

REVIEW INTO SYDNEY CONVENTION
AND EXHIBITION SPACE

FOR THE

PREMIER OF NEW SOUTH WALES
THE HON. MORRIS IEMMA MP

BY

JOHN O'NEILL AO

2007

Table of Contents

| | |
|--|-----------|
| Preface | 1 |
| Executive Summary | 2 |
| Context | 2 |
| Sydney’s Current Facilities | 2 |
| Strategic Approach | 4 |
| Management Priorities and Practices | 5 |
| Recommendations | 6 |
| 1 Introduction | 7 |
| 1.1 Background and Purpose | 7 |
| 1.2 Scope and Approach | 7 |
| 1.3 Relationship to Other Reviews | 8 |
| 2 Context | 9 |
| 2.1 Previous Reports | 9 |
| 2.2 Business Events Overview | 9 |
| 2.3 Role of Government in Providing Convention and Exhibition Facilities | 11 |
| 3 Current Situation | 13 |
| 3.1 Facilities in Sydney | 13 |
| 3.2 Sydney’s Position in the Market | 16 |
| 4 Adequacy of Current Capacity | 21 |
| 4.1 Is New South Wales Losing Business? | 21 |
| 4.2 Does SCEC Need More Exhibition Space? | 23 |
| 5 Major Options for Expansion | 27 |
| 5.1 Expansion of SCEC | 27 |
| 5.2 Expansion of SSG | 28 |
| 5.3 Barangaroo | 29 |
| 5.4 Other Sites | 30 |
| 6 Strategy for Sydney’s Major Convention and Exhibition Facilities | 31 |
| 7 Management Issues and Options | 33 |
| 7.1 Sydney Convention and Exhibition Centre | 33 |
| 7.2 Sydney Showgrounds | 34 |
| 7.3 Implications and Options | 35 |
| 8 Risks and Constraints for Sydney in the Future | 38 |
| 9 Recommendations | 40 |
| 9.1 Criteria for Event Selection at SCEC | 40 |
| 9.2 Expansion of Exhibition Facilities at the SSG | 40 |
| 9.3 Upgrade and expansion of Sydney CBD Convention & Exhibition Facilities | 41 |
| 9.4 Management Arrangements | 42 |
| 10 Appendices | 44 |
| 10.1 Key Interstate Competitor Facilities | 44 |
| 10.2 Key International Competitor Facilities | 45 |
| 11 Glossary | 47 |

Preface

I have been asked to report on Sydney's requirements for convention and exhibition space, in accordance with the following terms of reference:

To ensure Sydney remains competitive in the international and national markets by examining the requirements and options for the upgrade and expansion of exhibition and convention space including fast tracking development.

Scope

1. Assess existing exhibition space and conference facilities in Sydney including Darling Harbour and Sydney Olympic Park against interstate and overseas competition.
2. Analyse future demand for exhibition space and conference facilities in Sydney.
3. Assess the need for new and upgraded facilities to meet Sydney's short, medium and long term requirements.
4. Identify constraints and threats to the market and any future development.
5. Develop and evaluate short, medium and long term options for the Government's consideration and make recommendations to Government.

In conducting the review, I and the team working with me have considered what is done in other jurisdictions, reviewed prior reports, consulted widely with the many facets of the convention and exhibitions industry in Sydney, conducted forums, and undertaken research and quantitative analysis to produce a fact-based report. Throughout the process we have found people, in both the public and private sectors, to be most forthcoming with information and advice. In that respect, particular mention is warranted for the Royal Agricultural Society of NSW, Sydney Convention and Exhibition Centre, Sydney Convention and Visitors Bureau, Sydney Harbour Foreshore Authority, and Sydney Olympic Park Authority.

The team working with me to conduct the review consisted of Dr Michael Crawford (Corex Pty Ltd), Jason Scattolin and Sally Edwards (both from the Department of State and Regional Development) and assisted by my PA Sally Connor and Rachel Sillato.

John O'Neill AO

Executive Summary

The points below cover, at a high level, my conclusions about the convention and exhibition space in Sydney and my recommendations. They are discussed in more detail in the body of the report.

Context

- Convention and exhibition space exists to serve business events. The argument for the government to provide that space depends on the value of those business events to the community as a whole – not just to the participants.
- Some types of business events are more valuable to the community than others. The most valuable business events for Sydney are the genuinely international ones.
- Australia in general is not suitable for most international consumer or trade exhibitions and does not host them. It is, however, competitive for international conventions and a significant proportion of such conventions have exhibitions attached.
- So Sydney hosts:
 - international, national and local conventions, including corporate meetings; and
 - national and local consumer and trade shows.

Those are the markets in which Sydney can compete and for which its convention and exhibition facilities need to be optimised.

Sydney's Current Facilities

- The New South Wales Government provides convention and/or exhibition facilities in a number of locations, including:
 - Sydney Convention and Exhibition Centre (SCEC) at Darling Harbour;
 - Sydney Showgrounds (SSG) at Sydney Olympic Park (SOP);
 - Moore Park; and
 - Australian Technology Park (ATP).
- Of these the only two relevant for large conventions and/or exhibitions are SCEC and SSG, whose facilities are:

| | | |
|------|------------------|----------------------|
| SCEC | Convention space | 12,000m ² |
| | Exhibition space | 27,200m ² |
| SSG | Exhibition space | 21,600m ² |

- There are good quality private facilities in Sydney for international conventions up to about 800 participants. There are also private facilities used for some exhibitions, eg Rosehill Gardens hosts the Sydney Stitches & Craft Show and The Rosehill Gardens Boat Show.
- SCEC has run into some capacity constraints. These are predominantly to do with the demands of domestic exhibitions, since Australia does not host international exhibitions and the international conventions being won by Sydney have been declining in number and size.
- Organisers of six major domestic exhibitions have indicated that they would like to lease space in excess of the 27,200m² of exhibition space available at SCEC. Four of these are seeking in the order of an additional 15,000m² and the other two an additional 10,000m².
- There are also a number of cases where SCEC may be unsuitable for an international convention. This is because it either has insufficient space for the accompanying exhibition or where international conventions may be of a size beyond what SCEC can accommodate, though its largest auditorium will hold 3,500 and the Entertainment Centre can seat more.
- The SSG exhibition facilities are underutilised. This is for a combination of reasons including:
 - quality of facilities;
 - limited activity in the surrounding precinct; and
 - distance/access from the CBD.

In addition, the size is currently inadequate to hold some events.

- The first two of these points – quality of facilities and limited activity in the surrounding precinct – are being addressed by Sydney Olympic Park Authority (SOPA) and Royal Agricultural Society (RAS) and will become less of a deterrent for business in the future.
- In addition, additional good quality exhibition space could be provided at SOP relatively cheaply. This could be done in a progressive way within an integrated plan. The Sydney Showgrounds currently has 21,600m² of exhibition space which could be taken to 35,000m² - 40,000m² – substantially more than the current size of SCEC. There is adjacent space that could be used for expansion beyond that.
- Consequently, most of the national and domestic consumer and trade shows currently held at SCEC could be moved to SSG. There are some exceptions but, with suitable pricing, expansion of SSG would take pressure off SCEC.
- However, this would require the negotiation of an appropriate commercial agreement with RAS commensurate with the level of New South Wales Government financial contribution to the expansion of the SSG and commercial benefits to RAS from the relocation of exhibitions from SCEC arising from this strategy. The Review notes that while the upgrade and expansion of SSG would be the optimum solution, if that is not contractually possible, other alternatives exist including developing a greenfield facility at some alternative location in Sydney.
- Data collected by the International Congress & Convention Association (ICCA) shows that there is a rapidly growing number of conventions being held in the Asia-Pacific

region. Sydney's position, however, is slipping. There is demand, but Sydney is not capturing it.

- More aggressive pursuit of international conventions, including larger ones, could run into capacity constraints at SCEC, requiring further integrated capacity in the CBD – through either an expansion of SCEC, or the creation of a wholly new facility, for instance at Barangaroo.
- There will not be a requirement for SCEC and a wholly new CBD facility. The choice is either expanding SCEC or building a wholly new facility larger than the current SCEC facility.
- There is the potential to expand SCEC to provide up to an additional 10,000m² of space, excluding the Entertainment Centre site, or about 20,000m² including that site. In the latter instance the expansion could be done in a way that provides multi-functionality including the functions provided by the Entertainment Centre as well as providing a good quality auditorium for around 13,000 participants. This would provide Sydney with the ability to host virtually every international convention.

Strategic Approach

- Business events are seasonal. High value national and international conventions tend to have little flexibility in dates.
- In relation to accommodating more high value national and international conventions, in the short term there is not a capacity problem. Rather there is a booking policy problem driven by SHFA's financial requirements.
- In the longer term there will be a capacity problem for national and international conventions. It needs to be addressed but attempting to do so without first dealing with the booking policies will lead to a costly failed solution.
- The exhibition capacity problem, primarily for large domestic exhibitions, at SCEC has produced arguments to quickly expand SCEC exhibition space.
- Unless that expansion is accompanied by changes in booking practices for the space, there will be no gain in accommodating more high value national and international conventions. All that will happen is the big domestic exhibitions which consume the largest part of exhibition capacity at SCEC in peak periods will expand to use the additional space. This will leave little opportunity for extra national and international conventions.
- Strategically, what should occur, is:
 - the immediate expansion of exhibition space at SSG, including supporting meeting facilities, of up to 40,000m² to allow the relocation of a number of domestic exhibitions from SCEC with the opportunity to increase the space they each use. Design should explicitly consider, and accommodate, future, long-term expansion in convention and exhibition facilities to create a larger integrated facility at the site, including the development of integrated convention facilities;
 - an accompanying change in the booking policies at SCEC so that high value international and national conventions requiring exhibition space are not impeded by domestic exhibitions;

- active marketing by the Events Corporation and SCEC to pursue more high value international and national conventions to use the space at SCEC released by these initiatives;
- commissioning of a careful design process to optimise the SCEC site for further growth in international and national conventions, while retaining an Entertainment Centre in the facility;
- the timing of the implementation of that design be driven by the results emerging from the much more active marketing campaign for international and national conventions;
- the SSG be ultimately further expanded to meet emerging demand, including the possible inclusion of quality convention facilities to cater for substantial national conventions. By the time the latter occurs, the Olympic Park precinct is likely to be a lot more supportive of conventions, with more hotels, entertainment and retail facilities.
- Should the Government prefer to build a wholly new centre at Barangaroo, that would replace the design and implementation of an expansion of SCEC in this strategy but in other respects it would remain the same. There are some proponents of the use of the Barangaroo site for a convention and exhibition centre, which would be a highly expensive venture compared to expanding SCEC. Nothing that emerged during the review demonstrated such a step to be superior to expanding SCEC, particularly when taken in conjunction with enhancing and expanding the SSG Convention and Exhibition facilities.
- The change to SCEC booking practices would have an adverse impact on SCEC operating profit and SHFA revenue. The Government needs to accept that. It makes no sense for the Government to invest hundreds of millions of dollars in facilities intended to attract the type of international and national business events that have very substantial economic and strategic benefits for the State and then have someone impose a booking regime that discourages those events and their benefits. While such a regime may return a little more revenue to the State than otherwise would be the case, it still is much less than the value of the economic and strategic benefits foregone.
- This strategy would see:
 - growth in high value international and national conventions at SCEC, with transfer of domestic exhibitions to SSG for growth;
 - further development of the facilities at SCEC to accommodate continued growth in international and national conventions while domestic exhibitions continued to expand at the SSG;
 - as SCEC reaches its site limits and convention facilities are added to the SSG, further growth of high value international conventions at SCEC with displacement of some national conventions to the SSG; and
 - an end result where Sydney has two large, vibrant, complementary, convention and exhibition precincts.

