CM13.8. Albury Entertainment Centre Project Proposal

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Purpose of Report

To seek Council endorsement to proceed to public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment, following completion of financial and economic assessments.

Background

The Albury Entertainment Centre (AEC) is a key civic, cultural and business events venue in the Albury Wodonga region, providing the largest convention space between Melbourne and Canberra.

The Theatre Wing was constructed in 1964, followed by the Convention Wing in 1972. An upgrade to the Theatre Wing was completed in 2010 at a cost of $4.5 million, supported by Commonwealth Government funding. These upgrades were essential to ensure the venue continued to meet market demands and user expectations.

The Convention Wing has not undergone any significant redevelopment since 1993.

Recognising the age of the facility and potential demand for significant asset renewal investment over the coming 10 years, redevelopment of the Convention Wing was first investigated in 2015-16. A feasibility study was completed by consultants, AEC Group (formerly Australian Economic Consultants), in mid-2017. A report was subsequently presented to the then Planning and Development Committee in relation to the above on 19 June 2017, following which the Committee recommended that Council:

a. *Receive and note the findings of this report;*
b. *Undertake more detailed research into the design and capital cost of redeveloping the Albury Entertainment Centre Convention Wing, including its capacity to operate independently from the Theatre building; and*
c. *Continue to invest in asset renewal of the Albury Entertainment Centre and utilise temporary hoeckers, marquees or the Lauren Jackson Sports Centre for large scale business events where required.*

Council endorsed the Committee's recommendation at its meeting on 26 June 2017.

Teilion Architects were subsequently engaged to undertake the work which was finalised in February 2018. In addition, AlburyCity's in-house design team prepared some further options building on Teilion's concepts.

A follow-up report was provided to Council on 26 March 2018. The report provided an analysis on five design options, with the following recommendation endorsed by Council:

That Council:

a. Endorse 2B and 3B as the preferred design options; and

- *i. Obtain independent structural engineering advice on 2B, and make any adjustments to the design as a result, which may include removing the first floor connection to the Theatre;*
- *ii. Obtain independent quantity surveyor estimates of 2B and 3B to confirm costs;*
- *iii. Update the previous preliminary feasibility study financial and economic analysis to reflect the revised construction costs and venue capacity identified in both options to test which has the potential to deliver the best return on investment; and*
- *iv. Present a further report to Council detailing the outcome of further investigations.*

b. Include $5M capital allocation in the Four-Year Delivery Program to enable project progression and support any grant funding applications in the event the cost benefit analysis is positive.

As a result of further investigations, minor refinements to Option 2B were made to address identified design challenges and reduce construction costs, which was presented as Option 2C. A further report was presented to Council on 10 September 2018, providing an update on the endorsed recommendations from Council Meeting of 26 March 2018. At its meeting on 10 September 2018, Council endorsed the following:

That Council:

a. *Endorse Option 2C as the preferred design option for the future expansion of the Albury Entertainment Centre Convention Wing; and*

b. *Actively pursue State and Federal Government funding to support project progression.*

Across March and April 2020, tenders were invited to undertake site investigation and final concept design, preliminary design and development application. Six submissions were received and evaluated. At its meeting on 22 June 2020, Council endorsed:

That Council accepts the tender from Peddle Thorp Melbourne Pty Ltd for Contract No. 20/01334 - Albury Entertainment Centre Convention Wing Redevelopment for the lump sum of $389,012.25 including GST.

Since then, the project has further progressed. Importantly, advocacy efforts and continued commitment to the project have secured $25 million in Government funding, comprising $10 million

from the Commonwealth Government and $15 million from the New South Wales Government. The Funding Deed duly executed in December 2023 relates specifically to the AEC redevelopment project and its objectives to expand capacity of the Convention Wing and to provide a function venue to cater for large scale events.

Following the announcement of secured funding, the project continued to progress and at its 8 July 2024 Council Meeting, Council was provided with the outcome of a competitive tender process for the detailed design for the redevelopment. At that meeting, Council endorsed:

That Council pursuant to section 178 (1)(a) of the Local Government (General) Regulation 2021 NSW, resolves to accept the tender from Peddle Thorpe Melbourne Pty Ltd and awards Contract No. 23/01136, AEC Architectural Services Detailed Design for the tendered lump sum price of $2,697,410.10 (including GST).

The scope of the proposed redevelopment consists of a $39.5 million redevelopment to expand the Convention Wing to accommodate large-scale business events, conference, exhibitions tourism and civic events. Key improvements include:

- Doubling conference seating capacity to 2,000 patrons;
- Enhancing exhibition and flat floor space;
- The addition of new meeting rooms; and
- A formal plaza together with improved connection to the Cultural Precinct.

The redevelopment is expected to act as a key catalyst for the revitalisation of the Albury CBD.

Should the redevelopment not proceed, substantial investment in asset renewal (more than $9 million) will be required to maintain the facility at a basic service level without delivering the increased capacity, enhanced functionality or economic benefits associated with the proposed redevelopment. In addition, future budget allocation will be necessary over the longer term to address the asset decline inherent in aging infrastructure.

The proposed redevelopment does not impact the operation of the Theatre during the construction period.

The redevelopment project aligns with the strategic objectives of the Albury Cultural Precinct Master Plan and responds to the growing regional demand for modern event infrastructure. Upon completion, the AEC will be positioned as a premier regional destination for conferences, exhibitions, business events, arts and cultural activities and community functions.

