



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND
TOURISM**

(Reference: [Inquiry into a new convention centre for Canberra](#))

Members:

MR J HANSON (Chair)
MR M PETERSSON (Deputy Chair)
MS S ORR
MR M PARTON

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 29 AUGUST 2017

Secretary to the committee:
Mr H Finlay (Ph: 620 50129)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

WITNESSES

MARSHALL, DR DAVID AM , Chair, Tourism Leaders Forum, and Chair, Tourism Industry Advisory Council	46
NEAME, MR BARRY , President, Professional Conference Organisers Association of Australia Inc.....	61

Privilege statement

The Assembly has authorised the recording, broadcasting and re-broadcasting of these proceedings.

All witnesses making submissions or giving evidence to committees of the Legislative Assembly for the ACT are protected by parliamentary privilege.

“Parliamentary privilege” means the special rights and immunities which belong to the Assembly, its committees and its members. These rights and immunities enable committees to operate effectively, and enable those involved in committee processes to do so without obstruction, or fear of prosecution.

Witnesses must tell the truth: giving false or misleading evidence will be treated as a serious matter, and may be considered a contempt of the Assembly.

While the committee prefers to hear all evidence in public, it may take evidence in-camera if requested. Confidential evidence will be recorded and kept securely. It is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly; but any decision to publish or present in-camera evidence will not be taken without consulting with the person who gave the evidence.

Amended 20 May 2013

The committee met at 9.31 am.

MARSHALL, DR DAVID AM, Chair, Tourism Leaders Forum, and Chair, Tourism Industry Advisory Council

THE CHAIR: Mr Parton is running a bit late, but we will crack on and he can review *Hansard*.

Welcome to the third public hearing of the Standing Committee on Economic Development and Tourism on a new convention centre for Canberra. On behalf of the committee, Dr Marshall, thank you very much for attending today. I note your passion when it comes to this particular issue. I draw your attention to the privilege statement before you on the table. Can you just nod to confirm that you are aware of the content?

Dr Marshall: I am.

THE CHAIR: Thank you very much. I remind you that the proceedings are being recorded by Hansard for transcription purposes, and they are being webstreamed and broadcast live on the Assembly website. Before we go to questions from the committee, do you have an opening statement?

Dr Marshall: I would like to make an opening statement, if I may, Mr Hanson.

THE CHAIR: Please do.

Dr Marshall: Thank you for the opportunity to be here. I am here for two purposes. One is to represent professional conference organisers. We have a company which we established in 1995, Conference Co-ordinators—we still have a financial interest in that—and we attend conferences around Australia. We have worked in every convention centre in the capital cities and most of the major provincial convention centres, so we have an in-depth knowledge of how centres operate. Naturally, we have worked here many times at the National Convention Centre as well. I would like to just reiterate some observations in relation to that experience.

I also chair the Tourism Industry Advisory Council, which was the Tourism Advisory Council back in 2003, when I first chaired it, under the Canberra Business Council's auspices. That is still operating. I also chair the Tourism Leaders Forum in the ACT.

My interest in tourism stems from when I arrived, in 1988. I was on the board of the convention bureau. I also chaired Floriade when they had an advisory board. I then became the Tourism Commissioner in 1994, through to 2000. My experience in tourism dates from even before that, when I was in Adelaide and, previous to that, in the Riverland in South Australia, so it is very extensive.

I make these observations this morning based on the commencement of the process to review the National Convention Centre in 1999, when I was the Tourism Commissioner. It was built 28 years ago, basically. We are looking, over a period of time, at an extensive examination of its fit for purpose. We started discussing it in

1999 because we knew that there would be at least a five-year time lag between discussions if a new facility was built or expanded. It is with some dismay that we sit here now in 2017 and we still are no further advanced. We are to some extent, but with a lot of the various submissions which have been put forward and some of the programs that the Canberra Business Chamber has initiated through KPMG and EY, there have been a lot of studies into this particular facility.

Let me say a couple of things before I stop. One is about the ability to look at how a convention centre actually works in a community. We were running a conference in Perth last year. I stood in the foyer of the convention centre in Perth on a Saturday morning and the place was full. There were kids running around; there was a callisthenics display; there was a local art show; there were exhibitions. I sat there and thought, "It is just like the town hall of old, a meeting place for the community." There were, I think, two conventions going on, including ours, on that particular weekend as well. It highlighted to me the importance of a facility which brings people together. I think that component is often missed when we talk about a convention centre. People think, "Well, the delegates fly in and they fly out. Some people might use it locally." It is absolutely vital to a city that we have a vibrant convention facility.

I point to the fact that we are the only jurisdiction which has not got a modern facility. Every other state and the Northern Territory cannot be wrong. They have invested tens of millions of dollars into their facilities. Sydney bulldozed theirs down and rebuilt it. I do not think they sat around talking about it for 15 years, looking to say, "Is there any economic benefit?" I work extensively in Darwin and Alice Springs; these centres are going gangbusters. It is because they bring people into these particular jurisdictions.

You do not have to have anecdotal evidence; we can go through the figures. There are extensive figures, produced by not only the convention bureau but also the Canberra Business Chamber, on the economic benefits. The challenge we face is putting that together. There are always arguments about the government having to build the facility. I would just like to finally say that the government does not have to fork out \$400 million, \$500 million or \$600 million to build a convention centre. It should be a private-public partnership. The commitment the government need to make—and they have already indicated that they would be prepared to look at this—is the land for the facility; the land for perhaps one, two or three hotels; and, as Minister Rattenbury suggested, putting the funds from the sale of this original convention centre, the convention centre we have now, into a fund, which would total, with land and that contribution, about \$160 million.

I am of the firm belief that the federal government should also contribute. And in my submission to the committee I did suggest that the angle should be security related. I wrote the original specifications for the Business Council on this new facility. We stressed the point about security, about making it the most secure meeting facility in the country. Wilson Tuckey, who was minister at the time, said to me, "There's no way we're going to give you any money." I said, "But what about if it's security related?" He said, "That's a very, very good angle." He said, "We should be pursuing that angle, because, indeed, we need a facility that can host national and international delegates safely."

That has been the thrust of my proposal for many years for this facility. Why should the commonwealth put money into a facility when every other jurisdiction has a convention centre? The angle of being the nation's capital and having a secure facility is something the government, I think, would be extremely interested in. I might leave my comments there. I am happy to take as many questions as you wish, just to flush out my views on this particular situation.

THE CHAIR: Thank you very much for your opening remarks. As I said in my preamble, your passion for this is not un-noted. The reality, though, is that, as you said, we have been going at this for 20 or 30 years. There was an expectation that it would take five years and then something would happen. That has not happened. When we look forward, I note some recent comments and actions by the Chief Minister that would not indicate that this is a broader priority for his government. What I fear, and this is something the committee has heard from other evidence, is that we will be here in another 30 years having the same conversation. What opportunities are we missing out on in the interim?

What I would be interested in hearing from you is this: if the new convention centre is put on ice, for want of another word, what is it that we can do with the existing facilities to make sure that we are capitalising as best we can, noting that the new convention centre at this stage is not happening any time soon, it would appear?

