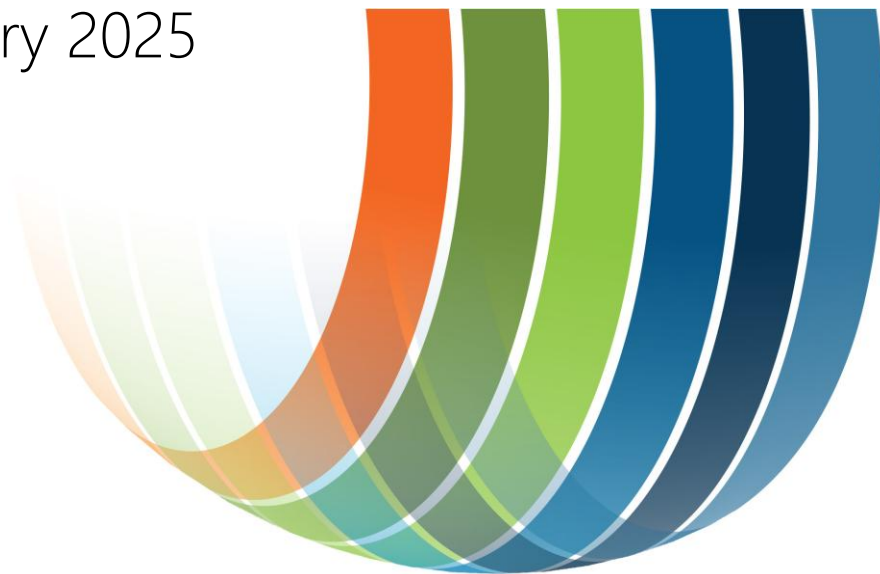


Economic contribution of of Te Pae

for Te Pae Christchurch Convention Centre

January 2025



Infometrics

Economics put simply

Authorship

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Table of contents

Executive summary.....	4
Introduction.....	5
Event attendees.....	6
Economic impact.....	12
Comparison with pre-opening forecast.....	17
Appendix 1. Multiplier analysis.....	19

Executive summary

Te Pae adds \$63m GDP, 631 jobs to Canterbury

Spending by Te Pae and convention visitors contributed an estimated \$63.0m to the Canterbury Region economy in the year to November 2024. Spending by Te Pae and convention visitors to Te Pae supports a total of 631 full-time equivalent jobs across the Canterbury Region.

Te Pae has made a significantly stronger economic contribution to Canterbury than initially forecast, reflecting more attendees and a higher impact per attendee. Visitors to conventions at Te Pae contributed \$37.8m to Canterbury Region GDP in 2024, plus a portion of the \$25.2m economic impact of Te Pae's expenditure on staff and suppliers.

Te Pae adds \$77m GDP, 693 jobs to national economy

With many of Te Pae convention delegates taking the opportunity to travel to other parts of New Zealand, Te Pae contributed \$77m to national GDP in the year to November 2024. Te Pae supports 693 FTE jobs nationally.

This includes the effect on Canterbury Region and the effect on other parts of New Zealand by businesses that supply Te Pae and that serve Te Pae visitors.

Introduction

Te Pae has commissioned Infometrics to assess the economic contribution of Te Pae Christchurch Convention Centre to the Canterbury Region economy. This report details the findings of a survey of event attendees and our input-output multiplier analysis of Te Pae's economic contributions. We also outline how Te Pae contributes to the broader New Zealand economy.

Our analysis relies on survey and financial data provided by Te Pae, and we have not independently verified this data, however, believe the information provided to be credible for this purpose.

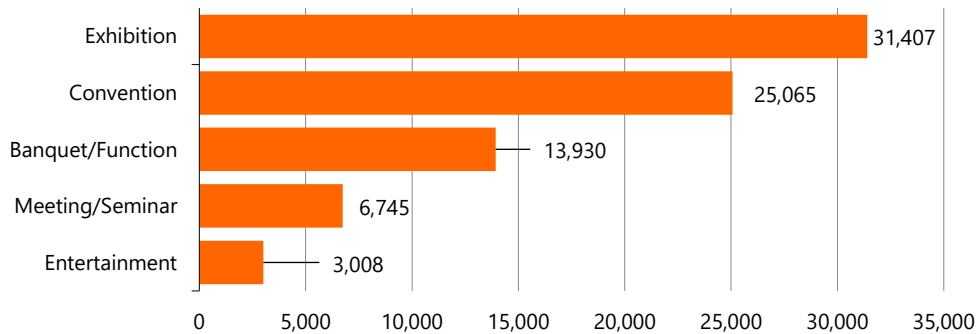
Event attendees

80,200 guests across 217 events

In the year ending November 2024, Te Pae hosted 80,155 attendees across 217 events. Graph 1 shows that the majority of attendees visited to attend exhibitions (31,407), followed by conventions (24,815).

