

**ASSESSMENT OF ECONOMIC IMPACT AND VISITOR
ACTIVITY ASSOCIATED WITH PROPOSED EVENTS
CENTRE OF NEW ZEALAND**

FINAL REPORT

PREPARED BY

APR CONSULTANTS

FOR

WANGANUI DISTRICT COUNCIL

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CONSULTANTS

ACKNOWLEDGMENTS

APR Consultants gratefully acknowledge the advice and assistance provided by organisations and individuals consulted during the course of our study. A special appreciation is extended to Ron Cheatley and personnel from Athletics New Zealand, Netball New Zealand, Tennis New Zealand, Dunkley's Great New Zealand Craft Show, Skate New Zealand, Stadium Southland, Wanganui District Council, Wanganui Speed Skating and Western Netball.

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EXECUTIVE SUMMARY

APR Consultants Ltd provides strategic information, analysis and advice to companies, entrepreneurs, industry bodies, local and central government, iwi groups and non-profit organisations throughout New Zealand. The company was commissioned by Wanganui District Council to undertake an economic impact study for the operation of the Events Centre of New Zealand (ECNZ or Events Centre). The project involves the upgrading and extension of the existing velodrome into a multipurpose sports and events centre.

Key objectives

The key objectives of this economic impact study were to determine how much the operation of the proposed events centre will expand Wanganui's economy and how many full-time equivalent jobs (FTE) would be created or sustained as a result. A secondary objective was to determine the general effects the proposed centre will have on Wanganui's tourism and hospitality sectors in terms of growing the local economy.

Events Centre development options

The Working Party for the proposed Events Centre considered three options. The *status quo* option of maintaining the existing velodrome, an intermediate option of fully enclosing the velodrome for full weather protection and providing basic facilities and amenities for other sports in the central arena, or fully enclosing the velodrome for full weather protection and providing a full multi-sport and events capability in the central arena.

The three types of events modelled in this report's analysis were concerts, expos and major sporting events. Key sporting events modelled were associated with cycling, indoor athletics, inline speed-skating, netball and tennis. Impacts modelled under Option Three included concerts, expos, all key sporting events and everyday community usage. The analysis of Option Two was based upon modelling key cycling events and everyday community usage.

Organisations and experts contacted

A range of people were contacted in order to assist in clarifying the types of sporting and non-sporting events that ECNZ could be expected to host and to estimate the numbers of attendees at events and associated ticketing and entry fee revenues. Individuals and organisations contacted as part of the study included Ron Cheatley and personnel from Athletics New Zealand, Netball New Zealand, Tennis New Zealand, Dunkley's Great New Zealand Craft Show, Skate New Zealand, Stadium Southland, Wanganui District Council, Wanganui Speed Skating and Western Netball.

Economic Impact

Under Option Three, baseline estimates (in 2008 dollars) of additional total output, value added, household income and FTE jobs created or sustained in Wanganui's economy in 2015 as a result of the proposed ECNZ stand at \$3.61 million, \$1.55 million, \$0.97 million and 38.17 jobs respectively. On the basis of the proposed centre holding seven concerts per year with an average 2,000 attendees around 52% of value added would emanate from concert-based activity with around 39% coming from sports events and everyday community usage of the centre combined.

Under Option Two, the only key events that would occur at the proposed Events Centre would be cycling events. The balance of activity would be lower-level community related sporting usage. Since concert activity which occurs under Option Three will not occur under Option Two, baseline estimates of additional total economic impacts (in 2008 dollars) are much lower, standing at \$0.58 million output, \$0.24 million value added, \$0.15 household income and 6.35 FTE jobs created or sustained in 2015.

Non-sporting events hosted at the proposed Events Centre possess the potential to directly generate significant quantities of revenue which will have a flow-on effect in the District's economy. These events will boost visitor numbers and potentially induce existing visitors to stay longer in the District and spend more. The spectacle generated by concerts/performances will function as a form of advertising for Wanganui, promoting it as an attractive and appealing destination. Only Option Three will possess the ability to attract significant sponsorship and advertising thereby lessening the burden on Wanganui ratepayers and providing a growing enterprise that will potentially boost the District's economy.

Definition of an event

An event can be defined as a celebration, activity or display of an educational, commemorative, exhibitivite or competitive nature which occurs for a limited time. Events are generally defined by their type. The types of event modelled in this study are concert/performance, expo/craftshow/banquet and sporting events.

Main sources of economic impact associated with hosting events at the proposed ECNZ

In general, economic impact from events is attributable to two sources. A key component of impact is event-related spending by event organisers, entrance fees for participants and spectators. A second component is spend by those attracted to Wanganui who reside outside of the District. Visitors' stay may be day or overnight and they may be domestic-based or international visitors. They will spend money on accommodation, transportation, food and beverages *inter alia*.

ECNZ's catchment

The ECNZ's catchment consists of two major population centres (Palmerston North and New Plymouth) and one main urban metropolis (Wellington). Those living in the catchment would be generally within a reasonable driving distance to and from the ECNZ and therefore are likely to make up a greater proportion of attendees to sporting, concert and expo events held at the ECNZ than residents from elsewhere in New Zealand. Catchment residents are likely to weigh up the relative costs of attending an event in Wanganui, such as the time involved in travel, costs of petrol and opportunity costs or other events that they will forego, against the relative benefits of the event.

The extent to which residents within the catchment can be lured to events at the ECNZ depends on the relative attractiveness of Wanganui's events compared to the events being offered in the other centres. The attractiveness of Wanganui's events is likely to be enhanced through their novelty and being differentiated from events in other centres. Track cycling, speed-skating and indoor athletics events should have the potential to attract more attendees from the catchment's main centres, as well as from all around New Zealand, for this reason. Concerts and expos that appeal to niche markets and that are strategically aligned to Wanganui's brand would also be more likely to attract a higher degree of visitor attendance.

Additional economic-related benefits

The impact of events held at the ECNZ will be much larger than that measured by way of economic impact. Additional impacts arise directly as a result of media coverage of events hosted at the ECNZ or indirectly due to associative affects of media coverage of Wanganui in general. Linked to media coverage is the place marketing affects that are likely to benefit Wanganui and impact upon tourism by increasing the numbers of visitors to the District. Furthermore, events hosted at the ECNZ could impact upon sports and cultural development in Wanganui by encouraging more local residents into sports or cultural activities thereby having positive impacts upon their quality of life.

The holding of cycling and athletics events at the proposed ECNZ will leverage Wanganui's sporting pedigree and contribute to the augmentation of the sporting-based component of Wanganui's overall branding. This brand has the potential to market Wanganui as a provincial leader in the disciplines of cycling, indoor athletic and potentially in inline skating. The notoriety and exclusivity of this component of the Wanganui's overall brand will be distinctive and overtime if well-promoted, will develop a more iconic-level perception. The concept of iconic promotion denotes that the branding that occurs will create an entity that has an independent identity aside from the sporting events that have created it and one that strongly differentiates Wanganui from other similar sized provincial centres. The place marketing of Wanganui that will result from the expected sporting activity to be hosted at the proposed ECNZ should allow Wanganui's tourism image to free-ride off this branding. In other words, the ECNZ will provide benefit to all of Wanganui's tourist attractions and facilities over time.

Wanganui's commercial accommodation provision

In the short to medium term Wanganui appears to possess sufficient capacity in terms of accommodating visitors to the main sporting events modelled in this report. However, if the size of sporting events hosted at the ECNZ increases beyond the levels modelled in this report's analysis there will likely be further demand for commercial accommodation at the higher-end of the market. Also, to attract concert-goers from around New Zealand and successfully host premium concerts, it appears likely that Wanganui would need at least one more quality motel or hotel to cater for this market in the medium term.

Overall conclusions

ECNZ Development Option Three is superior to Option Two in that it enables key sports events and concerts to be hosted in Wanganui. Option Two although providing a valuable community sports facility will essentially only allow Wanganui to regain key national and international cycling events. Under Option Three the proposed centre will possess the ability to host concerts which will generate a significant economic impact by providing an attraction that will contribute to Wanganui's visitor offering. However, the magnitude of the Events Centre's economic impact will be dependent on the level of marketing and promotion effort implemented and how well focused this is with regard to enabling the hosting of strategically aligned events which leverage Wanganui's sporting pedigree.

The proposed ECNZ under Option Three possesses a total economic value that is far in excess of just the economic impact estimated in this study. This is because the Centre will not only allow Wanganui to regain key national level cycling events, but potentially become known as a leading provincial centre for inline skating with possibly the only international level banked skating track in New Zealand. In addition to this, Wanganui could be home to Australasia's only indoor athletics track in New Zealand. Option Three will enable Wanganui to leverage its cycling and athletics pedigree thereby diversifying and building out Wanganui's brand as a more iconic destination.

Direct media coverage that might be obtained through Television One or any other channels would likely be those covering the high profile cycling and athletics events. New Zealand's Davis Cup tennis has also in the past obtained television broadcast coverage. This direct coverage would help build the connection that Wanganui has with these sports and any other sporting and cultural activities that might broadcast from ECNZ. As a result audiences throughout New Zealand and potentially internationally should come to associate Wanganui with these selected sporting and cultural activities and thus aid in the creation of an iconic brand for Wanganui.

Indirect media coverage will occur whenever the ECNZ is in some way associated with media coverage unrelated to events hosted at the ECNZ. This could be in the form of news stories or other programmes related to Wanganui that show shots of the ECNZ. Additionally, this will occur when sports and activities that have built up an association with the ECNZ are covered in other destinations and issues. For example, whenever Southland's velodrome is mentioned ECNZ may also be mentioned or there may exist an implied connection due to the exclusivity of the type of venue.

In general, by making Wanganui a member of an exclusive set of destinations associated with cycling, indoor athletics and banked skating, the ECNZ will provide Wanganui the opportunity to capitalise on any opportunities associated with these sports and thereby provide the opportunity to boost growth in Wanganui's tourism sector and overall economy. Aside from good management and effective management, the necessary conditions required to capitalise on these opportunities will be the upgrading of Wanganui's tourist capability. This would require Wanganui to have a larger and more diversified bundle of visitor attractions with more up-market bars, cafes, restaurants, hotels and retail opportunities, thereby enticing visitors to tell their friends, make repeat visits and overall stay longer and spend more each day.

The ECNZ will create the opportunity to capture memorable sporting and cultural achievements such as record-breaking sporting acts, famous sportspeople or performers attending and inspirational performances, which have the potential to enhance media coverage impacts beyond expectations. Additionally, the further branding of Wanganui as a leading provincial centre for selected sports via the ECNZ's hosting capabilities *inter alia* will create the potential for developing high-quality sports-based tourism packages which can contribute to Wanganui's other visitor attractions. The development of a more Wanganui sporting-based brand will diversify the existing branding that includes artistic and river-based elements. The diversification allows for a degree of attenuation of problems associated with the seasonal nature of tourism, especially by the potential attraction of more international visitors whose peak season complements the domestic one. Notably, the ECNZ will reduce some of the effects of seasonality by potentially attracting visitors to Wanganui to indoor sporting events held in Winter.

CONTENTS

1.0	INTRODUCTION.....	1
2.0	CAVEATS	2
3.0	METHODOLOGY.....	7
4.0	WANGANUI'S STRATEGIC TOURISM POSITIONING.....	10
5.0	ECNZ CAPABILITY REVIEW.....	14
6.0	ESTIMATION OF ECONOMIC IMPACT.....	21
7.0	ADDITIONAL ECONOMIC BENEFITS.....	52
8.0	OVERVIEW OF WANGANUI TOURISM	54
9.0	COMMERCIAL ACCOMMODATION PROVISION	56
10.0	VISITOR MARKETS	59
11.0	NATIONAL OVERVIEW OF TOURISM.....	61
12.0	WANGANUI ECONOMIC OVERVIEW	66
13.0	REFERENCES AND BIBLIOGRAPHY	70

1.0 INTRODUCTION

APR Consultants Ltd provides services to support business and economic development in both the private and public sector. The company was commissioned by Wanganui District Council to undertake an economic impact study for the operation of the Events Centre of New Zealand (ECNZ or Events Centre) which will upgrade and extend the existing velodrome into a multipurpose sports and events centre.

Definition of an event

An event can be defined as a celebration, activity or display of an educational, commemorative, exhibitive or competitive nature which occurs for a limited time. Events are generally defined by their type. The types of event modelled in this study are concert/performance, expo/craftshow/banquet and sporting events.

Key objectives

The key objectives of this economic impact study were to:

- Estimate how much the operation of the proposed Events Centre will expand Wanganui's economy. In other words, how much Wanganui's Gross Regional Product (GRP or value added) per annum will increase as a result of the proposed Centre's existence.
- Estimate how many full-time equivalent jobs would be created or sustained per annum as a result of the Centre's operations.
- To summarise the composition of the economic impact and describe the variables that drive the impact.

Secondary objectives

Secondary objectives were to:

- Determine the general effects the proposed Centre will have on Wanganui's tourism and hospitality sectors in terms of growing the local economy.
- To assess the economic impacts within a wider total economic benefit framework to show the likely quantum of economic benefit that will accrue to Wanganui.
- To provide an overview of selected events centres in other provincial centres and therefore contrast similarities and dissimilarities.
- To provide an overview of Wanganui's commercial accommodation provision and place this within the wider national context.
- To provide a brief overview of national tourism and economic trends to demonstrate the economic benefits of tourism to the District.

2.0 CAVEATS

Due to the number of uncertain factors around the operation of the proposed Events Centre, the estimate of impact made in this report should be considered as a baseline indication of the quantum of economic impact. In other words, our estimate is a broad indicator of the number of jobs potentially created and how much the size of the local economy will increase. However, how well the Events Centre will do in attracting performers and attendees and therefore boosting its revenue by holding concerts, will be a function of effective management and marketing and promotion effort over time in building an ECNZ brand and the augmentation of Wanganui's tourism brand.

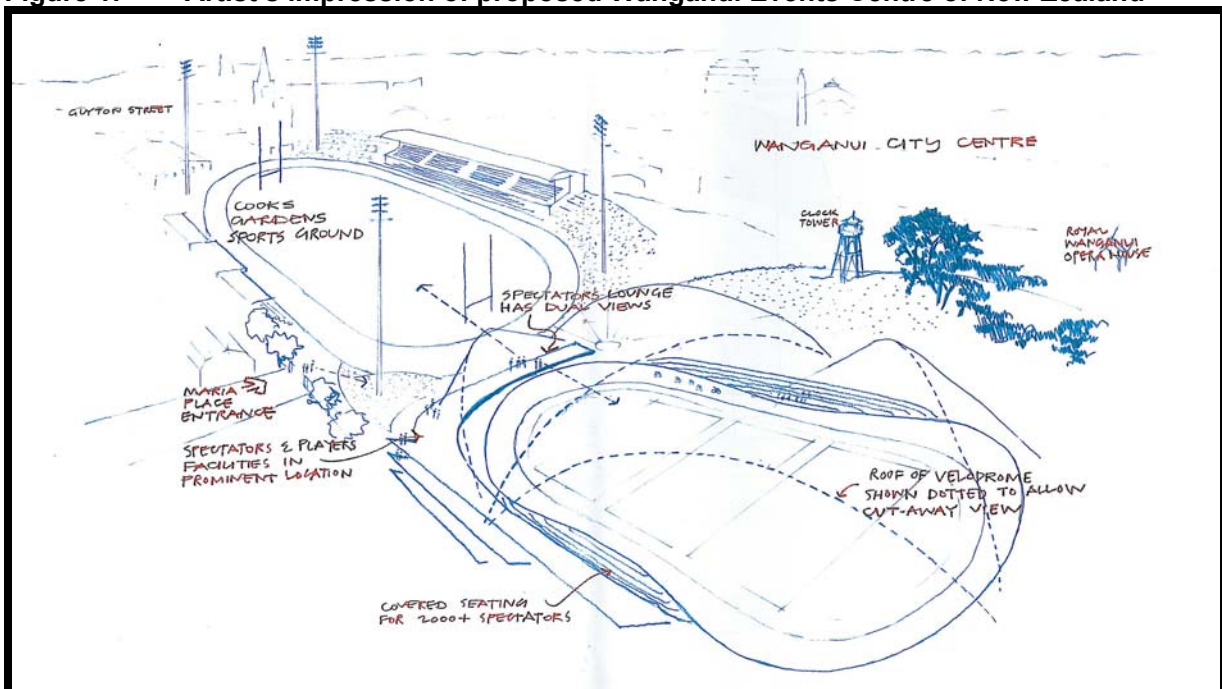
Competitor and spectator fees

Fees used in calculations in this report have been the same as those provided by various experts. This is because fee structures in the future are uncertain and therefore adjusting projected fees to 2008 dollars is unlikely to provide a more accurate estimate of future fees for events, some of which do not currently exist. Impact based upon current estimates will provide a robust and conservative baseline estimation of future fee levels since these are unlikely to decrease.

TRC spend projections

APR's estimates of visitor impact make use of current spend projections made by the Tourism Research Council of New Zealand (TRC). These estimates only enable a baseline estimate of future economic impact. This is because they are times series estimates that essentially extrapolate past trends. If the proposed Events Centre is well-managed in conjunction with other Wanganui attractions, then the result may be tourism development and growth significantly over and above current projections. Notably, TRC average overnight visitor spend projections are used in this report's analysis in conjunction with event revenue estimates. Current TRC average visitor spend projections for Wanganui exclude the effects of new attractions on the local economy. Therefore, the approach of modelling both expenditure components in our impact estimates is valid as long as the majority of event revenues modelled represent additional spending in the local economy.

Figure 1: Artist's impression of proposed Wanganui Events Centre of New Zealand



Source: Copeland Associates

2.1 Key objectives for constructing the Events Centre

The objectives for constructing the Events Centre are as follows:

- To protect the existing velodrome from further weather damage, increasing safety for cyclists by maintaining dry track conditions and giving greater usage of the circuit from no longer needing to be closed during wet weather.
- To provide high-quality indoor facilities for a robust mix of community and commercial sports and activities within the central arena, with predictable conditions for tournaments enabling reliable planning of events.
- To create a great indoor sports environment including high-quality facilities for spectators and players that will attract more frequent regional, national and international events to Wanganui.

2.2 Development Options

The development options considered by Architects Copeland Associates were as follows:

Base Option

This option provides a total enclosure for the Velodrome and new facilities for players. It does not include any further increase in spectator numbers or any further facilities for spectators – these can be added at a later stage.

Enhanced Option

This option provides in addition to a total enclosure for the Velodrome and new facilities for players, an increase in terracing to provide for 2,100 spectators and provision of plastic seating shells for all spectators, and new facilities for spectators including foyer, café, catering kitchen, corporate lounge and bar facilities and new spectator toilets.

Future options and enhancements

The concept can be developed incrementally and envisages that the potential exists for related facilities such as a Sports House, secondary meeting hall etc. Immediate future enhancements to be considered are:

- Retractable/movable seating for an additional 2,000 spectators to be accommodated in the Central Arena.
- Storage Building immediately adjacent new eastern access tunnel to accommodate this retractable seating.
- Sports equipment such as enclosure nets for the central area, electronic score boards and television display screens.
- Media facilities possibly located at mezzanine level within the roof volume.

2.3 The relative merits of the three potential development options

The Working Party for the proposed Events Centre considered three options. The *status quo* option of maintaining the existing velodrome, an intermediate option of fully enclosing the velodrome for full weather protection and providing basic facilities and amenities for other sports in the central arena, or fully enclosing the Velodrome for full weather protection and providing a full multi-sport and events capability in the Central Arena.

Option One

The first option is not practical since Wanganui has already lost almost all major national and international cycling events and will not regain these until the city has a fully enclosed velodrome.

Option Two

The second option would be acceptable to cycling, but would only deliver intermediate economic benefits primarily attributable to its limited appeal to other sporting users. Notably, athletics and speed skating disciplines which are up-coming sports would not benefit. Most importantly, Option Two does not allow for any hosting of non-sporting events.

Option Three

The third and most expensive development option will provide a facility that is able to host a range of sporting and non-sporting events and will generate the greatest economic impact. This option is appealing to commercial sponsors and would therefore lessen the potential burden on ratepayers. The cross-community appeal of various national and local level sporting and non-sporting events that can be held in the venue constructed under Option Three, would lead to the largest impact attributable to door sales and/or entry fees. The possibility of athletes from out-of-the District and/or internationally-based professionals coming to Wanganui will create impacts attributable to accommodation, food and beverages and transport spending inter alia. The same applies to national or international level concerts/performances that are able to attract visitors from outside-of the-District. Such concerts may also induce visitors to stay longer in the District and therefore increase their economic impact.

Summary of options

Overall, non-sporting events hosted at the proposed Events Centre possess the potential to directly generate significant quantities of revenue which will have a flow-on effect in the District's economy. These events will boost visitor numbers and potentially induce existing visitors to stay longer in the District and spend more. The spectacle generated by concerts/performances will function as a form of advertising for Wanganui, promoting it as a more attractive and appealing destination. Only Option Three will possess the ability to attract significant sponsorship and advertising, thereby lessening the burden on Wanganui ratepayers and providing a growing enterprise that will potentially boost the District's economy.

2.4 Hierarchy of events

An iconic event

An iconic event would represent the essence of the Wanganui brand. It would provide clearly identifiable and significant major economic returns to Wanganui and provide positive media exposure for Wanganui as a destination. The event would have strong growth potential and robust and sustainable operating systems. Additionally, there would be strong community involvement and support, possibly with a focus on family involvement. For Wanganui, clearly international level cycling events would possess iconic event status. Indoor athletic events may also have potential for development in this category.

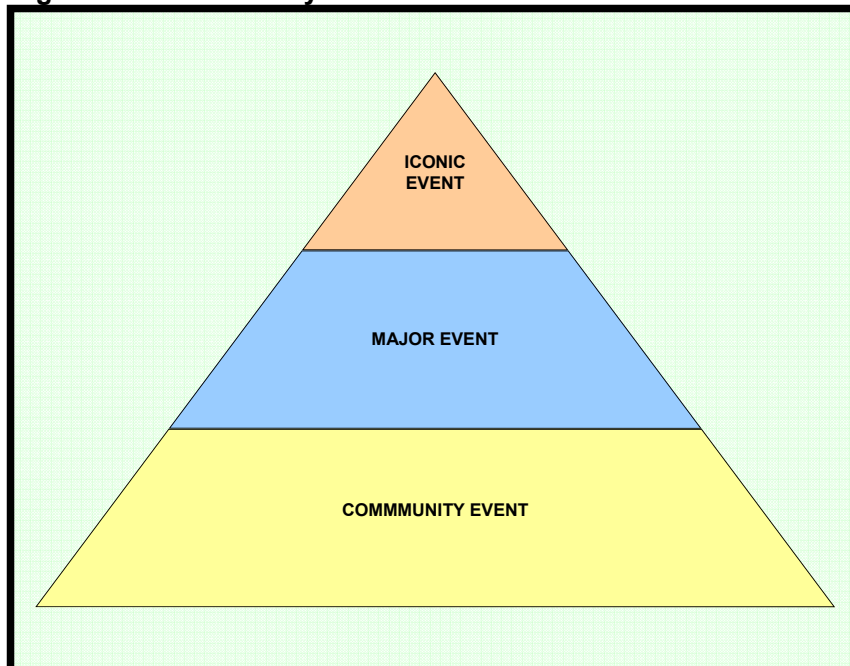
A major event

A major event would embody and portray some elements of the Wanganui brand. It would provide economic returns to Wanganui and create limited media coverage on Wanganui as a tourist destination. A number of non-sporting events such as concerts involving a noted performer or group would provide significant economic impacts, although the events themselves would not be an iconic activity. The economic impacts of the Events Centre hosting a number of concerts/performances and expos would likely exceed that which is possible from iconic sporting events. However, the intangible promotional benefits for Wanganui from iconic sporting events would ensure that the total economic value of these would exceed those emanating from non-sporting events.

Community event

A community event would have a focus on developing and enhancing community spirit and involvement, involving families and local residents' participation alike. These would have limited potential to enhance Wanganui's brand, create economic benefit and/or provide positive media exposure for Wanganui. The usage of the proposed Events Centre for local speed-skating, netball and tennis events would fit into this category.

Figure 2: Hierarchy of events



Source: APR graphics

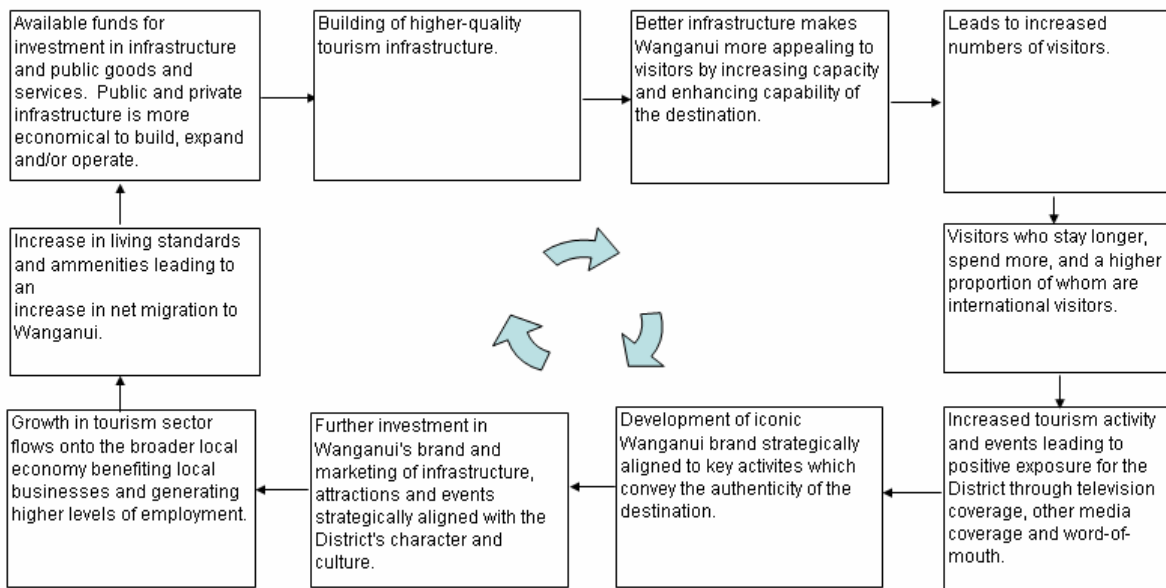
2.5 Virtuous cycle of tourism investment and growth

As well as an investment in sports and infrastructure for the community, the Events Centre of New Zealand (ECNZ) is essentially an investment in tourism. Events held at the proposed Centre will bring visitors to Wanganui who spend money on food, accommodation and attractions. Visitors who come to Wanganui will primarily promote Wanganui's brand by word-of-mouth. Word-of-mouth promotion and the fact that those who have visited Wanganui will enjoy their experience, implies that the number of visitors to Wanganui will grow over time attributable to both new and repeat visitors. Visitor expenditure will cause the local economy to grow and will have the downstream effect upon more businesses being able to be sustained or created and therefore more people able to be employed in Wanganui.

