



Summary Report: Value of Visiting Superyachts to New Zealand

In May 2014 members of the Destination New Zealand Superyacht Attraction Initiative group, including Auckland Tourism, Events and Economic Development (ATEED), New Zealand Trade and Enterprise (NZTE) and Tourism New Zealand (TNZ), commissioned the UK-based Superyacht Intelligence Agency to independently survey the superyachts that visited New Zealand in the 2013/2014 season (April 2013-March 2014). The goal of the survey was to ascertain the **net** economic impact to New Zealand within this season. This document is a summary of the results of this report.

For the purposes of this report a superyacht was defined as being of 24-metres and above. All figures in the report refer to visiting yachts, and not to new construction projects undertaken in New Zealand or to yachts permanently based in New Zealand.

Net economic impact is the direct contribution from purchase of New Zealand goods and services, employment and profits (after tax) by yachts, their owners and crew during their time in New Zealand. It excludes purchase of imported goods and services.

Overview:

- In the 2013/2014 season **37** superyachts, ranging between 24-metres and 112-metres visited New Zealand.
- These superyachts spent a combined total of 623 weeks in the country: 549 of these weeks were without owner/guests on board and 74 of these weeks were with guests on board.



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- On average each visiting yacht spent 16 weeks in the country. During their stay yachts had a permanent crew on board, with the owners/guests on board for an average of two weeks.

Key findings on the economic impact of visiting superyachts

Net economic impact to New Zealand of visiting superyachts: **\$39.5 million**

These figures show that the average visiting superyacht represents **\$1.067 million** net economic impact to New Zealand

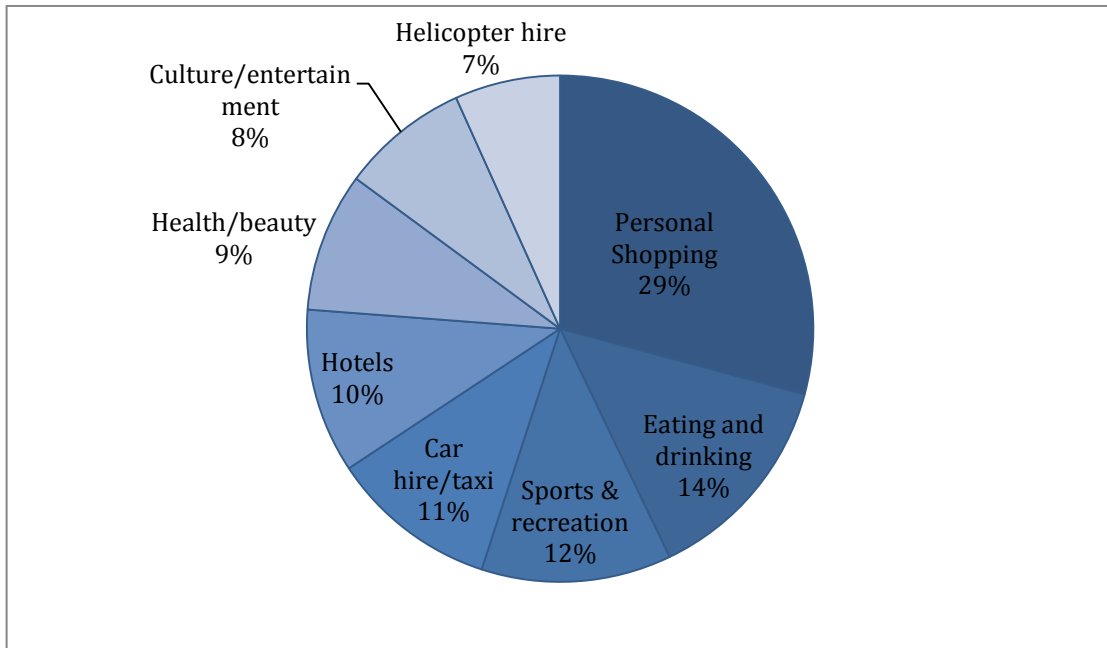
Of this \$39.5 million figure:

- **\$31.25 million** was spent in the marine services sector
- **\$8.25 million** was spent in the tourism sector:
 - o \$6.7 million was contributed by superyacht crew
 - o \$1.5 million was contributed by superyacht owners/guests (*not including one off-large spends by owners/guests that were undeclared)

Because superyacht crew are on board during the entirety of the yacht's stay in the country, during which time they spend consistently, their overall contribution to the New Zealand economy is actually higher than the contribution of superyacht owners/guests who usually spend a high amount in the small windows of time they are on their yacht.

