

# MISSING PIECES

## PCEC Expansion

MAY 2016



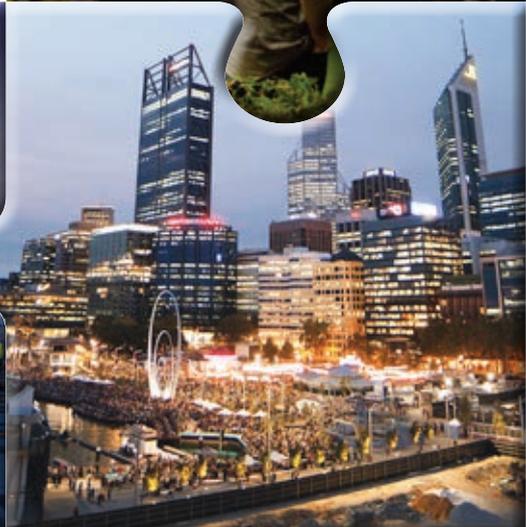
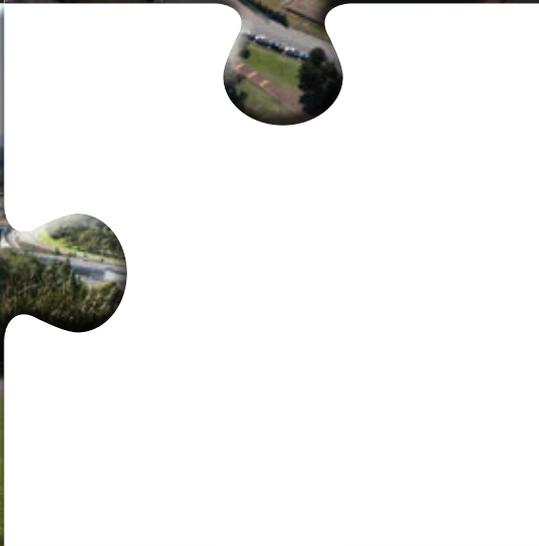
