
ORDINARY MEETING

OF

**WELLINGTON REGIONAL AMENITIES FUND JOINT
COMMITTEE**

MINUTE ITEM ATTACHMENTS

Time: 1:30 pm
Date: Friday, 20 April 2018
Venue: Upper Hutt City Council
Upper Hutt Council Chambers
838 - 842 Fergusson Drive
Upper Hutt 5018

Business

Page No.

1.4.1 Forecast Economic Impact of the Te Matatini 2019

- | | |
|---|---|
| 1. Forecast Economic Impact of the Te Matatini 2019 | 2 |
|---|---|



Forecast Direct Economic Impact of Te Matatini 2019 (Interim)

Background & Objectives

The Te Matatini National Festival is held every two years, with the next event to be staged in Wellington in February 2019. The Festival was last held in the region in 1983.

Owned by Te Matatini Society Incorporated and project-managed by the Society's experienced event management team, the Te Matatini National Festival is the country's foremost competition designed to encourage the development of traditional Māori performing arts throughout Aotearoa, New Zealand. While the main focus of the Festival is the kapa haka competition, the Festival is also a celebration of Māori culture and cuisine. Alongside the kapa haka competition, food and retail stalls, art and craft exhibitions, educational workshops and other entertainment are all available to those attending.

While previous festivals have proven enormously successful – both in terms of audience engagement and the economic contribution made to host regions – event organisers have plans to significantly “raise the bar” with the staging of Te Matatini 2019 and its economic, social and cultural contribution to Wellington and Aotearoa New Zealand as a whole.

In this respect, it is anticipated that the Te Matatini Kapa Haka Festival 2019 will also make a significant contribution toward the key result areas outlined in Te Matatini Society Incorporated's 2017-2027 Strategic Plan.

Te Matatini Society Incorporated has commissioned Angus & Associates to forecast the direct economic contribution of Te Matatini 2019 to the Wellington region. This report sets out our interim forecast.

Interim Forecast

Our analysis for this interim forecast draws on data collected by Angus & Associates following the four most recent events – in Gisborne (2011), Rotorua (2013), Christchurch (2015) and Hastings (2017) – as well as discussions with event organisers, Te Matatini Society Inc. Historical data has been applied to a Te Matatini event staged in Wellington in 2019, with appropriate adjustments made taking into account: -

- the number and origin of visitors that might be expected, relative to preceding events (including event organisers, other event-related staff, competitors and spectators);
- the likely duration of stay by visitors to the region;
- similarities/differences in accommodation demand and supply;
- similarities/differences anticipated in other items of expenditure; and
- movements in the Consumer Price Index (CPI).

Updated (Final) Forecast

This interim forecast will be updated and a final forecast prepared following discussion with event sponsors, event partners and other event stakeholders. This discussion will centre on any additional economic contribution that may accrue from activities sponsors and partners undertake - e.g. travel by staff, clients or business partners to attend Te Matatini 2019; promotion of Te Matatini 2019, both within New Zealand and offshore; ticketing receipts from performances or exhibitions staged in association with Te Matatini 2019.

The final forecast will include an assessment of economic contribution at regional, sub-regional and national levels. It will also consider the anticipated social and cultural impacts of Te Matatini 2019: for example, health benefits, growing participation in Te Reo Māori and/or participation by youth in Kapa Haka communities.

Inputs

Factors Driving Economic Benefit

A number of factors will influence the economic contribution made by Te Matatini 2019; most notably -

- New expenditure by event organisers;
- The number and origin of people attending Te Matatini 2019 (be they event organisers, other event-related staff, competitors, spectators, media or event sponsors and partners);
- The duration of their stay in Wellington (if visiting from outside the region); and
- Expenditure by visitors to the region (including on accommodation, food and beverage, retail and other items).

Attendance

Te Matatini Society Inc. has provided confirmed attendance and/or estimates for the last four Festivals (including for volunteers and event-related staff, competitors, spectators and stallholders). Forecasts have also been provided for the 2019 event, in part based on historical data but also taking into account plans for an enhanced festival in 2019.

We note in particular that Te Matatini 2019 will precede *Tuia Encounters 250* which begins later in the year. *Tuia 250* is the national programme for 2019 that marks 250 years since the first meetings between Māori and Europeans during James Cook and the Endeavour's 1769 voyage to Aotearoa New Zealand. The significance of this timing will be reflected in the staging of a collaborative production at Te Matatini 2019 - involving the Royal NZ Ballet, NZ Symphony Orchestra and Māori performance group, Hawaiki Tu - and is also likely to see heightened interest from Central Government agencies and corporate sponsors.