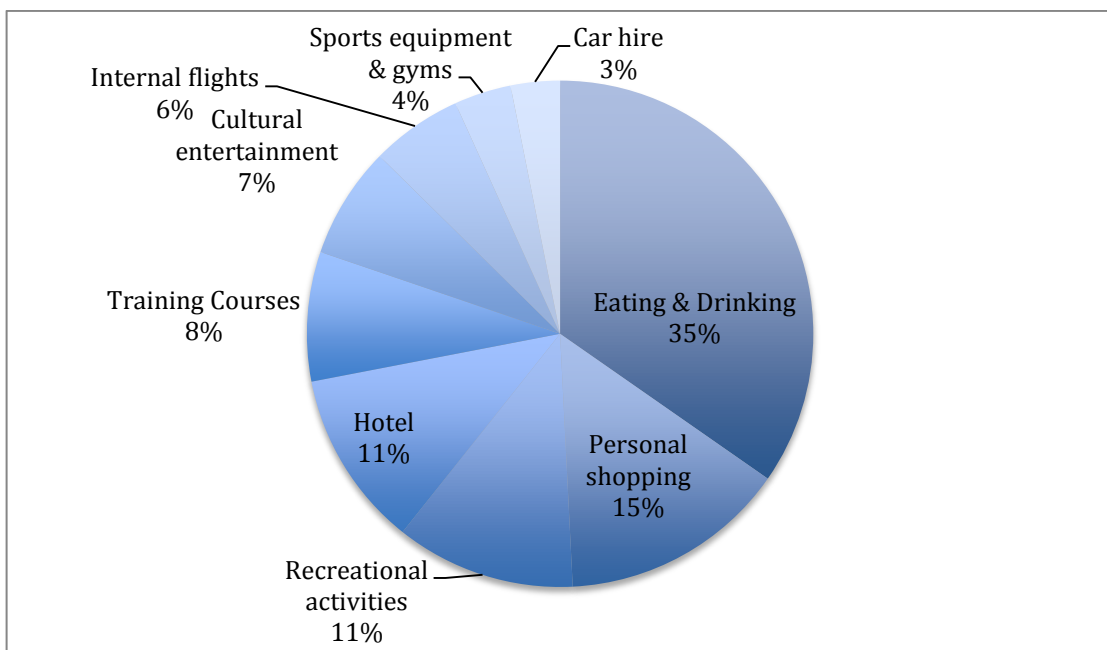
Breakdown of tourism spend

Note: Tourism contribution was classed as any recreational spend by crew or guests while visiting New Zealand.



GRAPH ONE: Breakdown of leading tourism contribution categories – superyacht owners/guests

Of the tourism contribution by superyacht crew in 2013/2014 eating and drinking onshore commanded the most (35%), followed by personal shopping (15%) and recreational activities (11%) – see Graph Two.



GRAPH TWO - Breakdown of tourism contribution categories – superyacht crew



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Auckland-specific economic impact

Visiting superyachts spend the largest amount of time in Auckland and the city therefore receives the greatest contribution. Approximately **\$29 million** of the \$39.5 million of net economic impact was captured in Auckland.

- **\$24.98 million** in the marine service sector in Auckland
- **\$4.31 million** on tourism in Auckland.

Most popular destinations throughout New Zealand

Auckland also proved the most popular destination for visiting superyacht crew who ranked the facilities and experiences the city had to offer highly. Crew visiting New Zealand in the 2013/2014 season were surveyed for their favourite destinations visited during their time in the country – including ports visited with the yacht and other locations visited in their own free time.

The resulting Top 10 destinations are ranked below by popularity:

1. Auckland
2. Waiheke Island
3. Great Barrier Island
4. Bay of Islands
5. Coromandel
6. Queenstown
7. Wellington
8. Taupo
9. Rotorua
10. Other



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Potential for the superyacht tourism/service sectors

There are 4,896 completed superyachts in the world, and New Zealand is currently attracting just 0.75% of the fleet. As such, there is significant potential for New Zealand to grow the number of superyachts visiting the country.

There are two main avenues to attract visiting superyachts: refit/service and tourism. Usually superyachts will visit a destination with one, if not both, in mind.

There is clear value to New Zealand from both avenues. As each superyacht ages, it either needs or is required to undertake survey or refit work, representing significant economic impact to the country where the refit is undertaken. In addition to lucrative refit or service contracts superyachts also contribute significant tourism economic impact from both their owners and their permanent crew.

With an additional 350 superyachts in build globally the potential to both New Zealand's marine service and tourism sectors only continues to grow. As yachts become more adventurous and more likely to visit destinations such as New Zealand it is crucial to ensure that superyacht infrastructure is invested in with the long-term picture in mind.

