

# Submission: Riverside stage 3 Culture and Entertainment Venue Consultation

Prepared by Eastern Riverina Arts

## Background

Eastern Riverina Arts works closely with all levels of government to deliver cultural activity, partnerships and infrastructure in our region. Our staff are experienced in organising events and festivals, producing performing arts tours, and cultural infrastructure planning.

This submission responds [to two competing proposals](#) to address Wagga Wagga City Council's ambition for enhanced conferencing and entertainment facilities:

Option A: construction of a new, regional scale conference centre and entertainment centre, and Option B: expansion of the existing theatre with additional entertainment spaces.

A third proposal, the establishment of a Wiradjuri Keeping place and Cultural Centre, has also been proposed and while this proposal is attached to 'Option A' within Council's current consultation process, Eastern Riverina Arts has received Council's assurance that this proposal is a standalone proposal that could progress alongside Options A or B. This proposal will be discussed separately.

To prepare this submission, we spoke with touring promoters, conferencing and event industry personnel, venue technicians, public works consultants, venue architects and many, many local artists and performers.

Eastern Riverina Arts has prepared its submission through active consultation with experts in the entertainment and conferencing industries, and in open dialogue with Council and our stakeholders. Appendix A contains the questions we have asked Council to date, and their answers. We will update our submission based on further feedback or information we receive from Council and our stakeholders.

We encourage interested people in our community to engage with the current consultation process, and to make a submission via Council's engagement portal before the deadline of 22 December 2023.

## Summary

We applaud Wagga City Council's intention to invest in entertainment and cultural facilities as a positive step that will pay dividends to our community and our economy.

We find that Option B presents strategically sound and operationally-viable solution, aligning with the city's long-term economic and cultural development goals. With a slight adjustment to its present design (an expansion to 'Venue 2 to increase overall capacity), it can not only meet the entertainment needs of the present, but also become a leading venue for conferencing and business events.

This paper concludes that Option A is a risky project that will not deliver the cultural and economic windfalls it promises without a sizeable ongoing cash investment from Council for the foreseeable future, and that it risks becoming a 'stranded' asset that is underutilised and costly to maintain. This concept has been based on the proposition that a single cavernous venue can be configured to suit a broad range of

uses; but such a design carries a high risk of being time-consuming and expensive to reconfigure and may not service any of its intended uses particularly well.

Eastern Riverina Arts supports the proposal for a Wiradjuri First Nations Keeping Place and Cultural Centre, but calls for further clarity in regards Council's commitment to maintain and support the operation of this facility.

## Not Recommended: Option A - New Conference and Entertainment Centre



This project will transform the current Cross Street carpark site into a new regional scale cultural, business conferencing and entertainment precinct.

We have summarised the opportunities and risks associated with this proposal below.

### Opportunities

#### Provide a centralised space for civic events and receptions

Wagga Wagga does not have its own town hall, and there is a need for a centrally-located civic space that can take on civic and community functions for 500+ people. Options A and B will both take the pressure off the existing Civic Theatre auditorium, and there is merit to constructing a space that can seat more than 500 people for public lectures and presentations. Additionally, the sheer scale of this conference centre proposal may provide auxillary uses to the city, such as temporary shelter during emergency events.

### Risks

#### It's not likely to be used much for entertainment or exhibitions

This proposal will struggle as an entertainment centre, for a number of reasons:

- **It isn't attractive to the acts that are touring.** The most likely touring acts we will accommodate are the artists (think Jessica Mauboy, James Reyne, the Smith Street Band) who currently tour northward from Melbourne (eg, Shepparton, Wangaratta and Albury/Wodonga) and then bypass

Wagga for Canberra or the NSW coast. These acts are performing in 500-800 person venues that have staging in place. They aren't likely to pack and transport a completely different set of staging, PA and Lighting equipment for just one gig in a tour.