Graph 1

Te Pae attendees by event type
December 2023 - November 2024



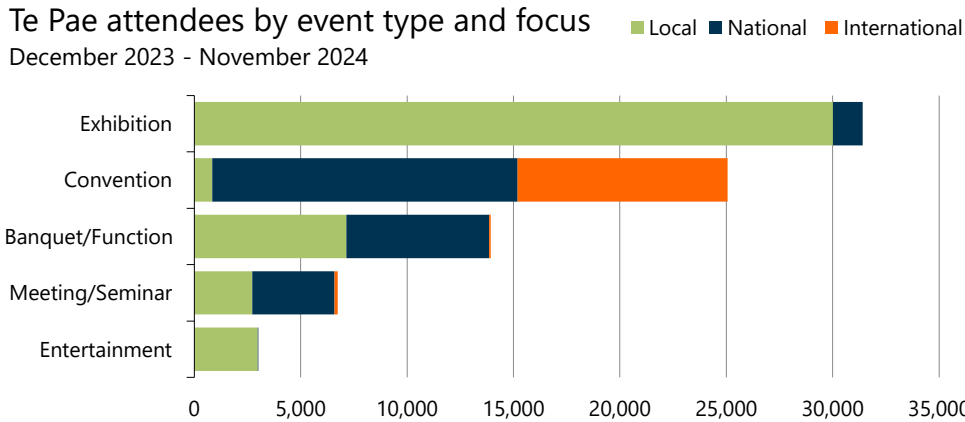
31,000 national and international event guests

Te Pae hosted 135 national and international events in the year to November 2024, with 36,436 guests attending. This includes 27 international events with 10,114 attendees. National and international events are important because they attract visitors into the region and therefore raise the economic contribution of Te Pae. Conferences for national or international professional bodies and associations would be an example of national or international events. In many cases, local Christchurch and Canterbury residents attend these events too.

Most international events are conventions

Graph 2 shows that conventions accounted for the majority of international events, with 9,875 attendees for international conventions. Although exhibitions are the largest type of event, with 31,407 attendees, 96% of the attendees are attending locally-focused events, which are less likely to attract visitors to the region.

Graph 2



Analysis focused on convention attendees

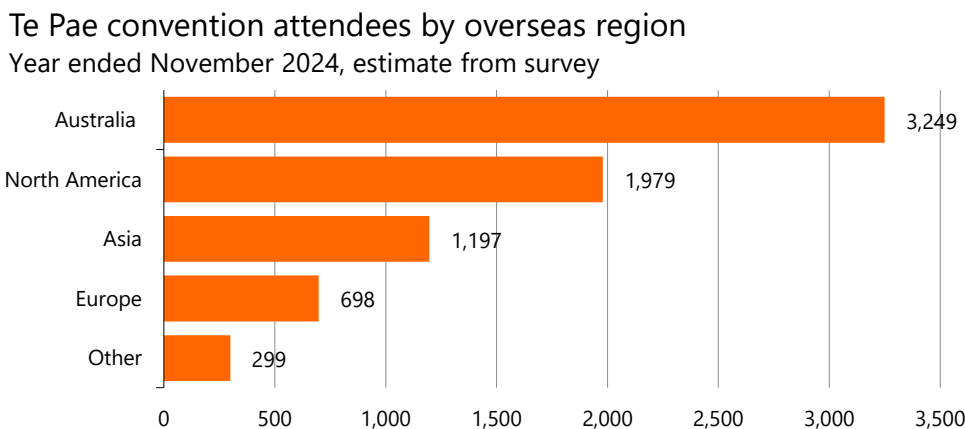
Our analysis of guests and their economic impact focuses on those visiting Te Pae for convention events only. Together with Te Pae, we surveyed guests attending events in the event season of May to November 2024. Conventions within the event season accounted for 79% of conventions in the year ending November 2024.

