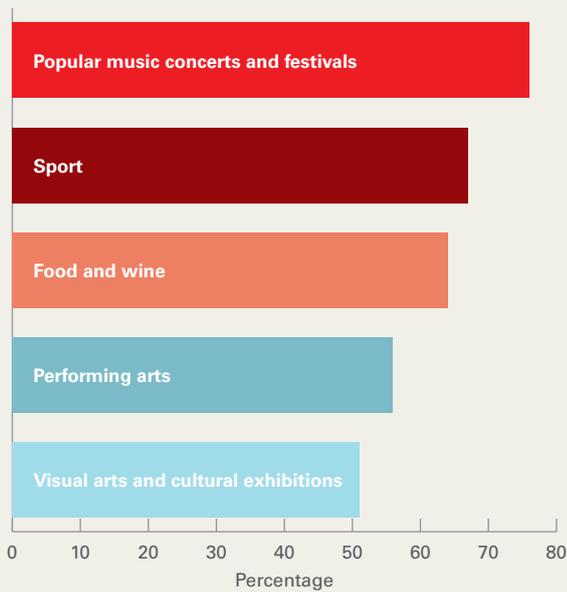


■ Very important ■ Not at all important
■ Important ■ Neither
■ Unimportant

Q: To what extent do you believe it is important for your state to have significant sporting, arts, cultural and/or community events in any given year?

¹² 2013 surveys conducted by Repucom across most states and territories n= 3073
Image above: Mitch Gunn – Shutterstock.com

MOST POPULAR TYPES OF MAJOR EVENTS



Q: What particular genre of events would you prefer to see in your state?

CASE STUDY

TUTANKHAMUN EXHIBITION

The 2011 *Tutankhamun and the Golden Age of the Pharaohs* exhibition at the Melbourne Museum has been the most successful cultural exhibition in Australia to date in terms of visitor numbers.

The eight month exhibition attracted a crowd of 796,277, with 326,000 of these attendees from interstate or overseas. In comparison, the 2013 Rugby League State of Origin series drew a crowd of 215,883 over three games, while the AFL grand final crowd record stands at 121,696.

Due to the longevity of cultural exhibitions as opposed to the limited timeframe of a major sporting or musical event, exhibitions can encourage a more manageable stream of tourists, avoiding accommodation bottlenecks and providing steady and sustained income for local businesses. The estimated economic impact of the Tutankhamun exhibition to the Victorian economy was \$126.5 million.

CASE STUDY

CAIRNS AIRPORT IRONMAN CAIRNS

The Cairns Airport Adventure Festival began in 2011 with a triathlon as its feature event. The triathlon attracted the IRONMAN branding from 2012, considerably extending the Festival's reach and popularity. The spectacular cycle course along the Captain Cook Highway, where the Reef meets the Rainforest, now ranks as one of IRONMAN's greatest cycle courses and is endorsed by a number of elite athletes as an exceptional course.

Held in June, the Cairns Airport IRONMAN Cairns has delivered a boost to the region's visitation. In 2013 6106 people participated across the whole of the week-long festival, with 21 per cent of participants coming from outside Queensland, including people from 29 different countries, the majority bringing one to three additional people with them and staying, on average, for between five and seven nights. Overall the event has generated tens of millions of dollars for the regional economy.

The event attracts exceptional global media coverage reaching over 18 million viewers. Cairns Airport Adventure Festival and IRONMAN Cairns continue to grow, highlighting the demand for what is now one of the world's "must do" triathlons.

