



CINZ Strategic Plan to 2015

September 2011



CINZ, Air New Zealand and Tourism New Zealand have undertaken a comprehensive review of the 2008 strategic plan for the international conference and incentive business, looking out to 2015

This document outlines ...

- Progress towards stated goals for the C&I industry
- Current issues impacting on C&I industry
- Revised goals for 2011 – 2015
- Suggested industry level actions

The 2008 strategic plan set out four strategic goals for the industry to achieve by 2015 and progress has been made against these goals to varying degrees

**Economic
Contribution**

Seasonality

Sustainability

**Economic
Transformation**

The direct contribution of conference and incentive visitors has grown by just \$14m since 2006, with limited growth having largely been driven by the global financial crisis

Economic Contribution

Seasonality

Sustainability

Economic Transformation

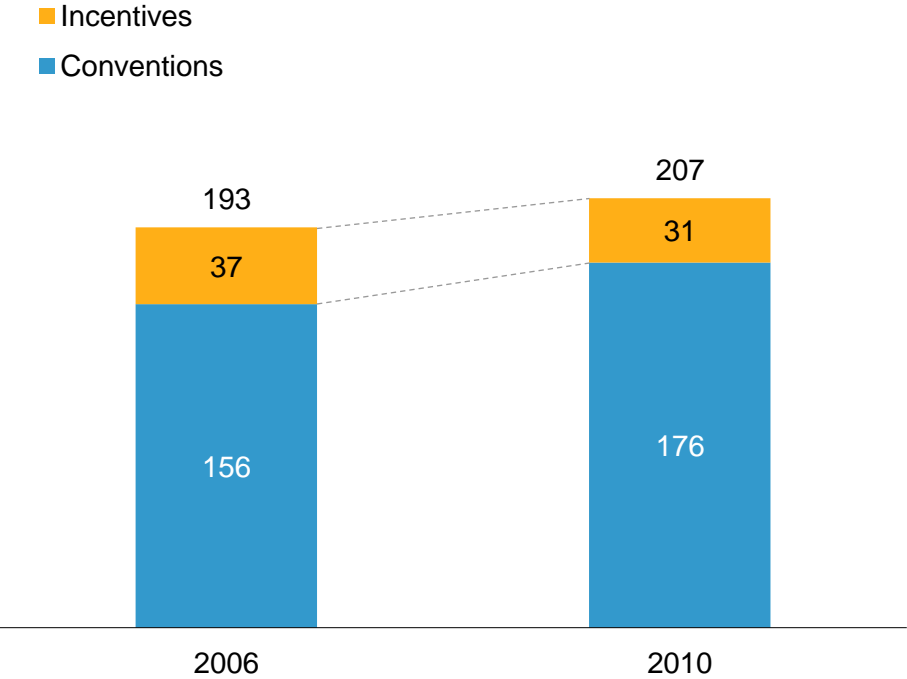
Goal:

- Industry generates in excess of \$500m of international visitor expenditure

Progress:

- Economic contribution of 2010 was estimated at \$207m
- Performance hindered by global financial crisis
- The Christchurch earthquake and a lack of a national convention centre before 2015 also pose challenges

Direct Economic Contribution of Convention and Incentive Visitors to New Zealand (\$NZm) (2006, 2010)⁽¹⁾



tns[™] Notes: 1. Source: CDS and CAS data, IVA data, IVS data. Due to the difficulty in obtaining convention and incentive spend data, these figures are based on multiple information sources and should therefore be treated with caution

The impact of conference & convention visitors in offsetting the seasonality of the tourist industry has been maintained, with 78% visiting between March and November in 2010

Economic Contribution

Seasonality

Sustainability

Economic Transformation

Conference and Convention Visitor Arrivals to New Zealand by Month (2010)

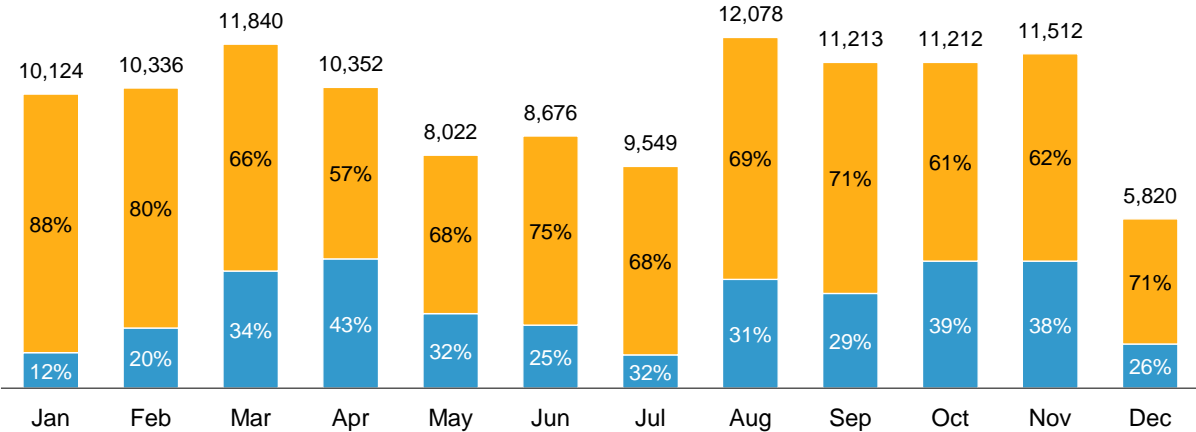
- Other International conference visitors
- Australia conference visitors