A total of 303 survey responses were received, amounting to a 0.6% response rate. Within the survey responses, we received 270 responses for conventions alone, amounting to a 1.3% response rate. In focusing on convention attendees, we are effectively under-stating the economic impact of Te Pae, by not considering the impact of spending by attendees at other types of events at Te Pae.

7,422 convention attendees from overseas

Overseas residents accounted for an estimated 7,422 attendees to conventions at Te Pae in the year to November 2024. Graph 3 shows that the majority of overseas resident attendees came from Australia (3,249), followed by North America (1,979) and Asia (1,197).

Graph 3



16,798 convention attendees from NZ

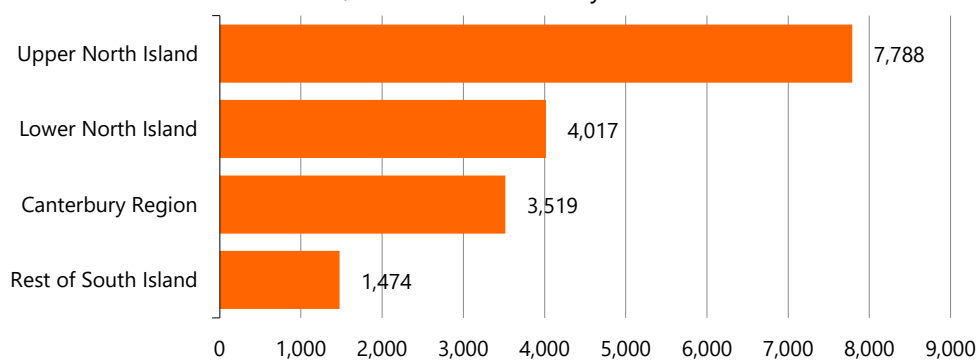
New Zealand residents accounted for an estimated 16,798 attendees to conventions at Te Pae in the year to November 2024. Of the New Zealand resident attendees, 13,279 or 79% were estimated to reside outside the Christchurch and Canterbury area and were counted towards the economic impact of Te Pae.

Graph 4 shows that most New Zealand resident attendees (7,788) were from the Upper North Island including Auckland, Northland, Bay of Plenty and Waikato.

Graph 4

Te Pae convention attendees by NZ region

Year ended November 2024, estimate from survey



95% came to Christchurch primarily for a Te Pae convention

Of those attending a convention at Te Pae in the year to November 2024, an estimated 95% or 22,999 came to Christchurch primarily for the convention. The remainder had a different primary reason for visiting Christchurch, but still attended a convention at Te Pae while they were in the city.

Convention attendees brought 9,770 guests

Of those attending a convention at Te Pae in the year to November 2024, an estimated 22% or 5,370 were accompanied by other people who did not attend the convention, such as family members or colleagues. Of those who were accompanied, they were accompanied by 1.8 people on average. In total, 9,770 additional people are estimated to have visited Christchurch to accompany a Te Pae convention attendee.

70,903 guest nights in Canterbury for Te Pae conventions

Visitors attending conventions in Te Pae spent an estimated 70,903 guest nights in Christchurch and Canterbury in the year to November 2024. This figure includes nights

stayed before, during and after conventions, and only includes people who primarily visited Christchurch for a convention at Te Pae.

Convention visitors stayed in Christchurch and Canterbury for on average 0.8 nights before their convention, 2.9 nights during their convention, and a further 0.3 nights on after their convention.

9,238 guest nights across rest of New Zealand

Visitors attending conventions at Te Pae intended to spend a further 9,238 guest nights in New Zealand as part of their trip. This includes 2,600 guest nights in Auckland, 2,389 guest nights in Queenstown, and 1,669 guest nights in Wellington.

82% expect to return to New Zealand

Of overseas residents attending conventions at Te Pae, 82% expect to return to New Zealand within the next five years. That Te Pae visitors consider New Zealand so favourably suggests that the benefits of convention attendees could be felt for years after their initial visit.