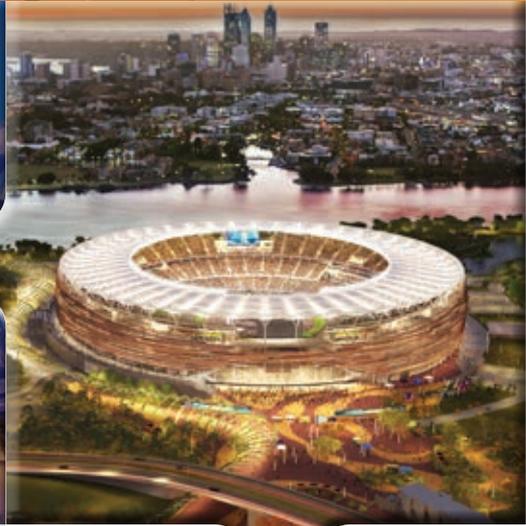
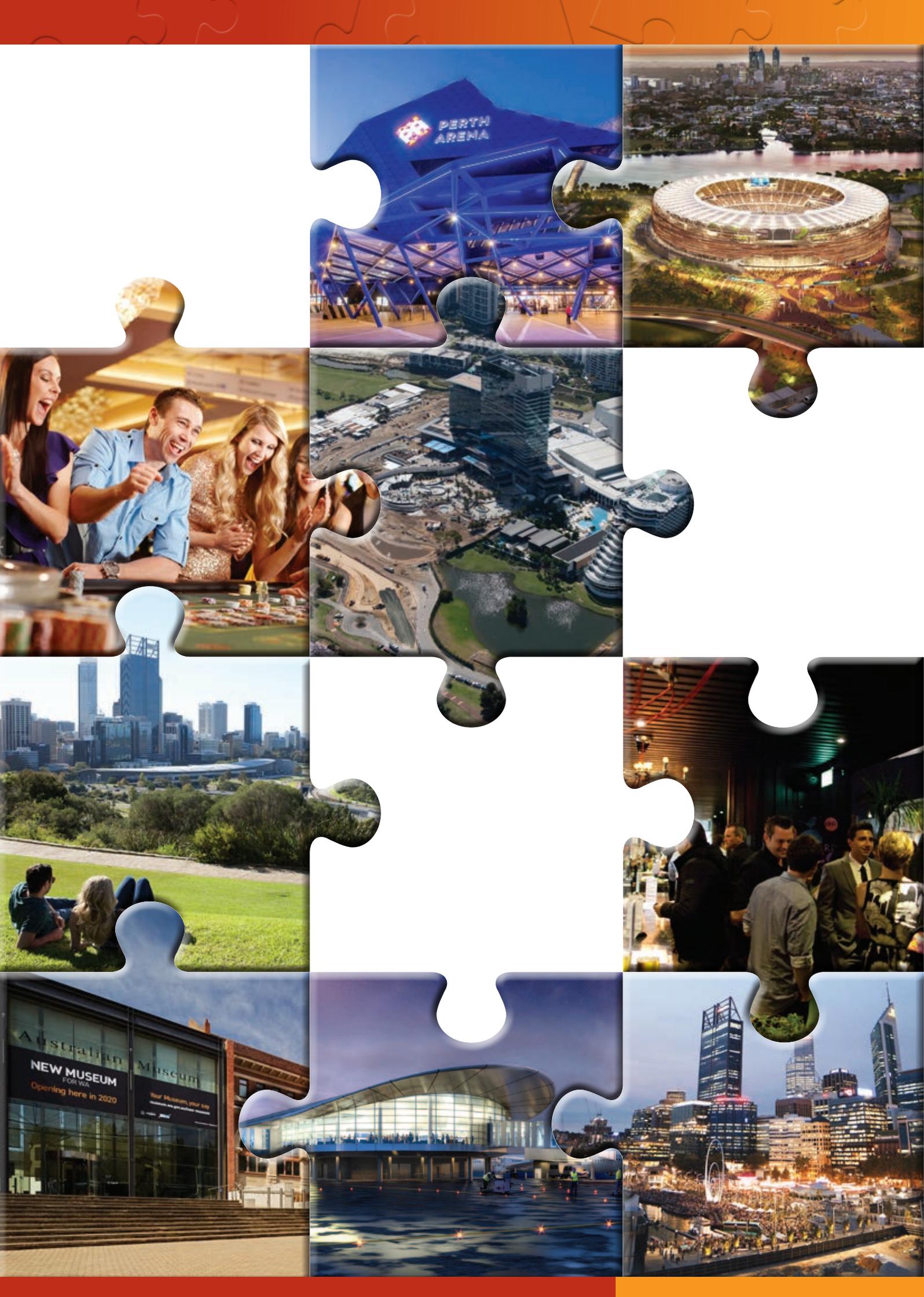
*Image courtesy  
Perth Convention & Exhibition Centre*

