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EXHIBITION
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2015

MELBOURNE CONFERENCE EXPENDITURE STUDY



MELBOURNE CONVENTION BUREAU

FOREWORD



As part of our continued focus on improving how we measure the value of international conferences and business events, we are pleased to present the 2015 Melbourne Conference Expenditure Study. The insights in this report reinforce the significance of international association conferences to the Victorian visitor economy.

We have found that business conferences deliver a greater economic contribution to Victoria than previously estimated because they not only bring 'new money' from interstate and overseas, they also positively impact more sectors of the Victorian economy than previously recognised.

Analysing conference organiser expenditure from a sample of major international association conferences over the past two years we can show that on average \$4.9 million was generated into the Victorian Visitor economy by this group of event organisers. This is over and above delegate expenditure.

Conference organiser expenditure goes far beyond the expected areas of venue hire and catering. It is of importance to small and medium businesses in sectors as diverse as security, printing, logistics, medical, insurance and legal.

We can see that businesses that run meetings, symposiums, pre and post touring and social functions also benefit from international conferences given these types of activities are an important part of the overall delegate experience.

The report outlines conference organiser and delegate expenditure split by industry sector, a first for any bureau globally.

International conferences in the knowledge sectors of health, medicine, business, engineering and science all deliver significant value to the Victorian economy, with the health and medical sectors having the largest contribution overall, hence our continued focus on securing international conferences in these sectors.

This new understanding of conference event organiser expenditure and recognition of wider value that business events deliver is even more evident when applied to the 33 international association conferences secured by MCB and hosted in financial year 2014/2015. Utilising the inscope methodology, sector based delegate expenditure values and including event organiser expenditure, we can show that the economic contribution of international association conferences held last financial year was \$212.7 million, with over 63% delivered by conferences in the health and medical sectors. On average each conference delivered \$6.4 million of new money to the state of Victoria.

Ernst & Young (EY) has worked with our team to review the reasonableness of parts of the methodology used in this report. In undertaking this review, EY has compared relevant parts of the methodology against Government Guidelines, benchmarked certain key metrics against publicly available industry data and reviewed the reasonableness of MCB's sample sizes and confidence intervals. We would like to thank EY for their support and EY's report can be found at www.melbournecb.com.au/includes/content/docs/media/EY_report_MCES15.pdf

We would also like to acknowledge the support of the Victorian State Government and the Melbourne Convention and Exhibition Centre in assisting MCB to facilitate this research.

Karen Bolinger
Chief Executive Officer
Melbourne Convention Bureau

STUDY HIGHLIGHTS

NEW MONEY DRIVES THE VICTORIAN ECONOMY AND JOB CREATION

The 2015 Melbourne Conference Expenditure Study, measures 'new money' entering Victoria from interstate or overseas that is supporting Victorian businesses as a result of an international association conference hosted in Melbourne.

We had previously captured delegate expenditure and have now enhanced our measurement of economic contribution by also analysing conference organiser expenditure to provide a more robust view of the impact of international association conferences on the Victorian visitor economy¹.

BENEFITTING SMALL BUSINESS

The study highlights the broad range of service industries helping to deliver large international conferences in Melbourne. The survey results suggest that small businesses are the primary suppliers of these conference services and demonstrate the importance of industries outside tourism to the Victorian visitor economy.

Businesses in a wide range of fields provide services to help ensure conferences are delivered successfully. Business sectors include exhibition construction, technology, professional accounting and legal services, printing, transport, graphic designers and marketing services.

BEYOND THE CONFERENCE

The study also identified the importance of conference-related pre and post-event activity to the overall delegate experience. This can include conference social events as well as specialist touring, such as to scientific, medical and business facilities².

By analysing the different type of conference organiser expenditure we now have a deeper understanding of the types of businesses that are important to the successful delivery of a conference, as driven by delegate demand. These vary across a range of small business, such as those that supply meetings, symposiums, pre and post conference touring, technical tours and social functions.