Te Pae convention visitors spent \$496 per day

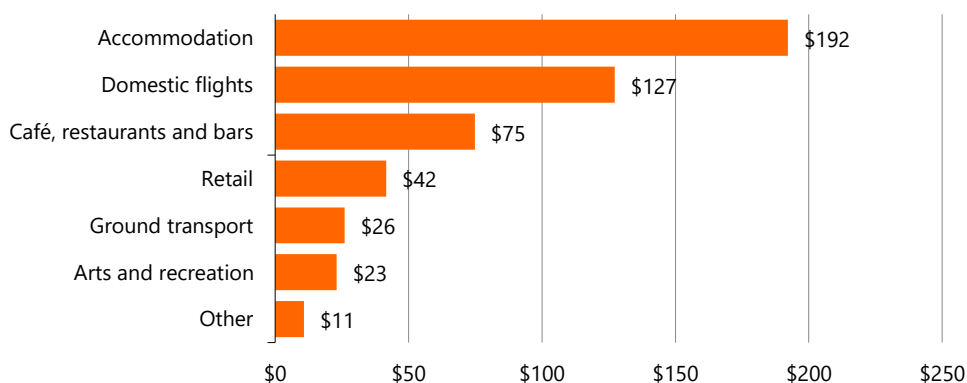
Spending by visitors attending conventions at Te Pae ranged from \$381 for visitors from New Zealand outside Christchurch and Canterbury, to \$635 per day for visitors from overseas. Overall, convention visitors from outside the region spent an average of \$496 per day during stay in Canterbury.

Graph 5 shows that the largest categories for spending were accommodation (\$192), domestic flights (\$127) and cafes, restaurants and bars (\$75).

Graph 5

Average spend per day in Canterbury

Te Pae convention visitors



Convention attendees from Christchurch and Canterbury spent an average of \$243 per day during their visit. However, this spending is excluded from our analysis of economic

contribution, including Graph 5, as this would likely have been spent in the region if the convention didn't take place.

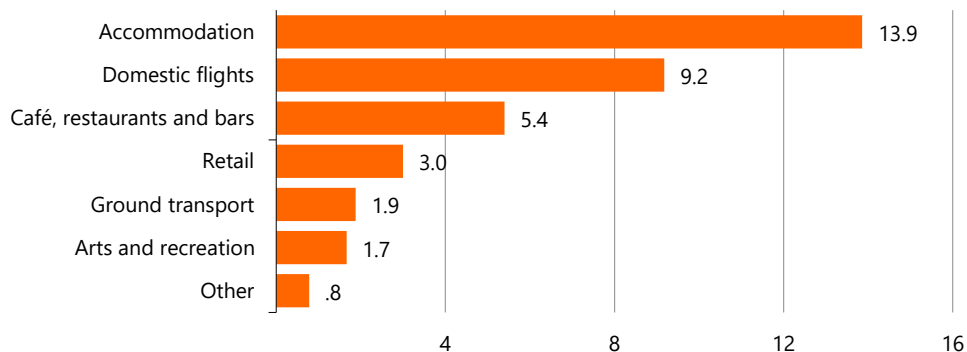
We also exclude visitor spending on event registration from estimates of visitor spending and in the subsequent economic impact analysis. We exclude event registration fees to avoid double counting as a portion of event registration fees go to Te Pae for services such as food for delegates.

Te Pae convention visitors spent \$35.7m in Canterbury

Visitors attending conventions at Te Pae in the year to November 2024 are estimated to have spent a total of \$35.7m in Canterbury. This includes their time in Canterbury before, during and after the convention. Graph 6 shows that Te Pae convention visitors spent a total of \$13.9m in accommodation, \$9.2m on domestic air travel and \$5.4m on cafes, restaurants and bars in Canterbury.

Graph 6

Total spend in Canterbury \$m, Te Pae convention visitors



Te Pae convention visitors spent \$3.8m across rest of NZ

Visitors attending conventions at Te Pae in the year to November 2024 are estimated to have spent a total of \$3.8m across the rest of New Zealand. This includes time spent before and after their convention, which includes travel stop overs or planned business and leisure visits to other cities and regions. Domestic flights are counted in their Canterbury economic impact.