Ironman, 2014



Daniel L Smith – Shutterstock.com

AUSTRALIANS UNDERSTAND WHY MAJOR EVENTS ARE IMPORTANT

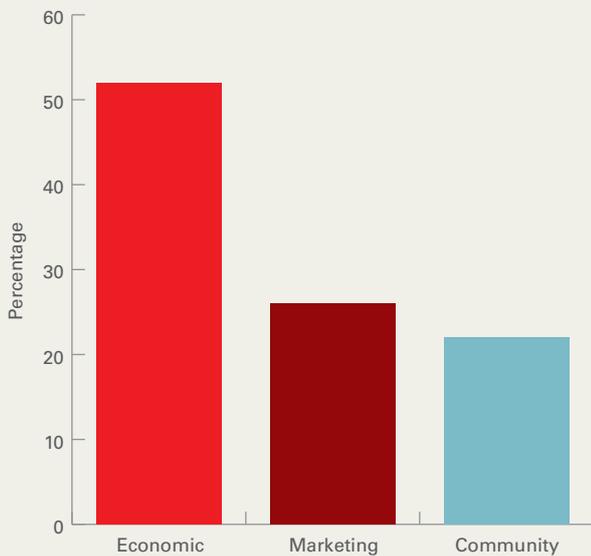
The research shows that Australians have a very clear understanding about the benefits of major events.

The research indicates that Australians see a strong linkage between the investment of public funding in major events and the economic benefits that flow.

The majority (52 per cent) see major events delivering an economic benefit to their state, with strong marketing (26 per cent) and community (22 per cent) benefits also perceived as important.

Ongoing research and event measurement is essential to better understanding the underlying benefits of major events, including those factors that go beyond the immediate positive impacts on visitor numbers, such as increased participation in a particular sport or cultural activity or long-term improvement to destination marketing penetration. Understanding these benefits in greater detail can help event organisers and destination managers to better leverage the value of major events to the visitor economy and the broader community.

COMMUNITY-PERCEIVED BENEFITS OF MAJOR EVENTS



Q: Please rank the benefits of staging events in order of importance based on your personal opinion: Economic Impact – ‘brings jobs and money to my state’; Marketing Impact – ‘promotes what my state has to offer to potential interstate and overseas visitors’; Community Impact – ‘helps to enhance community spirit, pride and enjoyment’.

CASE STUDY

LIVERPOOL FC EXHIBITION MATCH

One-off, not-to-be-repeated, sporting events have the capacity to attract large numbers of visitors.

The 2013 Liverpool FC exhibition match brought significant economic benefits to Victoria from the influx of interstate and overseas visitors and generated headlines internationally.

Capitalising on the enormous fan base of the famous English Premier League football side, the event sold out, attracting 27,000 interstate visitors and 3,000 international visitors, in turn generating an estimated \$35 million in economic benefits to Victoria.

CASE STUDY

QPAC INTERNATIONAL SERIES

The Queensland Performing Arts Centre (QPAC) in partnership with Tourism and Events Queensland (TEQ) presents the annual *QPAC International Series*. The Series has attracted some of the finest performing arts companies exclusively to Brisbane, including the Hamburg Philharmonic Orchestra with the Hamburg State Opera and the Hamburg Ballet, Bolshoi Ballet and this year the American Ballet Theatre.

Exclusive cultural events of this high standard can shift brand perceptions and change the way a city is viewed. Attracting world-renowned performing arts companies supports the work of TEQ and Brisbane Marketing in positioning Brisbane as a ‘New World City’, connecting the city and its cultural sector to the global cultural network.



Le Corsaire – Photographer: Marc Haegeman

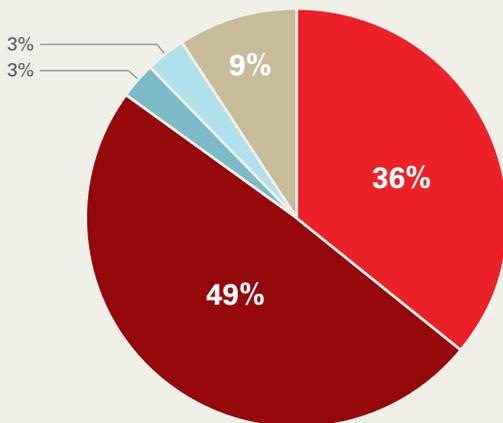
AUSTRALIANS WANT GOVERNMENTS TO INVEST IN MAJOR EVENTS

The research shows that not only do Australians strongly support major events and understand the economic benefits they deliver, they also see an active role for governments to play in attracting and staging major events. Moreover, Australians are comfortable with the expenditure of public funds to attract and support these events.

