

Case study:

Nyaal Banyul – the Geelong Convention and Event Centre

February 2025



Nyaal Banyul – the Geelong Convention and Event Centre

The Nyaal Banyul Geelong Convention and Event Centre (Nyaal Banyul) and its precinct is a major development on central Geelong's waterfront. The state government expects it to be a key economic development and urban renewal driver in Geelong and support the Surf Coast and wider region's visitor economy.

The Nyaal Banyul precinct project is part of the Geelong City Deal signed between the City of Greater Geelong and the Australian and Victorian governments.

Figure 1: Artist's impression of the Nyaal Banyul public plaza



Source: Department of Jobs, Skills, Industry and Regions.

Key project data

2024–25 BP4 project name:	Nyaal Banyul Geelong Convention and Event Centre
Previous reporting name:	Geelong Convention and Exhibition Centre (GCEC)
Project lifecycle phase:	In delivery/under construction
Financial year when first disclosed:	2018–19 (as part of the Geelong City Deal) Note: The first specific reference to a GCEC is in the 2022–23 BP4 project summary.
Current approved cost (TEI):	\$449.10 million
Original approved cost (TEI):	\$139.22 million (according to the 2018–19 BP4)
Cost variance analysis:	Increased by 222.58% (\$309.88 million)
Expected completion date:	Quarter 4 2025–26
Original completion date:	Quarter 2 2022–23 (according to the 2018–19 BP4)
Time variance analysis:	Delayed by 14 quarters (approximately 3.5 years)
Responsible (BP4) entity:	Department of Jobs, Skills, Industry and Regions (DJSIR)
Delivery entity:	Development Victoria (DV)
Approval authority:	DJSIR

Note: BP4 is Budget Paper 4: State Capital Program. TEI stands for total estimated investment.

Figure 2: Nyaal Banyul lift cores under construction and site crane



Source: DJSIR.

Project summary

Project description and purpose

Nyaal Banyul will deliver a modern convention and exhibition centre and precinct on the Geelong city waterfront. The government identified Nyaal Banyul as a key project to stimulate regional economic development, improved liveability and increased visitor-driven economic activity in Geelong and its wider region.

Nyaal Banyul includes a convention and event space, a 200-room hotel, a public plaza, food and beverage offerings, underground car parking, and building and facilities management services. A range of precinct developments will surround Nyaal Banyul, such as retail and mixed-use commercial development.

The state-owned Melbourne Convention and Exhibition Trust will operate Nyaal Banyul when it opens. The project is part of the Geelong City Deal agreed between the City of Greater Geelong and the Australian and Victorian governments.

Project status

Red, Amber and Green (RAG) status

The criteria we used for this RAG assessment can be found at the end of this case study.

Figure 3: Entity self-assessment compared to VAGO assessment

	Scope	Cost	Time	Benefits
Entity self-assessment	Green	Green	Green	Green
VAGO assessment	Green	Green	Green	Amber

Note: Entity self-assessments were made in the specific project survey. Based on the information the DJSIR provided and survey responses, VAGO assessed benefits as amber because benefits measurements processes are not fully developed and baseline data to measure benefits achievement is insufficient.

Source: VAGO.

