Inquiry into fostering and promoting the significance of Australia's National Capital Submission 7 - Supplementary Submission

From: <u>Michael Matthews</u>
To: <u>Moa, Josephine (REPS)</u>

Subject: [SEC=OFFICIAL] NCET Committee - Questions on Notice for Canberra Convention Bureau - Inquiry into

Australia"s National Capital

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OFFICIAL

Dear Josephine,

Thank you for the opportunity to participate in the inquiry into Australia's National Capital. Please find the responses from Canberra Convention Bureau to Senator Pocock and the Committee.

1. What is best practice with convention centres being built across the world now? What trends are you noticing?

For best practice we only need to look to Sydney, Melbourne, Brisbane and Adelaide and the priority placed on proportionate exhibition space. Modern convention centres build in flexibility of available rooms with auditoriums, plenary rooms, breakouts, open air spaces. For auditorium examples:

- Adelaide auditorium can convert to three rooms or convert to a large flat floor room suitable for Gala dinners in 30 minutes.
- Melbourne has multiple configurations that can be 3 rooms with 1/3 each, 2x rooms 1/3 and 2/3 or one large auditorium. Seats can be flipped to create a large flat floor dining space.

All other convention centres have multiple exhibition halls with operable walls.

Canberra has one small hall that can not be divided due to no operable walls.

Modern event spaces are able to adapt to meet the varied needs of clients. Every modern convention centre can run with multiple/simultaneous events to that suit clients expectations.

In Canberra, a 400pax conference ties up the entire complex and must use the 2,448-seat auditorium because of how inflexible the venue is.

Modern convention centres are seamlessly secure to protect all attendees and can be further secured for high level dignitaries with lower logistical and labour costs. Expectations of a Capital convention centre would be for the most cyber secure public facility in Australia.

Modern centres can reduce running costs and emissions by being sustainably built. These include rainwater collection to reduce run-off and capture for grey water use, solar generation, passive building design and green roofs to reduce city heat island effects.

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All new convention centres recognise their role in their destination to make an architecturally significant statement. They embrace the best of the city's liveability with examples adjacent to harbours, lakes, rivers and parkland and are a central meeting point for locals and visitors.

They embrace the story of the city or Capital and tell that story externally, and through design within their walls. Convention centres are stackable boxes internally. Design impact is through various skins that are not as cost prohibitive as has been recently suggested.

Note the new convention centre in **Calgary, Alberta, Canada**. Announced during Covid it will open in 2024. They will offer 1,000,000sq.ft of space (92,000sq.m) https://venues.calgarystampede.com/bmo-centre-expansion with focus on:

- Increasing Technology requirements. Accommodating high bandwidth demands
- Energy Efficient & Sustainable. Using sustainable materials and natural lighting for a more modern space
- Safety & Security. Balancing positive user experience with the requirements of tighter security
- The Experience. A venue that delivers" a sense of place" representative of the destination.

Look to New Zealand that has delivered \$1.4b in new centres in Auckland, Christchurch, and Wellington. https://www.stuff.co.nz/business/industries/125861975/battle-of-the-convention-centres-three-new-venues-worth-14b-provide-onceinalifetime-opportunity

2. How does Canberra's current convention centre compare to those in other cities?

Canberra and the Capital has been left behind by almost all cities in Australia, and by other global capitals in regard to meeting infrastructure. There are far greater demand drivers for our nation's Capital than other cities of similar size relative to population and GDP. Federal Parliament, Defence, Heads of Government agencies and departments like CSIRO, ASIO, and the new Cyber/National Security Office Precinct are examples unique to Canberra because it is the nation's capital.

Many events in these areas are already too large for Canberra and will need to leave the capital due to demand for increased exhibition space and delegate numbers.

Canberra's effective peak capacity for a convention is 1200-1500 delegates if they can accept the revenue and engagement limitations of a very small exhibition space relative to the number of delegates.

Some event owners pay to build an 800sqm marquee for exhibitions at upwards of \$100k for a single event. This is a sub-par and cost prohibitive solution.

Generally, Canberra can only hold one conference at a time, which is the single biggest limiting factor on growing business to the Capital. This means one large conference a week. The current centre is a dated (1980s) understanding of the needs of a conference and is extremely inflexible with no ability to divide the Royal Theatre or the Exhibition Hall. It is the

lack of flexibility and lack of size that are the key limiting factors.

Ageing infrastructure (nearly 35 years old) requires ever increasing investment to keep the centre operational. The latest is a multi-million dollar upgrade the HVAC system to keep heat on in winter, with no appreciable improvement to the functional visitor experience. Lack of investment and urgency for a new Convention Centre impacts investment in related areas such as new supporting hotels. Geelong, Adelaide, Melbourne and Sydney are seeing the benefit of new supporting hotel infrastuture.

This table shows the value of investment and expansion in other centres in Australia and notes Canberra has seen no increase in capacity since 1989.

