

LIMITATIONS BITE IN EVENTS SECTOR

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Business News Western Australia

11 January 2016

SPECIAL REPORT: Up to 5,000 delegates from more than 60 countries will descend on Perth in a few months for the 18th International Conference and Exhibition on Liquefied Natural Gas.

However in a curious twist, the potential success of a conference of that magnitude has received a boost from the fact the state's resources sector is coming off the boil.

That's because hotel rooms were scarce and rates through the roof during the peak of the mining boom, providing few options for the state's conference and exhibition sector.

Now, not only has demand returned for hotel rooms during the week, developers are increasingly focused on addressing Perth's accommodation shortage, with more than 1,400 new rooms currently under construction and more than 3,000 additional rooms in various stages of the planning pipeline.

Perth Convention and Exhibition Centre general manager Nigel Keen said the wave of development and the availability of rooms had enabled Perth to bid for events it previously would not have been able to handle.

At the convention centre alone, Perth has attracted 10 major conferences or symposiums from 2016 to 2018, each of which will attract significantly more than 1,000 delegates.

The flow-on effects of those delegates visiting Perth, Mr Keen said, would be significant for not only for Western Australia's tourism sector, but also other parts of the state's economy.

"Destination marketing is extremely important in any visitor economy, and from a conferencing and exhibitions point of view, it's not just the dollar value they bring per visit per delegate, which is far higher than leisure tourists, but you have got to look at the legacies they leave behind," Mr Keen told Business News.

"For the LNG conference, there are 5,000 delegates from all around the world coming; you've got exhibitors from over 60 countries, Chevron will be there, Woodside will be there, Shell will be there ... all their CEOs will be talking at that conference.

"You bring a global industry to Perth, deals will be made and that's going to help with employment, research and the development of our industry long term.

"The same thing happens in the medical sector."

Holding a big conference in Perth is not without its constraints, however.

For LNG18, Mr Keen said temporary infrastructure would have to be used to house the conference, with the PCEC car park being utilised not for parking, but for part of the exhibition.

He said events had evolved rapidly since the PCEC was opened in 2004, requiring not only more square metres, but also more flexible space.

“There are a number of events that look to come to Australia on an annual basis that we can’t even bid for because of the make-up of the conference component and the space they need; we don’t have the infrastructure to facilitate that,” Mr Keen said.

“Not only have we identified events that want to come to Australia that we can’t approach, we can’t simultaneously hold events either

He said while the state government had launched a tender process last year calling for design concepts for an expansion, outcomes were urgently needed.

“It will enable a number of things as a venue; we’ll be able to attract a larger number of events and more frequently international events, where we struggle to compete with centres on the east coast,” Mr Keen said.

“While PCEC was a fantastic design 10 years ago, the meeting industry has changed and we need to keep up with what’s required today.”

Perth Convention Bureau chief executive Paul Beeson said funding was the other main constraint facing the WA conferencing sector.

In June last year the state government flagged funding cuts to the PCB of up to 30 per cent by 2018, a move Mr Beeson said would severely limit the city’s ability to attract events.

If the funding cuts occur at the highest level, \$85 million in delegate expenditure, 170,000 hotel room nights and 715 jobs would all be lost over the next three years, according to research by the PCB.

“This proposed cut is particularly ironic, given PCB is the most efficient of all capital city bureaus in Australia,” Mr Beeson said.

“We receive a third of the funding of our Sydney equivalent, operate on a third of the staff of Sydney, but are securing equivalent numbers of conference delegates and selectively securing far higher-yielding delegates at that.

“Any destination marketing funding cut would be unfortunate given the increase in accommodation and venue space that the state government, to its credit, incentivised to be built.”

Australian Hotels Association WA executive director Bradley Woods also urged the state government to reconsider any future funding cuts to the PCB.

“It is imperative for the state government to invest in meetings, incentives, conferences, exhibitions and secure long-term calendar events for the state,” Mr Woods said.

“The Perth Convention Bureau has worked hard in this space despite limited resources.

“As the mining demand slows down, the state’s focus needs to shift to tourism and ensuring visitation that can be generated by the business sector.”

Notwithstanding the looming funding cuts, Mr Beeson said Perth’s conferencing sector was on the cusp of a period that was providing the tourism sector the opportunity to mature and diversify.

But he said it was not only tourism and accommodation-related businesses that would benefit from the rapid growth in the conferencing sector, sharing Mr Keen’s views of lasting economic effects.

Mr Beeson said the second line of beneficiaries of major conferences included research centres, universities, business activity and commercialisation, among others.

“Conferences also highlight WA’s knowledge base and expertise, which is substantial and an aspect of WA which PCB leverages highly in our bidding process,” he said