

## Forget magic figures for RWC, says researcher

July 21 2011

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Attempts to measure the success of the Rugby World Cup in dollar terms could be missing the point, according to a Massey University economics lecturer.

Dr Sam Richardson says the real value will be in the improved stadiums, better transport links and new networks that come with hosting an international sporting event.

He says the actual benefit from hosting it will come down to whether New Zealanders and the rest of the world perceive it has been successful.

Dr Richardson, who researched public spending on major [sporting events](#) for his PhD, says the \$507m to \$700m bandied about is a lofty and unrealistic figure.

His study of 11 major sporting events in New Zealand found only three had any significant positive effect on the local host economy's gross domestic product during the event itself – the 1999 Netball World Championship in Christchurch, the A1GP motor race in Taupo and the 2005 British and Irish Lions rugby tour.

“Maybe the Government shouldn't talk about [economic](#) impact,” he says. “I do not think we should be using economic impact as a justification for hosting sporting events. Maybe we should forget the magic figures and focus on the long-term benefits.”

Dr Richardson is sceptical of any argument that suggests we are going to get something tangible out of hosting events. “The bottom line is yes, we are going to bring in visitors, and yes, they will spend money. We also know that the taxpayer will pick up a sizeable chunk of what is expected to be a loss of around \$40 million.

“To justify this, what becomes more important is what New Zealanders think of the event, and our enjoyment. If anything it is the value of the ‘warm and fuzzies’ and our perceptions and experience of the event that is a more defensible measure of success.”

Dr Richardson, of the School of Economics and Finance at the Manawatu campus, says the benefits associated with participation might be a better rationale for wanting to host the events than purely economic impact.

“FIFA has selected New Zealand to host the 2015 Under-20 Men’s World Championship. As hosts we get the right to participate, which is huge for us, especially as it is something that can improve the quality of our football.”

He says research from the United States shows the real figure could be gained by moving the decimal point one place to the left.

“Based on the original figure, this would give us \$50.7 million – there is an element of truth to that view,” he says. “But we cannot confidently say it is going to bring in so many dollars. If we are justifying government spending on these numbers, it tends to become a creative accounting exercise.”

Provided by Massey University

Citation: Forget magic figures for RWC, says researcher (2011, July 21) retrieved 27 April 2024 from <https://phys.org/news/2011-07-magic-figures-rwc.html>

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