**DESTINATION PERTH**

Developing Perth's Visitor Economy



**tourismcouncil**  
*the voice of tourism* western australia



## DESTINATION PERTH

Perth is in the midst of a once in a generation investment in public and private tourism assets. This investment will transform the city into a global destination and gateway to Western Australia.

Piece by piece this investment boom is removing the constraints on tourism growth. From hotel rooms to stadium seats, Perth is undergoing a major upgrade in capacity and building world-class venues, precincts and facilities.

## KEY PIECES

The key new pieces of Destination Perth are:

- Perth Arena
- Perth Stadium
- New Hotels
- New Museum WA
- Crown Perth
- Perth Airport
- Elizabeth Quay & Major Precincts
- Bars & Restaurants
- Natural Assets

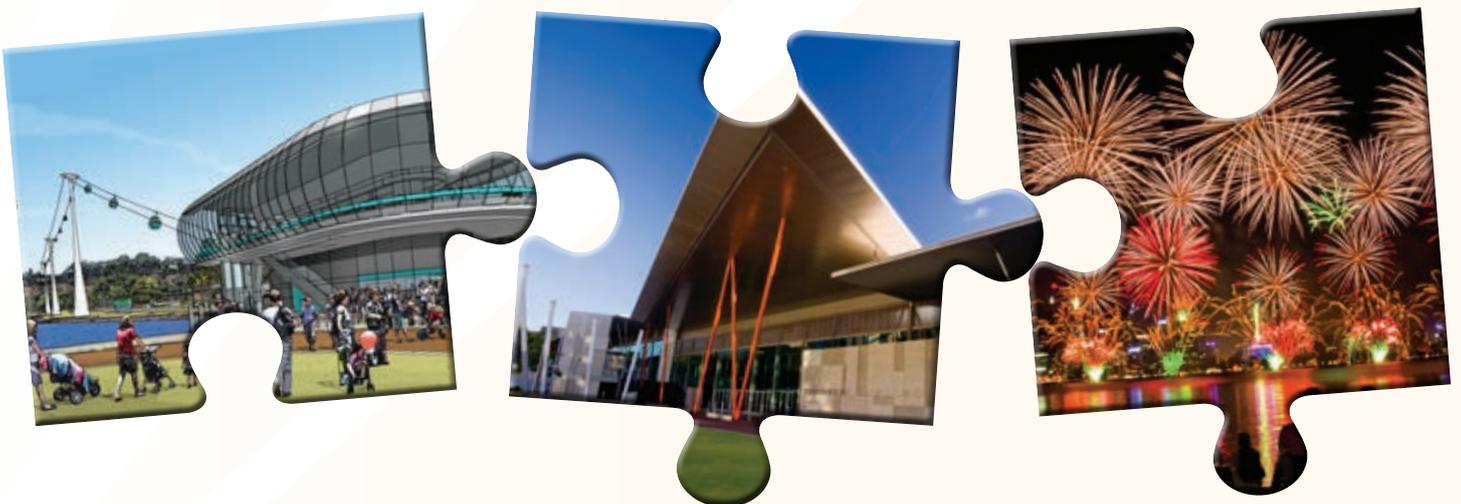
While each tourism asset brings new capacity to Perth, it is the combined synergy of these assets that will make Perth a global tourism destination. As these new pieces fall into place, Perth's transformation into a global destination accelerates.

## MISSING PIECES

The multi-billion dollar investment underway in tourism infrastructure is building capacity for increased tourism. However, to realise this tourism growth, Perth must also invest in the smaller projects that will attract visitors and drive demand for the new restaurants, hotels, venues and precincts.

New demand drivers are the missing pieces needed to complete Destination Perth. The three missing pieces are:

- **The Perth Cable Car** – to create a signature experience;
- **Perth Convention & Exhibition Centre Expansion** – to increase business events and delegates;
- **Branding, Marketing and Events** – to fill the restaurants, hotels, venues and precincts.



Page 2: Images courtesy Brookfield Multiplex, City of Perth, Crown Perth, Government of Western Australia, Jarrad Seng, Museum WA, Perth Airport, Perth Arena, Tourism Western Australia.

Page 3: Perth Cable Car Artist Impression – Commissioned by Tourism Council WA. Images courtesy Perth Convention & Exhibition Centre and City of Perth.

## EXISTING PIECES



### PERTH ARENA

**Completed:** 2012

**Asset:** Entertainment venue

**Capacity:** up to 15,000 pax

**Investment:** \$550 million (public)

Perth Arena is the state's landmark home of live entertainment, music and sports, attracting world-class events to WA.

The state of the art entertainment venue has become a must-play destination and has prevailed on the world stage, impressing artists with the venue's quality acoustics. More than 13 per cent of patrons are regional, interstate or international tourists.



### PERTH STADIUM PRECINCT

**Completed:** by 2018

**Asset:** International sport and entertainment venue

**Capacity:** up to 70,000 pax

**Investment:** \$1 billion plus (public)

The Perth Stadium will significantly enhance the capacity to seat visitors at existing events such as the AFL. More importantly, the Stadium will have the capability to host major international sporting and entertainment events.

The stadium is expected to attract at least 70,000 international and interstate visitors to AFL and cricket matches, international sport and major events each year.



### NEW HOTELS

**Completed:** by 2012-2020

**Asset:** Accommodation, meeting space and ballrooms

**Capacity:** More than 2,000 new rooms

**Investment:** \$3 billion plus (private)

Hotels including the Terrace, Alex, Fraser Suites and COMO The Treasury have already opened. The 500 room six star Crown Towers opens in 2016 and other major new hotels including The Westin and Ritz-Carlton are on the way.