Issues

Progress to Date

Over the past 10 years, Council Officers have dedicated substantial time and effort in advancing the project to its current state, and more than $3 million has been committed to facilitating design and early works. The project has advanced through the Detailed Design Phase and critical enabling works such as water main upgrades on Swift Street have commenced. The project is now ready to progress

to public tender for construction, and the AEC team is currently managing forward bookings in preparation for a 27-month construction period scheduled to commence in March 2026.

Strategic Importance of the Albury Entertainment Centre

The AEC is the largest purpose-built convention centre between Canberra, Sydney and Melbourne and is the only venue of its kind within a 300km radius capable of hosting large scale business events. It draws delegates and attendees from across New South Wales, Victoria and beyond. The redevelopment positions Albury to compete within the national events market, particularly considering developments such as the new Geelong Conference and Event Centre, which will open in July 2026 with capacity for 1,100 patrons. Currently there are only three conference venues in regional NSW, being Tamworth, Wollongong and the Hunter Valley, that can cater for business events with 500 people or more. The redevelopment of the AEC aims to capitalise on this market opportunity.

Following recommendation by Council on 30 August 2018, AlburyCity actively pursued State and Federal funding to support the AEC's Convention Wing Redevelopment, including incorporation of the project in AlburyCity's Advocacy Strategy. As a result of those advocacy efforts and strong business case rationale, the project successfully secured $10 million from the Australian Government and $15 million from NSW Government in 2022. As the largest recipient of funding among all submitted projects for the Albury Wodonga Regional Project, the redevelopment supports the region's vision for economic development and enhanced liveability and is acknowledged as exemplifying the Regional Project's aim to deliver infrastructure that drives growth, connectivity, and opportunity across the border region.

In addition to the above, the AEC Convention Wing redevelopment has been, and continues to be, referenced as a key Major Project in the following endorsed documents:

- Albury Cultural Precinct Master Plan 2021
- Albury Economic Development Strategy 2023 - 2027
- Albury Wodonga Destination Management Plan 2019 – 2023
- Albury Wodonga Destination Management Plan 2024 – 2028
- Riverina Murray Destination Management Plan 2018
- Murray River Tourism Destination Management Plan 2023
- NSW Government Albury-Wodonga Regional Economic Development Strategy 2018 – 2022
- NSW Government Albury-Wodonga Regional Economic Development Strategy 2023 Update

The project further aligns more broadly with the NSW Government Visitor Economy Strategy 2030 strategic objective to facilitate growth by investing in infrastructure, job creation, industry resilience and sustainability, future planning, and better ways to do business to ensure continued growth and future prosperity of the NSW visitor economy.

Importantly, the project aligns with AlburyCity's Community Strategic Plan, *Towards Albury 2050* and the following outcomes and actions:

A Growing Sustainable Economy

Outcomes:
1.1 Albury is a vibrant city, providing high quality sustainable infrastructure, industry-leading services and amenities.
1.3 Albury offers and supports diverse and evolving tourism experiences.
1.4 Albury is a nationally recognised place to do business, driving economic growth, circular economy and innovation.

Actions:
1.1.2 Collaborate and partner with relevant stakeholders to provide industry leading services and amenities.
1.3.3 Build and maintain partnerships to attract visitation to our region, and increase the diversity in attractions, events and facilities for our community and visitors.
1.4.2 Support programs and facilitate partnerships that uplift local businesses, build skills and create job opportunities.
1.4.3 Increase and attract private and public sector investment.

A Caring Community

Outcomes:
3.2 Albury is a socially connected community.
3.3 We share and celebrate our multiculturalism in a welcoming and open community.
3.4 Albury is inclusive and accessible for all ages and abilities.
3.6 Albury has a diverse and thriving arts and cultural life.

Actions:
3.2.2 Provide and support the services, facilities and initiatives that encourage social inclusion and community connections.
3.3.2 Provide safe, inclusive and welcoming spaces for our community to enjoy.
3.4.1 Plan and develop infrastructure that is accessible for all.
3.6.1 Create engaging public and cultural spaces and places through placemaking.

A Leading Community

Outcomes:
4.1 We have strong partnerships that enable the community's aspirations to be achieved.
4.2 Our community's voice is considered in decision making.
4.3 Albury Wodonga is recognised as a nationally significant community.

Actions:
4.1.1 Work together to lead change and build relationships to achieve community outcomes.
4.2.1 Effectively engage the community on decisions that affect them.
4.3.1 Our leaders collaborate and network to foster growth and innovation.

A Business Case completed by AnSeb Consulting in August 2025 is attached providing a strategic overview of the AEC redevelopment project (Attachment 1).

Economic Impact

The AEC Convention Wing redevelopment is expected to have a substantial positive economic impact on both Albury and the wider regional economy, both during construction and throughout its ongoing operation. A detailed Economic Impact Assessment carried out by Macroplan can be found at Attachment 2 with key highlights below.

- During the construction phase, the redevelopment is projected to contribute a total of **$124.9 million** to the economy, including the $39.5 million construction investment, $47.9 million from production induced indirect output, and $37.4 million from consumption induced activity. This phase is also expected to support **336 full time equivalent (FTE) jobs**, comprising 92 direct on-site construction roles, 116 production induced indirect roles, and 128 consumption induced roles across the broader economy.
- Once it reaches its steady-state operational phase, the redeveloped AEC is anticipated to generate $7.6 million in annual operating revenue, driving an additional $6.5 million in production induced output and $8.4 million in consumption induced output, for a total of **$22.5 million in ongoing annual economic contribution**. The facility's operation is also expected to support approximately **222 FTE jobs**, including 83 direct positions and a further 139 indirect and induced roles throughout the local economy.