- **Multi-purpose venues generally don't work for live entertainment.** The flooring, staging, seating and room configuration choices will be designed around maximum functionality, meaning it will tend towards cavernous white spaces with hard floors and poor sightlines. Acts will need to bring and set up a lot of their own staging, sound and AV equipment – most of it trucked in at significant cost, which when paired with the challenges of recruiting on-call crew and front of house staff, will make it an expensive and risky option for tour promoters.
- **There isn't the populational catchment to support a 5000 person gig.** To put the scale of this proposal in perspective, Canberra's Convention Centre has a maximum standing capacity of 2000 people. Port Phillip Council in Melbourne is presently planning a music venue with a standing capacity of 5000, which services a population of 5 Million people. Newcastle's 6000-seat entertainment centre supports a populational catchment of over a million people. Even as Wagga's population approaches 100,000, we're simply not going to regularly fill a venue of this capacity.
- **You need to risk big money to book touring acts.** There is almost no such thing as an 'outside hirer'. Every act who wishes to perform will expect the venue to contribute towards staging, transport, accommodation and marketing, and to carry a share of risk in the event of cancellation. To attract even a handful of acts in its first few years Council would need to invest – and be willing to lose – hundreds of thousands of dollars each and every year. As we've seen with Wagga's outdoor Riverside stage and event area, without a team actively programming a site, a venue will generally sit dormant.

#### Case Studies: The Multi-purpose paradox

A large prospective conference client wants to seat 800 people lecture-style for their daytime keynotes, then host a 500-person banquet-style dinner in the evening. When they find out they would need to schedule a 4 hour afternoon break, and pay 15 casual staff to reconfigure the space in the Wagga facility, they decide to look at Albury's Conference centre, which has separate lecture and banquet halls.

A school is granted a 'community rate' at the start of the year when booking the venue for their speech night. They want 30cm high staging with access ramps to accommodate some students in wheelchairs. 2 months out from their event, Council informs them that a concert booking the weekend before their speech night will use 1.2m high 'concert' staging, and that a fee for 40 hours labour to swap over to the accessible lower staging will need to be charged to the school.

### High ongoing running costs, and the risk of becoming a stranded asset

Council's projection that this facility could be run at a loss of approximately \$700K<sup>1</sup> per year is likely to be a significant underestimation of the operational and programming costs for a venue of this scale.

Conference Centres of this scale typically require core full time staffing team of 4-10 people, which would more than account for the above figure alone. However, all four of the proposed uses for a site like this (entertainment, exhibitions, conferencing, trade shows) will require dedicated staffing and separate, ongoing cash investment from Council to make these activities happen with any regularity.

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<sup>1</sup> This figure was provided by Peter Thompson during a Business Roundtable meeting 6 December 2023

Cities looking to 'lure' a conference typically invest \$100k or more in direct investment, in-kind contributions and fee waivers for each individual event, and while there are economic benefits that flow through to the local economy, these costs aren't recouped by the venue. Larger entertainment offerings such as concerts and exhibitions require similar investments of capital, though in the case of touring shows there can be potential for cost recovery through ticket sales. Council's goal to grow the existing conference market from 7 to 50 events per year<sup>2</sup> in Wagga could require many millions of dollars per year to realise.

The operational model for such a venue relies on an ongoing subsidy model, underwritten by Council, and the maintenance of a social contract with ratepayers willing to invest millions of dollars into conferences and events whose economic benefits only flow to some sections of the local economy.

### **The proposal is unusually big – and that can be a negative**

This proposal is significantly larger than the offerings of competitor cities – its brochure proudly describes this as the "largest entertainment and conference facility in southern NSW".

While the prospect of large events sounds exciting, there are a range of implications for events of such scale sporadically taking place in Wagga Wagga, such as car parking, public transport, accommodation and restaurant capacity impacts.

Council has not made clear whether there is a viable conference and entertainment market that will utilise a 5000 standing/1200 seated venue. This proposal also risks the downsides to building something too big, which include:

- It may be difficult securing the funding from Government to build it (by contrast, Albury's major Conference centre upgrade secured \$30M in funding in 2022 while this is a \$100M proposal)
- Venue hire costs go up the bigger the venue, making it less competitive against other conference centres
- It could limit the centre's appeal to small and medium hirers because its spaces will feel empty if not filled to capacity

It's laudable to build for the future, but the scale of this proposal carries risks that could undermine its success.

