36th America's Cup Impact Evaluation

Final Report – 30 June 2021

FRESH INFO

Contents

Glossary

Term	Definition
AC35	35th America's Cup in Bermuda.
AC36	36th America's Cup in Aotearoa New Zealand.
AC36 Village (ACV)	America's Cup Village, located in the Viaduct and Jellicoe Harbours and adjacent land (illustrated in Figure 3).
ACE	America's Cup Event Limited – the organisation created by Emirates Team New Zealand to deliver the America's Cup event.
ACWS	America's Cup World Series – planned regattas in Portsmouth and Cagliari in 2020 as part of the build up to AC36. Only the Auckland ACWS regatta proceeded in December 2020.
ATEED	Auckland Tourism Events and Economic Development Ltd, an Auckland Council CCO. Merged with RFA to form Auckland Unlimited (AUL) in December 2020.
Auckland resident	A person who usually lives in Auckland.
Auckland Unlimited (AUL)	Auckland Unlimited Limited (previously ATEED and RFA), an Auckland Council CCO (Council-Controlled Organisation).
Benefit-cost ratio	The gross benefit divided by the gross cost.
Carbon emissions	The volume of greenhouse gas emissions produced by the event, measured in terms of carbon dioxide equivalent (CO2e).
CBA	Cost-benefit analysis.
Challengers	Luna Rossa Prada Pirelli Team, INEOS TEAM UK, and NYYC American Magic.
CO2e	Carbon dioxide equivalent – a measure used by scientists to convert different greenhouse gas emissions into a single unit with the same global warming properties as carbon dioxide.
Consumer surplus	The difference between the price that consumers pay and the price they are willing to pay.
COR	Challenger of Record – for the 36th America's Cup the Challenger of Record was Luna Rossa Prada Pirelli Team.
Counterfactual	The alternative scenario against which the results are compared.
Day visitor	A visitor who does not stay overnight in a destination.
Defender	Emirates Team New Zealand.
Discount rate	The interest rate used to convert past or future cash flows into present value terms.
Equivalent Advertising Value (EAV)	An approach to valuing media exposure that involves estimating the cost of buying the same amount of coverage at retail prices using industry 'rate cards'. Multipliers may also be applied in cases where 'earned' media is believed to be worth more than 'purchased' media.

ETNZ	Emirates Team New Zealand – the New Zealand sailing team that represented the Royal New Zealand Yacht Squadron in AC36.
Event attendee	Anyone in the following groups who attended AC36 in-person: ACE, ETNZ, COR, Challengers, volunteers, broadcast and media staff, superyacht owners and crew, public attendees.
Financial cost or benefit	A cost or benefit represented by an actual or expected financial transaction.
Global warming potential (GWP)	The heat absorbed by any greenhouse gas in the atmosphere, as a multiple of the heat that would be absorbed by the same mass of carbon dioxide (CO2). GWP is 1 for CO2. For other gases it depends on the gas and the time frame.
Jellicoe Harbour	The new sheltered water space created between Halsey Wharf, North Wharf and Wynyard Wharf as part of the infrastructure built for AC36.
MBIE	Ministry of Business, Innovation and Employment.
Media exposure benefits	The projected net benefit to Auckland and New Zealand of future tourism income that can be directly attributed to media exposure caused by AC36.
Net benefit	Total benefit less total cost.
Net present value	The present (single year) value of cash flows that occur over multiple time periods.
New Zealand resident	A person who usually lives in New Zealand (including Auckland).
Non-financial cost or benefit	A cost or benefit that is unpriced or of a social, cultural, or environmental nature.
NPV	Net present value.
Overnight visitor	A visitor who stays overnight in a destination.
Eke Panuku	Eke Panuku Development Limited, an Auckland Council CCO (Council-Controlled Organisation). Known as Panuku prior to 1 July 2021.
Public attendee	A person not involved in the event who visited the AC36 Village or watched a race in-person from a boat or land-based viewing area.
Producer surplus	The difference between what price producers are willing and able to supply a good for and what price they actually receive from consumers.
RFA	Regional Facilities Auckland Limited, an Auckland Council CCO (Council-Controlled Organisation). Merged with ATEED in December 2020 to form Auckland Unlimited.
Superyacht	A large, luxurious, and professionally crewed sailing vessel.
Total benefit	Total gross benefit generated by AC36.
Total cost	Total gross cost generated by AC36.
Unique attendee	A person who attended AC36 in-person (counted only once).
VEC	Viaduct Events Centre – a commercial venue owned by Auckland Council that ETNZ used as its team base.
Visitor night	One visitor staying one night in a destination in any form of private or commercial accommodation.

1 Executive summary

This evaluation has identified a net benefit to Auckland of hosting the 36th America's Cup (AC36) of **-$91.6 million** (benefit-cost ratio of **0.85**) and a net benefit to New Zealand (including Auckland) of **-$156.1 million** (benefit-cost ratio of **0.79)**. These figures are based on financial impacts (represented by actual or expected financial transactions) and non-financial impacts (unpriced social, cultural, or environmental effects).

Focusing solely on financial impacts reveals a net benefit of **-$145.8 million** (benefit-cost ratio of **0.72**) for Auckland and a net benefit of **-$292.7 million** (benefit-cost ratio of **0.48**) for New Zealand (including Auckland). The financial impacts are the most relevant comparators with previous America's Cup studies, including the original economic projection of the costs and benefits of hosting AC36 – which predicted a benefit-cost ratio for New Zealand of between **0.997** and **1.14**.

Introduction

In June 2017, Emirates Team New Zealand (ETNZ) won the 35th America's Cup (AC35) in Bermuda and earned the right to host AC36 in the location of its choice. In September 2017, ETNZ confirmed it would hold the event in Auckland, New Zealand, subject to agreement being reached on an appropriate venue.

The Crown and Auckland Council (Council) agreed to jointly fund the infrastructure required to host AC36, and the Crown also agreed to pay a $40 million hosting fee to secure the event. This decision was informed by an economic projection conducted by Market Economics which estimated a benefit-cost ratio of between 0.997 and 1.14.[1] This assessment, carried out in 2017, was based on several assumptions including the attraction of eight Challengers[2], high levels of domestic and international visitation, and $200 million of central and local government funding (including the $40 million hosting fee).

The purpose of this evaluation is to evaluate the costs and benefits to Auckland and New Zealand of hosting AC36 relative to the counterfactual of the event being hosted in another country. Economic, social, cultural, and environmental impacts are considered in the evaluation to capture the wide range of effects caused by the event. The findings from this evaluation will be combined with those of other post-event evaluation processes to help inform future hosting and planning decisions regarding major events hosted in Auckland and New Zealand.

The evaluation includes relevant costs and benefits in the lead up to the event (e.g. development of infrastructure in and around the America's Cup Village (ACV) and operational support and leverage activities), as well as the event period itself which includes:

- the Prada America's Cup World Series Auckland and the Prada Christmas Race (17 – 20 December 2020)
- the Prada Cup: Challenger Selection Series (15 Jan – 21 Feb 2021)
- the 36th America's Cup Match (10 – 17 March 2021).

[1] M.E. Consulting, 2017, *36th America's Cup, High Level Economic Assessment Evaluation,* https://www.majorevents.govt.nz/dmsdocument/4794-36th-americas-cup-high-level-economic-assessment-evaluation-2017.

[2] The Market Economics report modelled between six and ten Challenger syndicates. The comparative ratios referred to within this report are from Market Economics' medium scenario of eight Challengers.

Government investment

Planning and delivering AC36 required a considerable investment of time and money from a wide range of local and central government agencies. This investment began soon after ETNZ won AC35 in Bermuda in June 2017 and extended beyond the conclusion of AC36 in March 2021.

In aggregate, these agencies invested $348.4 million in AC36-related capital and operating expenditure initiatives over four years (as shown in Table 1) with local government agencies contributing $215.2 million and central government agencies the remaining $133.2 million. These expenditures have been converted into net present value[3] (NPV) terms for the purposes of the cost-benefit analysis (CBA) using Treasury's recommended discount rate of 5%.

The public sector investment in AC36 of $348.4 million over four years (NPV of $370.9 million) was significantly higher than the $200 million included in the independent economic projection of the costs and benefits of hosting AC36. This variance was mainly caused by several planned capital projects being brought forward by Auckland Council to align with AC36 projects (to reduce future disruption and duplication of effort), the rescoping of some of these projects to meet America's Cup requirements, and the final cost incorporating operational and leverage expenses that were not included in the original economic projection (the original economic projection only included core AC36 infrastructure costs and the hosting fee).

Table 1: Government investment in AC36
Source: All relevant local and central government agencies

	YE Jun 18	YE Jun 19	YE Jun 20	YE Jun 21	TOTAL	NPV
Hosting fee	0.0	17.0	12.0	11.0	40.0	42.3
Capital expenditure[4]	3.3	92.7	106.0	36.4	238.4	253.7
Operating expenditure	17.9	15.9	9.4	26.8	70.0	74.9
TOTAL	**21.2**	**125.6**	**127.4**	**74.2**	**348.4**	**370.9**
Local government	18.4	75.7	76.1	45.0	215.2	229.6
Central government	2.8	49.9	51.3	29.2	133.2	141.3

Event attendance

A total of 281,329 people attended AC36 in person. This figure counts each attendee only once, even if they interacted with the event multiple times, and it includes those involved in the event (America's Cup Event Limited (ACE) staff, ETNZ staff, Challenger of Record (COR) staff and those of the three Challengers), volunteers, broadcast and media staff, superyacht owners and crew, and public attendees.

The public attendee[5] count of 279,280 includes people who visited the AC36 Village, watched a race live from a boat (charter or private) or watched a race live from a land-based viewing area.

Of the 281,329 overall attendees, 77.3% were from Auckland, 20.2% were from elsewhere in New Zealand (domestic visitors) and the remaining 2.4% were from overseas (international visitors).

[3] The present (single year) value of cash flows that occur over multiple time periods.
[4] The capital expenditure of $238.4 million was around $15.48 million under the final approved budget at the time of writing, with $6.2 million of savings accruing to the Crown and the remaining $9.28 million to Auckland Council. The final cost savings will be confirmed when the project concludes in December 2021.
[5] People who attended the event but were not involved in the delivery of it.

Table 2: Count and composition of unique AC36 attendees (counting each person only once)
Sources: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Auckland residents	Domestic visitors	International visitors	TOTAL	Share
ACE and ETNZ	133	0	0	133	0.0%
COR and Challengers	67	0	532	599	0.2%
Volunteers	809	74	3	887	0.3%
Broadcast and media	88	21	48	157	0.1%
Superyachts	0	0	273	273	0.1%
Public attendees	216,470	56,808	6,003	279,280	99.3%
TOTAL	**217,567**	**56,903**	**6,859**	**281,329**	**100.0%**
Share	77.3%	20.2%	2.4%	100.0%	

Impact on Auckland

Of the 217,567 Auckland residents who attended AC36, 217,279 experienced it in person as a public attendee or volunteer. This figure counts each person only once, even if they interacted with the event multiple times. In aggregate, public attendees and volunteers committed 4.5 million hours of time to AC36, valued at $46.8 million using value-of-time estimates[6] provided by Waka Kotahi NZ Transport Agency. Auckland resident public attendees and volunteers also spent around $57.9 million on event-related goods and services at an average of $267 per person.

The total value of the time and money invested in AC36 by Auckland resident public attendees and volunteers was therefore $104.7 million. This is the cost that Auckland resident public attendees and volunteers incurred to access the benefits of attending AC36.

Table 3: Engagement by Auckland resident public attendees and volunteers
Source: ACV pedestrian counts, surveys of public attendees and volunteers

	Public attendees	Volunteers	TOTAL
Auckland resident attendees	216,470	809	217,279
Average time commitment per attendee (hours)	20.4	119.0	20.8
Total time commitment by Auckland residents (hours)	4,424,709	96,338	4,521,047
Value of time commitment by Auckland residents ($m)	$45.8	$1.0	$46.8
Total spend by Auckland residents ($m)	$57.8	$0.1	$57.9
Average spend per Auckland resident	$267	$100	$267

AC36 attracted 38,734 visitors to Auckland, around 98% of whom were public attendees. This excludes domestic and international visitors who attended AC36 but were not attracted to Auckland by the event. The exclusion of these attendees means that the visitor numbers attributable to AC36 are lower than the gross attendee estimates presented in Table 2.

[6] Value-of-time estimates are used by economists to convert the time devoted to an activity into a monetary equivalent. This is based on the premise that the value of a person's time is equal to the opportunity cost (best alternative use) of that time.

This visitation generated 377,765 visitor nights in Auckland, at an average of 9.8 nights per visitor. Around 98% of visitors were domestic, due to the impact of COVID-19 on international travel.

Table 4: Visitation to Auckland attributable to AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Visitors to Auckland	Visitor nights in Auckland	Average nights in Auckland per visitor
COR and Challengers	532	117,944	221.7
Volunteers	63	989	15.8
Broadcast and media	69	4,117	59.7
Superyachts	273	29,273	107.2
Public attendees	37,797	225,443	6.0
TOTAL	**38,734**	**377,765**	**9.8**

AC36 created an additional $284.6 million of expenditure in Auckland through three main channels:

- $88.8 million through domestic event operations. This includes new money introduced into the economy by ACE and COR (funds sourced from outside Auckland) and some of the money invested in the event by government[7].
- $89.6 million through purchases of tourism goods and services[8] by domestic and international event attendees.
- $106.2 million through purchases of non-tourism goods and services[9] by the three Challengers ($74.5 million) and superyachts ($31.7 million).

Table 5: Additional expenditure in Auckland attributable to AC36 ($m)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Additional expenditure in Auckland
Domestic event operations	$88.8
Purchases of tourism goods and services	$89.6
Purchases of non-tourism goods and services	$106.2
TOTAL	**$284.6**

Other monetised impacts of AC36 on Auckland included:

- $1.5 million of unpriced **carbon emissions** attributable to AC36. These were mainly driven by transport to, from and within Auckland (including spectator boats).
- $5.3 million of **media-exposure benefits** attributable to the coverage generated by AC36.
- $23.4 million of **non-attendee benefits** accruing to Auckland residents. This is the amount Auckland residents who did not attend AC36 would be willing to pay to keep the America's Cup in New Zealand (around $15.6 per non-attendee on average).
- $67 million of **avoided future costs** due to planned projects being brought forward for AC36.

[7] Government, in this context, includes central government and local government.
[8] Accommodation, meals, transport, retail shopping etc.
[9] Big-ticket items and/or goods and services that were of a business nature or not for personal consumption – particularly by COR, the Challengers and visiting superyachts.

- $3.5 million of **other AC36-related costs** (loss of Viaduct Events Centre (VEC) income for Auckland Unlimited and wharf reinstatement costs incurred by Eke Panuku).
- $18.5 million of **other AC36-related benefits** (expected future earnings for Eke Panuku from superyacht berths built or upgraded for AC36 and cost savings for ETNZ due to not having to travel to a foreign location).

The cost-benefit analysis (CBA) for Auckland has identified a gross monetised cost of $629.4 million and a gross monetised benefit of $537.8 million. The net monetised benefit is therefore **-$91.6 million** and the benefit-cost ratio (gross benefit divided by gross cost) is **0.85**. This means that every $1 of cost incurred by Auckland resulted in a benefit of $0.85 (a net loss of $0.15 per dollar). All values in the CBA are expressed in net present value terms (2021 dollars) using Treasury's recommended discount rate of 5%.

Table 6: Estimated costs and benefits to Auckland of hosting AC36 (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

Measure	Type	NPV $m	Description
Government costs	Financial	$277.4	Local government expenditure + ~34% of central government expenditure.
Public funds costs[10]	Financial	$55.5	Redistribution of public funds costs @ 20% as per Treasury guidelines (government costs x 20%).
Event attendee costs	Non-financial	$104.7	Value of time and money devoted to AC36 by attendees.
Business costs	Financial	$186.8	Value of the resources consumed by businesses to service the additional demand caused by AC36.
Carbon costs	Non-financial	$1.5	Value of unpriced carbon production attributable to AC36.
Other costs	Financial	$3.5	Other quantified costs (loss of VEC income, wharf remediation for fishing fleet).
Total cost		**$629.4**	**Total gross cost generated by AC36**
Event attendee benefits	Non-financial	$137.1	Social value to AC36 attendees (event attendee costs + estimated consumer surplus of 31%).
Business benefits	Financial	$286.5	Value of additional business demand (revenue) caused by AC36.
Media benefits	Financial	$5.3	Value of media exposure generated by AC36 (based on estimated future value of tourism generated).
Non-user benefits	Non-financial	$23.4	Social value accruing to non-attendees (option value/existence value/national pride).
Avoided future costs	Financial	$67.0	Avoided future infrastructure costs due to projects being brought forward for AC36.
Other benefits	Financial	$18.5	Other quantified benefits (cost savings for ETNZ, additional earnings from superyacht berth upgrades).
Total benefit		**$537.8**	**Total gross benefit generated by AC36**
Net benefit		**-$91.6**	**Total benefit less total cost**
Benefit-cost ratio		**0.85**	**Total benefit divided by total cost**

[10] Included to capture the inefficiency or 'deadweight loss' associated with the collection and distribution of public funds.

These costs and benefits can be divided into financial impacts (where the costs and benefits are represented by actual or expected financial transactions) and non-financial impacts (where the costs and benefits are unpriced or of a social, cultural, or environmental nature). This segmentation reveals a financial impact of **-$145.8 million** (benefit-cost ratio of **0.72**) and a non-financial impact of **$54.3 million** (benefit-cost ratio of **1.51**).

This is the first time that MBIE's cost-benefit framework has been applied to the America's Cup. The framework aims to evaluate, and where possible monetise, costs and benefits across the four capitals – social, cultural, environmental, and economic. It is not valid to compare the results of this evaluation with the pre-event evaluation for AC36, or previous evaluations of America's Cup events held in New Zealand, because these studies (a) used a different methodology called Economic Impact Assessment (EIA); and (b) focused primarily on financial outcomes.

However, given the high likelihood that comparisons will be made with previous studies despite this caveat, the most valid (but still imperfect) comparator with previous studies is the financial impact reported in Table 7 i.e. a net benefit of **-$145.8 million** and a benefit-cost ratio of **0.72**.

Table 7: Summary of costs and benefits to Auckland (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

	Gross cost	Gross benefit	Net benefit	Benefit-cost ratio
Financial impact	$523.2	$377.3	-$145.8	0.72
Non-financial impact	$106.2	$160.5	$54.3	1.51
TOTAL	**$629.4**	**$537.8**	**-$91.6**	**0.85**

Impact on New Zealand (including Auckland)

A total of 274,162 New Zealand residents (including Auckland residents) experienced AC36 in person as public attendees or volunteers. This figure counts each attendee only once, even if they interacted with the event multiple times. In aggregate, public attendees and volunteers committed 5.9 million hours of time to AC36, valued at $60.9 million using value-of-time estimates provided by Waka Kotahi NZ Transport Agency. New Zealand residents also spent around $119.8 million on event-related goods and services, at an average of $437 per person.

The total value of the time and money invested in AC36 by New Zealand resident public attendees and volunteers was therefore $180.7 million. This is the cost that New Zealand resident public attendees and volunteers incurred to access the benefits of attending AC36.

Table 8: Engagement by New Zealand resident public attendees and volunteers
Source: ACV pedestrian counts, surveys of public attendees and volunteers

	Public attendees	Volunteers	TOTAL
New Zealand resident attendees	273,278	884	274,162
Average time commitment per attendee (hours)	21.1	120.1	21.5
Total time commitment by New Zealand residents (hours)	5,779,456	106,178	5,885,633
Value-of-time commitment by New Zealand residents ($m)	$59.8	$1.1	$60.9
Total spend by New Zealand residents ($m)	$119.6	$0.2	$119.8
Average spend per New Zealand resident	$438	$176	$437

AC36 attracted 1,604 international visitors to New Zealand across the various attendee groups, which was significantly lower than projected due to a lower-than-expected number of Challengers and the COVID-19 border restrictions. This figure excludes international visitors who attended AC36 but were not attracted to New Zealand by the event. The exclusion of these attendees means that the international visitor numbers attributable to AC36 are lower than the gross attendee estimates presented in Table 2.

The international visitation attributable to AC36 generated 219,729 visitor nights in New Zealand at an average of 137 nights per visitor.

Table 9: Visitation to New Zealand attributable to AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	International visitors to New Zealand	Visitor nights in New Zealand	Average nights in New Zealand per visitor
COR and Challengers	532	129,704	243.8
Broadcast and media	48	5,182	108.0
Superyachts	273	36,591	134.0
Public attendees	751	48,251	64.3
TOTAL	**1,604**	**219,729**	**137.0**

AC36 created an additional $169.3 million of expenditure in New Zealand through three main channels:

- $19.9 million through domestic event operations. This was driven by new money introduced into the economy by ACE and the Challenger of Record (funds sourced from outside New Zealand).
- $39.7 million through purchases of tourism goods and services by domestic and international event attendees.
- $109.8 million through purchases of non-tourism goods and services by the three Challengers ($74.5 million) and superyachts ($35.2 million).

Table 10: Additional expenditure in New Zealand attributable to AC36 ($m)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Additional expenditure in New Zealand
Domestic event operations	$19.9
Purchases of tourism goods and services	$39.7
Purchases of non-tourism goods and services	$109.8
TOTAL	**$169.3**

Other monetised impacts on New Zealand include:

- $1.5 million of unpriced **carbon emissions** attributable to AC36. These were mainly driven by transport to, from, and within Auckland (including spectator boats).
- $11.1 million of **media exposure benefits** attributable to the coverage generated by AC36. New Zealand's media exposure benefit is larger than Auckland's because future international visitors inspired by the AC36 coverage are expected to spend money both within and outside Auckland during their trip.

- $82.2 million of **non-attendee benefits** accruing to New Zealand residents. This is the amount New Zealand residents who did not attend AC36 would be willing to pay to keep the America's Cup in New Zealand (around $17.1 per non-attendee on average).
- $67 million of **avoided future costs** due to planned projects being brought forward for AC36.
- $3.5 million of **other AC36-related costs** (loss of Viaduct Events Centre income for Auckland Unlimited and wharf reinstatement costs incurred by Eke Panuku).
- $18.5 million of **other AC36-related benefits** (expected future earnings for Eke Panuku from superyacht berths built or upgraded for AC36 and cost savings for ETNZ due to not having to travel to a foreign location).

The cost-benefit analysis for New Zealand has identified a gross monetised cost of $744.2 million and a gross monetised benefit of $588.1 million. The net monetised benefit is therefore **-$156.1 million** and the benefit-cost ratio (gross benefit divided by gross cost) is **0.79**. This means that every $1 of cost incurred by New Zealand (including Auckland) returned a benefit of $0.79 (a net loss of $0.21 per dollar). All values in the CBA are expressed in net present value terms (2021 dollars) using Treasury's recommended discount rate of 5%.

Table 11: Estimated costs and benefits to New Zealand of hosting AC36 (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

Measure	Type	NPV $m	Description
Government costs	Financial	$370.9	Total cost to central and local government.
Public funds costs	Financial	$74.2	Redistribution of public funds costs @ 20%, as per Treasury guidelines (government costs x 20%).
Event attendee costs	Non-financial	$180.7	Value of time and money devoted to AC36 by attendees.
Business costs	Financial	$113.3	Value of the resources consumed by businesses to service the additional demand caused by AC36.
Carbon costs	Non-financial	$1.5	Value of unpriced carbon production attributable to AC36.
Other costs	Financial	$3.5	Other quantified costs (loss of VEC income, wharf remediation for fishing fleet).
Total cost		**$744.2**	**Total gross cost generated by AC36**
Event attendee benefits	Non-financial	$236.6	Social value to AC36 attendees (event attendee costs + estimated consumer surplus of 31%).
Business benefits	Financial	$172.6	Value of additional business demand (revenue) caused by AC36.
Media benefits	Financial	$11.1	Value of media exposure generated by AC36 (based on estimated future value of tourism generated).
Non-user benefits	Non-financial	$82.2	Social value accruing to non-attendees (option value/existence value/national pride).
Avoided future costs	Financial	$67.0	Avoided future infrastructure costs due to projects being brought forward for AC36.
Other benefits	Financial	$18.5	Other quantified benefits (cost savings for ETNZ, additional earnings from superyacht berth upgrades).
Total benefit		**$588.1**	**Total gross benefit generated by AC36**
Net benefit		**-$156.1**	**Total benefit less total cost**
Benefit-cost ratio		**0.79**	**Total benefit divided by total cost**

These costs and benefits can be divided into financial impacts (where the costs and benefits are represented by actual or expected financial transactions) and non-financial impacts (where the costs and benefits are unpriced or of a social, cultural, or environmental nature). This segmentation reveals a financial impact of **-$292.7 million** (benefit-cost ratio of **0.48**) and a non-financial impact of **$136.6 million** (benefit-cost ratio of **1.75**).