Dr Marshall: We run a number of conferences every year. Only one now comes to Canberra. Another big conference we run has around 800 delegates. They can no longer fit in the centre. They came here originally. It has grown. This is one company, our small conference organising company. You can multiply that around Australia. I can tell you about the number of people in the business who have said to me, "We'd love to come to Canberra, but the centre just cannot hold us." The Local Government Association conference which we run in Canberra has around 900 delegates. It books out the centre for 4½ days, which precludes others from coming in. The centre itself is not large enough to accommodate two or three conferences of a reasonable size. This is a huge issue for the city.

I know that the National Convention Centre did at one stage say that they had knocked back over 100 conferences just in a 12-month period. This is a staggering amount of money. And that is what they know of. Many organisers would not even bother to consider Canberra anymore. I can assure you that this is the case. It is very hard to quantify, Mr Hanson. I cannot say, "We are missing out on 400 conferences." No-one is really going to know that unless you do a very extensive survey. But the opportunities lost have to be significant.

THE CHAIR: Yes. I think I understand the opportunities lost. What I am asking for is this: do you have any advice on whether, if there is not going to be a new convention centre built any time soon, there is something that we can do as perhaps an interim measure or something else that helps capitalise on those opportunities? It may not be the 100 per cent solution of a new convention centre, but are there other measures that can be taken to get some of that business?

Dr Marshall: You would have to almost double the size of the existing facility. It needs much more flexibility in regard to exhibition space. Also, if you are having an

exhibition and you also want a dinner for 600 or 700 people, it needs to have almost double the floor space and a different configuration.

The challenge, I think, is this. If we are talking about a government commitment of just \$160 million, I cannot understand why this is such an inhibitor. I think the government should produce an EOI, submit it out there into the wider public arena, and get out of the way and let the private sector look at it. They will come back. We have seen the plans that the architects have produced of this latest design, which is spectacular. We do not know whether it is exactly fit for purpose at this stage—we have not looked at it in detail—but it is a very spectacular design. I am sure the committee has seen this.

What are we are going to be doing if we do not proceed to build a new one and we patch up the old one? We have done that now twice at significant expense; it is millions of dollars we are talking about here. If you go to any other convention facility and you walk in, you see that they are new, they are vibrant, they have escalators. We do not even have an escalator. Look at the centre. You can tart it up as much as you like, but we are in a competitive environment, and that is the big challenge for the ACT.

This is one of the best convention destinations in the country. What we are lacking is the facility itself. The attractions and the ability to go to Parliament House and so forth—a lot of people want to do that and meet their ministers—are a unique opportunity for us. My recommendation would be this: let us not keep patching it up; let us just bite the bullet and do it. Otherwise, you are right: we will be sitting here in another 30 years with a patched-up facility. There have been suggestions that you could put up a facility or an exhibition space opposite the facility. That does not work. There have been suggestions that we should combine it with a sports stadium. That absolutely does not work.

Charles Landry, who, many of you may be aware, has come to Canberra a number of times, in 2011 stood up at the War Memorial at a public forum. He is a city designer of world standing. He was asked the question “Can we combine a sports stadium with a convention facility?” The question was raised by Neale Guthrie. His response was: “Let me make this comment. It will not work. It does not work. Drop it from your thinking. Forget it. Take it off the table.” It shut down that conversation.

And it does not work. They are two separate entities. They might be able to share parking, like they have done in Adelaide, for example, where the convention centre now has massive parking underneath. People park there and walk across the bridge over the Torrens to the Adelaide Oval. That is the sort of thing where you can look at combining things, but combining catering or exhibition space is not going to work. We will have a second-class facility. What will happen is that people will not come.

You had this comment made by other experts, and I think that that is the issue we are trying to really articulate. I have enormous respect for the government in the city to the lake project; it is a very exciting opportunity. I think that all we need to do is try to convince the government that they do not have to put up the entire costing for this particular facility. There are ways of doing it. Other centres have done it as well. I think they should, if you like, re-look at how their priorities are now listed.

MS ORR: You commented about the sports centre and that sharing facilities will not work; you quoted an expert in the field. Can you run through some of the detail that informs that opinion?

Dr Marshall: Certainly. When there are conflicting events—for example, if two major conventions are on at a convention centre and you have 25,000 people in a stadium—there will be parking issues, to start with. There will be noise. To try to cater for that number of people, plus two lots of 1,000 conference delegates, as Charles Landry said, does not work. It might sound like a great idea, but he was saying that physically it does not work. They can be compatible, built close to each other, but he said, “Please do not combine them.”

The other thing is that if you have convention exhibitions and you are trying to put them into a stadium it is just not suitable. We are up against competition from all of these centres around Australia and from places like Singapore and Hong Kong, in some respects. We are not looking for those major conferences, but conference organisers and clients will walk into a facility and they will say, “Is this a purpose-built convention facility which is ideal for our needs, or is it a sports stadium?” They will ask the same questions: “What if we have a footy final here? How does it all work?” We went through this in detail with Charles Landry and that is what he said: it just does not work. So the experience comes from that.

Also, for example, in Darwin, before they had their convention facility, we would run exhibitions and conferences in their entertainment centre. If you have been to Darwin, you will know that it is down the end of Mitchell Street. It never worked, either, because you would have a major entertainment concert there, right in the middle of your convention. They are not compatible; that is the problem.

MR PETTERSSON: You mentioned in your opening statement the life cycle of a conference centre, based on Sydney knocking theirs down and building a new one. For how long do you think a conference centre should stand before it needs to be replaced and something new, better and shinier is put in?

Dr Marshall: That is a very good question. We are running a conference in Cairns in October. They are doubling the size of their facility. I think it is more about not having to knock it down. Adelaide has done the same thing. They have extended theirs and they have freshened up their older facility. So I am not suggesting that you have to bulldoze it after 15 years. The thing is that it needs renewal, just as anything does. In a competitive environment, clients will look at a facility and think, “No, it’s not quite right. It’s old, tacky.” The fitness for purpose is the critical issue—being able to operate and have functions in various locations around a facility which will not impact having another two or three conferences at the same time in the facility. That is where the big money will come in.

It is also a massive employer of young people. To say there are no votes in a convention centre misses the point that it is a great employer of youth. University students—all of these sorts of people—come into a city. If you look at any convention facility, they rely on that transient population for their staff, but it is a great training ground for people as well. It is a big employer.

If you look at the impact of business tourism and tourism as such, and if you look back to 1989 and the pilots' strike in Australia, a lot of people around the country thought that tourism was not their business, and they suddenly discovered that it certainly was. With respect to the impact of that pilots' strike, I cannot put a figure on it. It cost hundreds of millions of dollars, and people suddenly realised how critical tourism was to the economy.

We run a campaign, and have done for a number of years, on tourism being everybody's business, because it does have a ripple effect right through the economy. When there are natural disasters in Queensland, for example, when the cyclones went through there, the government poured millions of dollars into promotion, knowing that it would stimulate the economy very quickly.

