

# Value of Business Events to NSW

FY 2019 High-level update

Sydney Business Events Coalition (SBEC)

September 2022



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## Reliance Restricted

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12 October 2022

## Value of business events - NSW component (FY19 high-level update)

Dear Sam

In 2014, Ernst & Young (EY) was engaged by the Business Events Council of Australia (BECA) to estimate the value of business events to the Australian economy. The report (2015 EY BECA Report) highlighted the importance of the business events industry to Australia, by estimating the economic contribution, value add and employment of the industry in FY2014.

We recently provided BECA with a Financial Year 2019 (FY19) high-level update on the value of business events to Australia, which is based on our 2015 EY BECA Report. This report presents the New South Wales (NSW) component of the high-level update by applying the same growth metrics to the NSW data in 2015 EY BECA Report.

This report may be relied upon by the Sydney Business Events Coalition (which includes Business Sydney, Committee for Sydney, International Convention Centre Sydney, Business Events Sydney, Meetings and Events Australia, Exhibition and Events Association of Australasia, Tourism Accommodation Australia, Accommodation Australia, the Association of Australian Convention Bureaux and the Professional Conference Organisers Australia) for the purpose of understanding the economic contribution of business events to NSW for FY19 (1 July 2018 to 30 June 2019). It also includes the ICCS data for FY19 (the ICCS was not in existence in 2015). This report should not be relied upon for any other purpose or by any other parties. Further, for consistency this analysis applies the same growth metrics used in the Financial Year 2019 (FY19) high-level update on the value of business events to Australia. As such this report should only be used as an indicative value of NSW's component of the Australian business events industry as the collection of NSW specific data on the number of venues; number of events; number of delegates; origin of delegates; delegate expenditure and conference organiser expenditure was outside the scope of this high-level update. Any NSW specific data of this nature that ICCS may have access to should also be considered in interpreting the results of this NSW FY19 high-level update.

If you would like to clarify any aspect of this report or discuss other related matters then please do not hesitate to contact me on +61 402 093 800.

Yours sincerely

Matt Colston  
Associate Partner  
Asia Pacific Leader  
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# 1

## Value of Business Events to NSW: FY19 high-level update







## 1. Value of Business Events to NSW: FY19 high-level update

Based on general industry growth assumptions (as used for the update of the value of business events for Australia), the value of the business events industry in NSW has grown by c. 37% since FY14, directly contributing \$10.4 billion to the NSW economy in FY19

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### FY19 high level update of the value of the business events industry in NSW – based on EY's 2015 report on the value of the business events industry in Australia

#### Attendance in NSW

**13.1 million**



An estimated 13.1 million people attended a business event in the NSW in FY19 compared to 10.3 million in FY14.

#### Direct contribution to NSW

**\$10.4 billion**



**Value of business events:** The *direct industry expenditure* is estimated to have increased by over \$2.8 billion, from \$7.5 billion in FY14 to \$10.4 billion in FY19.

#### Direct value added to NSW

**\$5.0 billion**



**Value of business events:** The *direct industry value added* generated by business events in NSW increased by \$1.2 billion, from \$3.8 billion (FY14) to \$5.0 billion (FY19).

#### Number of NSW business events

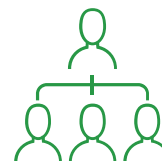
**145,100**



Approximately 145,100 business events (meetings /conventions, exhibitions and incentive events) were staged in NSW in FY19

#### Direct employment in NSW

**66,300**



An estimated 66,300 people were directly employed by the business events industry in NSW for FY19 (i.e. total number of jobs).

#### Direct wages in NSW

**\$3.2 billion**



Based on the average wage in the business events industry (*source: ABS*), the estimated annual expenditure on wages in NSW for FY19 for the above mentioned industry direct employment is approximately \$3.2 billion.