### **Challenges to market viability of larger conferences in Wagga Wagga**

Competitor analysis indicates that larger conferences of 800-1200 delegates typically take place in cities that:

#### **The Tamworth Model – good for Wagga?**

Option A seems to be inspired by the TRECC in Tamworth – a 5000 person, flat-floored configurable venue that is unlike most conferencing centres in Regional Australia. TRECC host a series of large concerts as part of the Tamworth Country Music Festival in January each year (which contribute more than \$1.5M in venue hire fees each year). Sporadic usage throughout the rest of the year is mainly from car and agricultural trade shows.

The venue does not host significant numbers of business conferences, exhibitions or entertainment offerings throughout the rest of the year.

For example, of the 42 entertainment offerings listed in Tamworth's [2024 Entertainment season](#), only 2 take place at TRECC.

Without a user group like the Country Music Festival, and with local ag suppliers well-served by the Henty Field Days, it is hard to see why we would opt for this style of venue.

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<sup>2</sup> See Council's responses to our questions, number 21, below

- Are established and popular holiday destinations,
- have significant accommodation surge capacity and can provide competitively-priced 4 and 5 star accommodation to all delegates,
- Have an airport that can service at least 4 Capital Cities, and with strong international route connections.

It is hard to argue that the above preconditions for a viable conference market will exist, even when Wagga Wagga grows to 100,000 people.

### Option A Conclusion

Eastern Riverina Arts has consulted a broad range of professionals working in the events, entertainment and conferencing industries – and they have been unanimous in their opposition to this proposal. Many have expressed a concern that this project will become a ‘white elephant’ – expensive to build, unattractive to the users it purports to service, and prohibitively expensive for the city to maintain and operate.

Without being able to scrutinise Council’s Business Case it is hard to disagree with these criticisms. On the face of it, it seems that this proposal has been developed with very little input from relevant stakeholders, and this is a point of considerable concern for us.

If Council wished to proceed with a standalone entertainment/conferencing facility, it would be wise to look at integrated conferencing centres in cities like Albury and Bathurst that feature dedicated lecture theatres, ballrooms and breakout spaces more suited to the needs of conference clients.

## Recommended: Option B - Expansion of the Wagga Wagga Civic Theatre



Expansion of the existing Civic Theatre site to include two new performance spaces, and additional amenities catering to both conferencing and entertainment needs.

### Opportunities

### **Alignment with current and forecast demand**

The Civic Theatre already operates beyond capacity, and now turns back many requests for hire due to unavailability. This is unsurprising given that it was built to service a population of 20,000 people in the 1960s. That it is now the only regional performing arts centre in NSW with only a single stage, only further illustrates how overdue it is for expansion. The scale of the proposed expansion is commensurate with performing arts facilities in regional Australia that are busy and profitable.

### **Operation model and likely financial viability**

By leveraging existing bar and staffing capabilities, this proposal will introduce efficiencies, meaning the venue can serve multiple users simultaneously at a lower cost to hirers.

### **It's got built-in conferencing capacity**

With views across the lagoon, multiple bars, and a staffing capacity already in place to accommodate the technical and front of house needs of a variety of events, this venue has the capacity to host conferences for up to 500 delegates. With a slight expansion of the proposed 'Venue 2' space, this number could increase.

### **Diverse programming and opportunities for local participation**

The fixed seating and single stage configuration of the existing Civic Theatre limit opportunities for performance offerings such as live music, cabaret, dance and circus. The two additional spaces will accommodate a broader range of touring content and introduce affordable spaces suited to local and emerging cultural groups.

## **Risks**

### **Potentially not large enough to meet future demand.**

While this proposal is very much in line with industry norms for a thriving regional city, we'd love to see the dial turned up a notch or two to accommodate future growth. Expanding 'Venue 2' slightly would give it a standing capacity of 1000, and banquet style seating for 350 participants – this would ensure that this venue can seize larger opportunities and support a growing city.