It is estimated that a little over 25,000 people will attend the 2019 Festival in Wellington, of which 20,000 will be spectators or support for rōpū. This represents an approximate 20% increase on the number attending Te Matatini 2015 in Christchurch and a 25% increase on attendance at the last event in Hastings.

Number of...	Gisborne 2011	Rotorua 2013	Christchurch 2015	Hastings 2017	Wellington 2019f
Paid event staff	250	295	310	200	100
Event volunteers	450	455	675	600	300 ¹
Competitors	1,890 (42 teams of 45)	1,845 (41 teams of 45)	2,025 (45 teams of 45)	2,025 (45 teams of 45)	2,160 (48 teams of 45)
Spectators	11,787	14,207	16,396	15,000	20,000
Stallholders	1,200*	1,275	1,483	1,300	2,500 ²
Total Attendance	15,577	18,077	20,889	19,125	25,060

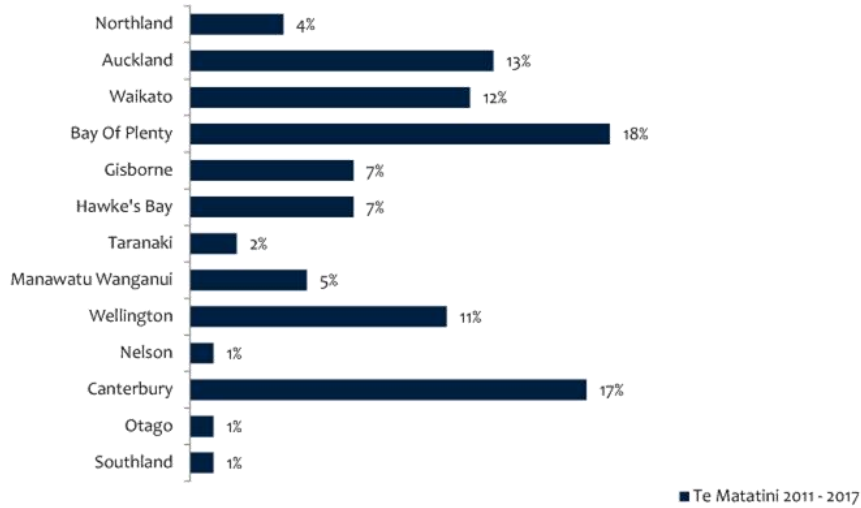
¹ Significantly fewer volunteers are expected for Te Matatini 2019 given that security will be handled by Westpac Stadium

² Significantly more stallholders are anticipated given the availability of space at Westpac Stadium (concourse) and plans to expand the range of stallholders participating

Origin of Visitors

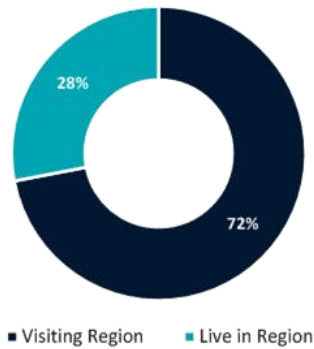
Data from the last four Te Matatini festivals shows the majority of event competitors and spectators originating from within New Zealand (93%); with the remaining 7% from offshore (mostly from Australia). Of the domestic audience 2011-2017, four out of five originated from North Island centres.

New Zealand Region of Residence

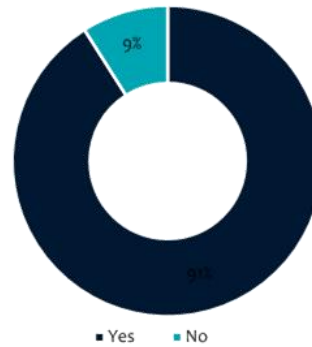


Over the last four Te Matatini festivals, an average of 72% of the audience originated from outside of the host region.³ Of those visiting the host region, 91% considered the relevant Te Matatini festival the **main reason** for their visit to the region.

Origin of Audience 2011 - 2017



Festival Main Reason for Visit?



³ The 2015 event profile was quite different from previous events, a consequence of the South Island location and the much higher proportion of the audience originating from within the region or visiting from neighbouring regions

Length of Stay

Historical survey data suggests that those visiting Wellington to attend Te Matatini 2019 will stay an average of 4.1 nights in the region. While this covers the period of the event itself, the opportunity exists to extend this further with promotion of pre- and post-activities/events by event organisers and partners.