Goal:

- Maintain current seasonality with 80% of conference visitors visiting between March and November

Progress:

- 78% of conference visitors visited between March and November in 2010



As at 2010, 47% of CINZ's 115 international members have achieved Qualmark Enviro accreditation

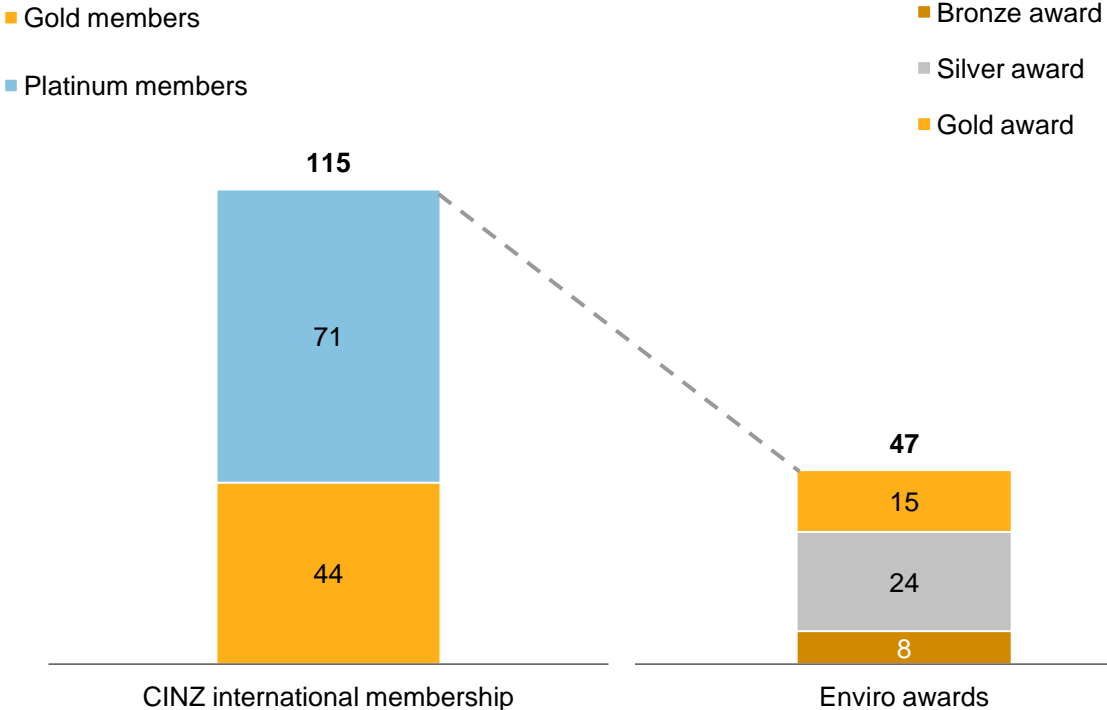
CINZ International Membership and Qualmark Enviro Awards (2010)⁽¹⁾

Goal:

- CINZ members having appropriate environmental accreditation

Progress:

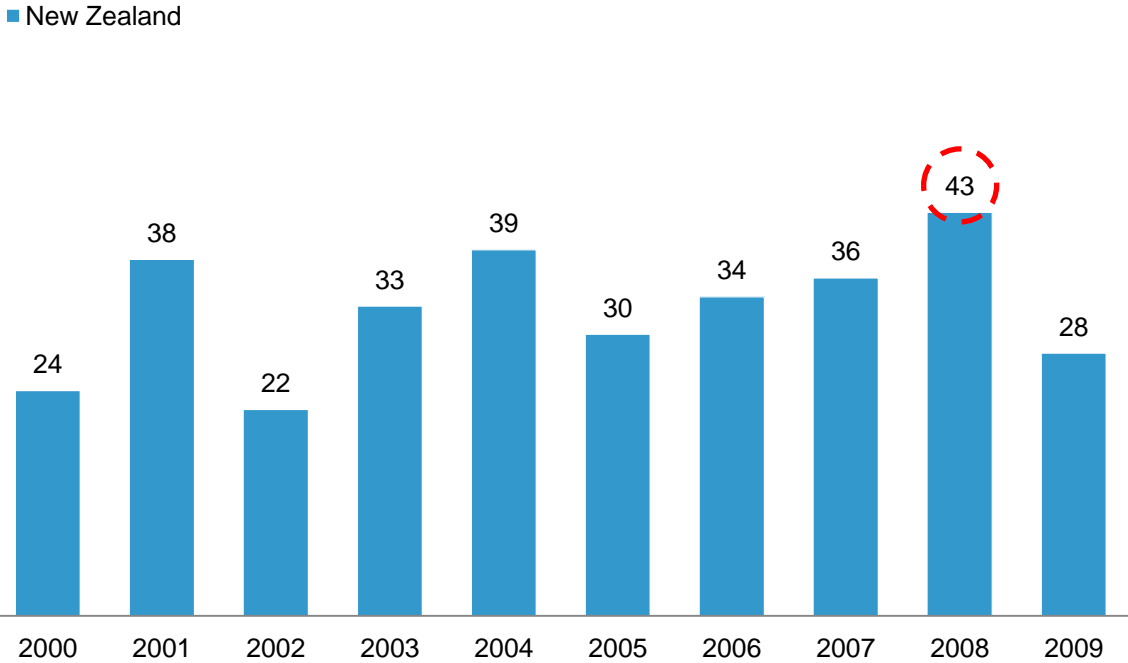
- 47 out of 115 international members of CINZ have Qualmark accreditation