Management Priorities and Practices

- Whatever expansion occurs in the city should give the highest priority to what is needed for the full range of international conventions, including associated exhibitions.

- Likewise any management contracts for the facilities need to unambiguously motivate the managers to give greatest priority to holding international conventions, particularly larger ones. The current SHFA/SCEC management agreement makes some mention of this need but in practice provides very strong incentives for the manager to maximise the operational profit of the facility and to maximise use of the exhibition space (which predominantly serves domestic exhibitions).

Recommendations

- The New South Wales Government should:
 - follow the strategic approach outlined above;
 - clearly state that the primary purpose of:
 - SCEC (or CBD replacement – though none appears superior to expanding SCEC) is to attract and host genuinely international conventions, particularly large ones;
 - the SSG, if expanded with New South Wales Government funds, is to accommodate large national conventions and large exhibitions that cannot be accommodated at SCEC (or CBD replacement).
 - accept that this will have some adverse financial consequences for SCEC;
 - have a Memorandum of Understanding (MOU) established between SHFA, the Events Corporation, the Department of Premier and Cabinet (DPC), and the Department of State and Regional Development (DSRD) to require SHFA to treat this as the over-riding priority in managing SCEC and in any extension of SCEC; and
 - have a similar MOU established between the Events Corporation, RAS, SOPA, DPC and DSRD requiring it to be operated in a way that meets the purpose stated above.

1 Introduction

1.1 *Background and Purpose*

On 20 February 2007 the New South Wales Premier, The Hon. Morris Iemma MP, made an election commitment to review the capacity of convention and exhibition space in Sydney with the express purpose of examining the requirements and options for the upgrade and expansion of convention and exhibition space to ensure Sydney remains competitive in the national and international convention and exhibition market.

This review was commissioned to assess existing convention and exhibition facilities in Sydney, analyse future demand for exhibition space and convention facilities, assess the national and international convention and exhibition market, assess the need for new and upgraded facilities and develop options for the Government's consideration of the expansion of such facilities within Sydney.

The primary convention and exhibition space facilities in Sydney are the Sydney Convention and Exhibition Centre (SCEC) located at Darling Harbour and Sydney Showground (SSG) located at Sydney Olympic Park, Homebush. The New South Wales Government owns both of these facilities, however there are very different leasing and management agreements for the two facilities. The New South Wales Government owns a number of other facilities that are used for the boutique convention and exhibition space market and there are also significant convention and exhibition facilities located across Sydney owned by the private sector. The primary purpose of these facilities is to host business events, namely meetings, conventions, incentive events and exhibitions. For the purpose of this review, the term business events is used to encompass these.

1.2 *Scope and Approach*

The key steps undertaken in this review included:

- review of historical data indicating the demand for convention and exhibition space in Sydney;
- review of current capacity of convention and exhibition space in Sydney, including current ownership and management arrangements for the SCEC and SSG;
- review of current New South Wales Government policies and strategies including the State Plan, Innovation Statement, New South Wales Tourism Masterplan and Metropolitan Strategy;
- review of recent research reports on the international business events market and its impact on demand for convention and exhibition space;
- review of competitor convention and exhibition facilities, including capacity and profitability, both within Australia and internationally;
- consultation with key personnel involved in the business events and convention and exhibition space industries, through discussions, interviews and forums, to assess the nature and level of demand for exhibitions and conventions in Sydney, test the perception of capacity for exhibitions and convention space in Sydney and the issues impacting the future of the industry;

- discussions with Government leaders, key Government agencies and current facility managers to assess future planning and development considerations and implications;
- project future demand for convention and exhibition space requirements in Sydney; and
- development of short, medium and long term options for upgrading and expanding existing convention and exhibition space for the Government's consideration.

The report uses a combination of primary and secondary data to understand the dynamics of the business events market.

1.3 Relationship to Other Reviews

The New South Wales Government commissioned two other reviews at the same time as this review, one on the development of a New South Wales Events Corporation and events strategy, and the second on the New South Wales Tourism Industry. In undertaking these reviews simultaneously, albeit with different timeframes, there have been a number of consistent themes that have emerged across the reviews. This being the case, findings from each significantly impact on the other reviews, inextricably linking the three reports.

Most significant is the recommendation from the Events Review for the development of a business events component within a New South Wales Events Strategy and for very active effort to grow that type of event in Sydney. This would have a substantial impact on the type of space and facilities required for upgrading and development. In particular, the type required would be somewhat different to the common perception that there is a need just for more exhibition space. This report has been developed on the assumption that the New South Wales Government will accept the recommendations made in the Events Report regarding the business events component of the Events Strategy.

A second issue that has emerged in all three of the reviews has been what appears to be a lack of ownership of, and responsibility for, the coherent, comprehensive and active marketing of Sydney. Sydney is a global city. It is recognised as a leading business and financial centre and has been consistently voted as one of the world's leading cities for travel and brand recognition. Yet there is no coordinated strategy to capitalise on this strength – or to sustain and enhance it. As our competitors, both nationally and internationally, have become more savvy in developing strategies and facilities to profile their brand, New South Wales must take ownership of Brand Sydney and develop a coordinated marketing and development strategy for Sydney.

2 Context

2.1 Previous Reports

A number of reports and reviews into the convention and exhibition space needs of Sydney have preceded this Review. The most recent of these was the HVS International *Revitalising the Convention & Exhibition Industry in Sydney* commissioned by the Tourism & Transport Forum (TTF) and Property Council of Australia (PCA). However others have been prepared by various consulting firms on behalf of Sydney Harbour Foreshore Authority (SHFA) and the Royal Agricultural Society of New South Wales (RAS). These reviews tend to approach their assessment from the standpoint of the ability of a particular facility to meet the observed and projected demand for its space. Their perspective is the potential financial returns that may accrue to an individual facility.

While they present alternative solutions, they all conclude that local demand exists for greater total exhibition space than either SCEC or SSG can currently provide. The reports are generally supportive of an expansion of exhibition capacity at SSG and the Sydney CBD, though they differ in their recommendations for how convention and exhibition capacity in the Sydney CBD can be increased.

Reports, such as that prepared by HVS International, have raised the concern that there is insufficient exhibition capacity at SCEC, and that this is resulting in SCEC - and by implication New South Wales – losing important business events.

2.2 Business Events Overview

Business events have been defined as “an activity with a business or vocational focus, including: conferences, conventions, summits, congresses, incentive group meetings, marketing events, trade shows, exhibitions, company general meetings and training programs.”¹ Business events can provide significant direct economic impacts but are also very strong networking and sales opportunities for local industry.

We use the term “business” very broadly to include non-commercial professional disciplines, whether they be academic, health, education, government, or community service.

The key categories of business events for this Review are:

- *International or national association conventions or meetings* are held to discuss matters of common interest among a professional or other community. These communities may include commercial, academic, political and/or social groups.. International or national corporate meetings are usually held to discuss a particular topic of relevance to the company. Delegates or their employer organisations typically fund attendance at these events.
- *Incentive events* are provided as a reward to employees for outstanding performance. The visit is largely funded by the employees’ corporation.

¹ The Tourism Events Australia Steering Committee, (2004), *Tourism Events Australia – Discussion Paper* (Canberra). Page 3.

- *Exhibitions* are held to bring together suppliers of products, equipment, and services in an environment where they can display their offerings to prospective customers.

Business events are pursued for the benefits they provide to a host city and region. In terms of the immediate economic impact, this includes the net additional expenditure to New South Wales from non-New South Wales parties. That is, expenditure in New South Wales by non-New South Wales participants to an event (delegates, exhibitors, professionals, organisers, media and spectators as well as exports by New South Wales-based organisations) less any event-related costs expended outside the State.

Business events also provide exposure benefits to New South Wales. They can showcase New South Wales industry expertise on an international platform and can raise interstate and international awareness of local infrastructure and capabilities. They also provide interstate and international media coverage that promotes a positive image of the host location and New South Wales as a place to visit, or in which to invest or live.

Strategic benefits may include:

- access to key decision-makers in key multinational organisations;
- linking local industry, research and/or community groups with international networks;
- provision of training opportunities to develop New South Wales expertise and capabilities in the particular field, including sport, arts and academic; and
- showcasing New South Wales industry and/or research expertise on an international platform.

Finally, business events can provide community benefits, including improved community pride. They also provide a mechanism for local host organisations to raise additional funds for the benefit of their local members.

However, the different types of events provide varying levels of economic and strategic benefits to New South Wales. In terms of maximising the economic returns to Sydney and New South Wales, business events that bring significant numbers of international visitors tend to provide the greatest direct economic impact, both in terms of the dollar quantum expended during the visit as well as the fact that this represents new expenditure to the economy rather than displacement from other activities.

They also provide the opportunity for local businesses and individuals to access key international business, economic, political and community decision-makers, who may otherwise be inaccessible. So while the individual characteristics of each event influence the magnitude of the impact, in general, international conventions, especially those with associated exhibitions, provide the greatest economic and strategic benefit.

Site Selection Determinants

The location of various business events are driven by different factors.

Research by the CRC for Sustainable Tourism (CRCST) found that convention and meeting organisers are driven by a range of site selection factors with the main ones covering: the characteristics, cost and capacity of convention and supporting infrastructure, the presence of a strong local host related to the selecting organisation, and ease of accessibility to the host location (especially for international conventions).²

In contrast, the CRCST found that exhibitions were primarily influenced by the relevant market for exhibitors, as well as availability and suitability of exhibition infrastructure.³

These findings have been supported by consultations undertaken during this review with key industry participants. As part of these, it was also noted that the market for international association conventions is becoming increasingly competitive, with competing locations becoming more active in attracting these events, including through the provision of financial support.

Over the years the industry has also seen some move towards a convergence between exhibitions and conventions in that the former increasingly need meeting rooms (particularly trade exhibitions) and banqueting facilities while the latter increasingly have associated exhibitions.

However, while it may be the case that from the perspective of event organisers and facilities providers the two types of events are becoming more similar, it does not follow that either their value to the State or the dynamics of generating them are converging.

2.3 Role of Government in Providing Convention and Exhibition Facilities

Large scale convention and exhibition centres require government subsidies for their construction and, in some cases, their operation. If they were otherwise profitable, the private sector would construct them and the current review would not arise.

No one suggests government should provide subsidised accommodation for all commercial activities in the State. Since we are talking about the government subsidising one type of activity, through the provision of facilities, when it does not subsidise others, there has to be a societal reason beyond the benefit of those who use the facilities.

The rationale is that *some* types of business events provide benefits to the State beyond what can be captured and paid for by either the owners of the events or the owners of the facilities required for those events. This is the same as the argument for government initiatives to win and support events more broadly.

² See Deery et al. (2005), *The National Business Events Study: An Evaluation of the Australian Business Events Sector*, Crouch, G., and Louviere, J. (2007), *International Convention Site Selection: a further analysis of factor importance using best-worst scaling*, and Crouch, G., and Louviere, J. (2004), *Determinants of destination choice in the Australian domestic conventions sector*.

³ Deery et al. (2005), *The National Business Events Study: An Evaluation of the Australian Business Events Sector*, Page 66.

Business events bring people to the city who stay at hotels, eat at restaurants, shop at local retailers, hire taxis and so on. Some of those people extend their visits as tourists and travel elsewhere in the State. Some events lead to overseas or interstate sales by local businesses or build international networks for local firms that later have valuable payoffs for those firms and the State economy. It is not possible for the convention and exhibition centre to capture a share of these benefits and thus to profit from them.

Some large, up-market, hotels in Sydney provide internal convention facilities. They expect to get most of the hotel room bookings and much of the restaurant trade from conventions held in those facilities. So they are able to internalise enough of the overall benefits from conventions to make provision of the facilities profitable.

