Hunter Events Economic Analysis

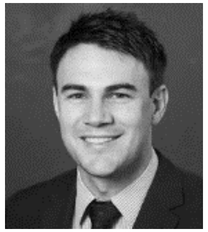
An analysis of the impact of and opportunity for events in the Hunter

Hunter Joint Organisation

FINAL REPORT

2 November 2022

Contents



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Executive summary

Executive summary

Project background

The Hunter Joint Organisation (Hunter JO) successfully secured funding through the Bushfire Local Economies Recovery Fund in late 2021 for the Accelerating Event Economies (A2E) project. The A2E project is designed to build economic resilience and recovery by stimulating the region's event capability. A2E will deliver on the Hunter JO's *Action Area 3: Our economy is multifaceted, resilient and is Australia's leading smart regional economy.*

While the region has an existing event capability, it is perceived that greater economic recovery can be driven through identifying systems and processes which will make regional collaboration simple and more effective. It is envisaged that this will unlock the potential to attract larger scale events to the region, with greater economic benefits generated.

Project purpose

A number of economic impact reports have been commissioned for various events held around the region in recent years, including for the 2018 V8 Supercars event held in Newcastle and the Living Smart Festival held in Lake Macquarie in 2019. These economic impact assessments provide valuable information with respect to the impact of events in the region, however, are not conducted on a regular basis and do not form part of councils' typical event organisation requirements.

As such, the purpose of this study is to build a body of relevant information and insights that will assist member councils to collaborate in event attraction and delivery and to optimise the value from events attracted to the region for shared benefits across local government areas of the region. The project was originally designed to streamline event approval systems across council boundaries, providing a cost saving to event planners, managers and owners.

Project scope

Specifically, KPMG's scope of work for this project was to:

- Develop a methodology to define and categorise events and estimate the economic contribution of such events in the Hunter Region;
- Investigate and identify the key indicators of event success in the region;
- Develop a methodology to determine the types of events the Hunter Region should seek to attract to deliver the best return-on-investment and that reflects available facilities and other desired outcomes for the region;
- Provide case studies to demonstrate the opportunity for events in the Hunter Region, or similar regions in the world;
- Undertake benchmarking and market research into the event attraction programs at a range of regional locations, including Geelong, the Sunshine Coast, the Gold Coast, Canberra and Tamworth; and
- Provide recommendations on a preferred business model to deliver a resourced event attraction program.

Executive summary (cont.)

Hunter JO and its member councils have spent a number of years investigating ways to further develop the events economy within the Hunter region[1]. This study has continued along this path, specifically focussing on the economic opportunity related to event attraction. Key observations and findings from the analysis presented in this report include:

Observation / finding	Comments
Opportunity to grow	The Hunter region recorded an average of $164m in annual event visitor expenditure over the period 2016-19. Overall it is clear, however, that the Hunter is underperforming on almost all elements of event visitor visitation and expenditure when compared to other destination regions. This represents a strong opportunity for growth for the Hunter region event market and an opportunity to take back market share or grow the wider state market share for large interstate events through inter-regional and interstate collaboration.
A diverse event calendar, with a notable gap	The Hunter region hosts a wide range of events, with sporting events representing the largest share of events (67%) and attendees (60%) outlined in this report. Events are also supported by a broad range of event suitable venues and facilities. While business events were not the primary focus of this study, business events have been identified in prior studies as a key opportunity to grow the events market in the region. The lack of a large scale contemporary convention centre facility is a current inhibitor to growing this segment of the event market, however, does also present an opportunity should such infrastructure be developed into the future.
Significant benefits	Hosting major events is recognised by councils and locations across Australia as a key strategy to enhance economic activity within a region / locality. Primarily, hosting events attracts visitors and visitor expenditure which directly benefits local businesses and workers. For example, the hosting of the Newcastle 500 V8 Event in Newcastle was estimated to generate direct expenditure in the order of $16.2m in the Newcastle LGA in 2019. Similarly, case studies of major festival events estimate such events can generate direct expenditure of up to almost $40m for a host region (i.e. Bluesfest in Byron Bay). Overall, it is estimated that events generate visitor expenditure in the order of $180m per annum (2022 prices) for the Hunter region, supporting 863 FTE jobs and generating $51.2m in real GRP (2022 prices). Analysis of events funded by other regions suggests the ROI (direct expenditure impact for every dollar of event attraction funding) on major event attraction can be in the order of 20:1 and above.
Targeted intended benefits	In relation to the concept of a collaborative event attraction strategy in the Hunter, an Events Workshop with Hunter JO and representatives from member councils identified four target outcomes, including: • Increasing visitation and visitor expenditure across the region; • Hosting events that benefit multiple Council areas; • Building out the region's event offering in the off-peak season (i.e. May-June, Dec-Jan); and • Improving exposure and location / brand awareness for the Hunter and its member Council areas.

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[1] Robinson, K. (2020) Developing a Hunter Identity & Positioning Strategy: Next Steps in the Process, Final Report, February, Hunter Research Foundation Centre, The University of Newcastle, Newcastle; Patterson, J. (2019) Next Steps for a Hunter Events Strategy – Commercial-In-Confidence, December, MI, North Sydney; Trevillian, J. (2018) Implementing the Hunter's Signature Event Strategy – Commercial[1]In-Confidence, JT Strategic Solutions and Events for the Hunter Joint Organisation of Councils, Sydney; Trevillian, J. (2017) Taking Hunter Events to the Next Level – Commercial-In-Confidence, JT Strategic Solutions and Events for Tourism Hunter and the Hunter Joint Organisation of Councils, Sydney.

Executive summary (cont.)

Observation / finding	Comments
A unique proposition	Each of the LGAs within the Hunter region has a varying degree of maturity with respect to event attraction – including varying degrees of funding, resourcing and capability. Some LGAs (e.g Newcastle and Maitland) have dedicated teams and significant recurrent event attraction funding, whereas other LGAs have no dedicated resourcing / capability and limited / no event attraction funding. Further, research has not identified any comparable approaches whereby LGAs are working together (in a formal) sense to fund and attract events at a regional level. As such, the intent to bring together the 10 Hunter JO member councils to develop and implement a collaborative event attraction strategy and business model is considered unique in the Australian market. Improved and consistent data collection would support ongoing and better understanding of the characteristics and impact of events in the region (e.g. through a standardised event survey).
A tailored event attraction strategy	This study develops an event attraction strategy for the Hunter region, focussing primarily on the economic components of a typical event attraction strategy. The strategy considers key target outcomes / benefits and identifies potential measures against which performance could be assessed. The strategy does not, however, specifically identify the type of events the region should seek to attract. This was considered to be premature for where the collective destination brand and strategy for the region is currently placed. Instead, the strategy includes an event assessment and prioritisation framework. The purpose of the framework is to provide a mechanism by which Hunter JO and member councils can assess potential events – both relative to an agreed set of targets, and in comparison to other potential events. The event assessment and prioritisation framework includes consideration of both quantifiable economic outcomes (referred to as the economic pillar) as well as other strategic objectives of Hunter JO and the member councils (referred to as the strategic pillar). • The economic pillar of the framework includes *direct economic impact* and *ROI* as key criteria. • The strategic pillar of the framework includes *event type*, *event timing*, *media exposure* and *regional distribution* as key criteria. Ultimately, application of the framework generates an event rating (between 1 and 3) for each event that can be used to compare potential events against each other and determine whether an event is worth attracting to the region. A target of 1.6 for the event rating should be the benchmark / threshold for pursuing an event. Events generating a score of lower than 1.6 are considered more appropriate to be funded on an individual LGA basis. The event assessment and prioritisation framework is presented on the following page.