MR PARTON: David, I cannot help thinking that we are having the wrong conversation here. Most of us completely agree that we desperately need a new convention centre. The conversation is much more about some of the things that you have highlighted, because the biggest thing that has stopped us is the bottom line, isn't it?

Dr Marshall: Yes.

MR PARTON: It is the bottom line that has stopped us. The conversation we should be having is more about how we can get creative with that bottom line. You have talked about public-private partnerships. How confident are you that there is an appetite in the commercial world to get on board with a project like this, and how creative can we get with that bottom line?

Dr Marshall: An EOI could be put out which said, "We want you to build this." In fact, it could be a package. You could get a developer to say, "We want to build a stadium and a convention centre," but they will need land to build two or three hotels. They are going to need that. You need the support of hotels not only at the convention centre itself but also in the surrounding area. So there will be some give in that regard, and that will be critically important. I think you can be very creative, and just look at what is necessary. There are investors out there, I am sure, who will have a look at it and think, "Okay, I think I can make this work." But we will not know unless the EOI is done and that \$8 million that the government should be investing in is then put to market. It is also about convincing the federal government that we are very serious about this, because the federal government have said, "If the ACT government aren't interested, neither are we." And I think that is fair.

MR PARTON: Yes, of course it is.

Dr Marshall: But let's be creative; I quite agree with you, Mark.

MR PARTON: So you are in agreement with me on that point?

Dr Marshall: Absolutely.

MR PARTON: That that is where the conversation should be?

Dr Marshall: Yes, certainly, because that is an inhibitor. I can understand that the government have priorities, and I know that there are significant priorities that the government have. It is a concern that they do not believe this is one of the top priorities. I think it should be ramped up almost to number one or number two—as an employment generator but also as the nation’s capital. This is the one big component that we are missing in Canberra. If you go around Australia or if you travel internationally, the great cities of the world have magnificent convention facilities. They cannot all be wrong. It is a stamp on a city that has come of age. I think that is one of the things that we are missing here.

The government can see, I am sure, that that is the case. It is just about the priorities they now have. I am saying that I do not blame them for not wanting to spend \$500 million or \$600 million, or whatever it is, on a convention facility, but they do not have to.

MS ORR: I am trying to get my head around what the actual need is for a convention centre in Canberra. Mr Hanson has raised this. What do we do in the meantime if we do not build the Australia forum and so forth? Through all the hearings we have had, I still do not have a great grasp of what it is, very clearly, that the convention centre sector is looking for within a facility. You have alluded to exhibition space and a gala dinner space, which is what we have heard consistently from other people as well. In my mind, though, that does not necessarily mean we jump from what we have to the Australia forum. Is there an in-between that we could get to that would suit the need? And what is that need? I am still looking for someone to very clearly articulate that.

Dr Marshall: Sure. Professional conference organisers and clients will look at a number of criteria when they are looking at going to a city. One is the convention centre itself and whether it can accommodate exhibitions, dinners and so forth. They will also look at what else is around the facility, such as other venues to host dinners. One of the conferences we run has four dinners, one after the other—Saturday, Sunday, Monday and Tuesday. We have two of those big dinners at the facility itself and two outside. So you look at the city itself and think, “What can company partners do? Where can we hold dinners? What can make the conference itself more interesting to delegates?”

In a conference facility you need the ability to have break-out sessions, perhaps—a number of different rooms. You need also to have things like—it sounds basic—escalators. I look at delegates and they are struggling up those steps. There is a lift there, but many of them do not use it. Every other facility has escalators. If you walk into our facility—and it has done a great job over the years—it is those little things sometimes which make the big difference.

It is also about back of house for convention organisers. You need massive amounts of space to store something like a thousand satchels and things like that—how you operate the conference itself. They look at all of these things in regard to how the conference is run. They will also look at, if there are other conferences, how you interact with that in the space. There has to be a good flow of delegates from the plenary session through to an exhibition area. These things are critically important also, because you will have morning tea, lunch and afternoon tea in the exhibition

space. So the flow of people is very important, which is why we are nervous about having an exhibition space which is not directly part of a convention facility. An add-on like that will be very hard to make work. They are some of the issues.

MS ORR: Let's say we went to build a new convention centre, hypothetically speaking, that could accommodate two conferences at once, because that seems to be—

Dr Marshall: Even three.

MS ORR: Yes. Give me a ballpark as to what that would actually require. How many break-out rooms, main rooms and gala halls?

Dr Marshall: Say you had three conferences of 600 delegates each and they all wanted to have an exhibition; you would need exhibition space for those. A couple of them might want dinners as well, so you would need the space to hold a dinner for 600 or 700 delegates, or whatever it is. You need space to set up registration desks for three conferences. The design that we have seen is a two-storey design, and that works quite effectively. As long as there is space and the conferences are not running into each other, that is where you make a lot of money, because you will have a flow of delegates coming in, and you would not be restricted, as with the facility that we have now, to having one convention, which locks out others.

Those are really the requirements. It is not complex; it is just a matter of looking at where you put coffee—cafes, for example—whether you would have a restaurant attached to the facility itself and so forth. You also need space for audiovisual requirements. Most convention centres now have an audiovisual company on site, and that is a very big cost factor and component in running a conference. You can spend \$100,000 on audiovisual, or even more than that.

Back of house is critically important, from a kitchen point of view. You need big commercial kitchens in order to cope. I was at a dinner at the convention centre in Darwin recently. I think they can have about 2,000 people at a dinner, which is very impressive for a city like Darwin. Again, it is about having the flexibility to break out these rooms, be able to open it all up, close it up if you want to, divide it and so forth. With break-out rooms it depends on whether you only have plenary or whether you do have break-out rooms. Some conferences we have run have had 10 break-out rooms; others do not have any. It just depends.

MS ORR: When I asked you that, I said two and you jumped to three. Is there some reason why you think three would be the better number to have?

Dr Marshall: Not really. If you had two 1,000 delegate conferences, that would be great. The centre will be designed to cater for smaller conferences, and 600 or 700 is ideal. If you had three of those in that centre, that would be fantastic. We are not looking to compete with Melbourne and Sydney at all. To run a conference in Melbourne and Sydney is very expensive. So that is where we have a cost benefit here as well.

MS ORR: This goes to the heart of my question: what is the market that we are trying

to respond to in Canberra? From what you have just said, we are not trying to be Sydney or Melbourne. There is a market that we are trying to capitalise on, and it sounds like—correct me if I am wrong—it is that 600 to 700 sort of conference.

Dr Marshall: You could cater for 1,500, depending on the design. But that is probably about it. We are not interested in attracting 5,000 or 7,000 delegates because the centre would have to be much bigger and there are other elements that you would have to consider as well. We are realistic enough to know that we have a limited size capacity. You get far more conferences of that size than you do the bigger conferences.

MS ORR: Are they nationally based conferences?

Dr Marshall: They can be both. We have run international conferences here in Canberra as well, but they were only, say, for 700 delegates. In America they run conferences with 80,000 or 100,000 delegates in Las Vegas. It completely varies.