However, there is a limit on the size of convention facility they can economically provide. If the facilities are disproportionate to the number of rooms in the hotel, much of the benefit flows to other hotels and to restaurants external to the hotel. In addition, the hotel is likely to have the facilities unused for a lot of the time, or alternatively fill them with functions that do not have a lot of flow on trade to the hotel.

So the basic need for government funded convention and exhibition facilities is for business events beyond the size that the private sector can economically provide and particularly where those events have substantial external benefits for the State.

Not all business events are of equal value in this regard. Simple attendance or value of sales at the event is not the proper indicator. Some events are essentially local sales events, whose primary purpose is for local or overseas producers to sell to the local community. While they add to the colour of Sydney and the opportunities for some of its citizens, the external benefits can be fairly limited beyond that.

Other events, particularly those with a very strong international component, lead to more extensive purchase of tourism services and, in the case of major international conventions, very strong interaction that enhances Sydney's position as a global city and the international ties of its businesses and other knowledge workers.

It follows that government investment in convention and exhibition facilities should be done to serve business events of a (large) size for which the private sector will not cater and should be offered in a way that maximises the attraction to Sydney of business events likely to make the largest contribution to the State. In practice, that means the highest priority for international conventions and for major national conventions.

3 Current Situation

3.1 Facilities in Sydney

Sydney currently has a wide range of space for conventions, especially for those catering for less than 800 delegates. These range from SCEC, various hotels, theatres, town halls, and other purpose-built convention facilities. The range and scope of small to medium sized facilities suggest that there are sufficient facilities to service the needs of this segment of the market or that the private sector is expanding and capable of providing facilities for this market. The Review notes that in recent years new capacity has been established both in and out of Sydney's CBD. Examples include the redevelopment of the Sydney Hilton and the recent opening of the Waterview Convention Centre at Sydney Olympic Park.

However, the suitability of particular venues is affected by the complexity of each individual event. Where an event requires multiple large break-out rooms, banqueting facilities and exhibition space, this will soon outstrip the capacity and logistical capabilities of many individual venues. For these more complex events, SCEC is often the first venue of choice.

In terms of exhibition space, the main facilities for larger exhibitions are SCEC, SSG, Rosehill Gardens, Moore Park and the Australian Technology Park (ATP). Four of these are located on New South Wales Government property, though these venues operate under leases of varying durations to private sector entities. In addition, a larger range of options exist for smaller exhibitions.

The following tables summarises the capacity of the larger convention and exhibition facilities in Sydney.

| | Max Convention Capacity | Continuous Exhibition Space |
|------------------|-------------------------|-----------------------------|
| SCEC | 3,500 | 27,200m ² |
| SSG | 4,000 | 21,600m ² |
| ATP | 1,137 | 6,850m ² |
| Moore Park | 3,500 | 5,400m ² |
| Rosehill Gardens | 2,000 | 4,000m ² |

ATP and Moore Park both cater to a boutique market. The age, heritage listing, physical layout and the limited hotel accommodation in close proximity to these facilities mean that they are generally unsuitable for major international conventions. A more detailed discussion of the two largest facilities, SCEC and SSG, is provided below.

Sydney Convention and Exhibition Centre

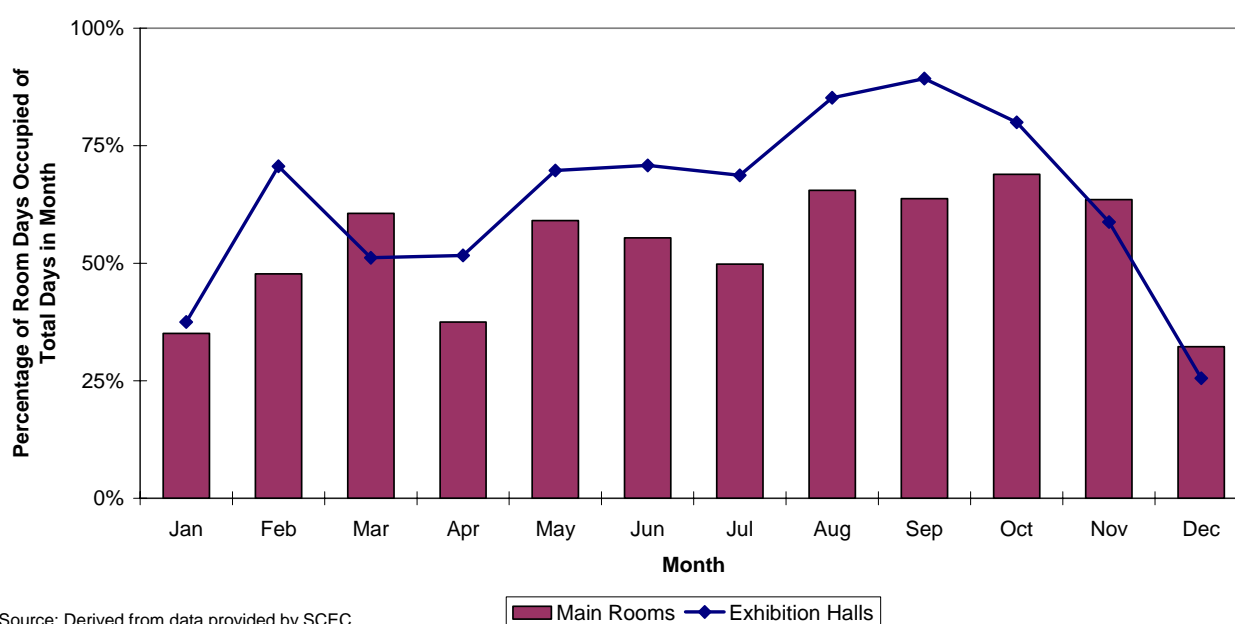
The SCEC is owned by the New South Wales Government with SHFA acting on behalf of the Government as the Authority who manages the leasing and contractual arrangements of the Centre.

The SCEC opened in 1988 and expanded in 1999. It consists of two main convention facilities – Bayside and Parkside – with a maximum capacity of up to 3,500 delegates in plenary session, with associated meeting rooms. In addition, the proximity of the Sydney Entertainment Centre (SEC) allows SCEC to offer conventions the ability to cater for plenary sessions of up to 11,500 delegates. Adjoining SCEC’s convention facilities are 27,200m² of exhibition space, in five halls of 5,000m² each and one hall of 2,200m². The Centre is currently undergoing a \$50 million, 5 year program of upgrades and refurbishments to improve functionality and flexibility of operations – though we note that a lot of this \$50 million figure is for routine replacement of worn out components rather than actual upgrading of facilities.

Convention space is currently being used by international and national conventions, locally organised banquets, and other local one-off events. Its exhibition space is used by trade shows, consumer shows and exhibitions associated with international and national corporate events.

In 2005-06 the Centre was operating at 60 percent occupancy in terms of its exhibition space and 42 percent for its major convention rooms.

**Figure 3.1: Average Monthly Occupancy at SCEC
- Main Rooms and Exhibition Halls -**
From 2003 to 2006



Source: Derived from data provided by SCEC

In terms of exhibition space, the level of occupancy achieved by SCEC management shows the success that it has achieved in maximising the occupancy at its exhibition facilities. Research and discussion with industry participants indicates that an occupancy rate of 50 percent provides a more reasonable balance to enable management to have the flexibility to be able to offer available exhibition space dates to conventions that require exhibition hall capacity. This is due to the characteristics of the industry, acknowledging: the different timing cycles of trade (which are held during the week) and consumer shows (which are held over a weekend); that blocks of days less than four days are difficult to sell; and that few exhibitions are held during the holiday periods in December, January and Easter.

However, this has also left limited opportunities for SCEC to accommodate international and national conventions with associated exhibition space needs.

Sydney Showgrounds

The SSG was relocated from Moore Park to Homebush Bay in 1998 as part of the creation of the new regional and sporting precinct of Sydney Olympic Park. The SSG is owned by the New South Wales Government and leased to RAS, with the Sydney Olympic Park Authority (SOPA) acting as the Authority that manages the leasing and contractual arrangements.

There is 21,600m² of continuous exhibition space at the SSG, comprising a 7,200m² Dome and 14,400m² in three, separable, halls. It is close to the Acer Arena which can provide additional meeting rooms and a plenary facility for up to 21,000 – though the seating is not the sort that would attract up-market conventions.

The SSG operates as the site of the Royal Easter Show during the Easter period. During the remaining months of the year the SSG hosts a number of public and trade exhibitions, some of which have relocated from the SCEC.

Notwithstanding this, the exhibition facilities at SSG are currently underutilised. This is for a combination of reasons including:

- quality of facilities, including the limited size and variety of convention and meeting facilities close to the exhibition halls;
- limited activity in the surrounding precinct, such as the limited restaurant and nightly entertainment activities available to participants;
- distance/access from the CBD. Olympic Park is located 14 kilometres west of the Sydney CBD and 8 kilometres from Parramatta – and transport options can make it seem a lot further.

The first two of these points – quality of facilities and limited activity in the surrounding precinct – are being addressed by SOPA and RAS, and will become less of a deterrent for business in the future.

3.2 Sydney's Position in the Market

Sydney attracts a wide range of business events, and these events tend to be larger than average. While the *National Business Events Study* (NBES) found that New South Wales hosted 27 percent of all meetings in Australia in 2003, this represented 40 percent of all delegates. In terms of average event size, Sydney hosted the largest events (approximately 162 delegates per event), followed by the Gold Coast (102), Melbourne (96), Adelaide (92), the ACT (89) and Perth (80).⁴

New South Wales' premier position is supported by data from Tourism Australia. In terms of business events, New South Wales attracts more overnight visitors and visitor nights than any other State. In 2006, 32 percent of the visitor nights spent by overseas and domestic business event attendees were spent in New South Wales.

International Conventions

Sydney is also the premier destination in Australia for international conventions, both in terms of number of meetings held but also overall number of delegates attending these events.

However, this position is being eroded as other States attract an increasing proportion of international business events delegates. In 1999, 43 percent of the visitor nights spent in Australia by international participants at business events was spent in New South Wales. By 2006, New South Wales's share had fallen to 32 percent. While the number of visitor nights spent in New South Wales had grown, the number spent in the other States had grown more.

The erosion of Sydney's position is also being reflected in international surveys, which show that while the industry is growing, Sydney is not keeping pace. While there is no comprehensive database of all international business events that rotate between countries, the statistics provided by the International Congress & Convention Association (ICCA) is generally used to benchmark international performance. These statistics are of association meetings that are reported to ICCA that meet the following criteria⁵:

- are attended by at least 50 participants;
- are organised on a regular basis (that is, one-off events are not included); and
- move between at least three different countries.

There is no publicly available database capturing the number of international corporate conventions or incentive events.