tns Notes: 1. Enviro award accreditation figures have been determined using the Qualmark online search function and are therefore approximate figures due to company name variations

New Zealand achieved its goal of 40 ICCA meetings in 2008 but the number of meetings decreased again in 2009, both in absolute terms and as a share of the Asia Pacific market

Number of Association Meetings Held in Australasia (2000-2009)⁽¹⁾



Goal:

- Host 40 international association meetings per annum by 2015

Progress:

- In 2008 New Zealand hosted 43 international association meetings but this slipped to 28 in 2009 (the height of the global financial crisis)

New Zealand Share of Asia Pacific & Middle East Meeting

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.5%	3.8%	2.0%	3.0%	2.6%	2.0%	2.0%	2.0%	2.4%	1.7%

Although progress has been made on some of the issues identified in 2008, others remain while the Christchurch earthquakes have become the biggest threat to the economic contribution of the industry

Issues impacting the C&I industry as at 2011 ...

- The Christchurch earthquakes have seriously impacted the potential economic contribution of the industry through the destruction and damage of key infrastructure
- The growth in visitor numbers has stalled since 2008 as a result of the global financial crisis
- The incentive industry remains relatively small and represents a key area for growth
- Marketing spend within the industry is small and although improved, is still fragmented in key markets
- There is a need for New Zealand to have a larger, dedicated convention centre to maximise the potential for the conference and incentive industry
- Intermediaries and other industry participants continue to play an important role in presenting New Zealand and they must be assisted in this process

Accordingly the strategic goals for CINZ need to change to ensure a focus on maximisation of economic value

Suggested Goal

Economic contribution by international convention and incentives visitors is increased by 26% from 2010 levels

Nationally, ensure a full order book for 2015 onwards

The NZ convention and incentive industry maintains its current seasonality with 80% of visitors arriving between March and November