MELBOURNE CONVENTION BUREAU LEADS THE WAY

MCB is the first convention bureau globally to have adopted an industry sector analysis approach to determine the economic value of international association conferences using conference organiser and delegate expenditure data. The insights from the study supports MCB's focus on bringing high profile international conferences to Melbourne that are aligned to Victoria's priority sectors - medical, health, professional services, technology and international education.

FACTS

- > Melbourne is the only city worldwide to have hosted five of the world's largest international health conferences in a 12 month period
- > In 2014, Melbourne hosted 41% of all medical science conferences³ hosted in Australia

¹ Existing expenditure by Victorian businesses within the state is excluded from the research data.

² Leisure-based pre and post travel to regional Victoria and elsewhere in Australia is also an important factor in the delegate experience, but is not captured in this study. For details refer to MCB's Melbourne Convention Delegate Study 2013.

³ International Congress and Convention Association (ICCA) rankings. ICCA's categorisation may differ from MCB's methodology.



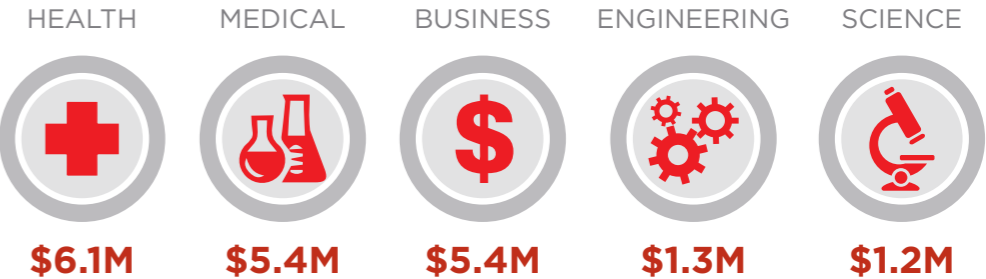
KEY FINDINGS

ECONOMIC CONTRIBUTION

Conference organiser expenditure

\$4.9M* Average economic contribution per international association conference held in Victoria based on conference organiser expenditure.

Average conference organiser expenditure by industry sector



MCB secured events hosted in FY 2014/15

\$212.7M Total economic contribution of international association conferences held last financial year.

\$6.4M Average each international association conference delivered to the state of Victoria held last financial year.