Te Pae spent \$18.8m on NZ suppliers and staff

Data provided by Te Pae indicates that they spent \$18.8m on NZ suppliers and staff wages and salaries in the year to November 2024. This contributes towards Te Pae's economic impact by lifting revenue for supplying businesses across Canterbury and the rest of New Zealand, contributing to higher household incomes. Te Pae does purchase

from suppliers overseas in some instances, however, this does not contribute towards their economic impact on New Zealand.

We have mapped each of Te Pae's vendors to a standard ANZSIC industry and region, suitable for use in our multiplier model. This means that we can estimate how much of Te Pae's spending goes to local Canterbury businesses, and which industry they are in, in order to estimate the size of their total economic impact.

Economic impact

Input-Output multiplier approach

We use a regional input-output (IO) multiplier model to estimate the impact of Te Pae and its visitors. The IO model is based on inter-industry relationships within an economy, mapping how economic activity in one industry flows through to other industries and ultimately households.

All estimates of contribution to GDP are measured in 2023 prices.

Our multiplier approach is described in more detail in Appendix 1.

Direct, indirect and induced effects considered

We consider the direct, indirect and induced economic effects of Te Pae's expenditure and its visitors. Direct effects include the effect of Te Pae and its direct suppliers, such as people employed by Te Pae or its contractors. Indirect effects include the effect on suppliers of Te Pae's suppliers, for example, the effect on a farmer who provides animals for the butcher which supplies Te Pae. Induced effects include the expenditure effect of wage earnings – such as higher spending at local restaurants - as a result of higher direct and indirect employment.

Based on spending attributable to Te Pae

Our analysis focuses on spending attributable to Te Pae, including all spending on staff and suppliers, and spending by visitors. Visitor spending includes spending by visitors before, during and after Te Pae events, if the event was their primary reason for visiting.

We exclude spending by visitors who reside in Christchurch or Canterbury as they may have spent in the region if Te Pae didn't exist. Christchurch and Canterbury residents spent \$0.9m associated with attending a Te Pae convention, but this is excluded from the economic contribution estimates.

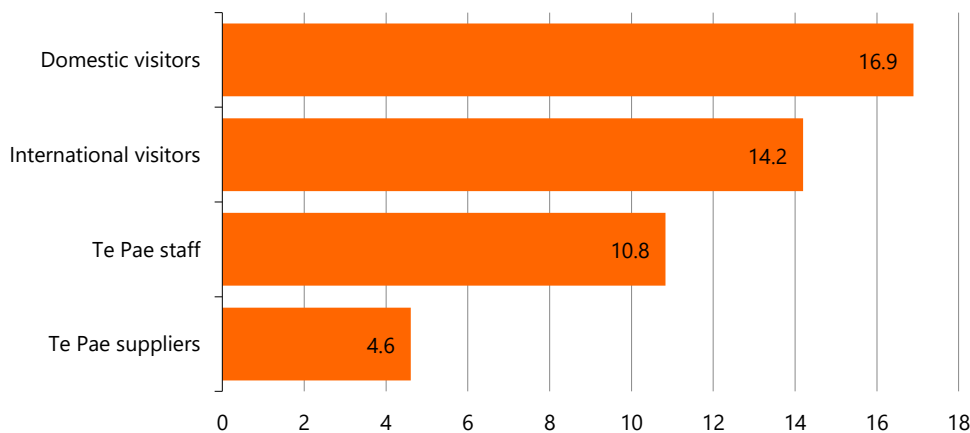
Te Pae supports \$46.5m revenue in Canterbury

Te Pae supports \$46.5m of revenue across Canterbury, including spending on suppliers in the region, remuneration of staff, and spending by visitors to Te Pae conventions in the region. Graph 7 shows that domestic visitors (from New Zealand excluding Christchurch and Canterbury) spend \$16.9m, followed by international visitors spending \$14.2m.

Graph 7

Te Pae contribution to Canterbury revenue (\$m)

Infometrics estimate, year to November 2024, excluding GST



Te Pae spend adds \$25.2m to Canterbury GDP

Te Pae is estimated to contribute \$25.2m to Canterbury Region GDP in the year to November 2024. Te Pae’s direct effect amounts to \$13.2m, with an additional \$12.0m worth of indirect and induced effects, which reflects the effect on suppliers and the broader economy from higher household incomes. Te Pae’s economic contribution comes about through spending on suppliers and remuneration for staff.

