

31st July 2019

Mr Anthony Shepherd AO
Chair
Infrastructure SA
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Submission – South Australia’s 20-year strategic infrastructure plan

Dear Mr Shepherd

The Adelaide Convention Bureau (ACB) appreciates that Infrastructure SA has prioritised consultation as it seeks to optimise the strategic infrastructure commitment that will ensure the Marshall Government’s ambitious three per cent growth target can be delivered for the betterment of the South Australian economy, and the living standards of the community.

Over five years – FY15 to FY19 – ACB generated \$1.05 billion of economic development to South Australia. That result was delivered from a total budget of just \$10.8 million, the State allocation within which was \$4.5 million (42 per cent).

ACB therefore can be proud of delivering a very high return on investment for the State from its core business of attracting major business events to South Australia which have a strong multiplier effect on hotel rooms, restaurants, retail, and the wider State tourism returns from event attendees (and often also their families). Also, the State’s brand health, the word of mouth and social media from attendees, that come from being in the destination for such business events, cannot be underestimated.

It is important to state that the ACB sees its model as foremost the utilisation of a business agenda to showcase the State, and the ACB seeks to attract these business events in an increasingly competitive global market – more quality locations are bidding, and their ‘offerings’ are ever more sophisticated. Adelaide and the wider State’s destination reputation is under the national and international microscope during every bidding process.

Infrastructure planning and delivery that can enable ACB to continue to compete against quality competitor destinations and to accelerate its growth (with the State a direct beneficiary) is a priority.

Below please find the ACB’s views on matters, which directly affect its ability to make successful bids for international and domestic business events over the next two decades.

Note: The ACB has not injected the potential of a Commonwealth Games bid into this submission.

- It is the ACB's view that Adelaide's recent infrastructure commitment should suffice for the next decade ie that meeting and hotel supply is now adequate for managing that timeframe, and the delivery of the quantum of five-star accommodation which is the base demand for most visitors from Asia, has also been critical for the ACB within this planning. The ACB now looks forward to being able to assist to achieve the high occupancy and yields that will drive investors to reinvest in SA in the second decade.
- The second decade of the State's infrastructure plan will however most definitely require a next cycle of infrastructure development to be factored in. Increased visitor numbers are likely to have ensured capacity for the present, or already committed, hotel rooms and meeting venues. To enable the ACB to stay competitive this future infrastructure cycle should mirror or better that which our competitors would be undertaking – and in all areas from hotels to retail offerings and modern transport. A flexible-model capacity increase for the Adelaide Convention Centre, and ensuring new International branded hotels would be paramount for the ACB.
- Ensuring the delivery of the Marshall Government's ambitious growth target requires acute attention to always maintaining that our integral infrastructure meets international expectations to assist ACB bidding. In this regard a further-expanded airport with a dedicated transport corridor into the city is key, as is having communications technology continually upgraded in an era of rampant technological change and vastly increased expectations from visitors.
- The ACB would urge Infrastructure SA, as it recommends strategic infrastructure investment for the next 20 years, to give enthusiastic commitment to new infrastructure planning within the regions. The ACB contends that the State's regions are underdeveloped. Of priority are the better quality (and safer) rural roads which are expected by visitors, as is a wider offering of international standard quality (and larger) hotels.
- The ACB would also urge Infrastructure SA to consider how development of the State's smaller "airports", which are often little more than a runway in a paddock, can be upgraded - in possibly PPP arrangements - to allow increased economic growth through visitors to SA being able to better utilise their time with us, and their time-managed access to areas such as Arkaroola and areas further north. The use of higher-quality regional airports has a trade advantage also for perishable time-sensitive freight such as fruit and vegetables.

The ACB has listed above a small number of priority high-level points for consideration in the submission process.

As ACB Chief Executive I am keen to continue with this much welcome consultation process in any way Infrastructure SA wishes.