This level of economic contribution underscores the pivotal role the AEC redevelopment will play in strengthening Albury's regional profile. By attracting increased visitation for conferences, cultural events and tourism, the project will support local businesses, stimulate ongoing employment opportunities and drive sustainable growth across the regional economy, providing lasting benefits to the community and reinforcing Albury as a nationally significant regional city.

Industry and Comparative Analysis – Regional Convention Centres

The Australian Government's Australian Trade & Investment Commission reported that during 2024 visitors attending business meetings, corporate event, convention and conferences, seminars, exhibitions or trade fairs spent $19.6 billion. While the COVID-19 pandemic resulted in many events, conferences and exhibitions being cancelled, IBISWorld, 2024 reports that the industry is recovering with forecast growth annualised rate of 3.2% through to the reporting period of 2028 - 2029. Forecast increases in the number of businesses (estimated to grow at an annualised rate of 2.2% per annum) together with business tourist nights will support the industry's growth over the long term and this is further echoed by trends identified by Destination NSW.

The community's vision for Albury to become a nationally significant regional city, vibrant, diverse, innovative and connected and shaped by its culture, environment and location on the Murray River, provides a compelling rationale for the redevelopment to proceed. Achieving national significance requires Council to continue investing in the city's infrastructure, remain competitive with other regional and metropolitan centres, and seizing emerging opportunities. Comparative case studies

demonstrate that Albury is accessible and exceptionally well-positioned to capitalise on growth in the regional convention sector and to establish itself as a leader in this market.

Ongoing investment by other regional Councils in new or upgraded conference facilities highlights the increasing value placed on regional conference centres. This trend reflects a broader recognition of their economic and strategic importance. Specific recent investments have been, or are planned to be progressed, across the following regional locations:

- Geelong, VIC – Opening in 2026, the new Nyall Banyul Convention Centre and Event Centre will include a 1,000 seat convention space, exhibition halls, meetings rooms, Crowne Plaza Hotel, public plaza together with a retail and dining precinct.
- Wagga Wagga, NSW – Redevelopment of the Civic Centre is master planned proposing to include new conference and event spaces catering up to 270 people seated banquet style, accessibility upgrades together with integration with Wollundry Lagoon project aimed to support business events, tourism and enhancement of civic infrastructure.
- Bendigo, VIC – Upgrades to the Bendigo Showgrounds and exhibition facilities projected to support agriculture and trade events.

A recent Feasibility Report dated November 2023 offers a compelling comparative analysis between the North Coast Convention Centre and the AEC Redevelopment. The North Coast study identified development costs between $52.4 million and $56.7 million, with the $53.3 million Pacific Bay Convention Centre considered the strongest cost benefit outcome. However, despite the significantly higher price tag, the proposal does not deliver a greater footprint or additional benefits than those provided by the AEC redevelopment. In contrast, the AEC redevelopment achieves the same or greater outcomes for $13.8 million less. This evidence demonstrates that the AEC redevelopment is not only competitively priced but also represents a superior, fiscally responsible investment that maximises financial returns while delivering substantial social and community benefits.

Currently there are only three conference venues in regional NSW, (Tamworth, Wollongong and the Hunter Valley) that can cater for business events with 500 people or more. All three venues have confirmed strong growth in regional conferencing post COVID-19 pandemic with forward bookings and interest extending through to 2027. The redevelopment positions the AEC competitively to capture a share of this growing market.

Social and Civic Benefits

The redevelopment of the AEC isn't a decision based purely on financials. Council provides a range of infrastructure for various reasons – components of which are essential, and others that are discretionary but add to the social, economic and environmental fabric of our community. Of these discretionary assets, some generate revenue and others that do not (for example the Regional Skate Park, Lauren Jackson Sports Centre, Volt Lane Car Park, Albury Swim Centre). From a value for money perspective it is important that the utilisation of AlburyCity's assets are maximised to ensure efficient and appropriate use of public money.

The AEC is a central component of the Albury Cultural Precinct, providing residents and visitors with essential infrastructure for entertainment, events, business, cultural experiences, civic services and community gatherings. The redeveloped facility will enhance the precinct's amenity by offering a

modern, accessible and vibrant civic space that supports greater community engagement, a wider breadth of cultural programming and a larger capacity for educational and conference activities while also attracting regional and interstate visitors.

Design co-ordination was undertaken between the Albury Cultural Precinct Master Plan and the AEC redevelopment project. When developing the Cultural Precinct Master Plan, it was recognised by consultants, Taylor Cullity Lethlean, that the AEC provides a significant regional role and also reinforces the cultural ensemble of the precinct, however the Swift Street interface is poor and appears as a tired presence on the precinct.

The Cultural Precinct, and the AEC in particular, plays a key role in activating Albury CBD's day and night-time economies. As noted in AlburyCity's Retail Action Plan 2023–2027, the redevelopment is expected to deliver positive benefits for surrounding retailers. With limited recent investment in the Albury CBD, the project has strong potential to act as a catalyst for revitalisation, strengthening the social, cultural and civic fabric of the city while supporting broader economic and community outcomes.