Growth in the local economy, as well as attenuating net negative migration, will lead to a broadening of the District's rating base and the availability of more funds for upgrading local infrastructure. This combination will lead to a higher standard of living for residents. Increased numbers of visitors to Wanganui over time will enable the development of more tourism attractions and infrastructure such as more hotel accommodation and more restaurants. This will allow a higher standard of tourism provision for (international) visitors and one that is able to cope with a higher volume of visitors. A broader and higher quality tourism provision with more attractions will entice visitors to stay longer and provide opportunities for them to spend more money in the local economy. More tourism money in the local economy and therefore more tourism infrastructure and attractions will result in Wanganui becoming more attractive to visitors since they will be able to enjoy a broader range of appealing experiences in one visit. In other words, Wanganui will become more competitive by providing a diversified offering of attractions.

The ECNZ will enable the hosting of National and Oceania level cycling events as well as the potential opportunity for hosting national level indoor athletics and/or banked speed-skating events. This will reinforce and further the development of an iconic Wanganui tourism brand. The relatively exclusive nature of the ECNZ's ability to host national events in cycling, indoor athletics and/or speed-skating will ensure that a number of high-profile sports people will visit Wanganui over time and that there will be a degree of national-level media coverage that will promote Wanganui as a sporting and tourism destination.

Figure 3: Virtuous cycle of tourism investment



Source: APR Graphics

3.0 METHODOLOGY

3.1 Contacts

Sports-related

A range of people were contacted in order to assist in clarifying the types of sporting events that ECNZ could be expected to host and to estimate the numbers of attendees at events and associated ticketing and entry fee revenues. Ron Cheatley provided estimates of participant and spectator numbers to various cycling championships and carnivals as well as the proportions of local, rest of New Zealand and international origins. Estimates of ticket pricing and entry fees were also given from which revenues were estimated.

Information about netball events and tournaments and the likelihood of the ECNZ hosting these in the future were gathered from Netball New Zealand. Western Netball were contacted to gain further detailed estimates of participant and spectator numbers to a typical National Championship game, as well as an indication of the likely proportion of spectators attending from outside the District.

Tennis New Zealand provided information pertaining to the likelihood of the ECNZ hosting a Davis Cup Tennis tie. Information gathered informed modelling of participant and spectator estimates and of those travelling from outside the District. The interview also sought to gather an estimate of event revenues and media coverage.

The merits of the ECNZ having an indoor athletics capability were discussed with Athletics New Zealand. An indoor athletics arena was thought to be a potential catalyst for hosting new indoor national championships which could also potentially appeal to overseas competitors. Estimates of attendance to a hypothetical indoor athletics meet were based upon typical numbers in attendance to outdoor national athletics meets and with consideration given to the restraints that an indoor venue might pose. Athletics New Zealand also provided an indication of likely revenue and the proportion of expenditure usually distributed within the area where a meet takes place.

Communication with a representative from Speed Skating Wanganui provided insight regarding ECNZ's potential to play host to the Speed Skating Banked Track National Championships. Information was also gathered about the additionality of ECNZ's usage for speed skating. A banked track capability was also thought to enhance the likelihood of Wanganui playing host to Oceania Roller Sport Championships in the future. In addition to this, discussions with Skate New Zealand took place in order to gather estimates of speed-skating and roller sport events.

Non-sport-related

Stadium Southland provided general comment on their own operations and indicated attendee numbers for selected concerts, expos and banquets that had recently been hosted at the Stadium. Information on the typical number of attendants expected to a Wanganui expo or concert were also gathered through interviews with a national expo organiser and Wanganui District Council (WDC). The national expo organiser also provided information pertaining to exhibitor fees, the proportion of local exhibitors and the proportion of expo revenue that would be spent locally, on advertising, venue hire, set-up, clean up, accommodation, food and travel. Issues concerning the appeal of Wanganui as an expo market and the level of addtionality that the ECNZ would possess were discussed with the organiser and WDC.

3.2 Economic impact methodology overview

General method

The general method of economic impact analysis is to select a particular point in time that will capture a typical snapshot of events and work out the various forms of expenditure involved and their magnitude on a unit basis. Total demand for each driver of expenditure is then estimated and used to calculate the total revenue involved. In the case of this report's analysis, the units of magnitude are various types of entrance and participation fees and spend per day or night visit by visitors to Wanganui. The volume of demand is represented in the number of attendees to an event per day, multiplied by the duration of an event.

Additionality

The issue of impact additionality is difficult to deal with in a precise fashion and is usually dealt with by assuming scenario levels of additional economic impact. There are two types of additionality issues. Firstly, existing expenditure that is displaced and secondly a consideration of whether visitors to an area would have come anyway if the attraction under consideration did not exist.

This report's analysis considers three potential development options, one of which is a *status quo*. The impact under the latter has been subtracted from the impact estimated under the other development options to give a net impact. Notably, since the existing velodrome has lost nearly all cycling events and is obviously not a venue equipped to host expos or concerts, then the main impact drivers under the *status quo* option would be capital replacements and operating expenses.

Variables estimated

In this report total estimated expenditure is converted to other relevant variables such as value-added, household income and the number of full-time equivalent (FTE) jobs created or sustained.

It is expected that construction of the proposed velodrome will be completed in 2009/10. The impacts calculated in this report's analysis are conducted at the period five years subsequent to this, in other words, 2015. Impact attributable to visitors to Wanganui (i.e. tourism spend estimates) are based on average spend figures provided in the TRC's 2007 projections. Updated 2008 projections were not available at the time of this report's analysis. Tourism spend estimates used have been adjusted to 2008 dollars.

Baseline nature of estimates

Expenditure attributable to entry and participation fees for various sporting and non-sporting events was either based upon direct contact with relevant experts or by surveying appropriate literature or experts as required. Figures employed in this report's analysis are averages as these allow a baseline estimate of impact to be made. More precise estimates of the proposed centre's impact may be made when the velodrome is up and running. The merit of the estimates provided in this report are that they provide a relative indication of the quantum and level of impact as well as showing the composition of impact in terms of various individual spending components.

Impact attributable to event organisers'

Although estimates of the proposed centre's operating budget have been provided to APR by Wanganui District Council, in general this expenditure is also part of the overall revenue collected by event organisers from gate sales and participant entry fees. In general, a proportion of this money would then be spent on venue hire, event management, insurance, advertising and marketing, contracted labour and materials used for setting up and taking down the event structures and other event servicing matters. Any money not used for these would go to the organiser and artists' and/or performers involved, therefore it is likely that a proportion of this money would not be spent in Wanganui.

In cases where revenue is in excess of venue hire fees, then impact can be calculated by assuming a proportion of estimated revenue retained in Wanganui by an event organiser. Therefore, venue hire estimates are redundant with regard to impact calculations. In other words, there is an overlap among impacts attributable to the Centre's operating revenues (e.g. hire fees) and event revenue retained in the District. Therefore, hire fees have been subtracted from the impact to avoid double counting of this expenditure. Where usage of the proposed Centre is predominantly made by the community, most of the spending (or impact) emanates from venue usage fees.

Notably, whether an operating loss is made or not by the proposed centre, the only issue for impact assessment is the amount of spending that takes place. Under all three development scenarios the proposed Centre will make an operating loss. Therefore, the impact attributable to the Centre's operation is the total operating costs. The impacts from the Centre's operation are attributable to operating costs of the venue which represent expenditure on Centre management and operations, administration, etc. These are funded out a combination of revenue from event hire fees and council funds.

4.0 WANGANUI'S STRATEGIC TOURISM POSITIONING

4.1 Events Centre's Catchment

Wanganui is located on the South Taranaki Bight, close to the mouth of the Whanganui River and at the junction of State Highways 3 and 4. The Wanganui District had a usually resident population of 42,600 in 2006 with 38,900 people living in urban areas. It enjoys a temperate climate, with slightly above the national average sunshine (2,100 hours per annum), and about 900 mm of annual rainfall.

Figure 4: Events Centre of New Zealand's catchment



Source: Compiled from www.wises.co.nz and APR Graphics

Notes: (1) The concentric circles shown depict the locally based catchment of the proposed Events Centre.

The ECNZ's catchment consists of two major population centres (Palmerston North and New Plymouth) and one main urban metropolis (Wellington). Those living in the catchment would be generally within a reasonable driving distance to and from the ECNZ and therefore are likely to make up a greater proportion of attendees to sporting, concert and expo events held at the ECNZ than residents from elsewhere in New Zealand. Catchment residents are likely to weigh up the relative costs of attending an event in Wanganui, such as the time involved in travel, costs of petrol and opportunity costs of not attending other events against the relative benefits of the event.

The extent to which residents within the catchment can be lured to events at the ECNZ depends on the relative attractiveness of Wanganui's events compared to the events offered in the other centres. The attractiveness of Wanganui's events is likely to be enhanced through their novelty and being differentiated from events in other centres. Track cycling, speed-skating and indoor athletics events should have the potential to attract more attendees from the catchment's main centres, as well as from all around New Zealand, for this reason. Concerts and expos that appeal to niche markets and that are strategically aligned to Wanganui's brand would also be more likely to attract a higher degree of visitor attendance.

4.2 Travel times and distances

Travel times and distances from selected locations to Wanganui are shown in Table 1. Of the selected destinations listed, the closest is Palmerston North at approximately 54 minutes while Coromandel is estimated to be six hours away from Wanganui. Wellington Central is located around two and a quarter hours from Wanganui making day trips feasible. The Events Centre's primary catchment for significant national level events will be Taranaki, Manawatu, Horowhenua and Wellington regions. The main urban metropolis located within feasible distance is obviously Wellington. Wellington's connection with Wanganui is shown in TRC data in Chapter Nine.

Table 1: Travel times and distances from selected locations to Wanganui

Origin	Time	Distance (km)
Palmerston North	54 min	74
Levin	1 hr 8 min	100
New Plymouth	2 hr 2 min	162
Wellington Central	2 hr 15 min	193
Napier	3 hr	252
Rotorua	3 hr 24 min	299
Hamilton West	3 hr 52 min	325
Tauranga	4 hr 7 min	367
Auckland City	5 hr	444
Gisborne	5 hr	461
Coromandel	6 hr	475

Source: Compiled from www.wisesmaps.co.nz and APR analysis

4.3 Threats to Wanganui's tourism growth – how does the proposed Events Centre help?

Price of petrol

The rising price of petrol is a potential threat to the level of domestic tourism activity. This is because it decreases consumers' disposable income, thereby lowering discretionary spend. Consumers, rather than lowering their overall tourism spend, are more likely to demand value for money, implying a preference for destinations that can offer an attractive combination of high-quality and convenient leisure opportunities. Wanganui, as a competitive sporting and leisure destination, needs to offer a high-quality purpose-built events venue that is supported by sporting and celebratory events, iconic attractions and activities. This will ensure that the value for money Wanganui delivers as a destination is highly competitive.

Short-haul outbound destinations

Over the past few years the relative price of domestic aviation travel to short-haul destinations, especially Australia, has decreased, predominantly attributable to the level of competition in this market. Although the price of flights has been rising recently, the price and attractiveness of trans-Tasman travel are likely to remain appealing to Manawatu Region residents over the medium-term. Over the past few years there has been approximately a one to one ratio in the substitutability of trans-Tasman visitor nights to domestic visitor nights. In other words, trans-Tasman outbound

tourism is an appealing and cost-effective alternative compared to domestic travel for many New Zealanders. Given the rising price of petrol, domestic tourism is becoming less appealing and Wanganui therefore needs to counter this trend by making itself a more appealing and complete destination experience. On the other hand, if the level of competition in the short-haul aviation market fails to contain the effects of accelerating jet fuel prices, then the outcome may be that domestic tourism will become more appealing.

Planned Hastings Sports Park

Plans to build a \$56 million sports park on the outskirts of Hastings have been approved by Hastings District Council. Construction of the first stage of the park, an all-weather athletics track and grandstand, is already under way. The next stages of construction, which include football fields, amenities buildings, tennis and netball courts and a velodrome, are expected to be completed by the end of 2010. Hawkes Bay Cycling has announced it has sourced private funds to build an \$11.5 million, 1,000-seat indoor velodrome.

4.4 Visitor flows

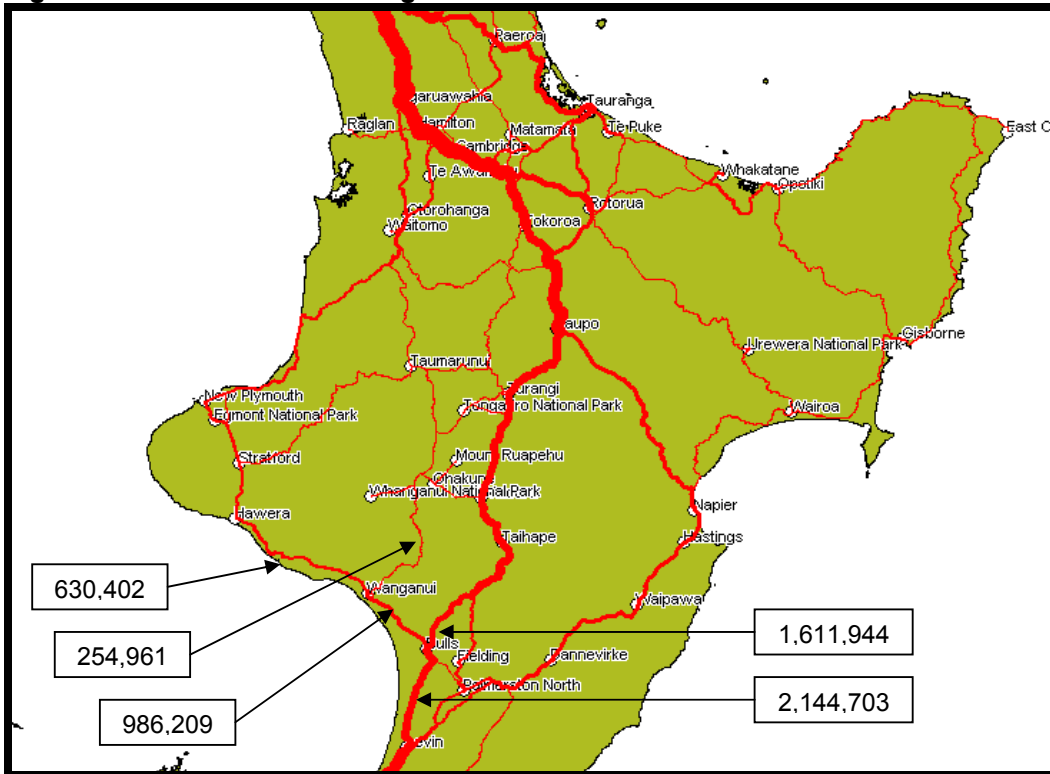
The Tourism Flows Model takes information from the Ministry of Tourism's International Visitor Survey and Domestic Travel Survey to build a picture of current tourism flows in New Zealand. In 2006, the Tourism Flows Model recorded movements of 986,209 domestic overnight and 128,290 international visitors on the Wanganui-Bulls route; 630,402 domestic overnight and 76,933 international visitors on the Wanganui-Hawera route; and 254,961 domestic overnight and 59,038 international visitors on the route north of Wanganui (Figure 5).

Given that the flows include Wanganui residents travelling to and from other places for tourism purposes and visitors travelling through Wanganui without stopping, the number of movements along these routes does not directly represent the number of visitors to Wanganui. However, the model provides an indication of tourist activity on State Highways into and out of Wanganui relative to other State Highways in the North Island, and this can be used to assess Wanganui's location relative to current tourism activity. Currently Wanganui benefits from being just half an hour's drive off a major tourist flow along State Highway One.

The proposed ECNZ would be likely to host sporting events, concerts, shows and expos that would not otherwise be possible and that have the potential to draw attendees to Wanganui who reside outside the District. Overall, the ECNZ is expected to enhance Wanganui's ability to attract new domestic and international visitors and therefore increase tourism flows on routes into Wanganui.

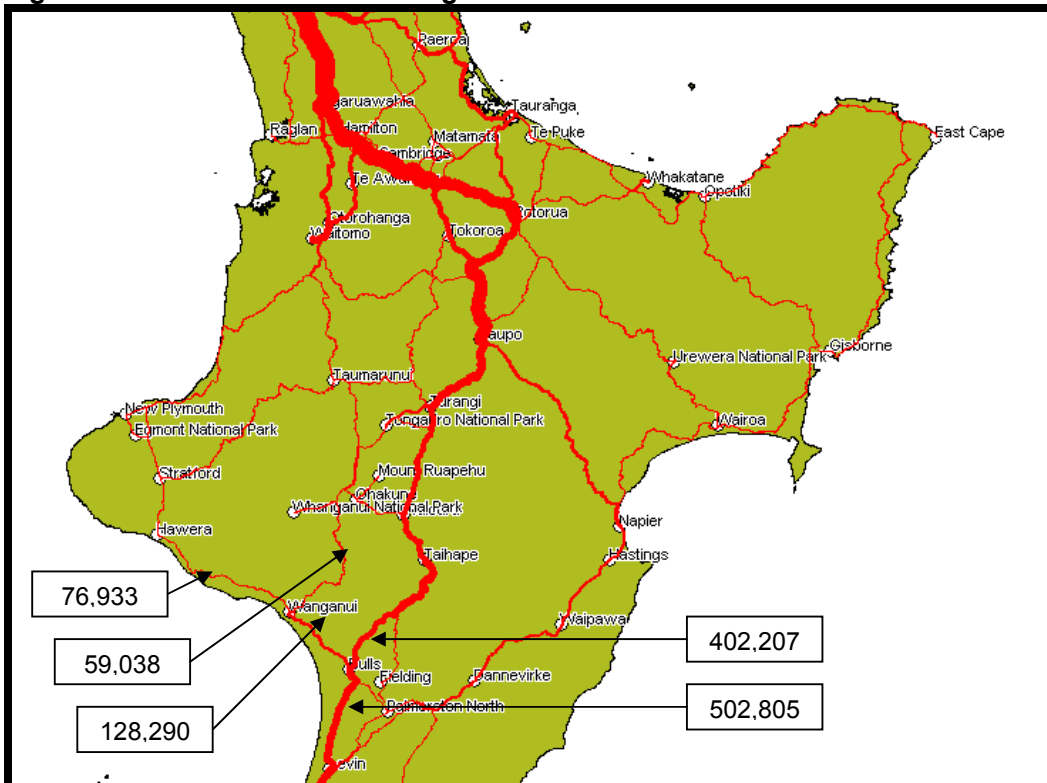
Wanganui is also accessible by air with Air New Zealand Link servicing Wanganui Airport with daily flights to and from Auckland and Wellington, as well as charter flights to other centres being available. Wanganui Airport is undergoing a series of improvements in order to make the airport a visible, attractive and safer facility. These include an up-grade of the terminal and a major reseal of the runway. The Wanganui Airport is expected to play a key role in facilitating travel to and from iconic and major events hosted at the ECNZ, particularly in terms of attracting visitors from Auckland Region, South Island and international destinations. If events hosted in Wanganui grow over time and the town's general tourism appeal is enhanced, tourism flows into Wanganui by air can be expected to exceed current projections.

Figure 5: Domestic overnight visitor flows



Source: Compiled from TRC Tourism Flows Model and APR Analysis

Figure 6: International overnight visitor flows



Source: Compiled from TRC Tourism Flows Model and APR Analysis

Notes: (1) Flows depicted are for road travel only. (2) Flow numbers are for two-way flows. In other words, visitor flows shown are for travel in two directions. (3) The visual depictions of flows are dependent on the scale of the diagram, therefore it is important to understand the diagram in conjunction with the figures provided. Because of the different scale used in the maps shown, flows depicted in Figures Five and Six are not directly comparable. (4) Flows have been quantified at strategic points on the map(s) provided. The figures therefore provide an indication of flows through areas whose flows have not been not directly quantified.

5.0 ECNZ CAPABILITY REVIEW

5.1 Velodrome details

Sporting-related uses of proposed velodrome

The ECNZ Design Report (January 2008) by Copeland Associates outlines alternative uses of the ECNZ. The main piece of foundational infrastructure is the 250-metre internationally-specified velodrome with fixed seating for 2,100 spectators on the outside of the cycling track. The area inside the track is planned to be utilised for netball, tennis, indoor athletics, speed-skating and roller sports, basketball, badminton, concerts, expos and banquets. An exhibition court for any number of these sports can be configured, with portable grandstand seating for up to 3,900 spectators.

Three netball courts with run off between each court, or five courts with no run off, are planned to fit inside the velodrome track. The five court configuration would not comply with Netball New Zealand venue requirements for hosting National Age Group Championships, which require a minimum of five indoor courts with run off between each court. This five court configuration would likely be utilised only for social and community-level netball events. Given appropriate run off measurements, the three court configuration could potentially be capable of hosting National Secondary School Championships which require a minimum of two courts plus a warm-up area. It is unclear whether the ECNZ would enhance Wanganui's ability to host National Secondary School Championships given that Springvale Stadium already accommodates two full size netball courts with extra space for warming-up and also meets seating capacity requirements. The ECNZ could however, enhance Wanganui's ability in hosting the week-long Perry Foundation National Championships which require a minimum of three indoor courts with run off and seating capacity of at least 2,500. The exhibition court could make possible Wanganui's hosting of National Championship round-robin, semi-final and final games; ANZ Championship games; and International Test Matches, with the exception of Silver Fern versus Australia games which require a seating capacity of over 5,000. It is important to note however, that hosting of Netball New Zealand fixtures is also contingent upon satisfying a range of other facility specifications. There may be some potential for Wanganui as a dual facility destination (ie ECNZ and Springvale Stadium) in hosting larger netball tournaments.

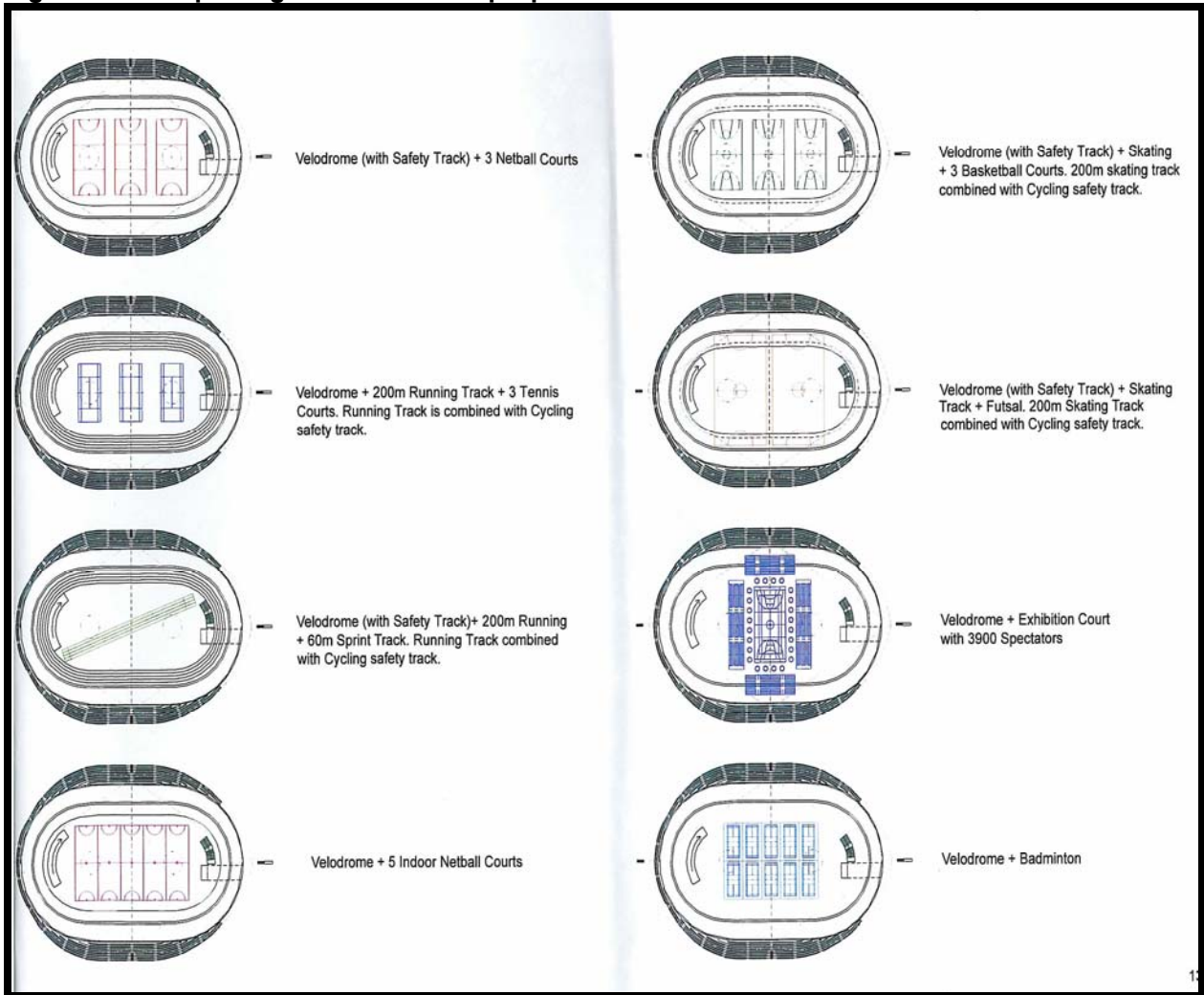
Three tennis courts are able to be configured inside the velodrome track. Discussions with a representative of New Zealand Tennis suggested that three courts would not be capable of hosting national tournaments. The three court configuration would therefore be more likely for use as a venue for smaller regional, social and community tournaments and trainings. The exhibition court could enable Davis Cup ties to be played in Wanganui given the ECNZ is compliant with International Tennis Federation (ITF) specifications.

Under development Option Three the ECNZ would house a 200-metre indoor athletics track concentric to the velodrome track and a 60-metre track inside. It is understood that the ECNZ will also have facilities for indoor field events, with indoor events typically featuring the high jump, pole vault, long jump, triple jump and shot put. Given that ECNZ's indoor track and field facilities meet International Association of Athletics Federation (IAAF) specifications, this is likely to give Wanganui the ability to host National, and potentially International, Indoor Athletics Championships, as well as providing a training facility for New Zealand athletes.

