



14 May 2010

Members

Local Government & Environment Select Committee

Inquiry into maximising New Zealand's economic benefits and our green credentials for the Rugby World Cup in 2011

The Local Government & Environment Select Committee has been asked to conduct an inquiry into "maximising New Zealand's economic benefits and our green credentials for the Rugby World Cup in 2011 (RWC 2011)". This paper has been prepared to assist the Committee with its examination. Issues are identified and possible lines of inquiry are provided for the Committee to consider. The Committee may also wish to raise these matters with the witnesses who have been asked to appear before the Committee to give evidence on this inquiry.

Definitions

Economic benefits are the direct (e.g. visitors spending money during RWC 2011) and indirect (e.g. showcasing New Zealand business leading to increased investment in New Zealand or new export opportunities; and the benefits associated with the New Zealand brand in tourism and international markets) benefits provided by hosting the RWC 2011. "Green credentials" are defined as including any or all of the following aspects – the state of our environment, environmental performance and practices, and our reputation for quality environmental policies and standards. The question is interpreted as covering the period up to, during, and after RWC 2011.

Background

RWC 2011 runs from 9 September – 23 October 2011. Twenty teams will play a total of 48 matches over the 6 week period. Matches will be held at 13 venues in 12 regions around New Zealand, with another 10 hosting teams. It is estimated that more than 85,000 visitors (74,800 supporters and 10,200 other visitors including: 6,000 visitors hosted by official sponsors and suppliers, 2,500 media, and 1,700 players, officials and VIPs) will come to New Zealand. A cumulative global TV audience of more than four billion will tune in to watch the Tournament.

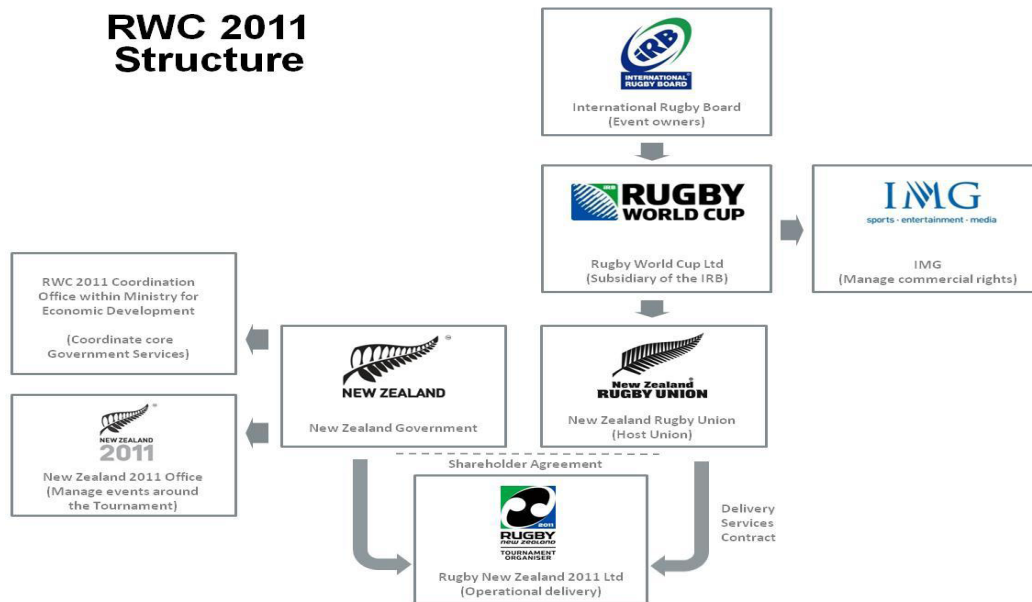
RWC 2011 is an exceptional opportunity to showcase New Zealand to the world and promote wider policy objectives such as economic growth and our good environmental standards. Wide ranging and lasting benefits from major events can include: improved infrastructure; increased revenues from tourism, trade, and foreign investment; employment creation; and community development.

One of the greatest opportunities a major sporting event offers a country is permission to display its true essence and unique offerings. Unlike conventional mass tourism marketing, a sporting event provides a chance to share a detailed authentic experience of the host nation.

The richer images and messages in such an experience have great potential to affect the long term associations people have with the host country and to bring to life the essence of the local culture in the way that an advertising campaign never can. Importantly events like the RWC 2011 typically necessitate infrastructure improvements that provide lasting value to the host country and its residents as well as its visitors (FutureBrand 2009 Country Brand Index).

