

# Event assessment and prioritisation framework

## Event assessment and prioritisation framework

The development of the event prioritisation framework has been informed by a number of sources, including prior work relating to events in the Hunter, consultation with HJO and its member Councils (including the Events Workshop), research into the approach of other geographies, and consultation with event bodies for other jurisdictions.

The intention of the framework is to provide a robust, evidence-based approach to comparing the benefits of potential alternative events that the region may be interested to attract.

The framework consists of key criteria, a scoring / rating scale, and criteria weightings.

### Criteria

The framework includes mandatory criteria and two key pillars, namely the economic pillar and the strategic pillar.

#### *Mandatory criteria*

Mandatory criteria include:

- The host LGA / region must have the venues and / or infrastructure suitable to host the event, or must be able to develop suitable infrastructure in a cost-effective manner;
- The event must be able to attract visitors from outside the host LGA / region and not be an event primarily targeted towards local residents; and
- The event must provide avenues for media exposure outside the Hunter region.
- The event must be in alignment with the broad USP of the Hunter region, or at a minimum must not be in direct contrast to this USP or not be an event that does not align with community perceptions / expectations.

#### *Economic pillar*

The economic pillar seeks to reflect the economic contribution of the event to the Hunter region. This is considered from two alternative perspectives, namely:

- Direct economic impact – The total estimated incremental in-region expenditure generated by the event, including visitor expenditure and organiser spend in the regional economy.
- Return on investment (ROI) – The estimated direct economic impact of the event (i.e. direct expenditure) for every dollar of council investment, whether that be in the form of an event attraction fee and / or delivery of council services for the event.

Discussions with other local government event teams suggest the economic pillar is the primary driver of event identification and assessment, with other factors playing a smaller secondary/tertiary role in deciding whether to pursue an event.

#### *Strategic pillar*

The strategic pillar seeks to reflect the range of other factors identified as important for event attraction by key stakeholders or through the research for this project. The criteria within the strategic pillar may include:

- Event type – The type and level of event, and the extent to whether the event is aligned to the destination brand / competitive advantages of the region. At this stage, the destination brand / competitive advantages are not well defined, however, we anticipate this will be further defined should HJO proceed with a collaborate event attraction strategy. This criterion also seeks to consider the potential attitude / appetite of the local community to host a particular event which will impact its success. For example, an event that causes significant disruption to local communities may impact how successful an event can be.

# Event assessment and prioritisation framework (cont.)

- Event timing – When the event would be hosted during the year, specifically preferencing events that are held during the low / off-peak season.
- Media exposure – The level and extent of media coverage and general awareness of the event and its host location.
- Regional distribution – The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs.

## Raw scoring / rating

A three-score scale has been developed for each of the key criteria, with a score of one (1) being the lowest score, and a score of three (3) being the highest score. The description of the scores / ratings for each criterion are presented on the following page. Thresholds for scores / ratings have been developed based on insights from consultation with Councils and research undertaken throughout this project.

## Weightings

Attributed to each of the criteria, weightings are allocated to reflect the relative importance of each criterion to the assessment and prioritisation process.

Importantly, feedback from HJO, the Hunter region Councils, and interstate comparators suggests the economic pillar is by far the most important for decision making with respect to events. On that basis a total weighting of 80% has been allocated for this pillar, with 60% being allocated to the direct economic impact criterion and 20% being allocated to the ROI criterion.

Each of the criteria within the strategic pillar have been allocated a weighting of 5%, with a total pillar weighting of 20%.

The table on the following page presents the overall event assessment and prioritisation framework.

## Overall weighted score

The overall weighted score of an event is derived by summing the weighted scores (i.e. raw score x weighting) for each criterion.

A target of 1.6 for the weighted score should be the benchmark for pursuing an event. This score would be achieved by an event that receives a raw score of two (2) for the direct economic impact criterion and a raw score of one (1) for all other criteria. Events generating a score of lower than 1.6 are likely to be more appropriate to seek funding from individual LGAs.

The event assessment and prioritisation framework, and the resulting weighted score for events, can be used to both assess the individual merits of events and also to compare the merits of potential competing or alternative events.