MS ORR: We are probably a little way off that!

Dr Marshall: I think so. I would not recommend that we even talk about that.

THE CHAIR: With regard to the evidence that we have heard to date, there are good arguments that a new or significantly enhanced convention centre will bring more business into the city. We get that argument. There are business cases to support that. To what degree, I guess, is arguable. You would not know until you built it, but certainly it would. But, as Mr Parton identified previously, the blockage seems to be, then, the process of getting it done and where does the money come from.

Currently we have a situation in the ACT where the convention centre is adjacent to the Canberra casino. If you talk about many of the convention centres in Australia, including some of those that you have described as going gangbusters, they are adjacent to or linked to casinos. It would seem to me that that is something worth exploring. We have heard arguments why you would not want it linked to a casino, because it might deter some people from wanting, therefore, to be associated with that.

What is your experience with the market, so to speak? Are there many people that will say, “I’m not going to go out to Alice Springs because it’s next to a casino and we want one that’s not next to a casino,” noting that the casino is currently right next door to our convention centre? Are you aware of anyone that has said, “We’re not going to the Canberra convention centre because it is too near a casino”? We seem to have drawn a line through that and said, “We’re not pursuing that avenue.” Noting that you might then lose a couple of conventions perhaps, if the casino were to—and this is just speculation—be associated, the sort of volume of new activity that you are talking about, one would imagine, would more than compensate. We have got a casino right here right now that is talking about wanting to expand. Do you have a view on that—the fors and againsts?

Dr Marshall: We have worked at Darwin casino and used that as a convention venue and there has been a mixed reaction from delegates. Most of them do not particularly care. There has been no-one that actually said, “We’re not going to go,” for example, “to the Darwin casino because it’s a casino.” We have not had that experience anyway.

Alice Springs is a different case. You have to walk through the casino basically. You do not really have to. You can. That is one way to walk into the convention facility, through the casino. It is not a pretty sight. You can walk around it, if you like. There will no doubt be clients who will not want to be associated with a casino, but I do not think it is a huge issue. No-one has ever said it is a major deterrent. There will be groups, though, understandably, who might not like it.

THE CHAIR: I do not want any commercial-in-confidence stuff, but it strikes me that, in regard to the coalescence of a building next to a casino—the casino is saying that they want to expand, there is legislation that has been through the Assembly that supports the current casino in terms of their operation of gaming machines and so on—is it time to revisit that issue and say, “If we’re not getting a purist model of the government coming in and doing it, is it time to consider what seems to be an unwritten guidance from somewhere”? I do not know whether there is written guidance and it seems to be that the casino is not going near it or whether they have been warned off. I am not quite sure what the status of that is.

Dr Marshall: I have no idea. All I know is that I thought the casino was not meant to extend into a convention facility. I think that was what was decided. Is that correct?

THE CHAIR: As a part of that?

MR PARTON: I think there are many things about that that are still quite fluid, to be honest.

THE CHAIR: I suppose what I am trying to find out is: it has been suggested to us that if you link the two, bearing in mind that you could do it sympathetically so that you are not having to walk past gaming machines to get in the door and so on, then that is going to be problematic because all of a sudden no-one wants to come to Canberra. But what you are saying is that in your experience that is not the case, that there might be some individuals, but you are not aware of any group that has said, “I’m not going to go to Darwin or Alice Springs or somewhere because of a casino.” It is not going to be, one would anticipate, perhaps—

Dr Marshall: I have not personally had that experience. I cannot speak for others who may well have had that experience.

THE CHAIR: You certainly have been more involved than many in the convention space.

Dr Marshall: That is true. I think the main thing with this is that we do not want the convention centre itself diluted in any shape or form to accommodate other things. I think that is the danger. We should not start looking at, again, even combining it with a stadium and things like that. I would urge the committee to go and look at Adelaide or go and look at Cairns or somewhere like that and see how they operate, and talk to people who are operating these facilities. They will tell you exactly the same thing.

Adelaide is a great centre, probably one of the best in the country that we have worked in. They are very experienced. They have a casino right next door. It has

never impacted on, I do not think, their business. And most of them are separated somewhat, a bit like they are here at the moment. Again, except with those couple of examples we have mentioned—

MR PARTON: I guess the point that Mr Hanson is getting at is getting to the question that I asked, is it not? We are talking about finding people or companies in that private space who have an appetite to link up in a partnership here to do that. We already know that there is an appetite of sorts from Aquis to redevelop that part of the city. Is it about trying to redefine that so that potentially a convention centre could become a part of it? I do not know.

Dr Marshall: The thing to do is to get an EOI out there and see what happens.

THE CHAIR: It strikes me—I do not know about other members of the committee—that we have sort of developed a model that is the best possible; it is nirvana, so to speak. That is good, but then that remains elusive. And what we are looking for is: that does remain elusive—and 20 or 30 years later what are the other options—that might be a not perfect but let's get the job done to make sure that over the 20 or 30 years we are not missing significant opportunities; it might not be all the opportunities.

Is there another option on the table that would satisfy the ability to actually get it done whilst also increasing convention business in Canberra? I think that the argument that a new convention centre will create new business has been made. The casino, I think, is an important part of that. We seem to have drawn a red line through that at the start of this conversation, and maybe it is time to re-examine.

MR PETTERSSON: You mentioned a couple of times this top end convention centre with the latest bells and whistles, a secure facility—do not get me wrong, a secure facility sounds exciting, it sounds interesting and it sounds like something we should do. Is there a real demand for a facility like that, though? We are talking about massive international state entities coming along for a conference in Canberra. Is that actually likely to happen?

Dr Marshall: There are already presidents, prime ministers, visiting this city all the time. We might not be big enough to host a COAG or something like that but there are a lot of offshoots to these particular international forums and we could certainly be hosting some of those meetings. The security itself can be quite discretely done if it is done at the start of construction. At the Hyatt in Washington, where President Reagan's assassination attempt was made, they have a facility where the President drives in sort of under the building almost and is locked in there. Then he takes the lift directly up to the ballroom. It is things like that, quite simple initiatives, which then help to secure, again, these dignitaries.

I think it would be very worth while having a talk with Defence, ASIO, ASIS and the Australian Federal Police about what the requirements would be: if we built a facility, how that would be able to host those delegates. I think, now more than ever before, it is needed. We have seen what is happening around the world. Why would we not want a secure facility?

MR PETTERSSON: It is interesting to hear about Washington. My formal question

is this: what is the most secure conference facility in Australia at the moment?

Dr Marshall: At the moment? There are a number of facilities that you can lock down. You would have to get advice from the AFP and others on that.

MR PETTERSSON: Do you have a gut feel?

Dr Marshall: I would be staggered if the Sydney convention centre did not have the ability to lock down and be very secure. I am only assuming that, but I would suggest that in their design that would be accommodated. But I have not got the statistics on where those facilities may be.

MR PETTERSSON: Canberra is home to a very secure facility at the moment, Australia's Parliament House. One of the things that plague me when we have this discussion is that we are talking about creating another large, secure facility to bring people together. Just in the back of my mind constantly I think, "We already have one in Canberra." If someone needs those security requirements and they want to come to Canberra, why would not some of those forums you have discussed try to utilise APH?