Te Pae spend supports 250 Canterbury jobs

Te Pae is estimated to support 250 full-time equivalent (FTE) jobs from its direct employees and spending with suppliers. Te Pae’s direct effect on regional employment is 166 FTEs, and a further 84 indirect and induced jobs.

Visitor spend adds \$37.8m to Canterbury GDP

Spending by Te Pae visitors is estimated to have contributed \$37.8m to Canterbury Region’s GDP in the year to November 2024. Spending by visitors is estimated to add \$16.2m directly to the region’s GDP, with a further \$21.6m of indirect and induced effects.

Visitor spend supports 380 Canterbury jobs

Spending by Te Pae visitors supports an estimated 380 FTE jobs across the Canterbury Region. An estimated 224 FTE jobs are directly supported by Te Pae visitor spending, such as those in directly serving visitors in hotels, restaurants and attractions. A further 156 FTE jobs are supported across the region through indirect and induced effects, which includes businesses who supply to hotels, restaurants and attractions.

Te Pae and visitors add \$63m to Canterbury GDP

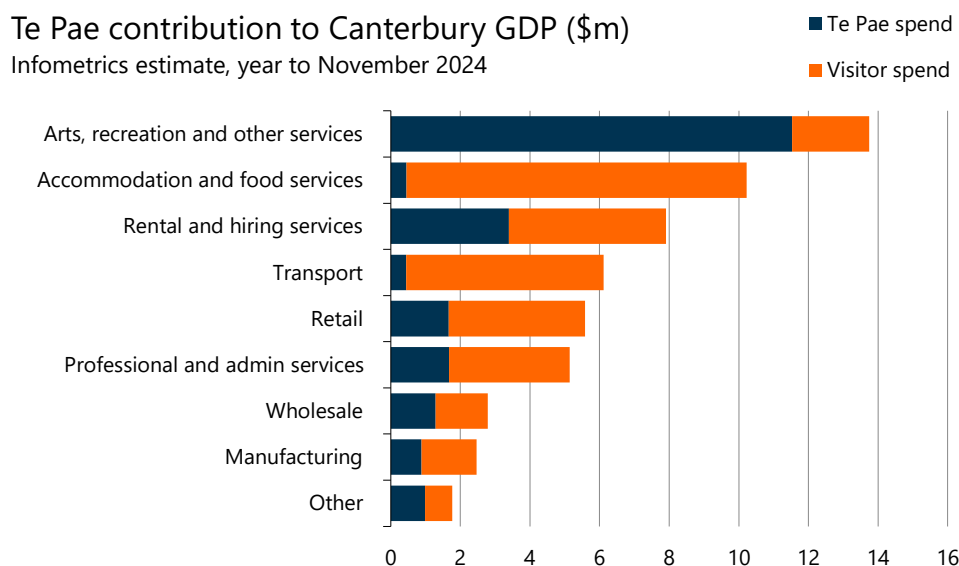
Together, spending by Te Pae and visitors contributed an estimated \$63.0m to the Canterbury Region economy in the year to November 2024. Te Pae had a total direct economic effect of \$29.4m, and a further indirect and induced effect of \$33.7m.

Te Pae and visitors add \$13.6m to arts and recreation GDP

Spending by Te Pae and visitors to Te Pae had the greatest impact on GDP in the arts, recreation and other services industry in Canterbury, adding a total of \$13.7m to GDP. Graph 8 shows that the majority of this impact, \$11.5m came about through Te Pae’s spending, which reflects that Te Pae is classified in the arts, recreation and other services industry.

Accommodation and food services felt the second greatest impact of \$10.2m, the majority (\$9.8m) of which came from visitor spending. The accommodation and food services industry includes hotels, restaurants, bars and cafes which serve Te Pae’s visitors during their stay in Canterbury.