I would also appreciate the opportunity to meet with you to discuss more fully ACB's planning and its essential requirements to remain competitive for the economic benefit of South Australia.

Yours sincerely

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Damien Kitto
Chief Executive Officer

Attachment: Adelaide Convention Bureau Overview

ATTACHMENT – Adelaide Convention Bureau Overview

The ACB is the peak body for business events within South Australia. ACB was established by industry 45 years ago. It has some 200 members, with an annual total funding of \$2.2 million in FY19, of which \$976,000 was from the State Government. The City of Adelaide and ACB members contribute the remainder of the ACB's funding. It operates on behalf of industry and all levels of government (local, state, federal) as the business event specialist.

The ACB exists to lead the destinations growth by securing business events to South Australia. It provides professional services by acting as a bidding specialist, destination marketing expert and attraction agency. We have a small directorate staff of 12 FTEs, all highly skilled and focussed on increasing South Australia's share of the extremely competitive business event sector.

The ACB competes globally in a complex market that is increasingly competitive. The ACB's competitors are not only other Australian destinations, but international destinations; all with much larger bid funding Budgets. It would be accurate to state that the ACB – proudly – punches well above its weight on behalf of Adelaide and South Australia through its successful concentration on the business event market, a market which has a much higher return on investment than the tourism/leisure market.

The ACB believes there is much benefit to being made aware of the positive economic outcomes to the State that come from the ACB's construct, and also that there is benefit viewing in totality the economic impact of the business event market segment that the ACB attracts; the additional bed nights, plane seat yield, and restaurant income, all of which are critical in driving the need for new infrastructure ie airport expansion, hotel development.

The ACB's construct of being a private sector, not for profit, member-based organisation, and therefore one-step removed from local and state government process while operating as the State's peak independent body for the professional planning and delivery of business events, has been, and continues to be, a strong marketing tool for us in such a competitive arena.

This is especially important when the ACB's core function is a business to business approach to promote the destination, sell its unique and beneficial points of difference, present highly professional bids, and then provide the strategic event planning advice to successful bids.

With the ACB's construct we benefit South Australia because there is an increased level of trust globally for independent bodies. As such, the ACB is not seen as a City selling a City. We are independent, avoiding any "they would say that" discount being made to our bid strategies.

An important and successful ACB relationship is the partnership with the Adelaide Convention Centre (ACC) to bid and win business events to Adelaide. Research, business development and trade show attendance is undertaken collaboratively with the ACC. The ACC promotes its capabilities as the State's most significant business event venue, while the ACB represents the City, State and industry members.

Historically Bureaux are measured by economic drivers; how many bed nights are secured for an event, how many delegates attend events and how much economic benefit is achieved for the city and state. However, more recently the value of the legacies that are achieved as a result of hosting a business event is becoming more prized.

Business events can drive knowledge transformation from local industry experts who get to promote their products, thoughts and scientific findings to the world's audience without having to leave the city. Conversely those international experts who attend business events transfer their knowledge to the wider Adelaide community.

Exhibitions also play a vital role for trade and investments by providing Adelaide businesses with an opportunity to promote their products to a global audience.

The ACB would especially like to draw attention to:

- ACB return on investment to State Government is one of the best results of all such Australian Bureaux
- The ACB has created some 9,000 jobs
- In the past five years the ACB has secured business valued at \$1.05 billion for the State economy - from just \$10.8 million in total operating funds
- In 2020, in collaboration with industry, the ACB is on track to deliver \$300 million of business, increasing from 2018's \$276 million
- Business event delegates spend over three times that of a tourist – spending on average \$632 a day compared with \$179 for a leisure visitor
- Business events help drive the State's economy through retail, restaurants and bars, hotels, venues, taxis and flights, to name a few
- Hosting internationally recognised business events places a spot light on the destination and what it is achieving. To date the ACB has raised the profile of biomedical, agriculture, defence, space, sustainability, advanced manufacturing and life science industries.

