

1. THE VALUE OF EVENTS

BACKGROUND

- Melbourne has built a reputation as a world leading destination for major events, and is a leading destination for business events. Regional Victoria has also developed a vibrant annual, special and business events program.
- The VEIC considers that it is important for the future support and growth of the events industry that the value of events to Victoria, in an economic, strategic and social context, is widely understood and valued.
- This message must be effectively communicated to industry participants, policy makers, and the wider Victorian community, in order to ensure the industry receives the recognition and profile that it deserves.

KEY ISSUES

- Major events are a key contributor to the Victorian economy. In 2006, Victoria attracted over 324,000 international visitors to major events, and these visitors stayed a total of 12.4 million nights. This generated an estimated \$1.2 billion in economic activity in metropolitan and regional Victoria, or \$3.3 million each day. Of the total number of event visitors to Australia, 45% visit Victoria.
- Victoria's events are world's best practice and highly integrated. They leverage off the breadth and depth of the State's facilities, assets and climate, as well as social, cultural and business networks.
- Of Victoria's international events visitors in 2006:
 - 59% attended festivals, fairs or cultural events.
 - 59% attended an organised sporting event.
- Victoria also received 1.4 million domestic overnight events visitors, accounting for 4.9 million visitor nights.
- Of Victoria's domestic events visitors in 2006:
 - 27% attended festivals or fairs or cultural events.
 - 75% attended an organised sporting event.
- Examples of major events in Victoria include:
 - The Australian International Airshow, held biannually, attracts a total attendance of over 200,000, contributing \$71 million to the Victorian economy. This is the equivalent to employing 1,528 people full-time for a year.
 - The Australian Open tennis, held annually, attracts a total attendance of over 500,000, which includes an additional 29,000 interstate and 5,000 overseas visitors that come to Victoria specifically for the event. The Australian Open contributes \$189 million to the Victorian economy, the equivalent to employing 3,530 people full-time for one year.
 - The Port Fairy Folk Festival is one of the largest folk festivals in Australia. In 1998, it had an economic impact of \$1.8 million to the region, the equivalent of 54 full-time jobs.
- Business opportunities for Victorian companies to supply to International Games and Major Events have been significant. For example, as a result of the Melbourne 2006 Commonwealth Games (M2006), the Victorian Industry Capability Network (ICN) identified \$900 million in procurement opportunities for local industry, and \$119 million in Import Replacement orders for Victorian business. Looking ahead, further business opportunities associated with M2006 are now being explored, including:

- 2008 Beijing Olympics - consultancy advice on infrastructure development and legacy issues, consultation on Games related furniture and equipment, catering, cleaning and waste management, and transport planning.
- For the 2010 Delhi Commonwealth Games, Victorian architects have won contracts for the design of the Delhi 2010 Commonwealth Games Athletes Village and competition venues including the Siri Fort Sports Complex, Yamuna Sports Complex, Thagaraja Sports Complex and Delhi University venues.
- For the 2006 Doha Asian Games, Victorian firms were successful in obtaining work in the areas of games and event master planning, volunteer training, field of play lighting systems, supply and maintenance of turf, and venue cleaning services.
- In addition to major sporting and cultural events, business events attract 5.4 million delegates and support 22,600 jobs each year. Business events include exhibitions, meetings and conferences, as well as the incentive travel sectors. Victoria's share of the Australian business events sector is around 25%, and business events generate 9% of our total tourism revenues or around \$1.2 billion per annum.
- The new Melbourne Convention Centre will be completed by the end of 2008, with commissioning and handover in 2009. The new Centre has the potential to attract an additional \$197 million in economic activity to the State each year, however this will require sustained marketing support directed specifically at attracting business events.
- Major events in Victoria attract considerable Local and State Government support. Victorian State Government spending on special events is capped at \$55 million a year, considerably higher than the next biggest spender, NSW, which allocates \$12 million per year to events. The City of Melbourne is also a major supporter of events, with around 3000 separate activities held each year.
- While major events yield an economic benefit to the State, they also deliver a broad range of less tangible, strategic and arguably enduring benefits that are more difficult to quantify but no less valuable. These benefits include contributions to regional development, infrastructure provision, improved social cohesion and community participation, environmental sustainability, a long-term boost to the branding of Melbourne and Victoria, international recognition and widespread media coverage that would otherwise not occur.
- For example, in 2004 the Australian Open tennis was watched by 272 million people in 202 countries, generating 1300 hours of television exposure.
- Events also yield a broader range of social benefits, including a reduction in crime and encouragement of positive community behaviour, such as recycling and use of public transport. Community groups themselves can also benefit from sponsorship associated with events.
- It is for these reasons that a strict 'money-in, money-out' methodology for determining the value of events is not solely appropriate. In any analysis of the impact of either an individual event or major events more generally, the immediate financial outcomes should not be considered in isolation of the broader impacts outlined above when seeking to determine the true value.
- There are also a broad range of non-major events held throughout the year that are equally important, particularly at a local and community level. These events are diverse, and include those based around food, wine, cultural, sporting or religious themes.

POLICY POSITION

- Support for major events and business events is vital to the growth of the tourism industry, as well as the broader Victorian economy.
- Major and business events also deliver a range of less tangible benefits, including improved social cohesion and participation, public confidence, business opportunities, international recognition, support for the branding and identity of Victoria and widespread media coverage. Widespread improved knowledge of the true value of events is vital to ensuring support for the further development of the industry. This will be critical to encourage excellence within the industry, and to support the export of event-related goods, services and expertise.

What is VEIC?

The Victoria Events Industry Council (VEIC) is a peak industry Council of associations, corporates and government agencies representing event organisers, venues, suppliers and service providers for Melbourne and regional Victoria. The role of VEIC is to provide leadership for Victoria's events industry.

Sources:

National Visitor Survey
International Visitor Survey
Tourism Victoria
The National Business Events Study

Value of Events at a Glance

Total Events:

- \$2.4 billion in economic activity.

Major Events:

- \$1.2 billion in economic activity in 2006, or \$3.3 million per day.
- 324,000 international visitors, who stayed 12.4 million nights.
- 1.3 million domestic overnight events visitors, who stayed 4.9 million nights.

Business Events:

- \$1.2 billion in economic activity.
- 5.4 million delegates.
- 22,600 direct and indirect jobs are supported by business events.

The definition of events also includes:

- Sporting events.
- Community and local events.
- Food and wine festivals.
- Cultural and religious festivals.
- Arts-based events.

Events also provide Victoria with a range of intangible benefits including:

- Community cohesion and participation.
- Regional development.
- Infrastructure provision.
- Branding of Melbourne and Victoria.
- International recognition.
- Widespread media coverage.