Graph 8



Te Pae and visitors support 631 jobs in Canterbury

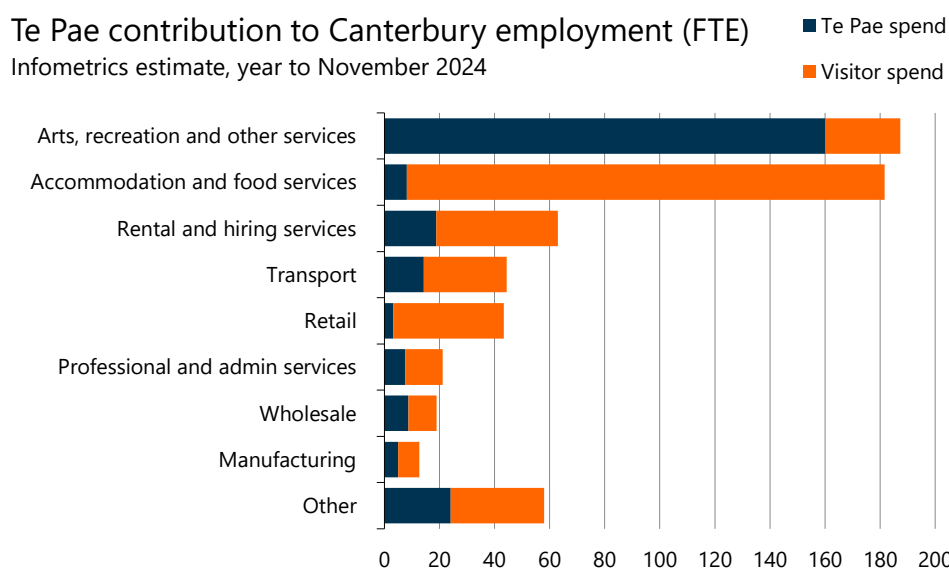
Spending by Te Pae and visitors to Te Pae supports a total of 631 full-time equivalent jobs across the Canterbury Region. Direct spending supports 391 of those jobs, with a further 240 jobs involved further down the supply chain (indirect effect) and from higher household incomes in the region (induced effect).

Te Pae and visitors support 187 jobs in arts

Spending by Te Pae and visitors had the greatest impact on employment in the arts, recreation and other services industry, adding a total of 187 jobs. Graph 9 shows that the majority of the impact of the arts and recreation industry came about through spending by Te Pae, which includes staff hired directly by Te Pae.

The second largest employment impact was received by accommodation and food services industry, with 182 jobs, 174 of which came about through spending by visitors to Te Pae.

Graph 9



Te Pae contributes \$77m to national economy

In total Te Pae contributed \$77m to New Zealand’s GDP in the year to November 2024, including spending by Te Pae and spending by Te Pae visitors. This includes the effect on Canterbury Region and the effect on other parts of New Zealand by businesses that supply Te Pae and that serve Te Pae visitors.

Te Pae supports 693 jobs nationally

Te Pae supports 693 FTE jobs nationally, including spending by Te Pae and spending by Te Pae visitors. This includes jobs in Canterbury Region and jobs spread across the rest of New Zealand supplying Te Pae and serving visitors.

Don’t consider counterfactual

We don’t consider the counterfactual of if Te Pae didn’t exist. If Te Pae didn’t exist, it is likely that some smaller events would have taken place in Christchurch anyway, hosted at other event facilities in the city. Without Te Pae, some larger events may not be

hosted in Christchurch at all, and Christchurch residents may travel outside the region to attend these events.

Downstream impacts not modelled

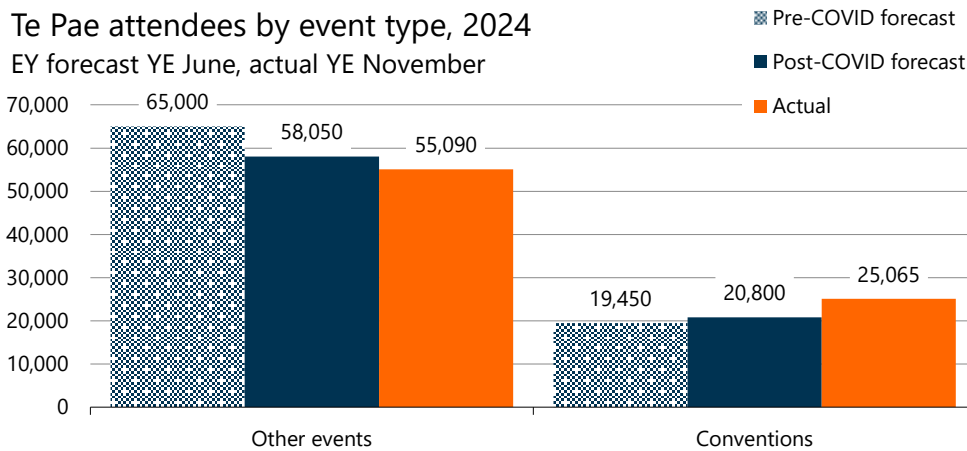
We have not modelled further downstream effects of Te Pae, such as raising the profile of Christchurch, Canterbury and New Zealand, and thereby encouraging visitors to visit, migrate or purchase local products in future.

