

Modelling event impacts

All organisations who subscribe to the economy.id package have the option of utilising the event impact tool to model the direct and flow-on impacts of hosting an event in their region.

This guide will take you through how to use the tool for modelling and also offer some tips for making your impact analysis results as reliable as possible.



Input example

A step-by-step guide to using the event impact calculator

- 1 Open the [economic profile](#) for your area
- 2 Under *Economic tools*, select the *Event impact calculator*

For many subscribers, a login will be required to access this feature. Contact your administrator for access. Not sure who your administrator is? [Get in touch with us here](#).

Account Information

User name

Password

Sign in

- 3 Once the calculator page is loaded, you can then enter some basic details about the event:
 - **The event name**
 - **Type of event** – is it an Arts/Cultural, Sports or Business event (this will affect the flow on outcomes as different industry events will have different supply chain impacts)
 - **Scale of event** – is it just a small local event or a state/nationally significant event which is likely to attract visitors from all over
 - **Start date and number of days/nights** (if date unknown, choose anything for indicative result)
- 4 The next two inputs are the most difficult and require some assumptions to be made
 - **Estimated attendance** – how many people visited. For a future event you could rely on case studies of historical ones. For a past event, there are a number of tools available utilising surveys, spectator counts, mobile phone data etc
 - **Estimated daily spend** – how much will visitors spend on average in the region at each day/or night. This requires an assumption of induced spending. Was the event the main reason for visitation, would local visitors have spent the money regardless? Surveys are best for getting an indication of this. If a local specific one is not available, Tourism research Australia has some estimates that can be applied
 - **Total spend** – this will be automatically generated from the input of the other two figures

Example of input for an event in Joondalup

Event name: Kaleidoscope Festival	Type of event: Arts and Heritage	Significance of event: Region	Start date: 09/11/2017
Length of event (days): 4	Est. attendance per day: 22000	Est. avg daily spend (\$): 20	Event total spend: \$1,760,000

[Submit](#)

- 5 Hit submit and the tool will generate a report that outlines three specific types of impacts:

Direct impacts: represent the initial change in the economy as a result of direct event spending. This refers to expenditure associated with the industry (e.g. labour, material, supplies, capital).

Indirect impacts (Industrial): The direct impacts from the initial expenditure creates additional activity in the local economy via increased demand through supply chains ('ripple effect').

Induced impacts (Consumption): An increase in revenue (from direct and indirect impacts) means that businesses increase wages and salaries by hiring more employees, increasing hours worked and raising wages. Households will then increase spending at local businesses.

Example output for an event in Joondalup

Event Impact Summary				
export ▼ reset ↺				
City of Joondalup - Kaleidoscope Festival - Modelling the effect of \$1,760,000 from a Arts and Heritage event with Region significance				
	Output (\$)	Value-added (\$)	Employment (annual FTE)	Resident Jobs (annual FTE)
Direct impact	1,513,600	815,219	20.5	--
Industrial impact	445,044	196,587	1.5	--
Consumption impact	152,084	68,960	0.6	--
Total impact on City of Joondalup economy	2,110,729	1,080,766	22.6	--

Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented in economy.id by [.id](#), the population experts.
Note: All \$ values are expressed in 2014-15 base year dollar terms.

- 6 The impacts are detailed for three areas:

Output: total sales/gross revenue impact on the economy

Value added: output itself is not always the best measure of economic impact as some industries have high levels of output but require large amounts of input expenditure to achieve that. Value added is the contribution specifically to Joondalup industries.

Jobs (FTE): this is the annual equivalent full-time employment impact of the event. For example, an event that generates 4 weeks of full time work for 13 people (52 weeks of full time work in total), would have an employment impact equivalent to 1.0 annual FTE job.

- 7 You can export the whole report in word or pdf format by clicking on the **export** link at the top of the page:



or export just the data by clicking the drop-down export button for the specific table:



About the event impact calculator

The benefit of the .id tool is it uses independent modelling from NIEIR to show localised flow-on effects of economic productivity and jobs creation resulting from the impact of your event to other sectors and the total economy.