This is the first time that MBIE's cost-benefit framework has been applied to the America's Cup. The framework aims to evaluate, and where possible monetise, costs and benefits across the four capitals – social, cultural, environmental, and economic. It is therefore not valid to compare the results of this evaluation with the pre-event evaluation for AC36, or previous evaluations of America's Cup events held in New Zealand, because these studies (a) used a different methodology called Economic Impact Assessment (EIA); and (b) focused primarily on financial outcomes.

However, given the high likelihood that comparisons will be made with previous studies despite this caveat, the most valid (but still imperfect) comparator with previous studies is the financial impact reported in Table 12 i.e. a net benefit of **-$292.7 million** and a benefit-cost ratio of **0.48**.

The most relevant comparators for these figures in the pre-event evaluation conducted by Market Economics are the expected net benefits of between **-$2 million** and **+$76 million** and the expected benefit-cost ratios of between **0.997** and **1.14**.

Table 12: Summary of costs and benefits to New Zealand (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

	Gross cost	Gross benefit	Net benefit	Benefit-cost ratio
Financial impact	$562.0	$269.3	-$292.7	0.48
Non-financial impact	$182.2	$318.8	$136.6	1.75
TOTAL	**$744.2**	**$588.1**	**-$156.1**	**0.79**

Non-monetised costs and benefits

The major non-monetised costs and benefits for Auckland and New Zealand of hosting AC36 included:

- Disruption costs caused by AC36-related capital works, in and around the Viaduct Basin.
- Various legacy benefits including:
  - Long-term environmental benefits for Auckland due to the extension of the Daldy Street stormwater outfall and greater awareness of environmental and biosecurity issues.
  - Positive experiences and memories for Auckland and New Zealand residents associated with hosting AC36.
  - Positive Māori outcomes – 57% of attendees and 75% of volunteers felt there was a strong Māori cultural theme within the event.[11]
  - Improvements to the Viaduct and Wynyard Quarter areas, which have created attractive public spaces for residents and visitors, further improved the connectivity between land and sea and provided facilities that can be used to host future major events.
  - The option for Auckland to host a future America's Cup event, subject to commercial negotiations.
  - The increase in event delivery capacity and capability for New Zealand staff and volunteers involved in the event, as well as the various public and private sector stakeholders.

[11] Based on responses to surveys of public attendees and volunteers conducted by Fresh Info.

- Greater awareness of, and interest in, sailing as a recreational activity – around 8% of respondents to the public attendee survey reported being inspired to try sailing due to their AC36 experience.
- The educational outcomes delivered by Yachting New Zealand's *Kōkōkaha – Powered by the Wind* programme for schools.

Comments and conclusions

The net benefits for Auckland and New Zealand are significantly lower than those presented in the original economic projection. While methodological differences between the pre-event evaluation and this evaluation explain some of the variance, the two main drivers are:

1. **Lower-than-projected levels of expenditure by foreign entities and visitors** which resulted in lower overall benefits for Auckland and New Zealand. This was caused by two main factors:

    a. **Only having three Challengers rather than the projected eight[12] that were included in the original economic projection.** This reduced team-related expenditure in New Zealand which was previously a major contributor to economic impact.

    b. **The subsequent impact of COVID-19 on international visitation.** Despite the lower-than-projected number of Challengers (which was unrelated to COVID-19), there was a high level of interest in the event among international sailing enthusiasts and high-net-worth individuals. However, COVID-19 border restrictions prevented most of these people from visiting New Zealand. More generally, the absence of international visitors in and around Auckland's CBD reduced the vibrancy, attendance at, and commercial success of the AC36 Village.

2. **Higher-than-projected public investment** which resulted in higher overall hosting costs for Auckland and New Zealand. The original economic projection was based on a $200 million investment by local and central government[13] while the actual investment was $348.4 million over four years (NPV of $370.9 million) plus the public funds cost of $74.2 million. This variance was mainly caused by planned capital projects being brought forward by Auckland Council to align with AC36 projects (to reduce future disruption and duplication of effort), the rescoping of some of these projects to meet America's Cup requirements, and the final cost incorporating operational and leverage expenses that were not included in the original economic projection (the original economic projection only included core AC36 infrastructure and the hosting fee).

These effects have combined to generate significant deficits for both Auckland (**-$91.6 million**) and New Zealand (**-$156.1 million**).

An interesting but somewhat academic question at this point is "under what conditions would the net benefits to Auckland and New Zealand have been positive?". Increasing international expenditure is the only viable way to address such large deficits, and it is estimated that around $262 million of additional expenditure would have been required to achieve a benefit-cost ratio of 1 for Auckland. This assumes that an additional $1 of expenditure by an international visitor generates $0.35 of "net benefit" for the Auckland economy.

[12] The Market Economics report modelled between six and ten Challenger syndicates. The comparative ratios referred to within this report are from Market Economics' medium scenario of eight Challengers.
[13] M.E. Consulting, 2017, *36th America's Cup: High Level Economic Assessment Evaluation.*

Applying the same estimation process to New Zealand indicates that around $446 million of additional expenditure would have been required to achieve a benefit-cost ratio of 1 for New Zealand.

The circumstances surrounding AC36 could reasonably be considered a worst-case scenario from an economic perspective, because local and central government had to bear significant one-off infrastructure costs to enable the event to be hosted, and the benefits were much lower than projected due to the small number of Challengers and the impacts of COVID-19.

The net benefit of hosting a future America's Cup is expected to be materially higher if considered on a stand-alone basis, for two main reasons:

- The enabling infrastructure has been built and paid for. A future evaluation is therefore expected to be based on lower levels of government investment than AC36.
- Higher levels of international visitation are likely as COVID-19 border restrictions ease. The benefits of hosting a future America's Cup event are therefore expected to be higher than those observed for AC36.

2 Introduction

2.1 Background

In June 2017, Emirates Team New Zealand (ETNZ) won the 35th America's Cup in Bermuda (AC35) and earned the right to host the 36th America's Cup (AC36) in the location of its choice. In September 2017, ETNZ confirmed it would hold the event in Auckland, New Zealand, subject to agreement being reached on an appropriate venue.

In March 2018, a Host City Appointment Agreement (HCAA) was signed between ACE, ETNZ, the Ministry of Business, Innovation and Employment (MBIE) and Auckland Council, confirming Tāmaki Makaurau as the location of the 36th America's Cup. This was followed with a Host Venue Agreement (HVA) signed in April 2019 which set out the rights and delivery obligations of each of the parties in relation to the event.

ETNZ re-established America's Cup Event Ltd (ACE) to undertake the event management responsibilities for the AC36 events, and ACE worked alongside the Challenger of Record (COR) for its event delivery responsibilities in Auckland.

ACE had responsibility for delivering the on-water event, America's Cup Village and international broadcast. The hosts (Crown and Auckland Council) had responsibilities outside this area, including minimising any adverse impacts of the event on the city and harbour, and developing leverage and activation programmes to maximise the benefits of being the host city.

A considerable amount of resource was committed across Auckland Council and Council-Controlled Organisations (CCOs), together with Crown agency partners, to ensure that AC36 and its related activities were delivered successfully.

The Crown and Auckland Council agreed to jointly fund the infrastructure required to host AC36, and the Crown also agreed to pay a $40 million hosting fee to secure the event. This decision was informed by an economic assessment[14] that estimated a benefit-cost ratio of between 0.997 and 1.14. The assessment was based on several assumptions – including the attraction of eight[15] Challengers, high levels of domestic and international visitation, and $200 million of central and local government funding (including the $40 million hosting fee).

In addition to economic benefits, the Crown considered other benefits such as business leverage opportunities, showcasing New Zealand to international audiences, cultural and environmental benefits, and national pride and vibrancy.

The Crown, Auckland Council and mana whenua worked with ACE during the planning and delivery stages of the event to ensure targeted outcomes for Auckland and New Zealand were achieved.

The findings from this evaluation will be combined with those of other post-event evaluation processes to help inform future hosting and planning decisions regarding major events hosted in Auckland and New Zealand.

[14] M.E Consulting, 2017, *36th America's Cup: High Level Economic Assessment Evaluation*.
[15] The Market Economics report modelled between six and ten Challenger syndicates. The comparative ratios referred to within this report are from Market Economics' medium scenario of eight Challengers.

2.2 Project scope

Fresh Information Limited (Fresh Info) was commissioned by the Ministry of Business, Innovation and Employment (MBIE) and Auckland Council to evaluate the costs and benefits to Auckland and New Zealand of hosting AC36. This evaluation focuses on the costs and benefits of hosting AC36 in New Zealand relative to the counterfactual of the event being hosted in another country. Economic, social, cultural, and environmental impacts are considered in the evaluation to capture the wide range of impacts caused by the event.

The evaluation includes relevant costs and benefits in the lead up to the event (e.g. development of infrastructure in and around the AC36 Village), as well as the event period itself which includes:

- the America's Cup World Series Auckland and Prada Christmas Race (17 – 20 December 2020)
- the Prada Cup: Challenger Selection Series (15 Jan – 21 Feb 2021)
- the 36th America's Cup Match (10 – 17 March 2021).

2.3 Methodology

MBIE's event evaluation framework has been used as the foundation for this evaluation. The framework is based on cost-benefit analysis (CBA) which is a well-established evaluation method used by government agencies and businesses.

A CBA is based on welfare economics which is concerned with maximising societal wellbeing in the broadest possible terms. What this means in practice is that any type of cost or benefit can be included in a CBA if it can be given a credible monetary value. The main benefit of CBA is that it treats market and non-market costs and benefits equally, which means that non-financial[16] outcomes are given the same status as financial outcomes in the evaluation process.

There are three broad steps in the CBA process:

1. Identify all the relevant costs and benefits associated with the event. There are no restrictions on what can be included, but for practical reasons only material costs and benefits should be carried forward.

2. Assign a monetary value to each of the relevant costs and benefits. This is relatively easy in cases where there is an observable market price or financial transaction. It is more difficult when there are no market valuations to take guidance from, but various methods exist to assign monetary values to non-market costs and benefits.

3. Add up all the costs and benefits and if the gross benefit exceeds the gross cost, then the event has increased societal wellbeing, relative to the counterfactual[17] of not investing in the event.

Table 13 on the next page provides an overview of the evaluation framework that has been applied to AC36.

[16] This includes social, cultural, and environmental outcomes as outlined in Table 13.
[17] The alternative scenario against which the results are compared.

Table 13: AC36 Evaluation Framework
Source: MBIE, Fresh Info

Evaluation component	Gross Cost (GC)	Gross Benefit (GB)	Net benefit
Government			
Cost to public sector agencies	100%	As measured	GB – GC
Redistribution of public funds cost[18]	20%	Nil	GC
Social			
Value of time and money devoted to the event by AKL/NZ resident attendees	100%	100% + CS	CS
Benefits accruing to AKL/NZ resident non-attendees	0%	100%	GB
Economic			
Additional consumption of AKL/NZ goods and services	100% x (1-PS)	100%	PS
Externally sourced funds spent in AKL/NZ by ACE & ETNZ	100% x (1-PS)	100%	PS
Commercial sponsorship by AKL/NZ resident companies	100%	100% + ROI	ROI
Value of AKL/NZ business time and money devoted to AC36	100%	100% + ROI	ROI
Event profit accruing to AKL/NZ	0%	100%	GB
Value of media exposure to AKL/NZ (conversion model)	0%	100%	GB – GC
Cultural			
Māori outcomes	As measured	As measured	GB – GC
Environmental			
Environmental costs and benefits	As measured	As measured	GB – GC

GC = gross cost; GB = gross benefit; CS = consumer surplus; PS = producer surplus; ROI = return on investment

The CBA methodology used to evaluate AC36 differs from previous America's Cup studies which used a method called Economic Impact Assessment (EIA). There are two broad steps in an EIA process:

1. Estimate the change in gross output (business revenue) caused by the event. This involves identifying and valuing cash flows that bring new money into the economy or remove money from it.
2. Use economic multipliers to convert the change in gross output into changes in GDP (gross domestic product), household income, employment etc. The GDP impact is generally used as the headline measure for reporting purposes.

One of the recognised limitations of EIA is that it is based on accounting principles and therefore does not consider the value, or opportunity cost, of the resources expended to deliver the increase in GDP. This usually results in costs being materially understated in an EIA and means that GDP cannot be used as a valid measure of "net benefit".

[18] Equivalent to 20% of public sector investment, as per Treasury guidelines.

In addition, the increase in GDP can only be realised if there are enough idle resources in the economy to absorb the additional demand. This is rarely the case when the increase in demand is large, sudden and/or short-lived. Servicing an increase in demand in one part of a constrained economy will generally require the reallocation of resources from other parts of the economy i.e. one part of the economy wins at the expense of others. This is called "displacement". When displacement occurs, the net impact on the economy ends up being smaller than the impact on the part of the economy that wins due to the losses experienced elsewhere.

These issues are amplified in EIA by the use of economic multipliers to calculate flow-on effects in the economy. When these multipliers are applied, an additional dollar of gross output can result in close to an additional dollar of GDP.

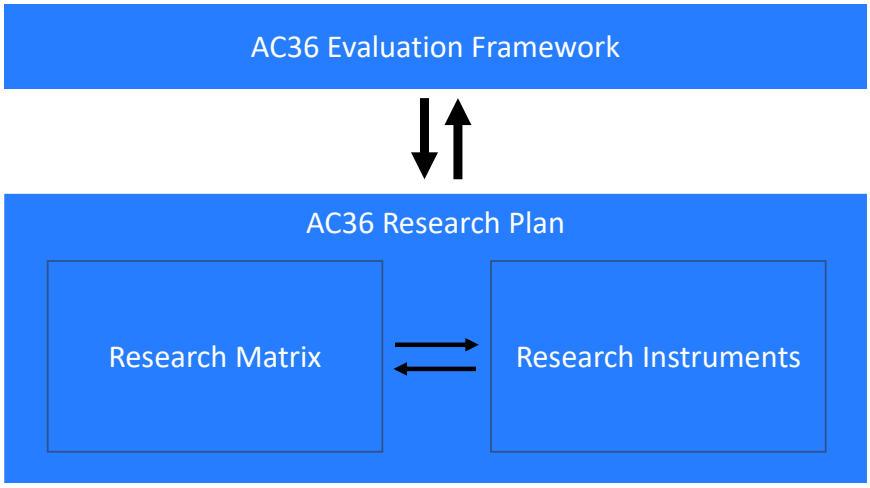
The final limitation of EIA is that it can only assign value to financial transactions. This is a major constraint that often results in material costs and benefits being excluded from the evaluation process. The exclusion of relevant information introduces decision-making risk and undermines the integrity of the evaluation process.

2.3.1 Research Plan

A comprehensive research plan was developed at the outset of the project in consultation with MBIE and Auckland Council to identify the research processes and instruments required to inform the evaluation. The Research Plan had two components:

1. A Research Matrix – a table showing how each component of the Evaluation Framework would be informed. The table included the source(s) of information (respondents) for each evaluation component in Table 13, as well as the specific research instruments used to collect the information.
2. Research Instruments – a description of the specific research instruments used to collect information from respondents.

Figure 1: Relationship between AC36 Evaluation Framework and AC36 Research Plan
Source: Fresh Info



The Research Matrix in Table 14 shows the evaluation components as rows, the information sources (respondents) as columns, and the specific research instruments used to collect the information as cells. Table 15 below describes the specific research instruments used to collect information from respondents, who the respondents were, and what sample sizes were achieved (where applicable). The final Research Plan was provided to MBIE and Auckland Council as a separate PDF document entitled "*Research Plan for 36th America's Cup Impact Evaluation*".

Table 14: AC36 Research Matrix
Source: Fresh Info

Evaluation component	Public sector agencies	ACE and ETNZ	COR and Challengers	Superyachts	Event attendees	NZ resident non-attendees	Spectator boats	Volunteers
Government								
Cost to public sector agencies	S1							
Social								
Value of time and money devoted to the event by AKL/NZ resident attendees					D1/D2 S2/S3		S2/S3	S7
Benefits accruing to AKL/NZ resident non-attendees						S4		
Economic								
Additional consumption of AKL/NZ goods and services			S5	D3	S2/S3			S7
Externally sourced funds spent in AKL/NZ by ACE and ETNZ		S6						
Commercial sponsorship by AKL/NZ resident companies		S6						
Value of AKL/NZ business time and money devoted to AC36		S6			S2/S3		S2/S3	
Event profit accruing to AKL/NZ		S6						
Value of media exposure to AKL/NZ		S6/D4						
Cultural								
Māori outcomes	C1				S2/S3			S7
Environmental								
Environmental costs and benefits to AKL/NZ	D5	D5	S5	D3	S2/S3		S2/S3	S7

Table 15: AC36 Research Instruments

ID	Description of research instruments	Respondents/source	Sample size	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
S1	Cost template populated by public sector agencies	Public sector agencies	All agencies	●	✓	✓	✓	✓	✓
S2	Face-to-face survey of public attendees	Public attendees intercepted in ACV and public viewing areas	9,164	●	✓	✓	✓	✓	
S3	Post-event online survey of public attendees	Public attendees (on-land and on-water)	1,697	●	P			✓	✓
S4	Post-event online survey of NZ resident non-attendees	NZ resident non-attendees	2,057		●	●	●	✓	✓
S5	Survey of COR and Challengers	COR and Challengers	4	●	●	✓	✓	✓	✓
S6	Survey of ACE and ETNZ	ACE and ETNZ	2	●	●	✓	✓	✓	✓
S7	Survey of volunteers	ACE and Auckland Council volunteers	319			●	●	✓	✓
C1	Evaluation of Māori Outcomes	Public attendees and volunteers	n/a	●	●	●	●	✓	✓
D1	America's Cup Village crowd counts	ACE	n/a	●	✓	✓	✓	✓	
D2	Mobile phone data for America's Cup Village	Data Ventures (Statistics NZ)	n/a	●	●	●	●	✓	✓
D3	Superyacht data collection	Eke Panuku, VHHL[19], Marine NZ, interviews, research	n/a		●	●	✓	✓	✓
D4	Media distribution data	ACE, Auckland Council, Tourism New Zealand	n/a		●	●	✓	✓	✓
D5	Environmental data	Various surveys, ACE, Auckland Council	n/a		●	●	●	✓	✓

● = Research design phase; ✓ = Implementation phase; P = Pilot phase

[19] Viaduct Harbour Holdings Limited

3 The event

The 36th America's Cup was made up of three distinct sub-events:

- the Prada America's Cup World Series Auckland (Prada ACWS Auckland) and the Prada Christmas Race
- the Prada Cup: Challenger Selection Series
- the 36th America's Cup Match.

Table 16 below shows the scheduled and actual racing periods for each sub event. Differences between scheduled and actual racing periods were due to the retirement of NYYC American Magic from the Prada Cup round robin after its boat *Patriot* capsized, race results, or delays caused by weather or the impacts of COVID-19. For example, on 20 December 2020 the Prada Christmas Race had to be abandoned due to lack of wind.

Table 16: Scheduled and actual racing periods
Source: Americascup.com

Component	Scheduled period	Actual period
Prada ACWS Auckland and Prada Christmas Race	17 – 20 Dec 2020	17 – 19 Dec 2020
Prada Cup: Challenger Selection Series	15 Jan – 22 Feb 2021	15 Jan – 21 Feb 2021
America's Cup Match	6 – 21 Mar 2021	10 – 17 Mar 2021

Four teams were involved in the event – ETNZ as the Defender of the America's Cup and three Challengers:

- Luna Rossa Prada Pirelli Team (Challenger of Record)
- New York Yacht Club American Magic (NYYC American Magic)
- INEOS TEAM UK.

All four teams took part in the Prada ACWS Auckland and the Prada Christmas Race in December. Only the three Challengers were eligible to compete in the Prada Cup in January/February 2021, and only ETNZ and the eventual winner of the Prada Cup were eligible to compete in the America's Cup Match.

Table 17: Team eligibility for AC36 sub events
Source: Fresh Info

Component	ETNZ	Challengers
Prada ACWS Auckland and Prada Christmas Race	✓	✓
Prada Cup		✓
America's Cup Match	✓	✓

3.1.1 Prada America's Cup World Series Auckland and the Prada Christmas Race

The Prada ACWS Auckland was a double round-robin[20] match race competition between Emirates Team New Zealand, Luna Rossa Prada Pirelli Team, INEOS TEAM UK and NYYC American Magic. The event was held over three days (17 – 19 December 2020) with each team racing twice each day. The winner of each match received one point and the loser received zero. Emirates Team New Zealand won the Prada ACWS Auckland after recording five wins and one loss.

Table 18: Results of Prada ACWS Auckland
Source: Americascup.com

	Wins	Losses	TOTAL
Emirates Team New Zealand	5	1	5
NYYC American Magic	4	2	4
Luna Rossa Prada Pirelli Team	3	3	3
INEOS TEAM UK	0	6	0

The Prada Christmas Race was scheduled to be a one-day event (20 December 2020) with a semi-final round (to determine the finalists) followed by a placing round (to determine final placings). The results of the Prada ACWS Auckland were used to determine the semi-final match ups (1st vs. 4th and 2nd vs. 3rd). The Prada Christmas Race was eventually abandoned due to lack of wind.

Figure 2: Race schedule for Prada ACWS Auckland and Prada Christmas Cup
Source: Americascup.com

[20] A format in which each team races every other team twice.

3.1.2 The Prada Cup: Challenger Selection Series

Challengers Luna Rossa Prada Pirelli, NYYC American Magic and INEOS TEAM UK competed in the **Prada Cup** for the right to challenge the Defender – Emirates Team New Zealand – in the America's Cup Match. The first stage of the Prada Cup consisted of four round robins of three races each. The Challenger with the highest score at the end of the round robins (INEOS TEAM UK) qualified for the **Prada Cup Final**, while the remaining two teams raced again in a seven-race semi-final (first to win four races) to determine who would race against INEOS TEAM UK in the Prada Cup Final. Luna Rossa Prada Pirelli Team beat NYYC American Magic in the semi-final and then beat INEOS TEAM UK in the 13-race (first to win seven races) Prada Cup Final to secure the right to challenge Emirates Team New Zealand for the America's Cup in March 2021.

Table 19: Results of Prada Cup Round Robins
Source: Americascup.com

	Wins	Losses	TOTAL
INEOS TEAM UK	6	0	6
Luna Rossa Prada Pirelli Team	3	3	3
NYYC American Magic	0	6	0

Table 20: Results of Prada Cup Semi-Final
Source: Americascup.com

	Wins	Losses	TOTAL
Luna Rossa Prada Pirelli Team	4	0	4
NYYC American Magic	0	4	0

Table 21: Results of Prada Cup Final
Source: Americascup.com

	Wins	Losses	TOTAL
Luna Rossa Prada Pirelli Team	7	1	7
INEOS TEAM UK	1	7	1

3.1.3 America's Cup Match

The America's Cup Match was a 13-race series (first to win seven races) between Defender, Emirates Team New Zealand and Challenger, Luna Rossa Prada Pirelli Team. Racing was scheduled to start on Saturday 6 March 2021 but was delayed until Wednesday 10 March 2021 due to Auckland being in an Alert Level 3 lockdown due to COVID-19. On Wednesday 17 March 2021, Emirates Team New Zealand won the America's Cup Match 7–3 to retain the America's Cup.

