



Submission to the
Ministry of Economic Development
on
Growing New Zealand's Share of the International Business
Events Market and Strengthening the National Network of
Convention Venues

18 June 2010

Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located in Wellington. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, TIA Policy and Research Manager on 04 494 1842 or 0272 489 375 or e-mail him at simon.wallace@tiaanz.org.nz.
2. Rather than an expression of interest as such, this submission from TIA concentrates on the tourism industry's overarching views on government and industry priorities for investment in a national convention centre or network of centres. The Association's submission should be read alongside those you will have received from the New Zealand Hotel Council (NZHC), other TIA members and the wider tourism industry.

Comment

3. In the Tourism Industry Manifesto for the 2008 General Election, investing in vital infrastructure was listed as one of the sector's top priorities. Central to that investment was the development of a national convention centre, improvements to cruise ship port facilities and other components of key infrastructure, such as roads, sewerage and clean water systems. TIA believes there is a direct economic benefit to be gained from investment in infrastructure that allows New Zealand to grow its higher spending tourism segments. For this reason, the industry welcomes the government's proposals for a national network of convention centres set out in the EOI document.

Convention Facts (sourced from Tourism Industry Election Manifesto 2008)

- A 1999 Sydney Convention Delegate showed that convention delegates in Sydney spent an average of A\$801 per day during their stay in Sydney (average 6.9 days). This compared with an average international visitor spend of A\$86 per day.
- Australasian locations are attractive to international delegates, but New Zealand's current convention centre infrastructure is not seen as internationally competitive.
- Every year's delay in building a national convention centre costs the country in lost earnings. Every year, other countries enlarge, renovate and develop new exhibition and conference centres.
- There is a united view within the tourism industry on what is required and agreement between key local authorities that a facility would be of substantial benefit to New Zealand.

National Convention Centre

4. New Zealand's low share of the conference market, as detailed in the EOI background notes, was one of the main reasons for the industry advocating for a National Convention Centre in 2008. Without the infrastructure to run large conferences, New Zealand has for a long time not been able to market itself as a host destination for international business conferences.
5. Investment in the development of a national convention centre would enable the industry to reach an entirely new market that can't currently be accommodated. As a segment of huge potential for New Zealand, a centre or network of centres being proposed would not only bring high yielding visitors but boost shoulder and low season travel to the country. It would also improve returns on sunk investment in existing tourism infrastructure during the shoulder and low season months, usually between May and October.
6. TIA and the industry have indicated they prefer a national convention centre to be located in Auckland as this is where more than 70% of New Zealand's international visitors arrive as well as being the country's major gateway. While the Association is not against a national network of convention centres, it would be concerned if one well resourced, purpose built and centrally located facility in Auckland was compromised in the need to build facilities in other centres of New Zealand.
7. A national organisation held responsible for developing the conference market (currently administered by Conventions and Incentives NZ or CINZ) would also offer a better chance to maximise returns from conference visitors and help other regions by filtering conference visitors around the country. It may be that such an organisation would be able to refer business to regional convention centres from Auckland.
8. A national convention centre would need to have a capacity for up to 5000 delegates with pedestrian access to downtown hotels and within easy reach of public transport networks. In addition, there would need to be good access for buses and trucks to pack in and out of exhibitions in quick time.
9. In the time since the EOI was released, the Association has not yet had the opportunity to consult extensively with its members or the industry on funding mechanisms. TIA suggests that discussion on funding should inform the first stage of developing a national business events strategy.
10. In sum, TIA supports the initial proposals released by the government. The Association looks forward to participating in discussion on the next stages in growing New Zealand's share of the international conference market, the construction of an international convention centre and marketing strategies to bring conference visitors to this country.