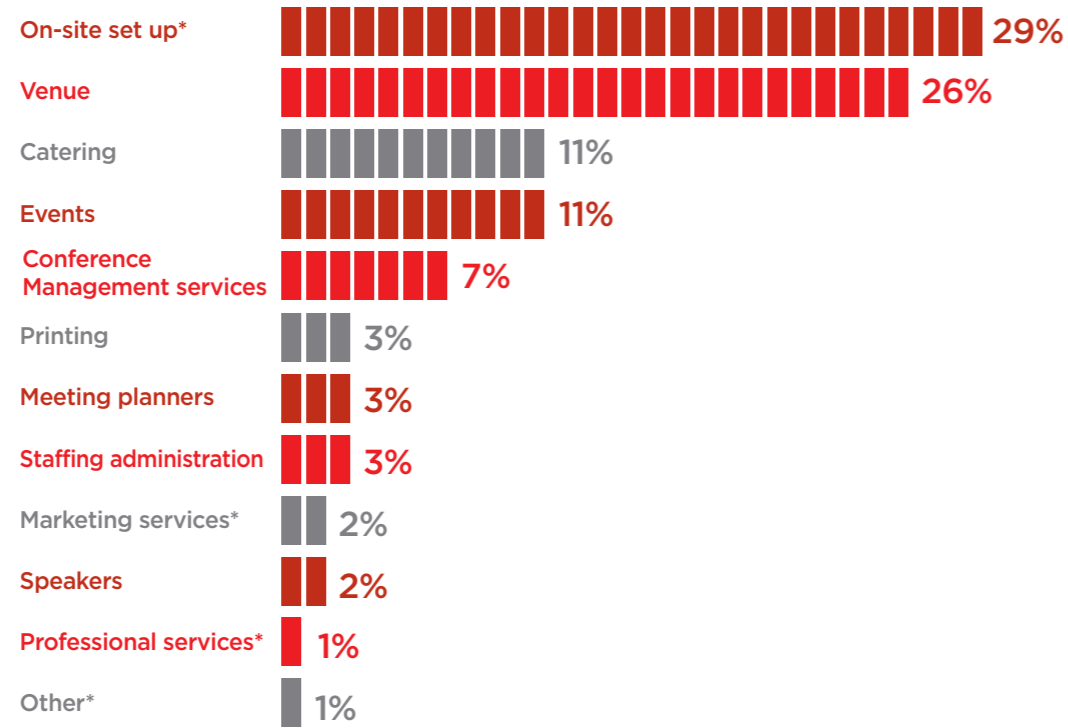
SUPPORTING JOBS AND SMALL BUSINESS

2,551 Jobs created by this expenditure in sectors as diverse as logistics, audio visual, exhibition construction and staging, entertainment, printing, marketing, legal and financial services.

*Average conference organiser expenditure based on the nine international association conferences included in the study (refer to Appendix)

**AVERAGE
CONFERENCE
ORGANISER
EXPENDITURE BY
TYPICAL SUPPLIER**

On-site set up of the venue are the largest expense for a conference organisers



 <p>*On-site set up</p> <ul style="list-style-type: none"> > Logistics - transport > Technology providers > AV suppliers > Exhibition set up - Construction > Staging > Entertainment > Decoration > Security 	 <p>*Marketing services</p> <ul style="list-style-type: none"> > Graphic design > Communications/PR > Website management
	 <p>*Professional services</p> <ul style="list-style-type: none"> > Financial/accounting > Legal > Insurance > Medical
	 <p>*Other</p> <ul style="list-style-type: none"> > Technical tours > Pre and post tours > Tutorial/training expenses > Sponsorship related > Ambassador/volunteers

“As a conference, exhibition and association management company we use specialists across the spectrum of professional services to bring about our clients’ success. It may surprise people outside of our industry how many elements need to come together to create and deliver a successful conference.