Executive summary (cont.)

Event Assessment and Prioritisation Framework

Pillar	Criteria		% weighting		Rating of 1	Rating of 2	Rating of 3
Economic	**Direct economic impact**	The total estimated direct economic impact generated by the event, including visitor expenditure and organiser spend in the local economy	***80%***	*60%*	**Low** *Gross expenditure between $100,000 and $1m*	**Medium** *Gross expenditure between $1m and $5m*	**High** *Gross expenditure $5m and above*
	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%*	**Low** *ROI less than 20:1*	**Medium** *ROI >20:1 and <40:1*	**High** *ROI 40:1 and above*
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%*	**Limited alignment** *Limited alignment with identified Hunter brand attributes / competitive advantages; low positive community perception of the event*	**Partial alignment** *Partial alignment with identified Hunter brand attributes / competitive advantages; moderate positive community perception of the event*	**Full alignment** *Full alignment with identified Hunter brand attributes / competitive advantages; high positive community perception of the event*
	Event timing	When the event would be hosted during the year, preferencing events in the low season		*5%*	**Peak season** *Event scheduled to be hosted between January and April*	**Shoulder season** *Event scheduled to be hosted between July and December*	**Low season** *Event scheduled to be hosted in May or June*
	Media exposure	The level and extent of media coverage and general awareness of the event and its host location		*5%*	**Low** *Event televised in regional / state market; low event recognition / awareness outside the region*	**Medium** *Event televised nationally; moderate event recognition / awareness in Australia*	**High** *Event televised nationally and internationally; strong event recognition / awareness in Australia*
	Regional distribution	The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs		*5%*	**Low** *Direct economic impact concentrated in a single LGA*	**Medium** *Direct economic impact distributed across two or three LGAs*	**High** *Direct economic impact distributed across four or more LGAs*

Executive summary (cont.)

Observation / finding	Comments
Right-sized business model options	Previous studies have developed relatively ambitious event attraction business models for the Hunter. These models, however, have not been implemented due to a range of factors, including the proposed funding levels. Alternatively this study has identified three smaller-scale event attraction business models, based on insights gathered throughout the project and during the Events Workshop. These models seek to address the opportunity to collaborate to attract events that benefit multiple (or all) LGAs within the region and the challenge facing some LGAs who have very limited resourcing, funding or capability for event attraction. The three models include: • **Model 1 – Targeting cross-LGA events ($200k per annum, excl. event attraction costs)**: Recruitment of an experienced event professional (employed directly by Hunter JO) to focus on attracting events that will deliver economic benefits across multiple LGAs in the Hunter region. • **Model 2 – Improving event attraction capability ($200k per annum, excl. event attraction costs)**: Recruitment of an experienced event professional (employed directly by Hunter JO) to focus on attracting events to the less mature LGAs (such as Dungog, Muswellbrook, Singleton, Upper Hunter Shire and potentially Cessnock) in the Hunter region. • **Model 3: Model 1 and Model 2 combined ($400k per annum, excl. event attraction costs)**. The maximum annual cost (incl. staffing and administration cost but excluding event attraction costs) of these Models for each council (based on population and accommodation rooms) is estimated to range from approx. $11,000 (for Dungog) to up to approx. $114,000 (for Mid-Coast), noting these costs are representative of Model 3. Costs are estimated to be lower under either Model 1 and Model 2 (with Newcastle, Maitland, Port Stephens and Lake Macquarie LGAs not participating in Model 2). It is noted the Models do not identify a minimum or targeted amount for event attraction / event sponsorship funding. The approach, however, will not be successful without a commitment from councils to make at least some event attraction funding available. The amount may vary for each council depending on a number of factors, including the identification of suitable events. Event attraction funding for regions comparable to the Hunter ranges from approximately $500,000 (Canberra) to approximately $10m (Gold Coast). For smaller regions or LGAs, event attraction funding will be significantly lower.
Limited funding model alternatives	A review of the funding models in comparator jurisdictions identified that funding (incl. staffing / operational costs and event attraction / sponsorship costs) in all cases is provided directly by councils. The only alternative revenue source appears to be revenue generated through profitable event delivery activities (e.g. Major Events Gold Coast). On this basis, it appears costs for a Hunter event attraction business model will required to be funded by councils. Other possible funding mechanisms could include a special rate / levy on events businesses, a special rate / levy on residents, a tourist levy, or business memberships. These revenue generation mechanisms, however, are not employed for like activities in other jurisdictions. Ultimately, event attraction activities of this nature are almost solely funded by government contributions as they deliver broader economic benefits to their communities (as opposed to financial outcomes for the function / entity itself).

