Summary of key outcomes

Queensland Conventions Sector Review and Guidance

July 2023

Summary of key outcomes

This report contains the findings of the Queensland Conventions Sector Review (Review) and Guidance undertaken by the Queensland Government in 2022, which sought to assess the needs of the conventions sector, identify gaps in current service delivery, the impacts of demand caused by future events and explored the opportunities and potential for future investment in the conventions sector.

The review analysed facilities in Queensland that are convention-capable to understand how well they are utilised relative to each other (within Queensland) and in other states. This included reviewing the following:

- The capacity of existing State-owned and other convention centres by observing the level of demand, utilisation and competitive forces in the market
- The attractiveness of Queensland to national and international conventions
- Planned convention upgrades and current major proposals
- Gaps in the current and future service delivery of the convention sector
- The impact of technological and sociocultural trends
- The likelihood of demand and service gaps beyond medium- and long-term (2042) horizons, and the ability of existing centres to meet these demands

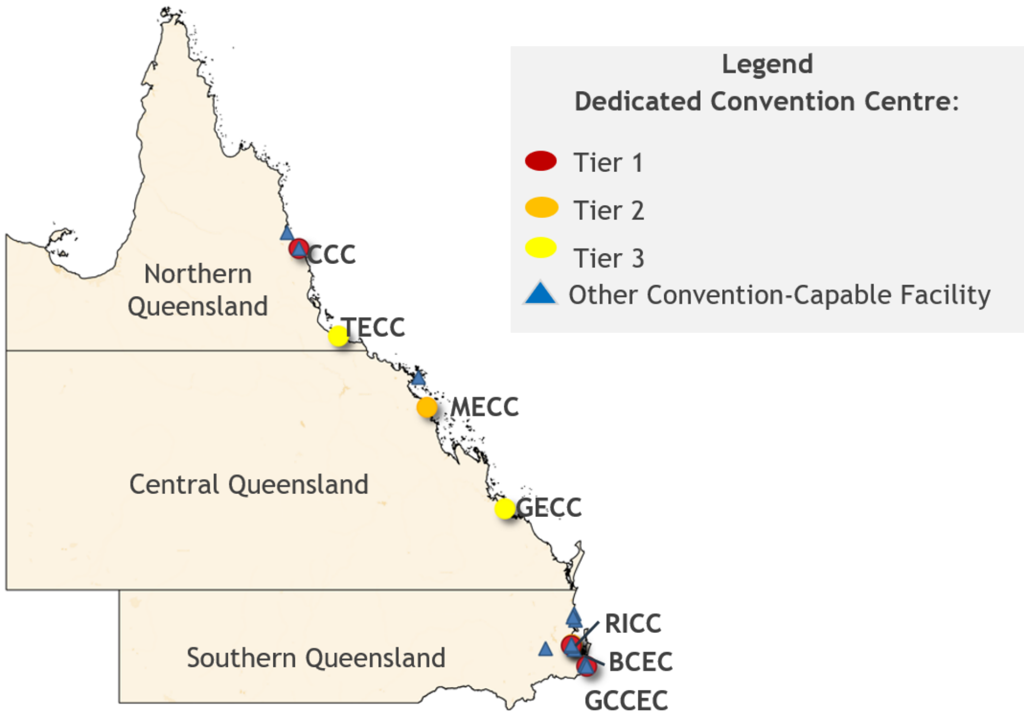
The review addressed the above by combining desktop research, expert industry analysis and broad-ranging stakeholder engagement from early August to early September 2022. Stakeholder engagement incorporated local councils, regional economic development organisations, state government departments, quasi-government bodies, industry bodies, and owners and operators of the convention centres. During the consultation process, 35 stakeholder groups identified key themes for the sector and their associated region.

The following map illustrates an overview of the three broad regions within Queensland that the market review considered and the dedicated convention centres and other convention-capable facilities located in Queensland. These regions were chosen to align with how the market typically segments the state. A hierarchy (tiers) of convention centres was also identified based on a centre's ability to attract events.

