



16 February 2017

Hon Warren Entsch MP
& Members of the Joint Standing Committee on Northern Australia
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Entsch and Members of the Joint Standing Committee,

Submission for the Inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia

About the Darwin Convention Centre

The Darwin Convention Centre will celebrate nine years of operation in July 2017. The Centre is part of a Private Public Partnership with the Northern Territory Government. The Investment Managers are AMP Capital and the Facility Managers are Honeywell.

The Centre is managed by AEG Ogden. AEG Ogden is responsible for the management of the largest network of venues in the Asia Pacific region, which includes a network of arenas, stadiums, convention and exhibition centres, and theatres through Australia, Asia, and the Middle East.

At the end of 31 January 2017, the Centre has attracted over 115,000 national and international business event delegates who spent \$333 million dollars in the Northern Territory since opening in July 2008.

In February 2015, the *Business Events Council of Australia* stated that 3% of meetings in Australia were held in the Northern Territory. The business events market is increasingly competitive and the NT must ensure that it maintains and increases its market share as a vital part of the economic development of the North.

Business events produce the highest daily yield of any sector in the tourism industry. Other benefits include promoting and showcasing Australian business sectors and attracting expertise and knowledge share that may not otherwise come to the NT.

Business events are recognised as increasing tourism. In 2015, Darwin Convention Centre and Northern Territory Convention Bureau delegate research showed that 58% said they would return in the next three years and 45% would return for a holiday. 71% of these delegates had never been to Darwin before.



Apart of from economic benefits, the following are also important to the development of Northern Australia -

- *Share knowledge* – including industry innovations, global networking, and the benefits of established communication frameworks supporting cutting edge technology, insights and practices
- *Showcase Darwin as a place to live and work* - skilled delegates attending business events see Darwin as a possible education and work option
- *Change attitudes* – positive media attention, great place to do business and undertake trade and investment
- *Build relationships* - establish and expand professional networks, promote cultural exchange, build relationships and economic linkages and promote Darwin and Australia as a place to invest, live and do business
- *World Class space to do Business* – the Darwin Convention Centre is strategic asset of the NTG, which is a world class facility purpose built by the NTG to host business events.

The *AACB Delivering Economic Prosperity for Australia 2014 report* stated that 30% of international business event delegates attending conferences in Australia were from Asia. Darwin is well placed strategically as mid-way between the Eastern States of Australia and Asia as an ideal business events destination.

Darwin and Australia is well placed to capitalise on the economic opportunities in the business event market given our facilities, expertise, attractive tourism assets and proximity to fast growing Asia.

Opportunities to attract more business events in the Northern Territory

Better airline connections

Research undertaken in 2015 with business event clients considering Darwin as a destination were asked how they rated Darwin against 19 Australian, NZ and South East Asia cities in relation to good air access. Sydney was rated as number one and Darwin was rated 17.

When the Centre is unsuccessful in not securing a business event for Darwin, we ask the client why. The major barrier for winning business events for the Centre is the high cost of airfares and the availability and timing of flights. Winning international conferences is challenging due to the lack of good international connections and also regular connections to major national cities.

As an example direct flights to NZ would open up access to the NZ market. Many national associations, who are the Centre's key market segment, have Australian/New Zealand affiliations.



Northern Australia Bid Fund – A Risk Free ROI

Cities throughout the world have been measuring the financial return from hosting business events for several years with research proving these high yielding meetings bring wide-spread economic and social benefit to a region.

Northern Australia is seeking a \$5 million bid fund to help attract more of these events. The fund would only be activated if the bid is successful and be based around strong return on investment criteria. It provides a 100% guarantee of return on investment as if the bid is unsuccessful no funds are accessed.

The value of conventions to any region goes well beyond the measured economic benefit. The often unseen outcomes include innovation, investment opportunities, knowledge transfer and advanced research outcomes. The social fabric of our communities is also enhanced by opportunities to engage with world leaders in various fields.

The Business Events Council of Australia has identified the measurement of these outcomes as a priority. It has also recommended a national bid fund be implemented in line with our regional competitors such as New Zealand who allocated NZ\$40 million over four years to attract business events.

Northern Australia provides the canvas for a wide range of meeting opportunities that will promote and grow the region. Topics specific to our local environment across the fields of rural and tropical medicine, Indigenous development, energy and resources, sustainability, agriculture and horticulture are just a few relevant to the growth of Northern Australia.

Business events link our northern universities to the world, bringing additional research funding and international collaboration that enhances the reputation of our institutions and the north.

It is estimated the tropical economy will be worth \$30 trillion by 2030 and more than 40% of the world's population resides in the tropics. Northern Australia, based on the doorstep of Asia and located within the tropical zone, is in an ideal position to take advantage of this forecast growth through enhanced research, innovation and investment opportunities that can be achieved and augmented with the help of business events.

Attracting conventions to northern Australia will provide a guaranteed region-wide economic, academic and social benefit together with a risk free ROI.

This Northern Australia bid fund recommendation is also being endorsed by Cairns Convention Centre, who is also managed by AEG Ogden.



Invest in Indigenous Cultural Tourism

Tourism Research Australia Travel by Australians September 2016 report said that there is significant growth in those experiencing Indigenous Art and Cultural displays and those visiting Indigenous sites or communities. The Northern Territory is well placed to invest in developing new Indigenous tourism attractions and products.

It is the primary interest of many of our business events clients and delegates to experience Indigenous culture.

The Commonwealth Government must support improvements to Kakadu National Parks to ensure that it improves its standing as a world class cultural and national environment attractor for international tourists.

Support development of a major tourist attraction

The Commonwealth Government in partnership with the NTG and private investors to provide for the development of major hotels or tourism attractions (Indigenous cultural museum). The Centre is hopeful that further development of the Darwin Waterfront would continue to assist the Centre in attracting business events.

Workforce incentives

The Centre employs 40 permanent employees and in peak business event season, which runs from July to November, the Centre employs approximately 300 casuals. In 2016, the issues surrounding the Backpacker Tax saw a reduction of applications from backpackers by 50%. This reduction had significant impact on our ability to deliver world class service to our delegates. Relying on backpackers as the primary source of labour is unsustainable in the long term.

The Centre would like to see long term incentives to encourage people to live and work in the NT, which would provide continuity of skills and knowledge for operational excellence.



Developing effective linkages

To enhance the delegate experience and create an environment for increased economic benefits to the north the offer to the delegate must include the opportunities to extend their stay in the NT and Australia, this should be achieved through the strategic planning and improvement of infrastructure such as roads and airports for improved connectivity between significant sites and locations, with the additional benefits that this provides to other vital industry sectors.

Further data about business events or the Darwin Convention Centre is available upon request.