### FY19 high level update:

EY has provided a high level update of the key metrics contained in our 2015 EY BECA Report on the value of business events in Australia **as they relate to NSW**. This high level update is based on basic economic and industry growth data (ABS and Tourism Research Australia Visitor Surveys) and updated FY19 data from International Convention Centre Sydney. The key outputs for NSW from this update are:

1. An estimated 13.1 million people attended business events in NSW in FY19
2. The number of business events in NSW increased from approximately 122,900 (FY14) to c.145,100 (FY19)
3. The direct industry contribution generated by business events in NSW increased by over \$2.8 billion from \$7.5 billion (FY14) to \$10.4 billion in FY19
4. The direct industry value added generated by business events in NSW increased by \$1.2 billion, from \$3.8 billion (FY14) to \$5.0 billion (FY19)
5. The business events industry in NSW in FY19 supported c.66,300 jobs
6. The business events industry wages in NSW equated to approximately \$3.2 billion in FY19

## 1. Value of Business Events to NSW: FY19 high-level update

Meetings and conventions are by far the largest component of the business events industry by volume and value

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### Value of business events to NSW by sector for FY19

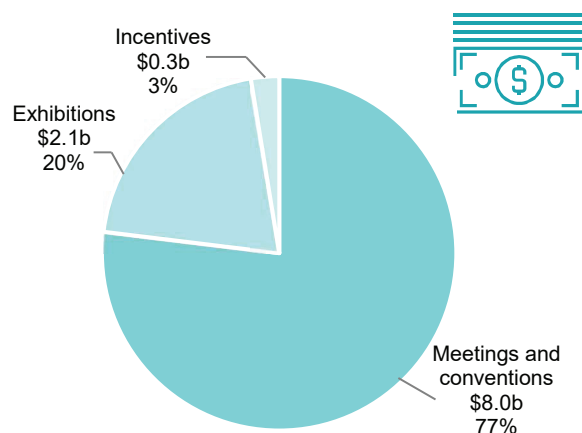
Key industry metric	Meetings & conventions	Exhibitions	Incentives	Total
Number of business events	138,900	500	5,700	145,100
Number of attendees: delegates/exhibitors/visitors (millions)	10.1m	2.7m	0.3m	13.1m
Direct expenditure (\$ billions)	\$8.0b	\$2.1b	\$0.3b	\$10.4b
Direct expenditure per event (c. \$)	\$57,457	\$4,224,547	\$46,756	\$71,474
Direct value added (\$ billions)	\$3.8b	\$1.0b	\$0.1b	\$5.0b
Total estimated direct annual wages expense (\$ billions)	\$2.5b	\$0.7b	\$0.1b	\$3.2b
Direct employment (c. jobs, rounded)	51,000	13,600	1,700	66,300

Numbers may not equate exactly due to rounding

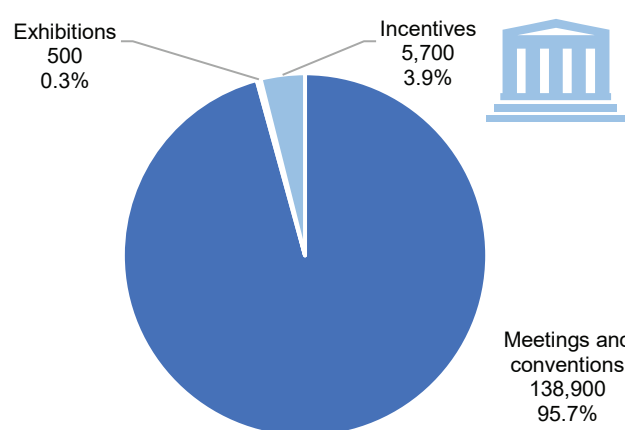
### Key metrics by event type

- ▶ Meetings and conventions are the largest component of the business events industry in NSW by total size and expenditure
- ▶ Exhibitions are by far the largest event type on a per event basis in terms of average direct expenditure and attendances per event

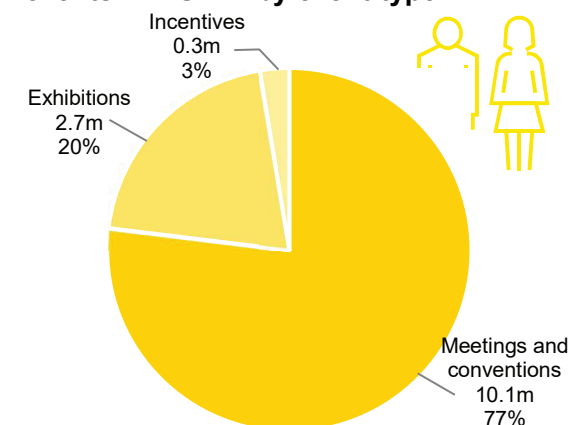
### \$10.4 billion direct contribution of the NSW business events industry – by event type