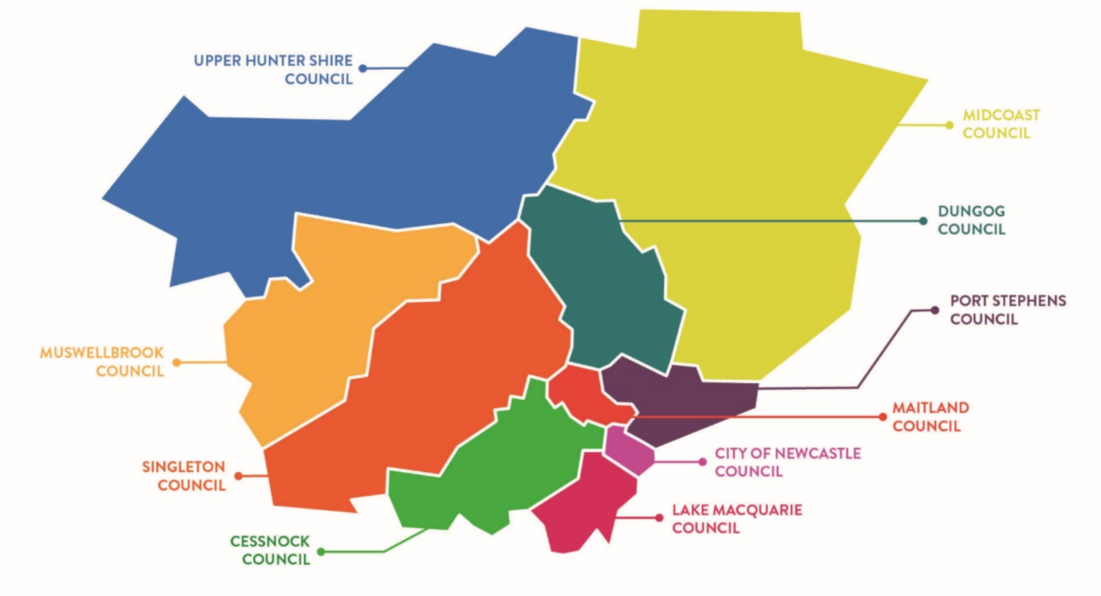
Introduction

Introduction

What is the Hunter Joint Organisation?

The Hunter Joint Organisation (Hunter JO) is a collaborative body with a membership that comprises the ten council's within the Hunter region of New South Wales. The body acts as the hub for local inter-governmental collaboration, outlining key regional strategic priorities and building on these collaborations with other levels of government, industry and community.

The ten member council local government areas (LGA) are outlined in the Hunter JO graphic below.



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While the region has an existing event capability, it is perceived that greater economic recovery can be driven through identifying systems and processes which will make regional collaboration simple and more effective. It is envisaged that this will unlock the potential to attract larger scale events to the region, with greater economic benefits generated.

Project objectives

The goal for this project is to strengthen the region's image as a visitor and event destination. To achieve this, the project is seeking to increase the capacity of each council through shared resources and enabling councils to pitch for events in collaboration with one another. In particular Hunter JO is seeking to deliver against the following key objectives:

1. Determine key indicators of success for a dedicated events attraction program.
2. Identify support information that will assist event managers in identifying and selecting the Hunter Region to host the events.
3. Provide economic return and case study data to encourage infrastructure investment to further attract events to the region.
4. Provide recommendations on a cost neutral or minimal contribution business model to deliver an event attraction program.

Introduction (cont.)

Project components

The AE2 project includes five key bodies of work. These are:

- Hunter Event Facilities Audit;
- Hunter Event Economic Opportunities Analysis (i.e., this report);
- Event Tourism Prospectus;
- Collaborative Event Licensing; and
- Digital UX and Web Development.

This report focusses on the second of the five bodies of work, namely the investigation of the economic opportunity of hosting events in the Hunter region.

Project purpose

A number of economic impact reports have been commissioned for various events held around the region in recent years, including for the 2018 V8 Supercars event held in Newcastle and the Living Smart Festival held in Lake Macquarie in 2019. These economic impact assessments provide valuable information with respect to the impact of events in the region, however, are not conducted on a regular basis and do not form part of councils' typical event organisation requirements.

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- Undertake benchmarking and market research into the event attraction programs at a range of regional locations, including Geelong, the Sunshine Coast, the Gold Coast, Canberra and Tamworth; and
- Provide recommendations on a preferred business model to deliver a resourced event attraction program.

Approach

The approach to undertake this engagement included a combination of desktop research, data collection and analysis and consultation.

Specifically, consultation occurred through the hosting of an Events Workshop, consultation sessions with key stakeholders to the project within the ten member councils, interviews with event organisers from within the Hunter region and interviews with event attraction bodies for comparable regions.

The event contribution model was developed in KPMG's proprietary computable general equilibrium (CGE) model.

Hunter demographic and economic overview

Located in the northern end of the Sydney Basin bioregion, the Hunter (Valley) is one of the largest river valleys on the NSW coast, and most commonly known for its wineries, coal and tourism industries. The Hunter is a major tourist destination in NSW and is a popular Australian visitor destination, attracting more than 2.5 million people annually.

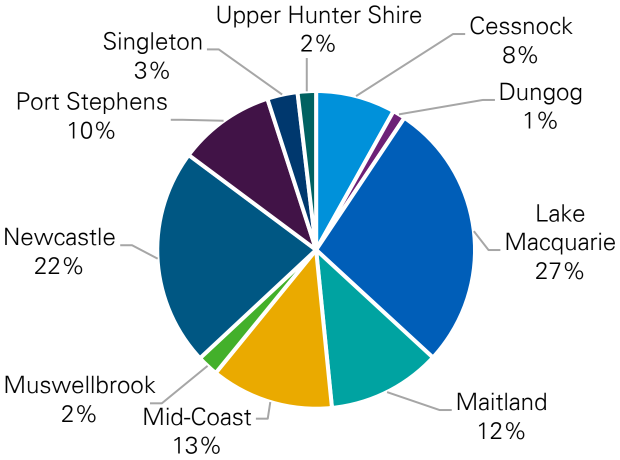
Population overview

Source: Department of Planning and Environment

There are an estimated 756,000 residents living within the Hunter region. This is forecast to grow to 807,000 by 2026 and to 855,000 by 2031, noting the council areas that make up the Hunter are projected to grow at differing rates over this period. The following table outlines the current population estimate as well as the forecasted populations for both 2026 and 2031 by LGA.

Local government area (LGA)	Current 2021 population	Forecasted 2026 population	Forecasted 2031 population
Cessnock	61,256	69,200	76,039
Dungog	9,664	10,993	12,144
Lake Macquarie	207,775	217,764	226,950
Maitland	87,395	102,690	116,485
Mid-Coast	94,395	98,912	102,660
Muswellbrook	16,355	16,779	17,068
Newcastle	167,363	173,478	182,570
Port Stephens	74,506	79,870	84,694
Singleton	23,380	23,122	22,888
Upper Hunter Shire	14,167	13,946	13,754
TOTAL	**756,256**	**806,754**	**855,252**

Current population distribution (2021)



Maitland is projected to record the most substantial population growth over this period, with approximately 29,090 additional residents projected to move to the LGA by 2031. This accounts for approximately 29% of the Hunter's population growth over the next 10 years.

Economic overview

Source: Invest Regional NSW & REMPLAN

The Hunter is the largest regional economy in NSW, with an estimated GRP of $65 billion. Nearly $3.0 billion was spent on tourism industry related products and services within the Hunter region for the year ending July 2019, supporting over 2,200 businesses employing 25,000 people. The Hunter Valley's established wine and food tourism infrastructure, as well as the range of attractions (including coastal areas, beaches and bushland) all contribute to the region's GRP. Tourism in the Hunter region has seen significant growth during the previous decade, with the region recording an 8.1% average annual increase in visitors since June 2010.