Under development Option Three the ECNZ may also contain a banked speed-skating track. As there are currently no other indoor banked speed-skating tracks in Australasia the ECNZ may well become the first. This would give Wanganui the ability to host National, and potentially Oceania, Banked-Track Speed Skating Championships and enhance its attractiveness as a host destination for Oceania Roller Sport Championships. The ECNZ would also hold appeal as a venue for New

Zealand speed-skating training camps. However, these opportunities could only be obtained by having a banked track compliant with International Federation of Roller Sport's specifications.

Figure 7: Sporting-related uses of proposed velodrome



Source: Copeland Associates

Concert/banquet-related uses of proposed velodrome

Under development Option Three the ECNZ would be able to host concerts, banquets, conferences and exhibitions. A recent media release states that the ECNZ will have seating for 8,000 attendees at concert events and 4,000 square metres of floor space for banquets, conferences and exhibitions.

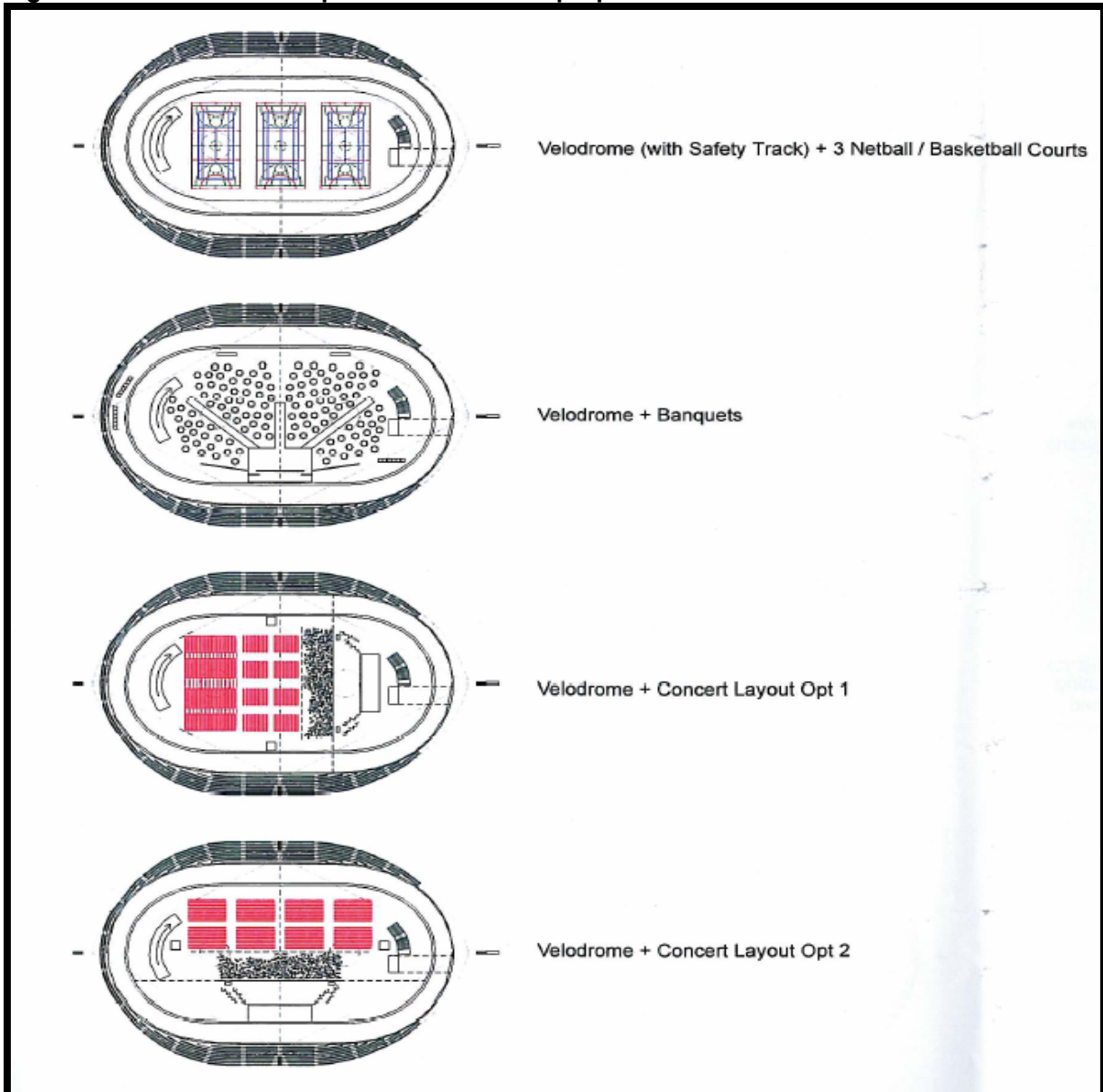
The ECNZ will add to Wanganui's capability to host concerts and artistic performances by providing a large indoor venue with seated and general admission ticketing options. Currently the Royal Wanganui Opera House caters for smaller-sized up-market seated performances and the Cooks Garden Stadium has in the past been the venue for large outdoor concerts. The ECNZ's main advantage will be the guarantee offered to performers by being indoors. The large potential crowd capacity by provincial standards should also appeal to performers given their confidence in being able to attract fans from the wider catchment.

Wanganui has a range of function centres to cater comfortably for conferences and banquets of up to 300 to 400 people. The Cooks Garden Function Centre, which can cater for up to 100 people and the Infusion Function Centre Racecourse, which can cater for up to 500 people, are

Wanganui's main venues for banquets and conferences with the addition of some smaller sized hotel venues. The ECNZ would be capable of hosting even larger-sized conferences and banquets in the event that Wanganui can attract larger conferences in the future, this is however, reliant upon development of accompanying infrastructure (e.g. hotels, bars and restaurants). The ECNZ would be well-positioned to host banquets and celebratory events that are strategically aligned to the centre such as sporting, cycling and athletics awards. Wanganui also has catering companies that can service the large banquets that might occur at the ECNZ.

Expos, exhibitions and festivals occur throughout a wide range of indoor and outdoor venues in Wanganui. The War Memorial Hall and Jubilee Stadium are the main indoor venues used for larger expos such as Dunkley's Great New Zealand Craft Show and the Wanganui Wedding Expo. The ECNZ with its larger floor space would enable even larger expos to be held in Wanganui if an organiser were to identify a market opportunity in the future. By leveraging Wanganui's and ECNZ's brands, expos that are strategically aligned could present a market opportunity whilst further reinforcing and building the image of Wanganui as a centre of cycling and sporting excellence.

Figure 8: Concert/banquet-related uses of proposed velodrome



Source: Copeland Associates

5.2 Review of selected provincial Events Centres

Events Centres are key attractions in many provincial centres and have received considerable investment by a number of local councils over recent years. Table 2 looks at a sample of provincial Events Centres that includes Stadium Southland, TSB Stadium New Plymouth, Rotorua Energy Events Centre and Taupo Events Centre. The capabilities and achievements of these centres are assessed in this section in order to evaluate potential usage of the ECNZ.

The Events Centres described in Table 2 cater for similar types of sporting events with the exception of Stadium Southland which has the addition of a separate velodrome arena and squash courts. Stadium Southland's ILT Velodrome has permanent seating for 1,064 people and has hosted Oceania and National Track Championships. Each centre has played host to either ANZ Championship netball games, National Cup netball games or premiership basketball games with crowd capacities around centre court ranging from 2,500 to 3,500 seats. Stadium Southland has previously hosted Davis Cup tennis as well as international netball and basketball tests, while the TSB Stadium will host its first Davis Cup tie in 2008. While all of the centres have hosted national or regional tournaments for other sporting codes, Stadium Southland stands out as having hosted a more diverse range of sporting events likely owing to its capability of having a velodrome arena with inner multi-sport courts in addition to the SBS Events Arena.

The proposed ECNZ would allow Oceania and National Track Championships to be retained in Wanganui. Also, with an inner exhibition court capable of seating 3,900, the ECNZ could host major netball, basketball and tennis events, as well as provide space for other indoor sports such as badminton and volleyball. Unlike Stadium Southland, the ECNZ may not be able to host multiple sporting events simultaneously and therefore could be more limited in the number of sporting events that can take place at any one time. It is possible that the ECNZ would become the first venue in Australasia to include a banked speed skating track and indoor athletics running track. Either capability would differentiate the ECNZ from other centres in New Zealand, and potentially Australia, enabling Wanganui to host regular national events and enhance its ability to attract Oceania events.

The multifunctional capability of Stadium Southland gives the advantage of hosting multiple events simultaneously and this has enabled it to host many concerts and variety shows of up to 5,000 people, appealing to a cross-section of markets. TSB Stadium, which can hold up to 4,500 people, has been very successful in terms of attracting international performances hosting such world renowned artists as Jimmy Barnes, UB40, Tina Turner and INXS. This success is partly accredited to the work done in marketing Taranaki as a quality tourism destination over the past few years. Rotorua, has a well-established tourism image and infrastructure. Since early 2007 it has already managed to host international performances at its new Energy Events Centre. The Rotorua Energy Events Centre can hold up to 6,000 concert-goers and has enabled record numbers of attendance to indoor concerts.

The ECNZ is likely to have a crowd capacity similar to if not larger than these other Events Centres. Therefore, it is reasonable to assume that the ECNZ will be able to host performances of a similar nature to those that have taken place in other centres. However, the quality and size of the events hosted will be a function of strategic marketing and tourism investment.

Table 2: Selected provincial Events Centres

Centre	Characteristics	Events
<p>Stadium Southland</p>	<p>Stadium Southland is the largest multi-purpose indoor sporting stadium in New Zealand and is home to the Southern Sting netball team and New Zealand's only Indoor International Cycling Velodrome. The stadium has a variety of venues in which to host sporting events including the SBS Events Centre, Community Arena, ILT Velodrome and Squash Courts. Sport facilities include 11 full size courts for basketball, netball, tennis, badminton and volleyball; indoor climbing walls; and can seat up to 3,500 spectators for sporting events.</p> <p>Stadium Southland is the largest indoor concert venue in Southland and can hold 5,000 for a general admission concert or 3,235 for a fully seated concert. The SBS Events Arena is the premier venue for concerts.</p> <p>Stadium Southland offers a wide range of options for conferences and meetings. The SBS Events Centre can be used for large auditorium or classroom-style conferences. Two corporate lounge areas provide versatility to host varying sized meetings, seminars and conferences.</p> <p>With floorspace of 5,420m The SBS Events Arena and adjoining Community Arena and the 2,195m in the ILT Velodrome, the stadium is capable of hosting expos, product launches, trade shows and home/lifestyle shows.</p> <p>Stadium Southland is the City's largest dining room that can seat up to 950 for a dinner in the SBS Events Centre or up to 2,000 when using the adjoining Community Arena.</p> <p>Additional facilities include:</p> <ul style="list-style-type: none"> • Sports Bar and Café • Stadium Surf Internet Café • SBS Sports House (home to a wide range of local sports bodies; a sports shop; and a physiotherapist) 	<p>Concerts and variety shows: Billy Connolly World Tour, Hayley Westenra, Hi-5, Glen Campbell, Scribe, Boney M, Boost Mobile Tour, What Now Pyjama Party, Vienna Boys Choir, Highway of Legends, Chinese Circus, Shanghai Circus, Spanish Dancing Horses, NZ Navy Band, Monty Roberts – The Horse Whisperer, Sports Café, Piping Hot – The Highland Cathedral, Carols by Candlelight, NZ Idolised Concert, Southland Youth Orchestra, Abba Super Trooper, Hooley Dooley's, Dorothy the Dinosaur (from The Wiggles), Wizard of Oz, Tribute to the Legends Bee Gees – X Set Band, Royal Dragoons Band, A Dame and two Knights – malvina Major, Christian World Impact Tour, Xmas at the Stadium.</p> <p>Sports events: NZ Track Cycling Champs, Davies Cup Tennis, International Basketball Tests, Masters Games, international badminton Tests, Martial Arts, International Netball Tests, Gymnastics Festivals, Special Olympic Games, South Island Kickboxing Champs, Australasian U19 Badminton Champs, National Bank/Coca Cola Cup Netball Finals, NZ Table Tennis Champs, South Island Primary School Aerobics, Secondary School Volleyball Champs, South Island Leisure Marching, Fight 4 Life-Charity Boxing.</p> <p>Exhibitions and trade shows: World Vero Rally, Simply Women Expo, Great NZ Craft Show, Holden/Ford Show, Boat Shows, Xmas Tree Festival, Cat Shows, Garden, Lifestyle and Travel Expo, AB Fashion Sale, Persian Rug Sale and Linen Sale.</p> <p>Gala dinners and banquets: Gala Dinners and Banquets: Southland Sports Awards, Bluff Oyster and Southland Seafood Ball, School Centennials.</p>

Source: www.stadiumsouth.co.nz

Events Centre of New Zealand (September 2008)

Centre	Characteristics	Events
<p>TSB Stadium - New Plymouth</p>	<p>TSB Stadium is a multi-purpose Events Centre that can cater for a diverse range of events including sports, shows and concerts, exhibitions and trade shows, dinners, conventions and community events. It features a Robbins Bio Channel sprung flooring tech-system. And has the ability to convert to a commercial event within hours of sports or commercial use.</p> <p>The stadium has an uninterrupted floor space of 2,200m², housing three full-sized sports courts, plus an entrance foyer that has a reception desk and ticket box. A mezzanine area overlooks the stadium floor and includes a full kitchen.</p> <p>Facilities include:</p> <ul style="list-style-type: none"> • The venue has parking for 800 vehicles and a capacity of 2,635 seated and 4,560 standing, and banquet dining for 100 to 1,000. • Seating is provided by motorised Hussey retractable seating either side of centre court, for 1,205 bench seats per side, is available. • Access is provided by a 3.6m wide roller door in the end wall (opposite the foyer) provides vehicle access to the stadium floor. (Advance notice and approval from stadium staff is required). • Four changing or dressing rooms, two referee rooms and toilets that can be separated from the public toilets for players or entertainers. 	<p>Sports events Taranaki Mountain Airs National Basketball League games, Western Flyers National Bank Cup netball games, Volleyball games, New Zealand Secondary Schools Netball Tournament, National Indoor Bowls Tournament and the National Roller Skating Championships 2003.</p> <p>Shows and performances Jethro Tull, Jimmy Barnes, UB40, Tina Turner, Billy Connolly, Cirque Eloize, INXS and Motorhead.</p> <p>Expos and conferences Home and Lifestyle Expo, Oil and Gas Expo, Careers Expo, Let's Hear It for the Girls Expo, The 2003 Primary Schools Principals Conference, New Zealand Dairy Expo and Conference and the Beach Boys.</p>
<p>Rotorua Energy and Events Centre</p>	<p>Rotorua's Energy Events Centre is located in Government Gardens, Rotorua. The Events Centre has been designed and developed with the specific needs in mind of major conventions, exhibitions, sporting and cultural events and is a purpose-built events complex incorporating the Southern Trust Sportsdrome, BayTrust Forum, Unison Arena, Wai Ora Spa Grand Hall, and a number of breakout rooms. It is just a few minutes walk from its sister facility, the Rotorua Convention Centre.</p> <ul style="list-style-type: none"> • The Events Centre has total floor space of 8,255m² and capacity to accommodate 2,600 delegates for a seated banquet or 4,000 delegates theatre style in its impressive Unison Arena. For a tradeshow the centre can hold around 500 exhibition booths throughout the complex. • A rock concert can host 6,000 unseated concert-goers or a sporting event can seat 3,000 fans around a centre court event. The centre has 6 breakout rooms ideal for smaller meetings and an impressive entrance area which incorporates contemporary design. • Food and beverage services at the Energy Events Centre are provided by a resident caterer – Eurest. The centre is able to provide specialised event co-ordinators and managers. An Operations Team takes care of the general maintenance of the venues. They are responsible for co-ordinating facilities, cleaning and room setup; they also take care of the 'behind the scenes' jobs that ensure your event runs smoothly. 	<p>Sports events</p> <ul style="list-style-type: none"> o ANZ Championship and National Championship netball, o community basketball, o volleyball and indoor bowls. <p>Events National Bank Young Farmer of the Year contest, Maori Sports Awards and National Manu Korero Speech Contest</p> <p>Expos and conferences Tourism Rendezvous New Zealand (TRENZ) 2007 & 2008, Royal NZ College of General Practitioners and Conference, and Property Investors Association Conference 2008.</p> <p>Concerts and performances Paul Potts, Glen Campbell and rock band America.</p>

Source: www.newplymouthnz.com/VisitingNewPlymouth/EventVenues/TSBStadium and www.eventvenues.co.nz/eec

Events Centre of New Zealand (September 2008)

Centre	Characteristics	Events
<p>Taupo Events Centre</p>	<p>The Taupo Events Centre is a large modern indoor sports, recreation and exercise training facility. There is an indoor stadium, retail shop, fitness suite, climbing wall and a physiotherapy clinic all under one roof.</p> <p>The Stadium is a multi purpose venue that has three courts and can host 19 international sports codes. The stadium can be used for large trade shows, exhibitions, conferences, dinners and large functions.</p> <p><u>Seating:</u> Bleacher seating 1064 Fixed seating mezzanine 312 Total fixed seating 1376 Dinners and conferences 800+ Standing capacity 3500</p> <p>The Function room can host meetings for up to 130 people theatre style. Size 12m x 9m semicircle Theatre 130 Dinner 90 Classroom style 60</p>	<p>The Taupo Events Centre has successfully hosted local, regional, national and international sporting events, concerts, trade and craft shows, cultural events and conferences, proving that it is a nationally recognised & versatile Events Centre.</p> <p>Some past and up-coming events include:</p> <ul style="list-style-type: none"> • NZ National Netball Champs • Third Division Premiership Basketball • Expos/trade shows (Hunter and Habitat NZ Sika Show, Hobby Expo)

Source: www.taupoeventscentre.co.nz/

6.0 ESTIMATION OF ECONOMIC IMPACT

6.1 *Background to economic impact analysis*

The purpose of this section is to provide a contextual overview of provincial multiplier analysis¹. Economic impact analysis estimates the economic effects on an area or region (in this case Wanganui). Economic impact does not consider net project benefit and simply quantifies spending and its flow-on (multiplier) effects. In other words, impact analysis treats costs and benefits indifferently. Notably, impact analysis does not quantify intangible benefits or non-market costs.

The monetary value of some intangibles such as the positive value of media exposure may have an equivalent pecuniary value over time that is very large. Some externalities such as wear and tear on amenities due to tourism usage that impose a cost on the local community will not be included in the revenue quantified. In other words, impact analysis considers only the net change in expenditure, without regard to the sustainability of this activity or the change in the equity position that may enable such spending.

Economic impact analysis also does not take into account the down-stream effects of economic development which enable new businesses to come into existence and may improve the rate of economic growth. The value of the quantification of economic impact estimated in this report is that it will show by how much the local economy may expand and provide more jobs which enable residents to remain in Wanganui rather than migrating to urban areas for job opportunities. Although Section Six qualitatively overviews some of the wider-benefits associated with the Events Centre, it is beyond the scope of this report to provide a contrast of costs and benefits. Notably, economic benefits occur over time implying the need to discount net benefits that occur to a single period of time, as opposed to economic impact analysis which provides a snapshot at a selected cross-section of time.

The initial expenditure (direct spend) by visitors to Wanganui will be subject to flow-on (multiplier) effects². Direct visitor expenditure causes a re-spending effect within the industry sector in which the initial spend was made. This is called the indirect effect. The re-spending effect causes salaries, wages and profits to increase leading to an increase in household income which in turn results in an increase in household expenditure. This is known as the induced effect. Direct, indirect, and induced expenditure contributions to total economic impact are modelled by Type-Two multipliers. These are multiplied by the direct spend to give a total impact figure. The total flow-on effect is the difference between total impact and direct spend.

Output is a term that refers to expenditure. Output multipliers model the flow-on effects of initial spending in a way that reflects the cumulative effects on the level of business activity, whereas value added (VA) multipliers avoid double counting of re-spending. When Type-Two VA multipliers are applied to an estimate of direct VA, the resulting estimate of total VA impact tells us how much the overall size of an economy has increased.

¹ Purchasing of economic multipliers specifically for this project was considered beyond the scope of work undertaken in this report. Typically, multipliers would be purchased from Butcher Partners (Canterbury), Professor Warren Hughes at Waikato University or Market Economics (North Shore City).

² Notably, all multipliers need to be treated with caution. Multiplier calculations are based upon linear extrapolation of past relationships for future expansion in activity as if there are no constraints or opportunity costs on resource inputs. From a more practical point of view, a major impediment on accuracy is the lack of a comprehensive recent update of the New Zealand input-output tables with which multipliers are commonly estimated: the most recent tables are for 1995-96 and there is some likelihood of structural changes in the economy since then that may invalidate the relationships in this analysis.

Examples of tourism multipliers for a range of selected economies are provided in Table 3. The multipliers are an average across the sub-sectors that make up the tourism industry in each area. Generally, the more diversified an economy, the less the propensity for re-spending effects of initial expenditure to leak to other areas. In other words, in general, larger economies tend to possess larger multipliers and conversely smaller areas possess smaller ones.

Pertinent concepts to economic impact are those of additionality and displacement. A benefit (or cost) that occurs as a result of a project is only a net benefit if it is marginal in its nature. In other words, if a beneficial result would have occurred in the absence of a project, then it should not be counted as a benefit (or net impact) in analysis. If a benefit or activity that occurs as a result of our project displaces another activity that also induces benefits, then the net benefit should be the difference between the values of the two benefits.

Examples of the number of full-time equivalent jobs (FTE's) created or sustained per annum and per million of expenditure range between 10.1 FTE's per \$1.0 million for Akaroa to 15.7 FTE's per \$1.0 million for Rotorua, while value added per \$1.0 million of initial expenditure range between \$0.4 million for Akaroa and \$0.7 million for Christchurch.

The multipliers used in this report's analysis were those estimated for Rotorua as these represent reasonably robust information to apply to Wanganui data. Looking at Table 3 it can be seen that usage of Rotorua's total impact to direct impact conversion ratios to convert Wanganui visitors' spend to other variables such as value added (inclusive of flow-on effects), essentially amount to usage of median values presented in the Table. Usage of Rotorua's conversion ratios is commensurate with the aspiration of Wanganui becoming an economy with a significant tourism sector in 5-10 years time.

The conversion factor for direct spend to FTEs may over estimate employment generation by up to around a third (say from a more conservative 10 FTEs per \$1m of initial spend (output)). Notably, the number of FTEs created per every dollar of direct consumer expenditure is dependent on the average earning potential of employees. This is approximately a function of productivity, with more high level employees or those self-employed having smaller FTE to initial spend ratios. The relatively high ratios of initial spend (in other words direct output) to total value added (0.65 for Rotorua) shown in Table 3, reflects the fact that value-added in tourism is high attributable to the service-based nature of much of the sector, especially cafés, restaurants, accommodation and some forms of tourism-related retail activity.

Table 3: Tourism multiplier data

	Average tourism Multiplier (Type-Two)	Total impact to direct output ratio
Employment (FTEs)		Total FTE's/ \$million of direct output
Akaroa	1.08	10.1
Kaikoura	1.21	14.2
Westland	1.11	11.0
Rotorua	1.39	15.7
Christchurch	1.46	14.6
Output (\$)		
Kaikoura	1.39	
Rotorua	1.49	
Westland	1.19	
Christchurch	1.75	
Akaroa	1.11	
Value-added (\$)		Total value-added to direct output ratio
Kaikoura	1.38	0.6
Rotorua	1.59	0.6
Westland	1.19	0.6
Christchurch	1.98	0.7
Akaroa	1.15	0.4
Household income (\$)		Total Household income to direct output
Kaikoura	1.32	0.3
Rotorua	1.52	0.4
Westland	1.17	0.3
Christchurch	1.81	0.4
Akaroa	1.11	0.3

Source: Compiled from Butcher G. (2005). Economic Impacts of Tourism and Measurement Implications in Understanding the Host-Guest Encounter in New Zealand: Foundations for Adaptive Planning and Management.

Notes: (1) The word 'total' used in the table indicates that a selected variable includes direct, indirect and induced contributions to impact. (2) The ratios provided in this table average over the entire tourism sector. In other words, they are averages and therefore do not directly relate to individual sectors whose particular values may differ from the average.

6.2 Sources of economic impact

Figure 9 shows a simple schematic showing sources of economic impact. Sources of economic impact can be broken down into several main types. The importance of some of these sources of impact will be determined by what development option is selected.

Visitor spend

For events that attract visitors from outside the District there is a tourism impact in terms of the expenditure made on accommodation, transport, food and beverages *inter alia*. Visitor spend is attributable to day and night visitors. Key issues around tourism impact are average spend values and average length of stay but also additionality of impact. For most domestic day visitors who will attend a concert at the centre it appears to be relatively certain that the main reason for their visit will be the concert. For domestic and international overnight visitors the main reason for their visit to Wanganui may be to attend the concert, in which case the full spend associated with their visit is the impact attributable to the performance/concert they attended. Where the attraction to Wanganui is a combination of factors, such as when visitors visit friends and family as well as attend a concert or sports event, then the impact attributable to the concert will be a proportion of the visitor's spend.