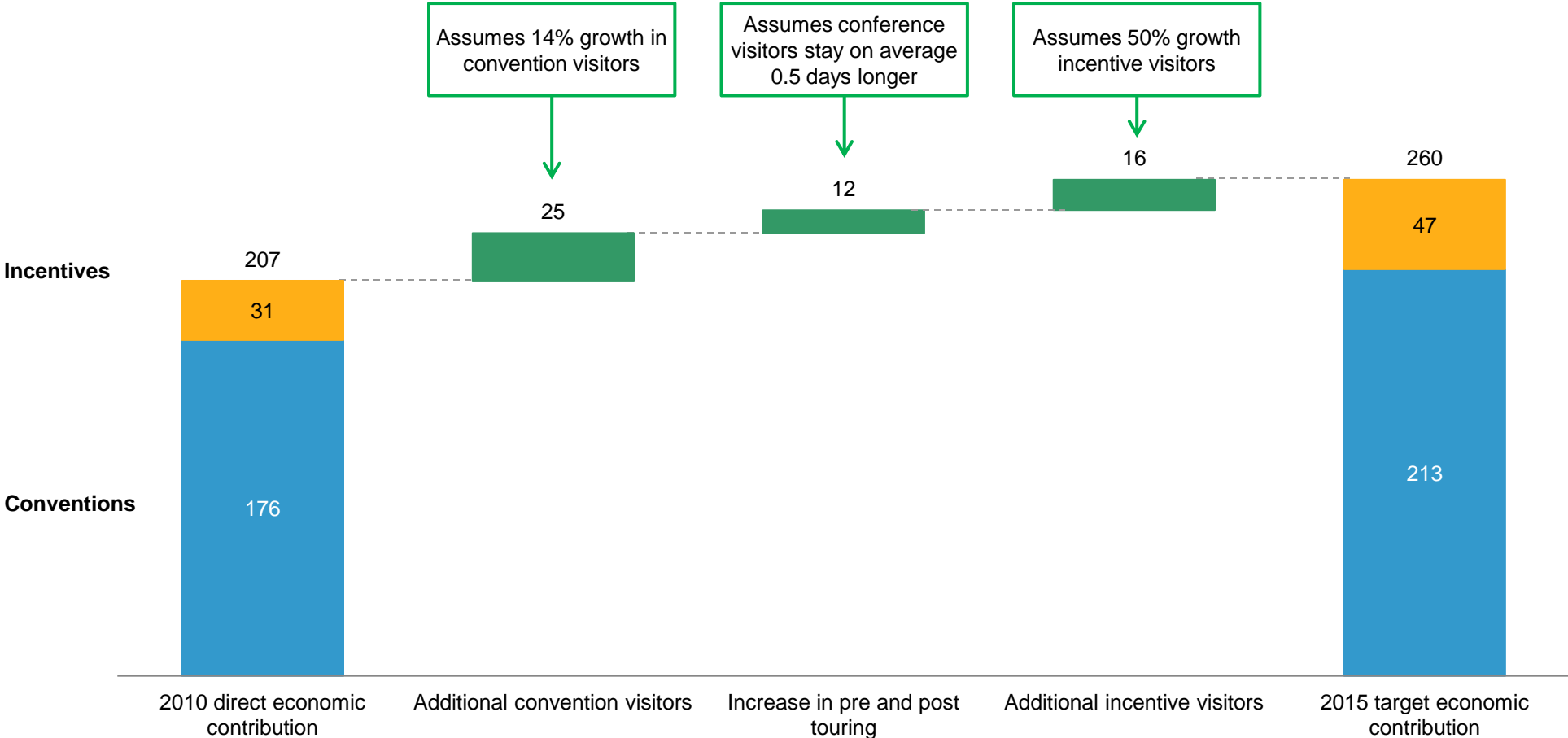
New Zealand aims to host 40 international association meetings per annum by 2015 to assist with economic transformation

Rationale

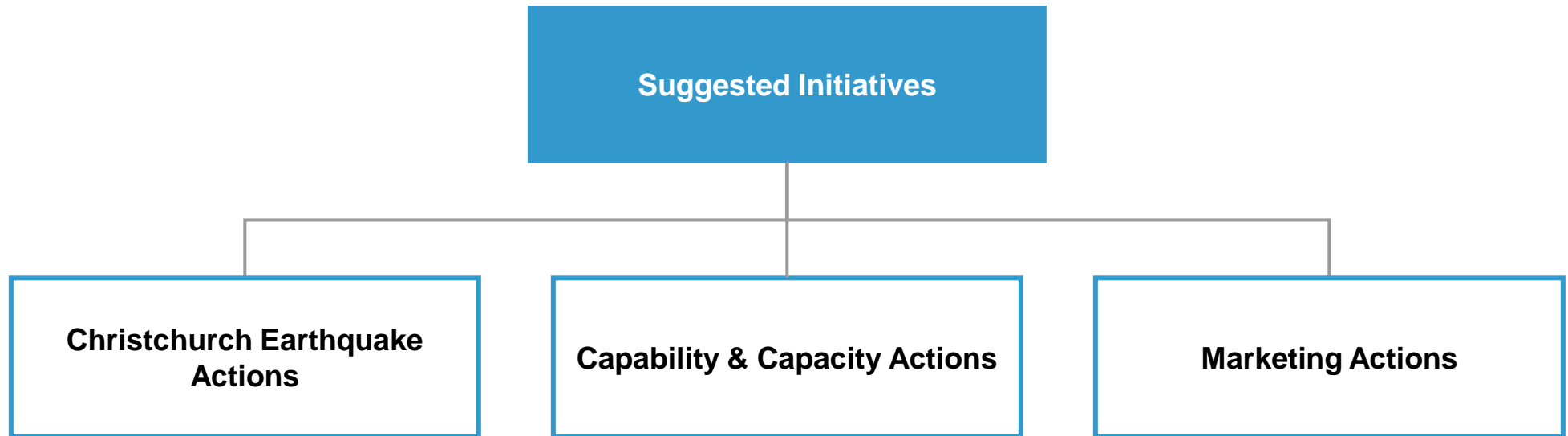
- Aligns with MED's target of a 14% increase in convention visitors by 2015 while placing emphasis on incentive visitors and values
- The industry is expecting a significant amount of capacity to come online starting from 2015. Given lead times in the industry, planning for how to use this capacity should commence now
- A key benefit of the convention and incentive industry is that it offsets some of the seasonality in other parts of the tourist industry
- Hosting international association meetings is consistent with the Government's economic growth agenda through supporting the efforts of businesses to connect internationally

Increasing the economic contribution of international convention and incentive visitors by 26% will require increasing both pre and post touring and incentive visitors