Perth is undergoing a hotel development boom that will bring new accommodation capacity, quality and brands to the city.

*Images courtesy Brookfield Multiplex, Government of Western Australia and Perth Arena.*



## **NEW MUSEUM WA**

**Completed:** by 2020

**Asset:** Museum and cultural space

**Capacity:** 23,000m<sup>2</sup>

**Investment:** \$430 million (public)

In the heart of the Perth Cultural Centre, the new Museum WA will share the stories of our people and place, acting as a gateway to explore Western Australia. It will reflect the extraordinary history, distinctiveness, creativity and diversity of our State and region.

The new Museum WA will attract an additional 200,000 patrons each year including 100,000 interstate and international tourists.



## **CROWN PERTH**

**Completed:** end of 2016

**Asset:** Casino, convention, hotel and leisure complex

**Capacity:** More than 7 million guests p.a.

**Investment:** \$1.3 billion (private)

Crown Perth is the city's premier entertainment and leisure complex with hotels, theatres, restaurants, ballrooms and a world-class casino. A \$750 million refurbishment was completed in 2012 and the new \$650 million Crown Towers hotel and conference facilities will be open by the end of 2016.



## **PERTH AIRPORT, GATEWAY WA & AIRPORT LINK**

**Completed:** by 2020

**Asset:** Airport and passenger connection to CBD

**Capacity:** 40 million pax p.a.

**Investment:** \$4 billion (public and private)

The new international and domestic airport facilities will be consolidated into the Airport Central Precinct by 2020.

The Gateway WA road connections to the airport are completed and the Airport Link rail connection will be completed by 2020.



## ELIZABETH QUAY & MAJOR PRECINCTS

**Completed:** EQ public domain Jan 2016

**Asset:** Public domain, event precincts and urban renewal

**Capacity:** 63 ha, 15,000 at EQ events

**Investment:** \$10 billion (public and private)

Perth's three major renewal projects, Elizabeth Quay (EQ), City Link and Riverside, will bring new offices and residencies to the city which will attract business travel and family visits to Perth.

The projects will deliver iconic public precincts such as Yagan Square and EQ where visitors and locals will gather to enjoy food, festivals and events.



## BARS, RESTAURANTS & EATERIES

**Assets:** Restaurants, small bars, eateries and nightlife

**Capacity:** More restaurants per capita than any other capital city

**Investment:** \$ ongoing (private)

The number and diversity of Perth's restaurants and eateries has exploded in recent years as a result of liquor licencing reform, a love of good food, an al fresco dining culture and maturing nightlife.

New precincts will create new hospitality experiences from riverside dining at EQ to night markets at Yagan Square.



## NATURAL ASSETS

**Assets:** Parks, rivers and coastline

**Capacity:** Average 8.8 hours sunshine per day, the sunniest capital city

**Investment:** \$ ongoing (public and private)

What sets Perth apart from other cities is the outdoor lifestyle born of sunny weather and great natural attractions surrounding the city.

Our great assets are Kings Park, the Swan River and Rottnest Island; as well as the famous beaches and marinas along the coast. These assets are being upgraded, with Scarborough Beach undergoing a \$57 million redevelopment and Rottnest Island attracting new glamping and luxury accommodation.

*Images courtesy Jarrad Seng and Tourism Western Australia.*

# MISSING PIECES: PCEC EXPANSION

## FAST FACTS

- Conventions and exhibitions attract high-spending delegates
- Perth has hotel rooms, but Perth Convention & Exhibition Centre is at capacity
- PCEC is the oldest convention centre in Australia
- All other states have invested in expanded capacity
- PCEC needs at least 10,000m<sup>2</sup> additional floor space
- Expanding PCEC will create \$43.8 million in WA
- 242 FTE jobs will be created
- PCEC should embrace Elizabeth Quay and the Swan River



*Image courtesy Perth Convention & Exhibition Centre*

## AN ECONOMIC DRAWCARD

Business events including conferences, conventions and exhibitions draw high-yield delegates and attendees from around the world.