In addition to its broader civic and economic role, the redevelopment will act as an inducement for deeper engagement with the arts and cultural community. Enhancements to the venue, including the upgraded Theatrette and new multi-purpose spaces, will support rehearsals, workshops and small-scale productions alongside convention and event activity. By providing accessible and professional facilities for local artists, visiting and emerging artists, performers and cultural organisations, the AEC will be more closely interwoven with the cultural life of the city, reinforcing its position as both a civic and creative hub and amplifying the precinct's role as a driver of social, cultural and community revitalisation.

Scope of Redevelopment Works

Redevelopment of the AEC's Convention Wing includes:

- A new modern 2,000 seat auditorium (800 seat banquet style) offering exceptional acoustics, flexible seating configurations and the ability to partition spaces for concurrent events, catering to a wide range of performances, conferences and presentation requirements.
- Eight state-of-the-art meeting rooms featuring integrated audio-visual technology, high-speed connectivity and adaptable layouts to accommodate small to medium-sized corporate or community meetings.
- Exhibition and conference spaces designed for versatility and scale, capable of hosting large conferences, trade shows and cultural and civic events with open plan layouts, seamless access and modern amenities to enhance delegate experience.
- Arrival plaza and tourism event space providing a welcoming and functional entry point and improved wayfinding.
- Food and beverage offerings designed to deliver a comprehensive experience with diverse catering options, upgraded hospitality facilities and spaces that enhance networking, social interaction and overall visitor satisfaction.
- An enhanced Theatrette seating up to 177 people, supported by a new pre-function foyer with balcony access and additional toilet facilities. An enlarged green room with dedicated amenities and accessible stage entry will offer greater opportunities to host a variety of small-

scale events not previously achievable. Flexible operable doors will allow the green room to double as a meeting /rehearsal space or integrate into the level 2 foyer, significantly improving versatility and user experience beyond current offerings.

A Layout Mode Function is attached setting out the design layout of the AEC redevelopment (Attachment 3).

Cost Plan and Quantity Surveyor Report

An independent Cost Plan has been prepared by Rider Levett & Bucknall (Attachment 4), a leading independent global construction, property and management consultancy firm providing cost management and quantity surveying, among other services. The Cost Plan dated August 2025 estimated construction cost and associated service and consents costs of $34.7 million plus $4.2 million budgeted for contingencies. In accordance with the above, an Executive Summary is attached (Attachment 5).

Project Value Management

The project has been initiated and structured as a design and construct model to ensure alignment with funding stages and approval processes. The design and associated drawings are now nearing completion in preparation for the construction tendering phase.

Throughout this process, AlburyCity Officers and designers have implemented a range of value management measures to maintain budget integrity, including targeted reductions in building size and scope, the adoption of simpler and more cost-effective construction techniques, the reuse of existing equipment and spaces and the selection of more economical finishes with examples as follows.

- Reduced feature canopy complexity, structure and materials - $455,000
- Reduced ceiling finishes - $877,000
- Exclusion of existing Theatrette timber wall panelling - $230,000
- Removal feature elements to façade - $212,000
- Simplified glazing to façade - $185,000

These strategies have generated notable savings without compromising the overall functionality or quality of the facility.

Construction cost annual escalation has now stabilised at 2.2% over the past 12 months, a decrease from the post COVID-19 peak of 12.8%. This shift provides greater confidence in the accuracy of the costs estimate and reduces the escalation risk for AlburyCity and participating construction tenderers.

In addition, AlburyCity's procurement methodology provides further opportunities for value management while ensuring transparency and compliance with probity requirements. In line with the Funding Deed, the project will be procured under the GC12 Contract, with requests issued for both conforming and alternative tenders. This approach not only enables contractors to put forward innovative solutions and/or propose alternative products but also encourages market competition to

generate additional cost savings, improve constructability and deliver long term value to the community.

AlburyCity's quadruple bottom line approach to procurement further reinforces our ability to manage the broader impacts of the project. This framework ensures that, in addition to financial considerations, environmental, social and governance outcomes are also assessed and balanced. In particular, the approach enables Council to maintain strong control of the project's economic impact while ensuring that local benefit, such as the use of regional contractors, local supply chains, job creation and skills development, is actively evaluated, prioritised and encouraged.

It is noted that while early contractor involvement (ECI) may be beneficial for certain projects, it is not considered a viable or efficient option for the AEC redevelopment. With the project design now approximately 98% complete and construction ready, the opportunity for a contractor to influence outcomes are minimal. Introducing ECI at this stage would likely generate additional design revisions, consultant costs and contractual negotiations, creating unnecessary expense and delay without guaranteeing cost savings. Further, altering the procurement approach at this advanced stage would increase delivery risk whereas proceeding directly to tender ensures the project remains on track within agreed funding timelines and maintains strong governance and accountability.

Importantly, Council retains options under s178(3) of the *Local Government Regulations* to either invite fresh tenders or enter into negotiations with preferred contractors as a means to progressing the project, should this be required. These provisions provide important flexibility, ensuring Council has the ability to respond to market conditions and secure the most advantageous outcome for the project.

Capital Funding

The total capital works budget is $39.5 million, comprising:

- $25 million in secured grant funding ($10 million from the Commonwealth Government and $15 million from the New South Wales Government); and
- $14.5 million endorsed in AlburyCity's Four Year Delivery Plan at the 28 June 2025 Council Meeting.