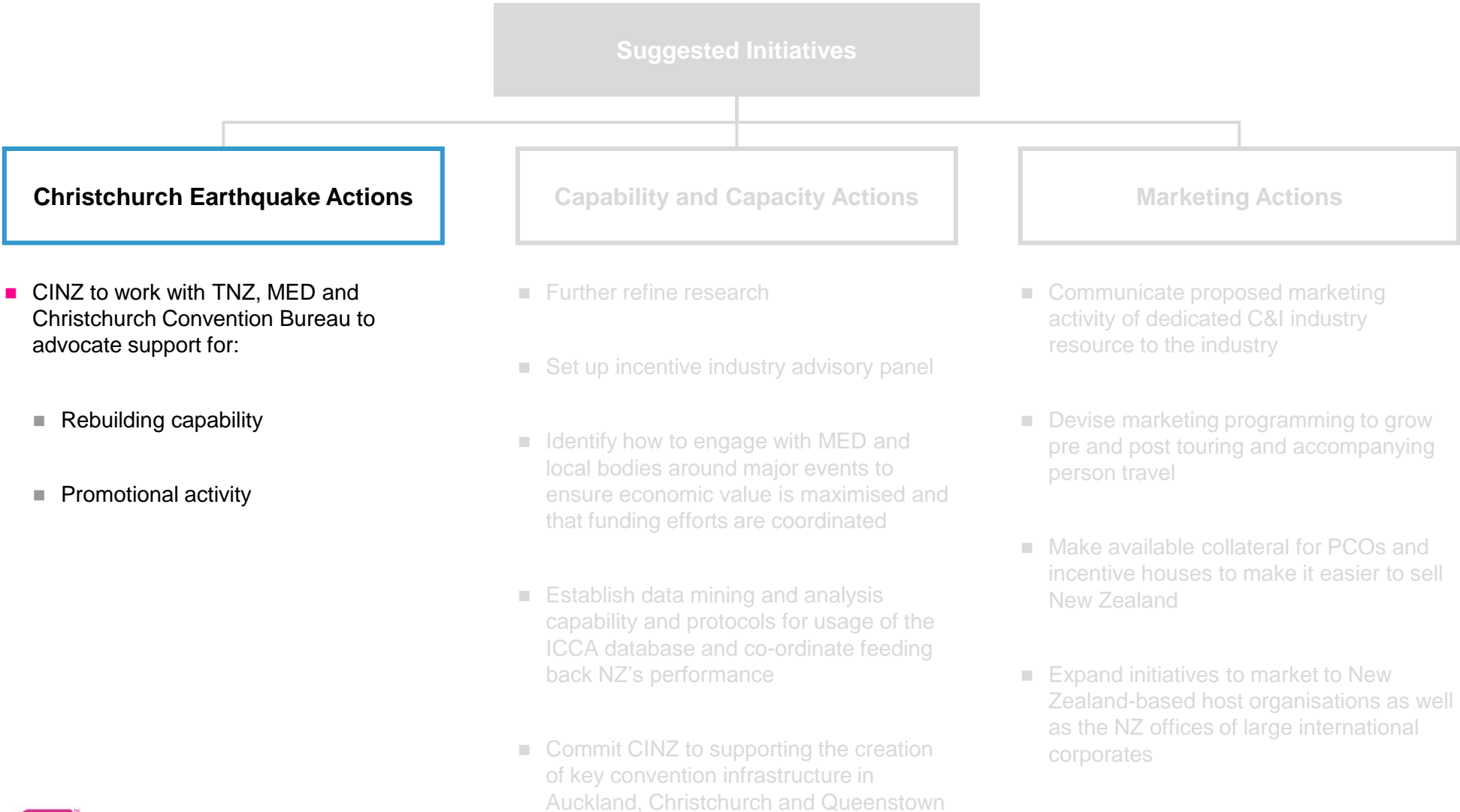
Current and Potential International Convention and Incentive Visitor Potential (\$m)