The ICCA database shows that there has been strong growth in the number of meetings in the Asia-Pacific⁶ region. Between 1995 and 2005 the number of meetings has grown from

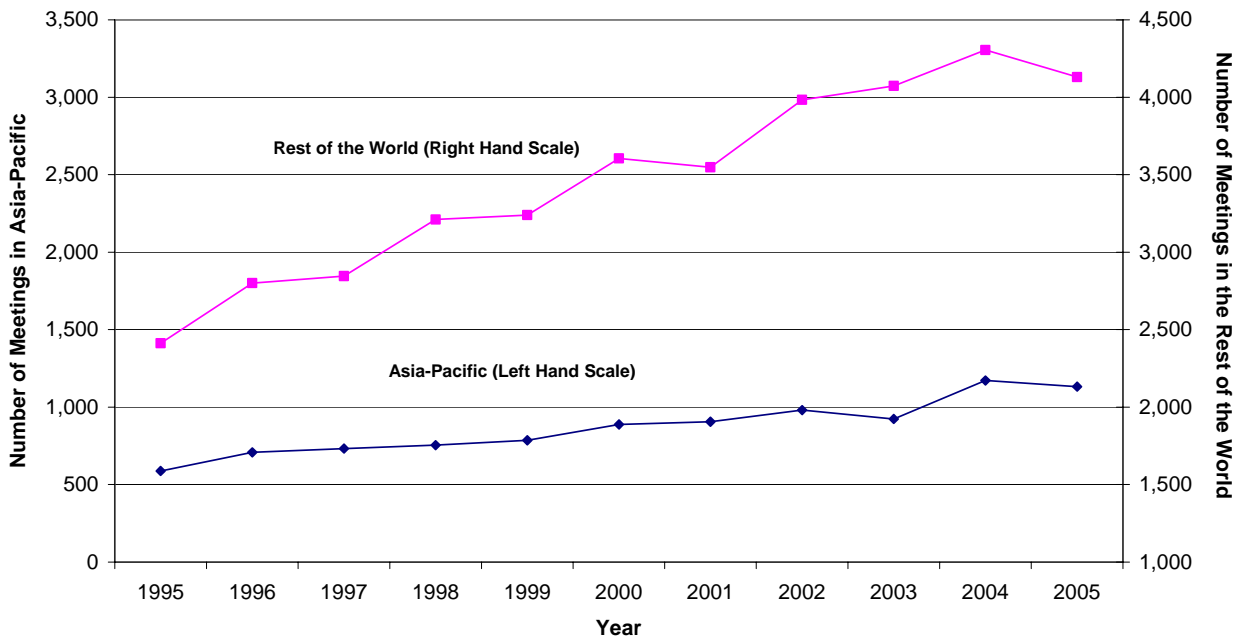
⁴ Deery et al. (2005), *The National Business Events Study: An Evaluation of the Australian Business Events Sector*, Page 15.

⁵ ICCA (2006), *The International Association Meetings Market 1996-2005*, Statistics Report. Page 1

⁶ ICCA defines the Asia-Pacific region as being from the Western Pacific, including Australasia to the Middle East, this does not include cities on the American continents.

588 to 1,132. In trend terms⁷, this represents an average annual growth rate of 6.0 percent over the eleven year period, which is marginally faster than the trend rate of growth in the Rest of the World of 5.5 percent. The number of participants to meetings in the Asia-Pacific region has increased from 431,895 to 647,787, an annual trend rate of growth of 4.2 percent.

Figure 3.2: Meetings in Asia-Pacific Region versus Rest of the World



Source: ICCA

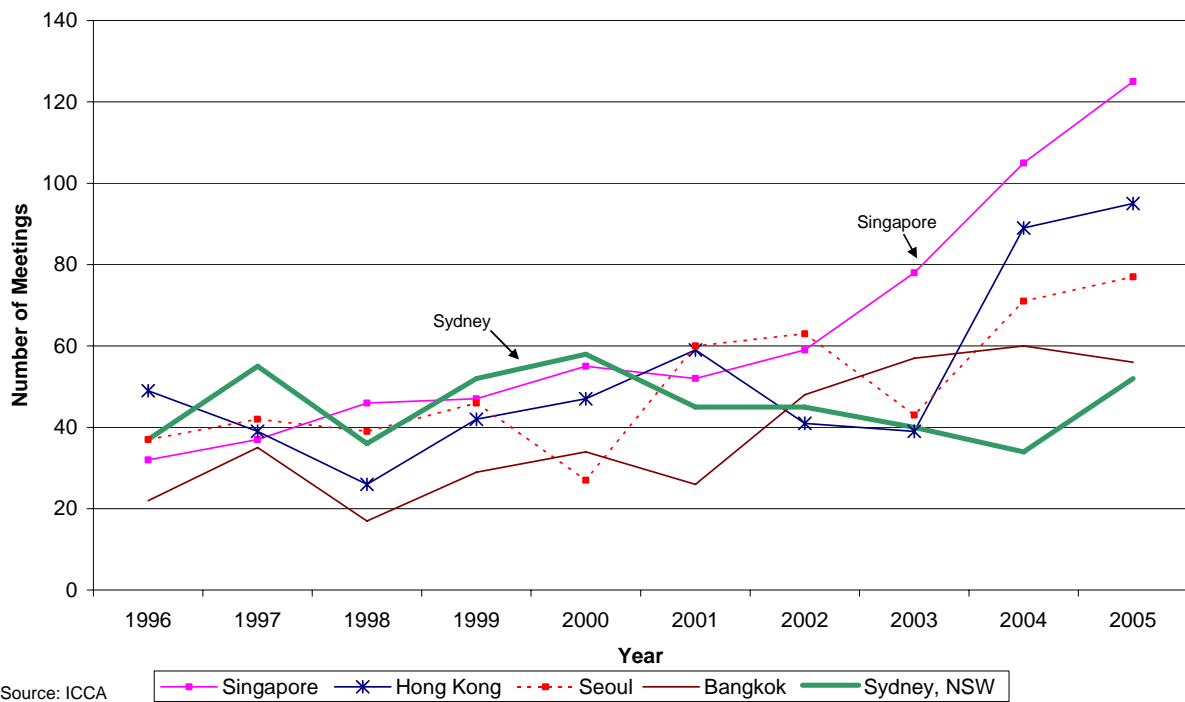
In terms of the size of meetings, the ICCA database shows a strong increase in the number of meetings with less than 250 participants being held in the Asia-Pacific region. These types of meetings have grown by an annual trend rate of growth of 11.9 percent per annum over the last eleven years. Both the number of meetings with between 250-500 delegates and those with greater than 1,000 delegates have increased by an average trend rate of growth of approximately four percent. The number of association meetings with between 500-1,000 delegates has only shown minimal increase over this period.

The number of meetings ICCA records as being held in Sydney has ranged between 34 (in 2004) and 58 (in 2000). While the numbers have oscillated significantly, in trend terms there has not been any growth in terms of number of meetings or number of participants. However, this has contrasted with the performance of other cities in the Asia-Pacific. Cities such as Singapore and Bangkok have shown strong growth in the number of meetings held, with an annual trend rate of growth 13.8 percent and 11.8 percent respectively over the ten years to 2005⁸. Sydney held more meetings than Singapore in four of the five years to 2000. By 2004 and 2005, Singapore was hosting more than twice the number of meetings than Sydney.

⁷ Given the volatile nature of the ICCA data and the bias that an unusually high or low starting or ending point may have in the calculation of average annual rates of growth, the growth rates quoted are trend rates of growth calculated from a log-linear regression.

⁸ In their 2005 report, ICCA changed their reporting methodology for city data. Their advice is that the data is not comparable with data contained previous reports. As a result, analysis for city level data is based on the 10 years of data provided in the 2005 report.

Figure 3.3: Number of Meetings per City - Selected Asia-Pacific Cities



Source: ICCA

The graph on the following page highlights the fact that until 2002, Melbourne was hosting fewer conventions than Sydney. From 2003 Melbourne has largely caught up even before the completion of its new Convention Centre.

Queensland is somewhat differently situated. Because of its major coastal resort cities, it has major convention facilities at Cairns and the Gold Coast, as well as Brisbane. When those three locations are taken together, it shows that in the mid-nineties they collectively held only about half as many meetings as Sydney. Since then, their position has increased substantially and in the period 2003 – 2005 they held about as many meetings as did Sydney.

Figure 3.4: Number of Meetings per City - Australian Cities



In terms of ICCA ranking for future scheduled meetings, Sydney has slipped over the last decade as other cities in the region develop their convention and exhibition facilities and devote increasing resources in attracting these meetings. In the most recent data, Sydney was ranked 11th in 2005 in terms of number of future scheduled meetings. This is down from a peak of 1st in 1999 and 2000, 2nd in 2001 and 4th in 2002.

These results clearly indicate that Sydney has slipped badly relative to major international competitors and its major competitors within Australia.

International Exhibitions

With respect to exhibitions, Australia in general is not suitable for most international consumer or trade exhibitions and does not host them. Australia is unlikely to regularly host the very large exhibitions that are the target of the mega facilities being established in Asia, especially in China. These are of a much larger scale as they are close to a significantly larger supporting population and economic base (and in many cases targeting domestic needs) than any of Australia's major convention and exhibition facilities. This is not to say that the major exhibitions held in Australia do not have some interstate and international component. They do. However the international component, in particular, appears to be largely international organisations seeking to sell their products or services to domestic customers.

This is supported by data from surveys undertaken by the EEAA. The 2006 survey found that of the exhibitions surveyed approximately half reported having international exhibitors. Of these, international exhibitors represented, on average, 7 percent of total exhibitor numbers⁹. While the survey does not detail the break-up in the number of international

⁹ EEAA (2007), *Exhibition & Event Industry 2006 Benchmarking Study*. Page 11.

exhibitors between trade and public exhibitions, it does note that trade exhibitions had a greater likelihood of having international exhibitors present than public shows. This is consistent with the 2003 NBES survey which found that most exhibitors were local or intrastate, with only 3 percent coming from overseas and 7 percent from interstate¹⁰.

In terms of visitors to exhibitions, the EEAA 2006 survey found that only 2 percent of visitors were from overseas and 13 percent from interstate. For public shows, the proportions were significantly lower and these visitors were concentrated in only a small number of shows. Only 3 percent of public shows reported international visitors attending, while only 17 percent reported interstate visitors present¹¹.

These results are consistent with the outcomes of the Review's consultations. While there are a few exhibitions that have an important international component, these are a very small minority. Sydney and Australia, however, are competitive for international conventions and a significant proportion of them include exhibitions.

In summary, Sydney (and Australia) hosts:

- international, national and local conventions including corporate meetings; and
- national and local consumer and trade shows.

In evaluating the size, nature and suitability of Sydney's facilities, it needs to be done in relation to these particular sorts of events – not simply a blanket comparison with what exists elsewhere which is often serving a different market.

¹⁰ Deery et al. (2005), *The National Business Events Study: An Evaluation of the Australian Business Events Sector*, Page 68.

¹¹ EEAA (2007), *Exhibition & Event Industry 2006 Benchmarking Study*. Page 12.

4 Adequacy of Current Capacity

4.1 *Is New South Wales Losing Business?*

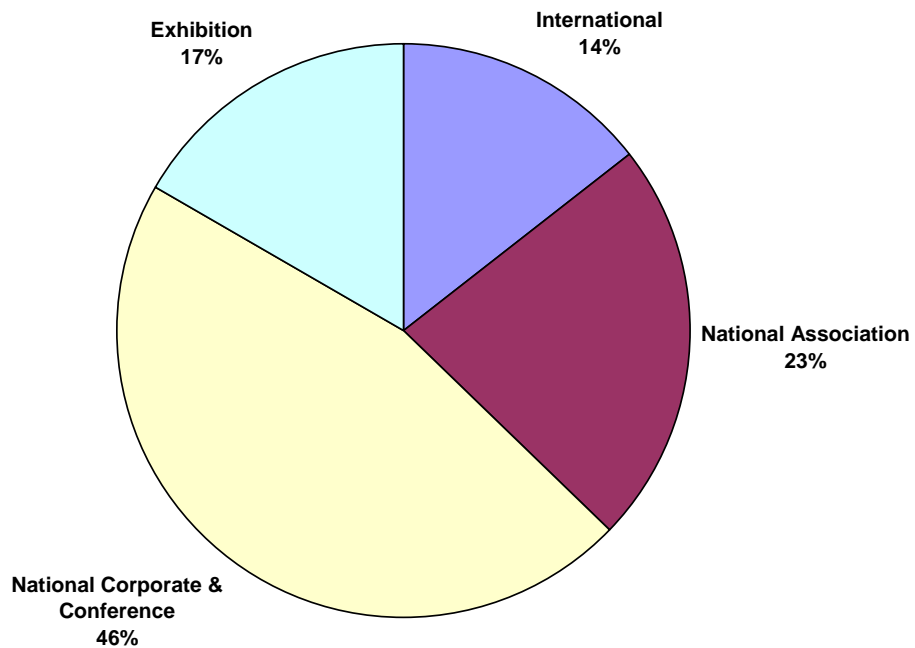
A number of reviews typically discuss the amount of business lost by SCEC due to date or space conflicts in support of their argument. This, however, only captures part of the story.

