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SKILLS AND TRAINING BOOST SUBMISSION 2022

To whom it may concern,

As Australia's direct exposure to COVID-19 faces its third year, the business events sector has endured this period as one of the hardest hit industries with limited and inconsistent opportunity to earn revenue. Since the outcomes of the first National Cabinet meeting were announced in March 2020, business events have faced crippling restrictions, and in many cases, not been permitted to operate at all. However, with a coordinated policy focus and effort, Australia's business events industry has the potential to reignite the post-COVID economy.

A unified industry

I write on behalf of the Business Events Council of Australia (BECA), which is the peak body representing industry associations and key infrastructure of the business events industry (meetings, incentives, conventions, and exhibitions):

- Association of Australian Convention Bureaux (AACB),
- Australian Convention Centres Group (ACCG),
- Exhibition and Events Association of Australasia (EEAA),
- Meetings and Events Australia (MEA), and
- Professional Conference Organisers Association (PCOA).

A strong united sector sharing headline policy priorities, goals, and ambitions will unlock greater potential for the nation.

The value of business events to Australia

Australia's business events industry has been one of the quiet achievers of the Australian economy – growing at around 6% annually since 2014, directly generating over \$35 billion in economic activity and employing over 229,000 people across a broad range of sectors and trades. In 2019, 43.7 million people attended more than 484,000 business events across Australia.¹

¹ *Value of Business Events to Australia 2018/19*, Ernst & Young, March 2020

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Skills and Training Boost

BECA welcomes the introduction of a Skills and Training Boost to support small businesses (with aggregated annual turnover of less than \$50 million) to train and upskill their employees, with access to a bonus 20 per cent tax deduction for eligible expenditure. In fact, the introduction of a training tax incentive has been a policy position of BECA for some time as included in [A National Business Events Strategy for Australia 2020 \(Oct 2008\)](#):

Taxation (Chapter 8.5)

The business events industry believes a tax incentive for approved training, similar to the R&D tax incentive, would serve many purposes. It would boost corporate investment in employer training, reflecting the Australian Government's education revolution. It would address Australia's chronic skills shortage by encouraging more employer-funded training of staff. Additionally, an increase in training seminars, conferences and workshops would boost the sluggish domestic business events market.

Recommendations

- *That the Australian Government introduces an incentive for businesses to train staff, similar to an R&D incentive, with tax deductibility of 125 per cent on all eligible training, as part of the Australian Government's "education revolution" to encourage ongoing job training and to stimulate the domestic business events market.*
- *That tax incentives (125 per cent) for approved training programs run by employers for employees stipulate that the training must be delivered within Australia.*

The motivation behind this policy position proposes that any incentive-driven encouragement of training through seminars, workshops and conferences will boost demand across the business events industry's supply chain including venues, catering, accommodation, audio-visual services, and equipment hire.

Recognising the important role this policy could play in not only addressing Australia's workforce and skills challenges, but in also supporting the recovery of the business events industry, BECA continued to advocate for the introduction of a 125 per cent Education & Training Tax Incentive through its [COVID-19 Recovery & Rebound Framework \(2021\)](#).

BECA notes that through the current exposure draft, the potential positive impact on the business events industry is significantly reduced, as the bonus deduction is only available to small businesses and for expenditure incurred on external employee training (ie. inhouse training provided by the small business is not regarded as eligible expenditure within this draft legislation).

However, BECA is encouraged by the understanding that conferences, workshops, and seminars, as in-person training delivery methods, will be recognised as eligible expenditure through the payment of registration fees.

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Registered Training Providers

Limiting training providers to those only registered with the Australian Skills Quality Authority (ASQA), Tertiary Education Quality and Standards Agency (TEQSA), Victorian Registration and Qualifications Authority, and Training Accreditation Council of Western Australia, fails to recognise the important role that associations and not-for-profits play in delivering quality education and training to all industries across the Australian economy.

According to the Associations Forum and the Australasian Society of Association Executives, only 5 per cent or less of Australian associations have registered training organisation status, however, all exist to grow and advance the respective industries that they represent through the delivery of legitimate training and sharing of best practice. Further, many professional associations deliver industry-based upskilling and accreditation through continuing professional development (CPD) or similar programs that employees must maintain to operate or be recognised within their respective profession.

At the Association Leaders Symposium in Sydney on 5 September 2022, the **Hon Dr Andrew Leigh MP, Assistant Minister for Competition, Charities and Treasury** stated:

“The work that associations do is so important for Australia.” After which he added, *“We need smart ideas and collaboration in order to build a stronger Australia. The work that you do in expanding education and training is a key part of that. A more educated Australia will be a higher waged, more productive Australia.”*

In the absence of a national registry on Australian associations and the training that they provide (including CPD and accreditation), BECA recommends that eligible training providers be expanded to include bona fide registered associations, ie. companies limited by guarantee and state or territory incorporated associations. These organisations are registered and regulated by governments including the Australian Securities & Investments Commission or relevant state or territory authorities. In addition, they must comply with their own constitutional processes and internal governance frameworks that dictate the activities and services provided to members and their industries.