A report commissioned by the Ministry of Economic Development found that while the environmental impacts of RWC 2011 may be visible (e.g. litter) they will not be significant when compared with business as usual for New Zealand (Environmentally Sustainable Options for Rugby World Cup 2011, 2007).

The structure for RWC 2011 is as follows:



- The Minister for the RWC is Hon Murray McCully and the Associate Minister is Hon Gerry Brownlee.
- Rugby New Zealand 2011 Ltd (a joint venture, limited liability company, based on a 50:50 partnership between the Government and the NZRU) is responsible for planning and delivering Rugby World Cup 2011, in conjunction with Rugby World Cup Limited and the IRB. The revenue streams of Rugby New Zealand 2011 and its shareholders is limited to ticket sales, and the rights to all other revenue streams, including sponsorship, hospitality, merchandise, broadcasting rights, etc are retained by Rugby World Cup Ltd. The revenues and expenses associated with the organisation of the Tournament itself are projected to have a \$40 million net loss (estimate based on Rugby New Zealand 2011's budget which is the cost of running the tournament minus revenue from ticket sales).
- Within the Ministry of Economic Development is the RWC Coordination Office which is responsible for coordinating core government services during RWC (e.g. border control, security, transport and infrastructure). Also within the Ministry is the New Zealand 2011 Office (NZ 2011) and is responsible for delivering the Government's leverage and legacy programme. The work of NZ 2011 includes:

- coordinating a nationwide festival which complements the match and team hosting schedule.
- a business engagement programme (the NZ 2011 Government Ambassadors programme, the NZ 2011 Business Club which matches visiting business people with their Kiwi counterparts, industry showcasing and, with NZTE business opportunities and readiness guides.
- an interest in and input into the official RWC Volunteer Programme (which is being delivered by RNZ 2011 under contract by MED)
- an environmental responsibility programme.

Maximising the economic benefits of RWC 2011

It is estimated that RWC 2011 will directly contribute over \$500 million in additional GDP to our economy, with almost half of that going into Auckland (MED 2010). Aside from the direct benefits from RWC 2011, the key opportunities for maximising the economic benefits of RWC 2011 arise through sector showcasing, business engagement and visitor hosting.

Sector showcasing

RWC 2011 provides a unique opportunity to showcase the best of New Zealand's creativity and innovation to the world. Government is working with a range of sectors to undertake showcasing events and activities in the lead up to and during the Tournament. The goal is to make the most of the global media exposure and the large number of influential business people and potential investors visiting New Zealand and demonstrate that New Zealand is "open for business". For the visiting business people and investors there is the opportunity to experience the best of New Zealand's creativity and innovation. A number of priority sectors have been identified and Government is working with these sectors to identify the showcasing opportunities. A schedule of showcasing events is being prepared for with the priority sectors. As examples, the priority sectors include: Wine, Marine, Film, Primary Industries, Food, Information/Communication Technology, Energy and Minerals, Investment, Aviation, Racing/Bloodstock, New Zealand Rugby.

NZ 2011 Business club

On April 27 the Government launched the NZ 2011 Government Ambassadors programme and the NZ 2011 Business Club, both aimed at helping businesses make the most of the opportunities that come with hosting one of the world's biggest sports events.

The NZ 2011 Business Club is an online platform to connect overseas business people interested in attending the Rugby World Cup with their Kiwi counterparts. Overseas visitors will sign up to the Business Club through the www.nz2011.govt.nz website, and indicate the sort of social or business activities they are interested in taking part in while they are here. New Zealand businesses will sign up to host events through the same website and be matched with people with the same areas of interests who'll be coming to their part of the country.

The New Zealand 2011 Government Ambassadors have been recruiting overseas business people to join the business club, and local business people are signing up to host them during the Rugby World Cup. The New Zealand 2011 Office has been working closely with Business New Zealand and regional economic development agencies and chambers of commerce to develop its Business Engagement Programme. New Zealand Trade and Enterprise has developed a guide to the opportunities in 2011, as well as a website to make procurement opportunities easily accessible to local businesses. New Zealand Trade and Enterprise has also developed a guide to the opportunities and business readiness resources, as well as a website where local businesses can tender for goods and services related to the event.