Around 85 per cent of Australians feel it is important that governments play a role in bringing major events to their state, with a further 66 per cent supporting the use of taxpayer funds for this purpose.

Australians support the strong backing of major events by national and state governments and want to see this continue and strengthen.

IMPORTANCE OF GOVERNMENT SUPPORT FOR MAJOR EVENTS



■ Very important ■ Not at all important
■ Important ■ Neither
■ Unimportant

Q: Do you think it is important for the government to be involved in the attracting and securing of major events?



CASE STUDY

DARK MOFO

Dark MOFO is a winter arts festival staged by Tasmania's Museum of Old and New Art (MONA). It is a sister event to the summer MONA FOMA and helps to drive demand for visitor services during a trough in the visitor season.

The Tasmanian government has provided \$1 million over three years to the event, which was held for the first time in 2013 in Hobart. The festival, which combines music, art and theatre, runs over 10 days and in 2013 attracted 48,000 visitors, more than 16,000 of whom travelled from interstate. The event returned \$6 million to the Tasmanian economy and drove hotel occupancy rates up by 36 per cent.

Following the success of the inaugural event, the Tasmanian government provided a further grant of \$200,000, with the event also spreading to Launceston in 2014.

CASE STUDY

TAMWORTH COUNTRY MUSIC FESTIVAL

Tamworth is a regional town in New South Wales with a population of around 55,000 people and famous as the home of Australian country music. Since 1973 the week-long Tamworth Country Music Festival has been held each year in mid-January and now attracts more than 50,000 visitors. The success of the festival over the past four decades has made Tamworth a household name and attracted international praise, including as one of the top ten music festivals in the world.

In 2008, Destination NSW (then EventsNSW) entered into a long-term partnership with Tamworth Regional Council, Tourism Tamworth Ltd and the Country Music Association of Australia to further underpin the event's significance to the visitor economy. QantasLink has also been a key supporter of the event for the past three years, sponsoring the VIP Fan Zone and in 2014 the Golden Guitar for Best New Talent award. To celebrate the festival's recent 40th anniversary, QantasLink unveiled Golden Guitar livery on a specially branded Q400 which is still branded today and has flown approximately 4000 times across Australia.



GOVERNMENT SUPPORT FOR MAJOR EVENTS

The research prepared for TTF by Repucom demonstrates that there is clear support for governments lending their considerable weight and investing taxpayer funds to bring and develop more major events for Australia.

Attracting and developing major events is a strategic objective of Australia's state tourism organisations and one of the priorities for the nation's Tourism 2020 targets.¹³ Major events can generate significant economic activity. Victoria, for example, estimates that its major events calendar generates around \$1.4 billion in economic activity.¹⁴ Major events are a key driver in attracting domestic and international visitors and will continue to make an important contribution to doubling overnight visitor expenditure by 2020.

While they can yield significant benefits, major events can be costly and often come up against a number of regulatory hurdles. Governments should step in to not only provide financial support to attract, host and maximise the potential of major events but also to remove the red tape barriers that can stand in the way of an event succeeding.

FUNDING MAJOR EVENTS

State and territory governments play a significant role in providing funding support for major events and they must continue to grow the funding to ensure state tourism organisations (STOs) and major events organisations remain competitive. Attracting and developing major events and maintaining a strong annual events calendar are strategic objectives of Australia's STOs and among the top priorities for the nation's Tourism 2020 targets.¹⁵

There are business units within all STOs focused on acquiring and supporting major events. Victoria has a separate state-owned entity—the Victorian Major Events Company (VMEC)—that manages the state's major events calendar. New South Wales and Queensland have recently merged their separate events agencies into consolidated tourism organisations.