### **Dedicated staffing should be tasked with expanding the conferencing client base**

Dedicated business events staffing need to be separately resourced to drive new conference bookings. While the Civic Theatre team have hosted conferences in the past, and can provide the tech and front of house needs of business events, the process of developing new business leads will be best done by a team that is resourced specifically to do so.

## **Recommended: Wiradjuri First Nations Keeping Place and Cultural Centre**

Eastern Riverina Arts supports the development of an indigenous-led Wiradjuri First Nations Keeping Place and Cultural Centre. We thank Council for clarifying that such a proposal will be incorporated into Council's planning regardless of which option of entertainment venue option is prioritised.

We hope that Council has committed some funding to support the ongoing staffing and maintenance of this facility. Little detail is given in the informational brochure about the operation model for such a centre, and trust that Council is working with Wiradjuri/First Nations community to ensure a sustainable model is found to resource such a centre in an ongoing way.

We hope that relevant parties have worked through the asset management implications associated with the incorporation of the Riverina Playhouse, and would hope that Council and/or the current leaseholder Charles Sturt University ensure that the keeping place's management are not saddled with an unsustainable maintenance burden.

The proposal to situate a significant cultural centre near the rocks on the Murrumbidgee river is an exciting project and one that realises many calls (e.g. the Riverside Masterplan 2008 and the Wagga Cultural Plan 2020-2030) for a space that offers Wiradjuri cultural experiences by the River – none more emphatic than the continuing recognition of this site by First Nations people themselves.

## Analysis and Recommendation

By our analysis, Option B emerges as both the strategic and responsible choice. The expansion of the existing theatre aligns with several key considerations:

- Scalability: The proposed expansion offers a measured approach to meeting increased demand while avoiding the capacity risks associated with Option A.
- Economic Development: With more affordable and versatile venues for hire, this option will stimulate more economic activity and have a much more sustained impact on surrounding retail and hospitality businesses – more events on more nights a year.
- Financial Responsibility: The significantly lower cost of expanding the theatre minimises financial risk and ensures a quicker return on investment.
- Cultural Enrichment: With the ability to foster local events and develop local talent, it is an investment in our cultural and creative future.

Based on the analysis presented in this proposal, we strongly support the adoption of Option B: Expansion of the Civic Theatre as the optimal solution for addressing the city's need for increased conferencing and entertainment facilities in Wagga Wagga. We recommend Council adopt Option B, and incorporate an expansion of Venue 2 in the detailed design phase to ensure this facility supports the needs of a growing city.

While Option A offers the allure of a new, large facility promising a host of exciting possibilities, we are concerned that this proposal has not been adequately informed by industry or expert consultation. The concept in its present state stands to lose millions of dollars annually, and is unlikely to be a competitive or compelling offering to potential customers in the entertainment and conferencing industries.

We also note that Council does not presently operate a conferencing and business events team, but could establish one within, or in conjunction with, an expanded Civic Theatre. This would enable Council to develop its capacity and get into the conference market in a low-risk way. It would also enable Council to develop an informed business case and design a future standalone Conferencing and Entertainment centre that responds to demonstrated market insights.

Eastern Riverina Arts supports the First Nations community in its ambitions for the establishment of a Keeping Place and Cultural Centre, and hopes that a strong ongoing partnership with Council and others will ensure such a project's realisation.



## **Appendix: Our Questions for Council**

To aid our research, we asked Council a range of supplementary questions about all three proposals early in the consultation period. Our questions, and the responses we received from the General Manager's office on 14 December 2023, are appended below.

## Questions for Council

### General Questions

1. Does Council envisage each proposal will be a Council-operated facility?

Yes

2. Is Council anticipating that additional operational/core funding from a source other than local government will be required for the operation of Option A, B or the Keeping Place?

Possibly. The Keeping Place will not be operated by Council or at Council cost.

3. Are there opportunities for the private sector to have involvement (eg Keeping Place Café? Catering services at Conference Centre? Bar at Civic Theatre? etc).

Possibly

4. The Brochure describes this project as the 'final' stage of the Riverside Masterplan. The Riverside Masterplan included a range of further developments including significant works at Wilks Park, Hampden Terraces and the 'southern entrance' adjacent Tony Ireland Park. When will they be addressed?