# Event assessment and prioritisation framework (cont.)

| Pillar    | Criteria                      |  | % weighting |     | Rating of 1   | Rating of 2  | Rating of 3  |
|-----------|-------------------------------|--|-------------|-----|---|--|--|
| Economic  | <b>Direct economic impact</b> | The total estimated direct economic impact generated by the event, including visitor expenditure and organiser spend in the local economy  | 80%         | 60% | <b>Low</b><br><i>Gross expenditure between \$100,000 and \$1m</i>   | <b>Medium</b><br><i>Gross expenditure between \$1m and \$5m</i>  | <b>High</b><br><i>Gross expenditure \$5m and above</i>   |
|           | <b>Return on Investment</b>   | The estimated direct economic impact of the event (i.e. direct expenditure) for every dollar of council investment, whether that be in the form of an event attraction fee and / or delivery of council services for the event   |             | 20% | <b>Low</b><br><i>ROI less than 20:1</i>   | <b>Medium</b><br><i>ROI &gt;20:1 and &lt;40:1</i>  | <b>High</b><br><i>ROI 40:1 and above</i>   |
| Strategic | <b>Event type</b>             | The type and level of event, and the extent to whether the event is aligned to the brand attributes / competitive advantages of the region. This criteria also seeks to consider the potential attitude / appetite of the local community to host a particular event which will impact its success | 20%         | 5%  | <b>Limited alignment</b><br><i>Limited alignment with identified Hunter brand attributes / competitive advantages; low positive community perception of the event</i> | <b>Partial alignment</b><br><i>Partial alignment with identified Hunter brand attributes / competitive advantages; moderate positive community perception of the event</i> | <b>Full alignment</b><br><i>Full alignment with identified Hunter brand attributes / competitive advantages; high positive community perception of the event</i> |
|           | <b>Event timing</b>           | When the event would be hosted during the year, preferencing events in the low season  |             | 5%  | <b>Peak season</b><br><i>Event scheduled to be hosted between January and April</i>   | <b>Shoulder season</b><br><i>Event scheduled to be hosted between July and December</i>  | <b>Low season</b><br><i>Event scheduled to be hosted in May or June</i>  |
|           | <b>Media exposure</b>         | The level and extent of media coverage and general awareness of the event and its host location  |             | 5%  | <b>Low</b><br><i>Event televised in regional / state market; low event recognition / awareness outside the region</i>   | <b>Medium</b><br><i>Event televised nationally; moderate event recognition / awareness in Australia</i>  | <b>High</b><br><i>Event televised nationally and internationally; strong event recognition / awareness in Australia</i>  |
|           | <b>Regional distribution</b>  | The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs   |             | 5%  | <b>Low</b><br><i>Direct economic impact concentrated in a single LGA</i>  | <b>Medium</b><br><i>Direct economic impact distributed across two or three LGAs</i>  | <b>High</b><br><i>Direct economic impact distributed across four or more LGAs</i>  |

# Event assessment and prioritisation framework (cont.)

The following presents an example application of the event assessment and prioritisation framework for the V8 Supercars Newcastle 500 event held annually in Newcastle. Overall, this event generated a weighted score of 2.4, above the target threshold of 1.6.

| Event:         | V8 Supercars Newcastle 500 |  |             |        |                    |   |
|----------------|----------------------------|--|-------------|--------|--------------------|---|
| Pillar         | Criteria                   |  | % weighting | Rating | Rationale          |   |
| Economic       | Direct economic impact     | The total estimated direct economic impact generated by the event including visitor expenditure and organiser spend in the regional economy  | 80%         | 60%    | 3                  | Gross direct expenditure of circa \$9m  |
|                | Return on investment       | The estimated direct economic impact of the event (i.e. direct expenditure) for every dollar of council investment, whether that be in the form of an event attraction fee and / or delivery of council services for the event   |             | 20%    | 1                  | Estimated ROI of less than 20:1 based on a \$1.6m event attraction fee <sup>1</sup>   |
| Strategic      | Event type                 | The type and level of event, and the extent to whether the event is aligned to the brand attributes / competitive advantages of the region. This criteria also seeks to consider the potential attitude / appetite of the local community to host a particular event which will impact its success | 20%         | 5%     | 2                  | Aligned with brand attributes; A degree of community disruption   |
|                | Event timing               | When the event would be hosted during the year   |             | 5%     | 1                  | Hosted in March   |
|                | Media exposure             | The level and extent of media coverage and general awareness of the event and its host location.   |             | 5%     | 3                  | Televised live nationally; broadcast into some international markets; high degree of event recognition within the Australian market |
|                | Regional distribution      | The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs   |             | 5%     | 2                  | Some distribution of expenditure outside of Newcastle LGA (e.g. accommodation)  |
| Weighted score |                            |  |             |        | 2.40<br>(max of 3) |   |

<sup>1</sup> [Council gives its support to Supercars date for Newcastle 500 in 2023 - City of Newcastle \(nsw.gov.au\)](https://www.cityofnewcastle.nsw.gov.au/infrastructure/transport-and-infrastructure/supercars)