Prior studies

There have been a number of prior studies advising on how events can be maximised within the Hunter region. Two of these studies, completed in 2017 and 2018 by JT Strategic Solutions and Events, presented a number of key recommendations to help the Hunter region maximise the benefits from the visitor economy.

Taking Hunter Events to the Next Level

The first report was titled *Taking Hunter Events to the Next Level,* dated 11 December 2017. The report featured insights from key stakeholder consultation with a focus on the following four objectives:

1. Educate Hunter region stakeholders on the world of major events;
2. Grow the regions events program and profile;
3. Assess the current state of regional events and events infrastructure; and
4. Compare event developments in other major regional centres.

The report outlined a clear opportunity for the Hunter region to become the leading regional events destination for both public and business events.

The report completed an extensive amount of internal and external stakeholder consultation, which highlighted a number of opportunities for events which can be aimed for in the future. The report also featured a large amount of background information on the current state of domestic and international events, the current events held within the Hunter, and some future potential event opportunities.

Implementing the Hunter Signature Event Strategy

The follow-up report titled *Implementing the Hunter Signature Event Strategy* dated 14 December 2018 is another comprehensive report building upon the previous report.

The report focussed analysis and recommendation on:

1. Establishing an events entity to develop and drive a Hunter region events strategy;
2. Developing options for a Hunter Events Operation Group to improve event coordination and communication across member Councils;
3. Broadening the key stakeholder consultation, especially amongst visitor economy beneficiaries; and
4. Prioritising business events opportunities around the Hunters traditional, new and emerging industry sectors.

This report followed on the significant amount of consultation from the previous report and identified key trends relating to the events industry, including:

- Domestic and international visitors length of stay in the Hunter is declining;
- Consumers lack awareness of the Hunter’s key tourism offerings; and
- The Hunter’s regional destination competitors (including Geelong, Sunshine Coast, Canberra, Townsville and Cairns) all have a significant head start in terms of structured event entities and dedicated teams focussed on event development and acquisition via dedicated funding and other resources.

The report ultimately recommended the establishment of an event entity, its structure and key initial tasks. The objective of an events entity within the Hunter was identified to build operational capacity, develop a signature event program and develop the Hunter into Australia’s leading regional events destination.

The professional events entity was estimated to require funding of $7.5m per annum, 50% of which was proposed to be funded by the NSW government. This is a significant investment for the Hunter JO and its member councils as well as being a large financial contribution by the NSW Government. At the time the reports were completed there were changes in leadership and structure at Destination NSW, which meant that obtaining such an investment may have been difficult.

Prior studies (cont.)

Next Steps for a Hunter Events Strategy

The most recent was titled *Next Steps for a Hunter Events Strategy,* completed by MI Consulting in December 2019. This report provided different key recommendations to the previous reports and called for a business unit within Hunter JO to be established, controlled by the 10 member councils, as opposed to a separate dedicated events entity.

The main challenges listed in the report relating to the establishment of a dedicated events entity included the significant amount of funding required and changes in leadership and structure within Destination NSW that were occurring at the time of the reporting. A business unit under the control of Hunter JO was stated to provide a number of advantages including initial investment costs being reduced whilst still enabling a number of the key strategic initiatives recommended in the JT Strategic Solutions and Events reports. The report also makes note that this strategy has already been successfully implemented within the Hunter region through the Screen Hunter business unit.

The report lists numerous advantages of establishing a business unit over a dedicated events entity, including:

1. Implementation of structural reforms recommended in the JT Strategic Solutions and Events reports including:
    a) streamlining event approvals,
    b) auditing regional event facilities,
    c) shared events services across multiple member Councils,
    d) improving the efficiency of event planning, bids, research and investments.
2. The provision of a focal point for events within the Hunter.
3. A fully controlled entity by the member councils via Hunter JO.
4. A ground-up approach to building the Hunter Events Strategy.

Summary of findings

Each of the reports identified the need for a collaborative and focused approach to event attraction for the Hunter. Other regions such as Geelong, Canberra and the Sunshine Coast were noted as already having event attraction strategies in place, highlighting the risk of the Hunter missing out on the economic benefits associated with hosting events.

While the JT Strategic Solutions and Events reports proposed the establishment of a dedicated event entity using funding from the member Council's, Hunter JO and State Government, this strategy was identified as being potentially difficult in practice. It was estimated at the time of reporting that $7.5 million would be required to establish the events entity which is a large investment and one that was highly reliant on investment by the NSW Government. In addition to this, the main NSW Government entity who would ultimately have be responsible for the investment was experiencing changes in leadership and structure, further adding to the potential difficulty of securing funding.

It was therefore recommended that a business unit under the control of the 10 member councils through Hunter JO be established. This would allow for greater control of operations and strategy development to be retained, whilst also keeping the initial investment costs lower than the estimated costs for a dedicated events entity.

All reports noted the importance of presenting a positive plan towards attracting events to the region such that the Hunter can compete with other regional areas across Australia who already have dedicated resources for event attraction.

Structure of this report

This report has been presented across a number of sections / chapters:

- The ***Hunter region event overview*** section provides a high-level snapshot of event visitation and expenditure in the Hunter region and how this compares to a selection of other Australian regions.
- The ***Current events landscape*** section describes the current profile of events in the Hunter region, outlining what events are currently held across the 10 LGAs, the venues suitable for hosting these events and accommodation options for visitors to the region.
- The ***Major event infrastructure*** section provides a high-level snapshot of the available facilities and accommodation to support events in the region.
- The ***Event outcomes and classification*** section seeks to identify Hunter's unique selling proposition and intended outcomes from attracting events. This section also presents an event classification framework to create a common taxonomy when identifying, assessing and prioritising events.
- The ***Event contribution model*** section outlines the key parameters and inputs to the contribution model developed for the Hunter region, outlines the approach to developing the contribution model, and provides an estimate of the overall impact of events in the region. This section also includes an assessment of indicative events currently held in the region and case studies of the economic impact of events held across other tourist regions in Australia to provide examples of the potential impact of hosting similar events within the Hunter may have.
- The **Event attraction strategy** section combines the qualitative insights from the event classification framework and the quantitative insights from the event contribution model to develop an overall event assessment and prioritisation framework.
- The ***Event attraction business model*** section includes an assessment of alternative business models to support event attraction in the region.
- The ***Key findings*** section summarises the key observations coming out of the study.

Scope of events considered in this report

It is important to clarify the nature of events that are the focus within this report.