The event impact calculator takes a bottom-up approach and is specifically tailored to your economy, utilising a local input-output matrix that describes how the different industries in an economy interrelate, and how supply chains operate in the local area. The impact of local production on areas outside the local area is also modelled, based on Journey to Work information from the Census, updated for known recent employment projects.

If you are not using the NIEIR model, you need to ensure your model caters for:

- Import leakage – the reduction in local impacts because a large amount of supplies is imported into the region
- Income leakage – the reduction in local impacts because workers and business owners may reside outside the region

Finding the inputs for your economic modelling

There are many sources we recommend you use to help tell the story of your area and support your application.

These sources vary state by state, but you should be able to find your equivalent;

- Peak tourism bodies ([Destination New South Wales](#), [Visit Victoria](#), [Tourism & Events Queensland](#), [Tourism Western Australia](#), [South Australian Tourism Commission](#), [Visit Canberra](#), [Tourism NT](#), [Tourism Tasmania](#))
- Investment agencies ([Trade & Investment Victoria](#), [Department of Industry NSW](#), [Trade & Investment Queensland](#), [Department of Jobs, Tourism, Science and Innovation WA](#), [Investment Attraction South Australia](#), [Coordinator-General's Office Tasmania](#), [Invest Canberra](#), [Invest NT](#))
- State based regional development agencies (e.g. [Regional Development Victoria](#))
- [Regional Development Australia](#) Committees (RDAs)

The RDA for your region will give you valuable advice to ensure your project is aligned with the desired regional development outcomes.

Visitor surveying

Some of the most important information required for input into events or tourism infrastructure impact modelling is where people come from and how much they are spending in the area.

Surveys are the best way to capture this. You could do a comprehensive survey such as that conducted by larger tourism bodies (see [Tourism Tasmania's Visitor Survey Questionnaires](#) for examples). Otherwise, just focus on questions related to expenditure and provide a list of possible expenditure items to help memory recall (e.g. accommodation, meals, transport, tours, admission fees, souvenir purchases). Be sure to only capture spending that occurred within the area.

If a survey is not possible for logistics or cost reasons, Tourism Research Australia can provide you basic average expenditure estimates. They have [tourism profiles](#) for many LGAs in Australia. However, the more information you can gain about the visitors (interstate or international, private or commercial accommodation etc) will help provide a more realistic profile to attach an assumed expenditure amount to.

If you're still having trouble, [contact us](#), and we can help you find figures.



Consultant tip

For events or tourism infrastructure, be sure to include projections of **non-local** visitation, which is highly valued, as it represents investment from outside your area.

Local visitation and spending is important, however it could be argued that investment would've been spent in the area anyway just on something else (a recirculation of existing spending), so local spend doesn't necessarily represent a **net economic benefit** to the area. In addition, to get a more accurate picture of the event or infrastructure's impacts, non-local visitors who would have visited the area anyway should be removed from calculations. You should be looking for only those visitors whose main reason for coming to the area is to attend the event i.e. the induced new visitation



Consultant tip

Always show net additional impact, or the difference between the project case and the base case scenario (even if the base case is 0 benefit). The base case is the situation that would have occurred without the infrastructure, program or new event. It is not necessarily a 'do nothing' case as it is likely that some kind of change to infrastructure or operations will occur in the future regardless of whether the project goes ahead. It is often described as the 'do minimum' case.¹ If you are not comparing the project case to a realistic base case, you may be generating an exaggerated benefit/impact. This could be looked at unfavourably in the assessment of your application.

¹ See: Infrastructure Australia, 2016, *Assessment Framework Detailed Technical Guidance*, p.28.

When to use economic impact vs event impact model (or both)

As a rule of thumb, if increased visitation (especially from outside your LGA) is the main goal of your project, an event impact model will be best. If your project involves increasing jobs, productivity or output of goods and services, an economic impact assessment is the way to go.

Stuck? Still have questions?

[Contact our consulting team](#) to discuss how we can help with your application.

Rob Hall

Urban Economist, .id consulting
03 9417 2205 | rob@id.com.au

Keenan Jackson

Urban Economist, .id consulting
03 9417 2205 | keenan@id.com.au