### Approximately 145,100 business events were staged in NSW – by event type



### 13.1 million annual attendances at business events in NSW – by event type







## 1. Value of Business Events to NSW: FY19 high-level update

Based on assumptions developed in the 2015 BECA report, there were marginally more business events and attendees in metropolitan NSW in FY19

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### Value of business events to NSW by metropolitan-regional split for FY19

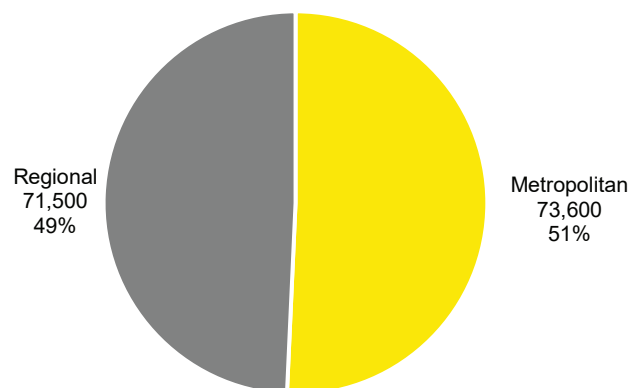
Key industry metric	ICCS	Metropolitan NSW*	Regional NSW	NSW Total	Australia#
No. of events	671	73,600	71,500	145,100	484,500
No. of attendees	1.4m	7.3m	5.8m	13.1m	44.7m
Direct expenditure (\$ billions)	\$0.9b	\$5.7b	\$4.7b	\$10.4b	\$36.3b
Direct value added (\$ billions)	\$0.5b	\$2.7b	\$2.2b	\$5.0b	\$17.5b
Total estimated direct annual wages expense (\$ billions)	\$0.3b	\$1.8b	\$1.5b	\$3.2b	\$11.3b
Direct employment (c. jobs, rounded)	6,000	36,500	29,800	66,300	233,000

### Key metrics

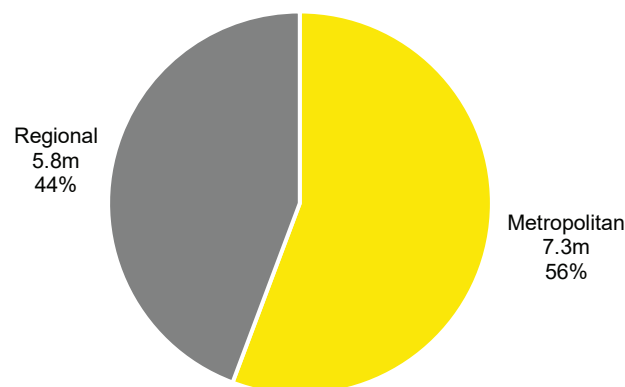
- ▶ 51% of business events were held in metropolitan NSW in FY19 (this proportion has not changed since FY14)
- ▶ 56% of attendees were at metropolitan events (compared to 51% in FY14)
- ▶ Metropolitan NSW was responsible for 55% of the direct expenditure and value add generated and jobs supported by business events in the State

Numbers may not equate exactly due to rounding

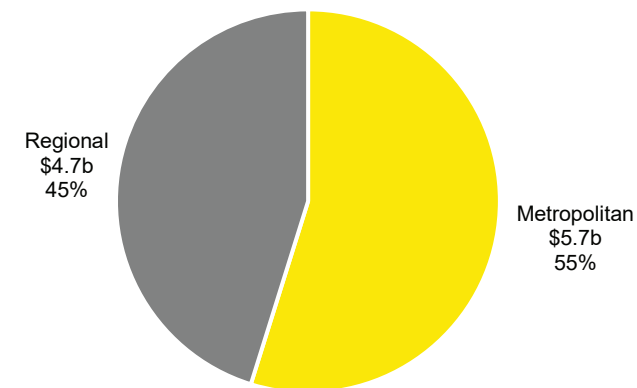
### 145,100 business events in NSW – by region



