Leveraging Opportunities to attract Business & Sport Events

A funding submission to ACT Government by Canberra Convention Bureau

Robyn Hendry
February 2012
Contents

1 INTRODUCTION........................................................................................................................................................................3

2 LEVERAGING OPPORTUNITIES .........................................................................................................................................................3
   2.1 Increasing Canberra’s Profile ......................................................................................................................................................4
   2.2 Competing with New Convention Centres ...............................................................................................................................6
   2.3 Establishing New Revenue Streams: Sporting Events ............................................................................................................7

3 STRATEGIES .................................................................................................................................................................................9

4 BENEFITS ..................................................................................................................................................................................9

5 FUNDING...................................................................................................................................................................................10
1 INTRODUCTION

THE Canberra Convention Bureau (the Bureau) was established in 1982 as a not-for-profit association. It was established as a joint funding initiative between industry and government and has a charter to promote the Canberra region as a business events destination. (See Attachment 5.1 for more information about the Bureau and the business events market.)

2 LEVERAGING OPPORTUNITIES

There are countless economic benefits to strengthening Canberra’s business events sector. By bringing great minds and world-renowned leaders to the capital, the city enhances its profile as a research and knowledge hub; by bringing in business visitors and their guests Canberra enhances its reputation as a tourist destination and by being opportunistic Canberra can benefit from temporary gaps in the market to its long-term advantage. The sector also offers considerable flow-on benefits beyond direct measureable economic impact including knowledge transfer, access to leaders in global research and innovation, the opportunity to showcase expertise and business growth opportunities for the host destination.¹

Business events are worth investing in. The business events sector is one of the highest yielding sectors of the visitor economy. Business visitors spend more per night during their visit, they often extend their travel, and they are likely to return for a holiday.² Furthermore, while leisure tourism remains flat, international business travel has recently increased by 6% — with further growth forecast — and the potential for overnight expenditure of visitor delegates is set to double by 2020.³ A fortunate advantage of the sector is that it is less susceptible to short-term changes in economic conditions. This is due to the long-term nature of business events and the ongoing need for businesses and organisations to maintain meetings as a revenue-generating form of member communication.

The Bureau has identified a number of strategies to grow Canberra’s event sector that will boost Canberra’s economy and standing. With Australia hosting the G20 in 2014 and the uncertainty surrounding details of the Sydney International Convention, Exhibition & Entertainment Precinct development (and likely closure of the current Sydney facility from 2013), it is imperative that Canberra invests in this growth area and leverage the opportunities presented by these events to increase its international and national visibility in the business events market as well as attracting a greater number of high-level business events to the city.

This is particularly important if Canberra is to be successful in attracting and maintaining international air services.

There is also a fantastic opportunity to establish new revenue streams by attracting more sporting tournaments to Canberra. This opportunity is linked to an upward trend in participation in organised sports⁴ and is in line with the goals set out in ACTIVE 2020, including creating Canberra’s image as the ‘National Sporting Capital’.⁵

To achieve these goals, the Canberra Convention Bureau seeks additional funds. The funding sought is in addition to the annual base and supplementary funding agreements 2011/12 – 2013/14 between the ACT Government and Canberra Convention Bureau and has been prepared in the context of the broader business and sporting events environment.

A range of opportunities are outlined in this submission that, if taken advantage of, will emphasise Canberra’s role as the nation’s capital and showcase itself as an exceptional business and sporting destination.

The Canberra Convention Bureau seeks funding of:

» $439,000 to implement strategies to secure an additional 15 events per year, with an expected return on investment of $7.5 million in direct or delegate/visitor daily expenditure;

¹ Australian Associations Project, “2012-2017 Strategic Plan for growing the Australian association convention market”, p.6
² Australian Associations Project, “2012-2017 Strategic Plan for growing the Australian association convention market”, p.6
³ Business Events Australia, “2020 Tourism Industry Potential... the Business Events Sector”
⁴ Australian Sports Commission, “Participation in Exercise, Recreation and Sport: 2010 Annual Report
⁵ ACTIVE 2020: A Strategic Plan for Sport and Active Recreation in the ACT & Region 2011-2020”
$60,000 for G20 related activities (non-recurrent funding); and
$20,000 to develop sport facilities mapping and inventory (non-recurrent funding).
In addition to this funding the Bureau encourages the ACT Government to establish a Bid Support Fund of $90,000 per annum to assist clients to attract both business events and delegates to Canberra.