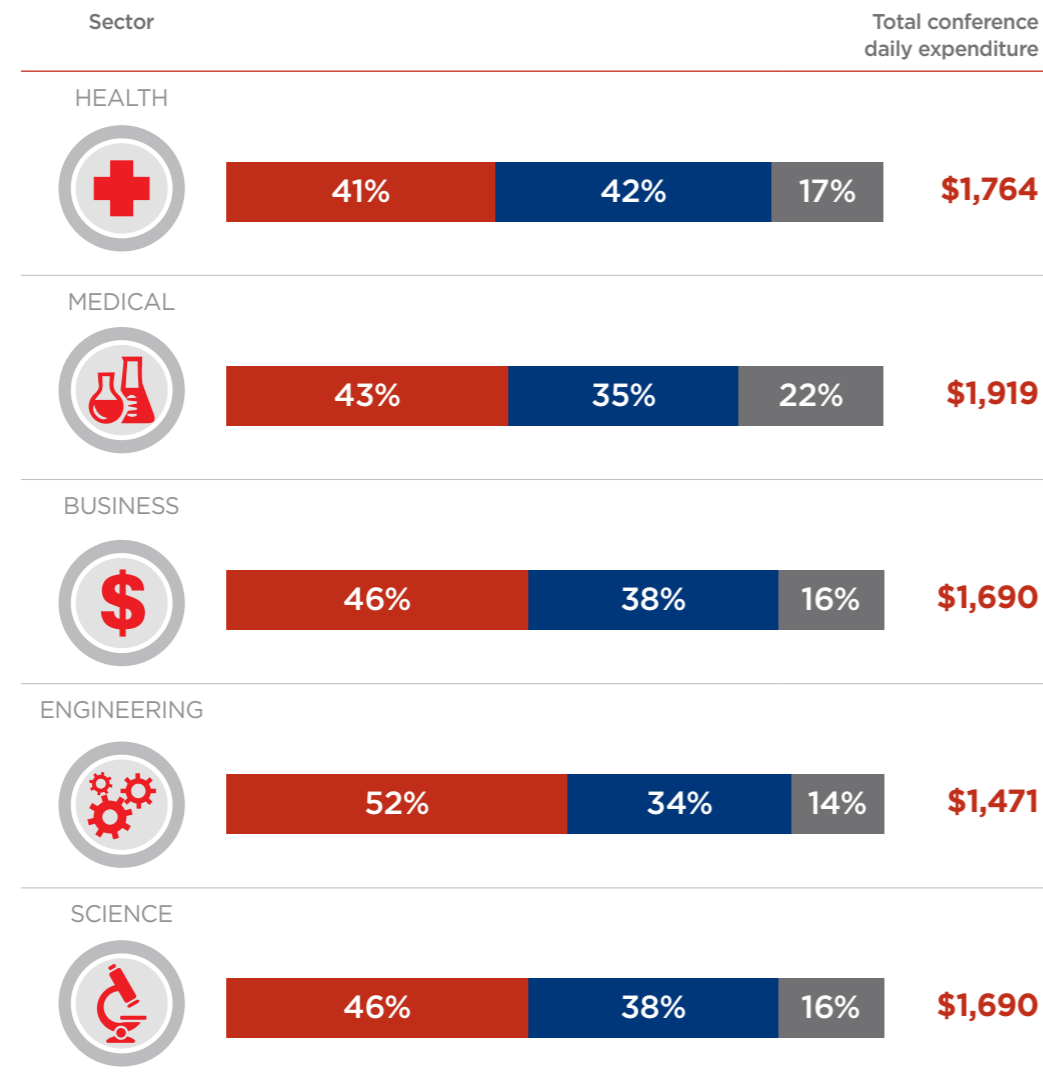
“We rely on a broad range of suppliers from venues, IT specialists, production companies, caterers, exhibition companies, graphic designers, printers, accountants, photographers, insurance companies, security, transportation, cleaning services and freight specialists to bring everything together in one seamless event. So, undoubtedly conference dollars do flow into so many areas.”

Kate Smith
Managing Director of WALDRONSMITH Management

DAILY EXPENDITURE BY INDUSTRY SECTOR

Daily expenditure by delegates and conference organisers shows that for international associations, medical conferences have the highest total expenditure.

- International delegate expenditure*
- Interstate delegate expenditure*
- Conferencer organiser expenditure



* Melbourne Convention Delegate Study 2013

REINFORCING THE IMPORTANCE OF BUSINESS EVENTS TO VICTORIA



Business events are the highest yielding sector of the tourism industry. They support economic development, profile Melbourne globally, showcase policy leadership, provide trade and investment opportunities and bring world leaders to the city for best practice and knowledge exchange.

Business events is the only sector of the tourism industry that provides a long-term pipeline of confirmed future business, allowing the Victorian Government, tourism and future industry sectors to plan well in advance to maximise the economic benefits and promote Melbourne as 'open for business'.

Each international conference is a gathering of delegates who meet to connect, debate, celebrate and share knowledge with their peers. Breakthroughs are announced, minds are stimulated and legacies that benefit the sector-specific and broader community are established.

These networks lead to new business and research collaborations that generate and foster innovation, ideas and research well beyond the conference.

Almost every business is new international business that would not have been held in Melbourne if it were not for the work that MCB does to identify and attract large international conferences to the city.

APPENDIX

METHODOLOGY

Delegate expenditure data and conference organiser expenditure data has been included in economic contribution calculations for international association conferences from 1 July 2015.

This approach acknowledges the wider contribution of business events to Victoria's economy by conference organisers. It aligns with the Victorian State Government's methodology for measuring the value of events.

The result of MCB adopting this methodology will for the first time consolidate the economic measurement of delegates who come to Victoria specifically for conferences with expenditure by conference organisers.

In addition to identifying and targeting business events that align with Victoria's industry sector strengths, MCB is moving towards measuring conferences by industry sector. By identifying separate industry sector values, MCB will account for sensitivities across industries. This will inform future planning.