It is acknowledged that the Hunter region, and each of the 10 member councils in the region, already host a large number of events. The scope and focus of the analysis of events in this report, however, does not extend to all events hosted in the region.

This report is focussed on events that deliver economic benefits to the region, primarily through the attraction of intrastate (i.e. from other parts of NSW), interstate (i.e. from other states and territories in Australia) and international (i.e. from other countries) visitors. Further, where possible, this report seeks to focus on events that deliver new economic activity across multiple LGAs within the Hunter region, and not just in the council area in which it is being hosted.

Community focused events, for example, are typically not targeted to attract visitors from outside the region. Alternatively, some events may not be large enough or have sufficient interest to attract visitors. These events, therefore, are not able to generate new expenditure or economic activity for the region (although they may result in the movement of expenditure / economic activity across councils within the region). It is acknowledged, however, that such events are important to the liveability and attractiveness of the Hunter region and to developing and maintaining important social and community benefits such as community pride and cohesiveness.

Alternatively, larger-scale events which target and attract audiences from outside of the host location are the focus of this study. These events encourage visitors to come to the region (and spend money within the Hunter) that otherwise would have visited other locations in New South Wales, Australia or even internationally. Events such as music festivals, nationally significant sporting events, regional lifestyle showcases, and arts and cultural events are all examples of the types of events which typically attract out-of-region visitors. Such events also typically result in operational expenditure by the event organiser to deliver the event in the host location.

Hunter region event overview

Hunter region event market

This section draws upon data from Tourism Research Australia (TRA) to assess the size of the event visitor market and event visitor expenditure in the Hunter region, and to compare the Hunter region to a selection of other regions. Key data and analysis is provided on this page, on subsequent pages and in Appendix A. It is noted that the Hunter region according to the TRA only includes approximately half of Mid-Coast Council, with all other Council areas included.

From the analysis it is evident that while the Hunter region attracts a significant number of event visitors, event visitor levels in the Hunter are lower than the comparator regions when benchmarked to respective population size. While average daytrip spend per visitor in the Hunter is in line with the average across the other event regions the average spend per overnight visitor trip is significantly below the average for the five comparative regions.

The following table presents the annual expenditure for each region, including a comparison to the size of each region's population. Visitor expenditure represents the average annual amount in the four years prior to COVID-19.

Event visitor expenditure (annual average 2016-2019)

Region	Resident population	Event visitor expenditure ($2019)	Per capita event visitor expenditure
Hunter	756,256	$164M	$220
Geelong and the Bellarine	270,776	$105M	$390
Sunshine Coast	346,648	$192M	$550
Canberra	305,673	$413M	$1,350
Gold Coast	633,764	$556M	$870

Source: Tourism Research Australia

As presented in the table, event visitor expenditure in the Hunter is second lowest of the comparator regions despite having the largest population base. Per capita event visitor expenditure the lowest of all regions.

The following table presents the annual number of domestic visitors to each region, including a comparison to the size of each region's population. Domestic event visitor numbers represent the average annual amount in the four years prior to COVID-19.

Domestic event visitors and population (annual average 2016-2019)

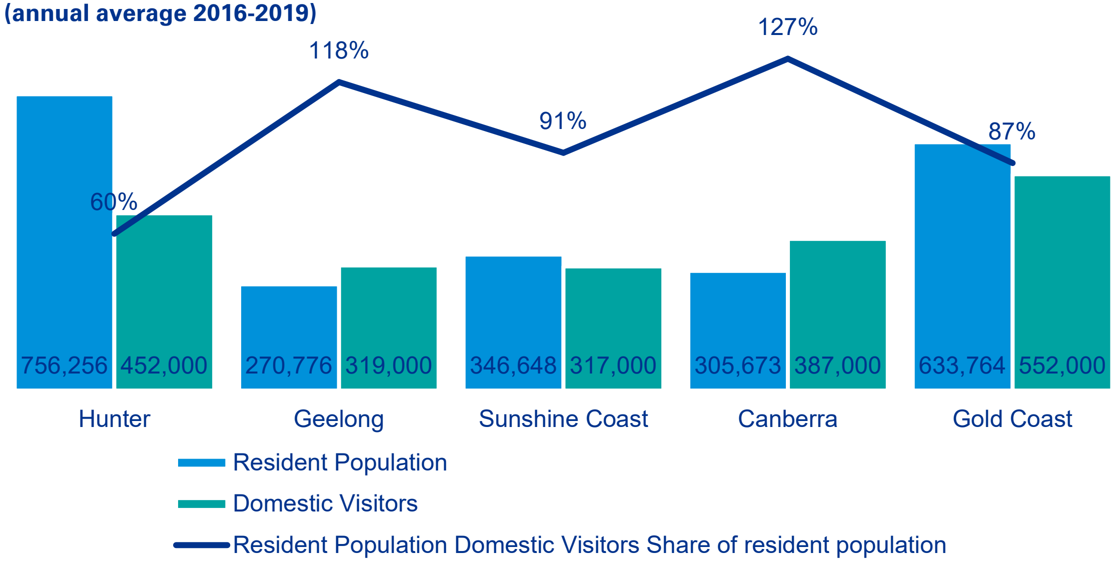
Region	Resident population	Domestic visitors	Share of resident population
Hunter	756,256	452,000	60%
Geelong and the Bellarine	270,776	319,000	118%
Sunshine Coast	346,648	317,000	91%
Canberra	305,673	387,000	127%
Gold Coast	633,764	552,000	87%

Source: Tourism Research Australia

The Hunter attracts a significant number of domestic visitors to the region, second only to the Gold Coast. When compared as a share of resident population, however, the Hunter has recorded the lowest share of domestic visitors of all regions. The table overleaf visually represents this data showing the disparity between the Hunter resident population and domestic visitors.

Hunter region event market (cont.)

Domestic event visitors compared to resident population (annual average 2016-2019)



As presented in the chart above, domestic visitors represent 60% of the resident population. This is significantly lower than for all other comparator regions.

The following table presents the annual number of international visitors to each region, including a comparison to the size of each region's population. International event visitor numbers represent the average annual amount in the four years prior to COVID-19.

International event visitors and population (annual average 2016-2019)

Region	Resident population	International visitors	Share of resident population
Hunter	756,256	44,000	6% of population
Geelong and the Bellarine	270,776	15,000	6% of population
Sunshine Coast	346,648	75,000	22% of population
Canberra	305,673	66,000	22% of population
Gold Coast	633,764	165,000	26% of population

Source: Tourism Research Australia

The analysis indicates that, relative to the size of the region, the Hunter is underperforming comparatively against the other smaller regions when it comes to attracting international event visitors.