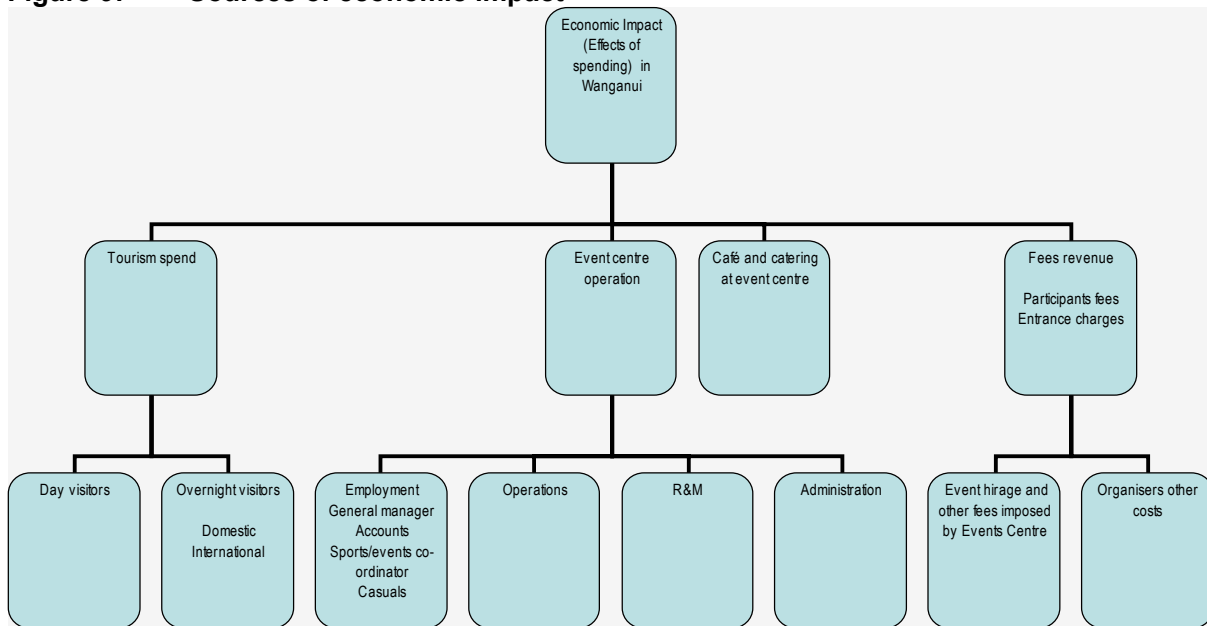
Event revenue

For many events there are also gate sales revenue as well as entry fees paid by event participants. Some of this expenditure will be spent by the event organisers on the hirage of the proposed Events Centre and some of it will be spent locally on advertising and promotion and insurance. There will also be costs involved around the actual running of the event which will require ushers, security, lighting and sound engineering, stage management and directors, floor managers depending on the nature of the concert or expo. Set-up and taking down of specialised equipment will require contracted labour as will cleaning up of the venue.

There will be an economic impact attributable to the operation of the proposed café and bar at the venue. The impact is obviously the revenue involved while valued added would be in the form of salaries/wages and any profits.

The operation of the Events Centre will have an impact. The impacts are attributable to operating costs of the venue which represent expenditure on centre management and operations, administration, etc. These are funded out of a combination of revenue from event hirage fees and council funds (see Section 6.15). Notably, some of the spend associated with operating the Events Centre will be funded out of hirage implying double counting of impacts. However, Events Centre operating expenditure is shown in Figure 9 separately since some of this spending will be funded out of advertising revenues and funding from Council.

Figure 9: Sources of economic impact



Source: APR Graphics

Notes: (1) Day visitors were assumed to be of domestic origin and all international visitors who visit Wanganui assumed to stay for at least one night.

6.3 Economic impact of single visitor on the Wanganui Economy

Impacts calculated in this report are based upon average spend values. A typical domestic day visitor to Wanganui in 2015 is estimated to spend \$79 on average. After re-spending is taken into account this initial spending results in a total (direct) impact of around \$118 on the local economy. Once double counting of (re)spending is taken into account, the total value added to the local economy stands at around \$51 while household income is estimated to increase by \$32 and the number of full-time equivalent (FTE) jobs created or sustained stands at 0.00125.

A typical overnight domestic visitor to Wanganui in 2015 is estimated to spend \$99 per night on average, which after re-spending is taken into account, will result in a total impact of \$147 on the local economy. Once double counting of revenue is taken into account, the total value added to the local economy stands at around \$64 while household income is estimated to increase by \$40 and the number of FTE jobs created or sustained stands at 0.00155.

A typical international overnight visitor to Wanganui in 2015 is estimated to spend \$84 per night on average, which after re-spending is taken into account, will result in approximately a total impact of \$126 on the local economy and an increase in total value added to the local economy of around \$55. Household income is estimated to increase by \$34 and the number of FTE jobs created or sustained is 0.00133.

Table 4: Projected economic impact of a single visitor to Wanganui in 2015, (NZ\$2008)

	Direct Impact	Multiplier (Type Two)	Total Impacts
Domestic day visitor			
Output/spending per night	\$79	1.49	\$118
Value-added	\$32	1.59	\$51
Household income	\$21	1.52	\$32
Employment (FTE)	0.001	1.39	0.00125
Domestic overnight visitor			
Output/spending per night	\$99	1.49	\$147
Value-added	\$40	1.59	\$64
Household income	\$26	1.52	\$40
Employment (FTE)	0.00111	1.39	0.00155
International overnight visitor			
Output/spending per night	\$84	1.49	\$126
Value-added	\$34	1.59	\$55
Household income	\$23	1.52	\$34
Employment (FTE)	0.00095	1.39	0.00133

Source: Compiled from TRC data and APR analysis

Notes: (1) Tourism Council spend figures have been converted to 2008 dollars. (2) Please note that TRC projections only cover up to 2013. 2015 estimates were calculated by taking figures supplied by TRC for 2013 and growing them at the average annual rate between 2006 and 2013 implied by TRC estimates as at 2007.

6.4 Background to Non-sporting impact

This section presents a strategic overview of issues associated with exhibitions/craft shows and concerts/performances.

Additionality

Smaller craft shows, exhibitions, and concerts and performances would typically be held at the Wanganui Community Sports Centre (WCSC) or War Memorial Hall, implying a problem for economic additionality associated with these potential usages of the ECNZ. Only in cases where the ECNZ provided equipment and capability not found elsewhere would there likely be an advantage in using the ECNZ. For the most-part, the condition that enables the ECNZ to be a preferred venue would be the size of the event in terms of event attendee numbers. The numbers to events held at the Events Centre will be dependent on the level of promotion and advertising both by the event organiser and Wanganui's ongoing marketing strategy. Building of the Events Centre's brand will take some time. Numbers will also be dependent on the nature of the event, notably how the expo may be strategically aligned with the nature of Wanganui. Numbers to concerts and expos will obviously depend also on the notoriety and popularity of the performer or material exhibited.

Catchment

Overall, the size of events that can currently be held are mostly limited by Wanganui's small population base and size and composition of Wanganui visitor markets. This implies that the Events Centre must develop into an event destination that is able to attract significant numbers of attendees from the primary catchment of Manawatu-Wanganui Region, but also from a second secondary catchment that includes the wider Horowhenui, Taranaki and Wellington regions. Clearly, this can only happen if a strong brand is developed predicated on Wanganui's artistic pedigree and leveraging Wanganui's iconic status as a cycling destination and as a leading provincial centre for the development of speed-skating and indoor athletics *inter alia*.

The status quo problem

A problem for modelling expos and concerts in this impact study is that the current level of activity and any information obtained by personal communication with relevant stakeholders about future prospects will be mostly predicated upon on an extrapolation of the current situation. Further development of Wanganui's tourism activity and an Events Centre brand would change the *status quo* level of tourism growth. This implies that how well the proposed Events Centre is expected to do is a function of how much an individual believes that the proposed Centre can grow tourism activity beyond the *status quo*.

Expos, the status quo

Anecdotal evidence from an expo organiser yielded insight into the typical number of attendants that could be expected to a Wanganui expo. Also provided was information pertaining to exhibitor fees, the proportion of local exhibitors and the proportion of expo revenue that would be spent locally on advertising, venue hire, set-up, clean up, accommodation, and food and travel for instance. Although there was some concern expressed with regard to Wanganui's appeal as an expo destination, this represents the view of only one expo organiser. Table 5 presents some of the key questions that were asked and responses of the expo organiser.

Table 5: Expos background with regard to Wanganui's current capability**What is the likelihood that Wanganui would be considered as a location for Expos?**

The last time we held an expo in Wanganui was in 2007 and the frequency of expos held in Wanganui would be one every 3-5 years. The reason for this likely duration is the small local population for generating attendees. The socio-economic characteristics and demographics of the population are not as prosperous as other places. There is limited demand from exhibitors wanting to attend Wanganui expos, there are a limited number of local exhibitors and nearly all exhibitors would be expected to come from other parts of the North Island rather than Wanganui.

What venue is used?

The Jubilee Hall would be used. This provides public parking and plenty of open space for exhibitors.

How many exhibitors would be likely to attend?

We might typically get 30-40 exhibitor sites sold in Wanganui compared to 60 in Whangarei and 55 in Rotorua. We get up to 100 or so in larger urban areas such as Christchurch.

How many attendants could be expected (e.g. per day or over the course of the expo)?

Attendance would typically stand at around 2,000 attendees over three days duration compared to around 5,000 in regional centres.

Do exhibitors pay fees?

Prices for exhibitors' site range from \$400 (plus GST) for a small site to \$625 (plus GST) for large sites in provincial areas, whereas for larger urban areas such as Christchurch fees range between \$580 (plus GST) for small sites to \$865 (plus GST) for large sites.

What are the other impacts?

Exhibitors usually stay for three days in the provincial or urban centre where the event is held plus an additional day for organisational purposes. In other words, four days.

Event organisers would usually stay for three days in the provincial or urban centre where the event is held plus an additional 2-3 days before and after the event for organisational purposes. In other words, event organisers would typically would stay for around 7-9 days.

What proportion of revenue would be spent locally to run the expo?

Usually around about a third of revenue would be spent locally. This retention would be spent on such things as venue hire, advertising and accommodation for organisers.

Strategic consideration of potential opportunities for concerts/expos

This section provides a brief overview and indication of potential opportunities that are available for the ECNZ. Clearly, Wanganui's strategic alignment in terms of concerts and expos partly lies with things of an artistic and cultural nature that already have a base that can be leveraged. A basic methodology for identifying potential opportunities is to look at events that are held elsewhere and determine those for which Wanganui can emulate.

Some examples of potential expos

The Craft and Quilt Fair held at the Claudelands Events Centre in Hamilton has well in excess of 2,000 visitors. The equivalent for Wanganui would be the Cotton on Quilters Fair that has over 800 for one day through it. Obviously, usage of the proposed ECNZ would be dependent on the costs for venue usage compared to alternative venues.

Another event that Wanganui could host which is currently in Hamilton would be the New Zealand National Motor Home and Caravan Expo. Looking at entertainment expos, the National Jazz Festival at Tauranga could be another one. Notably, events such as these if they were held in Wanganui would be in competition with other areas thereby implying that to successfully host events Wanganui will need to possess some type of competitive advantage, further implying the leveraging of some variety of strategic positioning.

ECNZ positioning – adding capacity /capability over and above the current provision

Currently, expos that are held in Wanganui typically host an average of 500 to 700 attendees over three days duration and concert/performances held range between 500 and 1,500 attendees. For the proposed ECNZ to be successful as a venue it will need to add to the current provision that is available in Wanganui. It will do this if attendee numbers are greater than the current average levels. Certainly, for concerts, attendee numbers will have to average at least 2,000 attendees and expo attendance will need to average at least 900-1,000 per day over three days duration.

Obviously, potential individual users of the proposed ECNZ will each possess their own benefit-cost functions which will determine whether they believe that their usage of the Centre will be beneficial. This will be a function of perceptions about how many attendees can be attracted from the wider catchment. Intensive and strategic marketing effort is one instrument towards attracting attendees to an event held at the Events Centre, but more importantly attendees will demand a great experience of Wanganui during their visit. This implies that tourism infrastructure will need to be up to scratch in terms of the availability of higher quality accommodation, restaurants, cafés and transportation as well as the provision of complementary attractions.

Co-ordination

For the ECNZ to be successful in attracting large numbers of attendees it will likely have to link with other minor festivals and expos as an added experience. This would mean marketing a package of multiple events with links to and utilisation of the ECNZ. Obviously, event organisers and those who run attractions would need to cooperate with each other, especially with regard to scheduling of events. As already noted, infrastructure would need to be up to a high standard and able to cope with larger volumes of visitors at any one selected point in time.

Competition

Competition for the tourism dollar throughout New Zealand is strong. The important issue with regard to building a tourism base is repeat business. If people have enjoyed the experience of visiting a destination to attend an expo or concert then they will likely re-visit.

The key is to have high-quality provision that supports visitors' experience in relation to attending the event at the ECNZ and also the provision of other attractions provided at a destination. With the exception of iconic sporting events, it seems unlikely that the proposed Centre will be able to attain significant attendee numbers based upon it being the primary attraction for visitors in its own right. Rather, the centre would need to be part of an integrated bundle of complementary attractions. For Wanganui to successfully compete against strong competition elsewhere implies that not only will Wanganui have to offer a complete visitor experience, but one that has unique and distinguishing features. Identification of strategic opportunities that work from an existing base is likely to achieve the best results.

6.5 Concerts impact

Methodology

Impacts in this section are reviewed at the level of one concert and also at the maximum expected (average) number of concerts to be held in 2015. To provide a baseline estimate of impact, calculations are carried out at average variable settings. Effects of changes in the average levels of selected variables are also explored to see how the economic impact changes.

It is assumed that the average number of concert attendees would be 2,000 people. Notably, typical concerts held at Stadium Southland host between 1,500 and 3,000 attendees. Event management and set-up spending etc., has been set to an average level of \$10,000 while venue hire was set to \$38,000 (Table 6).

Unit level analysis of concert activity

Table 6: Concert ticket revenue

Event		Ticket revenue		Revenue retained in Wanganui		
No. of concerts per year	Av. no. of attendees	Av. ticket price	Ticket revenue	Venue hire	Event management and set-up spend	Total
1	2,000	\$100	\$200,000	\$38,000	\$10,000	\$48,000

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

A breakdown of concert attendees' origin is shown in Table 7. Domestic day and international visitor spend per night as specified in Table 4 were used to calculate spend. Locals were assumed to spend half the domestic day spend on food and beverages *inter alia*. The total spend per average concert equates to \$183,487.

Table 7: Concert attendees' origin and tourism spend per concert

	Local	Domestic day	Domestic one night stay	Domestic two night stay	Intern one night stay	Intern three night stay	Total
% breakdown	30.0%	30.0%	17.5%	17.5%	2.5%	2.5%	100%
Concert attendees	600	600	350	350	50	50	2,000
Spend	\$23,800	\$47,600	\$34,547	\$69,093	\$4,223	\$4,223	\$183,487

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

Notes: (1) Local attendees refer to Wanganui District residents. (2) Domestic attendees refer to visitors of New Zealand origin who came from outside Wanganui District. (3) Locals are assumed to spend half the (APR inflation-adjusted) TRC estimate of average Wanganui domestic day spend.

Economic impact estimates of concert activity

The economic impacts per an average concert are shown in Table 8. Additionality of the direct tourism output was assumed to 70% of the total tourist spend, which gives a net tourism spend of \$134,400 (see Table 8). This is because it is assumed that some attendees to the concert would have visited Wanganui in the absence of the event and therefore their spending is not considered to be additional. When the \$48,000 of event organiser spending is added, the average direct output of a single concert equates to \$182,400. After indirect and induced impacts flow through the local economy total output is estimated to stand at \$271,700, value added at \$117,600, while the number of FTE jobs created or sustained per annum stands at 2.9 jobs and annual household income will increase by \$73,500.

Table 8: Economic impacts per concert ('000s)

Direct output	Total output	Total value added	Total FTEs	Total household income
\$182.4	\$271.7	\$117.6	2.9	\$73.5

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al. and APR analysis

Analysis of seven concerts per year

If seven concerts were held per year, the amount of concert revenue spent locally by event organisers would equate to \$336,000 (Table 9). This equates to nearly a quarter of total ticket revenue that could potentially be made from concert events.

Table 9: Concert ticket revenue

Event details			Ticket revenue			Revenue retained in Wanganui			
No. of concerts per yr	No. of attendees per event	No. attendees per yr	Av. ticket price	Ticket revenue per event	Ticket revenue per year	Venue hire per event	Set-up, mgt spend per event	Total per event	Total per year
7	2,000	14,000	\$100	\$200,000	\$1,400,000	\$38,000	\$10,000	\$48,000	\$336,000

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

Table 10 shows that if seven concerts are held per year total tourism spending amounts to \$1.34 million. The greatest impact is estimated to come from domestic visitors who stay for two nights in the District. This is the market that Wanganui must capture by having accompanying events, attractions, restaurants, cafes, bars and activities that induce visitors to lengthen their stay either side of the concert.

Table 10: Concert attendees' origin and tourism spend, seven concerts per year

	Local	Domestic day	Domestic one night stay	Domestic two night stay	Intern one night stay	Intern three night stay	Total
% breakdown	30.0%	30.0%	17.5%	17.5%	2.5%	2.5%	100%
Concert attendees per year	4,200	4,200	2,450	2,450	350	350	14,000
Spend	\$166,600	\$333,200	\$241,827	\$483,653	\$29,564	\$88,691	\$1,343,535

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

Notes: (1) Local attendees refers to Wanganui District residents. (2) Domestic attendees refer to visitors of New Zealand origin from outside Wanganui District. (3) Locals are assumed to spend half the (APR's adjusted) TRC average domestic day spend.

Estimated economic impacts for seven average concerts per annum are shown in Table 11. Net tourism direct output stands at \$0.94 million (i.e. 70% of \$1.34 million) and when the organiser's event-related expenditure is added this gives a total direct output of \$1.28 million. After indirect and induced impacts flow through the local economy, total output is estimated to stand at \$1.9 million, value added at \$0.82 million, while the number of FTE jobs created or sustained per annum stands at 20.1 jobs and annual household income will increase by \$0.51 million.

If only three of these concerts were assumed additional over and above the number that would be held in Wanganui in 2015, then total output would stand at \$815,100 while total value added, household income and FTEs would stand at \$352,900, \$220,600 and 8.6 jobs per annum respectively.

Table 11: Economic impact, seven concerts per year, full additional impact ('000s)

Direct output	Total output	Total value added	Total FTEs	Total household income
\$1,276.5	\$1,901.9	\$823.5	20.1	\$514.7

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al. and APR analysis

Sensitivity of direct concert output

Table 12, Table 13, and Table 14 show how direct concert output associated with the staging of seven concerts per year at the ECNZ changes when selected key variables are altered one at a time while holding all other variables constant at the levels prescribed in Table 9 and Table 10. In one of the scenarios modeled (Table 14), instead of assuming a fixed venue hire fee and amount spent on other forms of concert management and set-up, the percentage of revenue retention in Wanganui was varied. For comparative purposes, the baseline retention rate that was modelled represents nearly a quarter of estimated total ticket revenue.

Higher levels of retention will occur when concert organisers and artists or performers are of local origin. Even if an act is an international artist and therefore a large share of revenue may be lost to Wanganui, if one of the contributing organisers is local then more money would be retained locally and the impact is therefore greater. Where organisers and/or artists are prepared to invest in Wanganui, especially in terms of marketing and development, more money will be retained. This is most likely to occur when the artists/performers possess some type of linkage or connection with Wanganui and where the nature of the artistry is strategically aligned with the character and ethos of the area.

If the aggregate number of attendees per year could double due to a combination of an increase in average attendee numbers per performance and the number of concerts/performance held then direct output could rise from around \$1.3 million per annum to around \$2.6 million (Table 12)³.

Table 12: Sensitivity of direct concert output to variation in the average number of attendees per concert

Av. no. of attendees per concert	Event output per yr (millions)
1,000	\$0.8
1,500	\$1.0
2,500	\$1.5
3,000	\$1.7
3,500	\$1.9

Table 13: Sensitivity of direct concert output to variation in the average number of concerts held per year at the ECNZ

Av. no. of concerts per yr	Event output per yr (millions)
2	\$0.4
4	\$0.7
6	\$1.1
8	\$1.4
10	\$1.8
12	\$2.1

Table 14: Sensitivity of direct concert output to variation in the percentage of concert ticket revenue spent in Wanganui

Percentage of av. concert ticket Revenue spent locally	Event output per yr (millions)
20%	\$1.2
25%	\$1.2
30%	\$1.3
35%	\$1.4
45%	\$1.5
50%	\$1.6
60%	\$1.7
70%	\$1.9
80%	\$2.0
70%	\$1.9
80%	\$2.0

For Tables 12-14:

Source: APR analysis

Notes: (1) Please note that the variable settings displayed in Tables 9 -10 are maintained in the tables above with only one selected variable being varied at a time.

³ Given that spend values and visitor origin proportions remained the same.

6.6 Expos impact

The tables shown on this page present details pertaining to a single expo, in other words, a unit level analysis. To present a conservative analysis, the average number of event attendees has been set to 1,000 per day over an average three day event, while the number of exhibitors has been set to 30 per event (Table 15). The number of variables involved in modelling expos is quite large and the number of different types of expos is actually quite large also. Therefore, it seems reasonable that the most pertinent part of this section's analysis is the sensitivity analysis.

There exists a question mark over the potential additionality of expos that would be held at the proposed ECNZ. While there is the possibility that a number of expos could be held at the proposed ECNZ, it appears likely that only those over a particular size threshold would represent new activity, rather than displacement. There also exists a paradox in the sense that expos below a certain size threshold probably would not be held at the proposed ECNZ.

Unit level analysis

Table 15: Expo number of attendees, attendee days and exhibitor numbers

No. of expos/exhibits per yr	Av. no. of attendees per day	Av. duration of event	No of attendee days per event	No. of exhibitors per event
1	1,000	3	3,000	30

Source: APR analysis

Expo fee revenue analysis

An estimate of expo revenue was derived from information obtained as a result of communication with an expo organiser and from a search of prices associated with expos held in selected provincial centres. This led to an estimated average entrance fee for attendees of \$20 per day and a site fee of \$100 per day for exhibitors (Table 16).

Table 16: Expo revenue

Attendee ticket revenue			Exhibitor revenue			Total
Av. value of an entrance ticket	Entrance fee revenue per day	Ticket revenue per event	Av. value of exhibitors fee per day	Revenue per day due to exhibitors	Revenue per event due to exhibitors	
\$20	\$20,000	\$60,000	\$100	\$3,000	\$9,000	\$69,000

Source: APR analysis

Event organiser's estimated expenditure on venue hire (\$2,000), set-up and management costs and living (e.g. accommodation and meals etc.) equated to \$15,455, which represents nearly a quarter (22.4%) of estimated revenues. In addition, the amount spent locally by exhibitors on event-related set-up and operational costs was estimated at \$15,000. This gave a total event-related expenditure figure of \$30,455 (Table 17).

Table 17: Estimates of expo revenue retained in Wanganui

Total organisers' spend	Total exhibitors' spend	Total
\$15,455	\$15,000	\$30,455

Source: APR analysis

Notes: (1) Each exhibitor was assumed to spend \$500 over the duration of the expo. (2) Total organisers' spend includes tourism output from an assumed five expo organisers who were assumed to stay in Wanganui for seven days each spending the (APR's adjusted) TRC estimate of Wanganui overnight visitor spend on each night of their stay.

Tourism impact

In addition to the event-related expenditure there will be tourism impact as a result of attendees and exhibitors visiting Wanganui to participate in the event. Of total attendee days, 20% are estimated to be attributable to attendees who originate from outside Wanganui District and 5% are attributable to overnight visitors. The tourism spend of attendees is estimated to total \$35,055. The overwhelming majority of exhibitors are expected to be from outside Wanganui District and their tourism spending is estimated to total \$11,252.

Table 18: Expo attendees' origin and direct tourism output

	Attendees							Exhibitors			
	Attendee days due to locals	Attendee days due to domestic day visitors	Domestic one night stay	Domestic two night stay	Intern one night stay	Intern three night stay	Total	Exhibitors local	% exhibitors domestic overnight visitors	% exhibitors intern overnight visitors	Total
% breakdown	80.0%	15.0%	2.0%	2.0%	0.5%	0.5%	100.0%	5.0%	95.0%	0.0%	100.0%
No.	2,400	450	60	60	15	15	3,000	2	28	0	30
Visitor spend	\$0	\$35,700	\$5,922	\$5,922	\$1,267	\$1,267	\$35,055	\$0	\$11,252	\$0	\$11,252

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

Notes: (1) Please note that totals presented may not sum precisely due to rounding. (2) The average length of stay for international visitors in Wanganui is around three nights. For simplicity overnight stays of international in Wanganui were modeled for one and three nights. (3) Local attendees refers to Wanganui District residents. (4) Domestic attendees refers to visitors of New Zealand origin from outside Wanganui District. (5) Domestic exhibitors were assumed to stay for three days of the expo plus one additional day.

Total economic impact, one and three expos per year

Table 19 shows the total economic impact for a single event and for a realistic three additional expos (from an economic perspective) held at the proposed Events Centre. The direct impact (the sum of direct tourism expenditure and event organiser and exhibitor event-related expenditure) for one expo is \$76,800 while the impact of three expos stands at \$230,300. The estimated value of total impact (output), value added, household incomes and the number of FTE jobs created or sustained per annum for one expo held at the proposed ECNZ stands \$114,400, \$49,500, \$31,000 and 1.2 jobs respectively, whereas the figures for three expos per annum stand at \$343,100, \$148,600, \$92,900 and 3.6 jobs respectively.

Table 19: Economic impact, expos ('000s)

No. of expos	Direct output	Total output	Total value added	Total FTEs	Total household income
1	76.8	\$114.4	\$49.5	1.2	\$31.0
3	230.3	\$343.1	\$148.6	3.6	\$92.9

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al. and APR analysis

Sensitivity of direct expo output

An examination of the sensitivity of direct output for a single expo is shown in Table 20, Table 21, Table 22 and Table 23. These tables provide an indication of how direct output changes when selected key variables are altered. From a practical point-of-view the main constraint on the economic impact of an expo will be the percentage of attendee days that are attributable to local residents. In other words, the economic impact will significantly increase when a greater percentage of attendees come from out of town thereby increasing the visitor spend associated with the event. A greater attendance by those from out-of-town will result in greater attendance numbers overall and an increased willingness for people to exhibit, both of which will increase the event's economic impact.

Table 20: Sensitivity of direct expo output to variation in the percentage of entrance and exhibitors' fee revenue (event revenue) spent in Wanganui

Percentage of entrance and exhibitors' fee revenue spent locally	Direct output ('000)
5%	\$64.8
10%	\$68.2
15%	\$71.7
20%	\$75.1
25%	\$78.6
30%	\$82.0
35%	\$85.5
40%	\$88.9
45%	\$92.4
50%	\$95.8
60%	\$102.7
70%	\$109.6
80%	\$116.5
90%	\$123.4

Table 21: Sensitivity of direct expo output to variation in the average number of exhibitors per event

Av. number of exhibitors per event	Direct output ('000)
15	\$63.6
30	\$76.8
50	\$94.3
60	\$103.0
70	\$111.8
80	\$120.5
100	\$138.0
120	\$155.5
140	\$173.0

Table 22: Sensitivity of direct expo output to variation in the percentage of event attendee days attributable to local attendees

Percentage of attendee days attributable to locals attendees	Direct output ('000)
50%	\$137.2
60%	\$117.0
65%	\$107.0
70%	\$96.9
75%	\$86.8
80%	\$76.8
85%	\$66.7
90%	\$56.6
95%	\$46.6

Table 23: Sensitivity of direct expo output to variation in the average number of attendees per day per event

Av. no. of attendees per day per event	Direct output ('000)
500	\$41.7
750	\$59.2
1,000	\$68.0
1,250	\$76.8
1,500	\$85.5

For Tables 20-23:

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

- Notes: (1) The variable settings displayed in Tables 15 -17 are maintained in the tables above with only one selected variable being varied at a time.
 (2) Tables 20-23 model the direct expo impact attributable to a single expo.