### 13.1 million annual attendances at business events in NSW – by region



### \$10.4 billion direct contribution of the NSW business events industry – by region



\* Metropolitan NSW includes Greater Sydney only, which is defined by the Australian Bureau of Statistics and illustrated in Section 2

# Industry metrics for Australia have been taken from the 2019 Value of Business Events to Australia report, with minor changes to reflect the estimated incremental difference between the Sydney Convention and Exhibition Centre in FY16 and ICCS in FY19

## 1. Value of Business Events to NSW: FY19 high-level update

Business events in NSW play a significant role in attracting visitors to the State from elsewhere in Australia and overseas

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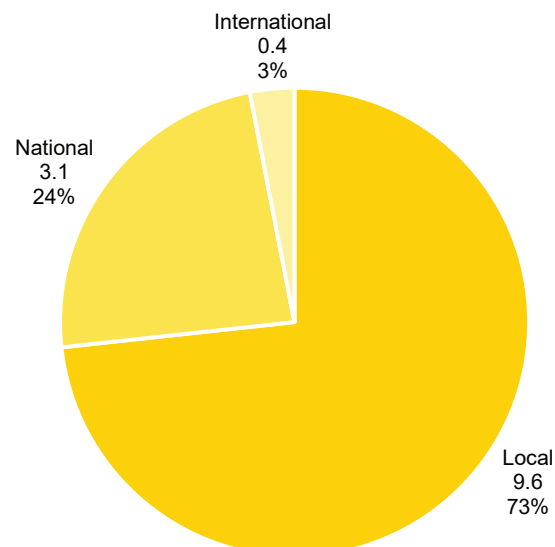
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### Origin of delegates attending business events in NSW

Delegate origin	No. of delegates (millions)	Proportion of total delegates
Local	9.6m	73%
National	3.1m	23%
International	0.4m	3%
<b>Total</b>	<b>13.1m</b>	<b>100%</b>

Numbers may not equate exactly due to rounding

#### 13.1 million annual attendances at business events in NSW – by origin



### Key metrics

- ▶ Business events play an important role in attracting visitors to NSW
- ▶ Of the 13.1 million delegates that attended business events in NSW in FY19, an estimated 3.5 million travelled from outside the State
- ▶ An estimated 3.1 million delegates (or 23% of all delegates) came from elsewhere in Australia to attend events
- ▶ An estimated 0.4 million delegates (3% of all delegates) travelled from overseas to attend events



# 2

## Approach and key assumptions



## 2. Approach and key assumptions

### Background and approach

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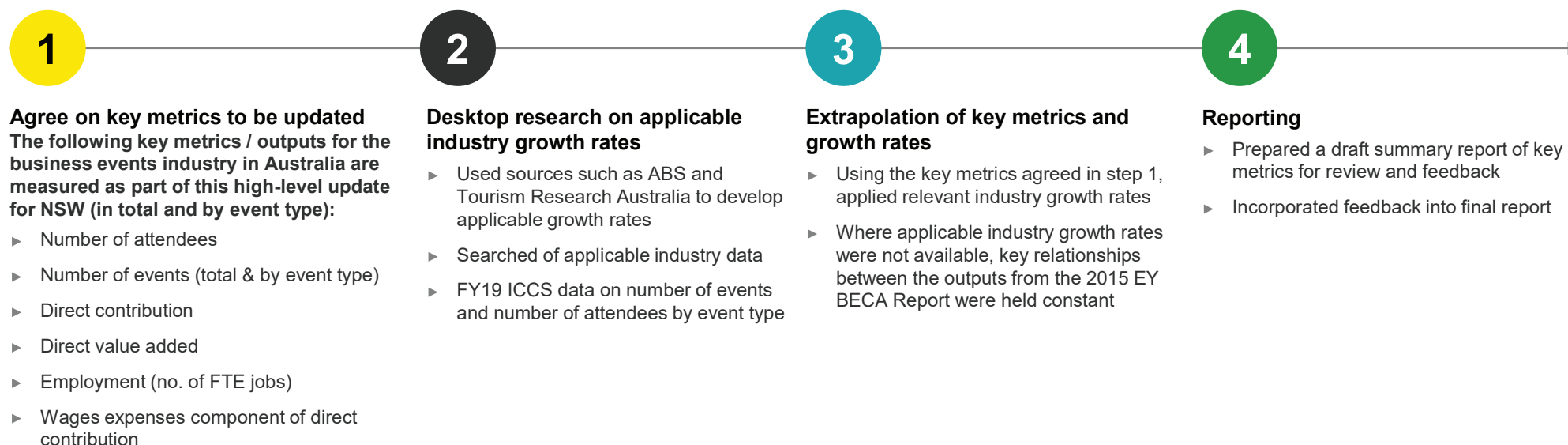
### Background