Dr Marshall: They may well do. But I think at the moment we are not even on the radar for some of these particular meetings, whereas if we had a facility we would be far more likely to be considered, if you like, for those particular meetings where you can have international delegations and others sitting in a facility other than Parliament House. Again, Parliament House is a public building and it might not be appropriate to host certain meetings at Parliament House, if you are looking at the Great Hall or other facilities. Those facilities also need interpretations. You would have interpretation desks. There is a lot that goes into hosting those international meetings. You would have that purpose built or able to be installed if you were hosting those events.

MR PARTON: I know it is not the first time it has been discussed in this committee but I have had exactly the same thought when it comes to those major international conferences, the big ones that are only going to come around once in a blue moon. It has always intrigued me that we do not genuinely consider running it at Parliament House. It is all there. It is the most secure conference centre in the country. There is no question about it. It does not help your cause for us to talk about that. But I just wonder why it has not been considered more often—

Dr Marshall: You have only got one space there, the Great Hall, which can seat something like 600 people. But that might not be the sort of room configuration which is required for something like this. As I said, you are going to need interpreters and so forth. To host an international event where you have got lots of different countries, even the room layout is going to be different. You just cannot plop it into the Great Hall. It does not quite work like that. Then you have got to get in and out of the facility as well.

Then there is accommodation. If you had a facility there with a hotel beside it, perhaps you would have your delegates staying there. You can lock it down. Even getting to Parliament House is difficult—it is all those logistical things—whereas if

you have got a purpose-built facility, it makes it a lot easier.

People, when they come to town, think, “Okay, this is easy. I don’t have to worry so much. It’s all there.” It is a very good selling point for us, but we should not make it difficult. Every time you try to build things within an existing facility it costs. Just to host a dinner at Parliament House is expensive because you have got to pay for security and all those sorts of things as well. I am not saying you could not host them at Parliament House, but it has not worked in the past. We have had opportunities to pitch for business. It has not come to Canberra.

MR PETTERSSON: One of the things that still puzzle me about having a secure facility is that whenever we have this conversation about a new conference centre there is always talk about there being add-on hotels to either add to the business case, prop up the hotel stock or maybe just because it is a modern convention centre it requires hotel stock attached to it to make it a better facility. How does that line up with making it a secure facility if you have got hotels in the same complex?

Dr Marshall: In the design of the building, you can lock down certain areas of the centre. It is what they do, for example, at the Hyatt. You can lock wings of the Hyatt when we have got presidents staying there as well. The ability to do that is important. But it is all about the design work. It would be high definition CCTV, for example. It would be access to certain areas which could be secured discretely and things like that. But, again, it takes thinking and it takes time for the design to incorporate these sorts of initiatives. And you need experts in that area to design those sorts of initiatives.

THE CHAIR: I note that the Hyatt is one of Canberra’s oldest buildings, and that seems to be a little bit of a self-defeating argument. If you can lock down parts of the Hyatt, one would think that you could then perhaps incorporate lock-downs into existing buildings, but perhaps not.

MS ORR: I wanted to pick up a little bit more on the benefits to Canberra of a convention centre, because there have been statements throughout the hearings that this should be higher prioritised, as there are lots of great benefits. You have mentioned jobs. I wanted to get a feel for what you think the other benefits would be to Canberra, not only jobs.

Dr Marshall: It is a very good question because, again, the more functions you have the more local suppliers are necessary. So it is not only about food and catering facilities as well; it is all those people that support conventions, like the audiovisual people. It is about cleaners. It is about printers, carpenters, electricians—all these people. The convention centre is a massive building, so it requires all these local, if you like, industries. Their support is necessary to make it operate. So it has this major flow-on effect. Retail: delegates will spill into the city and spend a lot of money. I think it is over \$500 a day that it is estimated that convention delegates now spend. With big conferences you can be talking \$2 million or \$3 million into the economy. So it is not insignificant, which is why cities like Darwin are doing so well out of their convention facility, and others around Australia, and which is why Sydney has spent over a billion dollars on a new centre and been prepared to knock one down and spend three years building a magnificent new complex. They will reap the benefits of that for a long, long time.

MS ORR: Beyond the jobs and the retail spend, is there anything else we can add to that list?

Dr Marshall: Certainly tradespeople. It is like a house. Any facility requires upkeep, but you are going to need a lot of services, like cleaning and rubbish removal. The list goes on and on and on. Food is a big component of that. The locals will do well out of that. Florists, for example, is another area, and furniture suppliers.

MS ORR: You have made the point that having students is great for the employment: you need that transitory employment filled. I have been a student who has done this kind of hospitality work. There is a flipside to it, too, in that it is not the most secure form of employment and not always reliable. Yes, it generates a job, but I think, having had that experience, there are a few questions around the quality of the job per se for the person employed in it. I am interested in your take on that. Are we creating the right jobs through this convention centre?

Dr Marshall: It is not only waiting staff; there are chefs, kitchen hands and a whole array of people. Plus there is management and so forth. So if you want to move into the tourism industry it is a good employer in a whole array of different employment opportunities. But I take your point, because it ebbs and flows. If you have not got a convention for three weeks, you cannot be employing 300 people to sit around doing nothing. It is one of those things. When we ran our first conference in the Alice Springs convention centre, an Australian local government conference, they had enormous trouble getting enough staff just to serve the 1,000 delegates. And we had the Prime Minister there and it was a very big occasion. That is one of the challenges convention centres have. But they are always going to be looking for good people, so hopefully the training comes into play now. I do not know where you were working, but I am sure there are a lot of hotels now and convention facilities who are desperate to get good staff. It is not easy.

MS ORR: That is my experience; I appreciate that. But we have also got a submission from ACTCOSS here and they raise the same thing: that casual work is insecure work. As someone who puts on conferences and so forth—noting that there are limitations; when you have the work you have the work—what do you think we can do to make those jobs more secure or more appealing from an industry point of view?

Dr Marshall: The more conferences you are able to attract, the more likely you are to have longer term employment. That is certainly one aspect of it. Training is the other aspect. I think that centres are now far more aware of the necessity to put our staff through proper training. Do not forget that they are also in a competitive environment. We go to a convention centre—and we have had this experience before—where the service is pretty average and we will tell the conference centre itself, “We’re not coming back here. Your service was appalling.” That is where the competitive nature comes in and they think, “Well, we’d better make sure that we’re skilling up our people to present a far more professional approach to delegates.” Delegates are very discerning these days. When you spend a lot of money going to a conference, you want good value for money. Second-rate service just does not carry it. But it also provides employment for a lot of people who may not be able to get employment and

actually quite like casual employment.

THE CHAIR: I do not think there are any more questions. Thank you very much for attending, Dr Marshall. Again, I think it is worth noting that barely a conversation goes past without you mentioning the convention centre to MLAs, so I hope you have enjoyed the opportunity to present your case again. I know that you are passionate about it and will continue to be.