6.7 Sporting impact

Additionality

Sports training and small sports events would typically be held at the Wanganui Community Sports Centre (WCSC), implying a problem for economic additionality associated with potential usage of the ECNZ. Member sports of WCSC include table tennis, volleyball, indoor bowls, inline hockey, inline skating, basketball, netball and badminton. For most of these sports, usage of the ECNZ would be more expensive. Only in cases where the ECNZ provided equipment and capability not found elsewhere would there likely be an advantage in using the ECNZ, for example a banked track would prove beneficial for inline speed-skating.

6.8 Cycling

Background

Wanganui has long been recognised both nationally and internationally as the leading cycling region in New Zealand for both road and track cycling. Notably, Wanganui has hosted more national cycling championships and international events than any other region by far and has produced Olympic, World and Commonwealth medallists, elite coaches, international grade commissaries and six national presidents. Cycling, along with rowing are recognised as the 'national sports' of Wanganui.

Table 24: Details for major cycling sporting events that could be held at the ECNZ

Oceania Championships

This event is conducted over five days (eight days where road and mountain biking are included). The approximate number of competitors equates to 80 people.

Proportions: 10 local participants, 40 people from around New Zealand and 30 internationals.

Entry fees: Approximately \$40 per competitor.

Gate charge: Approximately \$10 per person per day.

Spectator numbers and breakdown: Approximately 300 per day (with 40% being local residents).

International Carnival

This event is conducted over one or two days.

Proportions: 15 local, 50 from around New Zealand and 10 internationals.

Entry fees: Approximately \$20 per competitor.

Gate charge: Average \$10 per person per day.

Spectators: Approximately 1,500 (with 60% being local residents).

National Championships

This was conducted over six days plus two days prior training.

Proportions: 15 local participants, and 100 people from around New Zealand.

Entry fees: Average \$40.

Gate charges: These were \$10 per day.

Spectators: Approx 2,500 over the six days (with 50% being local residents).

Source: Pers comms with Ron Cheately

Table 25: Additional events which attract competitors from around New Zealand include:

There is six Open Carnivals per year with approximately 30 from outside Wanganui (50%) staying overnight.

West Coast North Island Cycling (W.C.N.I) Championships

Similar figures to above.

New Zealand Masters Games, conducted every second year. The track competition is over two days and would have approximately 40 competitors (with 35 competitors from outside Wanganui).

Source: Pers comms with Ron Cheately

Notes: (1) The economic impact of the New Zealand Masters Games was not modelled because this event's impact would not be additional.

Wanganui's potential hosting of major cycling events, such as the Oceania Games and National Championships, would be on an 'every other year' basis, that is, Wanganui could expect to host one of these events, rather than both, in any given year. For simplicity, the impacts estimated in this section appear as if all events were to take place in the one year and this has the affect of overstating the actual impact. However, this issue was been taken into account in our aggregation of economic impacts in Chapter 6.14. Notably, the economic additionality of these cycling events emanates from these events being returned to Wanganui due to the ECNZ's enclosed velodrome.

Attendee numbers

Open Carnivals would attract the largest number of competitors (420 people) while National Championships would have the greatest number of spectators (2,500 people) and importantly the greatest number of spectators from out of town (Table 26 and Table 27).

Table 26: Number of attendees to major cycling events

Key event	Competitors			Spectator days			Total			Grand total
	Local	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern	
Oceania Games	10	40	30	600	885	15	610	925	45	1,580
National Champs	15	100	0	1,250	1,250	0	1,265	1,350	0	2,615
Open Carnivals per year (6) and WCNI Champs (1)	210	210	0	0	0	0	210	210	0	420
International Carnival	15	50	10	1,200	290	10	1,215	340	20	1,575

Source: Pers comms with Ron Cheately and APR analysis

Notes: (1) Please note that totals presented may not sum precisely due to rounding. (3) Local attendees refer to Wanganui District residents. (4) Domestic attendees refers to visitors of New Zealand origin who come from outside Wanganui District.

Table 27: Estimated percentage breakdown of attendee origin

Key event	Competitors			Spectator days			Total		
	Local	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern
Oceania Games	12.5%	50.0%	37.5%	40.0%	59.0%	1.0%	38.6%	58.5%	2.8%
National Champs	13.0%	87.0%	0.0%	50.0%	50.0%	0.0%	48.4%	51.6%	0.0%
Open Carnivals per year (6) and WCNI Champs (1)	50.0%	50.0%	0.0%	0.0%	0.0%	0.05	50.0%	50.0%	0.0%
International Carnival	20.0%	66.7%	13.3%	80.0%	19.3%	0.7%	77.1%	21.6%	1.3%

Source: Pers comms with Ron Cheately and APR analysis

Cycling fees impact

The greatest direct output impact from entrance fees is attributable to the National Championships, predominantly being due to spectator fees. The amount of fees that are spent within the District where the event occurs or the retention of fees revenue collected from both spectator and competitors is estimated to stand at around 80%. The direct impact attributable to entrance fees stands at \$14,560, \$23,680 and \$13,200 for the Oceania Games, National Championships and an International Carnival respectively (Table 28).

Table 28: Direct impact from entrance fees

Key event	Competitors			Spectator days			Total			Grand total
	Local	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern	
Oceania Games	\$400	\$1,600	\$1,200	\$6,000	\$8,850	\$150	\$6,400	\$10,450	\$1,350	\$14,560
National Champs	\$600	\$4,000	\$0	\$12,500	\$12,500	\$0	\$13,100	\$16,500	\$0	\$23,680
Open Carnivals per year (6) and WCNI Champs (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
International Carnival	\$300	\$1,000	\$200	\$12,000	\$2,900	\$100	\$12,300	\$3,900	\$300	\$13,200

Source: Pers comms with Ron Cheately and APR analysis

Notes: (1) The grand total represents an 80% retention of the total entrance fees attributable to local, domestic and international attendees in the District.

Tourism spend

The magnitude of visitor spend is greatest for the National Championship event (\$226,467) followed by the Oceania Games (\$129,649) and the International Carnival (\$76,300). Visitor spending attributable to six open carnivals and the WCNI Championships together totalled \$52,563 (Table 29).

Table 29: Direct impact from visitor spend

Key event	Competitors			Spectators/other			Total			Grand total
	Local	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern	
Oceania Games	\$1,322	\$19,741	\$12,670	\$15,867	\$78,782	\$1,267	\$17,189	\$98,523	\$13,937	\$129,649
National Champs	\$3,173	\$78,964	\$0	\$33,056	\$111,274	\$0	\$36,229	\$190,238	\$0	\$226,467
Open Carnivals per year (6) and WCNI Champs (1)	\$11,107	\$41,456	\$0	\$0	\$0	\$0	\$11,107	\$41,456	\$0	\$52,563
International Carnival	\$6,347	\$9,870	\$1,689	\$31,733	\$25,816	\$845	\$38,080	\$35,686	\$2,534	\$76,300

Source: Compiled from TRC Regional Pivot spreadsheet and APR analysis

Notes: (1) The duration of stay in Wanganui for competitors in the National Championships was assumed to be eight nights while the (additional from an economic perspective) duration of stay for both competitors and spectators to the Oceania Championships was modelled as five nights. (2) A total of 50% of domestic visitors to Wanganui who were spectators were assumed to be overnight visitors who spent the (APR's adjusted) TRC estimate for overnight domestics to Wanganui on each night they stayed. The remainder of domestic spectators to Wanganui were assumed to spend (APR's adjusted) TRC estimate of the Wanganui domestic day visitor spend. (3) Open Carnivals and WCNI Championships were assumed to run for a duration of two days each implying competitor and spectator attendance of two days. (4) An International Carnival was assumed to run for a duration of two days. (4) Local competitors and spectators were assumed to spend one-third of (APR's adjusted) TRC estimate of Wanganui day visitor spend on each day of an event.

Total economic impact

Total value added to the Wanganui economy by major cycling events if they were all held in one year is estimated to stand at \$346,076, while the number of FTEs created is estimated to stand at 8.4 jobs (Table 30).

Table 30: Total economic impacts, major cycling events

Key event	Tourism direct output	Fees direct output	Overall direct output	Total output	Total VA	Total FTEs	Total household income
Oceania Games	\$129,649	\$14,560	\$144,209	\$214,871	\$93,038	2.3	\$58,149
National Champs	\$226,467	\$23,680	\$250,147	\$372,718	\$161,385	3.9	\$100,866
Open Carnivals per year (6) and WCNI Champs (1)	\$52,563	\$0	\$52,563	\$78,318	\$33,911	0.8	\$21,195
International Carnival	\$76,300	\$13,200	\$89,500	\$133,355	\$57,742	1.4	\$36,089
Total	\$484,978	\$51,440	\$536,418	\$799,263	\$346,076	8.4	\$216,298

Source: Butcher et al. and APR analysis

Notes: (1) The term 'total' describes direct, indirect and induced contributions to economic impact.

6.9 Netball

Wanganui at a regional level is represented by the Western Region, while in the ANZ competition, Wanganui falls within the area covered by the Suzuki Central Pulse.

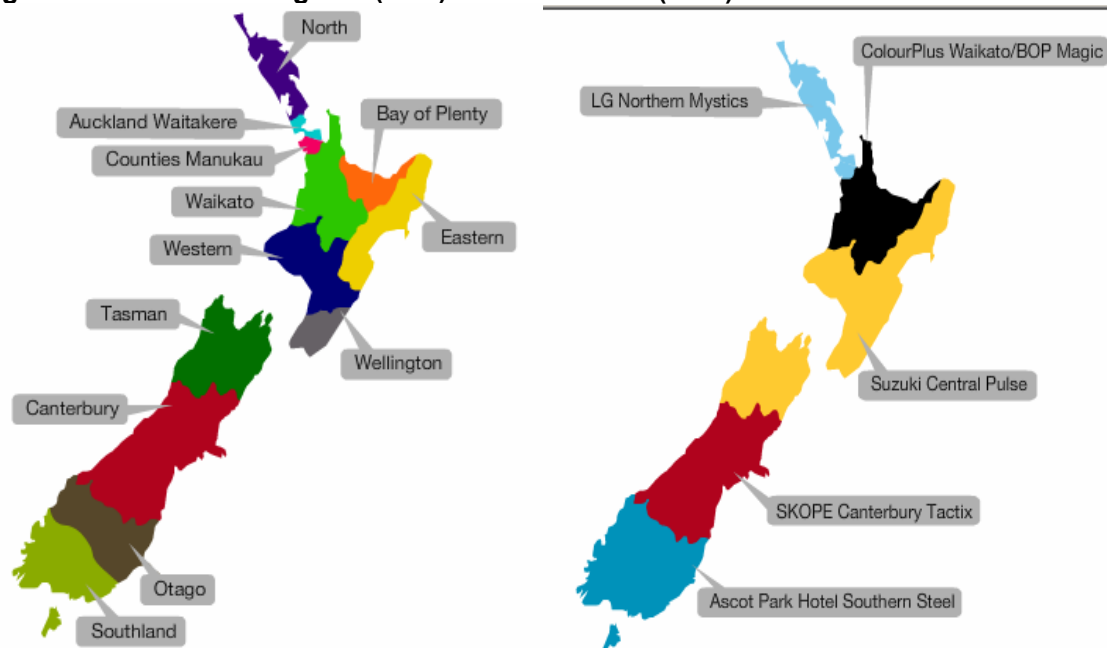
Additionality

There is a degree of uncertainty surrounding the ECNZ being a host for national and regional netball tournaments, because Wanganui has the capability (both indoor and outdoor venues) already to host major tournaments having recently hosted a major North Island U17 tournament and a regional Western centre tournament. Therefore, the issue of economic additionality again comes into play. Notably, with an up-grade and more seating provision there even exists the potential for the Jubilee Hall to host National Championship games. Due to potentially insufficient capacity, the ECNZ is unlikely to host national tournaments and it is not viable to use another Wanganui venue to make-up capacity because of the variation of surfaces having an impact on player welfare and tournament integration and logistics being lost.

Potential games that could be hosted, ANZ Championship

There is always the possibility of the ECNZ hosting ANZ Championship games in the future, although given the number of available games and the large catchments of New Zealand teams in the competition, Wanganui's ECNZ would need to be a very well-established brand to be considered as a host. A low likelihood that games would be held at the ECNZ would predominantly be attributable to the level of competition for games in other centres (e.g. Wellington, Palmerston North and New Plymouth), all of which can guarantee large crowd attendance as well as some that possess brands more predicated on hosting netball games, which implies preferential scheduling in favour of netball. For this reason the hosting of an ANZ game is not modelled in this report. However, the impact of hosting an ANZ game could as much as double that associated with a National Championship game.

Figure 10: Netball Regions (LHS) and franchises (RHS)



Source: www.netballnz.co.nz

Impact of a National Championship game

Of the maximum three championship games played in the Western (netball) Region each season, Wanganui could plausibly be considered a contender for holding a game every second year. This report models the impact associated with a single game.

Entrance fees

Crowd attendance would depend on the popularity of players and teams who will play. However, as a guideline, spectators attendance was set to 1,500 people with around three-quarters assumed to be adults and one-quarter as children. Fees per child were set at \$5 and \$15 for adults.

Tourism impact

The team entourage was assumed to number 16 people with an average of one additional person accompanying each of these. The total number of participants (excluding referee) therefore totals 64 people. Each of these visitors is assumed to stay for one night and outlay the average overnight domestic visitor spend for Wanganui. Half of the 750 spectators who came from out-of-town are assumed to be day visitors and the other staff were assumed to stay overnight in

Wanganui. Visitors are assumed to spend the average domestic overnight spend for Wanganui as estimated by the TRC.

Total impact

The total output of holding a National Championship game in Wanganui is estimated to stand at \$150,127 while value added, household income and employment created stand at \$65,004, \$40,628 and 1.6 FTE jobs created or sustained.

Table 31: Attendance and impact data for a National Championship game held in Wanganui

Variable	Team entourage		Spectators/other		Total		Grand total
	Local	Domestic	Local	Domestic	Local	Domestic	
National Championship game numbers		64	750	750	750	814	1,564
Entrance fee direct output		\$0	\$9,375	\$9,375	\$9,375	\$9,375	\$18,750
Direct tourism output		\$6,317	\$8,925	\$66,764	\$0	\$73,081	\$82,006
Overall output (visitor spend + fees)		\$6,317	\$18,300	\$76,139	\$9,375	\$82,456	\$100,756
Total output		\$9,412	\$27,267	\$113,448	\$13,969	\$122,860	\$150,127
Total value added		\$4,076	\$11,806	\$49,122	\$6,048	\$53,198	\$65,004
Total FTEs		0.1	0.3	1.2	0.1	1.3	1.6
Total household income		\$2,547	\$7,379	\$30,701	\$3,780	\$33,249	\$40,628

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al., per comms with Netball New Zealand and APR analysis

Notes: (1) The team entourage includes players and those accompanying these people. (2) The entourage does not include officials. (3) Please note that personal communication with Netball New Zealand affirms that revenue fees collected would most likely all be re-spent within Wanganui. In other words, retention of fees spend is assumed in this report to be 100%. (4) Local spectators were assumed to spend 15% of (APR's adjusted) TRC estimate of Wanganui visitor domestic day spend. (5) Please note that totals presented may not sum precisely due to rounding. (6) Local attendees refers to Wanganui District residents. (7) Domestic attendees refers to visitors of New Zealand origin from outside Wanganui District.

6.10 Davis Cup Tennis

Frequency of hosting the Cup

The main reason it is possible for small provincial centres to bid for the hosting rights is that they are able to make usage of a portable tennis court owned by Tennis New Zealand. Notably, this surface will be used in New Plymouth in 2008. The realistic frequency of Wanganui winning the rights to host the Cup is uncertain given that there is uncertainty about how many tie games will actually be played in New Zealand in any given year. This can range from three to zero games. Notably, with regard to the competitive bidding process, because the portable surface that can be used will enable more areas to put in bids, this will increase the level of competition amongst centres.

Entrance fees

Notably, the smaller provincial centres usually attain a higher level of local interest and attendance. Stadium Southland was packed out when it held the Cup. This is in part because the larger more urban areas generally provide more entertainment opportunities for potential spectators. Provincial centres can attract between 1,000-3,000 attendees. However, numbers depend on New Zealand players in action and the overseas team.

For this report's modeling a maximum of 3,000 attendees over a three day event duration was assumed. The breakdown of attendees was assumed to stand at 30% 'out-of-towners' and 70% local. An average entrance fee to the event was assumed to be \$25 per person per day. The retention of entrance fee revenue in Wanganui was modeled at 60%.

Tourism impact

It is assumed that the New Zealand team along with their entourage will number ten players plus 20 friends and family, whereas the international team and entourage will number just ten players. The number of officials was assumed to be 40 people and these were assumed for simplicity to be New Zealanders.

Players were assumed to stay for seven days before and three days during the Cup, while officials' stay was set to three days of Cup play and one additional day. International team players were assumed to outlay the average international visitor spend per night in Wanganui as estimated by TRC and New Zealand team players, friends and family were assumed to spend the average TRC domestic visitor spend per night in Wanganui.

Of the 30% of visitor days spent at the event by those not from Wanganui, 50% were assumed to be from overnight domestic visitors and 50% of these were assumed to be made up of those who were day visitors.

Total economic impact

The total impact of holding a Davis Cup in Wanganui is estimated to stand at \$311,449 while value added, household income and employment created stand at \$134,856, \$84,825 and 3.3 FTE jobs (Table 32).

Table 32: Attendance and impact data for holding a Davis Cup in Wanganui

Variable	Players		officials	Spectators/spectator days		Totals			Grand total
	Domestic	Intern'	Domestic	Local	Domestic	Local	Domestic	Intern'	
Numbers	30	10	40	2,100	900	2,100	970	10	3,080
Entrance fee direct output				\$52,500	\$22,500	\$52,500	\$22,500	\$8,447	\$50,068
Direct tourism output	\$29,611	\$8,447	\$15,793	\$24,990	\$80,117	24990.02	\$125,521	\$8,447	\$158,958
Overall output (tourism + fees)	\$29,611	\$8,447	\$15,793	\$77,490	\$102,617	\$77,490	\$148,021	\$16,894	\$209,026
Total output	\$44,121	\$12,586	\$23,531	\$115,460	\$152,900	\$115,460	\$220,552	\$25,171	\$311,449
Total value added	\$19,104	\$5,450	\$10,189	\$49,994	\$66,205	\$49,994	\$95,498	\$10,899	\$134,856
Total FTEs	0.5	0.1	0.2	1.2	1.6	1.2	2.3	0.3	3.3
Total household income	\$11,940	\$3,406	\$6,368	\$31,246	\$41,378	\$31,246	\$59,686	\$6,812	\$84,285

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al., per comms with Tennis New Zealand and APR analysis

Notes: (1) The grand total represents a 60% retention of the total entrance fees attributable to local, domestic and international attendees in the District. (2) Local spectators were assumed to spend 15% of (APR's adjusted) TRC estimate of Wanganui visitor domestic day spend. (3) Please note that totals presented may not sum precisely due to rounding. (4) Local attendees refers to Wanganui District residents. (5) Domestic attendees refers to visitors of New Zealand origin from outside Wanganui District.

6.11 Athletics

Background

Whilst, Athletics New Zealand has no indoor events planned at this stage because there are no indoor facilities in New Zealand currently, there are huge opportunities for holding indoor events if there was an indoor facility. The ECNZ would open the door to hold indoor National Championships. The nature of the Championships would be dependent on the facilities eventual capability in terms of the track and field disciplines that would be held. An indoor facility would be an excellent opportunity for New Zealand athletes to compete on the world circuits and would enable athletes to train for Indoor Championships in an indoor environment. The ECNZ would therefore appeal as a training arena for top New Zealand athletes with Wanganui being in a position to hold training camps for athletes.

Frequency that the events could be expected to be held in Wanganui

If the ECNZ is built, there would definitely be an opportunity to hold Indoor National Championships which might be once or twice a year and being the only facility would mean that Wanganui would be an exclusive host.

Number of competitors

The expected number of competitors would depend on the number of events that can take place in the indoor arena. Generally around 300 athletes compete at a national outdoor track and field event, however, this number is achieved with an access of 500 events, albeit with many athletes competing in multiple events. It can be assumed that athletes would take part in two events on average with field athletes usually doing three or more. For an indoor event competitor numbers would probably be in the range of 100-200 attendees because of the lower number of events. It might also take a few years to build competitor numbers and this would depend also on marketing the events.

In this report's analysis the number of event competitors is set to number 200 people.

Split between domestic and international competitors

Outdoor National Track and Field Championships are usually only domestic athletes competing. However, there are sometimes athletes from Australia, the Pacific Islands and New Caledonia that compete. There are also the IAAF Champs that is hosted in New Zealand and this hosts athletes from up to nine countries. This event is also looking to get athletes coming from the USA and Asia. An indoor meet in Wanganui might be able to get some international attendance if it were well marketed. International attendance could be up to 5% of competing athletes.

A general outdoor track and field meet, it is estimated, would have 60-70% of competing non-local athletes. The Cooks Classic in Wanganui would probably obtain this. An indoor meet would be likely to attract a higher proportion of non-locals and it would not be surprising to attract athletes from Otago and Christchurch, definitely Wanganui would get a lot from Wellington. There are 11 athletic centres around New Zealand that athletes compete for in National Champs.

In this report's analysis the proportion of competitors who are of international origin is set to 5% while the number from outside of Wanganui set to 70% and the proportion of locals would be the balance of 25%.

Competitor entry fees

Usually competitor fees at a national event would be dependent on the number of individual events that a competitor enters. Fees are typically set to \$30 for one event, \$45 for two events, \$55 for three events and \$65 for four events. Athletes take part in two events on average – indoor competition could however, be more limited in the number of events that athletes can partake in thereby implying that there might be fewer athletes in attendance and fewer fees paid.

In this report's analysis the average entry fee for a competitor is assumed to be \$45 commensurate with an athlete who enters two individual events.

Likely duration of events

Outdoor track and field events usually run over three days. In this report's analysis an average event is assumed to run for two days.

Duration of team entourage and spectators' stay

An indoor event would be likely to run over less duration, potentially two days. Athletes, supporters (spectators) and the team entourage usually stay one extra day depending on where they are travelling from. Therefore, the length of team entourage and stay in this report was modelled as three days in Wanganui.

The tourism impact attributable to competitors, supporters (spectators) and the team entourage who were not from Wanganui and those who were of international origin was modelled using the TRC's estimates of average spend per night for domestic or international visitors to Wanganui for a stay of three nights.

Typical spectator/supporter numbers

Spectators are usually tied to the event in some way either as coaches and trainers or as supporting parents, partners and friends. The amount of general public interest comes down to the marketing of the event, media and the occurrence of well known athletes competing. Wanganui's Mayoral Mile event has previously attracted general public interest with a few stars competing.

It is reasonable to assume that there would be two spectators/supporters for every competing athlete. Therefore this report's analysis assumes 400 spectators.

There are also usually four to five coaches, officials and trainers from each of the eleven athletics centres.

In this report's analysis, the average number of coaches per event was set to 55 people.

The split of spectator/supporters/coaches origins (e.g. international, domestic and local) was assumed to be the same as that observed for competitors. In other words, a ratio of 5:70:25.

Spectators'/supporters' entry fees to the event

These would likely range between \$5-\$10 per day. In this report spectators entrance fees are modelled as \$10 per day per person.

Proportion of event revenue spent locally by organisers

This would depend on the agreement with the group hosting the event. Sometimes the group will keep all revenues, but pay a fixed fee to Athletics New Zealand (e.g. \$3,000), while other times there is a split (e.g. 50/50) of revenues. Most of the expenses are spent on hiring of the venue, equipment, medals and race numbers. Most of the expenses would be paid to local suppliers (e.g. hiring venue and equipment). However, there are preferred suppliers for medals and race numbers which is a company in Hamilton.

It is estimated that about 80% of the organiser's revenue would be spent in Wanganui.

Attendance and impact data for holding an Indoor National Championship in Wanganui is shown in Table 33. The main source of economic impact as expected, emanates from visitor spend in Wanganui. The total direct spend for holding one Championship per year is estimated to be \$250,168 while value added equates to \$108,321, household incomes stands at \$67,701 and the number of FTE jobs created or sustained is 2.5.

Table 33: Attendance and economic impact data for holding an Indoor National Championship in Wanganui

Variable	Competitors			Spectators/supporters/coaches/staff and officials			Totals			Grand total
	Local	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern	
Numbers	50	140	10	114	319	23	164	459	33	655
Entrance fee direct output	\$2,250	\$6,300	\$450	\$1,138	\$3,185	\$228	\$3,388	\$9,485	\$678	\$10,840
Direct tourism output	\$3,967	\$41,456	\$2,534	\$9,024	\$94,312	\$5,765	\$12,991	\$135,768	\$8,299	\$157,058
Overall output (visitor spend + fees)	\$6,217	\$47,756	\$2,984	\$10,162	\$97,497	\$5,992	\$16,378	\$145,253	\$8,976	\$167,898
Total output	\$9,263	\$71,156	\$4,446	\$15,141	\$145,271	\$8,929	24,404	216,427	13,375	\$250,168
Total value added	\$4,011	\$30,810	\$1,925	\$6,556	\$62,902	\$3,866	10,567	93,712	5,791	\$108,321
Total FTEs	0.1	0.7	0.0	0.1	1.5	0.1	0.2	2.1	0.1	2.5
Total household income	\$2,507	\$19,256	\$1,203	\$4,097	\$39,313	\$2,416	\$6,604	\$58,570	\$3,620	\$67,701

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al., per comms with Athletics New Zealand and APR analysis

Notes: (1) The term domestic refers to those who come from outside of Wanganui. (2) Local attendees refers to Wanganui District residents (3) For simplicity of analysis all domestic visitors were assumed to be overnight visitors. (4) Locals were assumed to spend one-third of (APR's adjusted) TRC estimated Wanganui visitor domestic day spend on each of the three days of the event. In other words, over the duration of the event local attendees were assumed to spend the equivalent of the domestic day visitor spend. (5) The Grand Total represents an 80% retention of the total entrance fees attributable to local, domestic and international attendees in the District. (6) Due to rounding figures shown in the table above may not sum precisely sum to stated totals.