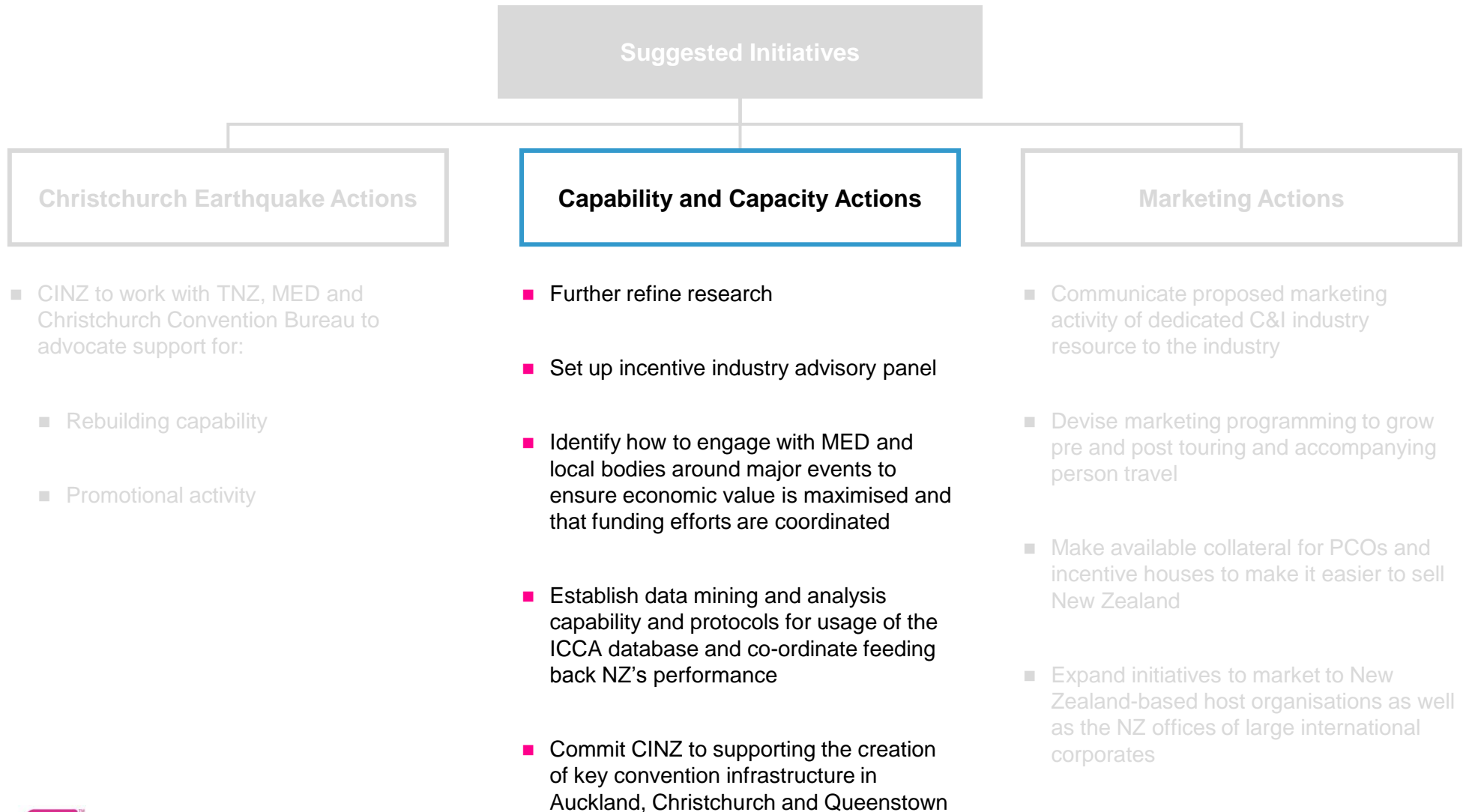
To support these revised goals and given progress made to date, the following initiatives are suggested