Overall it is clear that the Hunter is underperforming on almost all elements of event visitor visitation and expenditure when compared to other destination regions. This, however, also represents a strong opportunity for growth for the Hunter region event market.

Tourism Research Australia data limitations

It is important to note the limitations of the TRA data with respect to international event visitors. It is KPMG's understanding that international visitor numbers reflect the total stay in Australia for anyone who stated they were attending an event in a particular region. It is not certain, however, that the visitor stays in the host location for their entire stay in Australia. This may therefore overstate the number of international event visitor nights, although it would be overstated consistently for all regions.

Hunter region event market snapshot

The following infographic displays key statistics associated with the Hunter region and the event specific visitation and expenditure within the region as a whole.

756,256

Estimated Residential Population (2021)

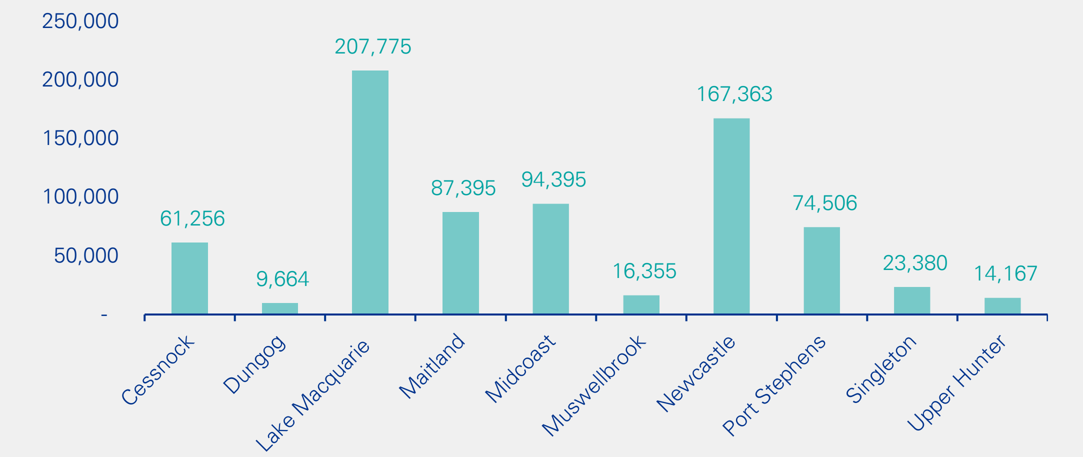
Source: Australian Bureau of Statistics

2016-19 average:

- $57m international overnight visitor expenditure on events
- $79m domestic overnight visitor expenditure on events
- $28m domestic daytrip visitor expenditure on events

Source: Tourism Research Australia

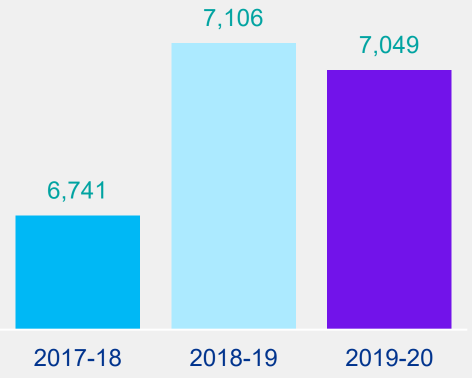
Population by LGA (2021)



Source: ABS

Accommodation rooms available

Across 172 accommodation properties (excluding Airbnbs, and private listings)



Source: STR Accommodation Monitor

2016-19 average:

- 44,000 annual international overnight visitors for events
- 184,000 annual domestic overnight visitors for events
- 268,000 annual domestic daytrip visitors for events

Source: Tourism Research Australia

Spend per event visitor

$1,308

International visitor spend per trip

$429

Domestic overnight visitor spend per trip

$104

Domestic day trip visitor spend per trip

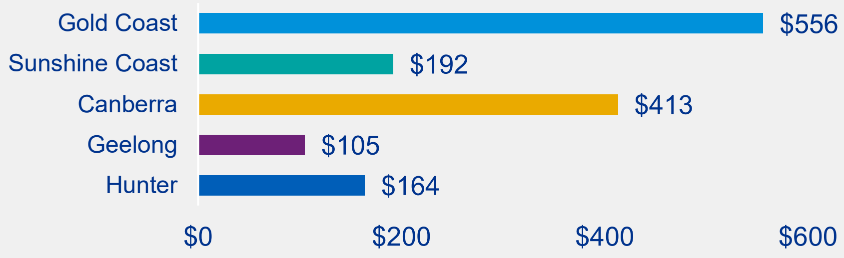
Source: Tourism Research Australia

$164M

Average annual expenditure on events within the Hunter region (2016-19)

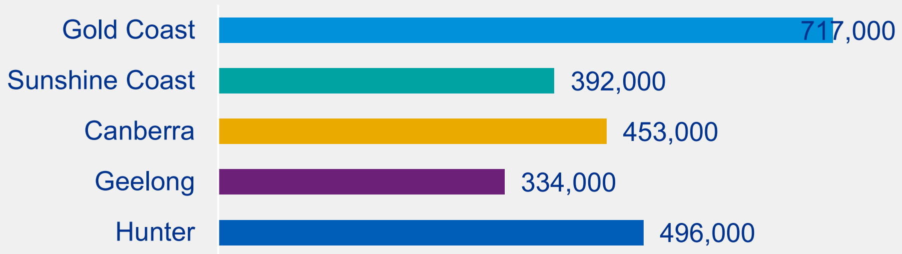
Regional event market comparison

The following comparisons are based on TRA data collected for visitors to a region specifically for events.



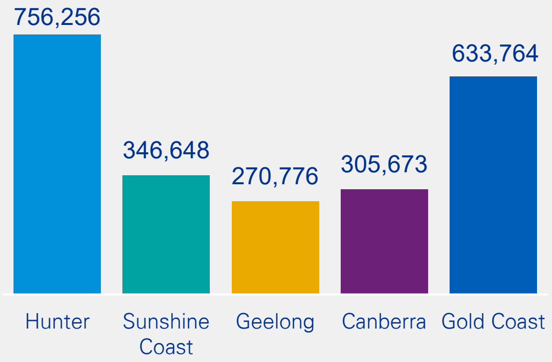
Average annual event visitor expenditure ($M)