6.12 Skating

Past speed-skating events

Wanganui has held 11 past national events including the 2007 flat track and road national event, but has not hosted a banked track national event. As a result Wanganui is a familiar destination for New Zealand speed-skaters and anecdotal evidence suggest that skaters are able to finance longer event stays in Wanganui because of the cheaper provincial nature of the destination. For instance, the availability of cheaper accommodation and also the compactness of the town minimises travel times and costs.

Additionality

Currently speed-skating uses the Jubilee Stadium for indoor training and selected outdoor venues, such as car parks, for outdoor training. This throws up a question around whether the proposed ECNZ would provide any advantages. The likelihood of using the ECNZ would only be high if it had a banked track that is up to international specifications (200m and 15 degree incline). If not, then the ECNZ probably would not be used and Wanganui Speed-Skating would be most likely to continue to use Jubilee Hall. Even if the ECNZ was used for specialised banked track training, the Jubilee Hall would still be used for standard week-day flat track training.

Value of a banked track

With the banked track there is the possibility of international training being held. In other words, the New Zealand team would be likely to train at the ECNZ in preparation for international competition. Although there are banked tracks located in Wellington, Christchurch, Hastings and Blenheim, these tracks are smaller and not shaped to international specifications. As well as this, these are outdoor tracks meaning that events are weather dependent, which constrains the feasibility of holding national and international banked speed-skating events in New Zealand.

Types of event the Wanganui could host in the future

The Oceania Championship was last year held in Palmerston North, but this event did not include any banked track events. Ideally, the Oceania Federation would like to see more skating being done on banked tracks. The primary weakness of the previous Oceania event was the lack of banked track events. The last time there was an Oceania event that included a banked track event

was when it was held in Christchurch. However, there was not a substantial attendance by Australians due to it being held outdoors and therefore not providing a high level of certainty around events.

If the proposed ECNZ goes ahead with an international standard banked track there would also be the opportunity for hosting the Oceania Championships. Notably, the Oceania Championships include a variety of roller-based sports such as roller hockey and artistic skating, which have not been included in this analysis, but that would add to the size of the event and the impact. With the ECNZ having a banked track that is up to international specifications it could host the Banked Track Nationals potentially as much as every second year.

Attendee and economic modelling details

Table 34: Bank Track Nationals

Typical number of competitors

On average the number of competitors stands at 75 people.

Proportion of competitors from outside of Wanganui District

On average the proportion of competitors from outside the district is 80%.

Competitor entry fees

Fees average around \$60 per person.

Number of spectators/supporters

Spectators average around 150 people per event.

Proportion of spectators/supporters from outside of Wanganui

On average the proportion of competitors from outside the district is 80%.

Spectator entry fees per person

These were assumed for the purposes of this report's modelling to be \$5 per person.

Number of officials/organisers

These numbered 20 people.

Proportion of officials/organisers who came from outside of Wanganui

On average the proportion of officials/organisers from outside the district is 80%.

Average duration those attending the event would stay in Wanganui

Average duration of stay in Wanganui by event attendees is two days.

Proportion of revenues made from the event would be spent locally

This generally stands at 85%

Source: Per comms with Skate New Zealand

Table 35: Oceania Championships – speed-skating

Competitor numbers

On average 60 speed-skating competitors.

Split between local Wanganui competitors, New Zealand competitors and Australian/international competitors

The breakdown is typically 5%, 45% and 50% respectively for speed-skating.

Competitor entry fees

For speed-skating the fee per person was assumed to be around \$200 per person.

Spectators/supporters numbers

Spectator numbers for speed-skating are generally 30 to 40 people.

Split between local Wanganui spectators, rest of New Zealand spectators and Australian/international spectators

This would typically be 25%, 70%, 5% for speed-skating.

Spectator entry fees

For speed-skating this is typically around \$5 per half day.

Officials/organiser numbers at the event

For speed-skating there are typically 15 officials.

Split between Wanganui, rest of New Zealand and Australian/international officials

This is typically around 80%, 20%, 0% for speed-skating.

Average duration of attendee stay in Wanganui

This is usually around seven days for those attending speed-skating.

Proportion of revenues made from the event that would be spent locally in Wanganui

For speed skating only venue hire charges would likely be spent in the district.

Source: Per comms with Skate New Zealand

Analysis of economic impact, Banked Nationals Speed-Skating

Attendance and impact data for holding the Speed-Skating Banked Nationals in Wanganui is shown in Table 36. The total output for holding this event each year is estimated to be \$71,157 while total value added equates to \$30,810, household incomes stands at \$19,256 and the number of FTE jobs created or sustained is 0.8.

Table 36: Attendance and economic impact, Speed-Skating Banked Nationals

Variable	Players		Officials		Spectators		Total		Grand total
	Local	Domestic	Local	Domestic	Local	Domestic	Local	Domestic	
Numbers	15	60	4	16	30	120	49	180	229
Entrance fee direct output	\$900	\$3,600			\$150	\$600	1,050	\$4,200	\$4,463
Direct tourism output	\$2,380	\$11,845	\$635	\$3,159	\$1,587	\$23,689	\$4,601	\$38,692	\$43,294
Overall output (visitor spend + fees)	\$3,280	\$15,445	\$635	\$3,159	\$1,737	\$24,289	5,651	\$42,892	\$47,756
Total output	\$4,887	\$23,012	\$946	\$4,706	\$2,588	\$36,191	8,420	\$63,909	\$71,157
Total value added	\$2,116	\$9,964	\$409	\$2,038	\$1,120	\$15,670	3,646	\$27,672	\$30,810
Total FTEs	0.1	0.2	0.0	0.0	0.0	0.4	0	0.7	0.8
Total household income	\$1,323	\$6,228	\$256	\$1,274	\$700	\$9,794	2,279	\$17,295	\$19,256

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al., per comms with Skate New Zealand and APR analysis

Notes: (1) The Grand Total represents an 85% retention of the total entrance fees attributable to local, domestic and international attendees in the district. (2) All domestic visitors were assumed to be overnight visitors. (3) Local players and officials were assumed to spend (APR's adjusted) TRC estimate of Wanganui visitor domestic day spend on each of the days of the event while spectators were assumed to spend one-third of the day spend per day. (4) Due to rounding figures shown in the table above may not sum precisely sum to stated totals. (5) Local attendees refers to Wanganui District residents. (6) Domestic attendees refers to visitors of New Zealand origin who came from outside Wanganui District.

Analysis of economic impact, Oceania Championships -speed-skating

Attendance and impact data for holding, the speed-skating section of the Oceania Championships in Wanganui is shown in Table 37. The main source of economic impact as expected, emanates from visitor spend in Wanganui. The total output for holding this event each year is estimated to be \$118,078 while total value added equates to \$51,127, household income stands at \$31,954 and the number of FTE jobs created or sustained is 1.2.

Table 37: Attendance and economic impact, Oceania Championships -speed-skating

Variable	Players			Officials		Spectators/spectator days			Total			Grand total
	Local	Domestic	Intern'	Domestic	Intern	Local	Domestic	Intern	Local	Domestic	Intern'	
Numbers	3	27	30	12	3	10	28	2	13	67	33	113
Entrance fee direct output	\$600	\$5,400	\$6,000			\$50	\$140	\$10	\$650	\$5,540	\$6,010	\$10,370
Direct tourism output	\$1,666	\$18,655	\$17,738	\$6,664	\$1,774	\$1,851	\$19,346	\$1,183	\$3,517	\$44,665	\$20,695	\$68,877
Overall output (visitor spend + fees)	\$2,266	\$24,055	\$23,738	\$6,664	\$1,774	\$1,901	\$19,486	\$1,193	\$4,167	\$50,205	\$26,705	\$79,247
Total output	\$3,376	\$35,842	\$35,370	\$9,929	\$2,643	\$2,833	\$29,034	\$1,777	\$6,209	\$74,806	\$39,790	\$118,078
Total value added	\$1,462	\$15,519	\$15,315	\$4,299	\$1,144	\$1,227	\$12,572	\$769	\$2,688	\$32,391	\$17,229	\$51,127
Total FTEs	0.0	0.4	0.4	0.1	0.0	0.0	0.3	0.0	0.1	0.8	0.4	1.2
Total household income	\$914	\$9,700	\$9,572	\$2,687	\$715	\$767	\$7,857	\$481	\$1,680	\$20,244	\$10,768	\$31,954

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al., per comms with Skate New Zealand and APR analysis

Notes: (1) The grand total represents an 85% retention of the total entrance fees attributable to local, domestic and international attendees in the District. (2) All domestic visitors were assumed to be overnight visitors. (3) Local players and officials were assumed to spend (APR's adjusted) TRC estimate of Wanganui visitor domestic day spend on each of the days of the event while spectators were assumed to spend one-third of the day spend per day. (4) Due to rounding figures shown in the table above may not sum precisely sum to stated totals. (5) Local attendees refers to Wanganui District residents. (6) Domestic attendees refers to visitors of New Zealand origin who came from outside Wanganui District.

6.13 Impact attributable to regular sports and events usage of the ECNZ

Table 38 details regular usage of the proposed ECNZ that is attributable to sports and events. In other words, it essentially details hire fees for everyday usage and excludes the Centre's fees for key sporting and non-sporting events that have been modelled elsewhere in this report.

Table 38: Expenditure attributable to regular sports and events usage of the ECNZ

Sports	Option 3	Option 2
Cycling		
Carnivals	\$1,225	\$1,225
Regular	\$29,600	\$29,600
NZ Training	\$9,100	\$8,300
Tennis		
Regular users	\$28,500	\$21,300
Other sports		
Carnivals & tournaments	\$32,000	\$4,000
Athletics		
Warm-up for Cooks	\$3,800	
Speed skating		
Local, regional, national training	\$39,800	
Twilight business house		
Regular (excl tennis, cycling)	\$14,600	\$11,000
Cycling	\$10,600	\$7,900
Other sports		
Provision for new activities e.g. kapa haka, judo etc	\$12,200	\$9,100
Sport total	\$181,425	\$92,425
Events		
Business/corporation meetings & seminars/celebratory	\$45,500	
Grand total	\$226,925	\$92,425

Source: Compiled from Wanganui District Council ECNZ Budget and APR analysis

The total economic impact attributable to 'regular' usage of the proposed Centre under Option Three stands at \$338,119, \$146,403, \$91,502 and 3.6 jobs for output, value added, household income and employment respectively. Under Option Two impacts stand at \$137,714, \$59,629, \$37,268 and 1.5 jobs for output, value added, household income and employment respectively (Table 39).

Table 39: Total impacts of expenditure attributable to regular sports and events usage of the ECNZ

Impact	Option Three	Option Two
Output	\$338,119	\$137,714
Value-added	\$146,403	\$59,629
Household income	\$91,502	\$37,268
Employment (FTEs)	3.6	1.5

Source: WDC spreadsheet and APR analysis

6.14 Total economic impacts of proposed ECNZ

Total economic impacts of proposed ECNZ under Option Three

Table 40 provides an indication of the total economic impacts associated with the proposed Events Centre. Notably, the Davis Cup tennis impact has been excluded from the column that shows total sports impacts and also the overall impact columns, since this event is unlikely to occur on a frequent basis. For cycling, the Oceania Games and National Championships would likely be held in Wanganui every second year. Therefore, the estimate of sports-related total economic impact and the (overall) total impact columns (located at the far right of Table 40) only include an annual average of the aggregate impact of these two events. The column that shows the total impacts of cycling events presents the impact that would occur if all cycling events were held in one year.

In most cases the largest component of economic impact would be the tourism visitor spend attributable to event participants or spectators. This implies that an increase in visitor spend per night or day visit by a quarter to a third would greatly increase the economic impact. An important part of increasing this visitor spend would be for Wanganui to develop a wider bundle of attractions, that entices visitors to stay longer and spend more on up-market restaurants, cafes and bars.

The validity of estimates provided in terms of economic additionality principally emanates from modelling a conservative level of activity, especially in terms of concerts and expos. The impact of concerts will greatly rise if events can be hosted that are able to attract significant numbers of visitors from Wellington to stay over night.

The overall net impact column shown in Table 40 excludes around \$43,000 that would be spent on velodrome operating expenses under Option One (*status quo*). Although a sizable capital outlay spent on the velodrome would likely need to be spent at around 2014 or 2015, this expense has not been used to correct our impact estimate for 2015. This is because this would be an exceptional expense and what is sought is an evaluation of net economic impact for a typical year five to six years subsequent to the opening of the proposed centre. Impact(s) attributable to a café or other businesses that could operate at the proposed Events Centre have been excluded from our base estimate since the specification around these are uncertain at this stage of planning.

Overall, baseline estimates of net (additional) value added and FTE jobs created or sustained in Wanganui economy in 2015 as a result of the proposed ECNZ stand at \$1.55 million (2008 dollars) value added and 38.2 FTE jobs. On the basis of the proposed centre holding seven concerts per year with an average 2,000 attendees around 52% of value added would emanate from concert-based activity with around 39% coming from sports events and everyday community usage of the centre combined.

The total impact evaluated in the table excludes total impacts associated with Council funds used to subsidise a potential operating deficit of the Events Centre around five years subsequent to its opening. The deficit would essentially be a function of the how many major events that are hosted at the ECNZ and is therefore excluded from a baseline estimate of event-related impacts directly associated with organisers running of events and visitor activity. In other words APR's baseline estimate only includes the hirage fee component of Event Centre operating impacts.

A full modelling that includes the 'full' operating impact would include the impacts of the Centre over and above hirage revenues modelled within APR's analysis of event organisers' revenue retained in Wanganui. When in deficit the short-fall (additional Impact) would be funded by Council whereas when in surplus additional centre operating impact would emanate from additional revenue streams such as sponsorship. An estimate of operating impacts is included in Section 6.16.

Table 40: Total economic impacts of proposed ECNZ, Option Three

Impact	Sporting impacts ('000s)											Non-sporting impacts ('000s)		Total (millions)	Net total (millions)	
	Netball	Athletics	Inline skating		Cycling				Tennis	Total sport	Everyday usage of ECNZ	Concerts (seven)	Expos (three)			
			Banked Nationals	Oceania Championships (speed-skating)	Oceania Games	National Champs	Open Carnivals per year (6) and WCNI Champs (1)	International Carnival								Total cycling
Total output	\$150.1	\$250.2	\$71.2	\$118.1	\$214.9	\$372.7	\$78.3	\$133.4	\$799.3	\$311.4	\$1,095.0	\$338.1	\$1,901.9	\$343.1	\$3.68	\$3.61
Total value added	\$65.0	\$108.3	\$30.8	\$51.1	\$93.0	\$161.4	\$33.9	\$57.7	\$346.1	\$134.9	\$474.1	\$146.4	\$823.5	\$148.6	\$1.59	\$1.55
Total FTEs	1.6	2.5	0.8	1.2	2.3	3.9	0.8	1.4	8.4	3.3	11.4	3.6	20.1	3.6	38.61	38.17
Total household income	\$40.6	\$67.7	\$19.3	\$32.0	\$58.1	\$100.9	\$21.2	\$36.1	\$216.3	\$84.3	\$296.3	\$91.5	\$514.7	\$92.9	\$1.00	\$0.97

Source: APR analysis

Notes: (1) Due to rounding figures shown in the table above may not precisely sum to stated totals. (2) The total impacts evaluated in the table excludes total impacts associated with Council funds used to subsidise a potential operating deficit of the Events Centre around five years subsequent to its opening.

Table 41: Percentage breakdown of total economic impacts

Variable	Sporting impacts		Non-sporting impacts		Total
	Total sport	Everyday usage of ECNZ	Concerts (seven)	Expos (three)	
Total value added	30%	9%	52%	9%	100%

Source: APR analysis

Notes: (1) Due to rounding figures shown in the table above may not precisely sum to 100%.

Total economic impacts of proposed ECNZ under Option Two

Total economic impacts under Option Two are shown in Table 42. As with the analysis for total economic impact under Option Three, the column in the table below presents a 'net total' that corrects estimates for impact that would have occurred under Option One anyway. The column that shows total cycling impact presents the impact that would occur if all key cycling events were held in one year, whereas the total sport and total impact columns use an annual average value for the economic impact associated with the aggregate impact attributable to the Oceania and National Championships combined.

Under Option Two, the only key events that would take place at the proposed Events Centre would be cycling events. The balance of activity would be lower-level community type sporting usage. Since concert activity which occurs under Option Three will not occur under Option Two, the net economic impact is much lower, standing at \$0.24 million (2008 dollars) total value added and 6.4 FTE jobs created or sustained in 2015.

Table 42: Total economic impacts of proposed ECNZ, Option Two

Variable	Oceania Games	National Champs	Open Carnivals per year (6) and WCNI Champs (1)	International Carnival	Total cycling	Total sport	Everyday usage of ECNZ	Total (millions)	Net total (millions)
Total output	\$214.9	\$372.7	\$78.3	\$133.4	\$799.3	\$505.5	\$137.7	\$0.64	\$0.58
Total value added	\$93.0	\$161.4	\$33.9	\$57.7	\$346.1	\$218.9	\$59.6	\$0.28	\$0.24
Total FTEs	2.3	3.9	0.8	1.4	8.4	5.3	1.5	6.78	6.35
Total household income	\$58.1	\$100.9	\$21.2	\$36.1	\$216.3	\$136.8	\$37.3	\$0.17	\$0.15

Source: APR analysis

Notes: (1) Due to rounding figures shown in the table above may not precisely sum to stated totals. (2) The total impact evaluated in the table excludes total impacts associated with Council funds used to subsidise a potential operating deficit of the Events Centre around five years subsequent to its opening.

6.15 ECNZ operating impacts

Table 43 shows estimates of the ECNZ's operating impacts. A review of these is useful in it they can be used to attain a baseline assessment of the project's impact purely due to the centre's operation. This assessment excludes spending by visitors who are attracted to Wanganui due to the events held at the proposed centre, spending by event organisers in Wanganui other than that spent on hiring and other venue-related costs and other spending made by a café and catering services over and above centre lease costs.

The impacts are attributable to operating costs of the venue which represent expenditure on centre management and operations, administration, etc. These are funded out of a combination of revenue from event hirage fees and council funds. The latter funds a small annual operating loss associated with Option Three and One (\$28K and \$43K respectively) and a much larger loss associated with Option Two (\$202K). The difference between the operating impacts associated with Option Three and Two are primarily attributable to the fact that Option Three includes revenue from usage of the proposed centre as a concert and expo venue.

Notably, the operating impacts are those associated with the operation of the proposed centre five years subsequent to its opening and these as with all impact estimates are a snapshot only. As the number of non-sporting events will increase over time the impact associated the centre's running will increase and the operating deficit will dissipate.

Table 43: ECNZ operating impacts ('000s)

	Option 3	Option 2	Option 1
Expenditure	\$709	\$349	\$43
Total direct impact of expenditure	\$1,056	\$519	\$64
Total value added	\$457	\$225	\$28
Total household income	\$286	\$141	\$17
Total FTEs created or sustained	11.1	5.5	0.7

Source: Compiled from Wanganui District Council ECNZ Budget and APR analysis

Notes: (1) Operating impacts are five years subsequent to the opening of the proposed centre

(2) The operating impacts presented in the table are based upon Wanganui District Council ECNZ Budget's assessment of the number of key events and everyday usage of the Centre around five years subsequent to its opening. This assessment includes a much greater number of expos than modelled in APR's analysis which only models the number of expos considered to be additional to the local economy.

6.16 On-site cafés

The turnover associated with an on-site café is likely to range between \$100K and \$250k per annum which would support 1.1 to 2.8 FTEs and create valued added of between \$65,000 per annum and \$161,000 per annum. Medium sized (stand alone) cafés in provincial centres that are licensed tend to have turnovers standing at around \$500,000 per annum. Popular cafés at provincial Events Centre s typically support around 2-3 FTE jobs.

There is the possibility that over the longer-term the ECNZ could support other businesses onsite such as administration, health and retail enterprises. However, these have not been modelled due to the level of uncertainty surrounding these opportunities.

Table 44: Café impacts

Turnover	Direct FTE	Total FTEs	Direct value added ('000)	Total value added ('000s)
\$100,000	1.1	1.6	\$41	\$65
\$125,000	1.4	2.0	\$51	\$81
\$150,000	1.7	2.4	\$61	\$97
\$175,000	2.0	2.7	\$71	\$113
\$200,000	2.3	3.1	\$81	\$129
\$225,000	2.5	3.5	\$91	\$145
\$250,000	2.8	3.9	\$102	\$161

Source: Compiled from TRC Regional Pivot spreadsheet, Butcher et al. and APR analysis

7.0 ADDITIONAL ECONOMIC BENEFITS

The impact of events held at the ECNZ will be much larger than that measured by way of economic impact. Additional impacts arise directly as a result of media coverage of events hosted at the ECNZ or indirectly due to associative affects of media coverage of Wanganui in general. Linked to media coverage is the place marketing affects that are likely to benefit Wanganui and impact upon tourism by increasing the numbers of visitors to the District. Furthermore, events at the ECNZ could impact upon sports and cultural development in Wanganui by encouraging more local residents into sports or cultural activities thereby having positive impacts upon their quality of life.

7.1 *Media Coverage*

Additional impact is likely to arise as a result of direct media coverage linked to events at the ECNZ or indirectly when the ECNZ is in some way covered in media unrelated to events at the ECNZ. As a result of fragmenting media consumption both in New Zealand and internationally, this coverage can apply to a range of media channels beyond television and these may include internet, magazine, newspaper, radio and word of mouth channels. Coverage on many of these media channels, but particularly television, carries with it a value in the form of the amount that would need to be spent in order to gain the equivalent coverage. However, the true value is larger in a wider sense when the return on media investment is considered. A return can be obtained due to the media coverage's ability to build awareness and influence perceptions and behaviours amongst population segments.

Television One's advertising rate card from January to July 2008 indicates that for Saturday and Sunday afternoons (approximately 3pm to 4pm), the respective rates for a 30-second advertisement averaged \$1,350 and \$1,850. The Television One Saturday and Sunday afternoon television periods are usually reserved for sporting shows with motorsport, the ANZ Championship, IRB Sevens, ASB Classic and Heiniken Open being the main sports events gaining coverage over this period. Advertising becomes more expensive as the afternoon approaches prime-time at around 5pm to 6pm. It is also possible that events at the ECNZ could be covered on other free-to-air and pay television channels.

Direct media coverage that might be obtained through Television One or any other channels would likely be those covering the high profile cycling and athletics events. New Zealand's Davis Cup Tennis has also in the past obtained television broadcast coverage. This direct coverage would help build the connection that Wanganui has with these sports and any other sporting and cultural activities that might broadcast from ECNZ. As a result audiences throughout New Zealand and potentially internationally should come to associate Wanganui with these selected sporting and cultural activities and thus aid in the creation of an iconic brand for Wanganui. Furthermore, the ECNZ creates the opportunity to capture memorable sporting and cultural achievements such as record-breaking sporting acts, famous sportspeople or performers attending and inspirational performances, which have the potential to enhance media coverage impacts beyond expectations.

The ECNZ with its ability to host high profile events will create the opportunity of obtaining prime-time media coverage through Television One and Three Newscasts. A 30 second advertisement on Television One's 6pm to 7pm Newscast averaged \$7,000 and \$9,800 on Saturday and Sunday respectively during January to July 2008. Competition for this coverage is fierce given the high volume of households tuned in at this time and the demand to screen news coverage that entertains the masses, which are usually the majority sports such as rugby. Coverage of events at the ECNZ that could be screened at this time would therefore carry a premium and enlarge the media-induced impacts that would occur to Wanganui. More likely but with less audience exposure, would be media coverage of ECNZ-hosted events through breakfast shows. Breakfast shows on Television One and Three tend to have greater coverage of provincial news and showcase up-and-coming or niche areas of interest.

Indirect media coverage could be obtained when the ECNZ is in some way covered in media unrelated to events at the ECNZ. This could be in the form of news stories or other programmes related to Wanganui that have shots of the ECNZ or mention the ECNZ or sports and activities that have built up an association with the ECNZ. Such coverage acts to reinforce Wanganui as the location of the ECNZ and the associative imagery that is being built up with it all the time.

7.2 Place Marketing

The holding of cycling and athletics events at the proposed ECNZ will leverage Wanganui's sporting pedigree and contribute to the augmentation of the sporting-based component of Wanganui's overall branding. This brand will market Wanganui as a provincial leader in the disciplines of cycling, indoor athletic and potentially inline skating. The notoriety and exclusivity of this component of the Wanganui's overall brand will be distinctive and overtime if well-promoted, will develop a more iconic-level perception.

The concept of iconic promotion denotes that the branding that occurs will create an entity that has an independent identity aside from the sporting events that have created it and one that strongly differentiates Wanganui from other small provincial centres. The place marketing of Wanganui that will result from the expected sporting activity to be hosted at the proposed ECNZ should allow Wanganui's tourism image to free-ride off this branding. In other words, the ECNZ will provide benefit to all of Wanganui's tourist attractions and facilities over time.

Some provincial centre's have made ill advised attempts at developing or building landmarks and attractions that are of questionable taste and alignment with local character. However, the strategic alignment of the proposed ECNZ with its various sporting affiliations directly builds on a community that is passionate and involved in these sports. This implies that Wanganui's branding will be predicated on a high level of authenticity that can be more powerful in terms of capturing visitor attention in a highly competitive tourist market.

Cultural and social authenticity is highly valued by international tourists and the sporting-based nature of Wanganui has potential for participation based visitor activity in selected sports associated with the branding. The usage of the Centre for practice sessions by national athletes throughout the year will also create a buzz and vibrancy within the local community.

Further branding of Wanganui as a leading provincial centre for selected sports via the ECNZ's hosting capabilities *inter alia* will create the potential for developing high-quality sports-based tourism packages which can include contributions by Wanganui's other visitor attractions. The development of a more Wanganui sporting-based brand will diversify the existing branding that includes artistic and river-based elements. The diversification allows for a degree of attenuation of problems associated with the seasonal nature of tourism, especially by the potential attraction of more international visitors whose peak season complements the domestic one.

8.0 OVERVIEW OF WANGANUI TOURISM

8.1 Current visitor activity⁴

A consideration of growth in visitor nights provides an indication of geographic areas where the tourism sector is becoming a more important contributor to the local economy. Destination Wanganui's average annual growth in guest nights over the period 2002 to 2007 stood at 3.42% which was faster than the national average of 2.62%. Because of the overlap of some RTOs catchment ranking, the ranking of RTOs shown in the table can only provide an indication of Wanganui's placement, however, Wanganui is ranked at a healthy 9th place.