Dr Marshall: Thanks for the opportunity.

THE CHAIR: There will be a draft of the *Hansard* transcript sent to you to review.

Dr Marshall: I love reading those. They are always pretty frightening.

MR PETTERSSON: I hope you are lying.

THE CHAIR: Thanks very much for attending. If there are any follow-up issues that you want to address, just send a note to the secretariat.

NEAME, MR BARRY, President, Professional Conference Organisers Association of Australia Inc

THE CHAIR: Welcome, Mr Neame. I would like to thank you very much for attending today. Did you come from out of town?

Mr Neame: No, I am Canberra based.

THE CHAIR: Can I draw your attention to the pink privilege statement that is on the table. Could you have a quick look at it, to make sure that you are aware of its content.

Mr Neame: Thank you, chair.

THE CHAIR: Thanks very much. Do you have an opening statement?

Mr Neame: I do. The Professional Conference Organisers Association of Australia has 450 members throughout Australia and New Zealand, and we have attracted some from Asia now. I have been a member of the Canberra Convention Bureau for the past 20 years and owner of a professional conference organising business in Canberra for over 25 years, with over 10 employees.

The Professional Conference Organisers Association of Australia is a member of the Business Events Council of Australia, known as BECA. The PCO community is made up of a lot of practitioners like me who employ a number of people not only directly but indirectly. Our membership is made up of what we call in-house members, those that are part of associations or societies, and corporate events managers—banks, multinational corporations.

Our role is influential in providing advice to clients on an appropriate destination and the type of infrastructure required to hold their events and conferences. We provide project management, financial management and strategic and logistical management to our clients. You could say that we are experts on which destination to choose, based on a range of criteria that our clients request from us, including cost effectiveness, location and leverage into other business opportunities, and interaction with business, government and research organisations. So we would say we are well positioned to comment on the need for a new convention centre for the national capital.

In terms of demand, Canberra is challenged by having a national convention centre that is unable to host two large conferences at one time. That is quite a restriction on its capability to host conferences and use the infrastructure to its maximum capacity. My colleagues reported, when we submitted our submission, that they are constantly being told by the National Convention Centre that the availability is not as good as it should be because we cannot hold a number of events at the same time. Most of our conferences in Australia comprise between 200 and 2,000 delegates, mainly with a large trade exhibition. This is the target market that we are keen to see for Canberra and a new convention centre.

We have noted with interest—and I guess the committee has—that other cities in

Australia have invested significantly in their business events sector. Indeed, Adelaide is opening the \$450 million rebuild of its convention centre tomorrow night. The Melbourne convention centre is extending its large capacity. The Sydney convention centre has just been rebuilt. Brisbane completed a large extension three years ago, which has given them the flexibility that I spoke about earlier in respect of the National Convention Centre not being able to host three or four conferences at the same time. Our competitors from across the ditch in Auckland are currently building a significant new convention centre for Auckland.

All of these destinations are appealing to PCOs, associations and corporate clients and we would suggest that Canberra needs to be part of this mix to maintain our competitive footprint in this space.

In terms of economic impact, we know from some of the research that we did that convention centres around Australia do return a profit on their operational aspects but not necessarily on the capital investment. From the observations and comments I made earlier in respect of Adelaide, Melbourne and Sydney, it seems to be part of an understanding of government that the capital infrastructure has a leverage position for their economy. There is a great deal of employment in the hospitality sector, which, indeed, will be the largest sector in Australia and in Asia going forward. If we are not part of this hospitality and services sector, we are going to miss out.

The Ernst & Young report for the Business Events Council of Australia reported that the economic impact for 2013-14 in Australia was \$28 billion worth of expenditure and 180,000 direct jobs. This includes taxes being paid to state and territory governments and leads to a diversity in the economy—and, in particular, I would suggest in Canberra, away from our reliance on the government sector and potentially the IT sector as the main areas of our focus.

We would advocate that a new convention centre should reflect the city we aspire to be. We have looked at what is happening in terms of the revitalisation of the city, including the city to the lake project. This would all indicate that an iconic building that is visually appealing, flexible in its application for people and secure would add significantly to our standing in the international community, particularly as it relates to conferences. Our ability to create precincts around the convention centre would add value to our local community and, indeed, our local economy.

In summary, we believe that there is a need for a convention centre. The demand has been demonstrated in our submission in respect of the number of conferences that cannot come to Canberra because our convention centre currently cannot accommodate two or three activities at one time. Other states are building significant new infrastructure. I do not think we can stand by and suggest that they have got it wrong and that we know we have got something right here. There is a need for an iconic building to link the city to its new CBD and a city to the lake opportunity. Other cities, like Melbourne, Adelaide and Brisbane, have demonstrated that it creates a significant precinct in which the local community, as well as delegates and visitors to the city, are able to participate.

The opportunity for us is to position the ACT as a centre for international collaboration, research and business activity, consistent with what we understand the

ACT government's objectives to be, in terms of the pillars of the economy. There is significant capability and capacity to leverage into those areas. It is important for us to create a community legacy for the city in terms of an iconic building and the opportunity for some of the conferences that could come to Canberra to benefit the local community. We have examples of medical conferences in other cities. They have held public forums at an international conference on childhood cancer in Cairns, and there is a legacy for the community not just in these high-level delegates meeting but also in some spillover into the local community. It has been demonstrated that the investment in hotels and other infrastructure will leverage off what happens with convention centres.

With respect to the risk, from our point of view as professional conference organisers, Canberra will be left behind. We will be left behind in Australia and the region, and in the capability to leverage our business opportunities off these significant conferences in the national capital. We will lose the capability for skill development in the hospitality and services sector, which all of our statistics tell us is the growth industry for all of our economies going forward. We will lose the opportunity to collaborate and to leverage research into ANU, the University of Canberra and our defence people that are here. I refer also to the investment in infrastructure and the economic income from the diversity in our local economy.

Our conclusion is that the government needs to be visionary, to be a leader, to look at the various options for a new convention centre, including a PPP or a range of other opportunities, and work towards something that would be significant for our local economy and our local community.

THE CHAIR: Thanks very much for your opening remarks. I will follow up on your reference to an iconic building, because we have seen this in the business case put together: if you put the word "iconic" in front of it, the benefit-cost ratio triples. It seems to me that Canberra has a lot of iconic buildings in it. The marketing of Canberra includes the War Memorial, the High Court, the federal parliament, Old Parliament House and so on. In a town that perhaps has more than its fair share of iconic buildings, why do we need to have another iconic building that, I would suggest, would struggle to compete with the War Memorial or federal parliament, given their visitor numbers? What is the evidence, other than the sense of it, that making it iconic, whatever that means, will then attract floods of people that want to come to Canberra to see this iconic building? Surely they are here to see Parliament House?

Mr Neame: I suggest that the use of "iconic" by me was about a building that has some sense of visual appeal, some sense of place in the landscape of our city and a functionality that will allow us to use it for a number of different determinations, including conferences, international think-tank opportunities and potentially the offshoots of a CHOGM or other areas like that. That is what the use of "iconic" was about.