Table 22: Results of America's Cup Match
Source: Americascup.com

	Wins	Losses	TOTAL
Emirates Team New Zealand	7	3	7
Luna Rossa Prada Pirelli Team	3	7	3

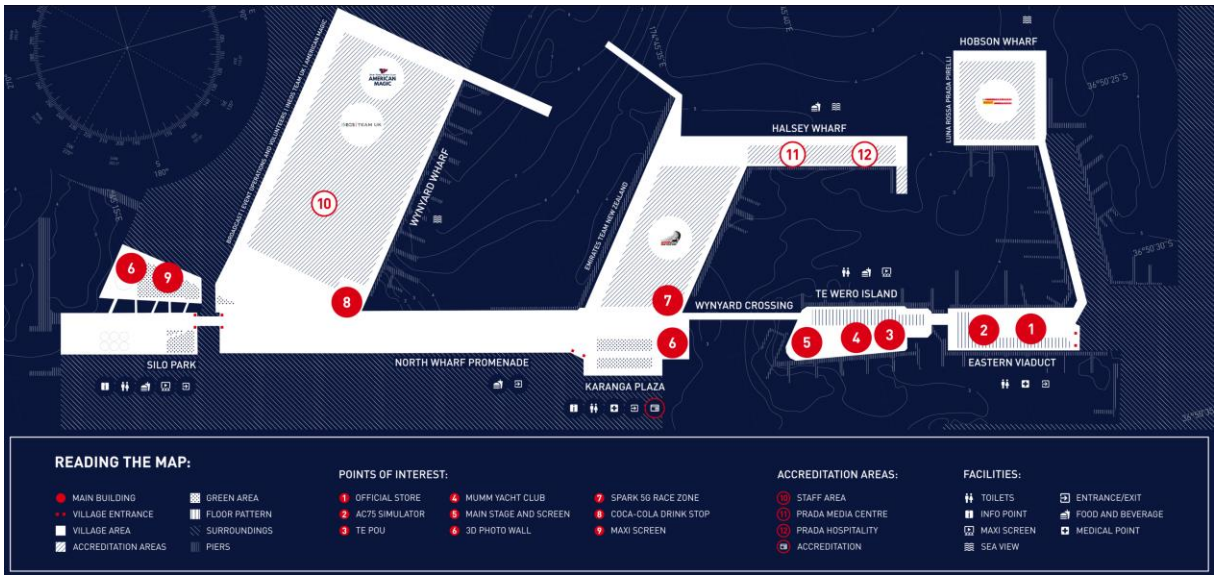
3.2 Event infrastructure

Delivering AC36 required extensive off-water and on-water infrastructure to support teams, race management, broadcast and media operations, and public attendees. The America's Cup Village (AC36 Village) was the primary off-water hub for the event, including the team bases and adjacent water space, while the race courses were the primary on-water hub. These are discussed in more detail below.

3.2.1 America's Cup Village

The AC36 Village (ACV) was the organisational, team and spectator hub for AC36. It was spread across the waterfront beginning at Hobson Wharf and continuing through Te Wero Island, Eastern Viaduct, North Wharf and Silo Park. Access to the AC36 Village was free throughout all events.

Figure 3: AC36 Village
Source: Americascup.com



The AC36 Village opened on 16 December 2020 and was open every day (excluding Christmas Day) that Auckland was at COVID-19 Alert Level 1 until 17 March 2021. The scheduled operating hours for the AC36 Village were 10am to 9pm on race days and 10am to 6pm on non-race days.

The main entrance to the AC36 Village was located at the beginning of Hobson Wharf where two entrance towers heralded the start of the Village experience and helped visitors navigate the area. A second entrance was located between North Wharf Promenade and Karanga Plaza and a third entrance was located at Silo Park close to the Jellicoe St car park.

As part of the infrastructure build, new team bases and sheltered water spaces were created. All team bases were located within the AC36 Village to maximise public access. ETNZ's base was located on Halsey Wharf at the Viaduct Events Centre, and Luna Rossa Prada Pirelli Team's base was situated at the end of Hobson Wharf on a newly constructed platform. NYYC American Magic and INEOS TEAM UK were located on Wynyard Point – within the area formerly known as 'the tank farm'. The new sheltered water space created between Halsey, North, and Wynyard Wharves is now known as Jellicoe Harbour.

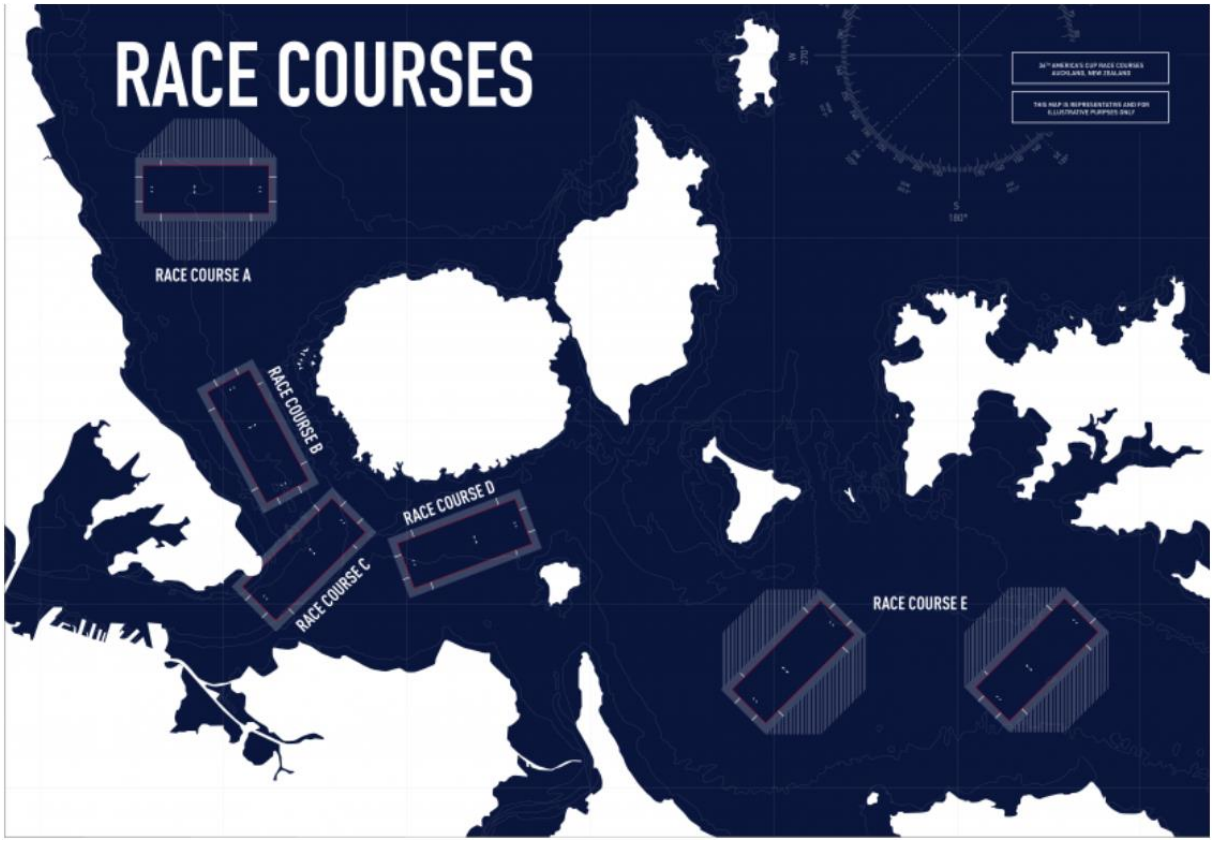
The AC36 Village was designed to be accessible to everyone. All buildings inside the AC36 Village were accessible to people with limited mobility and wheelchairs, including the AC75 Simulator, the viewing area of the Main Stage, and the AC36 Official Merchandise Store. All restrooms within the AC36 Village also had accessible options.

3.2.2 AC36 race courses

Five race courses were designed for AC36 in the Waitematā Harbour and Hauraki Gulf. Each course had a windward-leeward configuration and an upwind start. The length of each course was dependent on location and the prevailing weather conditions but ranged between 1.1 to 2.2 nautical miles. The course on which the teams sailed was decided every racing day by Race Management.

Courses A, B and C provided the best vantage points for land-based attendees and were generally favoured when Auckland was at Alert Level 1. Course E was used when Auckland was at Alert Level 2 to minimise the risk of crowds gathering to watch the racing. Hybrid courses were sometimes used in response to wind and tide conditions.

Figure 4: AC36 race courses
Source: Americascup.com



3.3 COVID-19

In December 2019, the first case of Coronavirus disease 2019 (COVID-19), also known as the coronavirus, or COVID was identified in Wuhan in China. COVID-19, a contagious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) has since spread worldwide – causing an ongoing international pandemic.

New Zealand reported its first case of COVID-19 on 28 February 2020. On 14 March 2020, the government announced that anyone entering the country would need to isolate for 14 days and less than a week later, on 19 March, the government closed its borders to all but returning New Zealand citizens and permanent residents.

On 21 March 2020, the government introduced a four-tiered 'Alert Level' system to help to manage and minimise the risk of COVID-19. The system was designed to help people understand the government's plan for managing the pandemic and what that meant for how people could live their lives. Alert Levels can be applied to a town, city, region or the whole country and range from minor restrictions (Level 1) to 'lockdown' style measures (Level 4). All of New Zealand was at either Alert Level 3 or Alert Level 4 between late March and early May 2020.

Between May 2020 and the end of the events that made up the 36th America's Cup, most of the country remained at Level 1, with Alert Level 2 and 3 introduced from time-to-time in response to occasional cases in Auckland.

COVID-19 had a material impact on AC36 in terms of planning, attendance, and delivery. The aspirations and expectations of all involved in the hosting of AC36, including ACE, COR, Hosts, and mana whenua, had to be recalibrated.

The closing of businesses, or people needing to work from home during Alert Levels 3 and 4, had the effect of slowing production – such as the building of sea cleaner boats, the redevelopment of Quay Street precinct (a key gateway to the AC36 Village) and the building of ETNZ's race boat. General AC36 planning was slowed by the inability to bring all partners together when required.

The cancellation of the ACWS Regattas that were planned for Portsmouth and Cagliari had both a financial and promotional impact for AC36, and events such as the Youth America's Cup (presented by RNZYS) and the RNZYS AC J Class Regatta were cancelled.

The closing of New Zealand's borders greatly impacted the number of visitors to Auckland and the subsequent economic benefit to both Auckland and New Zealand. Not only were most independent tourists unable to visit New Zealand, but cruise ships also stopped operating and superyacht arrivals into Auckland were greatly reduced. Restrictions were placed on the number of media able to visit, which also impacted the level of coverage for the event.

The processes put in place to manage potential changes in Alert Levels during the event were tested in the latter stages of the event when Auckland moved to Alert Level 3 for a total of nine days (racing was not permitted under Alert Level 3 guidelines) and then to Alert Level 2 in February and March 2021. All activations within the AC36 Village were closed during these periods and at Alert Level 2 race courses were chosen that minimised the risk of crowds gathering to watch the racing. This reduced the level of public engagement during these periods, but support for the event remained strong once the restrictions were lifted.

It is likely that COVID-19 had a small negative impact on domestic visitation to Auckland for AC36, particularly in early March 2021, and a much larger impact on international visitation throughout the event.

3.4 Government investment

Planning and delivering AC36 required a considerable investment of time and/or money from a wide range of local and central government agencies. This investment began soon after ETNZ won the 35th America's Cup (AC35) in Bermuda in June 2017 and extended beyond the conclusion of AC36 in March 2021. The following local and central government agencies played some role in the planning and/or delivery of AC36:

- Ministry of Business, Innovation and Employment (MBIE)
- Auckland Council, including:
  - Eke Panuku
  - Auckland Unlimited Limited (previously ATEED and Regional Facilities Auckland RFA), AUL
  - Auckland Transport (AT)
  - Hauraki Gulf Forum
- Civil Aviation Authority
- Department of Conservation (DOC)
- Department of Prime Minister and Cabinet (DPMC)*
- Education NZ
- Fire & Emergency New Zealand (FENZ)
- Maritime New Zealand
- Ministry of Foreign Affairs and Trade (MFAT)
- Ministry for the Environment (MfE)
- Ministry of Health (MOH
- Ministry for Primary Industries (MPI)
- Northern Region Health Coordination Centre
- New Zealand Customs
- New Zealand Lotteries Grants Board[21]
- New Zealand Police*
- NZ Story
- New Zealand Defence Force (NZDF)*
- New Zealand Trade & Enterprise (NZTE)
- Te Puni Kōkiri (TPK)
- Tourism New Zealand.

*Costs for New Zealand Police, DPMC, and NZDF were not included in overall government investment figures because the costs were covered from baseline budgets and were considered as part of their core responsibility.

In aggregate these agencies invested $348.4 million in AC36-related initiatives over four years – as shown in Table 23 – with local government agencies contributing $215.2 million and central government agencies the remaining $133.2 million. The net present value of this expenditure is $370.9 million when expressed in 2021 dollars (using a 5% discount rate as per Treasury guidelines).

[21] Lottery Fund for Community Benefit – 2021 America's Cup Fund – grants in 2018/19 and 2019/20, including to the Royal NZ Coastguard (2018/19) and Sea Cleaners Trust (2019/20)

The actual public sector investment in AC36 of $348.4 million was significantly higher than the $200 million included in the original economic projection. This variance was mainly caused by planned capital projects being brought forward by Auckland Council to align with AC36 projects (to reduce future disruption and duplication of effort), the rescoping of some of these projects to meet America's Cup requirements, and the final cost incorporating operational and leverage expenses that were not included in the original economic projection (the original economic projection only included core AC36 infrastructure and the hosting fee).

Table 23: Local and central government investment in AC36
Source: All relevant local and central government agencies

	YE Jun 18	YE Jun 19	YE Jun 20	YE Jun 21	TOTAL	NPV
Hosting fee	0.0	17.0	12.0	11.0	40.0	42.3
Capital expenditure[22]	3.3	92.7	106.0	36.4	238.4	253.7
Operating expenditure	17.9	15.9	9.4	26.8	70.0	74.9
TOTAL	**21.2**	**125.6**	**127.4**	**74.2**	**348.4**	**370.9**
Local government	18.4	75.7	76.1	45.0	215.2	229.6
Central government	2.8	49.9	51.3	29.2	133.2	141.3

In addition to the capital expenditure in Table 23, there was $10 million funded by the Lottery Grants Board which was invested in legacy projects for Coastguard New Zealand ($9.8m) and the Sea Cleaners Trust (c. $0.275m)[23].

3.4.1 Wynyard Edge Alliance

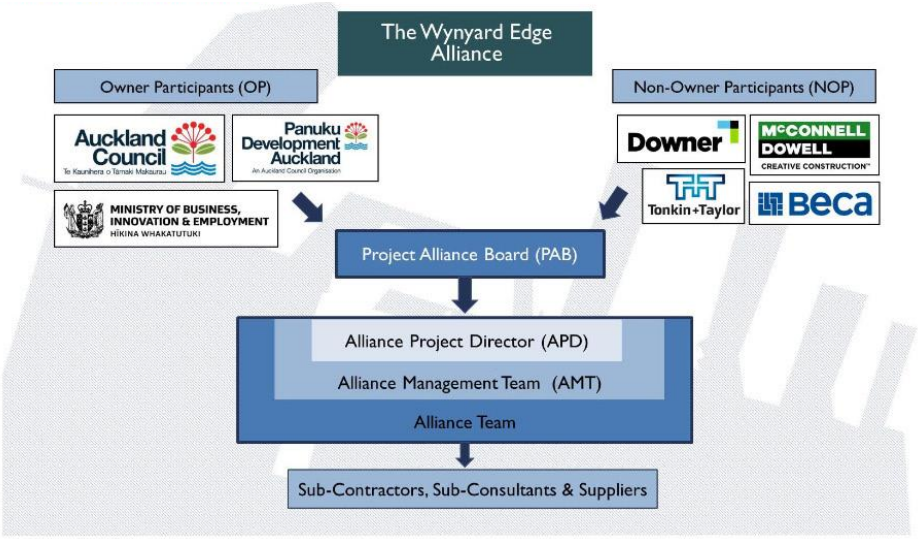
The capital expenditure in Table 23 above was directed towards designing and constructing the infrastructure to support AC36. An Alliance model was deemed to be the most appropriate delivery option given the tight timeframes and supply chain constraints. An Alliance is a relationship-style model where a public sector agency works in collaboration with private-sector parties to deliver a major project. Alliances are typically used for large and/or complex infrastructure projects which have high levels of uncertainty and would be challenging to scope, price and deliver effectively using more traditional delivery models.

The members of the Wynyard Edge Alliance (WEA) were Auckland Council and the Crown as the 'Owner Participants' and Beca, Tonkin + Taylor, Downer and McConnell Dowell as the 'Non-Owner Participants' (private-sector parties). The Crown was represented by MBIE as the lead business-facing agency responsible for major events in New Zealand.

All work undertaken by the Wynyard Edge Alliance was jointly funded by Auckland Council and the Crown.

[22] The capital expenditure of $238.4 million was around $15.48 million under the final approved budget at the time of writing, with $6.2 million of savings accruing to the Crown and the remaining $9.28 million to Auckland Council. The final cost savings will be confirmed when the project concludes in December 2021.
[23] *Annual Report, Sea Cleaners Trust for the year ended 31 March 2020*.

Figure 5: Structure of Wynyard Edge Alliance
Source: Wynyard Edge Alliance



The core projects undertaken by Wynyard Edge Alliance were:

- Wynyard Wharf repairs and infill bridges
- an extension to Hobson Wharf
- an extension to Halsey Street Wharf
- Wynyard Point redevelopment
- dredging
- marina berths and moorings
- construction of six breakwaters
- mechanical and electrical services system (site wide)
- public access ways
- amenity areas and public realm
- installation of floating pontoon structures and foundation pads for racing syndicate bases.

Additional works funded by Auckland Council included the relocation of the SeaLink Vehicle Ferry facility, the Daldy Street stormwater outfall extension, and the Silo Park extension. Figure 6 below illustrates the locations of the various components of the project.

Further detail about the work undertaken by Wynyard Edge Alliance can be found in the *Wynyard Edge Alliance Value for Money Report*[24].

[24] The Property Group, February 2021, *Wynyard Edge Alliance Value for Money Report.*

Figure 6: Scope of AC36 work for Wynyard Edge Alliance
Source: Wynyard Edge Alliance

3.4.2 Operating expenditure

Operating expenditure in Table 23 relates to activities undertaken by local and central government agencies to leverage the event and make it both safe and successful. Leverage activities included offshore events hosted by New Zealand Trade and Enterprise to promote AC36 in 2018 and 2019, and Auckland Council's Summernova events and festival series which was designed to broaden the opportunity for Aucklanders to participate in AC36.

However, the majority of operating expenditure relates to operational services provided by Council such as crowd and transport management outside of the AC36 Cup Village so that the city and busy working harbour could still function while racing was on. Unusually for a major event, ACE did not have a shared responsibility for the precinct adjacent to the venue(s), including the build-up and dispersal of attendees (spectators) both on land and on water, or for managing the impact of decisions made about the venue capacity on the surrounding area.

As a result, the list of public sector delivery obligations was more extensive than usual for a major event, and the additional funding required to do this, whether by specific budget allocation for AC36 or by absorbing the costs from baseline budgets (as value in kind) contributed to public sector costs in Tables 1 and 23 being higher than projected in 2017.

3.5 Event attendance

A total of 281,329 people attended AC36 in person. This figure counts each attendee only once, even if they interacted with the event multiple times, and includes those involved in the event (ACE, ETNZ, COR, and the three Challengers), volunteers, broadcast and media staff, superyacht owners and crew, and public attendees.

The public attendee count of 279,280 includes people who visited the AC36 Village, watched a race live from a boat (charter or private), or watched a race live from a land-based viewing area.

Of the 281,329 attendees, 77.3% were from Auckland, 20.2% were from elsewhere in New Zealand (domestic visitors) and the remaining 2.4% were from overseas (international visitors). It is important to note that not all domestic and international visitors who attended AC36 travelled to Auckland because of AC36 – some were visiting Auckland for other reasons and chose to experience AC36 while they were here. This is discussed further in Section 4.2.

Table 24: Count and composition of unique AC36 attendees (counting each person only once)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Auckland residents	Domestic visitors	International visitors	TOTAL	Share
ACE and ETNZ	133	0	0	133	0.0%
COR and Challengers	67	0	532	599	0.2%
Volunteers	809	74	3	887	0.3%
Broadcast and media	88	21	48	157	0.1%
Superyachts	0	0	273	273	0.1%
Public attendees	216,470	56,808	6,003	279,280	99.3%
TOTAL	**217,567**	**56,903**	**6,859**	**281,329**	**100.0%**
Share	77.3%	20.2%	2.4%	100.0%	

3.5.1 Public attendees

Public attendees accounted for more than 99% of all AC36 attendees and were therefore an important segment from an evaluation perspective. The long and multi-faceted nature of AC36 gave public attendees many opportunities to interact with the event. A post-event survey of 1,697 public attendees showed that 74% visited the AC36 Village, 15.2% watched live racing from a charter boat, 24% watched live racing from a private boat and 28.4% watched live racing from a land-based viewing area. These percentages sum to well over 100% because some respondents interacted with the event through more than one touchpoint.

Table 25: AC36 public attendee touchpoints
Source: ACV pedestrian counts, surveys of public attendees

	Number of unique public attendees	Share of unique public attendees
AC36 Village	206,700	74.0%
Charter boats	42,500	15.2%
Private boats	67,000	24.0%
On-land viewing areas	79,300	28.4%
Total public attendees	**279,280**	**100.0%**

Value received by AC36 public attendees

Understanding the value to New Zealand residents of being able to experience AC36 in person is a critical part of estimating the social impact of AC36. This was estimated by including the following question in the post-event survey of public attendees:

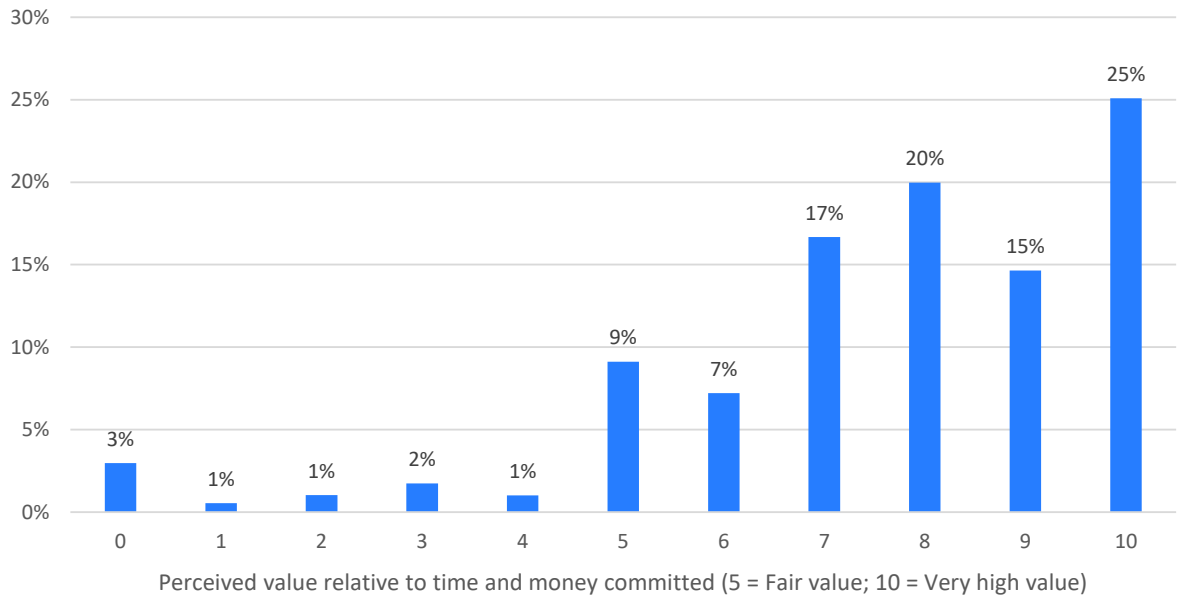
"How would you describe the value you gained from your America's Cup experiences relative to the time and money you committed to them?"

Respondents were presented with a value scale of 0 – 10 where:

- 0 is equivalent to "very low value"
- 5 is equivalent to "fair value"
- 10 is equivalent to "very high value".

Around 93% of respondents reported receiving "fair value" (5) or higher and 25% reported "very high value" (10), with an average score of 7.6 out of 10. This indicates that the value derived by an average public attendee comfortably exceeded the value of the time and money they invested in the event and provides strong evidence of a positive and significant social value (consumer surplus) for public attendees. These results are used to estimate the social value accruing to public attendees in Section 6.

Figure 7: Perceived value to public attendees relative to the time and money committed to AC36
Source: Post-event survey of public attendees



A subsequent question was included in the post-event survey of public attendees to gain further insight into the key drivers of the value discussed above:

"In what ways did you gain value from your America's Cup experience?"