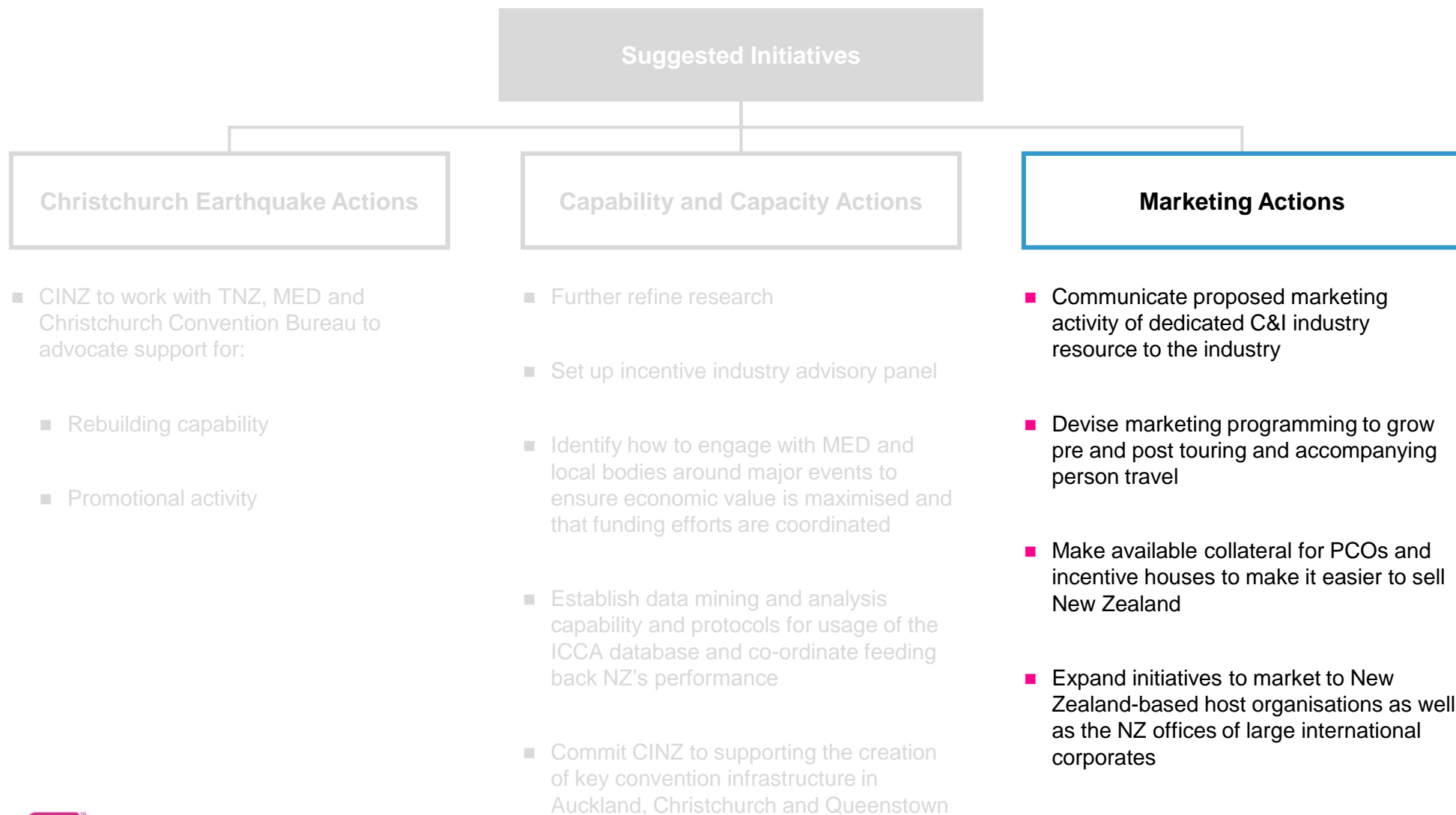
To support these revised goals and given progress made to date, the following initiatives are suggested (cont)