The detailed Funding Deed took over 18 months to negotiate and execute following the funding announcements in early 2022. The Funding Deed for the $25 million obligates AlburyCity to demonstrate and report quarterly on progress against 17 specific activities through to March 2028.

Pursuant to the executed Funding Deed, funds may only be used for the Albury Entertainment Centre Project.

Financial Assessment

AlburyCity and the community of Albury recognise the important role that Albury Entertainment Centre plays in delivering a broad range of civic and other services for our region. In delivering these services AlburyCity has subsidised the annual operating costs for at least the past 10 years. During the past 10 years the annual operating deficit for the AEC has typically been in the order of $500,000, ranging

from $341,777 in 2019 to $661,584 in 2020 with the Convention Wing operations requiring the bulk of the subsidy.

In 2021, AlburyCity engaged AEC Group (formerly Australian Economic Consultants) to conduct an Economic Analysis for the redevelopment however given the current economic environment an updated Financial Assessment has recently (September 2025) been carried out by Macroplan (Attachment 6). A summary of the key financials is reported below:

Net Present Value (NPV)	$3.6 million
Internal Rate of Return (IRR)	6.1%
Payback period	~20 years
Total projected operating revenue over 30 years	$153.1 million
Total operating costs	$149.6 million

The Net Present Value (NPV) measures the actual economic benefit of a project. All projects with a positive NPV indicate benefits outweigh costs. With an NPV of $3.6 million the AEC redevelopment demonstrates a net financial benefit.

Operating Revenue and Cost Assumptions

The redevelopment is forecasted to set to enhance the financial standing and income diversity of AlburyCity with revenue increasing from approximately $1.1 million to almost $5 million in 2028–2029.

Further, the redevelopment is projected to generate a positive EBITA (earnings before interest, taxes, depreciation and amortisation):

- From Year 1, revenue exceeding operating costs from the outset.
- By Year 2, operating performance is expected to fully cover interest obligations; and,
- From Year 6 onwards, earnings will be sufficient to cover both interest and depreciation (non-operating expenses).

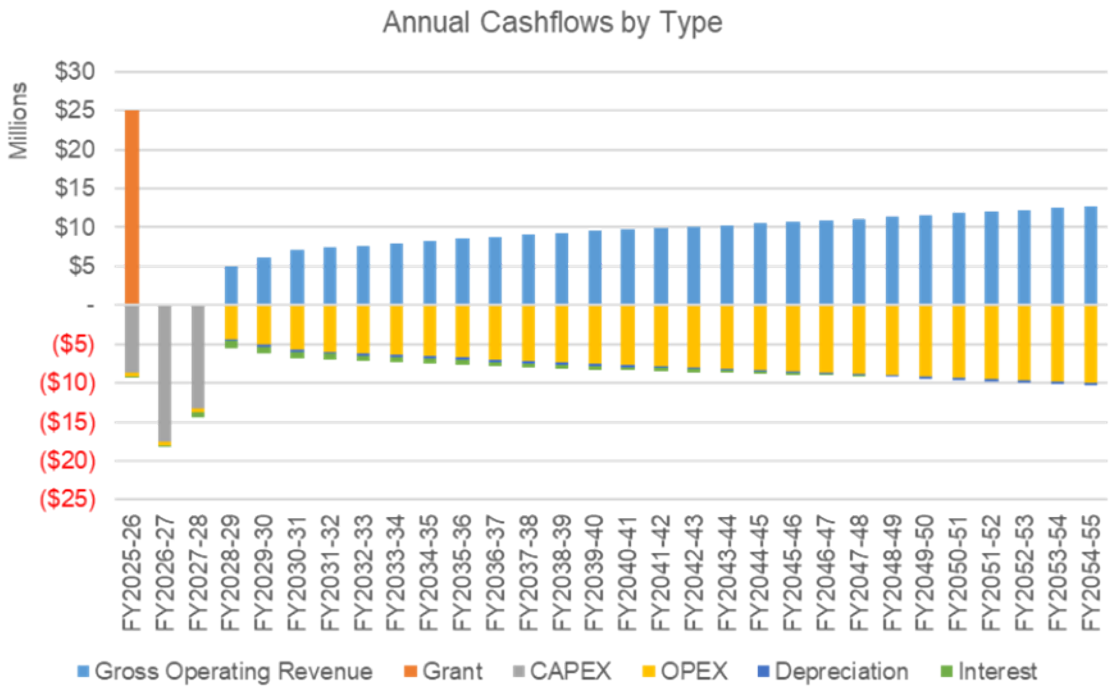
It is projected that revenue will experience rapid growth over the first four years of operation post redevelopment with 1.5% annual growth between years 5 to 10. After year 10, growth is anticipated to stabilise. Demand projections indicate the AEC realistically achieving 231 events in Year 1, growing to 338 in Year 3 and thereafter growing at a rate of 1.5% to Year 10, plateauing thereafter. This projected demand still only reflects less than 1% market share of regional NSW business events market in 2024.

With a focus on event diversification, multiday conferences, meetings and banquets will dominate the business mix, driving the primary increase in food and beverage demand. Currently, food and beverage revenue accounts for approximately 70% of the AEC's total income with this share expected to grow. In the first year of operations, food and beverage revenue is forecast to grow five times the 2024–2025 levels, driven by the expansion of multiday events and banquets. A pricing model shift, in line with competitor venues, will also support increased revenue derived from food and beverage sales.