These tiers are defined as:

- **Tier 1**: Attracts international and major national conventions. Examples include Brisbane Convention and Exhibition Centre (BCEC), Gold Coast Convention and Exhibition Centre (GCCEC) and Cairns Convention Centre (CCC).
- **Tier 2**: Focused primarily on the national convention market. Examples include Royal International Convention Centre (RICC) in Brisbane, and the Mackay Exhibition and Conventions Centre (MECC).
- **Tier 3**: Services local business events specific to the region. Examples include Gladstone Exhibition and Convention Centre (GECC), Townsville Exhibition and Convention Centre (TECC) and a range of other convention-capable facilities ("local venues").

Figure 1: Distribution of Convention Centres in Queensland



Characteristics of the sector

The term ‘conventions’ may be used to refer to the following event types:

- conferences
- exhibitions
- industry events
- large meetings

There are a variety of facilities that are ‘convention capable’, including:

- dedicated convention centres
- universities and schools
- hotels and resorts
- commercial office buildings
- sporting, social and community facilities

The review considered five key areas:

- Industry overview
- Industry engagement
- Current state and potential future
- Benchmarking analysis
- Gap analysis

Industry overview observations

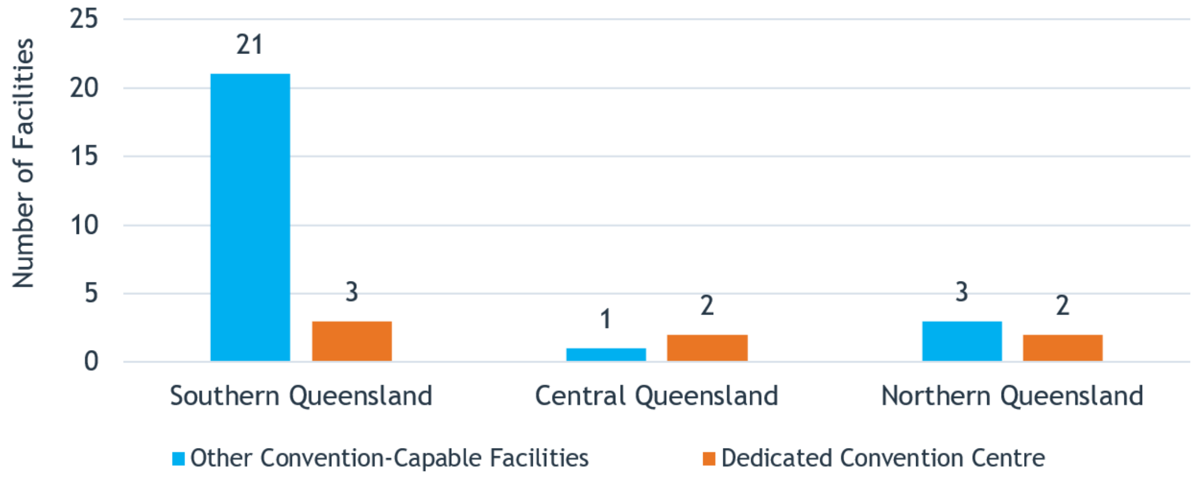
- **Capability**: Both dedicated convention centres and other convention-capable facilities (e.g. hotels and resorts) are essential to the sector. Facilities must be effectively designed to host various convention scales and include adequate supporting technology.
- **Seamless experience**: For a facility to be considered convention-capable, it needs to meet a set of criteria enabling a seamless experience for event organisers and attendees. A shortfall in one element impacts the entire experience for organisers and attendees.