These works will be addressed subject to funding and other priorities. By stage 3 the brochure is intending to convey the progression up the river which covers the public space adjacent to the river.

### Project A.1: Regional-scale convention centre

5. What is the rationale for the scale of this project, which seems incongruous with entertainment centres in comparable regional cities across Australia and the world? Are there examples of profitable entertainment/conference centres that services a populational catchment of less than 100,000 people?

The scale of the project has been developed by external expert consultants having direct regard to identifying a scale which will be used in the Wagga context. The Tamworth TREC is a comparable example of similar or even larger size servicing a population of around 50,000 which is much smaller than Wagga. If you include the entire catchment population the Tamworth example again emphasises the success of that venue with a smaller population catchment than Wagga. The question refers to profitable. Venues of this nature are typically operated at a loss just like the Civic Theatre which loses well in excess of \$500,000 a year even without enlargement and the Oasis which loses more than \$1,000,000 a year.

6. Council's brochure proposes the venue will "attract and host concerts, business conferences, trade shows and exhibitions." It is ERA's understanding that each of these usages requires co-investment and the sharing of risk from the host-venue. What is the forecast annual expenditure on co-investment, and is this anticipated to comprise additional Council investment, or to be recovered from existing internal

budget lines?

It is difficult to comment in any meaningful way on ERA's understanding. Again, using the Tamworth venue with which I am familiar the statement is incorrect. The cost of hosting or hiring an event depends upon many, many variables. There are events when there is no risk to Council. There are events where Council might be the promoter and accepts all risk. As the facility is in the concept stage any a budget does not exist. If the option is pursued, a budget will be developed which does not exist right now.

7. What are the forecast staffing levels for this venue? Are there some comparable venues and operating models of Conferencing centres that are run by a Council?

The business case will have projected staffing levels when it is complete next year. Yes there are comparable venues that are run by a Council.

8. What is the forecast annual operating cost of this venue?

This is a figure which will be developed and presented as part of the business case. It will be more expensive to operate than the current Civic Theatre.

9. It is common for entertainment centres to run at a loss for their first 5, 10 and even 20 years. What is Council's forecast time trajectory to surplus and what are the assumptions about the number of conferences, concerts, exhibitions and trade shows that will need to occur at the site per annum to reach break-even/profit?

It is not anticipated that the venue will ever return a net profit. This is directly analogous the current Civic Theatre which has been operating for many decades and still operates at a net loss in excess of \$500,000 per annum.

10. What are the likely venue usage fees for the conference centre? Based on industry comparisons, we assume it will cost at least \$5K per use. What local community or creative user groups (eg the brochure references "school concerts and end-of-year awards nights") within the community does Council propose will use this?

Fees to use a venue of this nature vary widely depending upon what the user wants the venue to provide. Some events will have no fee. Some events will have a fee of tens of thousands of dollars if the venue is providing full set up, all staff, sit down meal and full production services. Again, using actual examples of repeat users of the Tamworth facility – the TREC is used each year by schools for speech nights. The facility would also be large enough to operate as an emergency evacuation hub in times of disaster.

11. What is the purpose of the pedestrian footbridge? I can't see how this gets people closer to parking or public transport infrastructure?

The pedestrian footbridge has been included as it is anticipated that there will be many people who walk to the venue from the main street or surrounding streets or restaurants. It is a significant cost and it has been included now to ensure it is part

of the costings rather than expect people to cross Tarcutta street with live traffic. It is a concept however and there is time to consider removing the footbridge if this is what the community wants.

- 12.** Has research been undertaken about the 800-1200 person Conferencing market? How many conferences of this size take place around the country and what are the preconditions to viability (eg an international airport, a tourism/holiday destination)?

Yes- and this will be included in the business case. Even without research there is no requirement for an international airport or a tourism/ holiday destination. Conferences of this nature are held in many regional locations every year. The NSW Government has identified regional conferencing a key component of the NSW Visitor Economy as it brings significant economic and employment benefits.