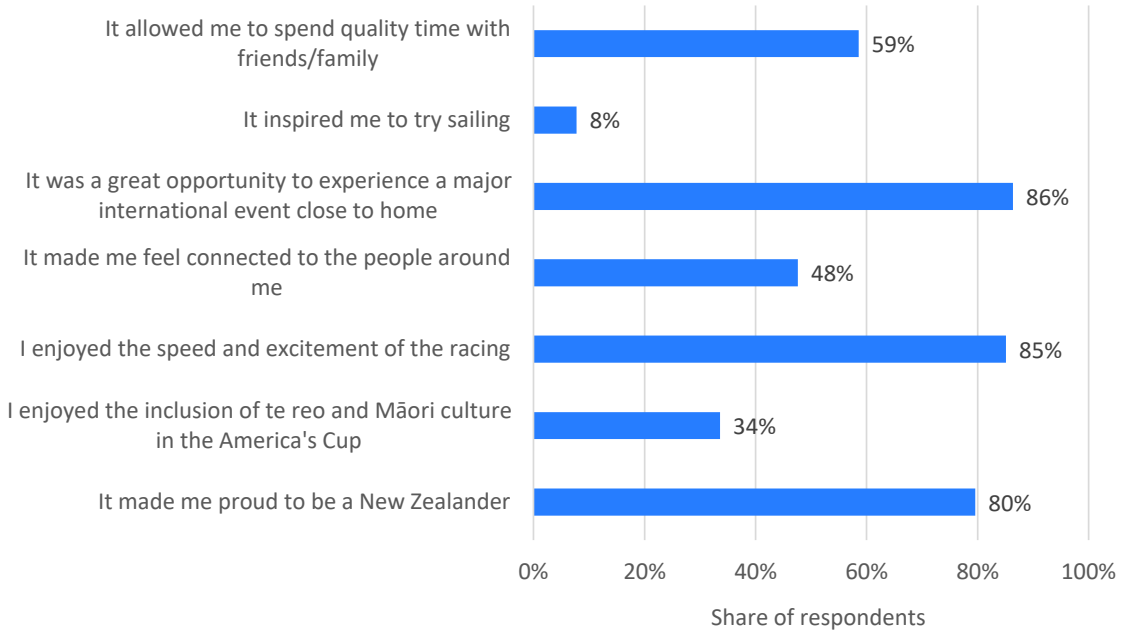
The results revealed three key drivers of value that were common across at least 80% of respondents:

- the opportunity to experience a major international event close to home (86% of respondents)
- the speed and excitement of the racing (85% of respondents)

- national pride (80% of respondents).

It is possible that the dearth of major international events caused by the impacts of COVID-19 elevated the significance of AC36 in the minds of New Zealanders, but anecdotal evidence gathered from informal discussions with public attendees indicates that support for AC36 and ETNZ would have been strong irrespective of COVID-19 (as it was during previous campaigns).

Figure 8: Ways public attendees gained value from their AC36 experience
Source: Post-event survey of public attendees



Public attendee satisfaction

A series of satisfaction questions were included in the post-event survey of public attendees to determine the effectiveness of various components of the event. Respondents were presented with the list of responses shown in Figure 9 below and were asked:

"How satisfied were you with the following aspects of the America's Cup?"

Respondents were only presented with components that were relevant to them, e.g., a respondent who had not visited the AC36 Village would not be asked questions about the AC36 Village. The results in Figure 9 show the percentage of people who were satisfied or very satisfied with each component of the event.

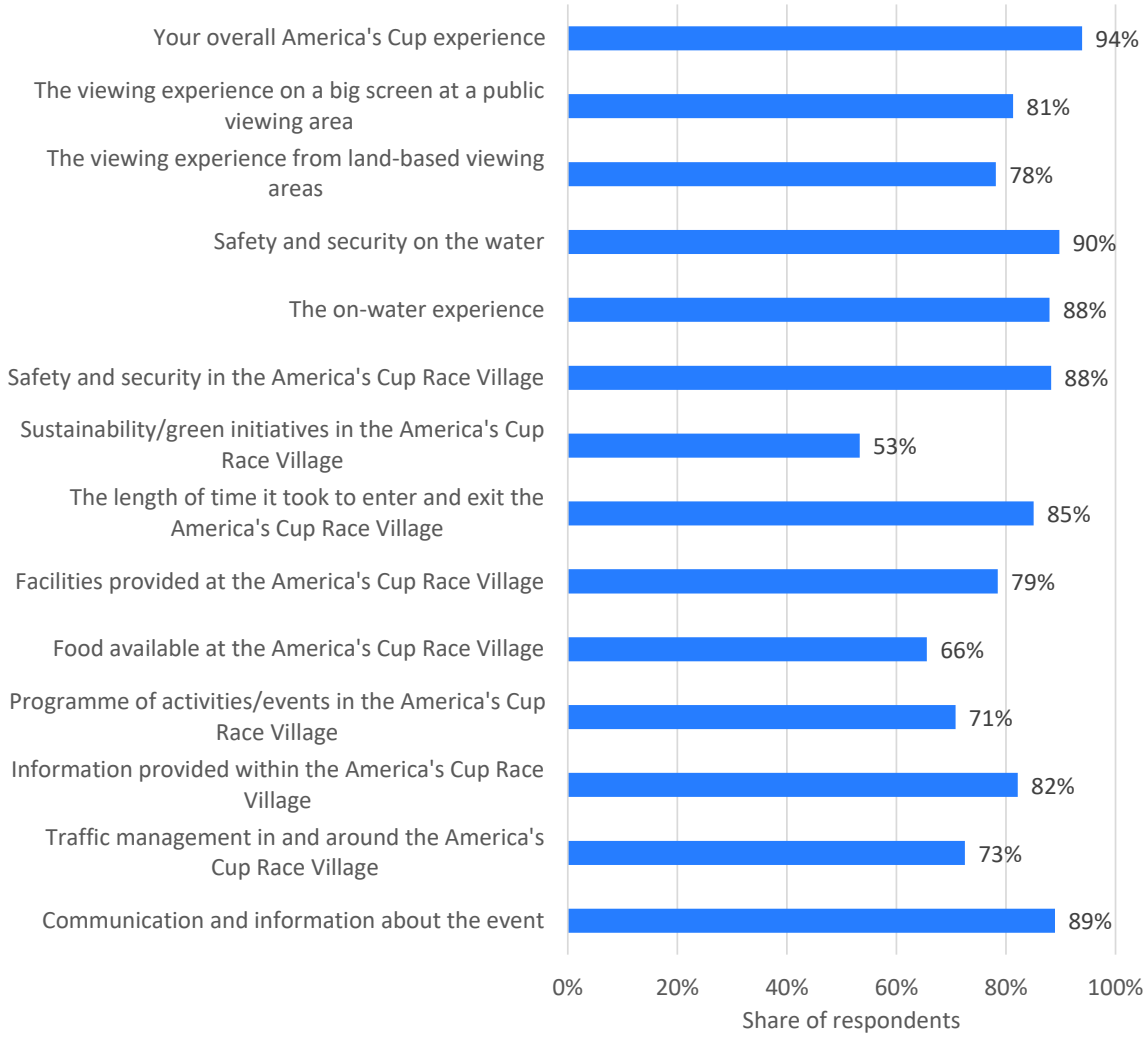
Overall satisfaction was very high – with 94% of respondents being satisfied or very satisfied with their overall AC36 experience. The components respondents were most satisfied with were:

- safety and security on the water (90%)
- communication and information about the event (89%)
- the on-water experience (88%)
- safety and security in the AC36 Village (88%).

The components respondents were least satisfied with were:

- sustainability/green initiatives in the AC36 Village (53%)
- the food available at the AC36 Village (66%)
- the programme of events/activities in the AC36 Village (71%)
- traffic management in and around the AC36 Village (73%) (although this may have been influenced by the roadworks along Quay Street which were not directly related to AC36).

Figure 9: Spectator satisfaction with key elements of AC36
Source: Post-event survey of public attendees



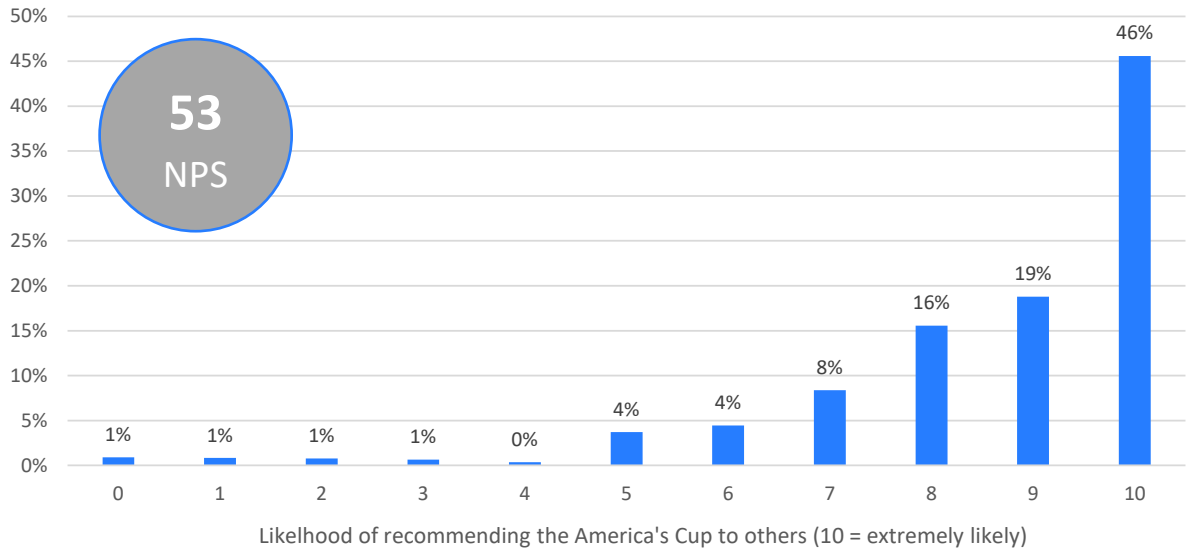
The following question was included in the post-event survey of public attendees to calculate a Net Promoter Score[25]:

"How likely would you be to recommend the America's Cup to other people?"

Respondents were presented with an 11-point scale of 0 (extremely unlikely) to 10 (extremely likely). Those scoring 6 or less are classified as "Detractors", 7 or 8 as "Neutrals", and 9 or 10 as "Promoters". The Net Promoter Score of 53 was calculated by subtracting the percentage of respondents who were Detractors (12%) from the percentage who were Promoters (65%).

A Net Promoter Score of 53 would be considered very high in the commercial world and benchmarks well against companies like Apple (54) and Google (50). It also benchmarks well against events in New Zealand which have a mean Net Promoter Score of 39 and a median of 46 (based on events evaluated using Event Economics[26]).

Figure 10: Likelihood of recommending the America's Cup to other people
Source: Post-event survey of public attendees



Impact on public attendee civic pride and liveability

Questions were included in the post-event survey of public attendees to assess the impact of hosting AC36 on Auckland and New Zealand residents' pride and liveability. Respondents were asked how strongly they agreed with the statements presented in Table 26 below. The results showed that:

- 89% of public attendees living in Auckland reported that hosting AC36 increased their pride in Auckland and 85% thought it made Auckland a more enjoyable place to live.
- 91% of public attendees living elsewhere in New Zealand reported that hosting AC36 increased their pride in New Zealand and 70% thought it made New Zealand a more enjoyable place to live.

[25] A Net Promoter Score is a widely used customer loyalty and satisfaction measurement that lies between -100 and 100. A score of 100 indicates that 100% of people are likely to recommend the good, service or experience in question to others.
[26] Event Economics is a proprietary event evaluation model developed by Fresh Info that is used by councils in New Zealand (www.eventeconomics.com).

It is interesting to note that the regional/national pride scores are slightly higher in this question than they were in Figure 8 on page 30, but this may be due to contextual differences between the two sets of questions.

Table 26: Impact of hosting AC36 on resident pride and liveability
Source: Post-event survey of public attendees

Statements presented to respondents	Share of respondents who agreed or strongly agreed
Hosting the America's Cup increases my pride in Auckland (AKL residents)	89%
Hosting the America's Cup makes Auckland a more enjoyable place to live (AKL residents)	85%
Hosting the America's Cup increases my pride in NZ (domestic visitors)	91%
Hosting the America's Cup makes NZ a more enjoyable place to live (domestic visitors)	70%

Child friendliness of the America's Cup Village

Child friendliness was a key design feature of the AC36 Village, so a question was included in the post-event public attendee survey asking respondents whether they visited the AC36 Village with children. Around 23% of respondents answered 'Yes' to this question. A follow-up question was then presented to these respondents asking them:

"Do you think the AC36 Village provided a good experience for children?"

Around 89% of respondents who visited the AC36 Village with children said they thought the AC36 Village provided a good experience for children.

Table 27: Child friendliness of the AC36 Village
Source: Post-event survey of public attendees

	Share of respondents
Share of attendees who visited the AC36 Village with children	23%
Share of respondents who thought the AC36 Village provided a good experience for children	89%

Accessibility of the America's Cup Village

Accessibility was a key design feature of the AC36 Village, so a question was included in the post-event public attendee survey asking respondents:

"Do you have a long-term physical, mental, intellectual, or sensory impairment/disability?"

Only 2% of respondents answered 'yes' to this question. A follow-up question was then presented to these respondents asking them:

"Were your impairment/disability needs met when you visited the AC36 Village?"

Around 85% of respondents who reported having a long-term physical, mental, intellectual or sensory impairment/disability said their needs were met when they visited the AC36 Village.

Table 28: Accessibility of the AC36 Village
Source: Post-event survey of public attendees

	Share of respondents
Share of respondents with a long-term physical, mental, intellectual or sensory impairment/disability	2%
Share of respondents whose impairment/disability needs were met when they visited the America's Cup Village	85%

3.5.2 Volunteers

Volunteers played a critical role in the delivery of AC36 – despite only accounting for 0.3% of event attendees. There were three separate volunteer programmes – two managed by ACE and one managed by Auckland Council:

- AC36 Village (ACE) volunteers – responsible for providing a wide range of volunteer services within the AC36 Village on every day the Village was at Level 1 (excluding Christmas Day) e.g. public information, wayfinding, crowd counting, crowd management etc.
- On-water marshals (ACE) – responsible for assisting with on-water management on race days e.g. course and spectator fleet management.
- City Skippers (Auckland Council) – responsible for the delivery of information and wayfinding services in the CBD on race days.

The numbers of volunteers in each programme were provided by ACE and Auckland Council. The AC36 Village Volunteer programme was the largest in terms of people involved, with 644 volunteers. The on-water programme was the next largest at 127 on-water marshals, followed by the City Skippers' programme which had 116 volunteers who completed at least four shifts.

A post-event survey of 319 volunteers indicated that 91.3% of the people across the three programmes lived in Auckland, 8.4% lived elsewhere in New Zealand, and 0.4% were from overseas.

Table 29: Count and composition of AC36 Volunteers
Source: Post-event survey of volunteers, ACE, Auckland Council

Volunteers	Auckland residents	Domestic visitors	International visitors	TOTAL	Share
City Skippers	113	3	0	116	13.1%
On Water	109	18	0	127	14.3%
AC36 Village	588	52	3	644	72.6%
TOTAL	**809**	**74**	**3**	**887**	**100.0%**
Share	91.3%	8.4%	0.4%	100.0%	

Volunteer satisfaction

A series of satisfaction questions were included in the post-event survey of volunteers to determine the effectiveness of various aspects of their volunteering experience. Respondents were presented with the list of responses shown in Figure 11 below and were asked:

"How satisfied were you with the following aspects of your volunteering experience at the America's Cup?"

Respondents were only presented with components that were relevant to them, e.g., a respondent who had not volunteered in the AC36 Village would not be asked questions about the AC36 Village. The results in Figure 11 show the percentage of people who were satisfied or very satisfied with each aspect of their volunteering experience.

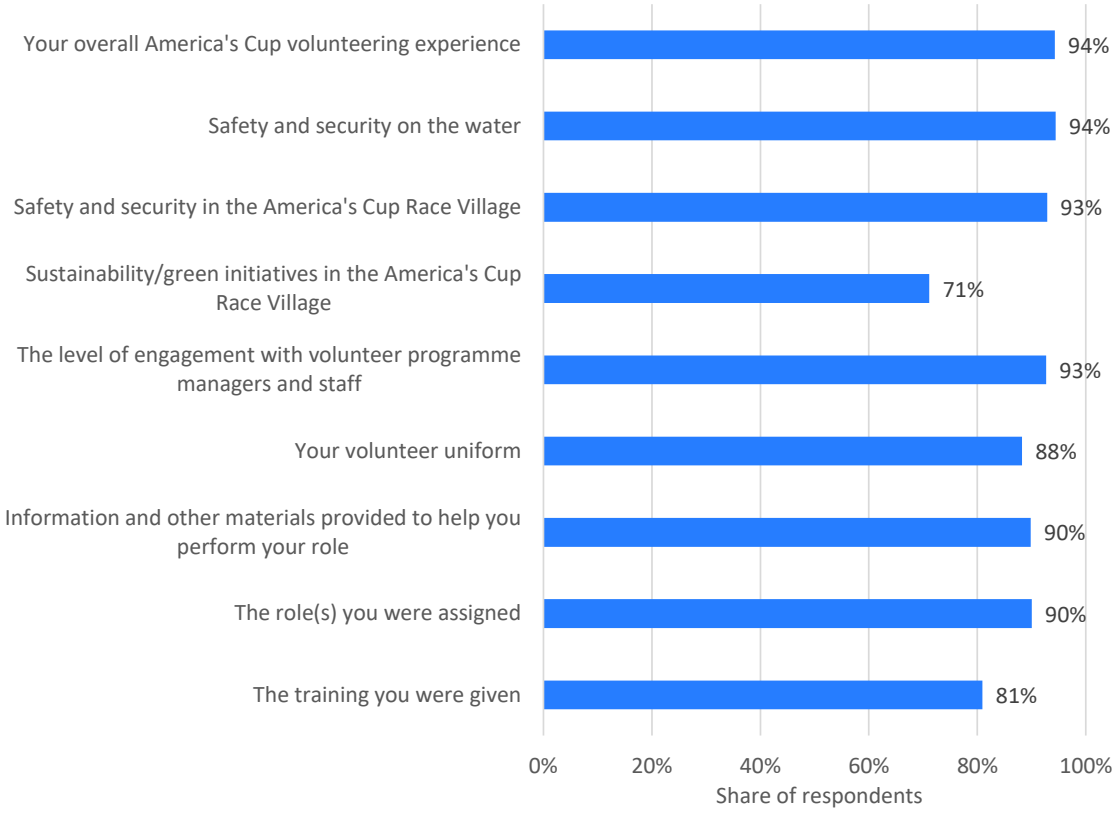
Overall satisfaction was very high, with 94% of respondents being satisfied or very satisfied with their overall AC36 volunteering experience. The components respondents were most satisfied with were:

- safety and security on the water (94%)
- safety and security in the America's Cup Village (93%)
- the level of engagement with volunteer programme managers and staff (93%).

The components respondents were least satisfied with were:

- sustainability/green initiatives in the AC36 Village (70%)
- the training they were given (81%).

Figure 11: Volunteer satisfaction with key elements of AC36
Source: Post-event survey of volunteers



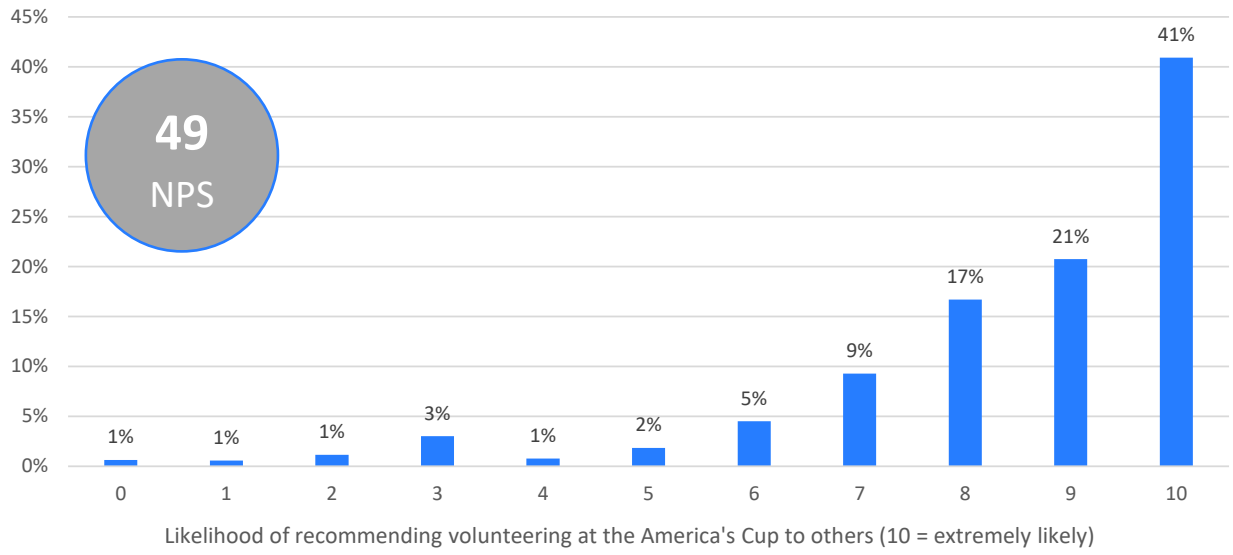
A question was included in the post-event survey of volunteers to calculate a Net Promoter Score (see definition of page 32). Respondents were asked on a scale of 0 – 10:

"How likely would you be to recommend volunteering at the America's Cup to other people?"

Those scoring 6 or less were classified as "Detractors", 7 or 8 as "Neutrals", and 9 or 10 as "Promoters". The Net Promoter Score of 49 was then calculated by subtracting the percentage of respondents who were Detractors (13%) from the percentage who were Promoters (62%).

A Net Promoter Score of 49 would be very good for a business (Apple's Net Promoter Score is 54 and Google's is 50), but there is insufficient benchmark data available to know whether this is a good score for a volunteer programme.

Figure 12: Likelihood of recommending volunteering at the America's Cup to others
Source: Post-event survey of volunteers



Impact on volunteer civic pride and liveability

Questions were included in the post-event survey of volunteers to assess the impact of hosting AC36 on their civic pride and liveability. Respondents were asked how strongly they agreed with the statements presented in Table 30 below. The results showed that:

- 89% of volunteers living in Auckland reported that hosting AC36 increased their pride in Auckland and 81% thought it made Auckland a more enjoyable place to live.
- 92% of volunteers living elsewhere in New Zealand, reported that hosting AC36 increased their pride in New Zealand and 72% thought it made New Zealand a more enjoyable place to live.

These results are similar to the results reported in Section 3.5.1 for public attendees.

Table 30: Impact of hosting AC36 on volunteer pride and liveability
Source: Post-event survey of volunteers

Statements presented to Volunteer respondents	Share of Volunteer respondents who agreed or strongly agreed
Hosting the America's Cup increases my pride in Auckland (AKL residents)	89%
Hosting the America's Cup makes Auckland a more enjoyable place to live (AKL residents)	81%
Hosting the America's Cup increases my pride in NZ (domestic visitors)	92%
Hosting the America's Cup makes NZ a more enjoyable place to live (domestic visitors)	72%

Accessibility of volunteer programmes

Accessibility was an important consideration when designing the volunteer programmes, so a question was included in the post-event volunteer survey asking respondents:

"Do you have a long-term physical, mental, intellectual or sensory impairment/disability?"

Only 5% of respondents answered 'Yes' to this question. A follow-up question was then presented to these respondents asking them:

"Were your impairment/disability needs met as a volunteer?"

Around 81% of respondents who reported having a long-term physical, mental, intellectual or sensory impairment/disability said their needs were met as a volunteer.

Table 31: Accessibility of the volunteer programmes
Source: Post-event survey of volunteers

	Share of respondents
Share of respondents with a long-term physical, mental, intellectual, or sensory impairment/disability	5%
Share of respondents whose impairment/disability needs were met as a volunteer	81%

4 Impact on Auckland

This section presents data and commentary on the social, cultural, environmental, and economic impacts of AC36 on Auckland. It is intended to be as comprehensive as possible, subject to data constraints. The results presented in this section provide the building blocks for the cost-benefit analysis for Auckland presented in Section 6.