While the Theatre itself is not being redeveloped, the redevelopment of the Convention Wing is anticipated to generate a halo effect enhancing overall visitor numbers, event frequency and ancillary revenue opportunities. Projections conservatively incorporate a notional 5% uplift in Theatre income attributable to these spillover benefits.

While revenue is anticipated to grow, operating costs are also expected to rise. Pre-opening expenses will include marketing, promotional activities and sales resources during the construction phase to secure forward bookings. Once operational, the cost of food and beverage is projected to be the largest operating expense. Representing 40% of food and beverage revenue it is important to note that if food and beverage revenue does not meet expectations corresponding costs will decrease accordingly. Similarly, variable labour costs, which account for 15% of food and beverage revenue, will adjust in line with fluctuations in event demand.

The below graph represents the annual cashflows to 2054 – 2055, illustrating gross operating revenue, grant funds, CAPEX, OPEX, depreciation and interest.



Revenue Profile

The redevelopment is expected to lead to more than twice the number of events within the first four years of operation with the potential to generate over three times the current revenue. Demand and revenue will be supported by targeting the following events:

- Business events – national and state conferences; Government, corporate and training meetings; trade exhibitions; consumer exhibitions and corporate banquets.
- Community and social events – weddings, parties and banquets; community and cultural events; school and university graduations; indoor sports and special events such as establishing signature annual events.

- The Theatrette – providing an intimate venue for keynote presentations, breakout sessions, rehearsals and small-scale productions, broadening the event mix and generating additional revenue opportunities across business and the cultural community.
- The addition of the first-floor banquet space will provide an intimate events space to host a series of cabaret shows, product launches and special events.

Recent business event enquiries support the strong appetite to trend to regional destinations. The following provides a sample of enquiries received looking at date ranges from 2024 – 2026.

- Coffs Harbour Waste Conference - 900 delegates and 60 trade exhibitors
- Arinex Agriculture and Medical Conferences - ranging from 200 to 2000 delegates
- NSW Rural Fire Service - 600 delegates
- ASHM Health, Policy and Education Division - 350 to 450 delegates and 30 trade exhibitors
- Massage & Myotherapy Australia - 250 to 400 delegates
- Comm Corp - 100 to 1000 medical delegates conference, skiing in July for Doctors
- Innovatek - 250 delegates and 40 trade exhibitors
- Department of Social Services - 300 delegates
- NSWLG annual conference - 60 trade exhibitors
- HART ministries international - 500 to 700 delegates

It should be noted that the AEC financially underperformed in the 2024-25 financial year. This outcome is primarily attributable to the current facility's limitations, which restricts its ability to meet current and emerging industry demands to compete effectively.

Key challenges include:

- Exhibition space that is insufficient for consumer and trade exhibitions limiting the AEC's ability to attract and retain large scale events;
- Convention spaces that are frequently too small or lack the versatility required for contemporary event formats;
- Inflexible room configurations despite increasing organiser demand for adaptable layouts that combine plenary, breakout and exhibition functionality;
- Outdated technology and audio-visual systems which fall short of standards set by competing venues; and,
- Limited kitchen capacity constraining the AEC's ability to cater efficiently for larger and more complex events.

The redevelopment is strategically designed to address these challenges, capitalising on a more flexible, adaptable layout with modern amenities that will enhance the venues competitiveness and attract a broad range of high calibre events while representing a positive and sustainable revenue opportunity for AlburyCity. The redevelopment will better position the AEC to meet evolving client expectations and secure a stronger share of the event and conference market moving forward.

Requirement for Immediate Facility Maintenance if Redevelopment Does Not Proceed

As noted above, in 2015/16 it was recognised that significant asset renewal investment for the AEC would be required over the next 10 years, should a major redevelopment not occur. Accordingly, in addition to conducting feasibility and costs analysis of the redevelopment project, a comprehensive

cost estimate has been prepared to assess the financial implications of retaining the existing AEC building (Attachment 7). The estimate includes essential upgrades, and compliance works across plant and machinery, building elements, safety systems and furnishings.

The estimate indicates AlburyCity would be required to spend in the vicinity of $9.2 million (ex. GST) to carry out works including, but not limited to:

- HVAC system replacement and upgrades;
- Electrical switchboard and distribution board replacement;
- Fire safety compliance upgrades including doors, panels, signage;
- Roof re-sheeting, insulation and safety systems;
- Lighting, flooring and internal finishes;
- Kitchen and bar equipment replacement;
- Furniture and fit-out renewal; and,
- External access and façade improvements.

This estimate highlights the significant investment required to maintain the current facility at a serviceable level, without achieving the expanded capacity, functionality or economic benefits offered by the proposed redevelopment.

In addition to the identified maintenance requirements noted above, further costs are highly probable. Maintaining the existing facility will inevitably require ongoing works that are inherent to an ageing asset. While the extent of these future maintenance costs are currently unknown, appropriate budget provisions would be necessary into the future to ensure adequate funds are allocated for such works not only in the short term but over the longer term.

To date, no significant budget has been allocated to repairs and maintenance on the Convention Wing given the progression of the redevelopment project. Some recent improvements to the Theatre were carried out noting that the Theatre does not form part of the redevelopment project.