The process that the SCVB follows in determining whether to bid for larger events includes checking for venue availability. If a suitable venue is not available a bid will not proceed (though it may proceed at a future date). Similarly, other event organisers may be discouraged from bidding or hosting an event in Sydney in the belief that there is limited or no available space.

This means that any analysis focussing solely on SCEC's stated lost business underestimates the real potential value of international business lost to New South Wales as a result of space unavailability at SCEC. No information is available on the number of these large meetings that could have been bid for and won, but did not proceed as a result of space not being available at SCEC.

However, it is possible to test the assertion that New South Wales is losing business due to capacity constraints at SCEC. The Review has examined SCEC's database of lost business from 1 January 2003 to mid May 2007 and the reasons for this loss. After excluding cancelled events, local banquets, lunches, Christmas parties and other local events there were 494 individual entries listed as being 'lost'. Of these 27 percent were lost for space or date conflicts at SCEC. The majority of this lost business represents national corporate and conference events, followed by national association events. International events comprise 14 percent of the total. The results are summarised in the following graph:

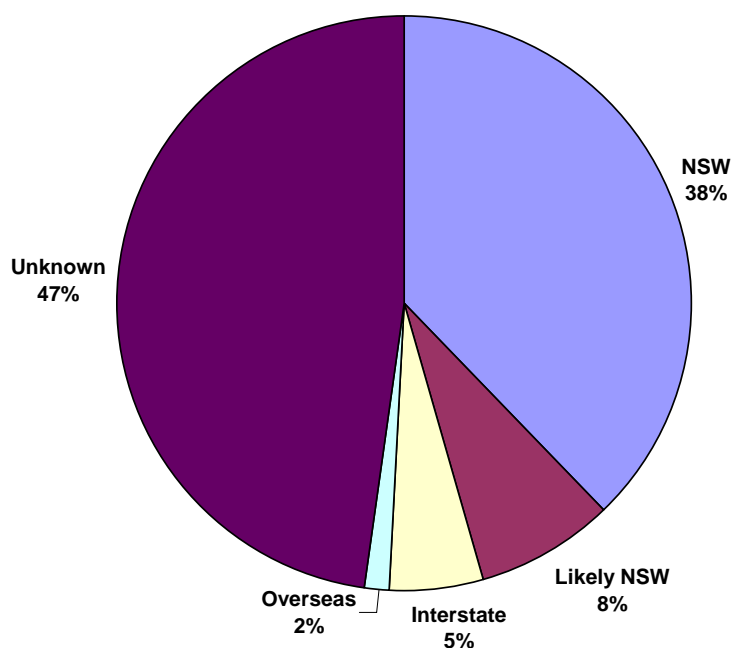
Figure 4.1: Type of Business Lost by SCEC Due to Space or Date Conflict



Source: Derived from data provided by SCEC and additional research

The Review has further investigated where these 'lost' events were ultimately held. The ultimate location of a significant proportion of events (47 percent) was not able to be determined due to insufficient information on the name or description of the event. While a significant proportion may have relocated either interstate or overseas, some would have still been held in New South Wales. Notwithstanding this large unknown component, almost half of the 'lost' events were able to find, or were considered likely to have found, alternative venues in New South Wales for their event.

Figure 4.2: Where Events 'Lost' by SCEC Were Ultimately Held



Source: Derived from data provided by SCEC and additional research

With respect to the international business events denied at SCEC during this period, 42 percent relocated or were considered likely to have relocated to other venues in New South Wales, 16 percent to interstate venues while 11 percent went overseas. The destination of the remaining 31 percent was not able to be determined.

Data is absent on the final destination of these events when broken down by size. However, the larger the convention and exhibition requirement, the less the likelihood of finding adequate alternate facilities elsewhere in Sydney or New South Wales. So we would expect those lost to the State to be the larger ones, on average.

Still, it is clear that many international business events have been able to find alternative venues in New South Wales. This has ensured that New South Wales has still managed to capture a significant proportion of the economic and strategic benefits from these events.

Looking at the lost business in detail, in many cases the conflict had to do not with limitation in overall space at SCEC (ie the request was for less than 27,200m² in exhibition space) but due to conflict with other users occupying the exhibition space.

The conclusion from this is that the exhibition space conflict is likely to be leading to a loss of larger international and national convention, because either:

- they are not bid for, knowing their dates clash with other bookings – particularly the large domestic bookings; or
- they are bid for, or come unsolicited, and then are found to clash with other bookings.

This situation is consistent with comments from private sector providers of convention space. They claim that SCEC is increasingly dealing with international conventions of the size that private facilities can host, rather than ones outside their capacity.

4.2 Does SCEC Need More Exhibition Space?

Two main alternatives exist in increasing the available exhibition space at SCEC. Either the current space can be expanded or consumer and local trade shows can be encouraged to relocate from SCEC to alternative locations, such as SSG, thus freeing up space at SCEC.

There is currently limited available exhibition space at SCEC as significant space is occupied by a large number of regular domestic exhibitions, including large exhibitions that book all or nearly all of the exhibition halls available. It is this latter category of customers that are seeking additional capacity at SCEC.

Information has been presented to the review team that organisers of fourteen major exhibitions currently based at SCEC are or would soon be in a position to request additional space beyond that currently available at SCEC. Organisers of six exhibitions have indicated that they would like to lease more than the 27,200m² that is available at

SCEC. Four of these have indicated that they would be able to lease out in the order of an additional 15,000m², while two others are seeking up to an additional 10,000m². In addition, organisers of another eight exhibitions are seeking an additional 5,000m² to 10,000m², but these requests would be able to fit within the current 27,200m² footprint of SCEC, if it were not for conflicts with other exhibition space users.

SCEC has also provided information on another ten exhibitions or conventions with associated exhibitions that are not able to be accommodated at SCEC as a result of space or date conflicts with other exhibition space users. While two requested 25,000m², the remaining events sought between 10,000m² to 15,000m².

Providing additional exhibition capacity at SCEC would enable large exhibitions to grow, and would provide additional flexibility to SCEC management in managing the competing demands from business events organisers. However, as these exhibitions grow into any expanded capacity, the problem will remain that the international and national conventions that New South Wales is seeking to attract are unable to be accommodated due to date or space conflicts as a result of limited exhibition space vacancies at SCEC.

In addition, with the events strategy seeking to significantly improve Sydney's performance in winning international conventions, especially large international conventions which increasingly tend to have significant exhibition space needs, the limitations on available supply of exhibition (and convention) space would soon become a key limiting factor.

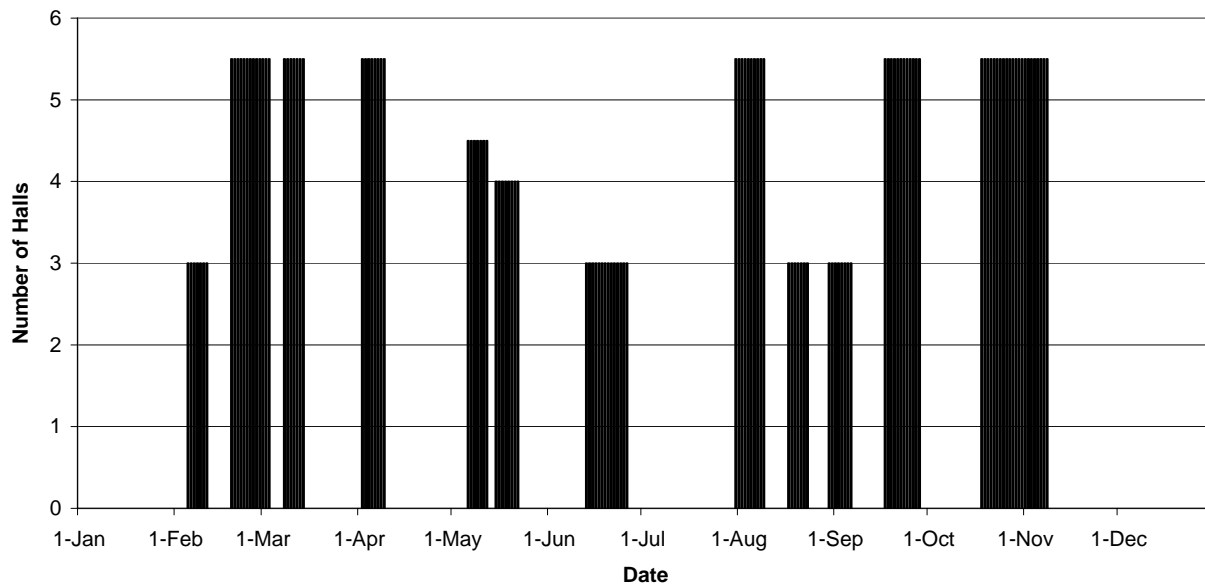
SCEC currently hosts a number of major exhibitions¹² that occupy all six exhibition halls over the course of the year. On an annual basis these are:

- The Sydney Gift Trade Fair (a biannual trade show held in February and September);
- Fashion Exposed (a trade show held in March);
- The Sydney International Boat Show (a public show held in August);
- The Australian International Motor Show (a public show held in October-November);

as well as a number of other public and trade shows that regularly occupy between three and five halls at SCEC. The distribution of these regular annual events, and the amount of space they take over a calendar year, is summarised in the following diagram.

¹² Note. Despite the use of the term "International" in the title of some of these shows, they are not "international" as that term is used in this report.

Figure 4.3: Usage of SCEC Exhibition Halls by Regular Annual Exhibitions Using 3 or more Halls



Note: Hall 6 is denoted in the above as a half Hall. It has a capacity of 2,200m² compared to 5,000m² for the other Halls
 Source: Derived from data provided by SCEC

In addition to these, there are a number of regular exhibitions not shown in the above diagram which are held at SCEC on a biennial, triennial or quadrennial basis which also occupy significant exhibition space.

Some of these desire or require a CBD location as a site for their exhibition. However, many are marketed to, and attended by, solely domestic participants. The participants at these domestic exhibitions are relatively more able to utilise alternative facilities, provided such facilities and locations have appropriate transport infrastructure and services and supporting amenities, than participants at international business events.