4.1 Event attendance by Auckland residents

One of the key drivers of the social benefit to Auckland of hosting AC36 is the level of in-person engagement Auckland residents had with the event. The purpose of this section is to identify the number of Auckland residents who engaged with the event as public attendees or volunteers and understand how much time and money these groups committed to AC36. This information informs the cost-benefit analysis (CBA) for Auckland in Section 6.

A total of 217,567 Auckland residents attended AC36 in person. This figure counts each attendee only once, even if they interacted with the event multiple times, and includes those involved in the event (ACE, ETNZ, COR and the three Challengers), volunteers, broadcast and media staff and public attendees.

The public attendee count of 216,470 includes people who visited the AC36 Village, watched a race live from a boat (charter or private) or watched a race live from a land-based viewing area.

Table 32: Count and composition of unique, Auckland resident AC36 attendees
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Auckland residents	Share
ACE and ETNZ	133	0.1%
COR and Challengers	67	0.0%
Volunteers	809	0.4%
Broadcast and media	88	0.0%
Public attendees	216,470	99.5%
TOTAL	**217,567**	**100.0%**

4.1.1 Auckland resident public attendees

Public attendees accounted for more than 99% of all Auckland-resident AC36 attendees and were therefore an important segment from an evaluation perspective. The long and multi-faceted nature of AC36 gave public attendees many opportunities to interact with the event. The post-event survey of public attendees showed that 75.4% of public attendees from Auckland visited the AC36 Village, 12.1% watched live racing from a charter boat, 24.3% watched live racing from a private boat and 30.1% watched live racing from a land-based viewing area. These percentages sum to well over 100% because some respondents interacted with the event through more than one touchpoint.

Table 33: AC36 touchpoints for Auckland resident public attendees
Source: ACV pedestrian counts, post-event survey of public attendees

	Number of unique public attendees	Share of unique public attendees
AC36 Village	163,300	75.4%
Charter boats	26,200	12.1%
Private boats	52,500	24.3%
On-land viewing areas	65,100	30.1%
Total public attendees	**216,470**	**100.0%**

The average time commitment to in-person AC36 experiences by Auckland residents was 20.4 hours across the entire event (between 17 December 2020 and 17 March 2021). This excludes time spent watching races on television or via live stream at home, at work, or at a bar etc.

This is a significant amount of time when scaled across the event population (4.42 million person hours), that had an estimated value of $45.8 million when combined with value-of-time[27] estimates provided by Waka Kotahi NZ Transport Agency. This is a critical data point for estimating the social value Auckland residents derived from attending AC36 because it is one of the costs that Auckland resident public attendees incurred to access the benefits of attending AC36.

Table 34: Time committed to in-person AC36 experiences by Auckland residents
Source: Post-event survey of public attendees

	Value
Average time commitment per Auckland resident attendee (hours)	20.4
Total time commitment by Auckland residents (hours)	4,424,709
Value-of-time commitment by Auckland residents ($m)	$45.8

Another critical data point for estimating social value is the amount of money Auckland resident public attendees spent on event-related goods and services. This was estimated by asking respondents in the post-event survey of public attendees:

- which event-related goods and services they spent money on
- how much money they spent on those goods and services
- how many people their reported expenditure covered (to avoid double-counting).

The methodology used to collect this information was consistent with the methodology used by MBIE to collect expenditure information from international visitors in its International Visitor Survey.

The results showed that Auckland residents spent around $57.8 million on event-related goods and services at an average of $267 per person. On-water spectatorship (charter boats and private spectator vessels) was the largest expense at $23 million, followed closely by food and drink at $21.2 million.

[27] Value-of-time estimates are used by economists to convert the time devoted to an activity into a monetary equivalent. This is based on the premise that the value of a person's time is equal to the opportunity cost (best alternative use) of that time.

Table 35: Spend on event-related goods and services by Auckland residents
Source: Post-event survey of public attendees, interviews with charter boat operators

	Spend ($m)	Average spend per person
Charter and private boat expenses	$23.0	$106
Food and drink	$21.2	$98
Transport	$3.8	$17
Merchandise	$9.1	$42
Other	$0.7	$3
TOTAL	**$57.8**	**$267**

The total value of the time and money invested in AC36 by Auckland resident public attendees was therefore $103.6 million. This comprises a value-of-time cost of $45.8 million and an event-related expenditure cost of $57.8 million. Collectively, these represent the costs that Auckland resident public attendees incurred to access the benefits of attending AC36.

4.1.2 Auckland resident volunteers

Volunteers played a critical role in the delivery of AC36, and more than 90% (809) of these people were Auckland residents. The average time commitment to volunteering by Auckland residents was 119 hours across the entire event (between 17 December 2020 and 17 March 2021). This is a significant amount of time when scaled across the volunteer population (96,338 person hours) that had an estimated value of around $1 million when combined with value-of-time estimates provided by Waka Kotahi NZ Transport Agency. This is a critical data point for estimating the social value Auckland residents derived from volunteering at AC36 because it is one of the costs that Auckland resident volunteers incurred to access the benefits of hosting AC36.

Volunteers were also asked how much money they spent on volunteering at AC36 using the same methodology applied to public attendees. The results showed that volunteers from Auckland spent around $80,000 on event-related goods and services at an average of just under $100 per person.

Table 36: Time committed to AC36 volunteering by Auckland residents
Source: Post-event survey of volunteers

	Value
Average time commitment per Auckland resident volunteer (hours)	119.0
Total time commitment by Auckland resident volunteers (hours)	96,338
Value-of-time commitment by Auckland resident volunteers ($m)	$1.00
Total spend by Auckland resident volunteers	$0.08
Average spend per Auckland resident volunteer	$99.6

The total value of the time and money invested in AC36 by Auckland resident volunteers was therefore $1.08 million. This comprises a value-of-time cost of $1 million and an event-related expenditure cost of $0.08 million. Collectively, these represent the costs that Auckland resident volunteers incurred to access the benefits of hosting AC36.

4.2 Tourism activity in Auckland attributable to AC36

One of the key drivers of the financial benefit to Auckland of hosting AC36 was the amount of additional tourism expenditure the event created. Estimating this required a detailed understanding of the domestic and international tourism activity created by AC36 in Auckland. The visitor activity created by AC36 was also an important input into the carbon production estimates in Section 4.4.

The purpose of this section is to identify the number, composition, and tourism behaviour of domestic and international visitors whose main reason for travelling to Auckland was attending AC36. This excludes domestic and international visitors who attended AC36 but were not attracted to Auckland by the event. The exclusion of these attendees means that the visitor numbers presented below are in some cases lower than the attendee estimates presented in Section 4.1.

The results of the tourism analysis showed that AC36 attracted 38,734 visitors to Auckland, comprising 37,130 domestic visitors and 1,604 international visitors. Around 98% of AC36 visitors were public attendees, and of these visitors, around 98% were domestic visitors. The number of international visitors was significantly lower than projected due to a lower-than-predicted number of Challengers and the COVID-19 border restrictions which prevented most non-essential visitors from entering New Zealand. The small number of international public attendees that did make it to the event appear to be long-staying visitors who were able to meet the necessary criteria for entry to New Zealand within the COVID-19 border restrictions.

It is important to note that some domestic visitors travelled to Auckland more than once to attend AC36. In such cases the visitor is only counted once (because it is the same visitor each time), but their visitor nights and expenditure are determined cumulatively across the duration of the event (total visitor nights and expenditure across all their visits).

Table 37 Number of people who visited Auckland to attend AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Domestic visitors	International visitors	TOTAL	Share
COR and Challengers	0	532	532	1.4%
Volunteers	63	0	63	0.2%
Broadcast and media	21	48	69	0.2%
Superyachts	0	273	273	0.7%
Public attendees	37,046	751	37,797	97.6%
TOTAL	**37,130**	**1,604**	**38,734**	**100.0%**
Share	95.9%	4.1%	100.0%	

Of the 38,734 people who visited Auckland to attend AC36, it is estimated that 30,819 (79.6%) stayed one or more nights in the region. The remaining 20.4% made day trips, predominantly from the adjacent regions of Northland and Waikato. This day tripping behaviour was primarily observed among public attendees.

Table 38: Number of people who stayed overnight in Auckland to attend AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Domestic visitors	International visitors	TOTAL	Share
COR and Challengers	0	532	532	1.7%
Volunteers	52	0	52	0.2%
Broadcast and media	16	48	64	0.2%
Superyachts	0	273	273	0.9%
Public attendees	29,148	751	29,899	97.0%
TOTAL	**29,215**	**1,604**	**30,819**	**100.0%**
Share	94.8%	5.2%	100.0%	

The 30,819 people who stayed overnight in Auckland to attend AC36 generated 377,765 visitor nights in the region. A visitor night is equivalent to one person staying one night in Auckland in any form of private or commercial accommodation.

It is important to note that while the 'COR and Challengers' attendee group only accounted for 1.7% of visiting event attendees, it generated 31.2% of all visitor nights. This is due to the long length of stay, because of the duration of the event, relative to other attendee groups.

Table 39: Number of visitor nights spent in Auckland to attend AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Domestic visitors	International visitors	TOTAL	Share
COR and Challengers	0	117,944	117,944	31.2%
Volunteers	989	0	989	0.3%
Broadcast and media	158	3,959	4,117	1.1%
Superyachts	0	29,273	29,273	7.7%
Public attendees	207,034	18,409	225,443	59.7%
TOTAL	**208,180**	**169,585**	**377,765**	**100.0%**
Share	55.1%	44.9%	100.0%	

On average, the 30,819 people who stayed overnight in Auckland to attend AC36 spent an average of 12.3 nights in Auckland. However, there was wide variance in average length of stay across attendee groups with attendees from the 'COR and Challengers' segment staying the longest at 221.7 nights – compared with only 7.5 nights for public attendees.

Table 40: Average length of stay in Auckland per overnight visitor (nights)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Domestic visitors	International visitors	TOTAL
COR and Challengers	0.0	221.7	221.7
Volunteers	19.2	0.0	19.2
Broadcast and media	10.0	82.5	64.6
Superyachts	0.0	107.2	107.2
Public attendees	7.1	24.5	7.5
TOTAL	**7.1**	**105.7**	**12.3**

Questions were included in the post-event surveys of public attendees and volunteers to assess the impact of hosting AC36 on visitor perceptions of Auckland as a place to live, visit and work. Respondents were asked how strongly they agreed with the statements presented in Table 41 below. The results showed that:

- 39% of visiting AC36 attendees agreed or strongly agreed that attending AC36 improved their perception of Auckland as a place to live.
- 70% of visiting AC36 attendees agreed or strongly agreed that attending AC36 improved their perception of Auckland as a place to visit.
- 28% of visiting AC36 attendees agreed or strongly agreed that attending AC36 improved their perception of Auckland as a place to do business.

Table 41: Impact of hosting AC36 on visitor perceptions
Source: Post-event surveys of public attendees and volunteers

Statements presented to respondents	Share of respondents who agreed or strongly agreed
Attending AC36 has improved my perception of Auckland as a place to live	39%
Attending AC36 has improved my perception of Auckland as a place to visit	70%
Attending AC36 has improved my perception of Auckland as a place to do business	28%

4.3 Additional expenditure in Auckland attributable to AC36

This section estimates the amount of additional expenditure that occurred in Auckland due to the hosting of AC36. Expenditure by Auckland residents and businesses is not considered to be additional unless there is a high likelihood it would have been spent outside Auckland in the absence of the event.

Additional expenditure was generated in Auckland through three main channels:

1. The additional expenditure in Auckland arising from the Crown's investment in the AC36, i.e., the hosting fee and supporting infrastructure, as well as independent AC36 work streams delivered by various central government agencies.
2. The operations of ACE and COR as entities that sourced income from elsewhere in New Zealand or overseas and spent it in Auckland to plan and deliver the event.
3. Business and personal expenditure in Auckland by visiting AC36 attendees. This includes expenditure on traditional tourism goods and services (accommodation, meals, transport, retail shopping etc) as well as expenditure on big-ticket items and/or goods and services that were of a business nature or not for personal consumption – particularly by the Challengers and visiting superyachts.

The first two channels (points 1 and 2 above) have been merged under the heading of 'Domestic event operations' due to funding overlaps (e.g., the hosting fee paid by government appears as an income item in ACE's accounts) and to preserve the confidentiality of the information provided by ACE and COR.

The estimates of additional expenditure in Auckland due to the hosting of AC36 are presented below.

4.3.1 Domestic event operations

Financial data provided by ACE and COR has been combined with expenditure data provided by local and central government agencies to construct the estimates in Table 42 below. These estimates show that $417.7 million was spent on the planning and delivery of AC36, with $367.6 million of this being spent in Auckland. All figures are expressed in net present value terms (2021 dollars).

Analysis of income sources shows that Auckland was the source of $278.8 million of the income required to fund this expenditure, so domestic event operations resulted in a net inflow of expenditure to Auckland of $88.8 million (the difference between what it contributed to income and what it received in expenditure).

Note that around 34% of central government's investment in AC36 has been allocated as a cost to Auckland, which is directly proportional to Auckland's share of national population. This reflects the fact that central government raises revenue from the general population to fund events like AC36.

Table 42: Additional expenditure in Auckland attributable to AC36 domestic event operations ($m)
Source: ACE, ETNZ, relevant central and local government agencies

	Auckland	Rest of New Zealand	Overseas	TOTAL
Source of domestic event operations income	$278.8	$94.9	$44.0	$417.7
Destination of domestic event operations expenditure	$367.6	$25.9	$24.1	$417.7
Net inflow/outflow	$88.8	-$68.9	-$19.9	$0.0

4.3.2 Visitors to Auckland

The other major source of financial benefit for Auckland was expenditure by visiting AC36 attendees. This encompasses a diverse range of AC36 stakeholders including COR, the three Challengers, volunteers, broadcast and media staff, superyachts, and public attendees. The expenditures of COR and the three Challengers have been combined to protect confidentiality.

Total expenditure in Auckland by visiting AC36 attendees was $195.8 million. This included $89.6 million on traditional tourism goods and services (accommodation, meals, transport, retail shopping etc) and $106.2 million on big-ticket items and/or goods and services that were of a business nature or not for personal consumption. COR and the three Challengers were the largest source of expenditure in Auckland at $99.8 million (51% of total expenditure by visiting attendees), followed by public attendees at $58.2 million (29.7%) and superyachts at $37.2 million (19%).

Table 43: Additional expenditure in Auckland by visiting AC36 attendees ($m)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Tourism goods and services	Non-tourism goods and services	TOTAL	Share
COR and Challengers[28]	$25.2	$74.5	$99.8	51.0%
Volunteers	$0.0	$0.0	$0.0	0.0%
Broadcast and media[29]	$0.6	$0.0	$0.6	0.3%
Superyachts	$5.5	$31.7	$37.2	19.0%
Public attendees	$58.2	$0.0	$58.2	29.7%
TOTAL	**$89.6**	**$106.2**	**$195.8**	**100.0%**
Share	45.7%	54.3%	100.0%	

Further analysis was able to be conducted on the expenditure of public attendees in Auckland due to the granularity of the data captured in the post-event survey of this attendee group. The results of this analysis showed that on-water spectatorship (charter boats and private spectator vessels) was the largest expenditure category at $19.1 million, followed by accommodation at $11.4 million and food and drink at $11 million.

[28] This excludes COR's investment in event planning and delivery, which is counted in domestic event operations in Section 4.3.1.
[29] This excludes expenditure by television production company Circle-O, which is counted in domestic event operations in Section 4.3.1 (Circle-O was commissioned and paid by ACE and COR).

Table 44: Spend in Auckland by visiting AC36 public attendees
Source: ACV pedestrian counts, post-event survey of public attendees

	Spend ($m)	Average spend per person ($)	Average spend per visitor night ($)
Charter and private boat expenses[30]	$19.1	$506	$85
Accommodation	$11.4	$301	$50
Food and drink	$11.0	$292	$49
Transport and fuel	$3.7	$99	$17
Retail shopping	$8.0	$212	$35
Merchandise	$3.2	$84	$14
Attractions and activities	$1.2	$32	$5
Other	$0.6	$16	$3
TOTAL	**$58.2**	**$1,540**	**$258**

4.4 Impact on Auckland's environment

This section presents indicators of the environmental impact of hosting AC36 in Auckland – including the amount and value of additional carbon emissions produced, the amount of electricity used in the AC36 Village, the amount of waste created in the AC36 Village, impacts on water quality, and how the event was used as a platform to raise awareness of important environmental issues.

4.4.1 Carbon emissions production

An unintended consequence of a major event like AC36 is the production of additional greenhouse gases through the travel, tourism, and operational activity they create. Research was conducted to measure the volume and monetary value of additional greenhouse gases caused by AC36 so they could be included in the cost-benefit analysis in Section 6.

Carbon dioxide (CO2) is the most prevalent greenhouse gas after water vapour and has therefore become the proxy measure for greenhouse gas emissions. However, CO2 is only one of many greenhouse gases that are emitted when humans undertake certain activities.[31] To consider the emission of other greenhouse gases, scientists have developed a measure called carbon dioxide equivalent, or CO2e. CO2e allows other greenhouse gas emissions to be expressed in terms of CO2, based on their relative global warming potential (GWP) e.g., CO2 has a GWP of 1 and methane has a GWP of approximately 25.

Some would argue that the cost of greenhouse gas emissions is already fully internalised in the prices paid for goods and services in New Zealand, because there is a market price for carbon established through the emissions trading scheme. At the time of writing, the cost of one tonne of carbon was around $37. However, research conducted by Auckland Council[32] indicates that $37 per tonne is insufficient to cover the true long-term cost of a tonne of emissions, and that a figure of around $90 per tonne is more realistic. This suggests that each additional tonne of carbon produced by AC36 imposed $53 of detriment on society (the true cost of $90

[30] This includes charter boats paid for directly by public attendees, charter boats paid for by someone else (e.g., a business), and the costs associated with privately owned and operated spectator vessels.
[31] Other greenhouse gases are methane, nitrous oxide, and ozone – all of which occur naturally in the atmosphere.
[32] Based on a review of several international studies conducted by Auckland Council's Chief Economist.

less the price paid of $37). This figure was used to estimate the unpriced cost of additional carbon produced by AC36.

It is important to note that the impacts of carbon production are not confined to the geographies in which the carbon is produced, i.e., carbon produced within Auckland's geographic boundary has an impact beyond that boundary. The analysis therefore focused on estimating the total amount of additional CO2e produced by AC36 and allocating the entirety of this to both Auckland and New Zealand.

The volume of additional CO2e produced by AC36 was estimated in two stages:

1. Estimating the gross amount of CO2e produced by each attendee group in relation to AC36 based on various data sources including surveys, interviews, the Ministry for the Environment's (MfE's) emissions factors and general research. The approach involved translating specific event-related activities into relevant units (e.g., person kilometres travelled for transport-related activities, visitor nights for tourism-related activities, kWh of energy use etc) and then combining these with MfE's emissions factors (estimates of CO2e produced per unit of various activities) to estimate the total amount of CO2e produced.
2. Estimating the percentage of gross CO2e that can be considered 'additional', to avoid attributing emissions to AC36 that would have been produced anyway. There was no scientific way of doing this so reasonable assumptions were applied.

The results of the analysis show that AC36 attendees produced around 39,837 tonnes of CO2e across four activities:

- Event operations – the emissions created by the activities required to deliver the on-land and on-water components of the event.
- Transport to/from New Zealand – the emissions created by the transportation of people and equipment to and from New Zealand.
- Transport within New Zealand – the emissions created by the transportation of people and equipment within New Zealand, including transport to and from Auckland, transport within Auckland and spectator boats.
- Other activity – mainly the emissions created by AC36-related tourism activity, e.g. accommodation, meals, entertainment etc.

Transport to/from New Zealand was the largest source of CO2e due to the emissions caused by long-haul air travel and superyachts.

Of the 39,837 tonnes of CO2e produced by AC36 attendees, it is estimated that 72% or 28,484 tonnes can be directly attributed to AC36. It is assumed that the remaining 28% would have been produced by AC36 attendees anyway through the everyday activities they would have undertaken had they not attended AC36 e.g. 'normal' living and tourism activities.

Applying the unpriced cost of CO2e of $53 per tonne, results in a total cost attributable to AC36 of $1.51 million. This figure is included in the cost-benefit analysis in Section 6.

Table 45: Production of CO2e by AC36 attendees
Source: Surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews, general research

	Tonnes of CO2e produced by AC36 attendees	Share of CO2e that is incremental	Tonnes of CO2e attributable to AC36	Cost per tonne of CO2e (unpriced)	Cost of CO2e attributable to AC36 ($m)
Event operations	225	100%	225	$53	$0.01
Transport to/from NZ	18,619	100%	18,619	$53	$0.99
Transport within NZ	10,191	68%	6,939	$53	$0.37
Other	10,803	25%	2,701	$53	$0.14
TOTAL	**39,837**	**72%**	**28,484**	**$53**	**$1.51**

Segmenting carbon emissions by attendee group shows that public attendees, superyachts, and Challengers were the three largest sources of carbon emissions, collectively accounting for 98% of total carbon produced. This was mainly due to transport-related carbon emissions. The carbon emissions associated with superyachts were high due to the diesel consumption of engines and generators (a large superyacht can consume 500 – 900 litres of diesel per hour when the engines are running).

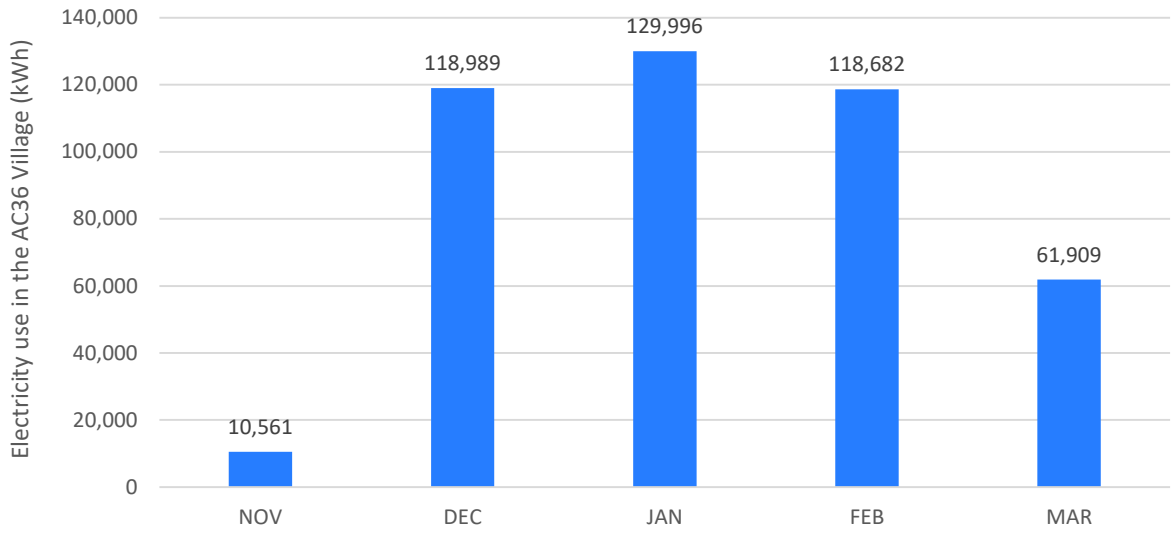
Table 46 Production of CO2e by AC36 attendee group
Source: Surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews, general research

Attendee group	Tonnes of CO2e produced by AC36 attendees	Share of CO2e that is attributable to AC36	Tonnes of CO2e attributable to AC36	Cost per tonne of CO2e (unpriced)	Cost of CO2e attributable to AC36 ($m)
ACE	44	96%	42	$53	$0.00
ETNZ	46	84%	38	$53	$0.00
COR	277	71%	195	$53	$0.01
Challengers	5,392	54%	2,915	$53	$0.15
Volunteers	83	48%	40	$53	$0.00
Broadcast and media	330	68%	224	$53	$0.01
Superyachts	14,841	95%	14,131	$53	$0.75
Public attendees	18,826	58%	10,898	$53	$0.58
TOTAL	**39,837**	**72%**	**28,484**	**$53**	**$1.51**

4.4.2 Electricity use in the AC36 Village

Statistics provided by Empire Electrical Services (via ACE) show that 440,136 kilowatt hours (kWh) of energy was consumed within the AC36 Village between November 2020 and March 2021. Usage peaked in January 2021 at 129,996 kWh, but remained close to that level in December and February. The carbon footprint of this energy use is included in the carbon production estimates in Section 4.4.1 above.