National and state governments are collectively due to spend almost \$800 million in 2013/14 on destination development and marketing, including major events development, bids and acquisition support. Some jurisdictions allocate close to half of their total tourism marketing budgets to their major events functions. STO support for major events bidding is importantly underpinned by destination development and marketing, the strength of which can often be a deciding factor in the success of a bid and an event's capacity to attract interstate and international visitors.

Governments generally apply a range of assessment criteria when deciding whether to support an event. These include potential economic and community legacies, appeal to target international markets and the seasonal timing of events. New South Wales, for example, contributed \$10 million to the Australian Turf Club's inaugural *The Championships Sydney* autumn racing carnival, which is expected to deliver an estimated \$40 million return to the state economy.¹⁶ There may also be further scope for STOs to provide marketing support for those events that they do not directly fund but are visitor drawcards. Events like Centennial Parklands' Taste of Sydney attracts 25,000 visitors but does not receive STO-funded support, yet could help to drive visitation if promoted.

Importantly, destinations are increasingly investing in and developing their own events to even out seasonal peaks and troughs and STOs are investing in major events that can be used to showcase a destination and deepen the visitor experience. One area of further growth is cruise shipping, which is capitalising on major events to market destinations. Working with STOs to plan their products, often years in advance, the cruise ship industry is packaging major events-based experiences for their passengers that land or air based travel would not normally allow.

¹³ See Tourism Victoria Annual Report 2012-13; *Destination NSW Annual Report 2012-2013*

¹⁴ *An Eventful Year: Economic Impact of the Victorian Major Events Calendar*, Ernst & Young/Victorian Major Events Company

¹⁵ See Tourism Victoria Annual Report 2012-13; *Destination NSW Annual Report 2012-2013*; *Tourism 2020 Priorities for 2013*

¹⁶ 'Racing NSW and ATC announce the Championships', 12 November 2013, <http://www.racingnsw.com.au/default.aspx?s=notices-display&id=14768>

Image above: Neale Cousland – Shutterstock.com



IMPROVING THE VISITOR EXPERIENCE

Visitor visas and border processing

Major events have the potential to attract large numbers of international visitors, many of whom will be forced to navigate the visitor visa application process. Obtaining an Australian visitor visa should not be an overly time-consuming, bureaucratic or costly process. Further streamlining our visitor visa processing would give Australia a competitive advantage. Australia has begun to move to online visitor visa processing for all countries, but the federal government needs to commit to a timetable for implementation.

This streamlining can apply to particular events. After a concerted campaign by TTF, the federal government has announced special arrangements for the ICC Cricket World Cup 2015, granting attendees entry into Australia and New Zealand with a single visa. This targeted reform will make the process simpler and cheaper, encouraging more visitors to travel to both Australia and New Zealand, benefitting the tourism sectors in both countries.

Clear and streamlined visa application processes are also important to facilitate the participation of athletes, performers and other international guests key to the staging of major events, particularly in cases of last-minute additions to event line-ups.

Visitor visa application forms should also be made available in a wider range of languages to respond to demand in key markets, particularly from Asia. Fees should be reviewed to not only address the discrepancies between visa fees for visitors from Australia's traditional visitor source markets and emerging markets (for example, \$20 for a visitor from the UK but \$130 for a visitor from China or Indonesia) but to also investigate flexible pricing, including premiums for application fast-tracking.

Likewise, Australia should continue to work towards a world's best practice border processing experience for international visitors. This requires investment in passenger facilitation technology, including the progressive rollout of fully-functional SmartGate terminals and funding for front line border staff, as well as more Asian language speakers and signage to welcome arrivals from these growing source markets.