Table 45: Growth in visitor nights and ranking of performance of RTOs, years ended December 2002 to December 2007⁵

Regional Tourism Organisation (RTO)	Estimated 5 years' average	Ranking
Venture Taranaki	6.45%	1
Wellington Region	5.15%	2
Tourism West Coast	5.08%	3
Tourism Waikato	4.56%	4
Ruapehu Tourism	4.39%	5
Tourism Bay of Plenty	4.16%	6
Tourism Hawke's Bay	3.80%	7
Dunedin/Clutha	3.42%	8
Destination Wanganui	3.42%	9
Queenstown/Central Otago	3.35%	10
Mackenzie/Timaru	3.17%	11
Chch & Canterbury Marketing	2.96%	12
Tourism Southland	2.29%	13
Tourism Northland	2.06%	14
Latitude Nelson	1.76%	15
Tourism Auckland	1.56%	16
Tourism Eastland	1.47%	17
Destination Marlborough	1.38%	18
Tourism Waitaki	1.15%	19
Tourism Rotorua	0.92%	20
Wairarapa	0.56%	21
Combined Manawatu Districts	0.15%	22
Palmerston North City Council	-0.07%	23
Tourism Coromandel	-0.14%	24
Ashburton District	-0.86%	25
Destination Lake Taupo	-0.91%	26
Total NZ	2.62%	

Source: Compiled from Statistics New Zealand, Commercial Accommodation Survey and APR analysis

Notes: (1) Blue coloured areas represent regions growing at above the national average.

Looking at Table 5, which shows RTOs' market share of visitor nights, it can be observed that Destination Wanganui has been ranked between 24th and 25th place for the years ended December 2005 to 2007 with a market share of the New Zealand guest night market standing at 0.62%, 0.60% and 0.59% respectively.

⁴ The magnitude of growth rates is correlated with the size of the base. RTOs that achieve a relatively small number of guest nights and arrivals are able to attain relatively fast growth rates whereas larger tourist areas must make relatively larger gains to attain similarly fast rates. This implies that growth rate ranking comparisons must be treated with a high degree of caution with meaningful comparisons predominantly being focussed upon comparing rates for tourist areas of similar size and characteristics.

⁵ Although the ranking of RTOs' market shares and growth rates in terms of guest nights and arrivals presented in this report provide an indication of how well RTOs are relatively positioned, it provides only an approximate analysis. This is because geographic areas and therefore the populations of visitors covered by various RTOs overlap. A partial remedy to this problem was implemented by excluding data provided in Statistics New Zealand Accommodation Survey pertaining to Wellington City and The Central Stage Area.

Table 46: Market share of visitor nights and ranking of RTOs, years ended December 2005 to 2007

Regional Tourism Organisation (RTO)	Year ended Dec-05	Ranking	Regional Tourism Organisation	Year ended Dec-06	Ranking	Regional Tourism Organisation	Year ended Dec-07	Ranking
Tourism Auckland	16.84%	1	Tourism Auckland	16.55%	1	Tourism Auckland	17.10%	1
Chch & Canterbury Marketing	13.56%	2	Chch & Canterbury Marketing	13.30%	2	Chch & Canterbury Marketing	13.35%	2
Queenstown/Central Otago	9.77%	3	Queenstown/Central Otago	9.94%	3	Queenstown/Central Otago	10.00%	3
Wellington Region	7.41%	4	Wellington Region	7.75%	4	Wellington Region	7.83%	4
Tourism Rotorua	6.03%	5	Tourism Rotorua	5.85%	5	Tourism Rotorua	5.70%	5
Tourism Northland	5.36%	6	Tourism Northland	5.42%	6	Tourism Northland	5.38%	6
Tourism West Coast	3.90%	7	Tourism West Coast	3.93%	7	Tourism West Coast	3.92%	7
Latitude Nelson	3.77%	8	Latitude Nelson	3.86%	8	Tourism Bay of Plenty	3.88%	8
Tourism Bay of Plenty	3.75%	9	Tourism Bay of Plenty	3.76%	9	Latitude Nelson	3.85%	9
Destination Lake Taupo	3.44%	10	Tourism Waikato	3.38%	10	Tourism Waikato	3.30%	10
Tourism Waikato	3.26%	11	Destination Lake Taupo	3.31%	11	Tourism Hawke's Bay	3.12%	11
Tourism Hawke's Bay	3.07%	12	Tourism Hawke's Bay	3.15%	12	Destination Lake Taupo	3.10%	12
Dunedin/Clutha	3.02%	13	Dunedin/Clutha	3.07%	13	Dunedin/Clutha	3.00%	13
Tourism Southland	2.80%	14	Tourism Southland	2.75%	14	Tourism Southland	2.69%	14
Destination Marlborough	2.22%	15	Destination Marlborough	2.24%	15	Destination Marlborough	2.18%	15
Tourism Coromandel	2.10%	16	Tourism Coromandel	2.06%	16	Tourism Coromandel	2.09%	16
Mackenzie/Timaru	1.86%	17	Mackenzie/Timaru	1.94%	17	Mackenzie/Timaru	1.89%	17
Venture Taranaki	1.71%	18	Venture Taranaki	1.69%	18	Venture Taranaki	1.69%	18
Palmerston North CC	1.39%	19	Tourism Eastland	1.34%	19	Tourism Eastland	1.38%	19
Tourism Eastland	1.36%	20	Palmerston North CC	1.30%	20	Palmerston North CC	1.24%	20
Ruapehu Tourism	1.14%	21	Ruapehu Tourism	1.22%	21	Ruapehu Tourism	1.14%	21
Tourism Waitaki	0.99%	22	Tourism Waitaki	1.00%	22	Tourism Waitaki	0.98%	22
Combined Manawatu Districts	0.64%	23	Wairarapa	0.63%	23	Wairarapa	0.67%	23
Wairarapa	0.64%	24	Destination Wanganui	0.60%	24	Combined Manawatu Districts	0.60%	24
Destination Wanganui	0.62%	25	Combined Manawatu Districts	0.60%	25	Destination Wanganui	0.59%	25
Ashburton District	0.53%	26	Ashburton District	0.59%	26	Ashburton District	0.55%	26
Total NZ	100.00%		Total NZ	100.00%		Total NZ	100.00%	

Source: Compiled from Statistics New Zealand, Commercial Accommodation Survey and APR analysis

9.0 COMMERCIAL ACCOMMODATION PROVISION

9.1 Current provision

At the year ended December 2007, Wanganui had 36 commercial accommodation establishments, with an average daily capacity of 882 guest nights (Table 47). Motel accommodation made up the most significant proportion of average daily capacity than any other accommodation type, with 383 average daily guest nights throughout 2007 (Table 49). Hotel accommodation had a significantly lower average daily guest night capacity with 137 over 2007 (Table 48).

Private accommodation adds to capacity in Wanganui and can be a quite significant accommodation type for visitors to sporting events. At the 2007 National Speed-Skating Championships held in Wanganui for instance, private homes were rented as accommodation by 22% of families to the event. It is likely however, that private accommodation is seasonally dependent with increased availability during holiday periods.

Table 47: Summary statistics for commercial accommodation in Destination Wanganui RTO, all types of accommodation

Year ended	Establishments at end of year	Av. Daily Capacity	Yearly Capacity	Occupancy Rate (%)	Guest Nights	Guest Arrivals	Stay Length	Stay Unit Nights	Guests per Stay Unit Night	Stay Units per Establishment
YE Dec-97	32	955	348,367	26.8	174,458	101,595	1.72	93,264	1.87	29.8
YE Dec-98	34	898	327,617	26.5	163,149	99,787	1.63	86,718	1.88	26.4
YE Dec-99	35	966	352,339	25.2	169,461	101,997	1.66	88,728	1.91	27.6
YE Dec-00	36	943	345,210	25.3	163,346	102,127	1.60	87,424	1.87	26.2
YE Dec-01	37	971	354,372	25.2	170,028	104,219	1.63	89,369	1.90	26.2
YE Dec-02	37	971	354,204	24.6	163,878	97,476	1.68	87,180	1.88	26.2
YE Dec-03	38	891	325,211	29.3	186,319	108,239	1.72	95,153	1.96	23.5
YE Dec-04	38	870	318,297	33.5	195,133	110,641	1.76	106,494	1.83	22.9
YE Dec-05	36	873	318,681	32.5	194,931	113,552	1.72	103,430	1.88	24.3
YE Dec-06	35	858	312,966	31.7	190,499	111,659	1.71	99,117	1.92	24.5
YE Dec-07	36	882	322,069	31.8	193,850	114,591	1.69	102,267	1.90	24.5
Av. Ann. % change (97-07)	1.2%	-0.8%	-0.8%	1.7%	1.1%	1.2%	-0.1%	0.9%	0.1%	-1.9%

Source: Compiled from Commercial Accommodation Survey

Table 48: Summary statistics for commercial accommodation in Destination Wanganui RTO, hotel accommodation

Year ended	Establishments at end of year	Av. Daily Capacity	Yearly Capacity	Occupancy Rate (%)	Guest Nights	Guest Arrivals	Stay Length	Stay Unit Nights	Guests per Stay Unit Night	Stay Units per Establishment
YE Dec-97	4	75	27,280							18.7
YE Dec-98	4	71	25,915							17.8
YE Dec-99	4	71	25,915							17.8
YE Dec-00	5	78	28,436							15.5
YE Dec-01	5	81	29,565							16.2
YE Dec-02	4	80	29,286							20.1
YE Dec-03	5	81	29,472							16.2
YE Dec-04	4	78	28,422							19.4
YE Dec-05	3	140	50,914							46.5
YE Dec-06	3	137	50,005							45.7
YE Dec-07	3	137	50,005							45.7
Av. Ann. % change (97-07)	-2.8%	6.2%	6.2%							9.3%

Source: Compiled from Commercial Accommodation Survey

Notes: (1) Cells shaded orange denote data which is unpublished by Statistics New Zealand for reasons of confidentiality.

Table 49: Summary statistics for commercial accommodation in Destination Wanganui RTO, motel accommodation

Year ended	Establishments at end of year	Av. Daily Capacity	Yearly Capacity	Occupancy Rate (%)	Guest Nights	Guest Arrivals	Stay Length	Stay Unit Nights	Guests per Stay Unit Night	Stay Units per Establishment
YE Dec-97	23	438	159,818	44.0				70,359		19.0
YE Dec-98	24	463	168,814	38.9	120,453	72,699	1.66	65,637	1.84	19.3
YE Dec-99	23	451	164,624	40.1	124,396	73,597	1.69	66,020	1.88	19.6
YE Dec-00	23	436	159,522	39.3	115,594	71,313	1.62	62,694	1.84	18.9
YE Dec-01	23	435	158,609	40.4	120,400	72,233	1.67	64,033	1.88	18.9
YE Dec-02	25	446	162,790	37.5	112,484	65,159	1.73	61,000	1.84	17.8
YE Dec-03	25	473	172,698	40.8	135,707	74,416	1.82	70,537	1.92	18.9
YE Dec-04	25	464	169,946	49.0	149,436	79,155	1.89	83,298	1.79	18.6
YE Dec-05	23	393	143,251	50.6	134,854	75,570	1.78	72,433	1.86	17.1
YE Dec-06	23	376	137,163	50.7	131,283	74,142	1.77	69,483	1.89	16.3
YE Dec-07	23	383	139,881	49.4	130,251	74,111	1.76	69,137	1.88	16.7
Av. Ann. % change (97-07)	0.0%	-1.3%	-1.3%	1.2%	0.9%	0.2%	0.7%	-0.2%	0.3%	-1.3%

Source: Compiled from Commercial Accommodation Survey

Notes: (1) Cells shaded orange denote data which is unpublished by Statistics New Zealand for reasons of confidentiality.

(2) The average annual percentage change for the variables with orange shaded cells in the year ended December 1997 has been calculated using year ended December 1998 data.

9.2 Potential demand for accommodation

Overview of sporting events

The sports events modelled in this economic impact analysis range from up to 450 overnight visitors attending a Netball National Championship game, up to 500 overnight visitors attending a Davis Cup Tennis tie, up to 700 overnight visitors attending a Track Cycling National Championship and up to 500 overnight visitors attending an indoor athletics National Championship⁶. If all overnight visitors demand commercial accommodation then clearly Wanganui's commercial accommodation would be stretched and simply insufficient in some cases, particularly if demand is skewed towards higher-end commercial accommodation such as hotels. Realistically, not all overnight visitors will demand commercial accommodation due to some opting to stay with friends/family or having alternative accommodation arrangements.

Netball and tennis events

The netball and tennis events are likely to draw overnight visitors that are predominantly from the primary catchment (e.g. Manawatu and Taranaki regions). Although the accommodation preferences of these visitors are uncertain, it appears reasonable to suggest that as a group these visitors would demand accommodation across a range of types rather than concentrating demand at the high-end of the market. In other words, some would demand hotels, others motels, backpackers, caravan parks, with a significant proportion also staying with friends and family or other private accommodation.

Cycling events

Overnight visitors to cycling events held in Wanganui are likely to include a greater proportion of visitors from outside the primary catchment (e.g. Auckland, Wellington and Christchurch regions) than the netball and tennis events. Without knowing these visitors' accommodation preferences it is difficult to make an accurate assessment of demand. However, it is likely that given the greater scale of overnight activity and expected origins of the visitors, demand for higher-end accommodation (e.g. hotels and motels) would be more significant than that associated with other sports events.

⁶ These overnight visitor numbers represent the total maximum number at the peak of an event.

Athletic events

Overnight visitors to indoor athletic events are also likely to be travelling from wider regions. Although the scale of overnight activity is expected to be less than that associated with cycling events, if visitor preferences are in any way more skewed towards high-end accommodation, supply in Wanganui could be tight. The extent of preferences towards billeting, staying with friends and family and other private accommodation would certainly offset the pressure on commercial accommodation.

Concerts

On performance night there could be up to 800 overnight visitors in Wanganui attending a concert at the ECNZ. Concert-goers are expected to show preferences towards higher-end commercial accommodation, particularly where there are large numbers travelling from the Wellington Region and other main centres. Concert-goers are also expected to stay in Wanganui for a shorter duration which would make accommodation in higher-end accommodation more viable. To accommodate this market it appears that Wanganui would need more commercial accommodation capacity in the form of a sizable high-quality motel or even another hotel.

Expos

Given that the expo market is likely to consist largely of local or primary catchments attendees, only up to 200 overnight visitors are expected at the peak of a Wanganui expo. Therefore, Wanganui's current accommodation capacity appears adequate to meet the needs of an expo market in the short to medium term.

Conclusions

In the short to medium-term Wanganui appears to possess sufficient capacity in terms of accommodating visitors to the main sporting events modelled in this report. However, if the size of sporting events hosted at the ECNZ increases beyond the levels modelled in this report's analysis there will likely be further demand for commercial accommodation at the higher-end of the market. Also, to attract concert-goers from around New Zealand and successfully host premium concerts, it appears likely that Wanganui would need at least one more quality motel or hotel to cater for this market in the medium-term.

10.0 VISITOR MARKETS

Table 50 shows that in comparison to Northland, Coromandel, Rotorua, Lake Taupo and Eastland RTOs, a larger proportion of Wanganui's overnight visitor market were visiting friends or relatives and less were holiday-makers. Wanganui has a higher average domestic overnight visitor spend than all of the RTOs in the Table with the exception of Manawatu. However, Wanganui's average international overnight visitor spend is significantly lower than Northland, Coromandel, Rotorua and Taupo RTOs. Wanganui has the lowest average domestic overnight visitor length of stay than any of the RTOs in Table 51. Although Wanganui has a higher average international overnight visitor length of stay than a number of the RTOs in Table 51, it is still below the average for all of New Zealand.

The ECNZ is likely to support development of Wanganui's holiday market in the future. In terms of attracting these domestic and international holiday markets, such development will rely upon the success of events in combination with the development of other tourism activities in and around Wanganui. Although the overall development of tourism will play the major role in attracting international visitors and increasing their expenditure in Wanganui, events will be a key component of the developmental process and enhance Wanganui's appeal as a holiday destination. Getting more overnight visitors to events spanning over three days or having visitors stay additional nights before or after a performance or sporting spectacle, would help lengthen visitor stays in Wanganui District.

For Wanganui, as for the rest of New Zealand, a key component of increasing visitor revenue lies in increasing the proportion of visitors who are of international origin. These visitors attenuate problems associated with seasonality and provide insulation from variability in domestic visitor numbers that can occur as a function of changes in the growth rate of the New Zealand economy. In addition, international visitors generally have an average nightly spend that is higher than the domestic average and international visitors represent a much larger diversified market. The latter implies that even if the economy of one of New Zealand's major markets slows, as long as the cause of this phenomenon is country specific, then there exists the probability that another market will compensate by showing faster growth.

Provincial areas of New Zealand that possess a strong tourist sector generally have very strong international visitor markets which possess iconic attractions or an iconic aura associated with what defines the particular locality. For Wanganui to attract more international visitors, it needs to possess attractions that are not found elsewhere and are of international standard. From a sporting perspective various cycling and potentially indoor athletics events possess this quality.

Overall, the nature of the iconic attractiveness of a destination is that it transcends the specific qualities of attractions and is a conceptual representation that positively biases perception of a destination. The novelty and exclusiveness of the proposed ECNZ's focus on cycling, indoor athletics and speed-skating is a combination that has the potential to create and reinvigorate an image of Wanganui as a provincial leader in these disciplines and therefore of creating an extremely attractive image for international visitors. Overall, the ECNZ will contribute to making Wanganui more competitive compared to the tourism offerings of other provincial destinations. It will do this in a direct way by providing sporting and concert entertainment and through positive exposure emanating from the Centre's contribution to the development of an iconic sporting brand that leverages Wanganui's cycling and athletic pedigree.

Table 50: Estimated number of overnight visits to selected RTOs, YE December 2006

Destination RTO	Holiday		VFR		Business		Education		Other		Total	
	%	Overnight visits	%	Overnight visits	%	Overnight visits	%	Overnight visits	%	Overnight visits	%	Overnight visits
Northland RTO	56%	997	31%	556	9%	158	2%	39	1%	24	100%	1,774
Coromandel RTO	66%	803	22%	268	5%	64	1%	9	6%	68	100%	1,213
Rotorua RTO	64%	944	22%	328	11%	158	2%	36	1%	19	100%	1,484
Lake Taupo RTO	62%	773	24%	296	10%	127	2%	20	2%	31	100%	1,248
Eastland RTO	55%	222	25%	101	14%	58	0%	0	5%	22	100%	402
Taranaki RTO	38%	242	44%	283	14%	89	3%	19	1%	6	100%	639
Hawke's Bay RTO	45%	492	35%	377	16%	176	2%	26	2%	17	100%	1,088
Manawatu RTO	31%	227	45%	324	18%	134	4%	30	2%	13	100%	728
Wanganui RTO	39%	112	44%	126	10%	30	4%	12	3%	8	100%	288
Kawerau-Whakatane	45%	125	46%	130	5%	15	1%	3	3%	7	100%	280
New Zealand	54%	17,318	30%	9,624	12%	3,988	2%	575	2%	759	100%	32,264

Source: Compiled from TRC Regional Pivot Table and APR analysis

Table 51: Projected average spend per night (LHS) and average number of nights per overnight visit (RHS, days) for a visitor to selected RTOs, year ended December 2007

Destination RTO	Market		
	Domestic	International	Total
Northland RTO	\$84	\$125	\$95
Coromandel RTO	\$77	\$101	\$80
Rotorua RTO	\$88	\$159	\$116
Lake Taupo RTO	\$81	\$171	\$102
Eastland RTO	\$85	\$60	\$79
Taranaki RTO	\$84	\$58	\$76
Hawke's Bay RTO	\$96	\$84	\$92
Manawatu RTO	\$101	\$65	\$89
Wanganui RTO	\$96	\$79	\$89
Kawerau-Whakatane	\$78	\$86	\$79
New Zealand	\$94	\$137	\$113

Destination RTO	Market		
	Domestic	International	Total
Northland RTO	2.8	3.4	3.0
Coromandel RTO	3.0	2.3	2.9
Rotorua RTO	2.4	2.2	2.3
Lake Taupo RTO	2.5	2.5	2.5
Eastland RTO	3.3	3.7	3.3
Taranaki RTO	3.1	6.1	3.6
Hawke's Bay RTO	2.6	3.5	2.8
Manawatu RTO	2.1	6.7	2.7
Wanganui RTO	1.9	3.3	2.2
Kawerau-Whakatane	2.2	4.2	2.5
New Zealand	2.5	4.0	3.1

Source: Compiled from TRC Regional Pivot Table and APR analysis

Over half of Wanganui's overnight visitor market consists of visitors from Wellington (23%), Taranaki (21%) and Auckland (10%). TRC forecasts the share of visitors from Wellington and Taranaki declining. This is largely due to increasing shares of international visitors from the key markets of Australia, United Kingdom and to a lesser extent the United States and Germany. The share of 'Rest of World' visitors is also forecast to increase quite significantly.

Table 52: Overnight visits to Destination Wanganui by visitor origin ('000s)

Origin	2007f		2013f		
	Overnight visits	%	Overnight visits	%	
Domestic	Northland	10.0	3.5%	10.3	3.3%
	Auckland	29.1	10.1%	31.6	10.2%
	Waikato	20.4	7.1%	21.3	6.8%
	Bay of Plenty	2.2	0.8%	2.2	0.7%
	Hawke's Bay	4.4	1.5%	4.4	1.4%
	Taranaki	61.6	21.3%	60.7	19.5%
	Manawatu-Wanganui	19.3	6.7%	19.0	6.1%
	Wellington	67.4	23.3%	69.9	22.5%
	Nelson-Tasman	1.4	0.5%	1.5	0.5%
	Marlborough	1.5	0.5%	1.6	0.5%
Canterbury	5.1	1.8%	5.4	1.7%	
International	Australia	12.7	4.4%	15.8	5.1%
	United Kingdom	11.2	3.9%	14.8	4.8%
	Japan	0.7	0.3%	0.8	0.3%
	South Korea	1.0	0.4%	1.2	0.4%
	United States	5.3	1.8%	6.3	2.0%
	Germany	5.7	2.0%	6.5	2.1%
	Rest of World	30.3	10.5%	37.8	12.2%
Total	289.5	100.0%	311.1	100.0%	

Source: Compiled from TRC Regional Pivot Table and APR analysis

Notes: (1) 'f' denotes a forecast.

11.0 NATIONAL OVERVIEW OF TOURISM

The tables and figures which follow provide a snapshot of the New Zealand tourism sector as a whole. Tourism plays a significant and growing role in the New Zealand economy. The first and most visible sign of this growing role is the increase in the number of visitors.

According to the Tourism Satellite Account (TSA) 2007 published by Statistics New Zealand, tourism expenditure in New Zealand reached \$20.1 billion for the year ended March 2007. Key tourism results for the year ended March 2007 include:

- Total tourism expenditure, consisting of spending by international and domestic (household, business and government) tourists, increased 4.7 percent (\$896 million) from the previous March year.
- International tourism contributed \$8.8 billion (or 18.3 percent) to total New Zealand exports.
- Domestic tourism expenditure was \$11.3 billion.
- Tourism generated a direct contribution to gross domestic product (GDP) of \$7.9 billion, or 5.1 percent of GDP.
- The indirect value added of industries supporting tourism generated an additional \$6.2 billion to tourism.
- The tourism industry directly employed 108,100 full-time equivalent employees (or 5.8 percent of total employment in New Zealand), an increase of 1.9 percent from the previous year.
- Tourists generated \$1.5 billion in goods and services tax (GST) revenue.

Source: Compiled from Statistics New Zealand, Tourism Satellite Account (TSA)

Table 53: Key tourism industry results

	Year ended March						Change in annual values				
	2002	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Total tourism expenditure \$(million)	16,165	17,154	17,629	18,400	19,188	20,084	6.1%	2.8%	4.4%	4.3%	4.7%
Direct tourism value added \$(million)	5,593	6,330	6,803	7,095	7,463	7,871	13.2%	7.5%	4.3%	5.2%	5.5%
Indirect tourism value added \$(million)	5,689	5,661	5,595	5,764	5,959	6,208	-0.5%	-1.2%	3.0%	3.4%	4.2%
FTE persons directly engaged in tourism	98,400	105,300	102,800	104,300	106,100	108,100	7.0%	-2.4%	1.5%	1.7%	1.9%
Value added as a percentage of total industry contribution to GDP Direct tourism value added (%)	4.8	5.2	5.2	5.1	5.1	5.1					
Value added as a percentage of total industry contribution to GDP, indirect tourism value added (%)	4.8	4.7	4.3	4.2	4.1	4.1					
Total tourism value added as % of total industry contribution to GDP	9.7	9.9	9.6	9.3	9.2	9.2					
International tourism as a percentage of total exports	16.2	17.8	19.1	18.8	19.2	18.3					

Source: Compiled from Statistics New Zealand TSA 2002-2007

11.1 An overview of New Zealand's major visitor markets

New Zealand's largest domestic visitor markets in terms of annual expenditure in 2006 were Auckland (14.6%) followed by Canterbury (7.4%), Wellington (7.0%), Waikato (5.9%), Bay of Plenty (3.7%) and Otago (3.0%). New Zealand's largest international markets in terms of annual spend for the year ended December 2006 were Australia (10.6%), United Kingdom (6.8%), United States (5.0%) and Japan (3.4%).

Spend per visit to destinations located within New Zealand is a function of how long on average visitors stay in a locality and how much they spend per day. From a domestic point-of-view, spend per visit is relatively homogeneous among those from different parts of New Zealand. From an international perspective however, for the year ended December 2006, Chinese (\$1,092), Korean (\$1,046) Japanese (\$1,007), US (\$589) and 'Rest of World' (\$572) visitors are relatively big spenders on a per overnight visit basis (Table 54).