This recommendation mitigates Item 1.31 at *Registration requirements for training providers* under the *Treasury Laws Amendment (Measures for Consultation) Bill 2022: Skills and Training Boost* in that “training eligible for the bonus deduction is delivered by providers that are registered and regulated by government authorities.”

Ahead of the National Skills and Jobs Summit, Senator the **Hon Don Farrell, Minister for Trade and Tourism**, led a Tourism Jobs Summit in Canberra on 30 August 2022. The Summit, which brought together 70 representatives from tourism industry associations, unions, business, academia, Commonwealth, State and Territory Governments, highlighted the significant workforce and skills gaps across the visitor economy.

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Current capacity and capability is impacting industry's ability to meet demand and hindering the post-COVID recovery pathway. Should registered training providers under the Skills and Training Boost be expanded to include registered professional and industry associations, more legitimate organisations would be available to deliver the acute training needs of the industry.

Meetings & Events Australia (MEA)

BECA is pleased to see that under the current exposure draft, MEA would be recognised as a registered training provider for the events industry. MEA operates the only ASQA accredited events industry-based registered training organisation, with the SIT50316 Diploma of Event Management on scope.

Established in 1975, MEA is one of the largest and longest operating events industry associations in Australia. MEA's mission is to lead, empower, and connect individuals and businesses in the Australian events community to achieve their goals, and seeks to do so by driving growth and excellence within it. Education is a key method in which MEA seeks to underwrite capacity. MEA develops and delivers accredited education and upskilling professional development training programs, providing both tertiary level and continuing learning opportunities for the sector's workforce and across all stages of career.

Conclusion

The business events industry was one of the first to be impacted by COVID-19, one of the hardest hit, and may be one of the last industries to recover. The delay to international re-opening, coupled with state and territory lockdowns and restrictions on the domestic business events market over the past two years has prevented the industry from earning revenue and operating with consistency, and has seen many businesses continue to run at a loss well into 2022.

This warrants the need for fair and targeted Federal support – made even more urgent given that a significant proportion of the previous Government's \$56m Business Events Grant Program failed to reach the industry's supply chain as intended.

Response to the impacts of the ongoing COVID-19 pandemic will require a strong framework for driving business events with government and a new style of partnership with industry. Sensible amendments to this exposure draft legislation will not only support small business – which makes up most of the visitor economy – but can also genuinely assist the business events industry's pathway to recovery over the next two years to 30 June 2024.

BECA is committed to partnership and collaboration with government to see the business events industry play its part in the recovery of the Australian economy. Beyond the immediate benefits of visitation, business events will play an important role in driving demand by providing a marketplace for rebuilding industries and public-sector networks – creating future employment, innovation, investment, and knowledge exchange.

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Recommendations

1. BECA recommends that eligible training providers be expanded to include bona fide registered professional and industry associations (companies limited by guarantee and state or territory incorporated associations) responsible for delivering legitimate training and continuing professional development to their members, with the aim of growing the respective industries that they represent right across Australia's economy.
2. Alternatively – the Australian Government, in collaboration with the peak bodies representing associations, establish a national register of Australian not-for-profits and the certified training, accreditation, and continuing professional development programs that they deliver, to be included as registered training providers under the legislation.

I welcome the opportunity to provide further advice on these recommendations, the business events industry's strategic value to the Australian economy and BECA's recovery response to the global pandemic.

Yours sincerely,



Dr Leo Jago, OAM
Independent Chair



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Members of the board of the Business Events Council of Australia:

Janet Hamilton

General Manager,
Cairns Convention Centre

The logo for the Australian Convention Centres Group, featuring the text 'Australian Convention Centres Group' in a sans-serif font.

Matt Pearce, Deputy Chair

Director,
Exhibition & Events
Association of Australasia

The logo for the Exhibition & Event Association of Australasia, featuring a colorful circular graphic and the text 'EXHIBITION & EVENT ASSOCIATION OF AUSTRALASIA'.

Nigel Keen

General Manager,
Perth Convention & Exhibition
Centre

The logo for the Australian Convention Centres Group, featuring the text 'Australian Convention Centres Group' in a sans-serif font.

Michael Matthews

President,
Association of Australian
Convention Bureaux

The logo for the Association of Australian Convention Bureaux, featuring a stylized blue outline of a map of Australia and the text 'Association of Australian Convention Bureaux'.

Michael Firman

Chair,
Meetings & Events Australia

The logo for Meetings & Events Australia (MEA), featuring a stylized graphic of three people and the text 'MEEA Meetings & Events Australia'.

Barry Neame

President,
Professional Conference
Organisers Association

The logo for the Professional Conference Organisers Association (PCO), featuring a stylized star graphic and the text 'PCO KEEPING AUSTRALIA MEETING'.

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