Transport

Ease of access to venues is a key element to the success of major events. Public transport is the most efficient way to move large numbers of people to and from events. Most major events precincts in Australia have adequate physical transport infrastructure to deliver people to or near venues. However, governments need to constantly review the adequacy of their transport links and update them to accommodate demand, including constructing or upgrading physical infrastructure and increasing the frequency of services. Governments should also, where possible, work with organisers to coordinate event timing, particularly when more than one event seeks to use the same precinct and may place pressure on transport networks, and to ensure that transport routes are operating at full capacity on major event days.

Governments can also encourage greater uptake of public transport by continuing to provide integrated ticketing, which includes the cost of public transport fares with the price of the event ticket. This provides an incentive to ticket-holders to use public transport to attend a major event, possibly at a large discount to what they would normally be required to pay for their fares. Western Australia has led the way in this area, where integrated ticketing is widespread and has a minimum threshold of 5000 attendees. Integrated ticketing has been adopted in other jurisdictions with varying success. Governments need to continue working to encourage event organisers to adopt these schemes and should look to make them more accessible for a wider range of events.

REDUCING COSTS AND RED TAPE

Passenger Movement Charge and other tourism taxes

Tourism taxes hurt the Australian industry's competitiveness and drive up costs for visitors. Australia's Passenger Movement Charge (PMC) is the highest tax of its kind for short-haul passengers among developed countries. The PMC was originally introduced as a cost recovery for passenger processing but now collects almost four times more in revenue than is actually expended. While the current federal government has frozen the PMC, this disproportionately high tourist tax threatens Australia's competitiveness as a destination and should be reviewed by the Productivity Commission.

In the current fiscally-constrained environment, governments must resist implementing any further taxes, including cost-recovery levies, on the tourism industry.

Insurance for major exhibitions

Increasingly, high-profile international art and cultural exhibitions are powerful drawcards in annual events calendars. In particular, exhibitions of European art and old-world antiquities such as the 2009/2010 *Masterpieces from Paris* at the National Gallery of Australia and 2011 *Tutankhamun and the Golden Age of the Pharaohs* at Melbourne Museum, have been among the most successful major events held around the country.

Exhibiting these works can be extremely expensive, not least because of the cost of insurance. While there is support, either in the form of insurance from the Australian Government International Exhibitions Insurance (AGIEI) program, or state-based insurance schemes, these processes can often be caught up in competing red tape.

The AGIEI shows a strong preference for multi-jurisdictional events, but states often only extend marketing support to exhibitions that are exclusive to that jurisdiction. In addition to this, international lenders often have a preference for the exhibition to be shown in only one location in Australia. This may be related to the limited time the works are available or the fragile nature and high value of the works.

It is also critical that the Australian government provide certainty and confidence to lending countries that objects and artefacts will be protected while on our shores, even if the exhibition is being held in a state-based institution. International lenders do not always recognise state government legislation and the assurance provided by state-based insurance programs. A sense of protocol and protection from a national level is critical to attracting and securing international touring exhibitions. Consideration needs to be given to how state and federal government counterparts work collaboratively to provide confidence to international lenders.

There is a case for better coordination between state and national authorities so that single-jurisdiction exhibitions have equal access to the national scheme.



VisitCanberra – Photographer: Geoff Comfort

Policing and emergency services

Most local government authorities require some form of police presence at large-scale public events.

Police at major events can be an assuring presence for both organisers and attendees. They can act as a deterrent to anti-social behaviour and often play an active role in crowd management.

States and territories have various user-pays schemes in place to cover the additional call on police resources that major events can generate. These costs differ between jurisdictions and depend on the number of police required to manage an event. There can be exemptions in place for not-for-profit organisations or events, or for events that are supported by government agencies.

User-pays policing can add significantly to the cost of staging an event, with these costs ultimately passed on to attendees. Governments should seek to minimise any increases to these costs to ensure they do not become prohibitive and impact negatively on organisers' capacity to hold events.