In 2013-14, business events held at the Perth Convention & Exhibition Centre (PCEC) attracted international and interstate delegates who stayed a total of 263,000 days in Western Australia and spent \$129.1 million in the State. This business event delegate expenditure created \$109.1 million in Gross State Product and 1,096 jobs.<sup>1</sup>

## PCEC AT CAPACITY

The national and international business events market has expanded dramatically, especially from emerging Asian markets. All other states have expanded their convention and exhibition centre capacity to accommodate this growth and capture a greater share of the business events market.

At the height of the resources boom, Perth had insufficient hotel rooms to accommodate more business event delegates. However, with lower hotel occupancy rates and more than 2,000 additional rooms under development, Perth now has more than enough accommodation to host a significant increase in business events and delegates.

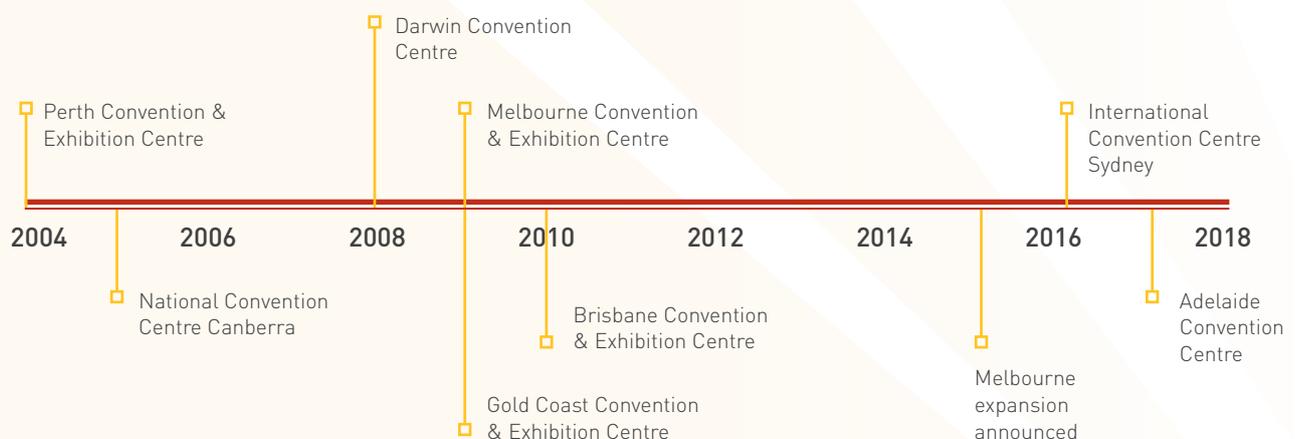
PCEC has not expanded since opening in 2004 and is now at capacity. Without expansion, PCEC cannot host larger business events and cannot host two large events at the same time.

## AUSTRALIA'S OLDEST CONVENTION CENTRE

Over the past decade, every state except Western Australia has committed to a major expansion and upgrade of their convention and exhibition centres to capture a greater share of the growing business events market. Sydney and Adelaide are currently developing their new facilities and the Victorian Government has recently committed to expanding its Melbourne facility.

PCEC is now the oldest centre of any Australian capital city. This means Perth must bid against cities offering newer facilities in order to secure lucrative business events.