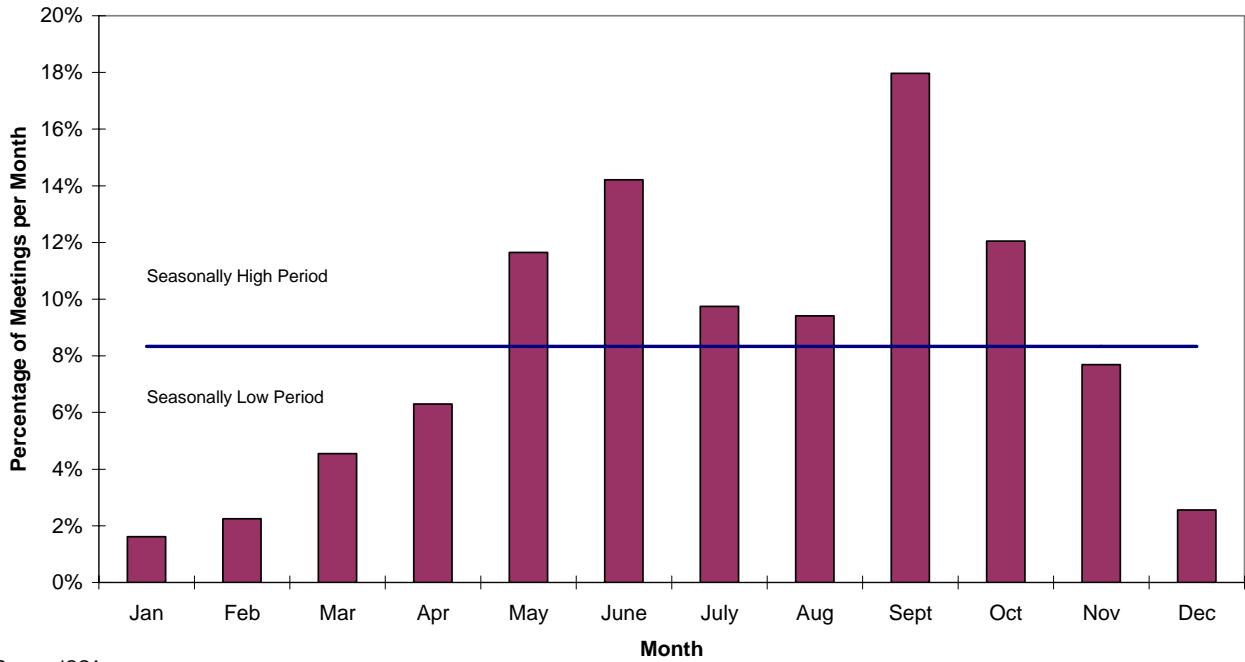
For larger exhibitions, there is currently insufficient space at alternative venues if they were to seek to relocate. The next largest exhibition space after SCEC, the SSG, does not have the capacity to take the largest shows in their exhibition halls. For these shows to relocate they would have to either establish temporary structures (e.g. marquees) or reduce the size of their events. Both of these options are likely to be sub-optimal from the event organisers' perspective. In addition, for those exhibitions held during March and April, the requirements of the Royal Easter Show mean that larger shows will either need to change their dates or be accommodated at SCEC if it does not conflict with higher value events during this period.

Given the nature of a number of these shows, where the external benefits are small, it is difficult to argue that the New South Wales Government has some obligation to provide them with optimal space on the dates they prefer.

Of the two mechanisms for obtaining additional exhibition space at SCEC in order to reduce and minimise the loss of higher value international and national conventions, a

policy of relocating public and trade exhibitions from SCEC to a 35,000-40,000m² non-CBD facility (such as an expanded SSG) is a more effective – and cost effective – option. Such an arrangement would ease key capacity constraints at SCEC during the seasonally high international convention market of May-October (see Figure 4.4) as well as providing additional space for the larger exhibitions to expand.

Figure 4.3: Seasonality of ICCA's International Association Meetings



Source: ICCA

5 Major Options for Expansion

A number of options have been proposed for the expansion of convention and exhibition facilities in Sydney. These include the expansion of SCEC, expansion and upgrade of SSG, or the development of new purpose built facilities at other sites, such as Barangaroo.

While the review makes no comment on the relative merits of the alternative proposals, it has been asked to evaluate the need for new and upgraded facilities in the long-term. The following describes a number of options that have been raised and discussed in various consultants' reports and provides some guidance on issues that the New South Wales Government may need to consider in relation to each proposal.

5.1 Expansion of SCEC

Options to expand SCEC revolve around development over the current site of the Sydney Entertainment Centre (SEC) and its adjacent car park. The combined site is estimated to be able to accommodate an additional 20,000m² of exhibition space – if the entire site were to be converted to exhibition space. The Wilson Entertainment Centre car park could host approximately 10,000m², while the current SEC site could accommodate an additional 10,000m². A key issue for consideration is the future of SEC.

It has been noted by a number of interviewees that there will soon be a need to redevelop SEC. Some of these have indicated that this could be delayed by up to twelve years, before a new facility will need to be constructed. The construction of a new SEC is estimated to require approximately three and a half years, during which time the Sydney CBD will be without an entertainment centre of SEC's capacity (or a facility to support large plenary sessions of greater than 3,500 people).

However, SEC also plays an important role in supporting international business events in Sydney. The SEC is currently used by a small number of SCEC's clients to hold large plenary sessions which exceed the capacity of SCEC's convention facilities. More importantly, it is used as a key selling point for bids to larger conventions. The organisers of these conventions, who typically plan several years ahead, may not know the precise number of delegates that are expected to attend their convention at the time they select a site. The availability of the SEC provides comfort that if their convention were to grow beyond the 3,500 capacity of SCEC, a facility exists that will allow them to hold a plenary session.

The New South Wales Government has two main options for the expansion of SCEC. It can follow an ad hoc approach of the redevelopment of the Wilson Entertainment car park in isolation of the potential redevelopment of SEC, or it could develop an integrated design and plan covering the combined car park and SEC site.

The New South Wales Government faces a strategically important decision around the replacement of SEC. If the Government was to decide to expand SCEC, it would be

appropriate to plan the redevelopment of SEC simultaneously, with the aim of creating synergies between the two. The design should aim to meet the needs for:

- a superior theatrical/entertainment facility;
- a facility that is even more suited for hosting very large meetings for SCEC, with sufficient flexibility to enable the space to be sub-divided as much as possible to enable multiple concurrent conventions to be hosted there, while catering for these conventions' associated meeting room, banqueting and exhibition requirements; and
- it should also seek to minimise, if not eliminate, the period whereby Sydney's CBD remains without such a facility.

Expansion at SCEC would provide a number of advantages. It is close to the Sydney CBD, has a strong international reputation, and its expansion would leverage previous New South Wales Government and private sector investment in infrastructure supporting convention and exhibition activities at Darling Harbour, including hotel accommodation. The incorporation of theatrical capabilities within a multi-purpose facility that can serve both the theatrical and convention market would increase the overall usage and cost to the Government considering the upcoming need to replace the SEC.

Expansion, however, will have to overcome some site issues. Key among these is elevating the freeway that separates the current exhibition halls from the car park site to allow a continuous connection to the new facility. In addition, consideration needs to be given to utilities located under the site, which may have implications for design and development costs.

5.2 Expansion of SSG

The expansion of the SSG has been proposed by RAS, with a modified proposal developed by HVS International in their report. The RAS has developed a proposal which would provide an additional 14,700m², bringing the total to 36,300m² (including the Dome). There is also the potential to expand the facility further in the longer term in areas adjacent to the facility by redeveloping existing infrastructure.

Any proposal for expansion should be targeted to meeting the needs of consumer and trade shows, including required meeting and other facilities. The HVS International report proposed a modification to the RAS proposal citing the need for additional meeting and other facilities to adequately service trade exhibitions. Consistent with the recommendation that any expansion at SCEC be done as an integrated plan, if the SSG was to be expanded it is recommended that an integrated design be undertaken for its expansion, which meets the following criteria:

- provides up to 40,000m² of exhibition space, with supporting meeting rooms and other facilities to service the needs of both public and trade exhibitions;
- the design explicitly considers, and can accommodate future, long-term expansion in convention and exhibition facilities to create a larger integrated facility at the site; and
- the development of the integrated design for the redevelopment be undertaken by the New South Wales Government, rather than RAS, in order to ensure that any expansion

is consistent with the Government's longer-term strategic vision for both the business events industry as well as Olympic Park.

Expansion at the SSG would have the advantage of being relatively cheaper than expanding capacity in the CBD. It is located in the centre of the Sydney metropolitan area and development of the facility would be consistent with the Olympic Park precinct's draft master plan. The facility would be attractive for many consumer and trade exhibitions held in Sydney due to its central location and transport connections.

However the facility would not be as attractive for international and national conventions. The view of the lack of activities at the facilities, including limited supporting infrastructure will inhibit its attractiveness as an alternative venue in the short-term, though these factors should improve as Olympic Park develops. Significantly, the impending move of the Commonwealth Bank, and the construction of the Sofitel Hotel and the Budget Hotel at Sydney Olympic Park will improve the dynamics and feel of the Park and help encourage the development of further supporting infrastructure. Notwithstanding this, the facility is unlikely to become the premier facility for international conventions in the foreseeable future, though it may be increasingly attractive to national conventions in the long-term.

5.3 Barangaroo

A number of parties have identified Barangaroo (formerly East Darling Harbour) as a potential site for purpose-built convention and exhibition facilities. While such a proposal is not currently included as part of the Barangaroo concept plan, its proponents have argued that it could be incorporated, while keeping to the overall design principles for the site.

One specific proposal has been described by HVS International in its report on convention and exhibition space in Sydney. It has presented a site concept for a facility of between 30,000m² and 40,000m² of exhibition space. Convention facilities would be in a separate iconic building located nearby, at the northern most point of the site. Such a facility would have a plenary hall capacity of between 3,000 and 5,000, including associated meeting and other rooms. As part of this proposal the current SCEC site would be redeveloped for other, undisclosed uses.

The Barangaroo site would probably be seen as more "iconic", though on balance Darling Harbour appears a more attractive venue. It has a pleasant ambience, is closer to the CBD than Barangaroo, and much better integrated with the CBD than Barangaroo is likely to be for at least a long time. This closeness and integration enhances the tourist experience and the interaction with business offices in Sydney – which is an important way through which New South Wales benefits from major international conferences in Sydney.

If the New South Wales Government were to consider this or similar proposals key issues to be considered include how such a facility could be incorporated into the Barangaroo design plan; the new facility's proximity and access to existing supporting infrastructure, such as transport and hotel facilities; that the convention and exhibition facilities are integrated and collocated; and that it is designed to be multipurpose and flexible, with the

needs of international and national conventions with their associated meeting rooms, exhibition, and banqueting needs paramount, rather than for the domestic exhibition market.

5.4 Other Sites

A number of sites have been suggested as potential alternative venues for convention and exhibition facilities in or near the CBD. These include Glebe Island, the Australian Technology Park and Moore Park. These have not been generally supported in our discussions with stakeholders, though they may provide alternatives for domestic exhibition space if SSG expansion is not an option.

6 Strategy for Sydney's Major Convention and Exhibition Facilities

A strategy for convention and exhibition facilities for Sydney has to be based on a realistic appreciation of Sydney's relevant strengths and weaknesses:

- Australia lacks a large base of producers or customers for most trade goods. Consequently, it can never compete with locations such as Singapore, Hong Kong, Frankfurt, London, Los Angeles or Shanghai for international trade exhibitions.
- Likewise it obviously cannot compete with them, or any other overseas location, for consumer goods shows meant to sell to their local population.
- However, Australia/New Zealand has a large population of well educated professionals who typically are well connected into relevant international professional associations. This is a clear competitive advantage that Australia/New Zealand currently has over most of Asia, including Singapore and Hong Kong, for hosting international professional conferences. Sydney also has a very attractive, safe environment, with good convention services.
- So internationally, Sydney has a major competitive advantage in gaining international conventions while having a competitive disadvantage in gaining genuine international trade or consumer exhibitions. This clearly indicates where it should focus its efforts and the type of business events for which it should provide convention and exhibition facilities.
- Many of the international conventions have exhibitions attached to them, to serve their participants – but this is different to events that set out to be primarily trade shows or consumer shows.

The volume of international and national conventions and domestic exhibitions that Sydney should be hosting in future cannot be accommodated at SCEC – even if fully expanded. Sydney needs two major precincts for conventions and exhibitions, and those precincts should be complementary.

The facilities available are obviously an important factor in winning international and national conventions. Assuming the facilities are adequate, then other factors come into play.

Sydney's Darling Harbour precinct with its harbour-side site, closeness to the CBD and to major hotels is an exceptional selling point. Non-CBD locations, such as SSG, lack that strength.

The absolute priority for SCEC (or Barangaroo) should be to host large international and national conventions. It would, of course, host other business events but they should be lower priority and fit around the top priority ones. In that context, the further development of SCEC (or the establishment at Barangaroo) would be carefully planned to maximise its suitability for this priority.