Source: Tourism Research Australia



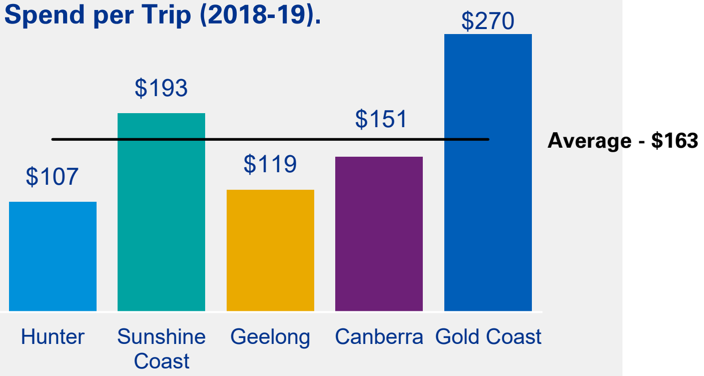
Average annual total visitors for events

Source: Tourism Research Australia



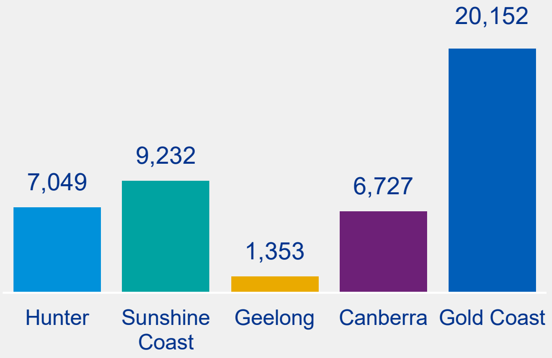
Population (2021)

Source: ABS



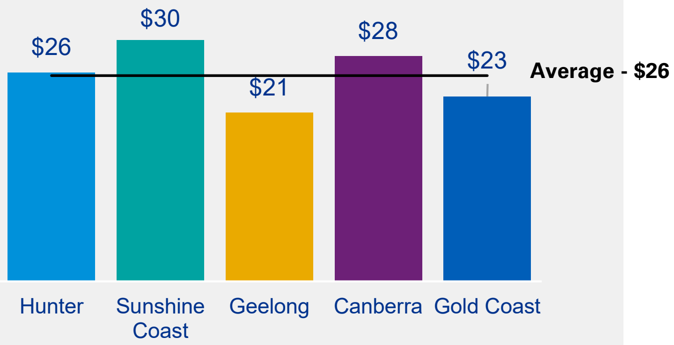
Average Domestic Overnight Spend per Trip (2018-19).

Source: Tourism Research Australia



Accommodation rooms available (2019-20)

Source: STR Accommodation Monitor



Average Domestic Daytrip Spend per Trip (2018-19).

Source: Tourism Research Australia

Current events landscape

Approach to event analysis

Overview

This section of the report outlines the current events landscape within the Hunter region. This includes what events are held in the 10 member council LGAs, what venues are used and the mix of origins that attendees travel from for different event types.

Event information of this nature is not readily available through public sources. Therefore, KPMG requested information from each of the 10 member Councils within the Hunter region through a Request for Information (RFI) process regarding the events held over the last 3 years.

Completed RFIs were received from six of the 10 LGAs, namely Cessnock, Lake Macquarie, Maitland, Upper Hunter, Port Stephens and Singleton Councils. Information and data provided varied but generally included attendance figures, attendee origin information, estimated visitor spend and costs borne by the event organisers. KPMG did not receive RFI responses from Newcastle, Dungog, Mid-coast and Muswellbrook councils.

While the event information provided to KPMG as part of this study is not complete, it is sufficient to provide some insights into the nature of the different types of events hosted across the Hunter region and allows for an indicative understanding of the region's events profile. Where possible, information supplied in the RFIs was supplemented with desktop research of events held in council areas who did not return a completed RFI using sources such as the Council websites and VisitNSW information. KPMG also drew upon information made available by Venues NSW with respect to events hosted at McDonald Jones Stadium and the Newcastle Entertainment Centre.

The remainder of this section provides a snapshot of the different types of events, indicative attendances to different event types, estimates relating to the origin of event attendees, expenditure per attendee, and event seasonality across the calendar year.

A summary of each LGA's current event, infrastructure and data findings can be found in Appendix B.

Types of Events

Six types of events have been identified within the available data, namely;

- **Sporting events** – Professional, competitive or participation-based sporting events.
- **Music / entertainment events** – Events involving a music and/or entertainment performance.
- **Lifestyle festivals** – A broad range of public participation activities and event content, including food and wine style events, cultural / thematic festivals, car and boat festivals, etc.
- **Arts and culture events** - Events designed for enjoyment of art and culture, such as theatre shows and art exhibitions.
- **Business events^** - Organised activities where the primary purpose is to engage in analytical, research or information-gathering activities for commercial purposes, such as industry conferences or networking events.
- **Community events*** - A broad range of activities that are of a civic, education and/or public nature, such as city festivals, local markets, etc.

^Business events have been excluded from the analysis in this report. Firstly, very little information was provided with respect to business events across the region. Secondly, the identification, attraction and hosting of business events typically sits separate to other event types, with dedicated business event attraction entities / functions and venue owners typically employing significant resources focussed at this segment of the events market. Further, the Hunter region does not have a dedicated convention centre and so is constrained with respect to the opportunity to host large business events.

*Community events have also been excluded from the analysis in this report as they predominantly attract local attendees and as such, generate limited economic contribution and/or impact to the Hunter region.

Approach to event analysis (cont.)

Limitations to event data

While it has been noted that the information available to KPMG is not complete, it is important to also acknowledge that key information and metrics on events, such as attendance, origin of attendees, nights spent in the region and where expenditure occurs are often difficult to obtain for a number of reasons.

Key limitations to event data (and therefore analysis of event data) include:

- Unless events are ticketed, total attendance is based on event organiser estimates, which are more likely to over estimate attendance.
- Origin of attendees (whether local or out of region) is only accurately reported through ticketing information or exit surveys. Exit surveys in particular are only typically completed for larger events due to resourcing / expense constraints.
- Information on the distribution of spend and visitation within the region (such as which LGAs are attracting the accommodation revenue and other expenditure) is also only available through exit surveys or analysis of spend analysis products such as Spendmapp. The expense associated with undertaking such additional research on events often limits the quality of information available. Further, locations are not typically interested in this information given they are only interested in their own council area / LGA. As such, this type of information is rarely captured.

Due to these limitations the quality of information available on events in the Hunter region was constrained. In particular, details related to how money flows between LGAs when an event is held in one LGA was not available. In addition, event information was not available from all LGAs in the Hunter region and so extrapolating findings to the entire region needs to be done with caution and with an understanding of these limitations.

Indicative recurrent event calendar

The table below illustrates indicatively the key events that are held in the Hunter region on an annual basis. These events are large enough to attract participants and spectators from outside of the Hunter region, creating an economic injection is not achieved with smaller, community focused events. It is noted this indicative calendar is not exhaustive and other annual events may also be hosted in the region. This calendar, in conjunction with the seasonality analysis undertaken later in this section provides an indicative view of the peak, shoulder, and low seasons for events within the region.