## CONVENTION CENTRE REDEVELOPMENT TIMELINE



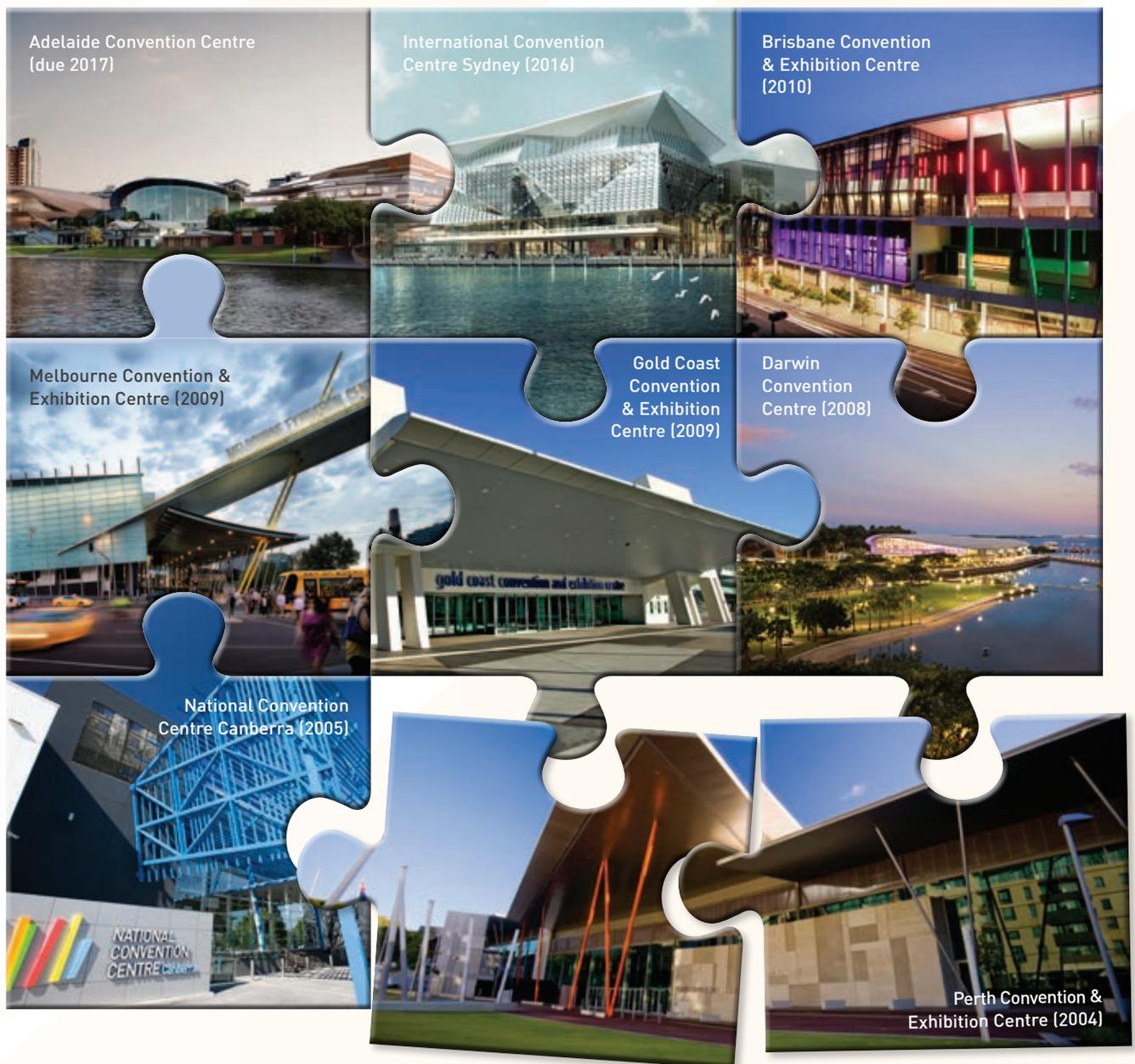
<sup>1</sup> Lucid Economic, Economic Contribution of the Perth Convention and Exhibition Centre, December 2015.

## STATE CONVENTION CENTRES - AGE AND CAPACITY

State	Name	Redevelopment	Total Capacity (PAX)	Banquet Capacity (PAX)	Theatre Capacity (PAX)	Exhibition Capacity (m <sup>2</sup> )
SA	Adelaide Convention Centre	Completed by 2017	7,000	3,700	--	6,830 <sup>1</sup>
NSW	International Convention Centre Sydney	Completed by 2016	9,000	2,000	9,000	33,000
QLD	Brisbane Convention & Exhibition Centre	Redeveloped 2010	8,000	3,800	3,958	20,000
QLD	Gold Coast Convention & Exhibition Centre	Redeveloped 2009	6,000	4,600	6,020	10,000
VIC	Melbourne Convention & Exhibition Centre	Redeveloped 2009	5,500	1,500 <sup>2</sup>	2,304	30,000 <sup>2</sup>
NT	Darwin Convention Centre	Opened 2008	7,500	3,000	4,200	4,000
ACT	National Convention Centre Canberra	Redeveloped 2005	2,500	1,500	2,000	2,400
WA	Perth Convention & Exhibition Centre	Opened 2004	5,000	1,710	2,600	16,554

<sup>1</sup> The Adelaide Event & Exhibition Centre also offers 8,750m<sup>2</sup> exhibition space in addition to the Adelaide Convention Centre.