- **Three pillars:** Three key pillars that enable a city to host national and international conventions: an international and national leisure tourism profile, a 4-5 star hotel network, and an international airport with direct routes from a variety of locations.
- **Success factors**: A successful national and international convention sector consists of good governance, subvention funding, competition to induce quality outcomes, an international tourism profile, and world-class flexible and adaptable convention centres.
- **Centre tiers**: Not all facilities are equal in scale, supporting infrastructure, ability to attract international and national events and services provided. A convention sector needs to have all venue tiers available to support the varying scale of user groups. In Queensland, a hierarchy (tiers) of convention centres exists and are segmented into three tiers.
- **Size**: Queensland has the most state-owned dedicated convention centres, and the largest state-owned convention centre capacity (in m²) of all Australian states analysed. The largest dedicated convention centre in Queensland, BCEC, is approximately half the size of the International Convention Centre Sydney (ICCS) and the Melbourne Convention and Exhibition Centre (MCEC), the largest convention centres in New South Wales and Victoria. However, the total state-owned dedicated convention centre capacity of Queensland venues exceed the total capacity of each of the New South Wales and Victorian convention centres.
- **Emerging trends**: COVID-19, technology trends, public safety issues and sustainable environmental and social practices have generated a new wave of key trends for the sector. The expectation is that hybrid events (in-person and/or virtual) will decline given the implications this may have on the infrastructure required moving forward, such as the reduced need for advanced technology which enables TV-production quality capabilities. Early 2024 also should clarify whether workforce constraints, hybrid events, and domestic/international demand will continue. The focus on sustainability, reconciliation and universal access will continue to influence future investment and technology.
- **Subvention**: Subvention is a critical tool for success that enables centres to remain competitive in an increasingly competitive market. Facilities with strong dedicated support funds and strong regional alignment (i.e. governance) are more competitive in attracting opportunities to host national and international events. Strong regional alignment through governance relates to the good working relationship between operators, local councils and regional economic bodies.

Current state and potential future

- Queensland has seven dedicated convention centres and 25 other convention-capable facilities (with 500+ single room capacity). The majority of other convention-capable facilities are located within Southern Queensland. Graph 1 indicates the geographic spread of convention facilities in Queensland by category and region. The mix of government-owned and operated or government-owned privately operated are the most common models for Tier 1 convention centres. Local governments appear more active in regional-based Tier 2 convention centres. Tier 3 centres typically service local region-specific business events. Centres in this tier are a mixture of private and government ownership/ management models.

Graph 1: Geographical spread of convention facilities in Queensland



Supply and demand analysis

Forecast future demand

Comprehensive historical time-series data for domestic conventions is not collected, however association convention data is collected. Association conventions (i.e. non- corporate, non-government events) as a proportion of total known conventions has been used to predict the demand for conventions in Queensland. In 2018-2019 (most reliable pre-COVID era data), 426 association conventions were held in Queensland, comprising 61 international and 365 domestic conventions. Based on a linear forecast, Queensland's total future demand for association conventions is forecast to increase to approximately 690 by 2042.

Using the observed proportions of association conventions to government/corporate conventions the forecast future demand for conventions in Queensland in 2042 is 2,405.

Table 1 outlines this forecasted demand over five-year intervals commence from 2027. It should be noted that these forecasts are subject to various external factors, such as the influence of the Brisbane 2032 Games on demand prior to and following the Games.

Table 1: Forecast future demand for conventions in Queensland

Year	Association			Government/Corporate			Total
	International	National	Subtotal	International	National	Subtotal	
2027	73	439	512	34	1240	1274	1786
2032	82	489	571	38	1382	1420	1991
2037	90	540	630	42	1526	1568	2198
2042	99	591	690	46	1669	1715	2405