Figure 13: Electricity use in the AC36 Village
Source: Empire Electrical Services (via ACE)



4.4.3 Waste in the AC36 Village

Auckland Council requires all events to have a waste management and minimisation plan because it is expected that large events such as AC36 will generate an increase in waste.

ACE's expectation was that all food vendors in the AC36 Village would use compostable packaging, and that effective waste management on land (including education) would be key to reducing the chance of litter entering the marine environment directly or through the stormwater system.

Clean Event (the waste management company appointed by ACE) installed a three-bin collection system in the AC36 Village for three waste streams – general waste, recyclables, and compost/food waste.

Statistics provided by Clean Event show around 20.5 tonnes of waste being collected from the AC36 Village between 15 December 2020 and 17 March 2021. This excludes the pack-in and pack-out periods which typically generate additional waste.

Around 75% of this waste (15.3 tonnes) was diverted from landfill through waste management companies Visy (recycling), Envirofert (organics) and Reclaim (cardboard). The remaining 25% (5.18 tonnes) was sent to landfill. This is a very good result according to Auckland Council's Waste Solutions team.

The carbon footprint of this waste is included in the carbon production estimates in Section 4.4.1 above.

Table 47: Waste statistics for the AC36 Village (15 Dec 2020 – 17 Mar 2021)
Source: Clean Event (via ACE)

Waste stream	End destination	Weight (kg)	Share
Waste to landfill	Green Gorilla	5,180	25%
Recycling	Visy	8,500	42%
Organics	Envirofert	5,010	24%
Cardboard	Reclaim	1,780	9%
TOTAL	**TOTAL**	**20,470**	**100%**

4.4.4 Water quality

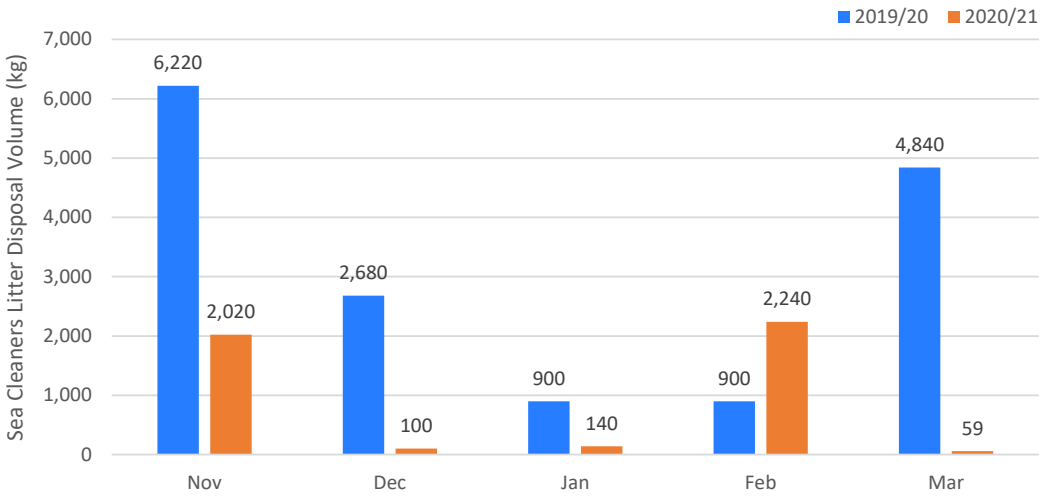
A full assessment of the impact of AC36 on water quality could not be conducted due to a lack of reliable and/or consistent data. However, some information on marine litter collection was provided by Sea Cleaners[33] which is an organisation contracted by Auckland Council to provide marine litter collection and education services in the Waitematā Harbour (including the area in and around the AC36 Village), the Hauraki Gulf, and the Manukau Harbour. This is a 'business-as-usual' service procured by Auckland Council, so the cost of marine litter collection during AC36 was not attributed to the event.

In addition to collecting marine litter during AC36, Sea Cleaners' vessels and staff were redirected by ACE to be on-water marshals on race days. This resulted in Sea Cleaners spending less days collecting marine litter than they would have in the absence of AC36.

Data provided by Auckland Council from transfer station records reveals that less marine litter was collected during the event period relative to the same months in the previous year, as shown in Figure 14 below. In aggregate, Sea Cleaners disposed of 15,540kg of litter between November 2019 and March 2020 compared with 4,559kg between November 2020 and March 2021. This could have been due to less litter entering the water as a result of initiatives undertaken by Auckland Council and ACE, or it could have been due to Sea Cleaners collecting less litter due to their vessel and staff resources being redirected to marshalling.

Anecdotal feedback from the manager of Viaduct Harbour Marina was that litter volumes in the Viaduct Harbour during AC36 were comparable to previous years (based on the volume of litter captured in sea bins located at three sites in the Viaduct Harbour).

Figure 14 Sea Cleaners litter disposal volumes in 2019/20 and 2020/21
Source: Sea Cleaners (via Auckland Council)



[33] Sea Cleaners is a not-for-profit organisation whose services include general clean-up activities on coastlines and in estuaries, marine litter collection, and partnerships with the community.

Other water quality initiatives associated with AC36 included:

- Sea Cleaners operating an education activation in the AC36 Village and ACE producing a video on Sea Cleaners which was posted on their social media channels, both of which are likely to have contributed to the environmental awareness results presented in Table 48.
- Sustainable Coastlines, an event partner in Auckland Unlimited's Summernova festival activations, running education stations at Maraetai Beach (one of which coincided with the use of Course E), public workshops on topics ranging from sustainable fashion to zero-waste cooking, and beach cleans-ups that resulted in the collection of an additional 4,750 litres of litter over the November to March period. The cost of Sustainable Coastlines' involvement in the Summernova festival is included in the local government costs in Table 23.
- The extension of the Daldy Street stormwater outfall during the AC36 construction phase. This has had a positive impact on water quality in the newly formed Jellicoe Harbour where the outfall previously discharged. However, overall water quality in the Waitematā Harbour has not been improved by the extension because the same volume of discharge has just been extended further into the harbour.

4.4.5 Environmental issues

A key objective agreed between ACE, Auckland Council, and MBIE during the event planning phase was the use of AC36 to raise awareness of important environmental issues affecting Auckland and New Zealand. This included educating event attendees about the impact of marine and island biosecurity risks and issues, and the inclusion of environmental sustainability messages in and around the event. Key initiatives delivered by the AC36 parties included:

- Biosecurity risk management and marine mammal protection initiatives delivered by ACE, as outlined in its Final Event Report[34]. This included provision of biosecurity information to operators of spectator vessels, promotion of awareness of marine mammals, and environmental messages displayed on screens in the AC36 Village (although this was eventually replaced with content relating to COVID-19).
- Investment in infrastructure and programmes by Auckland Council to protect the Hauraki Gulf and islands. This included new signage and cleaning stations at boat ramps and the CBD and Devonport ferry terminals, as well as a biosecurity enhancement programme run in conjunction with the Department of Conservation involving dog teams and ambassadors, students employed as biosecurity champions within the AC36 Village, and a Pest-Free Hauraki Gulf Islands digital summer campaign.
- Biosecurity information delivered to registered spectator vessels (via ACE), superyachts (via Eke Panuku), and the general public through messaging displayed on the official AC36 website (americascup.com) and the Hosts' microsite.

The effectiveness of these initiatives was evaluated through the inclusion of targeted questions in the public attendee and volunteer post-event surveys. The results of this research showed that:

- 25% of public attendees and 46% of volunteers recalled seeing messaging about island and biosecurity connected to the event. Around 60% of public attendees and volunteers who saw this messaging said it had improved their understanding of marine and island biosecurity issues.
- 25% of public attendees and 60% of volunteers recalled seeing messaging about environmental sustainability connected to the event. Around 60% of public attendees and volunteers who saw this messaging said they were likely to do more to protect the natural environment.

[34] *America's Cup Event Limited Final Event Report*.

Table 48: Awareness of environmental issues
Source: Post-event surveys of public attendees and volunteers

Share of respondents …	Public attendees	Volunteers
Who recalled seeing messages about marine and island biosecurity connected to the event	25%	n/a
Whose understanding of marine and island biosecurity issues improved due to the messages they saw	63%	n/a
Who recalled seeing messages about marine and island biosecurity in their training materials	n/a	46%
Whose understanding of marine and island biosecurity issues improved due to the messages in their training manuals	n/a	57%
Who recalled seeing messages about environmental sustainability connected to the event	25%	60%
Who are likely to do more to protect the natural environment because of the environmental messages they saw	56%	61%

4.5 Media exposure for Auckland

AC36 generated a significant amount of positive international media exposure for Auckland at a time when much of the world was being adversely impacted by COVID-19. Despite the America's Cup being a relatively niche event at a global level, and the small number of Challengers limiting engagement outside the United States, the United Kingdom and Italy, the audience for AC36 aligned well with New Zealand's target demographics and the broadcast content showcased some of Auckland's best attributes.

Determining the value of media exposure is inherently difficult because the true value depends on the long-term outcomes generated by the exposure. The traditional approach to media valuation involves estimating what it would cost to buy the same amount of coverage at retail prices using industry 'rate cards'. Multipliers are often applied to these rates based on the belief that 'earned' media is worth more than 'purchased' media (up to four times according to some practitioners). This approach, known as Equivalent Advertising Value (EAV), is convenient because it can be calculated in a transparent manner, but may not bear any resemblance to the actual outcomes delivered by the exposure because it is based on cost rather than benefit principles.

The media valuation methodology used in this evaluation involved estimating the expected future tourism benefits caused by the media exposure using a conversion-based approach, which considered:

- the markets that the media exposure occurred in
- the underlying probability of someone in that market visiting New Zealand (based on observed pre-COVID-19 visitation/population ratios)
- the value of an additional visitor from that market to New Zealand and the host region (based on MBIE expenditure statistics)
- the extent to which the media coverage showcased New Zealand and the host region
- the level of viewer engagement with the content.

This approach is based on sales funnel logic which maps the steps involved in winning a new customer. The diagram below shows the progression from 'awareness' at the top of the funnel through to 'action' at the bottom. In practice the top of the funnel (the number of people made aware of something) is generally much wider than the bottom of the funnel (the number of people who actually do something).

Figure 15: The sales funnel
Source: Mailmunch.com

The dedicated TV audience for AC36 was estimated by media monitoring agency Nielsen to be 68.2 million. This was around three times larger than the same audience for AC35. The dedicated TV audience includes those who watched live coverage, delayed coverage, or highlights of AC36 on TV or through AC36's digital channels – americascup.com, YouTube, and Facebook.

The high quality, visual impact, and excitement of the media content generated by AC36 is expected to have raised awareness of, and interest in, Auckland as a place to visit among this audience. This is likely to have the effect of growing visitation to Auckland in future years. Using the conversion-based model described above, the net benefit of this future visitation to Auckland is estimated to be $5.3 million when expressed in 2021-dollar terms. This represents the value of additional tourism expenditure in Auckland in the future caused by AC36 media exposure less the cost of the resources required to service the extra demand. This figure is included in the cost-benefit analysis in Section 6.

Table 49: Value of AC36 media exposure to Auckland
Source: ACE, Tourism New Zealand, Fresh Info Media Value Calculator

Market	Estimated audience (million)	Estimated value of media exposure to Auckland ($m)
New Zealand	3.0	$0.1
United States	19.8	$0.5
Italy	10.7	$1.0
United Kingdom	13.4	$0.9
Australia	3.9	$2.2
Rest of World	17.5	$0.5
TOTAL	**68.2**	**$5.3**

4.6 Avoided future costs for Auckland

The investment by Auckland Council and central government in infrastructure to support AC36 resulted in several planned projects being brought forward. The full cost of AC36 infrastructure is included in the cost-benefit analysis, so any offsetting benefits (avoided future costs) need to be estimated and included in the analysis. A line-item analysis of the construction register with Eke Panuku and Wynyard Edge Alliance revealed around $67 million of avoided future costs due to planned projects being brought forward. This includes:

- the cost of removing tanks and remediating land in Wynyard Quarter
- a share of the cost of the Hobson Wharf wave attenuation panels (the pre-AC36 design was cheaper to implement than the revised AC36 design)
- a share of the dredging costs
- a share of the Halsey Wharf costs
- a share of the Wynyard Wharf upgrade costs
- public amenities in Silo Park
- the extension of the CCTV network within the Viaduct/Wynyard Quarter area
- biosecurity signage and cleaning stations in the AC36 Village and Devonport.

The $67 million of avoided future cost is included in the cost-benefit analysis in Section 6.

4.7 Auckland resident non-attendees

Non-attendee benefits are benefits accruing to Auckland residents who did not attend AC36, but nevertheless derived value from the event being hosted in Auckland. The source of this value is personal and therefore difficult to define, but may include:

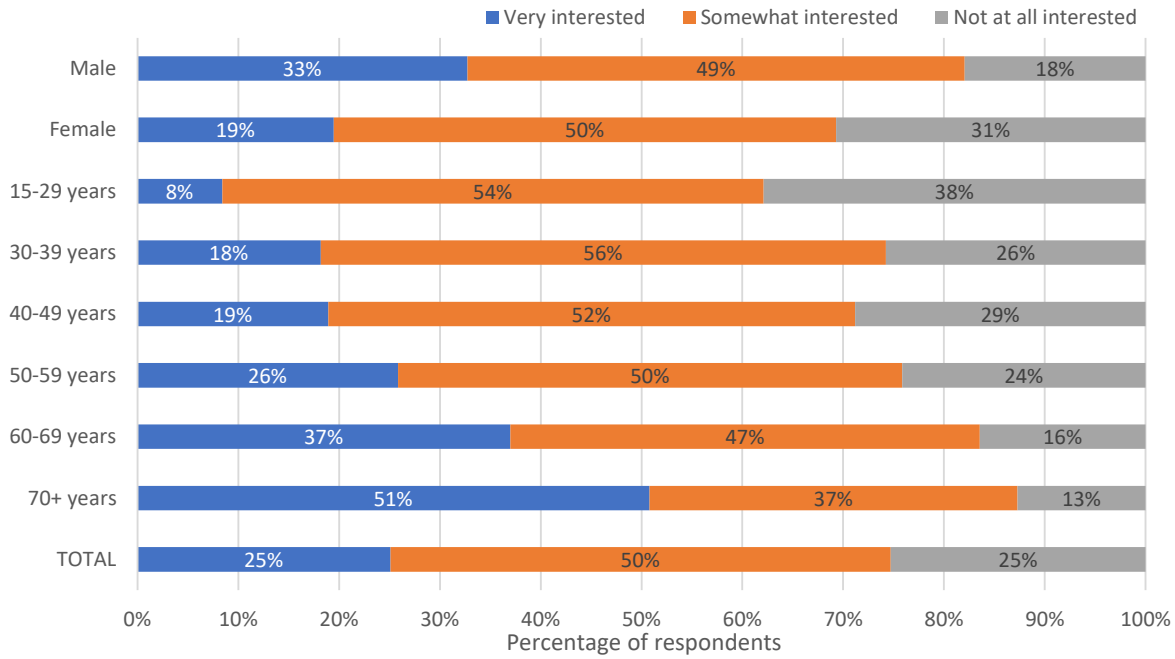
- Enjoying the general atmosphere/vibrancy created by AC36
- Knowing that people you care about had the ability to attend AC36, e.g. family and friends
- Deriving a financial benefit from AC36, e.g. as the owner of a business directly or indirectly impacted by the event
- Seeing familiar people and scenery in the TV coverage
- Knowing they could attend the event if they wanted to (option value)
- Just knowing and appreciating that AC36 is being held in Auckland (existence value).

A randomised online survey was conducted of 526 Auckland residents who did not attend AC36, to learn more about their interest in the America's Cup and the importance of it being hosted in New Zealand. The following questions were used to collect this information:

- *"How would you describe your level of interest in the America's Cup?"*
- *"Emirates Team New Zealand had the choice of hosting the 36th America's Cup in New Zealand or overseas. How important is it to you that they chose to host the America's Cup in New Zealand?"*

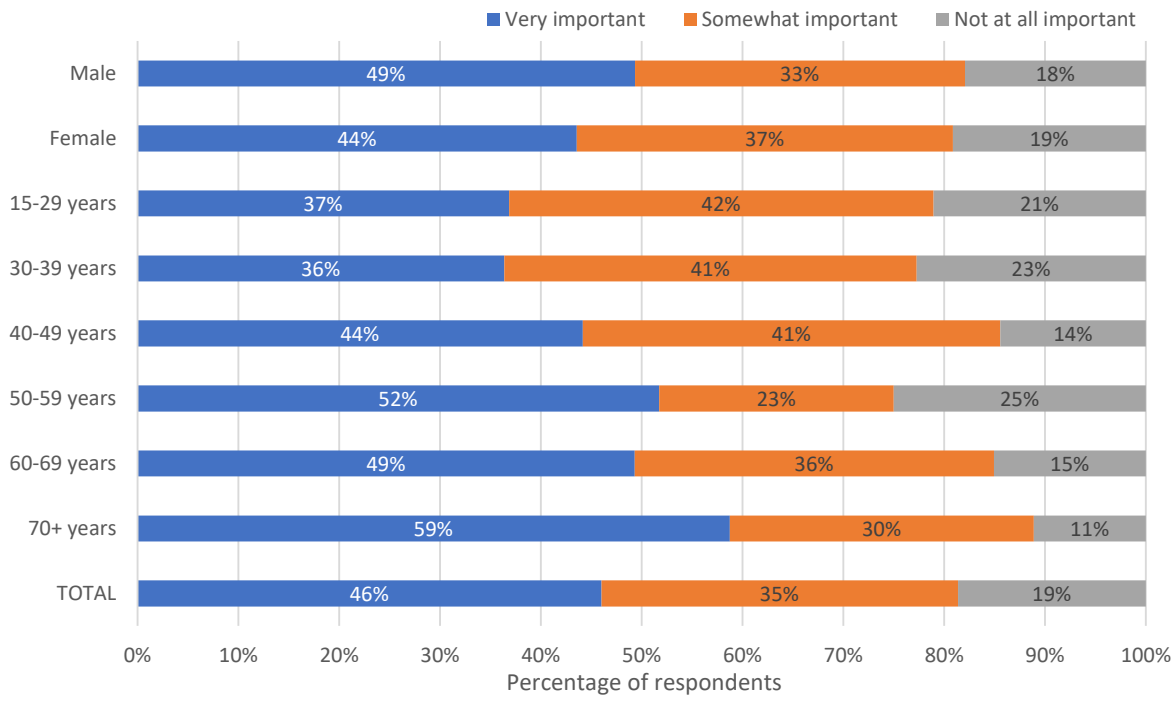
The results of this research showed that 25% of AC36 respondents were 'very interested' in the America's Cup, 50% were 'somewhat interested' and 25% were 'not at all interested'.

Figure 16: Level of public interest in the America's Cup among Auckland resident non-attendees
Source: Survey of AC36 non-attendees



The results also showed that around 46% of AC36 respondents thought it was 'very important' for ETNZ to host AC36 in New Zealand, 35% thought it was 'somewhat important' and 19% thought that it was not at all important.

Figure 17: Importance to Auckland resident non-attendees of hosting the America's Cup in New Zealand
Source: Survey of AC36 non-attendees



These results indicate that most Auckland residents who did not attend AC36 still retained some level of interest in the event and assigned a reasonable level of importance to ETNZ choosing to host the event in New Zealand. This provides strong evidence of an underlying value to some Auckland residents of hosting AC36, even though they did not attend the event. A third question was included in the survey of non-attendees to estimate this value:

- *"We are interested in understanding how much personal value you get from the America's Cup being hosted in New Zealand. This value may be driven by your ability to attend the event and/or the feeling of pride you get from knowing the event is being held in New Zealand. Please answer the following question to help us with this.* ***What is the maximum amount of money you would personally be willing to contribute to host a future America's Cup event in New Zealand?"***

The responses to this question were used to estimate the percentage of Auckland resident non-attendees that would be willing to pay something to host a future America's Cup in New Zealand, as well as the average amount of money those people would be willing to pay. The results showed that 561,752 Auckland resident non-attendees would be willing to pay an average of $41.6 each to host a future America's Cup in New Zealand, while the remaining 938,180 non-attendees would be willing to pay nothing. The total non-attendee value for Auckland residents was therefore estimated to be $23.4 million (561,752 x $41.6). This figure is included in the cost-benefit analysis in Section 6.

Table 50: Count of AC36 attendees and non-attendees
Source: Surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews, Statistics NZ

	Auckland	Rest of New Zealand	New Zealand
AC36 attendees	217,568	56,894	274,462
AC36 non-attendees	1,499,932	3,309,906	4,809,838
TOTAL	**1,717,500**	**3,366,800**	**5,084,300**

Table 51: Willingness to pay of Auckland resident non-attendees to keep the America's Cup in New Zealand
Source: Survey of AC36 non-attendees

	Number of Auckland residents	Average willingness to pay per resident	Total willingness to pay to keep the America's Cup in NZ ($m)
Willing to pay to keep the America's Cup in NZ	561,752	$41.6	$23.4
Not willing to pay to keep the America's Cup in NZ	938,180	$0.0	$0.0
Total AC36 non-attendees	**1,499,933**	**$0.0**	**$23.4**

4.8 Cultural outcomes

Having a strong Māori cultural theme running through AC36 was a shared objective between MBIE, Auckland Council, and mana whenua. This included all major touchpoints including the AC36 Village, public viewing areas, the Summernova events and festivals, and the media content delivered to domestic and international audiences. These initiatives were primarily funded by local government and are incorporated in the operational costs reported in Section 3.4.

A description of the mana whenua and Māori initiatives undertaken by iwi, Auckland Council, Auckland Unlimited, and ACE is provided in a separate report prepared by Auckland Council.

To evaluate the effectiveness of these initiatives, questions were included in the post-event surveys of public attendees and volunteers to determine (a) whether respondents felt there was a strong Māori cultural theme within the event; and (b) where they felt the Māori cultural theme was evident.

The survey results showed that 57% of attendees and 75% of volunteers felt there was a strong Māori cultural theme running through the event. The use of the place names Tāmaki Makaurau/Aotearoa across the event was the most noticed element across both groups (75% and 83% respectively), followed by the banners, signage and imagery around the AC36 Village (55% and 73% respectively). The opening ceremony and use of te reo in the television race commentary were also prominent in the minds of respondents.

Table 52: Awareness of Māori cultural themes within the event
Source: Post-event surveys of public attendees and volunteers

	Attendees	Volunteers
Share who felt there was a strong Māori cultural theme within the event	57%	75%
Where the use of te reo and other Māori cultural elements was noticed		
The opening ceremony	54%	69%
Banners, signage and imagery around the AC36 Village	55%	73%
The name of New Zealand House (Te Pou)	28%	59%
The use of Tāmaki Makaurau/Aotearoa	75%	83%
The use of te reo Māori and cultural imagery on the AC36 website	50%	60%
The marketplace in Silo Park	15%	33%
The training you received as part of the volunteer programme	n/a	79%
Public viewing areas e.g. North Head, Bastion Point	n/a	12%
Race commentary on TV	64%	50%
Other	19%	11%

4.9 Other monetised impacts on Auckland

Other monetised costs to Auckland not considered above include:

- the loss of income for Auckland Unlimited as a result of the Viaduct Events Centre (a commercial venue) being used by ETNZ.
- reinstatement costs incurred by Eke Panuku to enable fishing vessels to return to Halsey and North Wharves.

Discussions with Auckland Unlimited and Eke Panuku indicate that the combined value of these costs was in the order of $3.5 million. This figure is included in the cost-benefit analysis in Section 6.

Other monetised benefits to Auckland not considered above include:

- expected future earnings for Eke Panuku from superyacht berths that were built or upgraded for AC36 (discounted to 2021 dollars)
- cost savings for ETNZ due to not having to travel to a foreign location.

Discussions with relevant stakeholders indicate that the combined value of these benefits was in the order of $18.5 million. This figure is included in the cost-benefit analysis in Section 6.