Project A.2: Wiradjuri Keeping place and Cultural Education centre

- 13.** Given the stated preference of many funding programs for Aboriginal-led projects, will an Aboriginal organisation be the driver of this project, or is the intention that Council will lead the development of this project?

This project will be led by the Wiradjuri people. Council will support them and provide assistance when requested and when possible.

- 14.** What potential sources of operational funding have been identified and who will run it?

First Nations people will run the facility. There are some sources of income identified in the business case such as venue hire, café, tours and a gift shop. This list should not be taken as exhaustive.

- 15.** Has Council made any commitments in terms of the maintenance of the site, or its staffing/programming in an ongoing way?

Council has said it would provide landscaping maintenance in the public space around the Keeping Place.

- 16.** While the business case of the Keeping Place was funded at the same time of the Entertainment Centre, we can't see why it would be attached to only one outcome of this consultation. Will Council support the keeping place regardless of the outcome of the public choice between A and B? If so, will it be possible for Council to quantify the support for this proposal as distinct from options A or B? (if not, I suggest Council edit its survey ASAP and clarify with the public).

The Keeping Place was an initiative commenced by Council staff as part of the grant application with the thought that it would be part of the same building as the conference facility. It received funding as part of the concept. It is only through the work of our Wiradjuri partners and Council staff that we have arrived at the current

concept. At each media engagement and pop-up consultation it has been state that the Place Keeping facility has merit in its own right and does not depend upon the outcome of which concept is pursued.

#### **17. The Riverina Playhouse**

The brochure says “The centre will incorporate the existing 200 seat Riverina Playhouse.”

Who will own and maintain it?

Will it be available for public venue hire or solely by the Keeping Place operators?

If this is to be an Aboriginal-led project, who will underwrite losses incurred?

Is there a funding stream identified that might support an Aboriginal-led organisation to operate a for-profit venue?

Is CSU going to gift or sell the playhouse to this project, and have they made any commitment to this project beyond the building?

Council owns the Playhouse and this will not change. It will be available for venue hire. The operation of the Playhouse will be a cost/profit of the Placing Keeping facility. I’m not sure where the concept of a for profit venue has emerged from and it not part of the concept or any Council collateral material. The operating costs will be issue for the management of the facility to plan for and manage. This has been an open discussion between the community members and Council staff who have worked together to get the concept to this point.

#### Project B: The expansion of the Civic Theatre

- 18.** Peter Thompson spoke in a recent DA article about there having been issues with the Cost:Benefit Analysis for the Theatre. What was the nature of these errors and have/will they be corrected?

The original cost/benefit analysis was flawed because it included the existing business of the 490 seat venue as though it was new business being generated by the two new spaces. The business case has now been corrected.

- 19.** What are the forecast staffing and operational cost increases for this venue? Does it have the capacity to generate a profit over time (and what is the forecast timeline to profitability)?

I’m not sure that any conclusive numbers for staff have been developed but it will require more staff. It may however offer permanent roles which are currently casual or part time. It will not return a net profit.

- 20.** Can you provide a little bit of info about the Northern venue that opens to the outdoor event green – in particular its combined capacity, and whether consideration has been given to management of traffic noise and pedestrian safety?

It is anticipated that when open to the park up to 800 people might be able to be part of an event in that part of the building. Traffic management, noise modelling and pedestrian movement studies will need to be completed as part of the project’s detailed design phase.

**21.** Did the Civic Theatre's capacity as a conference venue for small to medium conferences receive consideration within its business planning, and has research been undertaken about the 200-500 person conferencing market?

There is consideration of growing the conference market from the existing 3% of total events (7 per annum) to 17% or over 50 per annum, however there is no detail provided around the assumptions for this growth.

The business case acknowledges that corporate, business and Council events are not the core service of the Civic Theatre. The Civic Theatre business case has not researched the 200-500 person conference market.

**22.** The brochure references an increase in training opportunities in the arts in both proposals. What role do the proposed upgrades play in the viability of these programs?

These venues will require a range of staff from hospitality to management to creative arts technicians to marketing to curating and governance systems. This (and probably many more) will provide broad scope for training and career development.