The non-CBD location (ideally SSG) should be developed to deal primarily with domestic exhibitions and with national conventions. It should be a site that can accommodate substantial future growth so that as the CBD site reaches its future capacity limit, then more events, such as national conventions, can move to the non-CBD location which would be gradually developed to accommodate them.

If the two precincts (CBD and non-CBD) are planned and developed in this way, the State can achieve:

- long term capacity for a substantial increase in business events;
- while maximising attraction for the ones most important to Sydney as a global city; and
- developing capacity progressively in the most cost-effective fashion.

7 Management Issues and Options

In reviewing the adequacy of existing and potential further development of additional convention and exhibition space within Sydney it is important that the New South Wales Government considers the management arrangements for the existing main facilities: Sydney Convention and Exhibition Centre and Sydney Showground facilities.

7.1 Sydney Convention and Exhibition Centre

The SCEC is currently managed by the Darling Harbour Convention and Exhibition (DHCE) Pty Ltd which combines the expertise of Accor Asia Pacific and Eurest Australia under a management agreement which commenced on 1 January 2002 for an initial five year period, with a potential to extend for a two further 5 year periods through to 2016. The first of these options was exercised in January 2007.

The current Management Deed lists the objectives for SCEC as:

- (a) Economic Benefit – to attract events which generate economic benefit for the State, with a concentration on international conventions;
- (b) Utilisation – to maximise utilisation for the SCEC and therefore be a prime attractor of visitors to the Darling Harbour Precinct;
- (c) Yield – to generate cash returns to the State; and
- (d) World Class Facility – for Sydney to offer a world class Convention and Exhibition Centre.

The management fee structure includes incentive fees payable when the managers meet Key Performance Indicators (KPI) related to the attraction of international and national convention delegates and to maintaining required occupancy levels in the major facilities, among other factors.

Following a review of the Management Agreement and discussion with various industry stakeholders, it has become apparent during the review that whilst the four objectives are supposedly of equal weight, the financial imperatives of SHFA has placed a strong focus on increasing utilisation, yield and cash returns rather than a focus on international conventions and maximising economic benefit to New South Wales.

An example of this can be seen in the incentive component of the Management Agreement. This is structured so that payment only occurs once gross operating profits exceed a threshold level, a level that is indexed to CPI. The actual amount of incentive payment is the summation of two components:

- *Profitability Component.* Half of the total Incentive Payment is based on a percentage of the gross operating profit that exceeds the threshold level.

- *Performance Target Component.* The remaining half is based on the 'Profitability Component' multiplied by a number ranging between 0 and 1, based on how the Centre performs against a number of performance criteria.

The implication of this is that if SCEC's management meets all the criteria, the result is '1', and it will receive the maximum possible incentive payment – a payment which is a percentage of gross operating profit. If it does not meet any of the key performance criteria, but does manage to exceed the gross operating profit threshold, it will still receive half of the maximum possible incentive payment. This again is a percentage of gross operating profit.

With respect to the calculation of the key performance criteria number, the number of international events and delegates hosted in the current year and scheduled to come in future years accounts for 28 percent of the overall weighting. This compares with a 40 percent weighting for achieving above a certain threshold yield rate for its exhibition space, while the number of events and delegates to current and future national conventions, exhibitions or other events account for another 16 percent. The remaining criteria refer to occupancy rate of the convention centre and quality of the facility.

The revenue raising criteria has now become the main priority, overshadowing the requirement for the Centre to maximise the economic benefit to the State. This is consistent with the view from a number of interested parties. Forcing this has been SHFA's need for the revenue that SCEC provides it to help fund its budgetary needs.

The policy may also be driven by New South Wales Treasury requirements of SHFA. Whatever the reason, it has led to booking policies and practices for SCEC that are contrary to the purpose for which the State invested in constructing the facility.

If the priority for SCEC is major international and national conventions as it ought to be then, given current demand, SCEC does not have a capacity problem – it has a booking policy problem.

However, if New South Wales pursues international and national conventions much more proactively with more resources as proposed in the Events Corporation report, then a capacity problem is likely to emerge at SCEC though this would take some years.

7.2 Sydney Showgrounds

The SSG, which is owned by the New South Wales Government, is currently leased by RAS which has a 99 year lease and a 99 year option on the site. Under the lease, RAS annually pays over \$2 million towards a Major Repair Fund which is used for the general repair of all assets on the site.

Under the terms of the lease, the RAS continues to hold the lease provided it continues to operate the Easter Show annually at the facility. The RAS is also required to utilise the site

during the non Easter Show period for business events. The current lease, and subsequent amendments, provide for revenue sharing between SOPA and RAS. The lease also provides for a review of revenue sharing arrangements in October 2007.

Regarding the management of the SSG exhibition facilities, the Agreement states that RAS may “not delegate the management of the Premises and in particular the Exhibition Halls...without the written consent of the Lessor”.

7.3 Implications and Options

There is the potential for the two facilities to work as part of an integrated strategy to maximise the economic benefit to the State from Sydney’s existing convention and exhibition space. However, there are a couple of issues that need to be resolved.

SHFA currently receive significant revenue streams from SCEC that contributes to financing its overall operations to the benefit of the whole area under its management. Given its financial imperative to be as self-funding as possible, this creates pressure on it to ensure SCEC is operated in a way that maximises revenue to SHFA. This emphasis on profitability tends to favour regular, large, exhibitions which provide greater and stable revenue, with lower operating costs than the convention side of the business. The revenue implication to SHFA of a change in priority at its SCEC facility will need to be addressed.

The current priorities would also have implications for any expansion of facilities at SCEC. If priorities are not changed, any additional space will be booked out by domestic events, resulting in the same issue encountered today. As a result, if the facilities at SCEC were to be upgraded and expanded the management agreement for SCEC must include a clause that prioritises bookings of events that generate the greatest economic and strategic return to the State. Requests from international conventions (especially those with adjoining exhibitions) to book the facilities would be given over-riding priority.

Placing a greater emphasis on conventions at the expense of large, annual exhibitions, is expected to reduce the level of profit that could be generated from the SCEC. SHFA currently use profits generated by the SCEC to fund other activities within its portfolio. This may require a reallocation of funding within SHFA and/or additional funding from Treasury.

With respect to any New South Wales Government funded expansion of the SSG, the current leasing arrangements of SSG by the RAS raises the question as to why the Government would invest public funds into a privately run facility. The capacity for the New South Wales Government to capture return from its investment would need to be addressed through changes to the existing management agreement. This will involve changes to the revenue sharing agreement as well as management approach. Options for the management changes may include:

- a. RAS continues to manage the facility with changes to its current leasing arrangements which would include prioritisation of booking schedules to

accommodate domestic exhibitions and increased return of investment to SOPA.

- b. A tender be called for management of the facility to maximise economic return to the State through an agreement similar to the management of the SCEC.

There are a number of mechanisms that can be implemented to manage the issues discussed above. Two such options are through the use of:

1. A series of Memorandum of Understandings; or
2. Joint management of the facilities.

These are briefly discussed below.

Option 1

One mechanism is the creation of a number of Memorandum of Understandings (MOU) between the various organisations involved and the newly formed Events Corporation, Department of Premier and Cabinet (DPC) and Department of State and Regional Development (DSRD).

With respect to SCEC, the MOU would detail the objectives of SCEC and make explicit the emphasis on the role of SCEC to maximise economic benefit to the State from business events.

Given the evolution of the emphasis in priorities in the current management agreement between SHFA and SCEC, the performance of the two parties in developing and applying appropriate booking policies should be monitored. Given the market knowledge available to it through its activities in attracting large events, many of which may only be hosted by SCEC, the new Events Corporation would be in the best position to assess and monitor adherence to these objectives. The MOU should give the Events Corporation the authority to monitor the booking process at SCEC to ensure these objectives are the overriding priority for bookings at the Centre. The DPC would have final responsibility for arbitrating any disputes, though it may wish to devolve day to day operational aspects of this to DSRD. In this instance both DPC and DSRD would need to be signatories to the MOU.

With respect to a potential expansion of the SSG, there should be a similar MOU established between RAS, SOPA, the Event Corporation, DPC and DSRD. This MOU would require the facility be developed and operated in a way that gave priority to business events that have the potential to provide significant economic return for the State. This would include displaced domestic public and trade exhibitions and start up exhibitions with potential for growth.

Option 2

An alternative option is the joint management of SCEC and SSG. A key consideration is whether joint management of the two would provide a more effective and efficient mechanism of achieving the outcome of maximising the economic return to New South Wales from the available infrastructure than market forces.

Joint management would allow a single organisation to determine the most effective distribution of exhibitions. It would be able to manage exhibitors across the two facilities, allowing them to encourage public and trade exhibitions currently at SCEC to relocate. It would also remove the disincentive for SCEC management to encourage exhibitions to relocate as this would no longer result in a loss of clientele. A single management for both would not have this concern and would have greater flexibility in matching space and position requirements of its clients across the two facilities.

However, there would need to be a number of issues to be resolved with this option, including those associated with profit and/or revenue sharing between SHFA, SOPA and RAS. In addition, common management of both facilities would see a significant loss of competition in the Sydney market, to the potential detriment of exhibitors, and removing an important discipline on management of the centres. In this situation it would be quite possible to end up with inefficient management for both centres, whereas competition between them would encourage good management at both.

Under both options, the degree of competition between the two facilities would be reduced. However, Option 1 would allow a greater degree of competition to remain in the Sydney market than under Option 2. This would ensure that the market continued to function to encourage improvements in service and competitive pricing. It is the preferable option.

8 Risks and Constraints for Sydney in the Future

Business events have the potential to provide both economic impacts and strategic benefits to a host destination. Such benefits have been acknowledged by competitor cities both interstate and overseas that have sought to enter or expand into this market by constructing newer and larger facilities as well as becoming increasingly competitive in bidding for business events.

Competing cities are becoming more aggressive and the very large conventions are increasingly becoming aware of the economic benefits that host destinations can obtain from their meetings. As a result, location decisions are starting to be made based on the level of financial inducements, direct or indirect, that a destination offers.

The business events industry, like the leisure tourism industry, is also prone to external shocks that discourage international and interstate travel. These can include global pandemics, terrorist acts or economic shocks which can reduce the expected benefits from hosting these events.

There is a risk that the expansion of convention facilities currently occurring around the globe could lead to an oversupply of convention and exhibition space. This Strategy mitigates these risks by outlining a cautious, staged development of facilities as well as an emphasis that additional facilities are multi-functional to enable them to be used for a variety of purposes. Specifically, the Review notes that:

- The expansion of SSG's exhibition facilities is targeted to the needs of the domestic, mainly local, market. This is more cost-effective than the development of expanded CBD facilities for that purpose. The needs of this industry are largely affected by domestic economic conditions and social tastes.
- A key underlying criteria for the proposed development of expanded facilities in the CBD is that consideration be given to the impending need to redevelop the Entertainment Centre as it approaches the end of its useful life. Incorporating this in any future development would be more cost effective than constructing two separate facilities as well as allowing the facility to service two markets improving overall usage.

There is a risk that competitive pressures and financial incentives offered by Sydney's competitors will make it very difficult to achieve the aims of the business events strategy. In such a situation, the Events Corporation will need to be more strategic in the way it selects and attracts events, always ensuring that Sydney and New South Wales obtains these economic and strategic benefits in the most cost-effective manner.

The two major options floated to further expand convention and exhibition facilities in the Sydney CBD – the expansion of SCEC or move to Barangaroo – both have limited potential for subsequent expansion. Both will be physically constrained. In this situation, use of the Sydney CBD facility will need to further prioritise higher value business events. The proposed Strategy envisages that by the time this occurs, the activities and supporting infrastructure at the SSG will have developed to such an extent that it will become feasible

to develop additional convention facilities at that site as it will have become an increasingly attractive option for national conventions.

