

For Incoming Minister
Minister for Sport & Recreation

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Minister for Sport & Recreation

Briefing Document: The Crucial Role of Events in New Zealand's Landscape

Welcome to your new role as the Minister for Sport & Recreation in New Zealand. I am Elaine Linnell, General Manager for the New Zealand Events Association (NZEA). We represent over 1,100 members from across the events sector in New Zealand, and act as the independent and representative voice for the events industry. www.nzea.co

This briefing document aims to provide an overview of the event industry in New Zealand, drawing your attention to the significant role that events play across New Zealand, emphasizing the industry's economic significance, contributions to tourism, social impacts, and community engagement. The below video also gives a 90 second overview of who we are.



1. Size and Significance of the Event Industry, specifically sport events

The event industry in New Zealand is a vital component of the national economy, with almost 5,000 events taking place each year, attracting 11.7 million attendees. Over 1,100 of these were sporting events, with approximately 6.7m participants/spectators. This sector employs a substantial workforce, contributing to the diversity of skilled professionals, including event planners, technicians, and hospitality staff. The nature of these events is diverse including festivals, conferences, sports competitions, cultural celebrations, and more. To get a better understanding of the full economic and social impacts of the industry, we are currently in the process of working with Ernst & Young to get more accurate information.

2. Economic Contributions

The events industry generates substantial revenue for New Zealand, contributing approximately NZD \$771 million annually to the national GDP. Sporting events contributed approximately \$408 million. This revenue is derived from various sources, including ticket sales, sponsorships, merchandise, and ancillary services, fostering growth and employment opportunities in related sectors such as hospitality (approximately NZD \$149 million), transportation, and accommodation (approximately NZD \$195 million).

3. Domestic and International Tourism

Events serve as powerful magnets for tourists, both domestic and international, leading to increased visitor numbers. Iconic events like the Rugby World Cup 2011 and 2021 and the FIFA Women's World Cup 2023, along with cultural festivals, draw international travellers, fostering economic growth and global recognition. Tourism New Zealand research indicates that up to one third of domestic travel is primarily driven by people looking to participate in events.

In response to the New Zealand-Aotearoa Government Tourism Strategy released in May 2019, each region has prepared a Destination Management Plan - it should be noted that every New Zealand region highlights the significance of events in attracting visitors and contributing to economic, social, cultural, and environmental benefits.

4. Social Impacts

Events play a pivotal role in promoting social cohesion, cultural diversity, and community spirit. They contribute to the overall well-being of New Zealanders by providing opportunities for social interaction, learning, and engagement. A recent UK study shows that 83% of young people aged 14-25 agree that attending live events has a positive impact on their mood and well-being. Having participation sporting events throughout New Zealand is critical to the health and future of New Zealanders.

Your First 100 Days

We propose that the key things to advance over your first 100 days in office as Minister for Tourism & Hospitality are:

1. The need for a Government spokesperson

The event industry in New Zealand faces challenges, including funding uncertainties and the need for career development opportunities. A government spokesperson for the event industry would advocate for sustainable funding models, increased financial support, and the recognition of the industry's vital role in New Zealand's economic and social well-being.

2. Urgent need for continued funding support for the events sector

The pressing issue within the events sector that demands immediate attention and action is funding. The Regional Events Fund, which played a pivotal role in sustaining the events sector during the challenging times of the COVID-19 pandemic, is now fully spent in most regions. However, the sector has not fully recovered. The fund was instrumental in supporting a wide range of events, including sporting events, contributing not only to the cultural fabric of our communities but also to the economic and social well-being of the regions it serves.

As it stands, there is no sustainable funding model currently on the table to replace the expiring Regional Events Fund. The events industry, a crucial driver of economic growth and community engagement, is at risk of significant setbacks without continued financial support.

To address this urgent issue, we propose exploring alternative funding mechanisms. Two potential solutions are worth considering:

- (a) **Introduction of a nationwide bed tax:** Implementing a nationwide bed tax could provide a reliable source of revenue for the events sector. This tax, levied on accommodations, has the potential to generate substantial funds that can be earmarked specifically for supporting events across the country.
- (b) **Allocation of a Portion of GST to Events:** Another viable option is to allocate a percentage of the Goods and Services Tax (GST) revenue back into the events sector. This approach ensures a continuous and sustainable source of funding, directly tied to economic activities.

While the implementation of a nationwide bed tax or the allocation of GST revenue may take time to materialise, the immediate concern is the need for interim funding to bridge the gap until a long-term solution is established. Without this financial support, the events sector risks a decline that could have far-reaching consequences on our cultural vibrancy, tourism, national and local economies, and the mental health of New Zealanders.

3. Research for the industry

In order to truly understand the industry, we would like to further our research to get the full social and economic value of events in New Zealand. We have commenced this work with Ernst & Young, however as this is self-funded, by our members, we would require additional funds to delve deeper into the data. With this data, we can share the knowledge throughout New Zealand, to ensure each region is thriving from their local events. Additionally, NZEA are undertaking some research into the links between attending or participating in live events, and the impacts on their mental health. Your support in this research would be greatly appreciated.

4. Career Pathways for Event Staff

The event industry provides employment for thousands of New Zealanders, yet there is a shortage of structured career pathways and training opportunities. The government should support initiatives that create clear career pathways for event staff, fostering professionalism and skill development within the sector.

Conclusion

These key points offer a summary of the critical aspects from NZEA's perspective, and we are more than happy to provide further details on any of them.

On an ongoing basis, we would appreciate regular quarterly meetings with you, typically involving myself and relevant Board members.

The New Zealand Events Association can serve as a valuable link between you and the events industry. You will receive invitations to participate and speak at NZEA's annual Events conference (the industry's premier event, *Eventing the Future*) and the NZEA New Zealand Event Awards. Our Board convenes bi-monthly, creating an excellent platform for discussions with industry leaders about ideas and topics of interest.

We will keep you informed about significant developments and share interesting insights as they arise. Please feel free to reach out if you have any questions or require information, and you can contact me directly on 021 508 507.

The NZEA Board and I are enthusiastic about collaborating with you in the upcoming period.

Ngā mihi,



Elaine Linnell
General Manager



About the New Zealand Events Association (NZE A)

As the representative body for the New Zealand Events Sector, the NZEA has over 1000 members and a reach well beyond that number into the wider industry. The NZEA have worked closely with MBIE's New Zealand Major Events team since our inception, and during the covid years worked alongside the Department of the Prime Minister and Cabinet as conduits to the events sector. The NZEA are also aligned with other industry bodies in the events space such as Business Events Industry Aotearoa (BEIA), Entertainment Venues Association of New Zealand (EVANZ) and the NZ Promoters Association (NZPA), and regularly work together on matters of advocacy for the benefit of the wider sector. We look forward to working with you and your team to further the interests of events.