4.10 Legacy benefits for Auckland of hosting AC36

Legacy benefits are long-term benefits that extend well beyond the event period. The legacy of AC36 was an important consideration for local and central government stakeholders during the due diligence and planning phases, particularly in relation to the infrastructure development in and around the Viaduct. Potential legacy benefits identified by Auckland Council during the planning phase included:

- Environmental outcomes that build on the Wynyard Quarter's sustainable development framework, including water quality, low carbon and waste minimisation measures, as well as resilient design that recognises the challenges of climate change.
- Economic and social outcomes that enable all Aucklanders to enjoy the benefits of an international event, with activation across the city, and local training, employment and business opportunities.
- Māori outcomes as defined by Auckland Council's regional Mana Whenua Kaitiaki Forum (now known as the Tāmaki Makaurau Forum).
- Continuing the successful waterfront development and collaboration with private investors and business operators, and strengthening the operations and capacity of the marine, ferry and fishing industries.
- New and improved infrastructure that adds to the network of waterfront public spaces, enabling future water- and land-based events and informal activation, including:
    - a 74-metre extension of Hobson Wharf to create a new public space, with potential for marine and land-based events and activation
    - an extension of the waterfront pedestrian network around the Hobson and Halsey Wharves and breakwaters, allowing public access to the water's edge and views across the basin
    - new sheltered water space in the Outer Viaduct Harbour and Wynyard Wharf South water space to enable water-based events, both local and international
    - the upgrade to Wynyard Wharf and sea wall, with wharf infill spaces that can be temporarily used for public activation until the proposed Wynyard Point linear park can be developed.
- Creating urban environments that promote belonging and participation for visitors and citizens alike.

While it is still too early to confirm how effectively some of these objectives were met, the following observations can be made:

- There is evidence of long-term environmental benefits for Auckland from the hosting of AC36 through the following channels:
  - The extension of the Daldy Street stormwater outfall which was brought forward to align with the AC36 infrastructure programme. This has improved water quality in and around the new Jellicoe Harbour which lies between the Halsey, North, and Wynyard Wharves.
  - Greater awareness of environmental and biosecurity issues among AC36 public attendees and volunteers, as shown in Section 4.4.5.
  - The installation of fox-valve systems[35] in key locations to reduce the volume of pollutants entering the stormwater system.
- The economic and social outcomes of AC36 were largely confined to the event period (including the lead up to the event), although the positive media exposure is expected to result in an increase in inbound tourism expenditure in the future, as outlined in Section 4.5. An increase in berthing revenue is also expected from the superyacht berths that were developed or upgraded for AC36 (see Section 4.9). The positive experiences and memories associated with hosting AC36 can also be considered a legacy benefit.
- The evaluation of Māori outcomes is beyond the scope of this study, but our research indicates that 57% of attendees and 75% of volunteers felt there was a strong Māori cultural theme within the event (see Section 4.8).
- The infrastructure required to deliver AC36 was delivered on time and within budget, and Auckland Council's original objectives appear to have been met. The improvements to the Viaduct and Wynyard Quarter areas have created attractive public spaces for residents and visitors, while further improving the connectivity between land and sea. With the infrastructure now built and paid for, Auckland has the facilities required to host future America's Cup events and other local, domestic, and international marine events.

Other legacy benefits associated with hosting AC36 include (but may not be limited to):

- The role sailing on home waters may have played in ETNZ's successful defense of the America's Cup. Retaining the America's Cup has created the option for Auckland to host a future America's Cup event, subject to commercial negotiations.
- The increase in event delivery capacity and capability for the staff and volunteers involved in the event, as well as the various public and private-sector stakeholders. The successful delivery of AC36 under challenging circumstances has enhanced Auckland's reputation as a host city and positioned it well to attract and deliver future major events.
- Greater awareness of, and interest in, sailing as a recreational activity. Around 8% of respondents to the public attendee survey reported being inspired to try sailing due to their AC36 experience (see Figure 8). This could have potential long-term benefits for New Zealand at the high-performance sport level, as well as increasing participation at sailing clubs around the country.
- Education benefits delivered by Yachting New Zealand's new *Kōkōkaha – Powered by the Wind* programme for schools. This programme used the excitement around AC36 to inspire year 5 – 10 students to engage in science, technology, engineering and math (STEM) subjects and the marine environment.

[35] A fox-valve system is a stormwater/trade waste diversion system designed to divert washdown and/or first flush stormwater runoff to trade waste to prevent pollution of downstream waterbodies.

Kōkōkaha was made up of three sets of classroom-based learning experiences delivered by teachers at school. Each classroom set included four hands-on experiences to help students learn about the power of the wind:

When the wind blows

- Discovering wind: What is wind and why is it important?
- Which way: How to measure wind direction (design and build a wind vane)
- The need for speed: How to measure wind speed (design and build an anemometer)
- Wind and wave: The effect of wind on the sea.

A force to be reckoned with

- Tāwhirimātea is howling: Discovering the Māori atua of wind
- Wind again and again: Using wind to generate energy
- Wonders of wind turbines: How do wind turbines work?
- Why do sailors love the wind? How do sailors harness the power of the wind?
- How sailboats work.

Float your boat: How and why do boats float?

- Sail away: What are the parts of a sailboat and how do they work?
- Sail power: How do sails, wings and foils work?
- Sailing over time: How have sail boats changed over the years?

Students were then challenged to design a technology to harness the power of the wind which could be submitted to the Kōkōkaha website, and the winning designs received a school visit and sailing experience with members of the New Zealand Olympic sailing team. Around 14,000 students across 150 schools were involved in Yachting New Zealand's Kōkōkaha programme.

Most of these legacy benefits, including the social benefits of increased participation in sailing and the long-term benefits of greater STEM literacy, have not been monetised and are therefore included as non-monetised benefits in the cost-benefit analysis in Section 6.

5 Impact on New Zealand

This section presents data and commentary on the social, cultural, environmental, and economic impacts of AC36 on New Zealand. It is intended to be as comprehensive as possible, subject to data constraints. The results in this section provide the building blocks for the cost-benefit analysis for New Zealand presented in Section 6.

This section is intended to be read independently of Section 4 (Impact on Auckland) and therefore repeats some of the content in that section.

5.1 Event attendance by New Zealand residents

One of the key drivers of the social benefit to New Zealand of hosting AC36 is the level of in-person engagement New Zealand residents had with the event. Auckland residents are included in the definition of New Zealand residents.

The purpose of this section is to identify the number of New Zealand residents who engaged with the event as public attendees or volunteers and to understand how much time and money these groups committed to AC36. This is used to inform the cost-benefit analysis in Section 6.

A total of 274,471 New Zealand residents attended AC36 in person. This figure counts each attendee only once, even if they interacted with the event multiple times, and includes those involved in the event (ACE, ETNZ, COR and the three Challengers), volunteers, broadcast and media staff and public attendees.

The public attendee count of 273,278 includes people who visited the AC36 Village, watched a race live from a boat (charter or private) or watched a race live from a land-based viewing area.

Table 53: Count and composition of unique New Zealand resident AC36 attendees
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	New Zealand residents	Share
ACE and ETNZ	133	0.0%
COR and Challengers	67	0.0%
Volunteers	884	0.3%
Broadcast and media	109	0.0%
Public attendees	273,278	99.6%
TOTAL	**274,471**	**100.0%**

5.1.1 New Zealand resident public attendees

Public attendees accounted for more than 99% of all New Zealand resident AC36 attendees and were therefore an important segment from an evaluation perspective. The long and multi-faceted nature of AC36 gave public attendees many opportunities to interact with the event. The post-event survey of public attendees showed that 74% of public attendees from New Zealand visited the AC36 Village, 15.2% watched live racing from a charter boat, 24% watched live racing from a private boat, and 28.4% watched live racing from a land-based viewing area. These percentages sum to well over 100% because some respondents interacted with the event through more than one touchpoint.

Table 54: AC36 touchpoints for New Zealand resident public attendees
Source: ACV pedestrian counts, post-event survey of public attendees

	Number of unique public attendees	Share of unique public attendees
AC36 Village	206,700	74.0%
Charter boats	42,500	15.2%
Private boats	67,000	24.0%
On-land viewing areas	79,300	28.4%
Total public attendees	**279,280**	**100.0%**

The average time commitment to in-person AC36 experiences by New Zealand residents was 21.1 hours across the entire event (between 17 December 2020 and 17 March 2021). This excludes time spent watching races on television or via live stream at home, at work, at a bar etc.

This is a significant amount of time when scaled across the event population (5.78 million person hours) that had an estimated value of $59.8 million when combined with value-of-time estimates provided by Waka Kotahi NZ Transport Agency. This is a critical data point for estimating the social value New Zealand residents derived from attending AC36 because it is one of the costs that New Zealand resident public attendees incurred to access the benefits of attending AC36.

Table 55: Time committed to in-person AC36 experiences by New Zealand residents
Source: Post-event survey of public attendees

	Value
Average time commitment per New Zealand resident public attendee	21.1
Total time commitment by New Zealand resident public attendees	5,779,456
Value of time commitment by New Zealand resident public attendees ($m)	$59.8

Another critical data point for estimating social value is the amount of money New Zealand resident public attendees spent on event-related goods and services. This was estimated by asking respondents in the post-event survey of public attendees:

- which event-related goods and services they spent money on
- how much money they spent on those goods and services
- how many people their reported expenditure covered (to avoid double-counting).

The methodology used to collect this information was consistent with the methodology used by MBIE to collect expenditure information from international visitors in its International Visitor Survey.

The results showed that New Zealand residents spent around $119.6 million on event-related goods and services. This includes $57.8 million of expenditure by Auckland residents and $61.8 million of expenditure by other New Zealand residents who visited Auckland to attend AC36 in person. It is important to note that some of the AC36-related spend by non-Auckland residents occurred outside Auckland, e.g. domestic flights or purchases on the way to or from Auckland.

Table 56: Spend on event-related goods and services by New Zealand residents ($m)
Source: Post-event survey of public attendees, interviews with charter boat operators

	Spend by Auckland residents	Spend by other NZ residents	TOTAL
Charter and private boat expenses	$23.0	$19.0	$42.0
Accommodation	n/a	$11.2	$11.2
Food and drink	$21.2	$10.5	$31.7
Transport and fuel	$3.8	$8.8	$12.6
Retail shopping	n/a	$7.9	$7.9
Merchandise	$9.1	$2.8	$11.9
Attractions and activities	n/a	$1.0	$1.0
Other	$0.7	$0.6	$1.3
TOTAL	**$57.8**	**$61.8**	**$119.6**

The total value of the time and money invested in AC36 by New Zealand resident public attendees was therefore $179.4 million. This comprises a value-of-time cost of $59.8 million and an event-related expenditure cost of $119.6 million. Collectively these represent the costs that New Zealand resident public attendees incurred to access the benefits of attending AC36.

5.1.2 New Zealand resident volunteers

Volunteers played a critical role in the delivery of AC36, and over 99% (884) of these people were New Zealand residents. The average time commitment to volunteering by New Zealand residents was 120.1 hours across the entire event (between 17 December 2020 and 17 March 2021). This is a significant amount of time when scaled across the volunteer population (105,200 person hours) that had an estimated value of $1.1 million when combined with value-of-time estimates provided by Waka Kotahi NZ Transport Agency. This is a critical data point for estimating the social value New Zealand residents derived from volunteering at AC36 because it is one of the costs that Auckland resident volunteers incurred to access the benefits of hosting AC36.

Volunteers were also asked how much money they spent on volunteering at AC36 using the same methodology applied to public attendees. The results of our analysis show that volunteers from New Zealand spent around $0.16 million on event-related goods and services at an average of $176 per person.

Table 57: Time committed to AC36 volunteering by New Zealand residents
Source: Post-event survey of volunteers

	Value
Average time commitment per New Zealand resident volunteer (hours)	120.1
Total time commitment by New Zealand resident volunteers (hours)	106,178
Value of time commitment by New Zealand resident volunteers ($m)	$1.10
Total spend by New Zealand resident volunteers ($m)	$0.16
Average spend per New Zealand resident volunteer	$176

The total value of the time and money invested in AC36 by New Zealand resident volunteers was therefore $1.25 million. This comprises a value-of-time cost of $1.1 million and an event-related expenditure cost of $0.16 million. Collectively these represent the costs that New Zealand resident volunteers incurred to access the benefits of hosting AC36.

5.2 Tourism activity in New Zealand attributable to AC36

One of the key drivers of the financial benefit to New Zealand of hosting AC36 was the amount of additional tourism expenditure the event created. Estimating this required a detailed understanding of the international tourism activity created by AC36 in New Zealand. The visitor activity created by AC36 was also an important input into the carbon production estimates in Section 5.4.

The purpose of this section is to identify the number, composition, and tourism behaviour of international visitors whose main reason for travelling to New Zealand was attending AC36. This precludes international visitors who attended AC36, but were not attracted to New Zealand by the event. The exclusion of these attendees means that the visitor numbers presented below are in some cases lower than the attendee estimates presented in Section 5.1.

The results of the tourism analysis showed that AC36 attracted 1,604 international visitors to New Zealand. This is significantly lower than projected in 2017[36] due to a lower-than-predicted number of Challengers and the COVID-19 border restrictions which prevented most non-essential visitors from entering New Zealand. The small number of international public attendees that did make it to the event appear to be long-staying visitors who were able to meet the necessary criteria for entry to New Zealand.

The 1,604 international visitors attracted to New Zealand by AC36 generated 219,729 visitor nights at an average of 137 nights per visitor. However, there was wide variance in average length of stay across attendee groups with attendees from the 'COR & Challengers' segment staying the longest at around 243.8 nights compared with 64.3 nights for public attendees. A visitor night is equivalent to one person staying one night in New Zealand in any form of private or commercial accommodation.

Table 58: Number of people who visited New Zealand to attend AC36
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	International visitors	Visitor nights in New Zealand	Average nights in New Zealand per visitor
COR and Challengers	532	129,704	243.8
Broadcast and media	48	5,182	108.0
Superyachts	273	36,591	134.0
Public attendees	751	48,251	64.3
TOTAL	**1,604**	**219,729**	**137.0**

[36] M.E Consulting, 2017, *36th America's Cup: High Level Economic Assessment Evaluation.*

5.3 Additional expenditure in New Zealand attributable to AC36

This section estimates the amount of additional expenditure that occurred in New Zealand due to the hosting of AC36. Expenditure by New Zealand residents and businesses is not considered to be additional unless there is a high likelihood it would have been spent outside New Zealand in the absence of the event.

Additional expenditure was generated in New Zealand through two main channels:

1. The operations of ACE and COR as entities that sourced some of their income from overseas and spent it in New Zealand to plan and deliver the event.
2. Business and personal expenditure in New Zealand by international AC36 attendees. This includes expenditure on traditional tourism goods and services (accommodation, meals, transport, retail shopping etc) as well as expenditure on big-ticket items and/or goods and services that were of a business nature or not for personal consumption – particularly by the Challengers and visiting superyachts.

The first channel has been merged with local and central government investment in AC36 under the heading of 'Domestic event operations' due to funding overlaps (e.g. the hosting fee paid by government appears as an income item in ACE's accounts) and to preserve the confidentiality of the information provided by ACE and COR.

The estimates of additional expenditure in New Zealand due to the hosting of AC36 are presented below.

5.3.1 Domestic event operations

Financial data provided by ACE and COR have been combined with expenditure data provided by local and central government agencies to construct the estimates in Table 59 below. These estimates show that $417.7 million was spent on the planning and delivery of AC36, with $393.6 million of this being spent in New Zealand. All figures are expressed in net present value terms (2021 dollars).

Analysis of income sources shows that New Zealand was the source of $373.7 million of the income required to fund this expenditure, so domestic event operations resulted in a net inflow of expenditure to New Zealand of $19.9 million (the difference between what it contributed to income and what it received in expenditure).

Table 59: Additional expenditure in Auckland attributable to AC36 domestic event operations ($m)
Source: ACE, ETNZ, relevant central and local government agencies

	New Zealand	Overseas	TOTAL
Source of domestic event operations income	$373.7	$44.0	$417.7
Destination of domestic event operations expenditure	$393.6	$24.1	$417.7
Net inflow/outflow	$19.9	-$19.9	$0.0

5.3.2 International visitors

The other major source of financial benefit for New Zealand was expenditure by visiting AC36 attendees. This included COR, the three Challengers, broadcast and media staff, superyachts, and public attendees. The expenditures of COR and the three Challengers have been combined to protect confidentiality.

Total expenditure in New Zealand by international AC36 attendees was $149.5 million. This included $39.7 million on traditional tourism goods and services (accommodation, meals, transport, retail shopping etc) and $109.8 million on big-ticket items and/or goods and services that were of a business nature or not for personal consumption. COR and the three Challengers were the largest source of expenditure in New Zealand at $102.7 million (68.7% of total expenditure by visiting attendees), followed by superyachts at $42.1 million (28.2%).

Table 60: Additional expenditure in New Zealand by visiting AC36 attendees ($m)
Source: ACV pedestrian counts, surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews

	Tourism goods and services	Non-tourism goods and services	TOTAL	Share
COR and Challengers[37]	$28.2	$74.5	$102.7	68.7%
Broadcast and media[38]	$0.8	$0.0	$0.8	0.6%
Superyachts	$6.9	$35.2	$42.1	28.2%
Public attendees	$3.8	$0.0	$3.8	2.6%
TOTAL	**$39.7**	**$109.8**	**$149.5**	**100.0%**
Share	20.3%	56.1%	76.3%	

5.4 Impact on New Zealand's environment

The environmental impacts for New Zealand are the same as those for Auckland (see Section 4.4). The key results are:

- 28,484 tonnes of CO2e that can be attributed to AC36 with an estimated cost of $1.51 million.
- 20.5 tonnes of waste were collected from the AC36 Village between 15 December 2020 and 17 March 2021, around 25% of which was sent to landfill. The carbon footprint of this waste is included in the carbon emissions estimate in Section 4.4.1.
- 440,136 kWh of energy consumed within the AC36 Village between November 2020 and March 2021. The carbon footprint of this energy use is included in the carbon emissions estimate in Section 4.4.1.
- 25% of public attendees and 46% of volunteers recalled seeing messaging about island and biosecurity connected to the event. Around 60% of public attendees and volunteers who saw this messaging said it had improved their understanding of marine and island biosecurity issues.
- 25% of public attendees and 60% of volunteers recalled seeing messaging about environmental sustainability connected to the event. Around 60% of public attendees and volunteers who saw this messaging said they are likely to do more to protect the natural environment.
- There was no evidence of adverse impacts on water quality.

[37] This excludes COR's investment in event planning and delivery which is counted in domestic event operations in Section 5.3.1.
[38] This excludes expenditure by TV production company Circle-O which is counted in domestic event operations in Section 5.3.1 (Circle-O was commissioned and paid by ACE and COR).

5.5 Media exposure for New Zealand

The dedicated TV audience for AC36 was estimated by media monitoring agency Nielsen to be 68.2 million. This was around three times larger than the same audience for AC35. The dedicated TV audience includes those who watched live coverage, delayed coverage, or highlights of AC36 on TV or through AC36's digital channels – americascup.com, YouTube, and Facebook.

The high quality, visual impact, and excitement of the media content generated by AC36 is expected to have raised awareness of, and interest in, New Zealand as a place to visit among this audience. This is likely to have the effect of growing international visitation to New Zealand in future years. Using the conversion-based valuation model described in Section 4.5, the net benefit of this future visitation to New Zealand is estimated to be $11.1 million when expressed in 2021-dollar terms. This represents the additional tourism expenditure in New Zealand in the future caused by AC36 media exposure less the cost of the resources required to service the extra demand. This figure is included in the cost-benefit analysis in Section 6.

Table 61: Value of AC36 media exposure to New Zealand
Source: ACE, Tourism New Zealand, Fresh Info Media Value Calculator

Market	Estimated audience (million)	Estimated value of media exposure to New Zealand ($m)
New Zealand	3.0	$0.0
United States	19.8	$1.1
Italy	10.7	$2.4
United Kingdom	13.4	$2.0
Australia	3.9	$4.5
Rest of World	17.5	$1.1
TOTAL	**68.2**	**$11.1**

5.6 Avoided future costs for New Zealand

The avoided future costs for New Zealand are the same as those for Auckland ($67 million). More detail is provided in Section 4.6. The $67 million of avoided future cost is included in the cost-benefit analysis in Section 6.

5.7 New Zealand resident non-attendees

Non-attendee benefits are benefits accruing to New Zealand residents who did not attend AC36, but nevertheless derived value from the event being hosted in New Zealand. The source of this value is personal and therefore difficult to define, but may include:

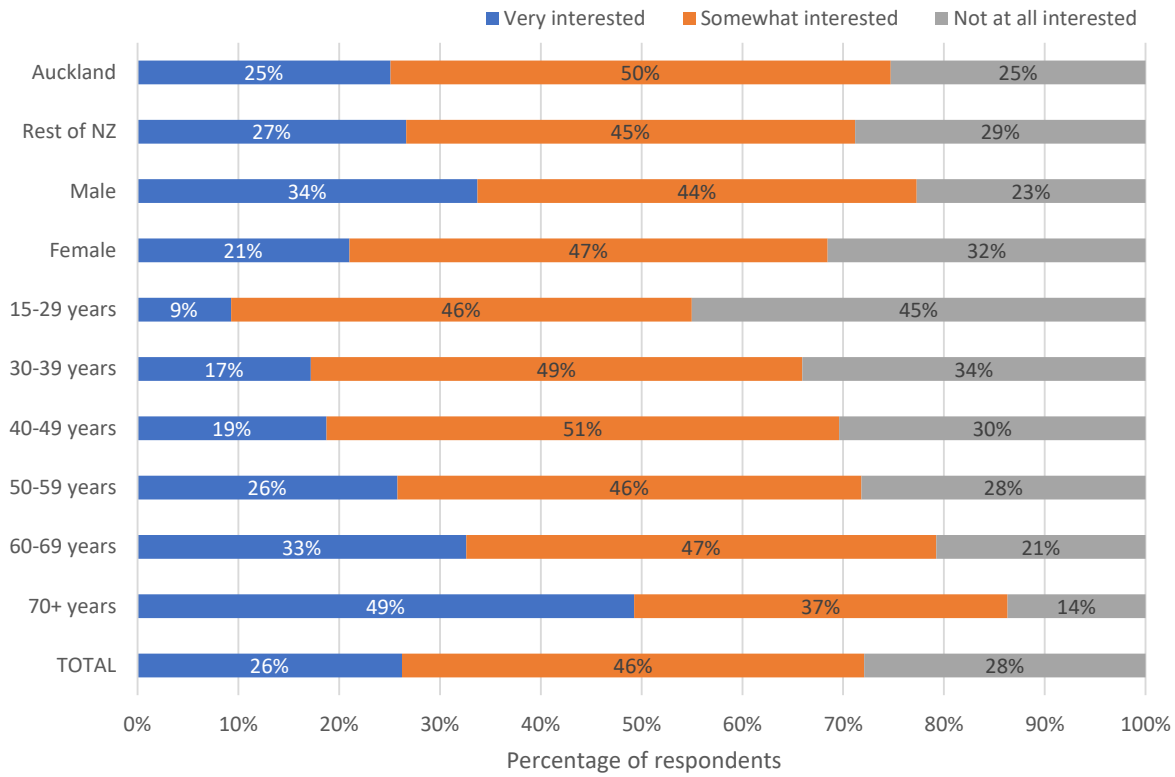
- enjoying the general atmosphere/vibrancy created by AC36
- knowing that people you care about had the ability to attend AC36, e.g. family and friends
- deriving a financial benefit from AC36, e.g. as the owner of a business directly or indirectly impacted by the event
- seeing familiar people and scenery in the TV coverage
- knowing they could attend the event if they wanted to (option value)
- just knowing and appreciating that AC36 is being held in Auckland (existence value).