CITY	OPENED	COST	REFURB \$	YEAR	DELEGATES	EXHIBITION SQ.M	FUNDED
Sydney	2016	\$1.5BN	N/A	N/A	8,000	32,600	PPP
Melbourne	1996 2009 2018	\$129M \$413M \$305M	\$305M	2018	5,541	40,000	PPP
Brisbane	1995	\$170M	\$140M	2012	3,958	20,000	Govt. w Mgt.
Adelaide	1987	\$39M	\$350M	2017	3,500	10,400	Govt. w Mgt.
Cairns	1996	\$80M	\$11M \$6.3M \$179M	2005 2011 2021	5,000	4,000 10,500 exp.	Govt. w Mgt.
Canberra	1989	Unknown	\$30M \$5M	2007 2017	2,448	2,000	Govt. w Mgt.
Darwin	2008	\$110M	N/A	N/A	1,500	4,000	PPP w Mgt.
Gold Coast	2004	\$167M	\$40M	2009	6,020	6,345	Govt. w Mgt.
Perth	2004	\$225M	N/A	N/A	2,500	16,600	Private w Mgt.
Geelong	2025	\$200M w City Deal	-	-	1,000	2,000	-
Wellington	2023	\$179M	-	-	1,100	10,000	-
Christchurch	2021	\$475M	-	-	1,400	3,300	-
Auckland	2025	\$750M	-	-	2,850	8,100	-

3. How do you see the role of our national capital on the global stage, and how can having – or not having – a state-of-the-art convention centre affect that?

The capital is underserved in the ability to harness the thought leadership found here. Other cities in Australia are used to host international meetings of significance. Canberra is not widely known as the capital.

There are missed opportunities to engage with our regional neighbours through business events. The connection to the embassies and high commissions are oft described as soft diplomacy and take advantage of business events to provide an opportunity for our international friends to engage with the capital and understand the opportunities to work through our common technical, social and communication problems.

The legacy benefits from Geoscience's GEO Week in 2019 that was held in Canberra is an example of positive impacts via a business event for the Pacific.

GEO Week 2019 / Ministerial Summit (earthobservations.org) GEO Week 2019 / Ministerial Summit/earthobservations.org

The Commonwealth is currently unable to suitably attract world leaders in politics, science, technology and industry and benefit from Australia's recognition as a global leader. Limitations on infrastructure limits our scope to capitalise on opportunities as a nation's capital should. A Convention Centre is a key piece of infrastructure and provides a reason for domestic and international people to engage with the capital, and should be a platform to showcase what Canberra and Australia has to offer the world.

Consider how Canberra would be viewed if we still needed to invite the world here through continued use of the old Canberra airport. Consider the impact of now having access to a world class airport and the parallels for a new convention centre.

4. What would be the economic cost to Canberra of not building a new convention centre, and doing so quickly? What would we miss out on?

Our understanding is that KPMG is doing *needs analysis* work on behalf of the ACTG and we look forward to seeing the report findings.

To accurately quantify what the capital is missing out on given that event business organisers already understand what the destination limitations, and that it is not possible to bring large conferences here, is challenging. Locally we know that we can double and on occasions triple the business at the convention centre during peak periods. Simplistically that means instead of 1 event a week, we could already host 2-3 conferences a week. We know that global heads of state and key Commonwealth hosting opportunities like COP will not be hosted in the capital anytime soon.

To quantity the missed opportunities in terms of more quality hotels and associated room night demand, and reinvestment in hotel stock, the use of air routes, spend through the entire business events supply chain, the increase in food and beverage consumption and the vibrancy that will support local restaurants and transportation in the city – and all the jobs in these businesses is not readily captured.

It is important to note that Canberra has been at functional capacity since 2012 and returned to peak capacity very quickly after Covid. To add another decade is a missed opportunity for the city and the Commonwealth.

5. Would there be advantages in having the new convention centre and new stadium within walking distance of each other?

A convention centre in the city that already operates at capacity 47 weeks a year and 265 days each year would deliver significant advantages to any co-located or nearby facility that by nature holds less frequent events.

Convention delegates would benefit from proximity to the transportation hub planning required for mass events e.g. large concert and sporting events.

The city of Toronto, Ontario is an example of city that has stadium, convention centre and arena in close proximity and benefits from the year-round vibrancy that these facilities all contribute to. These were all built and added onto at different times and do not enjoy any operational efficiencies that I am aware of. There are however significant marketing advantages for the destination that the City of Toronto exploits.

Sporting events have broad appeal and showcase the city to a wide audience through broadcast rights and social platforms. Most events of this nature attract mostly locals and there are strong community advantages and add to a sense of civic pride and belonging. Conferences attract niche subsets of communities addressing the problems we face in the modern world. The benefit of attracting 95%+ of people not from Canberra, aside from the obvious economic benefits and that conference duration is 2-4 days, is the platform to bring in global and domestic expertise to intersect with the thought leadership from here, and the associated benefits of research, innovation and collaboration.

If you any other questions related to the information above, please ask.

Regards, Mike

Michael Matthews MBA

Chief Executive Officer

CANBERRA CONVENTION BUREAU

KNOWLEDGE. CULTURE. INFLUENCE.

PRESIDENT | Association of Australian Convention Bureaux (AACB)

DIRECTOR | Australian Business Events Association (ABEA)

DIRECTOR | Canberra Regional Tourism Leadership Forum (CRTLF)

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We acknowledge the Ngunnawal people, the Traditional Owners of the land where we live and work, and pay our respects

to Elders past and present. We celebrate the stories, culture, and traditions of Aboriginal and Torres Strait Islander people of all communities, and recognise their continuing connection to the land and waterways of this unceded land.







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