2.1 Increasing Canberra’s Profile
Australia will host the G20 in 2014, which includes the ‘Leaders’ Summit’, ‘side events’ and ‘build-up events’. While Canberra is working with Sydney to provide a bid to host the Leaders’ Summit in Sydney, with an end to some side events being held in Canberra, Canberra is also developing a strong case to host some of the G20 build-up events.

These build-up events, and any side events, would provide Canberra with the opportunity to increase its profile as the nation’s capital and showcase its cultural and intellectual capital both nationally and internationally.

Positioning Canberra for G20 Build-up Events
In order to host G20 build-up events Canberra needs to put forward issues that showcase its areas of strength – in particular, our intellectual and cultural capital.

With the establishment of the Research and Learning Institutes Group (RALIG) and THINK CANBERRA, the Bureau is well-placed to tap into Canberra’s knowledge hub and develop discussion topics of global relevance that draw on local expertise. (See Attachment 5.2 for more information on THINK CANBERRA and RALIG.)

The Bureau has canvassed RALIG members to determine potential topics for G20 build-up events and is working with these members to coordinate a taskforce to prioritise potential issues, map where expertise for each issue area exists and seek key experts in each topic area. However, once a final selection is determined, it will be necessary to engage specialist consultants to formulate the exact discussion topics and provide briefing papers on current issues in each topic area.

Suggested topics and associated briefing papers will be provided to the ACT Government for consideration. Non-government hosting organisations will also be canvassed to determine their level of interest in leading pre G20 discussions outside official government sanctioned G20 program of events.

Canberra, the nation’s capital, is an intellectual powerhouse — you name the issue and Canberra will have the necessary expertise to contribute.

Professor Ian Chubb, Chief Scientist

Non-recurrent funding of $20,000 is requested to support Canberra’s efforts to secure four G20 build-up events, including the development of a targeted list of discussion issues and the provision of background papers in each area.

Planning for Future International Government Meetings
Australian cities wishing to host the G20 Leaders’ Summit were required by the Department of Prime Minister and Cabinet to complete a detailed audit of the destination’s facilities, including those that related to accommodation, traffic arrangements, health and security services. (See Attachment 5.3 for a copy of the Facilities Audit.)

As identified in the Canberra By Comparison Report (see Attachment 5.4), Canberra is willing to host large international government meetings and “has the personnel, expertise and infrastructure to host international events, to the elevated standard that is expected” (p.3). However, as that report goes on to highlight, current infrastructure levels are inadequate, with further investment in infrastructure necessary before Canberra could be considered for such large scale events.

Although Canberra is not bidding to host the Leaders’ Summit, in order to position itself to host future international government meetings like the G20, conducting a similar audit to that required by the Department of Prime Minister and Cabinet would be a valuable exercise to undertake. Once the audit is completed and a gap analysis undertaken, this data
could be used to inform future planning and act as a general reference tool.

The Canberra Convention Bureau does not have the resources or expertise to undertake such a comprehensive audit as its reach includes areas such as health and security, but encourages the ACT Government to commission such an audit. Alternatively, if provided with additional resources, the Bureau would be delighted to seek proposals and facilitate the completion of a Canberra Facilities Audit and Gap Analysis which will build on preliminary work already undertaken by the Bureau on behalf of the Department of Economic Development.

**Non-recurrent funding of an estimated $40,000 is requested to coordinate the completion of the Canberra Facilities Audit and Gap Analysis.**

### 2.2 Competing with New Convention Centres

The business events industry is becoming increasingly competitive, due in part to the ongoing investment in convention centre infrastructure, including by Canberra’s main competitors, Sydney and Adelaide. These new developments provide additional challenges for Canberra in attracting business events, but with strategic planning and appropriate resourcing, it may be possible to limit the negative impacts, leverage potential opportunities and prepare for increased competition when the new facilities come online.

Details regarding convention centre investment and development across Australia is provided at Attachment 5.5.

**Sydney International Convention, Entertainment and Exhibition Precinct**

The NSW Government is supporting Sydney’s business events industry by investing $2 billion – $3 billion to develop a new convention, entertainment and exhibition precinct for the city. Announcements regarding the winning tender and design are expected in October 2012, with completion due in late 2016.