Screenshot from the NZ 2011 website of the NZ 2011 Business Club pages

Maximising our green credentials for the RWC 2011

Background

The Tourism New Zealand “100% Pure” brand’s primary focus is the unique New Zealand experience, rather than the environment. However the international marketing of New Zealand as “100% Pure” and our “Clean Green Image” has created a reputation for New Zealand of good environmental standards. The FutureBrand 2009 Country Brand Index ranked New Zealand fourth in the country brands orientated towards environmental protection. New Zealand is heavily reliant on its natural environment for its economic wellbeing, particularly in the agriculture and tourism sectors. Tourism Industry Association chief executive Tim Cossar has stated "The point of difference is not price or volume but rather brand value based around world class environmental standards" (Cossar, 2010).

New Zealand is relatively clean and green by world standards. The Environment New Zealand 2007 report (MfE, 2008) identified a number of pressures on our environment. Land use intensification, both urban and rural, is one of those, along with household consumption, transport, energy use and waste.

Tourism New Zealand’s visitor monitor research (March 2010) shows that the number of visitors that perceived there to be some environmental problems in New Zealand was down on the previous year, from 32 per cent in 2007/08 to 26 per cent. Tourist’s main concerns of those visitors who said there were environmental problems included activities and attractions

being over-commercialised (31 per cent), a decline in natural resources (27 per cent), too few recycling options (27 per cent), and rubbish/garbage/litter (26 per cent).

International expectations and perceptions of New Zealand's natural environment

Tourism New Zealand's visitor monitor research (March 2010) shows that New Zealand's natural environment delivers well against visitor perceptions and prior expectations, with 99 per cent of visitors saying the environment has met or exceeded their expectations. The research shows that many international visitors to New Zealand leave saying that the environment has either met (33 per cent), or exceeded (66 per cent) their expectations. Only 1 per cent thought that New Zealand's environment was worse than they had expected.

While our environment is delivering very well against visitor perceptions and prior expectations, international visitors also have high expectations of New Zealand products and services and the environmental practices that they expect operators to implement. Seventy-eight percent of international visitors said they thought that New Zealand's environment appeared to be managed sustainably (up 5 per cent compared with 2007/08). Seventy-five per cent of international visitors said they thought that tourism in New Zealand appeared to be managed sustainably (up 4 per cent compared with 2007/08).

When visitors are asked how much environmental issues impacted on their decision to participate in various New Zealand experiences, environmental issues influenced a significant number of visitors. Sixty-two per cent of visitors surveyed said they are concerned about the impact they have on the environment when visiting a destination. Thirty-four per cent said they would choose an eco-tourism activity over a standard tourism experience.

Most visitors said they expect tourism operators to be taking actions to reduce their impact on the environment. Recycling was the most common environmental practice visitors expected of activity operators (74 per cent of respondents) and accommodation providers (80 per cent of respondents). Close to 80 per cent of visitors expected transport operators to provide fuel efficient vehicles.

What are New Zealand's green credentials?

A recent OECD report on New Zealand's environmental performance has shown improvements in the way the environment is managed. In particular:

- air quality is good in most places most of the time
- the amount of waste to landfill is decreasing per capita and the amount of recycling is increasing
- our houses are becoming more energy efficient
- over 70 percent of electricity is generated from renewable sources, mainly hydro
- leading research on reducing agricultural greenhouse-gas emissions are also seen as positives.

Food production in New Zealand is proven to have low environmental impact. Recent debates about food miles in Europe and the United Kingdom were refuted by New Zealand food producers and food produced and freighted to the UK has a lower environmental impact than food produced in the UK.

Organisers of events in New Zealand are increasingly considering the environmental impacts of their events and taking action to reduce these. One of New Zealand's leading events is the WOMAD festival in Taranaki where in 2009, 80 percent of the 16.8 tonnes of discarded

material was diverted to composting or recycling, within a budget comparable with normal waste management costs.

The RWC 2011 Environmental Responsibility Programme

The RWC 2011 Environmental Responsibility Programme is driven by the programmes run by the regions hosting RWC 2011 matches and teams. The focus areas are:

- waste - reduce waste sent to landfill and the consumption of non-renewable resources
- domestic transport - people travel to and from RWC 2011 matches and associated festival events safely, efficiently and in a timely manner
- energy - reduce consumption of energy and fuel
- communications - provide information to visitors on the programmes in place to reduce environmental impact.