Nights stayed...	Gisborne 2011	Rotorua 2013	Christchurch 2015	Hastings 2017	Te Matatini 2011 - 2017
Zero	2%	14%	1%	7%	7%
One	2%	7%	2%	6%	5%
Two	7%	10%	9%	13%	10%
Three	16%	14%	9%	14%	13%
Four	31%	23%	18%	21%	23%
Five	25%	19%	22%	20%	21%
Six	7%	7%	19%	10%	10%
Seven or more	8%	6%	19%	7%	10%
Average	4.5 nights	3.5 nights	5.0 nights	3.8 nights	4.1 nights

Accommodation Use

As accommodation accounts for a significant proportion of event-related expenditure, accommodation choices can have a sizeable impact on economic contribution (including as a constraint on audience size).

Event organisers have indicated that a relatively sizeable proportion of 2017 teams and their supporters stayed on marae; a necessity at that time given available commercial accommodation capacity in Hawke's Bay both for teams and other attendees: a little over 4,000 'stay-units' – or accommodation for no more than 8,000 people – excluding private rented homes. There are fewer marae available to host teams during the festival in Wellington. Some teams may seek other forms of non-commercial accommodation suitable for large groups (e.g. sports clubs) but it is likely that more will choose to stay in commercial accommodation.

As shown overleaf, the Wellington Region offers much greater commercial accommodation capacity (at a total of 8,414 'stay-units', or accommodation for up to 19,000 people⁴). While Te Matatini 2019 will take place at a time when occupancy levels are already quite high (averaging 71%), it is unlikely that accommodation will be a constraint on audience size if organisers encourage those attending to book at an early stage. It is also worth noting the more than 300 properties in Wellington City that are currently listed on AirBnB (with many more listed on other peer-to-peer sites).

⁴ 'Stay-units' range from hotel rooms to motel units to backpacker beds. For the purposes of this forecast, one 'stay unit' is assumed to accommodate two people.

YE FEB 18	Kapiti Coast District	Porirua City	Upper Hutt City	Lower Hutt City	Wellington City	Total
Daily capacity (stay-units available)	1,013	196	471	890	5,844	8,414
No. of establishments	21	7	8	18	71	125
Stay-units per establishment	48.24	28	58.88	49.44	82.31	67.31
Occupancy rate	33.63%	65.65%	26.57%	54.92%	84.15%	71.32%

Source: Accommodation Survey, Ministry of Business, Innovation & Employment (MBIE)

The average accommodation expenditure reported by those attending the Te Matatini National Kapa Haka Festival in the years 2011 to 2017 was \$262.22 per person, or a little under \$64 per person per night. Note that this was the average reported by all audience members – including performers, stallholders and spectators – through the post-event surveys undertaken. For 2019, we have taken a conservative view and have used historical expenditure to prepare our forecast, albeit with CPI adjustment. This will be revisited in the final forecast given that a larger proportion of teams and other attendees are likely to stay in commercial accommodation in Wellington and given also the typically higher room rates in Wellington than in other host regions.

	Gisborne 2011	Rotorua 2013	Christchurch 2015	Hastings 2017	Te Matatini 2011 - 2017
Average Accommodation Spend	\$206.17	\$223.43	\$352.39	\$266.89	\$262.22
Average Nights Stayed	4.5 nights	3.5 nights	5.0 nights	3.8 nights	4.1 nights
Average Spend Per Night	\$45.82	\$63.84	\$70.48	\$70.23	\$63.96

Other Expenditure

For the interim forecast, we have also used historical survey data to calculate expenditure on other items. However, these assumptions will be tested with regional stakeholders and updated in the final forecast given that:

- expenditure on **transport/fuel** may be higher in Wellington, particularly amongst those using public transport
- expenditure on **parking** is also likely to be higher
- expenditure on **food/drink** (e.g. restaurants, cafes, bars, snacks) may be higher, with more eating out than self-catering
- expenditure on other **attractions/events/activities** may be lower, given the preponderance of free activities and attractions in Wellington

Interim Forecast

The following interim forecast has been prepared taking into account both **visitor expenditure** and **expenditure by event organisers**. It is an estimate only and does not account for the flow-on effects of income earned by those working on the Festival/associated activities or further expenditure by businesses (e.g. stall holders). It also does not take into account expenditure in the region by event partners or sponsors. The latter will be addressed in the updated forecast to follow.