Comparison with pre-opening forecast

Convention attendees outperform forecast

Attendees to Te Pae were forecasted twice by EY before the centre opened, once before the COVID-19 pandemic, and once again in late 2020 to reflect a shift in the events environment in light of the COVID-19 pandemic. Graph 10 shows that the number of attendees visiting Te Pae for conventions, 25,065 in 2024, has exceeded both the pre-COVID forecast (19,450) and the revised post-COVID forecast (20,800).

Graph 10



Attendance at other event types, which are generally more locally and nationally focused, have been slightly below forecast, with 55,090 attending Te Pae in 2024, below the pre-COVID (65,000) and post-COVID (58,050) forecasts. Convention events are more oriented towards national and international visitors than other events, which means that the overall economic impact of Te Pae remains ahead of forecast. Spending by convention event attendees in Canterbury was estimated to total \$49.8m in the year to November 2024, ahead of post-COVID forecast expenditure of \$39.3m, which includes attendees to all types of events.

Higher GDP contribution than forecast

Conventions at Te Pae were forecast by EY to contribute \$22.6m per year across Canterbury, on average over 2021 to 2030. After accounting for inflation, the forecast GDP contribution is estimated to be \$27.2m in 2024 dollar terms. We estimate that visitors to conventions at Te Pae contributed \$37.8m to Canterbury Region GDP in 2024, plus a portion of the \$25.2m economic impact of Te Pae’s expenditure on staff and suppliers. Our estimates indicate that Te Pae has made a significantly stronger economic

contribution to Canterbury than forecast, reflecting more attendees than forecast and a higher impact per attendee.

Employment impact comparable to forecast

Conventions at Te Pae were forecast by EY to support a total of 535 jobs per year across Canterbury, on average over 2021 to 2030. By comparison, an estimated 380 jobs across Canterbury in 2024 were supported by convention visitor spending, plus an unspecified portion of spending by Te Pae which supported total a further 250 jobs.

It is not possible to directly apportion spending by Te Pae to specific events, however, these numbers together suggest that Te Pae's estimated employment impact is at least similar to the pre-opening forecast.

Appendix 1. Multiplier analysis

We use input-output (I-O) multiplier analysis to examine the impact of the Te Pae and its visitors on the Canterbury Region and national economy. The IO model is based on inter-industry relationships within an economy, understanding how economic activity in one industry flows through to other industries and ultimately households.

Our IO model uses regional multipliers estimated by Infometrics for each territorial authority in New Zealand. These are derived from the 2020 New Zealand Input-Output from Stats NZ – the latest table available.

The IO model estimates the direct, indirect and induced effects.

Direct effect. This is the effect associated with increased spending directly in each industry associated with Te Pae. For example, staff hired by Te Pae to serve food to visitors represents a direct effect on employment in Canterbury. Also included as direct effects are those employed in tourism businesses which serve Te Pae visitors.

Indirect effect. The indirect effects are the second and further rounds of economic effects associated with the direct effect. For example, workers hired to deliver wholesale food to Te Pae for preparation into meals for visitors. The indirect effect capture all demand effects of suppliers of suppliers in Canterbury.

Induced effect. The induced effect arises from additional spending due to changes in employment. For example, if staff hired by Te Pae spend some of their earnings at local restaurants, the increase in activity at local restaurants represents an induced effect. The induced effect includes effects on businesses in Canterbury.

Total effect. The total effect is the sum of direct, indirect and induced effects.

The various effects outlined above are measured in terms of value added (or GDP) and employment (full-time equivalents or FTE).