THE CHAIR: So it is more about the functionality and the location—that it is not out in the paddock somewhere. I would imagine you would be comfortable with the current site, overlooking the lake and so on?

Mr Neame: We were a strong advocate, over the period of the public discussion, that the location of the new convention centre and the land that is being set aside are appropriate.

THE CHAIR: So it is more about functionality, location and not making something that is an ugly monolith? It is not about spending a lot more money on the creative design, so to speak?

Mr Neame: We could have a creative design that meets that level of functionality. We have found that Adelaide, with the rebuild, has achieved that. It is an iconic building that sits on their river foreshore that demonstrates the connection to the local community.

MR PETTERSSON: I want to ask a question that is in two parts. You work in this field, so I hope you have a good answer for me. How do you sell Canberra as a destination for a conference at the moment?

Mr Neame: We are selling Canberra as a destination that, firstly, is the national capital and that offers some opportunity for leveraging your conference, whether it be medical, to interface with researchers at ANU, or in the other areas of research at ANU and UC, and obviously the opportunity to interact with our political system and our bureaucrats. Secondly, it is still quite a cost-effective city in terms of the overall cost structure. Thirdly, it is very easy to get around, and there is an opportunity to have some diversity—that is, to take international delegates in particular into our local bush landscape, which offers them an opportunity to experience something different from the city centre of Sydney, for instance.

MR PETTERSSON: Before I get to the main question, just as a side note, you said Canberra is a cost-effective city to hold a conference in. Are you saying that other cities are more expensive to hold a conference in and Canberra is doing well on that front?

Mr Neame: Canberra is doing reasonably well on that front. Sydney has become very expensive. In the context of the market that Canberra should be after—and I know the Canberra Convention Bureau recommend this—I would recommend to our clients that it is in the 300 to 800 and 1,200 people range, because we know that our current infrastructure and current convention centre can handle that. However, the issue is that we can only handle one in a week, and the opportunity to handle two or three at 1,200, 600 and 200 levels of participation would be a great opportunity, and that is where we are missing out against Adelaide, Melbourne, Brisbane and Sydney.

MR PETTERSSON: The second part of my question is this: what are you currently glossing over when you try to spruik Canberra as a destination? Is it solely about the convention centre, that it is not as large as it potentially could or should be? Are there other things about Canberra that you think need to be touched on?

Mr Neame: Canberra has come a long way in terms of its level of infrastructure and our cafe scene, which has offered people more opportunities to experience our local cuisine, our local wines and the local ambience of the city. Certainly, the big logjam is the convention centre not being able to host two to three events at one time.

MS ORR: I have a quick supplementary question. With the cost for Sydney compared with Canberra, is that for the cost of actually putting on the convention or would that be the secondary costs of, say, accommodation and—

Mr Neame: I think the infrastructure, the travel cost—getting from the airport to the city—and the hotel costs are greater in Sydney at this time. And the cost of their venues is more expensive than in Canberra at this time.

MS ORR: So it is just everything? Is that the answer?

Mr Neame: Yes.

MS ORR: Okay.

Mr Neame: For an association, these are important considerations when they are looking to leverage the return on investment of their conference to assist with their association operational activities.

MR PARTON: Barry, how closely should we be looking at Adelaide and assessing the impact of their new centre on convention business, on an increase in economic activity? How closely should we be examining that?

Mr Neame: I think Adelaide offers probably the closest alignment—

MR PARTON: That is what I am thinking.

Mr Neame: to the ACT in terms of a population base; the level of infrastructure; the commitment of their state government to virtually rebuild the old wing of the convention centre and integrate it into what was a new wing, which has been refurbished; and the opportunity now for Adelaide to host up to four significant conferences at the same time.

MR PARTON: What have they actually added?

Mr Neame: They have added some more capacity in terms of theatres that are divisible—that is, can be changed into different aspects, where some of the rooms can be made into larger exhibition areas. And I think it offers the opportunity for some of the new technology that has been included in their centre. That, I think, is a great opportunity for us and the committee to visualise and understand how it operates and how it has become integrated into a whole precinct, a significant medical research precinct, right beside the convention centre. Believe me, they are leveraging off that internationally to attract significant international medical and research conferences to Adelaide. And their hospital is up the road. We have now this significant integrated precinct that has benefited both the local community and their capability to attract significant events to the city.

MR PARTON: Finally from me, and excuse my ignorance on this, has that been completely a public spend?

Mr Neame: I am not sure, Mark; I would have to take that on notice. I think there was a significant amount of state government money invested in the rebuild.

MR PARTON: All right.

MS ORR: In your submission you put in a list of places that we could have got but have not been able to get because of infrastructure needs. One of the conferences notes “Exhibition space of 10,000 square metres”. The Australia forum design only has 6,000 square metres of exhibition space proposed. This goes back to the question that I keep asking—hopefully, one day I will get the answer I am looking for—about what it is that Canberra actually needs as far as a convention centre is concerned. We can talk about all these. We can say, “We could do this; we could do this.” But what is the actual need, in your opinion?

Mr Neame: The need is for a new convention centre that offers some opportunity to be flexible in the space internally so that you can create up to 10,000 square metres of exhibition space by taking out a wall or pushing back some of the seating. It is a level of flexibility that will allow us to operate the facility and have two, three or four conferences at the one time without everybody bumping into one another. This is what Adelaide has achieved. This is what Brisbane achieved by adding their extension. This is what Melbourne want to achieve by adding their extension.

If we have that level of flexibility, then I, as a PCO, and my colleagues can recommend Canberra, knowing that the opportunity, potentially, for a conference to be able to be held is much higher. At the moment, when these inquiries are made to the National Convention Centre, there is its capacity to host these events. There is a certain time of the year in which conventions and conferences are usually held, and everyone is squeezing into that time frame. When you are constantly investing and looking at Canberra as an opportunity and you cannot hold something because something else is there, you inevitably seek out an alternative solution.

To answer your question, hopefully, if we have the space that can be used flexibly—and at the moment that is not necessarily the case with the National Convention Centre—the opportunity and the need will be accelerated by the fact that more and more people will want to come to Canberra.

MS ORR: Okay.

Mr Neame: I think my colleagues have demonstrated, and we have indicated by doing some research on some of the conferences that could not come to Canberra, that they will inevitably turn their attention to other states.

THE CHAIR: Mr Neame, you mentioned in relation to your business that you engage with clients who are looking to have conventions. I notice you were in the audience when there was discussion about the casino. Are there any of your clients, or a proportion of them, who say, “We’re not going to Adelaide or we’re not going to Alice Springs,” wherever it might be, “because there’s a collocation of the casino”? Do you hear that?

Mr Neame: That is a very good question, chair. Indeed, in the last four to five years

there has been a significant push back, if I can use that term, from clients wanting to be associated with casinos and the perception of gambling in that environment. This includes some of my clients and potential clients in the medical space—in the health space, in particular in mental health—and the broader health area, and quite a few associations that do not want to be associated with a casino that is part of a convention centre or a convention centre that is part of a casino.