Potentially, the project will involve decommissioning the current centre so that the new centre can take advantage of the existing Darling Harbour site, resulting in Sydney being without a convention centre for an extended period of time.

Alternatively, a new centre could be built on an adjacent site with the existing centre continuing to operate. This, however, will still have a negative impact on Sydney’s ability to host business events because of the dilution of the site appeal due to the surrounding disruption and noise associated with a large-scale construction.

The construction of the new precinct in Sydney provides an opportunity for Canberra to position itself to attract events that may have otherwise gone to Sydney. For example, in addition to the disruption due to construction – whether it is built on the current site or an adjacent one - the uncertainty associated with what the new facility will look like and an indefinite completion date is likely to preclude conference organisers from committing to a venue they have not seen, limiting forward bookings for the new convention centre even as it nears completion.

Furthermore, Sydney is already planning for the displacement of events and the current facility has been instructed not to take new bookings occurring beyond April 2013.

While recognising Canberra’s supply constraints during busy times, there is capacity for Canberra to grow its business events market, particularly in the years beyond 2013. By being proactive and establishing a stronger market base while Sydney has limited capacity, Canberra is more likely to limit the negative impacts associated with competing with the new, state of the art Sydney International Convention Exhibition and Entertainment Precinct from 2016. However, it is likely that Canberra will see a drop in business in 2016–2018 due to the facility coming online and to insure against this, the Bureau looks forward to working with the ACT Government to address Canberra’s supply constraints and progress the Australia Forum or similar infrastructure developments.

**Adelaide Convention Centre**

The South Australian Government has committed $350 million for the re-development of the Adelaide Convention Centre. On completion of this re-vamped facility Adelaide will have an extremely attractive and
Canberra Convention Bureau  
investing in event OPPORtUnities

competitive facility with which to assist it in increasing its share of the business events market.

However, while the South Australian Government is investing in convention infrastructure through its capital program, constraints on recurrent government expenditure precluded it from committing to increased marketing funds to support this investment. In addition to this, Adelaide will face similar issues to those faced by Sydney with regard to uncertainty and disruptions associated with the construction of a new venue. So while the new facility in Adelaide will no doubt be an attractive option for conference organisers, and inevitably marketing funds are likely to result in due course, if Canberra is strategic in its marketing and business development activities it is more likely to attract a greater share of the business events market that might have otherwise gone to Adelaide.

2.3 Establishing New Revenue Streams: Sporting Events

While the Bureau continues to focus on attracting high-level business events, it also sees an opportunity to develop additional revenue streams for Canberra by using the existing skills within the Bureau to support organisations wishing to attract sports events. These events have the advantage of making the use of existing facilities across a wide range of sports. Sporting tournaments regularly include social programs such as cocktail parties, gala dinners and visits to attractions, as well as utilising a range of accommodation options and existing sporting fields and facilities. They may also overlap the business events industry with the inclusion of related conferences, seminars or coaching clinics.

The Bureau has demonstrated that its bidding strategies do work for sporting events, as evidenced by producing successful bids for:

» Schools Rugby World Cup 2013 (shortlisted);
» Asia/Pacific Sport and Women 2014 (pending decision);
» Hockey Masters Games 2011 (held – 1700 players plus families over 10 days);
» Pan Hellenic Games 2013 (confirmed for Canberra); and

» Australian Masters Rowing Championships 2013 (Bid for and won).

Canberra has the capacity to host a range of sporting events, including:

» One-off events: single sport events that run nationally on a cyclical basis, and are unlikely to be repeated in Canberra over consecutive years;
» Annual events: single sport events with the potential to be held every year in Canberra;
» National major events: multi-sport events that cater for approximately 2,000 to 20,000 participants, and that are generally bid for on a National basis e.g. University Games, Pan Hellenic Games, Australian Masters Games; and
» Locally generated major events: events that are devised, run, administered, unique to, and permanently based in Canberra. In this instance bidding would not be required and would be replaced by event scoping and detailed planning - which is similar in effect to bidding. These events could run on a regular basis, such as biennial, and could offer a multi-sport (20 sports and over) program, e.g. ‘National Capital Masters Challenge’.

The benefits of establishing this new revenue stream include:

» Increased occupancy of hotels in traditional low occupancy periods, such as Friday – Sunday nights;
» Greater utilisation and leveraging of Canberra’s existing, high quality sports venues; and
» Increased visitor numbers and associated inbound revenue, positively impacting on ACT economy and individual local sporting organisations through increased revenue.