Visitor Expenditure

Our calculations of economic contribution accruing from visitor expenditure are based on: -

- Forecast attendance (using historical data, forecast ticket sales and other input from event organisers)
- The proportion of those attending who are likely to be **visiting** Wellington (based on historical data)
- The proportion of those attending who are likely to be visiting Wellington **only or mainly because of the Festival** (based on historical data)
- How much visitors are likely to spend while in Wellington (again, based on historical data – see table below)

	Performers Average 2011-2017	All Other Attendees Average 2011-2017
Accommodation	\$291.81	\$254.50
Transport/fuel in-region	\$159.37	\$185.40
Parking (not at festival)	\$7.26	\$4.92
Food/drink	\$211.81	\$190.98
Other activities/attractions	\$52.54	\$46.50
Other retail shopping	\$131.27	\$106.66
Other	\$77.07	\$72.50
TOTAL	\$931.14	\$861.46

Using these data as a (conservative) base, and before taking into account CPI movements, indicates that the 2019 Te Matatini Festival will contribute **approximately \$14.86 million** to the Wellington region.

With CPI adjustment, the forecast contribution increases to **\$15.3 million**.

No. of team members	x	average expenditure in region	=	TOTAL
2,070⁵		\$931.14		\$1.93 million
No. of other attendees	x	average expenditure in region	=	TOTAL
15,009⁶		\$861.46		\$12.93 million
			=	TOTAL
				\$14.86 million
		with CPI adjustment		\$15.3 million

⁵ 46 teams of 45 people, two Wellington-based teams excluded

⁶ Excluding those resident in Wellington or attending Te Matatini 2019 but visiting Wellington for other reasons

Event Expenditure

Economic contribution also accrues from expenditure by event organisers. Of the \$3.6 million event budget, it is estimated that \$3.05 million will be spent in Wellington: funds that would not have been spent in the absence of Te Matatini 2019. The addition of this \$3.05 million takes the interim forecast economic contribution of Te Matatini to **\$18.35 million**.

Visitor expenditure in Wellington **\$15.3 million**

Event-related expenditure in Wellington **\$3.05 million**

Total, visitor and event expenditure **\$18.35 million**

Sub-Regional Estimates

It is assumed that the bulk of the event budget will be spent in Wellington City, where the event venue is located.

However, visitor expenditure can be assumed to occur throughout the Wellington Region and, to a large extent, in proportion to the areas in which visiting teams and other attendees are based.

If visitor expenditure occurs in proportion to the distribution of commercial accommodation capacity across the Wellington Region, but also taking into consideration the distribution of teams staying on marae⁸, the economic contribution made by Te Matatini 2019 to each area is forecast to be as follows.

	Kapiti Coast District	Porirua City	Upper Hutt City	Lower Hutt City	Wellington City	Total	
Number of Marae	1	5	2	3	2	13	
Commercial Accommodation	Daily capacity (stay-units available)	1,013	196	471	890	5,844	8,414
	% of all capacity	12.0%	2.3%	5.6%	10.6%	69.4%	100%
Estimated Contribution (Visitor Expenditure)	\$1.84 m	\$0.6 m	\$0.91 m	\$1.69 m	\$10.29 m	\$15.3 m	

⁸ Approximately 30% of all teams are forecast to stay on marae across the Wellington region; one in the Kapiti Coast District, five in Porirua City (accommodating six teams), two in Upper Hutt City, three in Lower Hutt City and two in Wellington City

Other Benefits for Wellington

Post-event evaluations from the past four Te Matatini Festivals show attendees strongly inclined to recommend the Festival to others; with propensity to recommend average 9.6 out of 10. Likelihood of future attendance also sits very high at 9.4 out of 10. Together, these findings indicate exceptionally high levels of engagement with the Festival and a high level of prestige for the event overall.



Given this, a successful 2019 event will not only celebrate the manaaki of the Wellington Region but will enhance the mana and well-being of local iwi.

Host regions for other Te Matatini events have also benefited from the coming together of their communities to stage and support the event. In surveys undertaken following previous events, there have been strong levels of endorsement for the propositions that the Te Matatini Kapa Haka Festival “makes the region a better place to live”, that it “brings people together within the local community”, that it “promotes Māori culture” and that it “instils a sense of pride in the local community”. The extent to which survey respondents have agreed with these sentiments can be seen in the chart below.



These and other social and cultural impacts will be addressed further in the updated forecast.