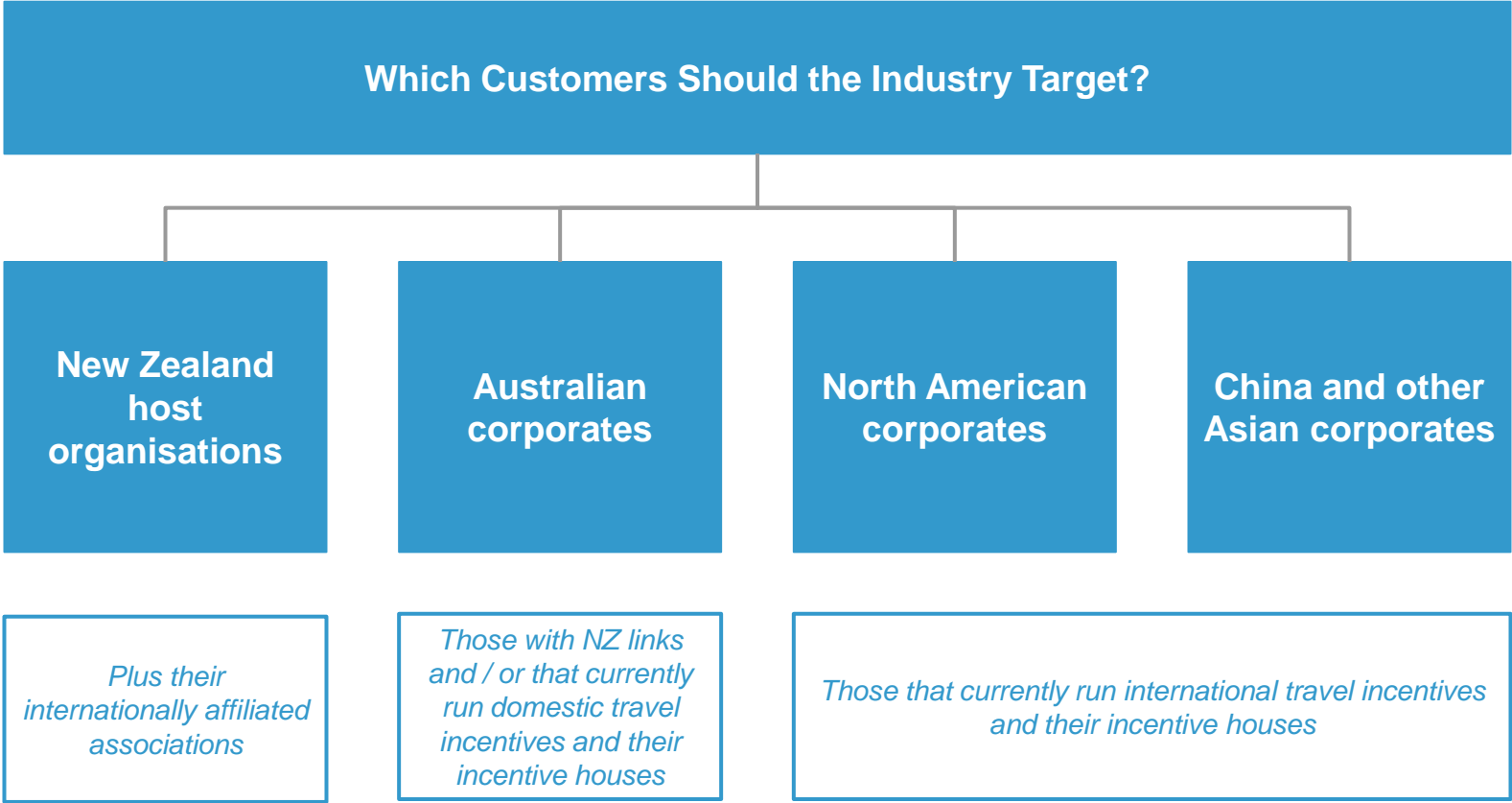
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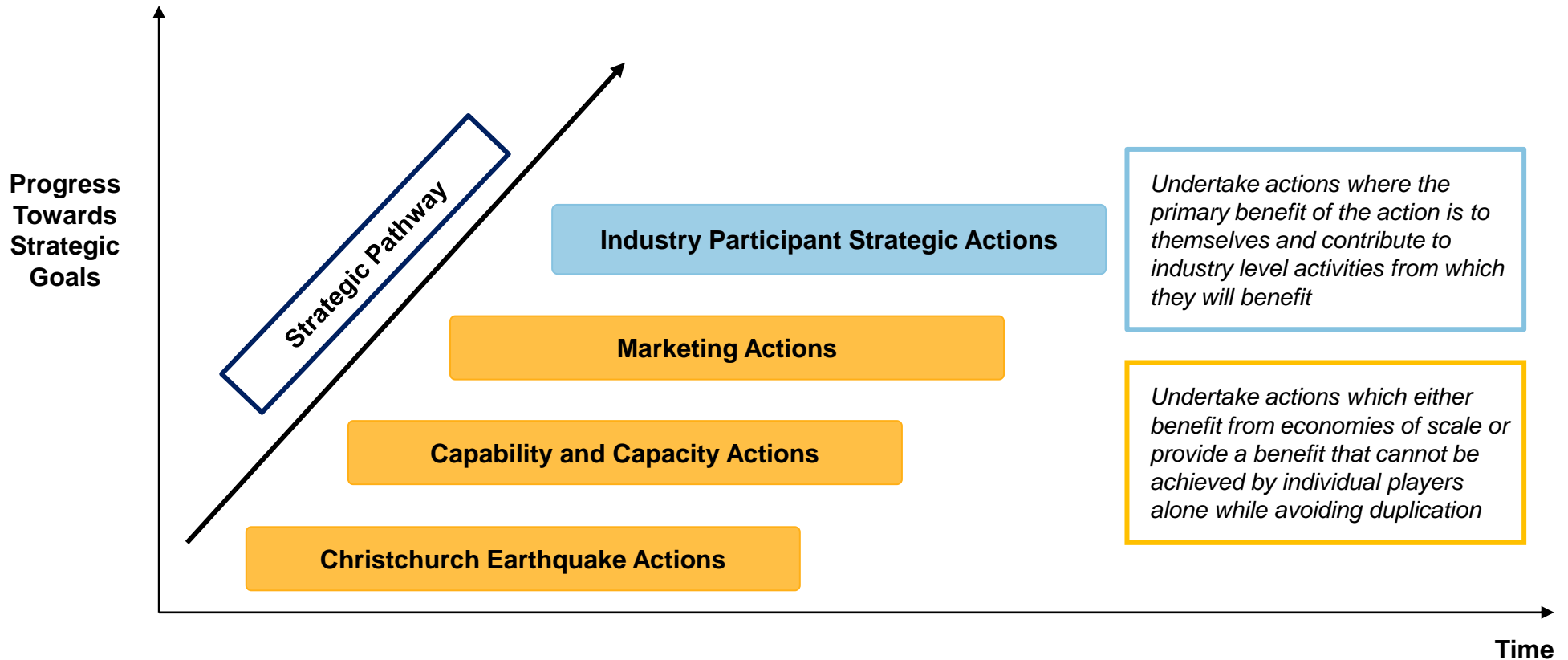
To support these revised goals and given progress made to date, the following initiatives are suggested (cont)



The New Zealand C&I industry should continue to target its collective actions on key markets that offer the maximum potential to New Zealand given the current situation



The strategic initiatives outlined in this presentation can be divided into actions that are required to build capability and capacity within the industry and those that enhance the services provided to the industry



- The actions that make up the strategic initiatives need to be implemented in their entirety in order to maximise the industry's ability to achieve the strategic goals
- The goals are ultimately delivered by industry players whose actions are supported by the industry level strategic initiatives