In facilitating additional events through this new revenue stream a comprehensive listing of all government and private sporting facilities would be required. If the ACT Government has such a listing the Bureau requests access to this data so that it can assist local sporting organisations to attract events. Alternatively, if the audit is still to be undertaken, the Bureau, given appropriate funding, could facilitate the undertaking of this mapping assignment.

Non-recurrent funding of an estimated $20,000 is requested to coordinate the completion of the
Canberra Sporting Facilities Mapping and Inventory Assessment Assignment.

The Bureau also recommends that the Economic Development Directorate undertake a number of other actions, as highlighted in recent discussions with the Directorate. These actions do not require resources to be put forward to the Bureau. Suggested actions that demonstrate the ACT Government’s support for the Canberra sporting community and its efforts to attract more sporting events to the region include:

- Developing a calendar of sporting events;
- Developing a how-to guide to assist sporting groups to run an event;
- Providing access to an ACT government-owned generic registration system for sporting tournaments;
- Simplification of the current Events Assistance Program to make it more accessible for sporting groups; and
- Consideration for opportunities to increase bid attractiveness, for example, concessions on public transport and facilities hire for tournaments attracting interstate and international competitors.

3 STRATEGIES

The new initiatives outlined in this submission centre around:

- Leveraging opportunities associated with the G20 being held in Australia in 2014 to attract additional events and increase Canberra’s national and international profile;
- Extending Canberra’s market reach as it takes advantage of the convention centre developments in Sydney and Adelaide, and prepares for increased competition from Sydney and Adelaide once their new convention centres are built; and
- Establishing new revenue streams through sporting tournaments.

The Bureau estimates that by implementing these new initiatives it can attract an additional 15 events per year, resulting from an increase in bid production of 30 bids per year, with an improved bid conversion rate of 50% (up from 40%).

These additional events would generate an expected direct economic impact of $7.5 million per annum in visitor expenditure alone to the Canberra community. This amount excludes indirect economic impact benefits.

To achieve the above strategies and attract additional events, resourcing for the following is required:

- Increasing sales activities through greater presence and reach in key markets;
- Strengthening the Bureau’s research capacity to ensure the potential events are investigated and a compelling business case developed;
- Improving the quality of Bids to lift conversion ratios, including through enhancing members’ contributions and the look and feel of the bids; and
- Improving Canberra’s visibility and profile in its target markets through mechanisms such as trade show participation.

Funding of $439,000 is requested to generate an extra 30 bids per year, resulting in an expected additional 15 events, based on an increased conversion rate of 50%.

In addition to strengthening the capacity and reach of the Bureau through increased resourcing, the Bureau encourages the ACT Government to establish a Bid Support Fund to assist in attracting business events to Canberra. It is suggested that this fund, guided by specified criteria in accordance with ACT Government policy, would provide up to $30,000 per selected event for three events per year.

The Bureau encourages the ACT Government to establish a Bid Support Fund of $90,000 p.a. to assist in attracting business and sport events and delegates to Canberra.

4 BENEFITS

The power of business events to attract visitors should not be underestimated – ‘nearly 75% of international business events visitors would not have come to Australia if it wasn’t for an event, and in many instances that event is a convention organised by a professional association or academic group’. This is...
consistent with research undertaken by the University of Canberra, indicating that attending a conference in Canberra encouraged international visitors to bring forward planned trips to Australia, and both international and domestic delegates indicated that, based on their experiences in Canberra, they plan to visit Canberra again within the next five years.\(^7\)

If Canberra were to take advantage of the rare situation that sees both Sydney and Adelaide’s convention centres unavailable for a significant period of time, it would gain a rare opportunity to showcase its attributes as a host destination to groups and organisations that would not normally choose Canberra. Research demonstrates that those who visit Canberra develop a desire to return. Thus, if we are opportunistic, there is genuine potential to grow demand for the local industry during this period and beyond. An increase in demand leads to an increase in infrastructure including expanded international and domestic airport services and upscale hotels.

Aside from driving economic activity, Canberra would see an increase in its research and knowledge networks. Existing networks would be bolstered, and new networks formed, pushing it ever closer to the highly-desirable reputation as the knowledge capital of Australia, and a genuine research and knowledge hub internationally. As Canberra’s reputation increases, so too will its opportunities to host future medium to large-scale events.