Growth models

The report identified the potential for New Zealand to grow economic contribution from visiting superyachts. There are three main avenues for growth:

- 1) Encouraging current numbers of visiting yachts to stay longer thereby spending more in the local economy
- 2) Increasing the number of visiting yachts by 10%.
- 3) Increasing the numbers of visiting yachts by 10%, with emphasis on attracting larger, higher-spending, yachts.



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Insight gained from examining these potential scenarios showed:

1. If all 37 superyachts that visited New Zealand in 2013-14 had stayed the entire season, with a minimum of four weeks of owner/guest tourism activity, this would have contributed an additional \$37M of net economic impact. Furthermore:
 - \$31M of this additional impact would be in marine services and \$6M in tourism services
 - To encourage longer stays investment into facilities to support crew would be prudent.
2. A 10% growth in the number of superyachts visiting New Zealand, with no change to fleet size, guest numbers and guest weeks, would contribute an additional \$4M of net economic impact. Furthermore:
 - Around \$3M of this additional impact would be spent on marine services and \$1M in tourism.
3. A 10% growth in the number of superyachts visiting New Zealand, with the growth specifically targeting the attraction of larger yachts of 80-metre+, would see an additional spend of \$63.6M.
 - \$61.7M of this additional net economic impact would be in marine services and \$1.9M in tourism services
 - This scenario would require New Zealand investing in infrastructure to accommodate seven more yachts of 80-metre+

An ideal goal would be a combination of all three growth scenarios: encouraging yachts to stay a full season in New Zealand, and growing numbers of yachts visiting the country with emphasis on larger yachts. Each scenario highlights that investment into growing the number of superyachts visiting New Zealand, and the time they spent here, will see significant financial return for New Zealand.



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Whichever scenario eventuates, to the extent that visiting yachts congregate in Auckland or other locations, growth in volume of visits will require investment in marine infrastructure for mooring, refit and other services, particularly if larger yachts are being targeted.

Average weekly yacht & crew spend

By surveying each yacht that visited New Zealand in 2013/2014 the report was able to produce a table that estimates the approximate economic impact of yachts by size category. This table can be used to calculate an approximate value of future visiting yachts.

Note: The survey showed that owners/guests are on board for approximately 12% of the time the average yacht spends in New Zealand.

Yacht Size	24-30m	30-40m	40-50m	50-60m	60-70m	70-80m	80m+
Average number of crew	4	5	8	12	17	22	35
Average weekly yacht spend NEI when guests on board	\$13,700	\$24,500	\$45,200	\$84,100	\$135,500	\$175,300	\$188,000
Average weekly yacht spend NEI when no guests on board	\$1,800	\$10,900	\$11,600	\$16,300	\$38,000	\$51,300	\$74,000
Average weekly yacht spend NEI in NZ*	\$3,175	\$12,470	\$15,475	\$24,125	\$49,250	\$65,610	\$87,155
Average annual yacht spend	\$165,000	\$648,400	\$804,800	\$1,254,400	\$2,561,000	\$3,411,600	\$4,532,000



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NEI in NZ*							
Average weekly tourism NEI by crew when guests on board	\$350	\$580	\$800	\$1,785	\$2,800	\$3,280	\$4000
Average weekly tourism NEI from crew when no guests on board	\$1,650	\$2,050	\$3,225	\$9,000	\$11,250	\$14,600	\$21,000
Average weekly tourism NEI from crew**	\$1,500	\$1,880	\$2,945	\$8,167	\$10,000	\$12,978	\$18,653
Average annual tourism NEI from crew in NZ**	\$78,000	\$97,780	\$153,150	\$424,710	\$520,300	\$674,880	\$970,000
Average weekly owner tourism NEI	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

NEI: Net economic impact

*Assuming owners are on board for 12% of the yachts stay. If owners are known to be staying longer, overall net economic contribution will be higher.

**Assuming owners are on board for 12% of the yachts stay. If owners are known to be staying longer, overall net economic contribution from crew will be lower.



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Turnover in refit/service sector from visiting superyachts

Parallel to this study, a survey on the turnover of the entire NZ marine industry, including the refit/service sector, was commissioned by the New Zealand Marine Industry Association and undertaken by Market Economics Ltd this year.

This survey states that total **turnover (foreign exchange earnings)** for the refit/service sector in the period to 31st March 2014 from **visiting superyachts to NZ was approximately \$129m**. In addition, \$16.6m turnover from smaller visiting yachts of less than 24metres in length was received providing for total marine industry refit/service sector turnover from visiting yachts of \$145.6 million. *(source Market Economics)*

The NZ Marine Industry Association refers to this sector as an export market that “floats to our shores”.