Current supply

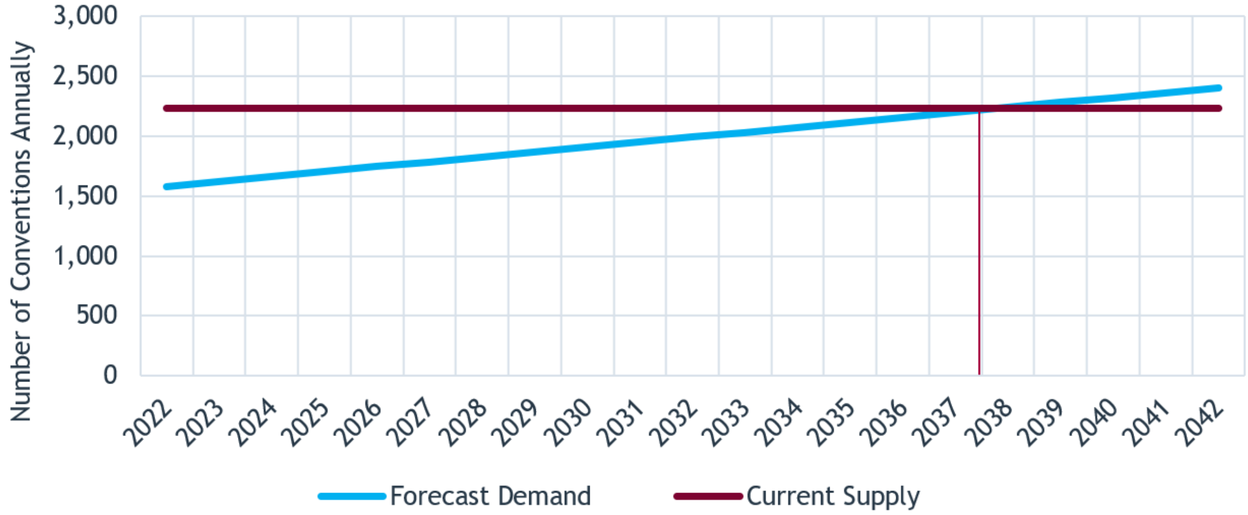
The combined dedicated convention centres in Queensland can host approximately 638 international and domestic conventions annually. In addition, the non-Tier 1 dedicated convention centres are capable of hosting around 255 domestic conventions annually.

Based on estimates, convention-capable facilities, (including dedicated convention centres and other venues) are estimated to meet convention demand until 2038. When existing facilities and committed investment (e.g. Queens Wharf) are considered the available supply should be able to satisfy demand until 2043.

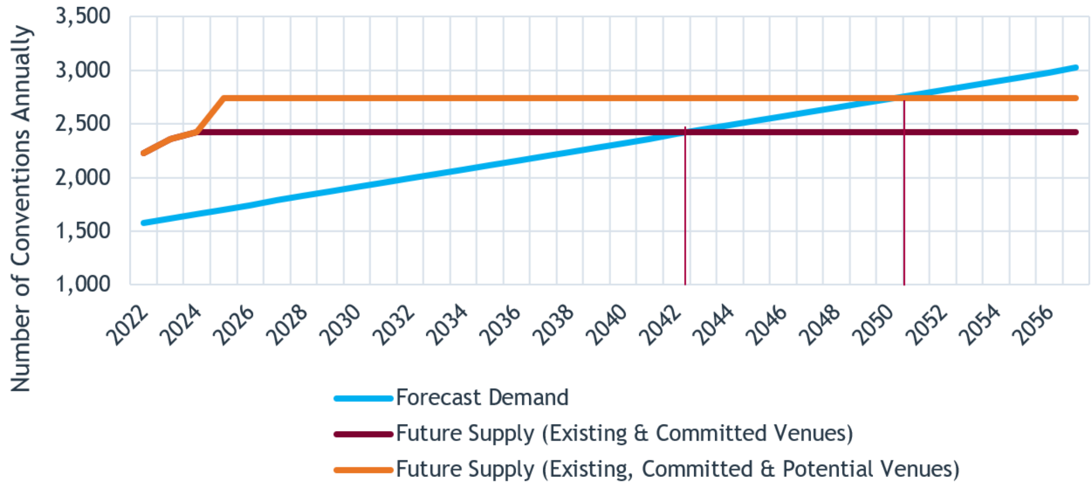
However, this assumes all potential investments are realised. When potential investments are accounted for in conjunction with committed future supply, there would be 29 other convention-capable facilities and 10 dedicated convention centres in Queensland.

Graphs 2 and 3 indicate current and forecast demand and predicted supply for conventions in Queensland.