Working with Canberra’s sporting associations to attract sporting tournaments to Canberra would allow the Bureau to use its event bidding skills to attract a greater share of the market. Existing government and non-government sporting facilities can be utilised. Attracting more sporting events, particularly in low business periods for the city, can only benefit Canberra’s visitor economy and income to local sporting organisations. Canberra will also be better placed to reach the goals set out in ACTIVE 2020.

An important bi-product of growing Canberra’s event industry is its effect on employment. The hospitality


5 **FUNDING**

In order to implement the new initiatives outlined in this submission, the Bureau seeks a combination of recurrent and non-recurrent funding, as well as the establishment of a Bid Support Fund to assist in attracting business events and delegates to Canberra. See details on page 11.
<table>
<thead>
<tr>
<th>Resource/Activity</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Develop G20 ‘Build-up’ events to showcase Canberra’s expertise and profile as the National Capital of Australia</strong></td>
<td></td>
</tr>
<tr>
<td>Engage consultant(s) to work with RALIG to develop G20 topic briefs leading to 4 G20 ‘Build-up’ events for Canberra</td>
<td>$20,000</td>
</tr>
<tr>
<td>Engage consultant(s) to conduct Canberra Business Event Facilities Audit and Gap Analysis (as per 2014 G20 brief from PM &amp; CJ) to inform planning for future international government meetings like G20 or CHOGM</td>
<td>$40,000 (Non-recurrent)</td>
</tr>
<tr>
<td><strong>Attract sporting tournaments and events to Canberra, generating income for local sport organisations and increasing economic impact derived from Canberra’s visitor economy in traditionally low business demand periods</strong></td>
<td></td>
</tr>
<tr>
<td>Development of Government and non-Government Sport Facilities Mapping and Inventory Assesment to assist in determining Canberra’s capability to host various sporting events (if not already in existance)</td>
<td>$20,000 (Non-recurrent)</td>
</tr>
<tr>
<td>Business Development Manager – To increase penetration into the Sydney market and identify sport opportunities to partner with ACT sporting organisations and develop event bids</td>
<td>$35,000 (50% of full time salary) (Recurrent)</td>
</tr>
<tr>
<td>Bid Support – Support for Bid Manager and Sales Team due to increased sales activities and Bid submissions</td>
<td>$55,000 (Recurrent)</td>
</tr>
<tr>
<td><strong>Leaverage opportunities arrising from Sydney and Adelaide Convention Centre developments to grow ACT region business event market</strong></td>
<td></td>
</tr>
<tr>
<td>Business Development Manager – To increase penetration into the Sydney market to identify and develop business event opportunities arrising from uncertainty around Sydney and Adelaide Centre developments. Also grow Canberra’s business event market from 2014 onwards in preparation for increased competition from 2016</td>
<td>$35,000 (50% of full time salary) (Recurrent)</td>
</tr>
<tr>
<td>Increased research capacity – Prospecting, increasing bid quality, yield management, and new revenue streams</td>
<td>$55,000 (Recurrent)</td>
</tr>
<tr>
<td><strong>General support for delivery of the above strategies</strong></td>
<td></td>
</tr>
<tr>
<td>Bid Quality Support – Improve member education and contribution to increase bid quality and increase sales conversion ratio</td>
<td>$55,000 (Recurrent)</td>
</tr>
<tr>
<td>Increase Canberra profile through a program providing for: sales trips, digital marketing, tradeshows, marketing events</td>
<td>$80,000 (Recurrent)</td>
</tr>
<tr>
<td>Provide tools and assistance to event hosts to maximise delegate/participation attendance to events already secured</td>
<td>$20,000 (Recurrent)</td>
</tr>
<tr>
<td>Associated oncosts (25% of $335,00) for increased manning and program activity</td>
<td>$84,000 (Recurrent)</td>
</tr>
<tr>
<td><strong>TOTAL subject to Bureau or Government facilitation of * items above</strong></td>
<td>$439,000 or $499,000</td>
</tr>
<tr>
<td>Bid Support Fund – access to up to $30,000 per selected event for up to three events per year against established criteria.</td>
<td>$90,000</td>
</tr>
</tbody>
</table>

* Recommended: Bureau or ACT Government to facilitate