A randomised online survey was conducted of 2,057 New Zealand residents (including 526 Auckland residents) who did not attend AC36 to learn more about their interest in the America's Cup and the importance of it being hosted in New Zealand. The following questions were used to collect this information:

- *"How would you describe your level of interest in the America's Cup?"*
- *"Emirates Team New Zealand had the choice of hosting the 36th America's Cup in New Zealand or overseas. How important is it to you that they chose to host the America's Cup in New Zealand?"*

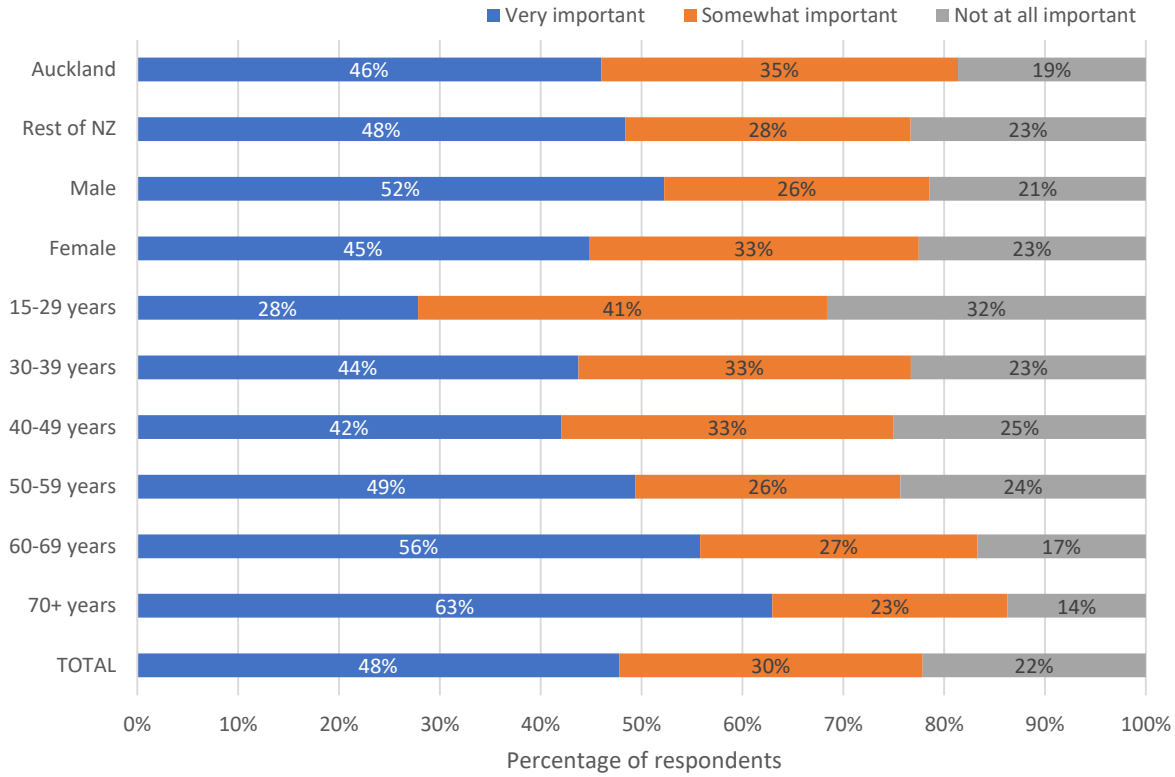
The results of this research showed that 26% of AC36 respondents were 'very interested' in the America's Cup, 46% were 'somewhat interested' and 28% were 'not at all interested'.

Figure 18: Level of public interest in the America's Cup among non-attendees
Source: Survey of AC36 non-attendees



The results also showed that around 48% of AC36 respondents thought it was 'very important' for ETNZ to host AC36 in New Zealand, 30% thought it was 'somewhat important' and 22% thought that it was not at all important.

Figure 19: Importance to non-attendees of keeping the America's Cup in New Zealand
Source: Survey of AC36 non-attendees



These results indicate that most New Zealand residents who did not attend AC36 still retained some level of interest in the event and assigned a reasonable level of importance to ETNZ choosing to host the event in New Zealand. This provides strong evidence of an underlying value to some New Zealand residents of hosting AC36, even though they did not attend the event. A third question was included in the survey of non-attendees to estimate this value:

- *"We are interested in understanding how much personal value you get from the America's Cup being hosted in New Zealand. This value may be driven by your ability to attend the event and/or the feeling of pride you get from knowing the event is being held in New Zealand. Please answer the following question to help us with this.* ***What is the maximum amount of money you would personally be willing to contribute to host a future America's Cup event in New Zealand?"***

The responses to this question allowed us to estimate the percentage of New Zealand resident non-attendees that would be willing to pay something to host a future America's Cup in New Zealand, as well as the average amount of money those people would be willing to pay. Combining these findings with previous results indicates that around 1.64 million New Zealand resident non-attendees would be willing to pay an average of $50.1 each to host a future America's Cup in New Zealand, while the remaining 3,170,952 non-attendees would be willing to pay nothing. The total non-attendee value for New Zealand residents is therefore estimated to be $82.2 million (1,638,885 x $50.1). This figure is included in the cost-benefit analysis in Section 6.

Table 62: Count of AC36 attendees and non-attendees
Source: Surveys of public attendees and volunteers, AC36 stakeholder surveys and interviews, Statistics NZ

	Auckland	Rest of New Zealand	New Zealand
AC36 attendees	217,568	56,894	274,462
AC36 non-attendees	1,499,932	3,309,906	4,809,838
TOTAL	**1,717,500**	**3,366,800**	**5,084,300**

Table 63: Willingness to pay of NZ resident non-attendees to keep the America's Cup in New Zealand
Source: Survey of AC36 non-attendees

	Number of New Zealand residents	Average willingness to pay per resident	Total willingness to pay to keep the America's Cup in NZ ($m)
Willing to pay to keep the America's Cup in NZ	1,638,885	$50.1	$82.2
Not willing to pay to keep the America's Cup in NZ	3,170,952	$0.0	$0.0
Total AC36 non-attendees	**4,809,838**	**$17.1**	**$82.2**

5.8 Cultural outcomes

The Māori outcomes for New Zealand are the same as those for Auckland. The key result is that 57% of public attendees and 75% of volunteers felt there was a strong Māori cultural theme within the event. More detail is provided in Section 4.8 and a range of other Māori outcomes were identified in a separate report prepared by Auckland Council.

5.9 Other monetised impacts on New Zealand

The other impacts for New Zealand are the same as those for Auckland (see Section 4.9). The key results are:

- $3.5 million cost due to the loss of Viaduct Events Centre income for Auckland Unlimited and wharf reinstatement costs incurred by Eke Panuku.
- $18.5 million benefit due to expected future earnings for Eke Panuku from superyacht berths that were built or upgraded for AC36, and cost savings for ETNZ due to not having to travel to a foreign location.

These figures are included in the cost-benefit analysis in Section 6.

5.10 Legacy benefits for New Zealand of hosting AC36

The legacy benefits for New Zealand are the same as those for Auckland (see Section 4.10). Most of these legacy benefits have not been monetised and are therefore included as non-monetised benefits in the cost-benefit analysis in Section 6.

6 Cost-benefit analysis

This section uses the results reported in previous sections to conduct cost-benefit analyses for Auckland and New Zealand. The cost-benefit analyses have been designed to estimate the value of the resources consumed by AC36, including opportunity costs when market prices are not available. Benefits have also been estimated at an overall level so that the gross benefit can be subtracted from the gross cost to reveal the net benefit. This approach ensures that the full cost of the event is considered while also producing an accurate benefit-cost ratio (gross benefit divided by gross cost). All costs and benefits presented in this section are expressed in net present value terms using Treasury's recommended discount rate of 5%.

6.1 Costs and benefits to Auckland

The analysis presented in this section focuses solely on costs and benefits to Auckland. It is therefore concerned exclusively with the welfare of Auckland businesses and consumers. Efforts have been made to monetise as many of the costs and benefits as possible to ensure that financial effects have the same standing as non-financial effects in the overall evaluation process. Material effects that have not been monetised are also noted in Section 6.3.

6.1.1 Monetised costs and benefits to Auckland

The **gross monetised cost** in the analysis represents the total value of financial and non-financial resources in Auckland that were consumed by AC36. This includes:

- 100% of local government investment in AC36 infrastructure and operating expenses. The resulting investment has been inflated by 20% to reflect deadweight loss, as per Treasury guidelines.
- Around 34% of central government investment in AC36 infrastructure and operating expenses. This is proportional to Auckland's share of national population, reflecting the fact that central government raises revenue from the general population to fund events like AC36. The resulting investment has been inflated by 20% to reflect deadweight loss, as per Treasury guidelines.
- Event attendee costs – the value of the time and money invested in the event by Auckland resident attendees.
- Business costs – the value of the resources required to service additional demand in Auckland caused by AC36.
- Carbon costs – the unpriced cost of the additional CO2e that can be attributed to AC36.
- Other costs – a range of relatively minor costs associated with AC36 such as the loss of income from converting the Viaduct Events Centre into ETNZ's base and the cost of returning some parts of the waterfront to "normal" use post event.

The **gross monetised benefit** in the analysis represents the total value that accrued to Auckland businesses and consumers due to the hosting AC36. This includes:

- Event attendee benefit – the gross social value accruing to Auckland resident event attendees, which is equivalent to the event attendee cost plus the consumer surplus derived from their investment of time and money.
- Business benefits – the value of additional business demand (revenue) for Auckland businesses caused by AC36.

- Media benefits – the value of the media exposure generated by AC36 to Auckland. This is based on the estimated value of future tourism flows caused by the exposure and therefore represents an "outcomes" driven value rather than a traditional "equivalent advertising value" (EAV).
- Non-user benefits – the gross social value accruing to Auckland resident non-attendees, delivered through option values, existence values, and national pride.
- Avoided future costs – the value of the planned infrastructure projects in Auckland that were brought forward because of AC36. These offset some of the government costs attributable to AC36.
- Other benefits – any other benefits of hosting AC36 not included elsewhere.

The cost-benefit analysis for Auckland has identified a gross monetised cost of $629.4 million and a gross monetised benefit of $537.8 million. The net monetised benefit is therefore **-$91.6 million** and the benefit-cost ratio (gross benefit divided by gross cost) is **0.85**. This means that every $1 of cost incurred by Auckland resulted in a benefit of $0.85 (a net loss of $0.15 per dollar). These results are summarised in Table 65 on the next page.

These costs and benefits can be divided into financial impacts (where the costs and benefits are represented by actual or expected financial transactions) and non-financial impacts (where the costs and benefits are unpriced or of a social, cultural, or environmental nature). This segmentation reveals a financial impact of **-$145.8 million** (benefit-cost ratio of **0.72**) and a non-financial impact of **$54.3 million** (benefit-cost ratio of **1.51**).

This is the first time that MBIE's cost-benefit framework has been applied to the America's Cup. The framework aims to evaluate, and where possible monetise, costs and benefits across the four capitals – social, cultural, environmental, and economic. It is not valid to compare the results of this evaluation with the pre-event evaluation for AC36, or previous evaluations of America's Cup events held in New Zealand, because these studies (a) used a different methodology called Economic Impact Assessment (EIA); and (b) focused primarily on financial outcomes.

However, given the high likelihood that comparisons will be made with previous studies despite this caveat, the most valid (but still imperfect) comparator with previous studies is the financial impact for Auckland reported in Table 64 i.e. a net benefit of **-$145.8 million** and a benefit-cost ratio of **0.72**.

Table 64: Summary of costs and benefits to Auckland (NPV $m, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

	Gross cost	Gross benefit	Net benefit	Benefit-cost ratio
Financial impact	$523.2	$377.3	-$145.8	0.72
Non-financial impact	$106.2	$160.5	$54.3	1.51
TOTAL	**$629.4**	**$537.8**	**-$91.6**	**0.85**

Table 65: Estimated costs and benefits to Auckland of hosting AC36 (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

Measure	Type	NPV $m	Description
Government costs	Financial	$277.4	Local government expenditure + ~34% of central government expenditure
Public funds costs	Financial	$55.5	Redistribution of public funds costs @ 20% as per Treasury guidelines
Event attendee costs	Non-financial	$104.7	Value of time and money devoted to AC36 by attendees
Business costs	Financial	$186.8	Value of the resources consumed by businesses to service the additional demand caused by AC36
Carbon costs	Non-financial	$1.5	Value of unpriced carbon production attributable to AC36
Other costs	Financial	$3.5	Other monetised costs (loss of VEC income, wharf remediation for fishing fleet)
Total cost		**$629.4**	**Total gross cost generated by AC36**
Event attendee benefits	Non-financial	$137.1	Social value to AC36 attendees (event attendee costs + estimated consumer surplus of 31%)
Business benefits	Financial	$286.5	Value of additional business demand (revenue) caused by AC36
Media benefits	Financial	$5.3	Value of media exposure generated by AC36 (based on estimated future value of tourism generated)
Non-user benefits	Non-financial	$23.4	Social value accruing to non-attendees (option value/existence value/national pride)
Avoided future costs	Financial	$67.0	Avoided future infrastructure costs due to projects being brought forward for AC36
Other benefits	Financial	$18.5	Other monetised benefits (cost savings for ETNZ, additional earnings from superyacht berth upgrades)
Total benefit		**$537.8**	**Total gross benefit generated by AC36**
Net benefit		**-$91.6**	**Total benefit less total cost**
Benefit-cost ratio		**0.85**	**Total benefit divided by total cost**

6.2 Costs and benefits to New Zealand (including Auckland)

The analysis presented in this section focuses on costs and benefits to New Zealand as a whole, including Auckland. It is therefore concerned with the welfare of businesses and consumers throughout New Zealand. Efforts have been made to monetise as many of the costs and benefits as possible to ensure that financial effects have the same standing as non-financial effects (social, cultural, and environmental) in the overall evaluation process. Material effects that have not been monetised are also noted in Section 6.3.

6.2.1 Monetised costs and benefits to New Zealand (including Auckland)

The **gross monetised cost** in the analysis represents the total value of financial and non-financial resources in New Zealand consumed by AC36. This includes:

- 100% of local government investment in AC36 infrastructure and operating expenses. The resulting investment has been inflated by 20% to reflect deadweight loss, as per Treasury guidelines.
- 100% of central government investment in AC36 infrastructure and operating expenses. The resulting investment has been inflated by 20% to reflect deadweight loss, as per Treasury guidelines.
- Event attendee cost – the value of the time and money invested in the event by New Zealand resident attendees.
- Business costs – the value of the resources required to service additional demand in New Zealand caused by AC36.
- Carbon cost – the unpriced cost of the additional CO2e that can be attributed to AC36.
- Other costs – a range of relatively minor costs associated with AC36 such as the loss of income from converting the Viaduct Events Centre into ETNZ's base and the cost of returning some parts of the Viaduct to "normal" use post event.

The **gross monetised benefit** in the analysis represents the total value that accrued to New Zealand businesses and consumers due to the hosting AC36. This includes:

- Event attendee benefit – the gross social value accruing to New Zealand resident event attendees, which is equivalent to the event attendee cost plus the consumer surplus derived from their investment of time and money.
- Business benefits – the value of additional business demand (revenue) for New Zealand businesses caused by AC36.
- Media benefits – the value of the media exposure generated by AC36 to New Zealand. This is based on the estimated value of future tourism flows caused by the exposure and therefore represents an "outcomes" driven value rather than a traditional "equivalent advertising value".
- Non-user benefits – the gross social value accruing to New Zealand resident non-attendees, delivered through option values, existence values, and national pride.
- Avoided future costs – the value of the planned infrastructure projects in Auckland that were brought forward because of AC36. These offset some of the government costs attributable to AC36.
- Other benefits – any other benefits of hosting AC36 not included elsewhere.

The cost-benefit analysis for New Zealand has identified a gross cost of $744.2 million and a gross benefit of $588.1 million. The net benefit is therefore **-$156.1 million** and the benefit-cost ratio (gross benefit divided by gross cost) is **0.79**. This means that every $1 of cost incurred by New Zealand resulted in a benefit of $0.79 (a net loss of $0.21 per dollar). These results are summarised in Table 67 on page 76.

These costs and benefits can be divided into financial impacts (where the costs and benefits are represented by actual or expected financial transactions) and non-financial impacts (where the costs and benefits are unpriced or of a social, cultural, or environmental nature). This segmentation reveals a financial impact of **-$292.7 million** (benefit-cost ratio of **0.48**) and a non-financial impact of **$136.6 million** (benefit-cost ratio of **1.75**).

This is the first time that MBIE's cost-benefit framework has been applied to the America's Cup. The framework aims to evaluate, and where possible monetise, costs and benefits across the four capitals – social, cultural, environmental, and economic. It is not valid to compare the results of this evaluation with the pre-event evaluation for AC36, or previous evaluations of America's Cup events held in New Zealand, because these studies (a) used a different methodology called Economic Impact Assessment (EIA); and (b) focused primarily on financial outcomes.

However, given the high likelihood that comparisons will be made with previous studies despite this caveat, the most valid (but still imperfect) comparator with previous studies is the financial impact for New Zealand reported in Table 66 i.e. a net benefit of **-$292.7 million** and a benefit-cost ratio of **0.48**.

The most relevant comparators for these figures in the original economic projection produced by Market Economics are the expected net benefits of between **-$2 million** and **+$76 million** and the expected benefit-cost ratios of between **0.997** and **1.14**.

Table 66: Summary of costs and benefits to New Zealand (NPV $m, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

	Gross cost	Gross benefit	Net benefit	Benefit-cost ratio
Financial impact	$562.0	$269.3	-$292.7	0.48
Non-financial impact	$182.2	$318.8	$136.6	1.75
TOTAL	**$744.2**	**$588.1**	**-$156.1**	**0.79**

Table 67: Estimated costs and benefits to New Zealand of hosting AC36 (NPV, 2021 dollars)
Source: All sources listed in Table 14 in Section 2.3

Measure	Type	NPV $m	Description
Government costs	Financial	$370.9	Total cost to central and local government
Public funds costs	Financial	$74.2	Redistribution of public funds cost @ 20% as per Treasury guidelines
Event attendee costs	Non-financial	$180.7	Value of time and money devoted to AC36 by attendees
Business costs	Financial	$113.3	Value of the resources consumed by businesses to service the additional demand caused by AC36
Carbon costs	Non-financial	$1.5	Value of unpriced carbon production attributable to AC36
Other costs	Financial	$3.5	Other monetised costs (loss of VEC income, wharf remediation for fishing fleet)
Total cost		**$744.2**	**Total gross cost generated by AC36**
Event attendee benefits	Non-financial	$236.6	Social value to AC36 attendees (event attendee costs + estimated consumer surplus of 31%)
Business benefits	Financial	$172.6	Value of additional business demand (revenue) caused by AC36
Media benefits	Financial	$11.1	Value of media exposure generated by AC36 (based on estimated future value of tourism generated)
Non-user benefits	Non-financial	$82.2	Social value accruing to non-attendees (option value/existence value/national pride)
Avoided future costs	Financial	$67.0	Avoided future infrastructure costs due to projects being brought forward for AC36
Other benefits	Financial	$18.5	Other monetised benefits (cost savings for ETNZ, additional earnings from superyacht berth upgrades)
Total benefit		**$588.1**	**Total gross benefit generated by AC36**
Net benefit		**-$156.1**	**Total benefit less total cost**
Benefit-cost ratio		**0.79**	**Total benefit divided by total cost**

6.3 Non-monetised costs and benefits

The following impacts are noted as non-monetised costs or benefits to Auckland and New Zealand of hosting AC36:

- Disruption costs caused by AC36-related capital works in and around the Viaduct Basin.
- The legacy benefits presented in Section 4.10 which include:
  - Long-term environmental benefits for Auckland and New Zealand due to the extension of the Daldy Street stormwater outfall and greater awareness of environmental and biosecurity issues.
  - Positive experiences and memories for Auckland and New Zealand residents associated with hosting AC36.
  - Positive Māori outcomes – 57% of attendees and 75% of volunteers felt there was a strong Māori cultural theme within the event.
  - Improvements to the Viaduct and Wynyard Quarter areas which have created attractive public spaces for residents and visitors, further improved the connectivity between land and sea, and provided facilities that can be used to host future major events.
  - The role sailing on home waters may have played in ETNZ's successful defence of the America's Cup, which has created the option for Auckland and New Zealand to host a future America's Cup event (subject to commercial negotiations).
  - The increase in event delivery capacity and capability for New Zealand staff and volunteers involved in the event, as well as the various public and private-sector stakeholders.
  - Greater awareness of, and interest in, sailing as a recreational activity among New Zealand residents – around 8% of respondents to the public attendee survey reported being inspired to try sailing due to their AC36 experience.
  - The educational outcomes delivered by Yachting New Zealand's *Kōkōkaha – Powered by the Wind* programme for schools.

7 Comments and conclusions

This evaluation has identified a net benefit to Auckland of hosting the 36th America's Cup (AC36) of **-$91.6 million** (benefit-cost ratio of **0.85**) and a net benefit to New Zealand (including Auckland) of **-$156.1 million** (benefit-cost ratio of **0.79)**. These figures are based on financial impacts (represented by actual or expected financial transactions) and non-financial impacts (unpriced social, cultural, or environmental effects).

Focusing solely on financial impacts reveals a net benefit of **-$145.8 million** (benefit-cost ratio of **0.72**) for Auckland and a net benefit of **-$292.7 million** (benefit-cost ratio of **0.48**) for New Zealand (including Auckland). The financial impacts are the most relevant comparators with previous America's Cup studies, including the original economic projection of the costs and benefits of hosting AC36 – which predicted a benefit-cost ratio for New Zealand of between **0.997** and **1.14**.

The net benefits presented in Section 6 are significantly lower than those presented in the original economic projection. Methodological differences between the pre-event evaluation and this evaluation explain some of the variance, but the two main drivers are:

1. **Lower-than-projected levels of expenditure by foreign entities and visitors** which resulted in lower overall benefits for Auckland and New Zealand. This was caused by two main factors:

    a. **Only having three Challengers rather than the projected eight that were included in the original economic projection.** The analysis conducted for this evaluation indicates that each Challenger spent around $30 million in New Zealand, on average, so an additional five Challengers would have injected around $150 million into the Auckland and New Zealand economies. Only 35% of this expenditure would be considered a "net benefit", so an additional five Challengers would have increased the net benefit by around $53 million.

    And while COVID-19 disrupted international travel at a critical time for the event, it is likely that international visitor numbers (including superyachts) would have been lower than projected in the absence of COVID-19 due to the lower-than-expected number of Challengers.

    b. **The impact of COVID-19 on international visitation.** Despite the lower-than-expected number of Challengers, there was a high level of interest in the event among international sailing enthusiasts and high-net-worth individuals. However, the border restrictions caused by COVID-19 prevented most of these people from visiting New Zealand.

    Superyacht berths were in high demand prior to COVID-19, and even with the stringent COVID-19 restrictions, 27 superyachts travelled to New Zealand for the event. It is likely that Auckland's superyacht berths would have been operating at capacity in the absence of COVID-19, as well as being primarily occupied by foreign-owned vessels paying premium berthage rates. Superyacht spending would therefore have been much higher than observed in the absence of COVID-19.

    More generally, the absence of international visitors in and around Auckland's CBD reduced the vibrancy and commercial success of the AC36 Village.

2. **Higher-than-projected public investment** which resulted in higher overall hosting costs for Auckland and New Zealand. The original economic projection was based on a $200 million investment by local and central government[39], while the actual investment was $348.4 million over four years (NPV of $370.9 million) plus the public funds cost of $74.2 million. This variance was mainly caused by planned capital projects being brought forward by Auckland Council to align with AC36 projects (to reduce future disruption and duplication of effort), the rescoping of some of these projects to meet America's Cup requirements, and the final cost incorporating operational and leverage expenses that were not included in the original economic projection (the original economic projection only included core AC36 infrastructure and the hosting fee).

These effects have combined to generate significant deficits for both Auckland (**-$91.6 million**) and New Zealand (**-$156.1 million**).

An interesting but somewhat academic question at this point is "under what conditions would the net benefits to Auckland and New Zealand have been positive?". Increasing international expenditure is the only viable way to address such large deficits, and it is estimated that around $262 million of additional expenditure would have been required to achieve a benefit-cost ratio of 1 for Auckland. This assumes that an additional $1 of expenditure by an international visitor generates $0.35 of "net benefit" for the Auckland economy.

Applying the same estimation process to New Zealand indicates that around $446 million of additional expenditure would have been required to achieve a benefit-cost ratio of 1 for New Zealand.

The circumstances surrounding AC36 could reasonably be considered a worst-case scenario from an economic perspective, because local and central government had to bear significant one-off infrastructure costs to enable the event to be hosted, and the benefits were much lower than projected due to the factors discussed above.

It is reasonable to expect the net benefit of hosting a future America's Cup to be materially higher if considered on a stand-alone basis for two main reasons:

- The enabling infrastructure has been built and paid for. A future evaluation is therefore likely to be based on lower levels of government investment than the AC36 evaluation.
- Higher levels of international visitation are likely as COVID-19 border restrictions ease. The benefits of hosting a future America's Cup are therefore expected to be higher than those observed for AC36.

[39] M.E Consulting, 2017, *36th America's Cup: High Level Economic Assessment Evaluation.*