Cost, time and scope performance

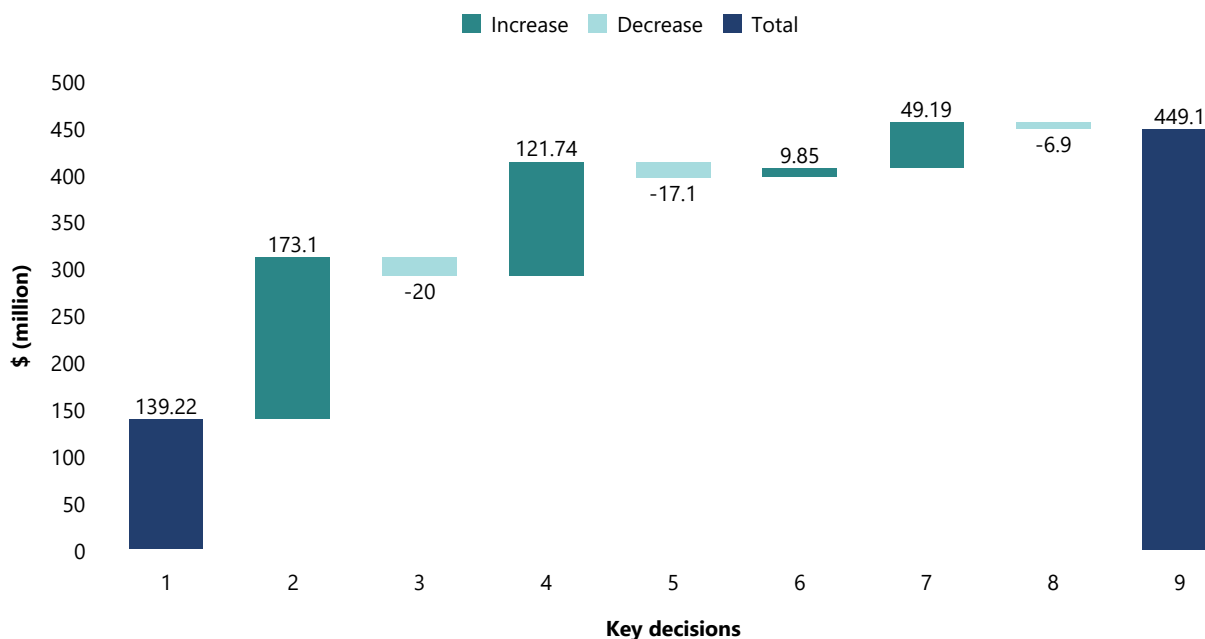
Nyaal Banyul was first reported in the 2018–19 BP4 as part of the Geelong City Deal project, with a \$139.22 million TEI. The current 2024–25 BP4 lists Nyaal Banyul as a separate project with a \$449.10 million TEI.

In 2021, the state government committed additional funds to deliver a convention and event centre through a public–private partnership (PPP), although this was not separated from the Geelong City Deal project’s TEI until 2024–25.

Public reporting on budget changes to Nyaal Banyul over time is not clear. This makes it difficult for Parliament and the community to understand the project’s performance over time.

Nyaal Banyul is currently on track against its current milestones. The site has been cleaned up and existing buildings demolished, with main construction underway. Some design work, including artwork from First Nations artists, is being commissioned.

Figure 4: Budget changes to Nyaal Banyul



Legend

Key decision	Date and detail
1	2018–19 BP4: original TEI (part of the Geelong City Deal, before being a convention centre)
2	2019–20 BP4: TEI increased and includes \$30 million Australian Government funding and \$3 million from City of Greater Geelong (part of the Geelong City Deal, before a convention centre was specifically disclosed)
3	2021–22 BP4: TEI decreased due to funding reclassification for other Geelong City Deal projects (part of the Geelong City Deal, before a convention centre was specifically disclosed)
4	November 2021: additional funds granted in November 2021 to deliver Nyaal Banyul as a PPP (part of the Geelong City Deal)
5	2023–24 BP4: TEI decreased due to capital expenditure reclassified as operating costs
6	2023–24 BP4: additional funding granted to meet forecast capital costs
7	November 2023: TEI increased after the procurement process ended and preferred bidder selected.
8	February 2024: TEI decreased after final project negotiations
9	2024–25 BP4: current TEI, with Nyaal Banyul now reported as a separate project.

Source: VAGO.

Risks and emerging pressures



There are no specific risks noted at this point.
The project’s independent reviewer (IR) states that the Nyaal Banyul development is progressing according to the construction program.

Variance analysis

Nyaal Banyul’s approved cost has increased when the current TEI is compared to the original 2018–19 approved cost. This cost variance is due to procurement model changes and construction market price escalations.

DJSIR told us that costs went higher than the original TEI because:

- of an overstimulated market, construction industry dynamics, COVID-19 and other geopolitical factors, which escalated pricing
- the government adopted a precinct approach and agreed to a PPP procurement model, which added lifecycle costs to Budget disclosures
- DJSIR refined the centre design to create a more fit-for-purpose facility, benchmarked against comparable centres.

Before Nyaal Banyul was separated out of the Geelong City Deal, the approved completion date was quarter 2 2022–23. The current expected completion date is quarter 4 2025–26. This is a 3.5 year increase in project duration.

Since the PPP approach was confirmed, the project has been tracking in line with contracted delivery dates.

Impacts of scope and other changes

The impact of changes to the project is not clearly documented in public reporting. But internally it is well-documented and reported every month.

Project working groups can escalate unresolved variance issues to the responsible minister. There are no examples of this escalation happening to date.

Key funding stakeholders

Stakeholders

The Nyaal Banyul project's current approved TEI includes funding from the Australian Government, the City of Greater Geelong, and the state. The Victorian Government increased its share of the Geelong City Deal to provide extra funding for the project.