Risks

Business Risk

- The AEC redevelopment project has secured $25 million in Government funding and a further $14.5 million adopted by Council in the 2025-26 Four Year Delivery Plan. To date, substantial financial resources have been invested in design and preliminary works. In addition, Council Officers have dedicated considerable time and effort to progressing the project. Should the project not progress at this time, these investments risk being effectively lost.
- Proceeding to tender will allow the market to assess and determine the commercial viability of the construction phase. While there is a risk that submitted tenders may exceed the allocated budget of $39.5 million, Council will have the opportunity to consider the outcomes through a subsequent report and, at that stage, may elect not to proceed with the project or explore alternative options. A comprehensive construction budget has been developed, incorporating appropriate contingency allowances to ensure the project remains within budget. In addition, Council officers will proactively manage the project with a specific focus on financial oversight,

regularly monitoring expenditure and forecasts to identify and address any potential cost pressures early.

- In anticipation of construction commencing in 2026, forward bookings for the Convention Wing have not been accepted and should the redevelopment project not proceed, a projected decrease in activity is anticipated to have a detrimental impact on Council's financial position.
- Further, and significantly, there is an imminent risk that should the redevelopment project not proceed, Council would need to allocate approximately $9.2 million for essential replacement of plant and maintenance of the existing facility. This investment would not deliver any additional benefits to AlburyCity or the community but would merely maintain the current level of operations. This amount only includes the known maintenance required at this point in time however as with any aging asset maintenance needs will continue to rise and adequate budget allocation would need to be made for such circumstances.

Corporate Risk

- Should the redevelopment project not proceed there is significant risk to AlburyCity's reputation. Secured grant funding would be forfeited and would likely jeopardise any future grant funding applications. In addition, delaying or cancelling the project would erode stakeholder confidence and cast doubt on AlburyCity's ability to honour contractual commitments.
- Not proceeding with the redevelopment project could compromise Council's ability to deliver on its strategic vision and objectives, as endorsed by Council and expected by the community, specifically Towards Albury 2050, Albury Cultural Precinct Master Plan and the Albury Wodonga Destination Management Plan.

WHS and Public Risk

- Should the project proceed, a comprehensive WHS and public risk assessment will be carried out by the successful tenderer.
- WHS and public risk may be increased should the redevelopment not proceed given the aging of the facility and the need for maintenance works to be undertaken in the short term.

Environmental Risk

- Development consent (10.2021.38793.1) has been obtained for the redevelopment works, which included the preparation and assessment of environmental risks via a Statement of Environment Effects (SEE).

- Standard risks associated with construction are possible, including delays due to inclement weather, changes due to latent/unknown construction issues, contractor caused delays and supply chain lead times. Notwithstanding, the worksite is a constructed environment with existing structures and drainage, which will provide good access, minimising potential delivery risk. Extensive site investigations have been undertaken during the design and planning phase, with results indicating the risk to delivery is low.

Engagement

Community engagement has been undertaken throughout the course of the project in addition to consultation during the development of the Albury Cultural Precinct Master Plan in May 2021. Specific engagement was further undertaken in 2021 to inform design work and understand needs in a redeveloped AEC Convention Wing.

In addition to key stakeholder workshops, the community consultation was live on the Have Your Say Page, with 1,691 website sessions resulting in 187 responses. Findings from the survey indicated:

- 87% of respondents were at least somewhat excited by the concept design, with almost half very excited about the concept design; and
- 96% of respondents believed that it is at least somewhat important that Albury has a modern and fit for purpose Convention Centre.

In addition to direct engagement, the community has also been informed of the project's progression through the Major Projects section of the AlburyCity website in addition to updates through News from AlburyCity and via social media.

Further, the redevelopment project has been included in the current works program which was placed on public exhibition prior to adoption by Council on 28 June 2025.

Options

1. That Council endorse progression to public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment. **Recommended**.

   Proceeding to tender will allow the market to assess and determine the commercial viability of the construction phase. Council will then have the opportunity to consider the outcomes through a subsequent report and, at that stage, may elect not to proceed with the project or may choose to value manage the project via alternative procurement processes as per section 178 of the *Local Government General Regulation 2021*.

2. That Council does not endorse progression of the public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment at this stage and seeks a further report with alternative design and/or procurement options to reduce the scope of construction works to a budget of $31.5 million. **Not Recommended.**

   Under the AEC Funding Deed AlburyCity is obligated to make a co-contribution of at least $5 million in addition to the $25 million grant. In addition, AlburyCity has as obligation to contribute $1.5 million to an Albury Wodonga Regional Project in relation to the transfer of Commonwealth land as part of the Albury Wodonga Regional Projects agreements.

   This option will impact the project's timing and scope change and may not meet the deliverables of the funding deed. It is anticipated that a large-scale change would also add further design cost. The project could be delayed by up to a further 12 months due to the need

for necessary referrals and approvals. AlburyCity would be required to renegotiate the milestones of the Funding Deed with both the NSW and Commonwealth Governments, noting this might not be acceptable to both funding bodies.

3. That Council does not endorse progression of the public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment at this stage and determines to pause on the project for up to 12 months, pending the outcome of a range of reviews currently underway in relation to Council's financial position and capital program priorities. **Not Recommended.**

   Not progressing the project to tender and seeking an extension of the works will impact the project's timing and AlburyCity's obligations under the Funding Deed. AlburyCity would be required to renegotiate the milestones of the Funding Deed with both the NSW and Commonwealth Governments, noting this might not be acceptable to both funding bodies. Any delay in commencing will potentially impact project costs.