THE CHAIR: Sure. But if you were able to put a percentage on that—there will be some, perhaps, that are and others that will not be too fussed by it—would there be a percentage you could point to? Could you say, in terms of the volume of business, “That represents five per cent of the business that would not want to be engaged with a casino.” Or is it two per cent or 10 per cent? Is there an approximate view that you have?

Mr Neame: I would take that on notice, chair. My feeling is that, from some of my clients, upwards of 30 per cent would now be the figure. If I recommend Jupiters on the Gold Coast, which is a completely integrated convention centre with a casino, it is not an option.

THE CHAIR: Sure. But I note Adelaide and Alice Springs and the way they are set up, and their proximity to casinos. The bulk of casinos I can think of in Australia—maybe not the bulk, but a proportion—are collocated. For those that are not necessarily completely integrated but are perhaps adjacent and so on, maybe you could provide some advice on that. Would it be useful?

Mr Neame: The only convention centre that is near a casino is Adelaide. There is the convention centre, a big hotel complex and, as I recall, a couple of office complexes and then the casino. They are in no way collocated at all. Melbourne is a long way from the casino. There is Brisbane, Sydney, Cairns. Alice Springs is collocated.

THE CHAIR: Could you come back with some advice on that. We have heard that. It is just a matter of saying, “Is that anecdotal or is it actually a reality for the industry?”

Mr Neame: Certainly, chair.

THE CHAIR: It is not just the number but the percentage of business. It might affect a percentage of organisations, but what size are those organisations? Is it the bigger ones or is it the little ones? Thanks.

MR PETTERSSON: I want to talk about accommodation for a convention centre. When you recommend a city and convention centre to your clients, I am assuming you take into account the hotel stock of the city, the quantity and quality. There is always a suggestion, when we discuss the convention centre, that there needs to be attached accommodation. Does a new convention centre in Canberra need attached accommodation, or is the current stock sufficient? Is the idea that there needs to be attached accommodation solely to prop up the business case for the convention centre?

Mr Neame: I am not conversant with the business case for a convention centre and a hotel, but I can comment on recommending a location for a conference. We do take

account, on behalf of the client, of the hotel stock and the range of costs of that stock. In my experience over the years, many delegates will use a hotel that is very close to the convention centre, to have the opportunity to not have to travel large distances each day to get there.

MR PETTERSSON: Ideally you want to walk to the conference? No-one wants to catch a taxi.

Mr Neame: Yes, indeed. I am sure that the business case is substantial, given that Brisbane, Melbourne and Adelaide all have significant hotel infrastructure right beside their convention centres.

MR PETTERSSON: Getting to the crux of what you were just saying, Canberra's hotel stock at the moment is sufficient in both quantity and quality?

Mr Neame: Canberra's hotel stock at the moment would not be sufficient if we built a convention centre, as I commented earlier, that could accommodate three to four conferences at the same time. But it would seem to me that, in the experience with some of the other expansions of convention centres, hotels have accommodated those increased capacities with more hotel stock. I am sure that would be the case for Canberra. At present, if we had a 1,000-person conference, a 600-person conference and a 400-person conference in a new convention centre, I am not sure that we would have enough stock in Canberra to adequately supply.

MR PETTERSSON: Thank you.

MR PARTON: Barry, just focusing on the perception of others of this city, is there surprise and/or dismay from new conference and convention clients when they discover just how little capacity Canberra has?

Mr Neame: It is an interesting question. In the last three years I have done quite a lot of international work in Hawaii, Singapore and Fiji. Particularly in Singapore, people were quite surprised (1) that I was Canberra based and (2) that we did not have a significant convention capacity here that would be commensurate with being the national capital of Australia. I think increasingly we are going to be scrutinised in that context. Here we are as the national capital and we do not have significant capability for some of these activities that are going to be important leverages for us and our economic future, particularly with Asia.

MS ORR: Mr Pettersson asked how you sell Canberra. It sounds as though it is the best destination for a conference in the world, from what you were saying. I want to look at the flip side of that. For the different sized conferences that you are booking, what is it that the facilities actually need to have? Let us say you are running a conference of 800 people. What is it that they would need and how are we not meeting that need?

Mr Neame: Most of them need larger plenary areas. Increasingly, people want to have break-out spaces that offer opportunities for not necessarily lecture-type activities but interaction, networking, discussions in the round, discussions that are moderated in a very open way. Our current convention centre does not have that. I am

coming back to the issue of the capability of holding three or four significant conferences in the one place at the one time.

MS ORR: I get the multiple conferences; that is fine. I am trying to get back to one conference provider who comes to you and says they want to hold a conference, and what is not suitable about the current facility. You started to allude to that in the sense of different formats that are not suitable for lectures, break-out sessions and plenaries. Is there anything else you can add to that? Is there anything else that we are not capturing within the facility we have got?

Mr Neame: We are not capturing the level of flexibility that can be used in the space. We have got the lecture theatres, the upstairs area. The mezzanine is not divisible in a significant way. We know that there is a significant development by the casino which would see, as I understand it, the casino built right up to the wall of the current convention centre. As I mentioned to the chair earlier, that would be of some concern to, I believe, a significant number of potential clients.

MS ORR: Am I right in understanding that it is not just a flexible space to hold multiple convention centres but a flexible space to be able to cater for the individual needs of—

Mr Neame: Correct. And not everyone's template for their conference is the same. The opportunity to offer that flexibility is potentially an opportunity to win the business.

MS ORR: Can you run me through some of the things that your clients will come to you and say they want—"These are the things we want to do in a conference"—so that we get a better understanding of what the facility needs to be responding to? I mean those emerging directions per se.

Mr Neame: I mentioned these larger spaces where people can just sit around and explore the opportunities rather than being in a lecture room. It is large space where some people sit in chairs—indeed, there are some people that seem to want to sit in beanbags and be able to chill out—and are able to just exchange ideas. That is where some of the opportunities lie. I think the segueing into educational and professional development outcomes happens from clients. But it is just about having the opportunity to be able to say to the client, "We have this space and you can do this with it. And if you want to do a whole lot of other things with the space, you can." Increasingly, this is what the other convention centres in Australia, and indeed in Asia, are offering. I am not sure I have answered your question, but it is a very open sort of situation for clients.

MS ORR: The hard part is saying that this is what we need to build, when essentially what is being asked for is quite an open discussion. It seems like a bit of an emerging practice there.

Mr Neame: Yes. If the committee were to have a look at Adelaide, you would be able to see in their new centre that the walls can come in and the seating can go down or it can be opened up. It is about being able to offer all of these different options for clients that are sometimes a deciding factor in where they will go.

THE CHAIR: Do any members have any further questions? Thank you very much for attending today; we really appreciate it. It has given us a bit of an insight. Would you please follow up on the issue of the percentage of business that would not be attracted to a site, noting that Auckland, I think, has just opened up a centre adjacent to, operated by, a casino. The draft of the *Hansard* will be forwarded to you. If you have any corrections or problems with it, could you just reply to the secretary.

Mr Neame: Thank you.

The committee adjourned at 11 am.