In 2014, Ernst & Young (EY) was engaged by the Business Events Council of Australia (BECA) to estimate the value of business events to the Australian economy. The report (2015 EY BECA Report) highlighted the importance of the business events industry to Australia, by estimating the economic contribution, value add and employment of the industry for the financial year 2014 (FY14). It also estimated other key measures, such as the number of business events, participants, and venues across Australia.

### Approach to this high-level update

Given the time and resources required to undertake a full update of the value of the business events industry, an alternate low resource intensive approach has been developed in consultation with BECA, which has been used to update the value of business events in FY16 and FY19. This approach, which is adopted for this FY19 high-level update for NSW, involves the development and application of various growth rates to the key outputs from the 2015 EY BECA Report. In the absence of available data to establish growth rates for certain outputs, key relationships between the outputs from the 2015 EY BECA Report were held constant.

For example, while updated data on business trip visitation was available from Tourism Research Australia to establish estimate growth in business event attendances, updated information on the number of business events staged in Australia in FY19 was not available – apart from the updated ICCS data. As such, the average number of attendees per business event type from the 2015 EY BECA Report was used to update the estimated number of business events by applying this average to the updated attendance estimates. A summary of our approach is provided below, with key assumptions provided over the page.





## 2. Approach and key assumptions

### Key assumptions and calculations

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Key industry metric – NSW only	Total	Notes
Number of business events	145,080	(1)
Number of attendees: delegates/exhibitors/visitors (millions)	13.1m	(2)
Direct expenditure (\$ billions)	\$10.4b	(3)
Direct value added (\$ billions)	\$5.0b	(4)
Direct employment (c. FTE jobs, rounded)	66,300	(5)
Total estimated direct annual wages expense (\$millions)	\$3.2b	(6)

#### Notes: Summary of assumptions

- (1) Based on the average growth in attendee numbers as per assumption (2), assuming the average attendee numbers per event remain consistent with the 2015 EY BECA Report on the Value of Business Events to Australia.
- (2) Given the limited updated data available specific to the business events industry, we have assumed the following growth rates for attendances at business events in Australia for FY19:

Attendee origin	Growth rate	EY basis for assumption
Local	8.0%	Based on Australian population growth (ABS) 2014 to 2019 (FY)
National	61.6%	Based on Tourism Research Australia's National Visitor Survey visitor growth 2014 to 2019 - business as primary purpose of travel
International	19.0%	Based on Tourism Research Australia's International Visitor Survey visitor growth 2014 to 2019 - business as primary purpose of travel
Average	17.6%	Average growth rate applied to number of events, keeping the average number of delegates per event consistent with the 2015 EY BECA Report

- (3) Total attendee numbers multiplied by the average spend per attendee per trip from the 2015 EY BECA report. The average spend per trip per attendee has been inflated by CPI June 2014 to June 2019, which equates to an increase of 8.4%.
- (4) Based on the ratio of direct expenditure to direct value add from the 2015 EY BECA Report. The direct value add multipliers from the 2015 EY BECA Report were extracted from the 2014 Tourism Satellite Accounts.
- (5) Based on the ratio of direct expenditure to number of direct jobs from the 2015 EY BECA Report. The direct employment multipliers from the 2015 EY BECA Report were extracted from the 2014 Tourism Satellite Accounts.
- (6) Based on number of full time equivalent jobs as per (5) multiplied by average annual salaries for the business events sector from an ABS business events industry sector report, inflated to 2019 using wage growth index.