Another key risk is the need to ensure there is a long-term commitment that Sydney's convention and exhibition facilities are upgraded and maintained at first-class standard, especially the CBD facility.

The development of the MOU is seen as an important mechanism, with the ability of the Events Corporation to flag issues and directly approach Government if deficiencies are allowed to develop.

9 Recommendations

The central thrust of the recommendations from this Review is to ensure the facilities Sydney has are used to maximise the economic benefits from hosting international and national conventions and their associated exhibitions. The strategy includes expanding and improving convention and exhibition facilities that service domestic exhibitions to relieve pressure on SCEC in the short-term. As part of a co-ordinated strategy to attract an increasing number of business events to Sydney, an expansion of facilities in the Sydney CBD will be required in the medium-term.

However, building facilities solely to host these events could result in underutilisation of the resources initially. Where practical, additional facilities ought to be multi-functional and flexible to facilitate a range of uses – without prejudicing the core purpose. The need to replace the Entertainment Centre within the next decade provides a significant strategic opportunity in this respect and one that requires careful integrated planning.

Detailed recommendations are discussed below.

9.1 *Criteria for Event Selection at SCEC*

During the course of the Review it became apparent that there currently exists a tension at SCEC between managing the value that regular domestic exhibitions have in providing predictable and logistically 'easy' revenue streams, with the one-off nature of international conventions which, while they may increase the financial and logistical risk profile for the facilities, provide greater economic and strategic benefits to New South Wales.

This needs to be resolved through unambiguous priorities. Renewed emphasis needs to be placed on ensuring that SCEC continues its purpose of maximising the economic and strategic benefits that New South Wales can attain from hosting particular business events. Booking policies need to emphasise those events, primarily large international and national conferences, that provide significant economic and strategic benefits to New South Wales.

This means other events typically need to relocate to other venues in Sydney, such as the SSG, and/or adjust their dates in order to not conflict with priority events. However it needs to be explicitly acknowledged that this may result in a reduction in financial return to SHFA from the Centre.

9.2 *Expansion of Exhibition Facilities at the SSG*

In order to provide for greater capacity at SCEC to be used for the benefit of international and national conventions, a facility providing between 35,000 – 40,000m² of continuous exhibition space needs to be developed outside the Sydney CBD. This would provide sufficient space for domestic exhibitions to relocate from SCEC and grow.

Optimally the creation of additional maximum capacity space would involve expansion of the SSG, if an appropriate commercial agreement can be negotiated with RAS. However, the Review notes that there are alternative locations in Sydney that could host these facilities.

While distance from the CBD will remain an important issue for many exhibitions, a large majority cater exclusively to the local market whose members have a greater ability to visit exhibitions at alternative venues than do attendees at international business events. The development of additional good quality exhibition space at SSG can be provided relatively cheaply compared to expanding exhibition space at SCEC.

9.3 Upgrade and expansion of Sydney CBD Convention & Exhibition Facilities

Notwithstanding the above recommendations of expanding the capacity and relocating domestic exhibitions to a non-CBD location, the goals in the Events Corporation Report include significantly increasing the number of international business events to be held in Sydney. These events will largely require a CBD location. In order to fulfil the aims of this strategy, additional capacity will be needed. However, the nature of this expansion in capacity needs to be developed with priority placed on the requirements of international and national conventions rather than national and local exhibitions.

Options to expand SCEC revolve around development over the current site of the Entertainment Centre and its adjacent car park. The need for a new entertainment facility provides a rare and strategically important decision for the New South Wales Government – a decision on the precise specification of the whole site should not be rushed.

The Review recommends an integrated expansion of the SCEC be planned including the current site for the SEC and associated carpark, or an alternative site, if the New South Wales Government decides that the long-term convention and exhibition needs of Sydney are best served by a new purpose-built facility.

If the Government prefers to expand SCEC rather than build a new convention and exhibition centre at Barangaroo or some other site, then the Review recommends that

- The final design should be consistent with the design outline described in section 5.1. Such integration and planning will better allow the facility to support the two markets (ie community entertainment; and convention/exhibition) and increase overall utilisation of this piece of infrastructure.
- The timing of actual expansion should be strongly influenced by advice from the Events Corporation about the anticipated growth in international and national conferences to be hosted by Sydney and requiring SCEC facilities.

9.4 Management Arrangements

In order to achieve the priority use recommended for SCEC (or any new CBD facility) the management arrangements for the facility need to be altered. Similarly, the management arrangements of the SSG also need some modification.

It is not proposed there be any change in which government agency is responsible for the respective facilities. Rather, it is recommended that operational priorities and their execution should be specified through, and managed in accordance with, particular Memorandums of Understanding, being:

1. A Memorandum of Understanding between the Events Corporation, SHFA, Department of Premier and Cabinet, and Department of State and Regional Development.

The MOU would detail the objectives of SCEC and make explicit the primary purpose for SCEC is to maximise the economic benefit to the State from business events, particularly large international and national conferences. SHFA would be required to ensure that the management agreement and practices for SCEC are wholly consistent with these objectives.

The MOU would give the Events Corporation, and the other parties to the MOU, access to all documents, existing or proposed, affecting operation of SCEC and SEC, and authority to monitor the booking process to ensure bookings made at SCEC are consistent with the objectives. The DPC would have final responsibility for arbitrating any disputes, though it may wish to devolve day to day operational aspects of this agreement to DSRD.

Should the Government choose to replace SCEC with a new CBD facility, a similar MOU should be established.

2. A Memorandum of Understanding between the Events Corporation, RAS, SOPA, the Department of Premier and Cabinet, and Department of State and Regional Development.

In relocating exhibitions, especially large exhibitions from SCEC, it is anticipated that the majority of domestic exhibitions will relocate to the SSG. As such, this facility would be required to accept and prioritise bookings for domestic exhibitions that have been displaced from SCEC.

The MOU would detail the objectives of SSG and make explicit that Government funding for such convention and exhibition facilities is conditional on priority being given to business events that have the potential to contribute significant economic return for the State. This would include both displaced domestic exhibitions from SCEC as well as national conventions and start up exhibitions with the potential for growth.

The MOU would give the Events Corporation, and the other parties to the MOU, access to all documents, existing or proposed, affecting operation of SSG, and authority to monitor the booking process at the facility to ensure these objectives are met. The DPC would have final responsibility for arbitrating any disputes, though it may wish to devolve day to day operational aspects of this to DSRD.

10 Appendices

10.1 Key Interstate Competitor Facilities

Sydney's key interstate competitor for international business events is Melbourne. Capacity at SCEC is slightly less than that available at the Melbourne Exhibition and Convention Centre (MECC). MECC currently has 30,000m² of exhibition space and is in the process of developing a new 5,000 person capacity convention centre.

The development at the MECC involves the relocation of its convention facilities to be co-located with the current exhibition facilities. The relocation of the convention centre across the Yarra and integrating it with the existing exhibition centre will allow it to overcome what has been considered a key weakness in their convention space offering – the physical disconnect between the two facilities. The focus of the Victorian Government in redeveloping this area is clearly to attract business conventions with associated exhibitions as is the global trend for major conventions. In summary the development, due to be completed in 2009, includes

- a 5,000 seat plenary hall which has the flexibility to hold up to three simultaneous conventions of 2,500 1,500 and 1,000 delegates;
- 32 meeting rooms of various sizes;
- ground floor foyer which can accommodate up to 8,400 guests for cocktails;
- undercover links to the existing exhibition space (30,000m²).

The redevelopment does not include any expansion of the existing exhibition facilities. Whilst there is some indication that the foyer area could be used as additional exhibition space, this space will also be required for catering of functions and has fixed columns.

Melbourne also has a showground with exhibition capacity; however this facility is significantly smaller than SSG in terms of continuous exhibition space, with 10,000m² available in its Main Arena.

In terms of domestic exhibitions, Sydney also competes with Queensland facilities, especially as the population in the South East corner of that State continues to grow.

The Brisbane Convention and Exhibition Centre has 25,000m² of exhibition space (in four exhibition halls) and a Great Hall tiered auditorium with a 4,000 seat capacity with the additional capability to accommodate 8,000. The Queensland Government is in the process of a proposed expansion of the Brisbane Convention & Exhibition Centre. Plans are being developed for eleven additional rooms incorporating two auditoriums and associated meeting and other rooms, specifically to host conventions of 400 to 600 delegates. The new rooms will provide greater flexibility in accommodating multiple events of differing sizes at the one time. If all proceeds as envisaged, this expansion could be completed by mid 2009.

Gold Coast Convention Centre and Exhibition Centre has a capacity to hold 6,000 delegates in a theatre style and has 3,000m² in exhibition space. The facility is owned by the Queensland Government and developed and managed by TABCORP. The Centre has received approval for a 3000m² extension, though construction and completion dates are not known.

10.2 Key International Competitor Facilities

Singapore

Suntec Singapore International Convention and Exhibition Centre has 12,000m² of exhibition space and can host plenary sessions for up to 12,000 delegates. It is located adjacent to Singapore's CBD and amongst a concentration of supporting hotel, retail and dining facilities. The precinct surrounding Suntec Singapore is marketed as 'Asia's Convention City'.

Singapore is also host to one of the largest convention and exhibition centres in South East Asia - Singapore Expo. Located near Changi Airport it has 100,000m² of exhibition space (in ten exhibition halls) and can host plenary sessions for up to 19,000 delegates. Singapore Expo is owned by the Singapore Government and managed by Singex.

Two integrated resorts are also being developed in Singapore – Marina Bay Sands and Resorts World at Sentosa. Both will have convention facilities as part of their development.

Hong Kong

The Hong Kong Convention and Exhibition Centre (HKCEC) was opened in November 1988, and is owned by the Hong Kong Trade Development Council (TDC) and the Hong Kong Special Administrative Region Government. The HKCEC presently totals 53,292m² of exhibition space over 6 halls. It is currently undergoing an expansion in its exhibition facilities, with an additional 19,400m² of exhibition space due to be completed by 2009. HKCEC also has two convention halls and two theatres with a capacity for 1,000 delegates each.

The other main facility in Hong Kong is the AsiaWorld Expo. AsiaWorld Expo has a range of meeting and convention facilities that can accommodate a range of events, with the AsiaWorld Arena (a multipurpose convention and exhibition hall) able to hold a plenary session for up to 13,500 people. It has exhibition space of 66,420m² in 10 exhibition halls.

The Phase II development of AsiaWorld Expo will involve an additional 30,000m² of exhibition space along with additional meeting, convention and all required supporting facilities.

Bangkok

Bangkok International Trade & Exhibition Centre (BITEC) is Thailand's leading venue for conventions and exhibitions. It has capacity to hold 9,200 in plenary session and up to 26,000m² of continuous exhibition space over 5 halls.

11 Glossary

| | |
|------|---|
| ATP | Australian Technology Park |
| BECA | Business Events Council of Australia |
| CBD | Central Business District |
| DPC | Department of Premier and Cabinet |
| DSRD | Department of State and Regional Development |
| EEAA | Exhibition and Events Association of Australasia |
| ICCA | International Congress and Convention Association |
| OPSE | The Office of Protocol and Special Events |
| PCA | Property Council of Australia |
| PCO | Professional Conference Organisers |
| RAS | Royal Agricultural Society of NSW |
| SCEC | Sydney Convention and Exhibition Centre |
| SCVB | Sydney Convention and Visitors Bureau |
| SEC | Sydney Entertainment Centre |
| SHFA | Sydney Harbour Foreshore Authority |
| SOPA | Sydney Olympic Park Authority |
| SSG | Sydney Showground |
| TA | Tourism Australia |
| TEA | Tourism Events Australia |
| TNSW | Tourism New South Wales |
| TTF | Tourism and Transport Forum |