The current TEI is \$449.10 million with \$30 million from the Australian Government and \$3 million from the City of Greater Geelong.

Project benefits

Benefits

The project's original investment logic map (ILM) has not been updated since 2016 and does not reflect the project's current vision and expected benefits.

The original ILM does not include expected benefits from a precinct-wide development, which includes a new hotel. The project's Gate 3 review notes that the most significant benefit identified was delivering Nyaal Banyul and offering new co-located venues and accommodation.

The benefits approach rigour was queried in the Gate 3 review. The review also notes that the ILM and benefit management plan (BMP) needs to be aligned with the updated project scope's expected benefits.

This was committed to in a gateway recommendation action plan signed by DJSIR in November 2022. DJSIR told us that this is an ongoing piece of work to be completed for the Gate 5 review after the project is approved as ready for use in 2026.

Governance and assurance

Governance and assurance In Victoria, the governance and oversight processes for PPP procurements are mature and well-defined. An IR is a key element of the project's assurance approach. The IR communicates key project observations jointly to the state government and private sector.

Nyaal Banyul became a high value high risk (HVHR) project in 2021. The Department of Treasury and Finance (DTF) has not conducted any project assurance reviews for this project. But DTF did oversee a Gate 3: Readiness for market review in August 2022 and made 12 recommendations.

DV's role as the delivery interface agency is well-described in the project and contract management plans. DV has actively participated in the required HVHR and gateway processes to date. DJSIR told us that a new memorandum of understanding has been signed to better reflect the project's current roles and responsibilities.

This project has some extra coordination and approval layers because local and Australian governments are involved via the Geelong City Deal. Because Nyaal Banyul sits within the Geelong City Deal and is delivered as a PPP (which attracts extra DTF oversight) project matters are well-documented.

Procurement approach

PPP model The government endorsed a PPP procurement in April 2022. This model was given extensive consideration in line with the broader project objectives to use the precinct as a catalyst for renewing and revitalising Central Geelong.

DJSIR said the government selected the PPP approach because it maximised a whole-of-precinct activation. It complemented the public realm improvements as well as the convention centre, with hotel, commercial, food and beverage offerings, supported by a mixed-use development to promote year-round activity. DJSIR told us that this approach could potentially capture private investment worth \$250 million.

DJSIR assessed that the PPP approach would provide value and affordability compared to the public sector comparator (PSC), which estimates likely traditional procurement process project costs. The PPP saves an estimated \$17.8 million against the PSC.

DJSIR has specific experience with the PPP model for a convention and event centre from its role in the Melbourne Convention and Exhibition Centre. The outcomes from the PPP approach are publicly documented in a project summary on DTF's website.

Better practice and lessons learnt

Better practice



The project team closely engaged with the Wadawurrung Traditional Owners Aboriginal Corporation when developing the project.

The Wadawurrung Traditional Owners Aboriginal Corporation gifted the precinct the name Nyaal Banyul, which means look to the hills. This is a positive and tangible involvement for First Peoples in a state-funded asset investment.

The project is also using a social procurement policy. DV worked with the Geelong-based Give Where You Live Foundation to develop social procurement targets and an employment scheme.

To assist with design and operational concepts, project advisors visited comparable centres (including the Darwin Convention Centre, Gold Coast Convention and Exhibition Centre and Te Pae Christchurch Convention Centre) and held detailed sessions with centre staff and designers to inform Nyaal Banyul's reference design.

RAG rating definitions

Rating	Scope	Cost	Time	Benefits
Red	Current approved project scope is at risk and requires action and a decision by the government	Project is likely to be more than 20% over its current approved budget	Project is likely to be more than 6 months behind its current approved schedule	Project benefits measurement systems are not in place and baseline and progress data for project benefits described in the business case, ILM or BMP is not available
Amber	Scope risks are emerging but are being managed and no action or decision is required by the government at this point in time	Project is likely to be 11–20 % over its current approved budget	Project is likely to be 4–6 months behind its approved schedule	Project benefits measurement systems are immature and baseline and progress data for project benefits described in the business case, ILM or BMP is unreliable
Green	Current approved project scope is clear and can be delivered within budget and schedule	Project is likely to be 0–10% over its current approved budget	Project is likely to be 0–3 months behind its current approved schedule	Project benefits measurement systems are well developed and baseline and progress data for project benefits described in the business case, ILM or BMP is reliable and up to date
N/A				There are no tangible or measurable benefits specified in the project's business case or objective(s)

Source: VAGO.