Where practicable, jurisdictions should also seek to streamline these processes, including by having easily accessible risk assessment guidelines, dedicated channels of communication with police personnel and clear quoting and invoicing of the final costs.

Likewise in some states, the provision of broader emergency services at major events is similarly costly, with cumbersome processes. Competition for the provision of these services and less restrictive local regulation can contain these costs.

Multi-jurisdictional events requiring police presence can also experience discrepancies in the levels of service provided by individual state and territory police. This can further add to the red tape burden for organisers. In these circumstances it may make sense for some form of high-level coordination of state and territory police to not only ensure consistency of regulation but also of service delivery to event organisers.

Noise Management

Major event organisers are required to comply with various noise management regulations that apply in each state and territory. These noise management controls are particularly pertinent for venues that are in close proximity to residential areas.

While it is important to preserve amenity for residents, it is also important that overbearing application of regulation does not discourage organisers from staging events. Despite having comprehensive noise management protocols in place, a small number of complaints can result in event organisers facing additional reporting requirements, sound management costs and the threat of heavy fines. This lack of proportionate response to isolated complaints can place serious strain on the viability of events.

Local, state and territory authorities should work cooperatively with event organisers to ensure that not only are adequate noise management plans put in place but that responses to otherwise isolated complaints do not result in unnecessary and costly regulation that may discourage or constrain the staging of future events.





PLANNING AND INVESTING IN INFRASTRUCTURE

Major events infrastructure

Governments provide vital investment in demand-driving infrastructure to support major events.

Tourism infrastructure is often delivered through a mix of public and private investment. Many of the assets used to facilitate major events—stadia, convention and exhibition centres, open spaces—are pieces of economic infrastructure delivering a return to the public. As such, there is a role for government to invest in the construction and upkeep of these assets so they continue to attract visitors.

Perth Arena has dramatically enhanced the frequency and quality of events in Western Australia, and the WA government is building a brand new, 60,000 seat multi-purpose stadium due for opening in early 2018. In recognition of the Sydney Opera House's role as a national meeting place and venue for major events, the NSW Government has committed funds to develop a master plan for its transformation over the next 10 years. The redevelopment of the Sydney entertainment centre, the further redevelopment of Melbourne Park's Rod Laver Arena and upgrades to convention and exhibition spaces in Sydney, Brisbane and Adelaide are examples of the important investments governments can make in their physical assets to maintain Australia's competitiveness.

Precinct planning and activation

State and local governments should ensure the appropriate planning of mixed use tourism precincts that can host and support major events.

Tourism precincts should be active with regular and well-planned events, accessible by transport and connected to complementary service providers and other centres of activity.

Active precincts like Brisbane's South Bank and Sydney's Darling Harbour bring together retail, restaurants, events and convention spaces, as well as well as cultural exhibitions and performances. The new Elizabeth Quay in Perth has specific event zones to host both large scale and smaller, pop-up style events, in a brand new commercial and residential waterfront precinct adjacent to the conference centre and CBD. These are examples of vibrant and well-planned spaces that attract residents and visitors alike and also have the capacity to host large events.

Many major event-hosting precincts also make use of iconic natural or urban scenery to enhance the visitor appeal. Sydney's Circular Quay, with the Harbour Bridge and Opera House, is often used as the staging ground for major events like Vivid Sydney and the New Year's Eve fireworks, while Uluru, as one of Australia's most recognisable visitor destinations, was used as the backdrop for two successful Darwin Symphony Orchestra performances in 2013.

Precincts that have the capacity to not only host major events but to also be used outside these periods by the broader community can enhance the residual benefit of those events, encourage repeat visitation and increase the long-term return on investment for funding bodies. Sydney Olympic Park, for example, is now a mixed use residential, business and tourism precinct that continues to host major events at its various venues. However, the successful transition of an events venue to a usable community and commercial space can be long and difficult without the right level of planning and coordination.

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