Auckland as the largest city and the region hosting the most RWC 2011 matches is leading with its environmental programme. Auckland has set a number of targets including:

- Achieving the highest possible percentage of recycling of Tournament waste.
- Environmental management and travel plans are being developed for match venues and official Fan Zones.
- The green fingers of Auckland's new materials recovery facility will extend region-wide.
- We're recycling the rubble by reusing 70 percent of "old" Eden Park building materials during the redevelopment.
- Eden Park aims to halve its potable water use through storage tanks and low impact design. It will harvest rainwater from the new stands' roofs and filter stormwater through garden beds and soak holes, to use on-site for irrigation.
- Improving public transport services. The aim is to achieve 75 percent public transport patronage to and from Eden Park during the finals series and 60 percent during pool play.

Auckland is working with RNZ 2011, the NZ 2011 Office and other host regions to deliver its programme, provide support and assistance to other regions and ensure consistency, as far as is practical, across the all regions programmes. More information on Auckland's programme can be found at <http://www.auckland2011.com/article-a6.asp>.

Focusing on environmental responsibility for RWC 2011 is an opportunity to provide long-term environmental benefit and a legacy for each region e.g. recycling facilities or improved transport to and from stadia. Opportunities include increased passenger numbers on public transport to and from major events, standardised waste collection and minimisation practices across stadia, greater awareness of sustainability issues, and moves towards positive, long-term change in people's behaviour.

Potential opportunities for New Zealand's young people from RWC 2011

The following are some potential business, education and training opportunities for young people from RWC 2011 which members may wish to address:

- **Volunteering Programme** – The Volunteer Programme is one of the flagship programmes for RWC 2011. Volunteers will provide support for both the core tournament and as a strong contingent of hosts at key sites to enhance the visitor experience.

A recruitment drive for the 5000 volunteers required will get underway after the official launch in June. Through the programme the Government hopes to engender a renewed

interest in volunteering throughout the community, and particularly amongst young people.

- ***The festival programme*** - opportunities for young people to supply these programmes, e.g. kapa haka, as well as for visiting rugby teams to work with schools to enable cultural learning and development.
- ***Business Engagement and Environmental Responsibility Programmes*** - showcasing and networking opportunities (e.g. for young entrepreneurs); opportunities for the Ministry of Youth Development to showcase examples of youth development programmes that use entrepreneurship, volunteering, sports coaching, or conservation as a tool.

Other considerations

There are clear social development issues to consider as part of RWC planning that could indirectly impact on the economy, positively and negatively. These include: the potential to act as a catalyst for increased participation in sport (New Zealand has the third highest rate of obesity in the OECD (MSD 2009)); the potential to contribute to national pride and social cohesion; and the timing of New Zealand's 2011 General Election.

Report to the House

The Committee is required to report its findings on this inquiry to the House. The purpose of your report is first to inform the House and encourage debate. In doing so your report should reflect both the oral and written evidence the Committee received, the issues the Committee considered in-depth, and the views of the members. From these the Committee should develop conclusions and recommendations to the Government.

David Hanlon
Report Writer
Youth Parliament 2010

Members may wish to ask:

- How can Rugby New Zealand 2011 ensure that it maximises revenue from ticket sales?
- How can we encourage greater spend and longer stays by RWC 2011 visitors?
- Which countries should be targeted for recruits for the NZ 2011 Business Club (e.g. where are New Zealand's key offshore markets)?
- What are the key opportunities through the business engagement programme (e.g. attracting capital investment into NZ, opening new export markets)?
- What should New Zealand businesses do to ensure that when they host overseas visitors, they give them a uniquely kiwi experience?
- Are there other mechanisms that could be used to maximise the economic benefits from RWC 2011 for New Zealand – e.g. ensuring more profits remain in New Zealand, promoting investment in New Zealand?
- Should we be trying to maximise/showcase our “green credentials”?
 - How should we showcase our good environmental standards e.g. our use of renewable energy?
 - Should the focus be more on reducing the environmental impact of RWC 2011?
- What programmes does Auckland need to achieve its transport targets for RWC 2011 matches?
- How can young people contribute to the Volunteering Programme, and what are their roles? (opportunity for supplementary questions re value of young people, development opportunities)
- How can we ensure the legacy requirements of RWC 2011 and the Volunteering Programme benefit/are relevant to young people's needs?

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