Graph 2: Current supply and forecast demand for conventions in Queensland



Graph 3: Current, scheduled and predicted supply and forecast demand for conventions in Queensland



Conclusions and recommendations

Several key conclusions and recommendations from the market review which contribute to the ongoing growth of the convention sector:

- Queensland currently has three world-class convention and exhibition centre assets. This is unusual when benchmarked against other states, which generally have only one Tier 1 convention centre. To ensure Queensland remains competitive in the conventions market and continues to offer a suite of contemporary convention centre assets on the national and international stage, it is critical that government maintain sound asset management practices for these centres, respond to technology and innovation demands, and ensure universal access requirements are met by continuing to invest in these existing and well utilised and industry recognised assets.
- Both dedicated convention centres and other convention-capable facilities (e.g. hotels and resorts) are essential to the sector.
- Not all facilities are equal in scale, supporting infrastructure, ability to attract international and national events and services provided. A convention sector must have all venue tiers available to help the varying scale of user groups (i.e. Tier 1, Tier 2 and Tier 3).
- The market review did not specifically aim to identify whether additional convention assets will grow the sector by attracting new conventions and exhibition business to Queensland. Any new centres proposed in Queensland would require detailed investigation to understand the anticipated demand, specifically around how these centres would attract new interstate or international business to Queensland and not dilute the market share of Queensland's current centres in any way.
- Caution should be taken when considering any further investment by the government in the sector to ensure that demand generated at a new centre would not detract from an existing Queensland-based facility and that the centre tier is suitable to any new business opportunities specific to that region/area.
- Convention organisers choose a centre based on its location rather than the specific centre itself. Therefore, significant consideration should be given to scenarios where regions seek investment in an additional centre close to an existing asset. This may lead to the transfer of conventions within Queensland instead of generating new business for the state.
- Considering existing facilities and committed investments, it is estimated that the known supply of convention-capable facilities would satisfy demand until 2043. When uncommitted investments are factored in, total supply is estimated to meet convention demand in Queensland until 2051. However, this assumes that all potential investments are realised.
- Ongoing financial support from state and local government for convention bureau and coordinated marketing campaigns ensure events, conferences and meetings are appropriately marketed and attracted to a region. This funding in turn, strengthens the governance arrangement in the region between centre operators, business and tourism bureau and governments, an identified critical element to having a successful conventions sector.
- Therefore, subvention is a critical tool for success that enables centres to remain viable in an increasingly competitive market. Facilities with strong, dedicated support funds and strong regional alignment (i.e. governance) are more competitive in attracting opportunities to host national and international events.

Queensland Government position

- The Summary of Key Outcomes reflects the key findings and recommendations of the Queensland Conventions Sector Market Review, with commerical-in-confidence information shared by stakeholders during the review removed to protect confidentiality.
- The review does not replace existing or implement new assessment regimes. It provides a means for consistently assessing proposals by providing a reference document that agencies can utilise to support their assessment decisions.
- The Queensland Government's focus on prioritising state-wide economic and social benefits underpins its focus on advancing the Tier 1 segment of the conventions sector market. The objective of investment in Tier 1 centres is the attraction and growth of demand for the international and national conventions and the business tourism market, but not at the expense of existing centres.
- As supply is expected to meet demand until 2038 and with known investments to meet that demand until 2043, there appears to be no pressing need for new or expanded convention sector construction.
- If seeking Government funding, the proponent must demonstrate a significant co-investment to the proposal and a clear demonstration of the state-wide economic and social benefits of the proposal, as part of their application.
- Local governments and the private sector may choose to pursue and promote the development of Tier 2 and 3 venues to benefit their local conventions and tourism markets. However, the Queensland Government's focus will remain on the state-wide benefits and impacts of the conventions sector's capacity.
- Proponents wishing to lodge an application seeking to develop new or expanded convention facilities should initially discuss their proposal with the Private-Led Infrastructure team (tourism@dtis.qld.gov.au), Department of Tourism, Innovation and Sport before formal lodgement.