## 2. Approach and key assumptions

### Key assumptions and calculations

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### International Convention Centre Sydney and growth in events and attendees at other venues

As the International Convention Centre Sydney was not in existence when the 2015 EY BECA Report was prepared, we have utilised the FY19 ICCS event data to update the existing Sydney Convention and Exhibition Centre data used in the 2015 EY BECA Report. The growth in events and attendees at all other venues since FY14 has been estimated using the approach outlined on the previous page.

A summary of the high-level update calculations is outlined below.

### Summary of FY19 high-level update calculations for NSW

	No. of events	No. attendees	Average \$ per delegate per trip *	Total spend (\$B)	No. attendees per event	EY Comment on Growth Factor
2015 EY BECA Report (FY14) - NSW only	122,931	10,337,663	\$730.05	\$7.547	84	No. venues - no updated data to assess
2015 EY BECA Report (FY14) - NSW less Sydney Convention and Exhibition Centre	122,745					
Growth factor	17.6%		8.40%			No. of events - based on average growth of attendee numbers, therefore keeping no. of attendees per event constant
FY19 estimate for NSW less Sydney Convention and Exhibition Centre	144,409					
FY19 ICCS data	671	1,410,864		\$0.945		
FY19 estimate for NSW only	145,080	13,102,576	\$791.40	\$10.369	90	No. delegates - refer below. \$ per attendee - based on CPI growth

\* Note this is an average and also incorporates event organiser spend

### Business events attendances growth rate calculations for NSW

Delegate origin	FY14 Total (less SCC)	FY14 Total (less SCC)	Growth rate	FY19 updated estimate	FY19 ICCS data*	FY19 updated estimate (inc. ICCS)	EY Comment on Growth Factor
Local	7,895,023	79%	8.0%	8,524,724	1,062,994	9,587,718	Based on Australian population growth (ABS)
National	1,729,731	17%	61.6%	2,794,489	284,428	3,078,917	Based on NVS visitor growth - business as primary travel purpose
International	313,002	3%	19.0%	372,498	63,443	435,941	Based on IVS visitor growth - business as primary travel purpose
Total	9,937,756	100%	15.3%	11,691,711	1,410,865	13,102,576	