4. That Council does not endorse progression of the public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment and, pursuant to the Funding Deed, immediately notifies the Australian Government and New South Wales Government that Albury City Council is unable to proceed with the project. **Not Recommended.**

   Over the past 10 years, AlburyCity has invested significant funds and resources to progress the project. Advocacy efforts secured $25 million in funding from the Australian and New South Wales Governments. The investment supports the region's vision for economic development and enhanced liveability and exemplifies the Albury Wodonga Regional Project's objective to deliver infrastructure that fosters growth, connectivity and opportunity across the border region. Not proceeding with the project would forfeit $25 million in grant funding. AlburyCity would be required to expend more than $9 million to maintain the existing facility at a serviceable level without achieving any additional benefit. Further, AlburyCity risks reputational damage, erosion of stakeholder confidence and success of future grant applications should the project not proceed.

5. That Council does not endorse progression of the public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment and seeks to redirect remaining grant funding by the Australian and New South Wales Governments to another AlburyCity project. **Not Recommended.**

   On 23 December 2023, AlburyCity entered into a Funding Deed with the New South Wales Government outlining a combined funding commitment of $25 million, comprising $10 million from the Australian Government and $15 million from the New South Wales Government. The Funding Deed explicitly states that Council must ensure the Grant or any instalment is only used for the purpose of the approved project, being the Albury Entertainment Centre Project. The terms of the Deed do not permit Council to apply funding to any project or activity outside of the scope of the Albury Entertainment Centre Project. Any proposal to redirect funding would require formal Departmental approval from both the Australian and New South Wales Governments, however, carries a risk of project cancellation and forfeiture of the committed

funds. Given the objectives of the Albury Wodonga Regional Project together with the nature and conditions of the Funding Deed, securing such approval is considered unlikely.

Conclusion

The Australian Government's Australian Trade & Investment Commission reported that in 2024 visitors attending business meetings, corporate events, convention and conferences, seminars, exhibitions or trade fairs spent $19.6 billion. While the COVID-19 pandemic resulted in many events, conferences and exhibitions being cancelled, IBISWorld, 2024 reports that the industry is recovering with forecast growth annualised rate of 3.2% through to the reporting period of 2028 - 2029. Forecast increases in the number of businesses (estimated to grow at an annualised rate of 2.2% per annum) together with business tourist nights will support the industry's growth over the long term and this is further echoed by trends identified by Destination NSW. There is a significant opportunity for AlburyCity to capitalise on this growing industry with redevelopment of the Albury Entertainment Centre Convention Wing.

Built in 1972, the Albury Entertainment Centre Convention Wing has not seen any significant redevelopment since 1993. In 2015-16 Council recognised that substantial asset renewal investment would likely be required over the next 10 years and subsequently commenced investigation into feasibility of a redevelopment of the Convention Wing. Over the course of the following years to date, Council has endorsed progression of the redevelopment project and has been successful in securing grant funding of $25 million ($10 million from the Commonwealth Government and $15 million from the New South Wales Government). and progressed the project to detailed design phase with a view to commencing construction in 2026 for the $39.5 million project.

To date, AlburyCity has invested over $3 million in design and early works, with enabling works underway and construction scheduled to commence in March 2026.

Proceeding with the AEC redevelopment will deliver the following key benefits:

- Economic contribution of $124.9 million during construction while creating 336 FTE jobs;
- Ongoing economic impact of $22.5 million annually and supporting an additional 222 FTE jobs;
- Enhance the financial standing and revenue diversity of AlburyCity with revenue increasing substantially from approximately $1.1 million to almost $5 million in 2028 – 2029;
- Significant enhancement of public amenity within Albury's Cultural Precinct;
- Delivery of a modern, accessible and inclusive civic space for both the community and visitors;
- Strengthening of Albury's visitor economy through increased tourism and event attraction;
- Placing the AEC as a leading regional conference destination capable of hosting over 500 delegates; and
- Acting as a key catalyst for the revitalisation of Albury's CBD.

In the event the AEC redevelopment does not proceed, Council:

- Will forfeit $25 million in secured grant funding for a project that directly aligns with national, state, regional and local strategic objectives;
- Incur an estimated $9.2 million in essential maintenance costs on the existing AEC facility without delivering any additional capacity or economic return;
- Risks reputational damage and erosion of stakeholder confidence;

- Risks compromising the success of future funding applications;
- Risks becoming noncompetitive in the marketplace to host significant conferences and business events of over 500 delegates;
- Will fail to capitalise on the growth opportunities within the visitor and business events sectors; and
- Risks undermining Albury's position as a nationally significant regional city.

Accordingly, it is recommended that Council proceed to the tender stage for the construction of the Albury Entertainment Centre Convention Wing Redevelopment.

Recommendation

That Council endorse progression to public tender for the construction of the Albury Entertainment Centre Convention Wing Redevelopment.

Attachments

1. AnSeb Consulting AEC Business Case – September 2025 (DOC25/232704).
2. Macroplan Economic Impact Assessment – September 2025 (DOC25/232705).
3. Albury Entertainment Centre Convention Wing Redevelopment Layout Mode Function (DOC25/232955).
4. Rider Levett & Bucknall Cost Plan – August 2025 (DOC25/232664).
5. RLB Cost Plan Executive Summary – August 2025 (DOC/233723).
6. Macroplan Financial Assessment – September 2025 (DOC25/232706).
7. Cost Estimate to Retain Existing Building – August 2025 (DOC25/233041).