Delegate expenditure data is derived from the Melbourne Convention Delegate Study 2013. This study provides a robust sample base of 3,846 representing five conferences across the medical, health and engineering sectors. From this survey MCB was able to identify expenditure by international and interstate delegates who visited Victoria for the purpose of attending a conference. To comply with the in-scope approach Victorian delegate expenditure values are excluded.

For the purpose of the delegate expenditure estimates, the expenditure items included are accommodation, shopping, dining, tours, recreational activities, theatre, ground transport, phone and internet. Domestic airfares are excluded. Registration expenditure has also been excluded as this will be accounted for in the conference organiser expenditure value.

To measure conference organiser in-scope data, MCB surveyed nine international association conferences held between 2013 and 2015, representing the medical, health, engineering, science, and business sectors. MCB reviewed each conference's audited financial statements to determine questionnaire design.

Only international conferences that MCB won for Victoria are measured.

Based upon the in-scope methodology, the questionnaire was designed to identify new money entering Victoria by seeking the following information from conference organisers:

- > Income received for the international conference and the estimated percentage of this income that was obtained from outside Victoria. This includes items such as registrations, sponsorships, exhibitions and conference-related symposiums.

Expenditure on the international conference and the estimated amount of expenditure has incurred inside Victoria. This includes marketing, salary/wages and event expenses.

All values have been CPI adjusted to reflect 2015 values.

ADAPTING THE IN-SCOPE APPROACH



The in-scope approach measures direct expenditure into Victoria of new money that would not have entered the economy had the conference not been staged.

By adopting the in-scope approach, MCB will now capture new money entering Victoria from three sources:

- 1** Expenditure by international delegates who came to Victoria to attend a conference.
- 2** Expenditure by interstate delegates who came to Victoria for a conference. Local Victorian delegate expenditure is not considered new money to Victoria and is excluded. Previous MCB methodology (to 30 June 2015) included Victorian delegates' expenditure.
- 3** Conference organiser expenditure defined as in-scope, that is, new money entering Victoria. This is in contrast to MCB's previous methodology (to 30 June 2015) where conference organiser expenditure was not captured.

Sector Approach

In addition, economic contribution calculations will now be developed based upon the specific industry sector identified as medical, health, engineering, science and business. Separate economic calculations for each of these sectors will as a result reflect sensitivities of expenditure and income patterns of delegates and conference organisers.

It should be noted that education and socio-cultural conferences will be measured with science sector values.



22nd World Diabetes Congress 2013, Melbourne Convention and Exhibition Centre

INTERNATIONAL ASSOCIATIONS CONFERENCES SURVEYED 2013-2015

The key insights from this study was determined from a survey of nine international conference across the health, medicine, business, engineering and science sectors.

Conference	Melbourne Convention Delegate Study 2013	2015 Melbourne Conference Organiser Study	Sector
International Council of Nurses (ICN) 25th Quadrennial Congress 2013	✓	✓	HEALTH
IEEE International Geoscience and Remote Sensing Symposium (IGARSS) 2013	✓	✓	ENGINEERING
International Congress of Pediatrics (ICP) 2013	✓	-	MEDICAL
IEEE International Conference on Image Processing (ICIP) 2013	✓	✓	ENGINEERING
22nd World Diabetes Congress 2013	✓	✓	MEDICAL
International Association for Plant Biotechnology Congress 2014	-	✓	SCIENCE
Pharmaceutical Sciences World Congress 2014	-	✓	SCIENCE
International Congress of the World Federation of Hemophilia 2014	-	✓	HEALTH
World Cancer Congress 2014	-	✓	MEDICAL
Young Presidents Organisation 2015	-	✓	BUSINESS

Melbourne Convention Bureau
Level 12, IBM Centre
60 City Road
Southbank Victoria 3006
Australia

T +61 3 9693 3333
F +61 3 9693 3344
info@melbournecb.com.au

melbournecb.com.au