\* FY19 Data provided by ICCS



## 2. Approach and key assumptions

### Key assumptions and calculations

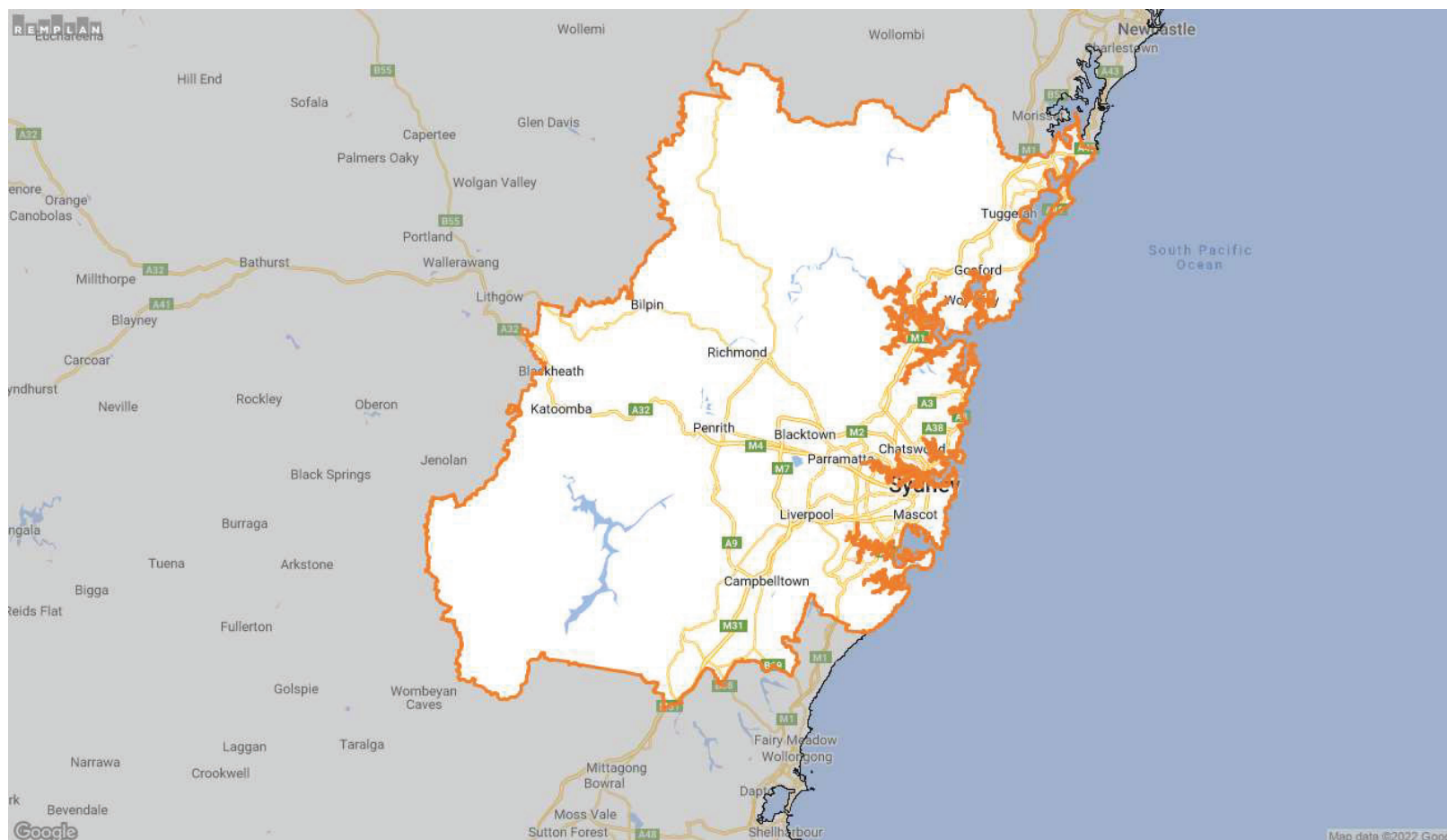
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### Metropolitan NSW definition

For the metropolitan-regional split analysis, we have used Greater Sydney as the boundaries for Metropolitan NSW. The boundaries of Greater Sydney are defined by the Australian Bureau of Statistics and are illustrated below.



Source: Remplan

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## 3. Appendix

### Note and Disclaimer

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#### Notice and Disclaimer

In 2014, Ernst & Young (EY) was engaged by the Business Events Council of Australia (BECA) to estimate the value of business events to the Australian economy. The report (2015 EY BECA Report) highlighted the importance of the business events industry to Australia, by estimating the economic contribution, value add and employment of the industry in 2013-14. In July 2022, EY was engaged on the instructions of International Convention Centre Sydney (ICCS) on behalf of the Sydney Business Events Coalition to provide a high-level update of the key metrics contained in the 2015 EY BECA Report for New South Wales for the Financial Year 2019 (FY19) with the inclusion updated data for ICCS, in accordance with the signed Service Agreement.

The results of EY's work, including the assumptions and qualifications made in preparing the Report, are set out in this report dated 12 October 2022 ("Report"). The Report should be read in its entirety including the transmittal letter, the applicable scope of the work and any limitations. A reference to the Report includes any part of the Report. Our work relating to this report commenced on 18 July 2022 and was completed on 12 October 2022. Therefore, our Report does not take account of events or circumstances arising after 12 October 2022 and we have no responsibility to update the Report for such events or circumstances.

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#### Basis of our work and limitations

The information contained in this Report is based on the 2015 EY BECA Report and uses publicly available data to support assumptions developed to update the key outputs contained in that report for FY19. We have not independently verified, or accepted any responsibility or liability for independently verifying, any such information nor do we make any representation as to the accuracy or completeness of the information.

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