Table 54: Visitor expenditure by origin, 2006

	Origin	2006 spend NZ\$ millions	% of expenditure	Number of overnight visits (millions)	Overnight visit spend (\$millions)	Av. Spend per overnight visit	Day visits (millions)	Day visit spend (\$millions)	Av. Spend per day visit
Domestic	Northland	\$308	2.2%	0.7	\$177	\$263	2.2	\$131	\$60
	Auckland	\$2,015	14.6%	5.7	\$1,389	\$244	9.0	\$626	\$70
	Waikato	\$819	5.9%	2.5	\$456	\$181	5.9	\$363	\$61
	Bay of Plenty	\$509	3.7%	1.5	\$312	\$209	3.3	\$197	\$60
	Gisborne	\$76	0.5%	0.2	\$48	\$254	0.4	\$27	\$73
	Hawke's Bay	\$254	1.8%	0.8	\$175	\$216	1.1	\$79	\$75
	Taranaki	\$198	1.4%	0.5	\$120	\$223	1.0	\$78	\$77
	Manawatu-Wanganui	\$397	2.9%	1.3	\$243	\$193	3.0	\$154	\$51
	Wellington	\$968	7.0%	2.3	\$650	\$277	4.2	\$318	\$76
	Nelson-Tasman	\$201	1.4%	0.7	\$146	\$223	1.0	\$55	\$54
	Marlborough	\$79	0.6%	0.3	\$62	\$210	0.2	\$17	\$70
	Canterbury	\$1,021	7.4%	2.5	\$632	\$249	6.1	\$388	\$64
	West Coast	\$53	0.4%	0.2	\$37	\$188	0.2	\$16	\$70
Otago	\$409	3.0%	1.1	\$290	\$270	1.7	\$119	\$69	
Southland	\$161	1.2%	0.5	\$103	\$222	0.9	\$58	\$62	
International	Australia	\$1,466	10.6%	3.2	\$1,415	\$441	1.1	\$51	\$45
	United Kingdom	\$947	6.8%	2.2	\$920	\$410	0.7	\$27	\$37
	Japan	\$475	3.4%	0.5	\$457	\$1,007	0.2	\$19	\$86
	South Korea	\$327	2.4%	0.3	\$321	\$1,046	0.1	\$7	\$64
	China	\$326	2.4%	0.3	\$318	\$1,092	0.1	\$8	\$102
	United States	\$697	5.0%	1.1	\$668	\$589	0.4	\$29	\$72
	Germany	\$267	1.9%	0.7	\$261	\$387	0.2	\$6	\$34
	Rest of World	\$1,872	13.5%	3.2	\$1,832	\$572	0.9	\$40	\$43
Total	\$13,845	100.0%	32.3	\$11,034	\$342	44.0	\$2,811	\$64	

Source: Compiled from TRNZ Regional Pivot Tables and APR analysis

Notes: (1) Domestic spend includes intra-regional visitors.

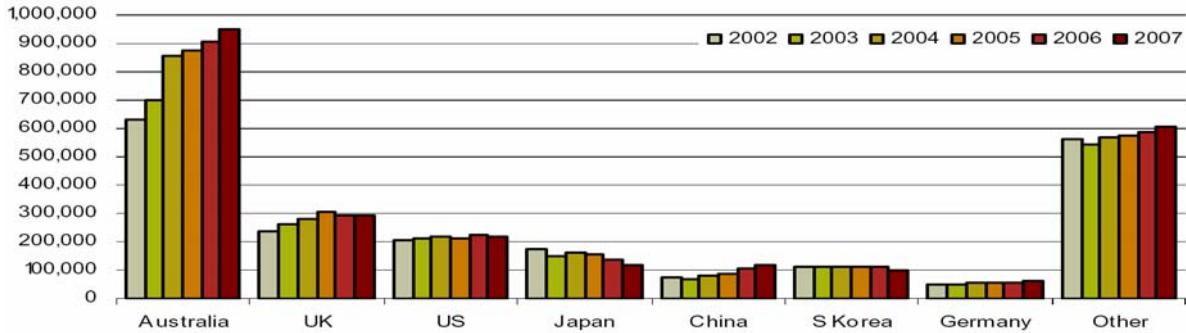
The largest share of visitor arrivals to New Zealand are from Australia (37.5%), United Kingdom (12.2%), United States (9.4%), Japan (5.7%), South Korea (4.6%) and China (4.4%) (Table 55).

Table 55: International visitor arrivals and nights for New Zealand's major markets, 2006

Origin	Visitor Arrivals (millions)	% of arrivals	Visitor Nights (millions)	% of nights
Australia	0.90	37.5%	10.00	21.4%
United States	0.23	9.4%	3.82	8.2%
Japan	0.14	5.7%	1.91	4.1%
South Korea	0.11	4.6%	1.80	3.8%
China	0.11	4.4%	1.60	3.4%
United Kingdom	0.29	12.2%	8.60	18.4%
Germany	0.06	2.5%	2.47	5.3%
Pacific Islands	0.10	4.2%	2.47	5.3%
Rest of World nec	0.07	2.9%	2.36	5.1%
TOTAL WORLD	2.41	100.0%	46.70	100.0%

Source: Compiled from TRNZ International Pivot Table and APR analysis

Figure 11: International visitor arrivals by key market, 2002-2007

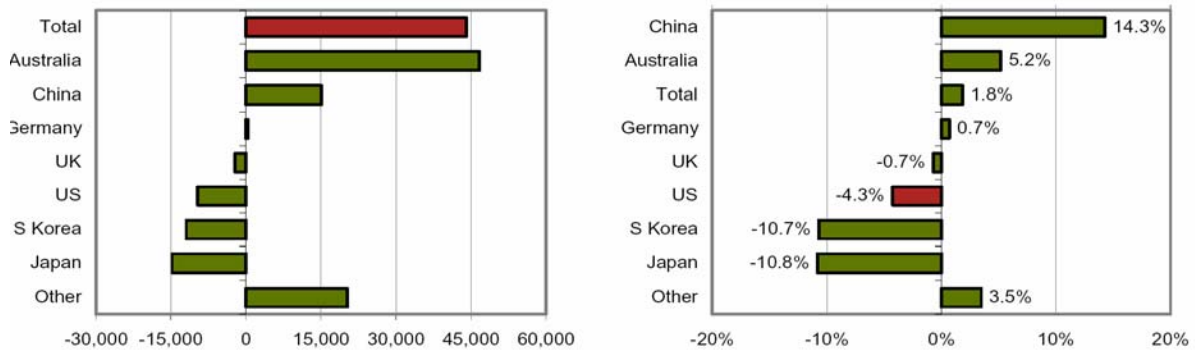


Source: TRC, Tourism Leading Indicators

An analysis with regard to changes in international visitors to New Zealand between the year ended December 2006 and the year ended December 2007 is provided in Figure 12. Visitor growth in 2007 was driven mostly by the Australian and Chinese markets. Other smaller markets that also contributed to growth include South Africa, Thailand, Canada, Brazil and India.

Our major markets that strongly declined over the past December year were Japan (down 10.8%), South Korea (down 10.7%) and the US (down 4.3%) markets. Amongst our key markets, the Chinese market recorded the highest growth rate of 14.3% followed by Australia (up 5.2%).

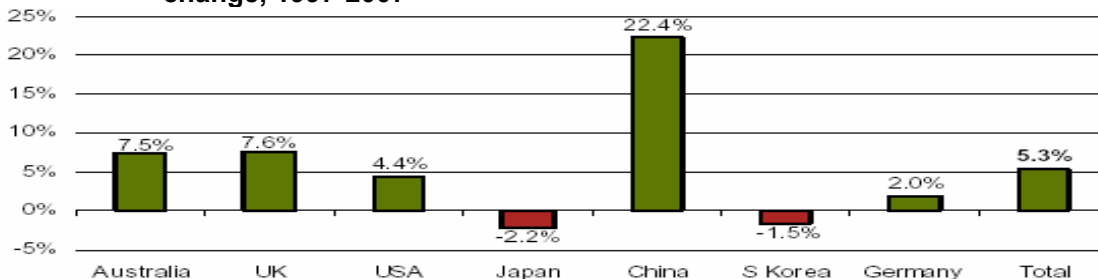
Figure 12: Changes in international visitor arrivals by major market between years ended December 2006 and 2007, number (LHS) and growth rates (RHS)



Source: TRC, Tourism Leading Indicators

Taking an average annual growth rate perspective, over the past ten years visitor arrivals from China to New Zealand have grown by 22.4% per annum on average while Australia and UK markets have on average grown by 7.5% and 7.6% per annum respectively. On average over the past ten years Japanese arrivals have declined by 2.2% per annum while arrivals from South Korea have declined by 1.5% per annum over this period (Figure 13).

Figure 13: International visitor arrivals by key market, average annual percentage change, 1997-2007



Source: TRC, Tourism Leading Indicators

Markets projected to be very fast growing are China (13.6% and 8.8% per annum for arrivals and nights respectively) and India (11.3% and 10.6% per annum for arrivals and nights respectively). New Zealand's largest markets Australia, United Kingdom and United States in terms of visitor nights are projected to grow at 2.7%, 3.9% and 3.1% (Table 56).

Table 56: Forecast International visitor arrivals and visitor nights to New Zealand

	Visitor Arrivals			Visitor Nights		
	Actual 2006	2013 projected	Av. Ann. % change, 06-13	Actual 2006	2013 projected	Av. Ann. % change, 06-13
Australia	0.90	1.16	3.6%	10.0	12.08	2.7%
United States	0.23	0.26	2.1%	3.8	4.75	3.1%
Canada	0.05	0.06	3.8%	1.3	1.67	3.8%
South America	0.02	0.03	5.6%	0.6	1.02	7.0%
South Korea	0.11	0.14	2.9%	1.8	2.35	3.9%
China	0.11	0.26	13.6%	1.6	2.89	8.8%
Thailand	0.02	0.02	2.9%	0.4	0.53	2.9%
Indonesia	0.01	0.01	3.2%	0.2	0.25	3.0%
India	0.02	0.04	11.3%	0.9	1.78	10.6%
Rest of Asia nec	0.01	0.02	4.9%	0.5	0.78	5.6%
United Kingdom	0.29	0.40	4.6%	8.6	11.21	3.9%
Ireland	0.02	0.03	5.4%	0.6	0.75	3.0%
Germany	0.06	0.07	1.9%	2.5	3.09	3.2%
Switzerland	0.01	0.02	1.7%	0.5	0.67	2.9%
Euro 7	0.05	0.06	3.7%	1.3	1.74	4.4%
Rest of Europe nec	0.02	0.02	5.4%	0.9	1.15	3.4%
South Africa	0.02	0.02	4.4%	0.7	0.92	4.6%
Pacific Islands	0.10	0.12	2.9%	2.5	3.27	4.1%
Rest of World nec	0.07	0.10	5.1%	2.4	3.63	6.3%
TOTAL WORLD	2.41	3.17	4.0%	46.7	60.61	3.8%

Source: Compiled from TRNZ Regional Pivot Tables and APR analysis

11.2 Economic growth of New Zealand's major trading partners

Table 57 shows annual average economic growth for the economies of New Zealand's major trading partners. The prospects for New Zealand's largest source of inbound visitors, Australia, are solid, with Australia's average economic growth expected to equal or exceed 3.0% per annum over the forecast period 2008 to 2011.

Annual average growth in the UK economy is expected to decline from 3.1% for the year ended December 2007 to around 2.0% in the year to December 2009 before rebounding to 2.6% in the year to December 2011. An upcoming inbound visitor market for New Zealand, China is forecasted to grow at a very fast rate over the forecast period 2008 to 2011. For the year to December 2008, the Chinese economy's annual average growth rate is forecast to reach a lightening fast 10.3%.

Table 57: Annual average economic growth of New Zealand's major markets (%)

Calendar year, annual average % change	2003	2004	2005	2006	2007 (4)	2008 f	2009 f	2010 f	2011 f
US	2.5	3.6	3.1	2.9	2.2	1	2	2.9	2.9
Japan	1.5	2.7	1.9	2.4	1.9	1.5	2	1.6	1.8
Euro-zone (1)	0.8	1.8	1.6	2.9	2.6	1.8	2	2	2
UK	2.8	3.3	1.8	2.9	3.1	1.8	2	2.6	2.6
Australia	3	3.9	2.8	2.8	3.9	3.5	3.3	3.4	3
China	10	10.1	10.4	11.1	11.4	10.3	9.7	9.4	8.7
South Korea	3.1	4.7	4.2	5	4.9	4.6	4.9	5	4.8
Hong Kong	3	8.5	7.1	6.8	6	4.9	5.1	5.2	4.9
Taiwan	3.5	6.2	4.2	4.9	5.5	4.3	4.6	4.5	4.4
Indonesia	5	4.9	5.7	5.5	6.3	6.1	6	6	6
Malaysia	5.8	6.8	5	5.9	6	5.6	5.9	5.7	5.7
Singapore	3.1	8.8	6.6	7.9	7.5	5.6	5.9	5.3	5.2
Thailand	7.1	6.3	4.5	5.1	4.5	4.6	5	5.1	4.9
Philippines	4.9	6.4	4.9	5.4	7.3	5.6	5.8	5.7	5.7
India (3)	8.5	7.5	9	9.4	8.6	7.9	8.5	8.7	8.5
Vietnam	7.3	7.8	8.4	8.2	8.5	8.3	8.2	8	8
Trading partners (2)	3.5	4.6	3.9	4.4	4.5	3.8	3.9	4	3.8

Source: Consensus Forecasts, NZIER estimates and forecasts

Notes: (1) The euro-zone (EA13) consists of 13 Member States: Belgium, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland and Slovenia. (2) Major trading partners comprise countries listed, which account for about 75% of New Zealand's total merchandise trade (3)2007 e. (4) 2007 estimate for Economic growth.

12.0 WANGANUI ECONOMIC OVERVIEW

This section provides an overview of sectors that contribute to the Wanganui economy. The broad purpose of this section is to demonstrate that the tourism sector is a relatively fast-growing sector and therefore one that is capable of accelerating the future growth of Wanganui's economy. The proposed ECNZ will attract visitors to Wanganui to attend events, but will also function as a significant source of positive exposure for the District. Therefore, the centre aside from being a community resource would essentially function as a tourist attraction and marketing instrument.

12.1 Drivers of regional growth trends

NZIER identifies two factors that drive regional growth trends. Firstly, the industry composition of regional economies, in other words an area's proportional representation in high and low growth industries and secondly the self-reinforcing nature of regional growth cycles where strong initial growth leads to business expansion, increased employment, job-related inward migration, more growth etc (and vice-versa for low growth areas, which in the worst case scenario may experience depopulation).

The largest employers in Wanganui as at February 2007 were Manufacturing (15.8%), Community and Health Services (14.1%), Retail Trade (13.3%) and Education (10.4%) sectors. In Wanganui there are eight industries that are more important locally than nationally:

- Personal and Other Services are 1.5 times as important locally. This sector employs 960 persons.
- Health and Community Services are 1.4 times as important locally and employs 2,570 persons.
- Construction is 1.3 times as important locally as nationally and employs 1,530 persons.
- Education is 1.3 times as important locally as nationally and employs 1,890 persons.
- Government Administration and Defence are 1.2 times as important locally as nationally and employ 850 persons.
- Manufacturing is 1.2 times as important locally as nationally and employs 2,890 persons.
- Retail Trade is 1.1 times as important locally as nationally and employs 2,420 persons
- Electricity, Gas and Water Supply are 1.1 times as important locally as nationally and employs 80 persons.

Table 58: Industry data for Wanganui District

ANZSIC industry	Employee numbers in Wanganui 2007	% Share of area 2007	Av. ann. % change in Wanganui District	Employee numbers in New Zealand 2007	% Share of NZ total 2007	Relative Importance 2007
Q Personal and Other Services	960	5.3%	1.3%	69,250	1.4%	1.5
O Health and Community Services	2,570	14.1%	2.7%	187,070	1.4%	1.4
E Construction	1,530	8.4%	10.7%	121,840	1.3%	1.3
N Education	1,890	10.4%	2.2%	155,620	1.2%	1.3
M Government Administration and Defence	850	4.7%	1.5%	72,880	1.2%	1.2
C Manufacturing	2,890	15.8%	-2.5%	258,370	1.1%	1.2
D Electricity, Gas and Water Supply	80	0.4%	-11.4%	7,680	1.0%	1.1
G Retail Trade	2,420	13.3%	1.8%	240,000	1.0%	1.1
P Cultural and Recreational Services	470	2.6%	6.9%	52,080	0.9%	1.0
A Agriculture, Forestry and Fishing	1,030	5.6%	0.5%	115,760	0.9%	0.9
H Accommodation, Cafes and Restaurants	940	5.2%	2.5%	119,010	0.8%	0.8
I Transport and Storage	460	2.5%	7.8%	76,080	0.6%	0.6
J Communication Services	140	0.8%	0.0%	24,660	0.6%	0.6
K Finance and Insurance	280	1.5%	10.2%	54,920	0.5%	0.5
L Property and Business Services	1,230	6.7%	-0.8%	245,990	0.5%	0.5
F Wholesale Trade	510	2.8%	-2.7%	116,970	0.4%	0.5
B Mining	0	0.0%	0.0%	5,020	0.0%	0.0
Total	18,250	100.0%	1.7%	1,923,200	0.9%	

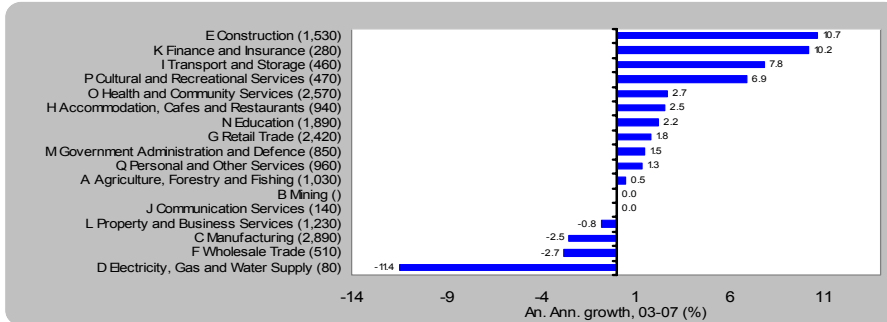
Source: Compiled from Statistics New Zealand, Business Demographic Statistics 2007 and APR analysis

Notes: (1) A relative importance >1 shows that on an employment basis the industry is more important locally than nationally; < 1 it is less important and =1 it has the same importance. (2) Employment count measures anyone in employment (full-time or part-time) and has no allowance for self-employment.

A consideration of growth provides an indication of industries that may become important in the future. The fastest average annual growth between February 2002 and February 2007 in Wanganui tourism-related sectors was in Cultural and Recreational Services (6.9%), Health and Community Services (2.7%), Accommodation, Cafés and Restaurants (2.5%) and Retail (1.8%).

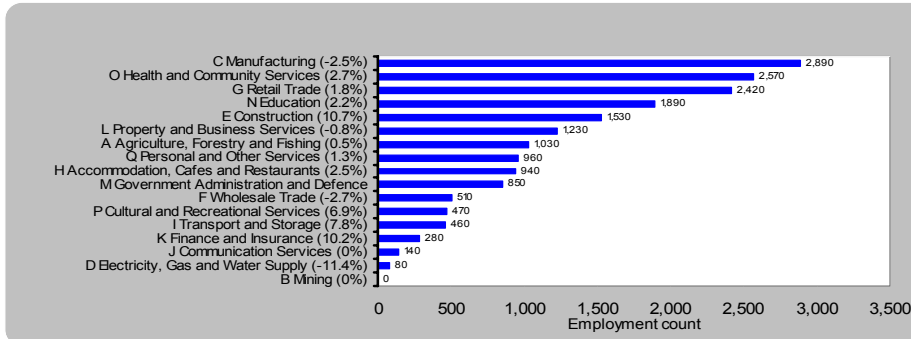
Relative importance provides an indication of comparative advantage by showing what sectors are proportionately more important employers locally compared to nationally. Relative importance for Wanganui tourism-related sectors are Health and Community Services (1.4), Retail (1.1), Cultural and Recreational Services (1.0) and Accommodation, Cafés and Restaurants (0.8).

Figure 14: Wanganui employment sectors ranked in terms of average growth rate, 03-07



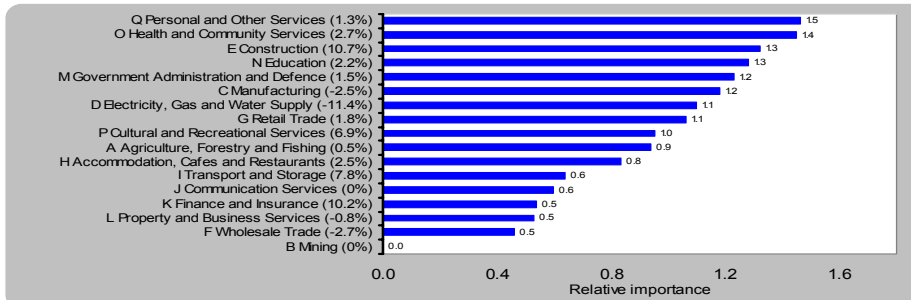
Source: Compiled from Statistics New Zealand, Business Demographic Statistics 2007 and APR analysis
 Notes: (1) Numbers employed are shown in parenthesis.

Figure 15: Wanganui employment by industry sector



Source: Compiled from Statistics New Zealand, Business Demographic Statistics 2007 and APR analysis
 Notes: (1) Average annual growth in numbers employed is shown in parenthesis.

Figure 16: Relative importance of Wanganui by industry sector



Source: Compiled from Statistics New Zealand, Business Demographic Statistics 2007 and APR analysis
 Notes: (1) A relative importance >1 shows that on an employment basis the industry is more important locally than nationally; < 1 it is less important and =1 it has the same importance.

1.1.1 Industry Growth at a National Level

The top ten fastest growing industry sectors at a national level over 2002-2007 were Construction (6.1% per annum), Cultural and Recreational Services (5.7% per annum), Central Government Administration and Defence (5.6% per annum), Communication Services (5.4% per annum), Retail Trade (5.3% per annum), Non-Metallic Minerals Products Manufacturing (5.2% per annum), Local Government Administration (5.1% per annum), Finance and Insurance (5.0% per annum), Food, Beverage and Tobacco Manufacturing (4.8% per annum) and Business Services (4.7% per annum).

The top ten fastest growing industry sectors at a national level in 2022-27 are projected to be Communication services (3.6% per annum), Agriculture (3.2% per annum), Health and Community Services (2.8% per annum), Education (2.7% per annum), Business services (2.0% per annum), Forestry and logging (1.8% per annum) Transport and storage (1.6% per annum), Accommodation, Cafés and Restaurants 1.6% per annum), Finance and Insurance (1.6% per annum) and Cultural and Recreational Services (1.6% per annum).

Table 59: NZIER predictions of real GDP growth by industry

Average annual percent change, March year	2002-2007	2007-2012 f	2012-2017 p	2017-2022 p	2022-2027 p
Communication services	5.4	5.4	4.6	4.1	3.6
Agriculture	3.0	5.6	3.4	3.2	3.1
Health and community services	4.1	3.8	3.1	2.9	2.8
Education	1.0	3.8	3.3	2.9	2.7
Business services	4.7	3.4	2.6	2.2	2.0
Forestry and logging	-0.2	3.2	2.0	1.9	1.8
Transport and storage	2.6	2.8	2.2	2.0	1.6
Accommodation, cafes and restaurants	3.1	2.6	2.4	2.0	1.6
Finance and insurance	5.0	2.8	2.1	1.8	1.6
Cultural and recreational services	5.7	2.4	2.1	1.8	1.6
Retail trade (including motor vehicle repairs)	5.3	2.6	2.3	1.9	1.5
Personal and other community services	2.8	2.4	2.0	1.7	1.5
Food, beverage and tobacco manufacturing	4.8	1.9	1.7	1.5	1.5
Wholesale trade	1.5	2.7	2.1	1.7	1.4
Metal product manufacturing	1.1	3.3	2.0	1.7	1.4
Chemicals manufacturing	-1.2	1.5	1.5	1.4	1.4
Central government admin. and defence	5.6	2.4	1.8	1.5	1.3
Local government admin.	5.1	2.2	1.7	1.4	1.2
Machinery and equipment manufacturing	0.4	3.4	1.8	1.4	1.1
Printing, publishing and recorded media	0.6	1.9	1.4	1.1	0.9
Furniture and other manufacturing	1.0	1.9	1.4	1.0	0.6
Mining and quarrying	-4.1	1.2	0.9	0.7	0.6
Electricity, gas and water supply	2.4	1.6	1.0	0.8	0.6
Wood and paper products manufacturing	0.9	0.6	0.8	0.7	0.6
Fishing	-4.6	1.1	0.5	0.5	0.4
Construction	6.1	1.5	0.9	0.6	0.4
Non-metallic mineral products manufacturing	5.2	1.8	0.9	0.6	0.3
Property services	3.3	0.4	0.2	0.0	0.0
Textiles and apparel manufacturing	-1.8	-0.8	-0.8	-0.8	-0.7
Total GDP	3.4	2.7	2.1	1.8	1.6

Source: Compiled from NZIER Quarterly Predictions, June 2008 Quarter and APR analysis

Notes: (1) 'P' stands for projected while 'f' stands for a forecast

The proposed Events Centre provided an attraction that will augment Wanganui tourism offering both by providing an attraction and by providing a marketing and branding instrument. Increases in the number and quality of Wanganui attractions are likely to bring more visitors who spend at cafés, accommodation and restaurants. On a New Zealand level the improvement in the ranking of this sector in terms of average annual growth between 2002-2007 to 2022-2027 compared to other main (ANZSIC) industry sectors is projected by NZIER to be five places (Table 60).

Table 60: Rankings of NZIER projections of real GDP growth by industry

ANZSIC industry sector	2002-2007	2007-2012 f	2012-2017 p	2017-2022 p	2022-2027 p	Change in ranking: 2002-2007 to 2022-2027
Communication services	4	2	1	1	1	-3
Agriculture	14	1	2	2	2	-12
Health and community services	11	4	4	3	3	-8
Education	20	3	3	4	4	-16
Business services	10	5	5	5	5	-5
Forestry and logging	25	8	14	9	6	-19
Transport and storage	16	10	8	7	7	-9
Accommodation, cafes and restaurants	13	13	6	6	8	-5
Finance and insurance	8	9	10	10	9	1
Cultural and recreational services	2	15	11	11	10	8
Retail trade (including motor vehicle repairs)	5	12	7	8	11	6
Personal and other community services	15	16	13	12	12	-3
Food, beverage and tobacco manufacturing	9	18	17	15	13	4
Wholesale trade	18	11	9	13	14	-4
Metal product manufacturing	19	7	12	14	15	-4
Chemicals manufacturing	26	24	19	19	16	-10
Central government admin. and defence	3	14	15	16	17	14
Local government admin.	7	17	18	17	18	11
Machinery and equipment manufacturing	24	6	16	18	19	-5
Printing, publishing and recorded media	23	19	20	20	20	-3
Furniture and other manufacturing	21	20	21	21	21	0
Mining and quarrying	28	25	23	23	22	-6
Electricity, gas and water supply	17	22	22	22	23	6
Wood and paper products manufacturing	22	27	26	24	24	2
Fishing	29	26	27	27	25	-4
Construction	1	23	25	25	26	25
Non-metallic mineral products manufacturing	6	21	24	26	27	21
Property services	12	28	28	28	28	16
Textiles and apparel manufacturing	27	29	29	29	29	2

Source: Compiled from NZIER Quarterly Predictions, June 2008 Quarter and APR analysis

Notes: (1) 'p' stands for projected while 'f' stands for forecast

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