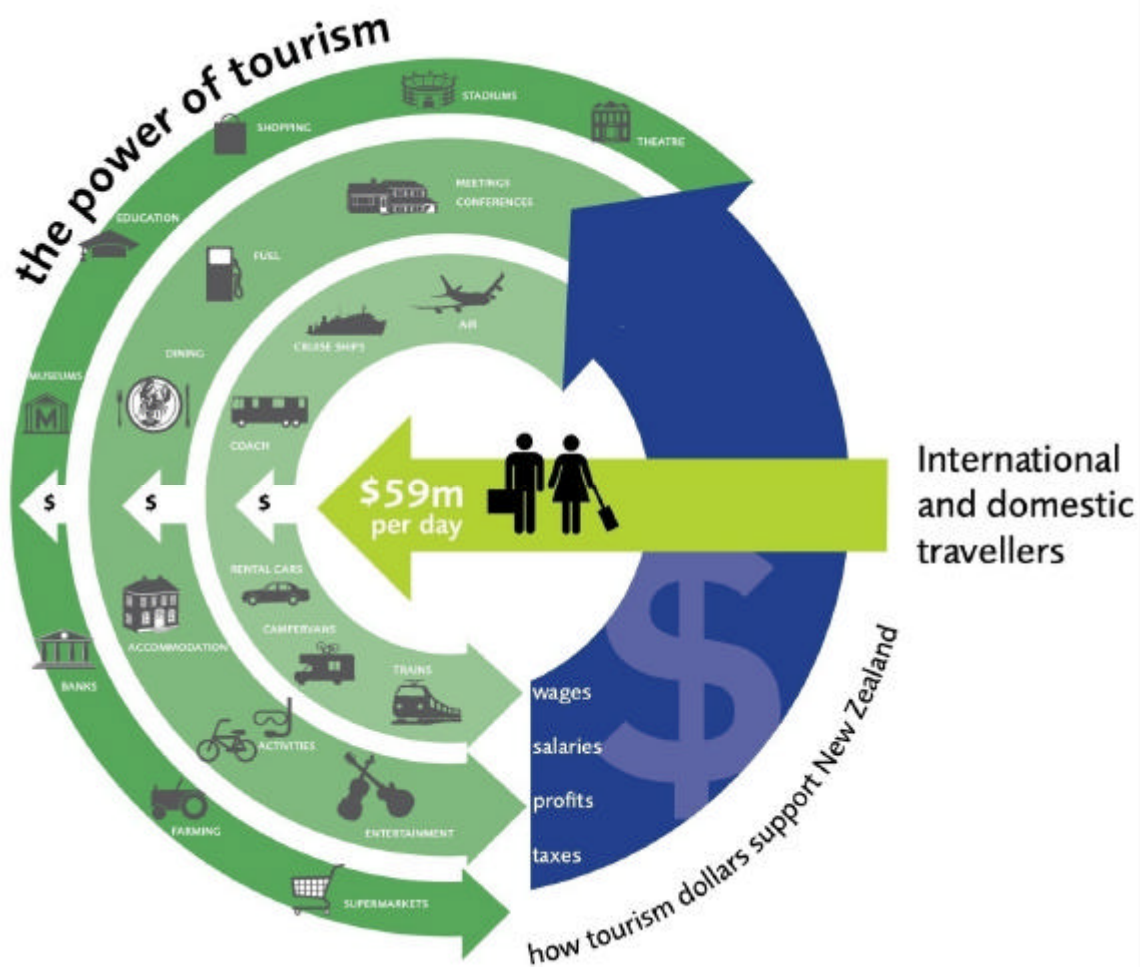
Background

A bed-rock of New Zealand's economy

11. Tourism is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.
12. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean, green, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
13. If New Zealand Inc. is to continue to prosper, to attract investment and to raise its position in OECD rankings, then it is vital that the tourism industry, and the positive image it projects, remain strong.

Delivering Value

14. Below is a snapshot of the economic value provided by tourism to the New Zealand economy.
 - Tourism contributes more than 9.1% of gross domestic product (GDP) for New Zealand as well as directly and indirectly employing one in ten New Zealanders.
 - Tourism in New Zealand is a \$59 million per day industry. The New Zealand tourism industry delivers \$25 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$34 million in economic activity every day.
 - Tourism expenditure reached \$21.7 billion for the year ended March 2009. International visitor expenditure accounted for \$9.3 billion or 16.4% of New Zealand's foreign exchange earnings, with tourism second only to agriculture as the country's largest export industry.
 - Importantly, and despite more challenging times in the past two years, tourism remains one of New Zealand's largest foreign exchange earners and its contribution is felt at national, regional and local levels.



About TIA

15. TIA has been the lead association that represents the interests of about 1,700 tourism businesses in New Zealand. The Association was first established in 1955 and the businesses TIA represent cover a range of tourism-related activities – hospitality, transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.
16. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive, Tim Cossar.
17. TIA has been the lead association that represents the interests of about 1700 tourism businesses in NZ since the Association was first established in 1955. The businesses TIA represent cover a range of tourism-related activities – hospitality,

transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.

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Main Industry Associations in the Tourism Sector