<sup>2</sup> A \$210 million redevelopment of MCEC was announced by the Victorian Government in 2015. The purpose of the redevelopment will be to keep MCEC as the largest centre in Australia, indicating a significant expansion of exhibition space to exceed Sydney.



## PRECINCT REDEVELOPMENT ESSENTIAL

The Perth Convention Precinct (PCP) is adjacent to Elizabeth Quay (EQ) but has been managed as a separate precinct by separate government agencies. However, PCP and EQ are highly interdependent, as the PCP will attract delegates to events and attendees to shows, while EQ will provide the hotel rooms, hospitality and entertainment. There will be considerable traffic between the precincts which need to be integrated.

An additional challenge with the PCP is the multiple lease holders and tenures in the precinct. This has led to PCEC being the only state convention centre under long-term lease to a private interest with a carpark operated by another entity.

With the Elizabeth Quay precinct now open and awaiting private development, it is time to integrate and upgrade the adjacent PCP. The primary objectives for redeveloping the precinct should be:

- Maximising the economic output and jobs created by PCEC by increasing the number of business events and delegates
- Significantly expanding the conference and exhibition event capacity
- Creating a more competitive centre with modern facilities and flexible space configurations
- Reorienting the precinct and building to embrace the Swan River
- Connecting delegates and attendees with Elizabeth Quay hotels, eateries and the Perth Cable Car



## EXPANDED CAPACITY AND FLEXIBLE FACILITIES

High-yield business events typically need plenary space for all delegates to meet together, banquet space to dine together, small meeting rooms for breakout sessions and exhibition space for accompanying trade exhibitors.

Each business event needs a particular space configuration. To be competitive, PCEC must expand to provide flexible configurations for larger events and to hold multiple events simultaneously. The additional space and design requirements for PCEC are:

- 7,500m<sup>2</sup> - 9,000m<sup>2</sup> for three additional exhibition/convention pavilions
- Ten to 15 additional meeting rooms with an auditorium for 500-600 pax
- 2,500m<sup>2</sup> - 3,000m<sup>2</sup> multipurpose room with option of tiered seating
- A boutique function room for 500 pax with views of Elizabeth Quay and Swan River
- Expanded car parking and control of car parking space

*(Pictures left to right) Perth Cable Car Artist Impression – Commissioned by Tourism Council WA. Image courtesy Metropolitan Redevelopment Authority.*



*Given capacity constraints, a \$2 million temporary marquee was needed to host LNG18 at PCEC in April 2016*

## **ECONOMIC** IMPACT

A study was undertaken in 2013 by AECgroup to evaluate the economic impact of expanding PCEC's capacity.<sup>1</sup> The study found that expanded facilities would allow 17 new national and international events to be held each year, attracting 22,125 new delegates spending an additional \$34.8 million in Western Australia.

The AECgroup estimated the expanded facility would generate for WA on an annual basis an additional:

- \$43.8 million in output
- \$19.5 million in gross value added (GVA) activity
- 242 FTE jobs

## **WHAT** NEXT?

Expanding convention and exhibition capacity is an investment in diversifying the state economy and creating jobs growth, which other states have embraced.

The State Government has commissioned a new design of the Perth Convention Precinct. Several funding and operational options will need to be considered, however expanding this critical infrastructure will definitely require public investment.

Tourism Council WA understands the Government will be advised of options in mid-2016. The State Government will then be able to consult with the tourism industry on preferred options. After consulting with the industry, the State Government can announce before the State Election its preferred option, investment commitment and timetable to expand PCEC.

<sup>1</sup> AECgroup, Perth Convention and Exhibition Centre Economic Impact Study, 2013 commissioned by Tourism Western Australia.



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*the voice of tourism* western australia

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