January • Maitland River Regatta (Maitland) • SURFEST (Newcastle) • Lake Macquarie Festival (Lake Macquarie) • Newcastle Jets Home Fixtures (Newcastle)	**February** • A Day On The Green (Cessnock) • Maitland Show (Maitland) • NRL Trials (Maitland) • Newcastle Jets Home Fixtures (Newcastle)	**March** • A Day On The Green (Cessnock) • Wine Machine (Cessnock) • Warbirds over Scone (Upper Hunter) • Gresford Agricultural Show (Dungog) • Newcastle Knights Home Fixtures (Newcastle) • Newcastle Jets Home Fixtures (Newcastle)	**April** • Groovin the Moo (Maitland) • Port Stephens Surf Festival (Port Stephens) • Taree Easter Powerboats Spectacular (Mid-coast) • Muswellbrook Gold Cup Day (Muswellbrook) • Cessnock STOMP Festival (Cessnock) • Newcastle Knights Home Fixtures (Newcastle) • Newcastle Jets Home Fixtures (Newcastle)
May • Port to Port (Lake Macquarie) • Triathlon NSW Club Championships Forster (Mid-coast) • Fast and Loud (Lake Macquarie) • Newcastle Knights Home Fixtures (Newcastle) • Newcastle Jets Home Fixtures (Newcastle) • Firewalk and Firelight Festival (Singleton)	**June** • Dobell Festival (Lake Macquarie) • Port Stephens Country Music Festival (Port Stephens) • Newcastle Knights Home Fixtures (Newcastle) • Smoke in Broke (Singleton)	**July** • Winery Running Festival (Cessnock) • Newcastle Knights Home Fixtures (Newcastle)	**August** • A-league Trials (Maitland) • Newcastle Knights Home Fixtures (Newcastle)
September • Living Smart Festival (Lake Macquarie) • Pedal-fest Dungog (Dungog) • Newcastle Knights Home Fixtures (Newcastle)	**October** • Riverlights Multicultural Festival (Maitland) • Maitland Triathlon (Maitland) • TreX Cross Triathlon Port Stephens (Port Stephens) • Newcastle Jets Home Fixtures (Newcastle)	**November** • V8 Supercars Newcastle (Newcastle) • A Day On The Green (Cessnock) • Kracka Ironperson Challenge (Lake Macquarie) • Newcastle Jets Home Fixtures (Newcastle)	**December** • Christmas events (various) • New Years Eve events (various) • Newcastle Jets Home Fixtures (Newcastle)

Sporting events

Sporting events

A total of 291 sporting events were identified as part of the information provided to KPMG for this study (or information collated by KPMG with respect to events hosted at McDonald Jones Stadium and Newcastle Entertainment Centre). This includes information for events hosted between January 2017 and July 2022.

Information, however, with respect to the number of attendees was only available for 270 of these events and information with respect to the origin of attendees was only provided for 164 events[1].

Sporting events have been further classified as:

- **Exhibition events**: Events involving a match between two elite, professional, national or international teams or athletes. For such events visitors (along with local attendees) attend to view the event. NRL and A-League events would be considered within this category.
- **Championship / carnival events**: Events involving a number of teams or athletes competing as part of a regional, state, national or international championship, cup or carnival. Such events typically occur over multiple days at attract visitors in the form of athletes / players and friends and family, as well as general viewers (depending on the level of the event e.g. national championship).
- **Participation events**: Events involving athletes (sometimes teams) who compete in a race or competition. This includes events such as marathons, triathlons and cycling races. These events often seek to attract elite athletes, however, also include significant general event participation.

Attendance

The following table provides a summary of the information provided for sporting events in the Hunter region, with the earliest event dating to March 2017 and the most recent event having been hosted in July 2022.

Sporting events in the Hunter region*

Event type	No. events	Total attendance / visitation	Avg. attendance / visitation
Exhibition	164	1,634,500	10,000
Championship / carnival	53	52,900	1,000
Participation	53	58,800	1,100
TOTAL	**270**	**1,746,200**	**6,500**

*Representative of the 270 events for which details of the number of attendees were provided.

As presented in the table, the large majority of sporting events hosted across the Hunter were exhibition events (61% collectively). Exhibition events also recorded the highest average attendance per event.

Exhibition events primarily include regular season events for both the Newcastle Knights NRL) and the Newcastle Jets (A-Leagues) with some one-off events (e.g Matildas, Wallabies, etc.). Participation and championship / carnival events also represent a combination of one-off and annual events (with a larger proportion of annual events).

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[1] Origin of attendee information for events held at McDonald Jones Stadium was provided as an average for all events hosted between 2016 and 2020. This average mix of origin of attendees has been assumed for all such events hosted at the venue.

Sporting events (cont.)

Origin of attendance

The following table provides a summary of the average attendance, and average attendance breakdown for sporting events held in the Hunter region where information has been provided with respect to the origin of attendees.

NOTE: Average attendances in the table below are different to those presented in the previous table as origin of attendance information was only provided for a sub-set of events.

Origin of attendees for sporting events in the Hunter region*

Event type	Avg. attendance / visitation	Attendance / visitor breakdown					
		Host LGA	Other Hunter	RoNSW	RoA	RoW	Outside Hunter
Exhibition	10,400	28%	48%	21%	3%	0%	24%
Championship / Carnival	2,600	36%	23%	29%	12%	1%	42%
Participation	1,200	49%	25%	20%	5%	0%	26%
TOTAL	**9,900**	**28%**	**47%**	**21%**	**3%**	**0%**	**25%**

*Representative of the 164 events for which details of origin of attendees were provided.

As presented in the table, exhibition events have recorded the highest average attendance levels (10,400), largely influenced by attendance to Knights home games. Championship / Carnival events recorded the largest share of visitors from outside the Hunter region with approx. 42% of all attendees coming from outside the Hunter region, and approx. 13% of attendees originating from outside of NSW. Championship events are also typically multi-day events, resulting in multiple visitor days / nights per visitor which is an important metric for the economic benefits of events.

The breakdown of attendees for exhibition events and participation events is similar for attendees from the Hunter region (approx. 75%), with exhibition events recording a higher proportion of attendees from outside of the host LGA when compared to participation events.

The upgrade of Newcastle Airport to accommodate international flights represents an opportunity to increase the number of international attendees coming to the region. International visitors tend to stay longer and visit more attractions, in turn providing more economic benefit to the region.

Expenditure

Expenditure per attendee has been identified by Councils to range between $25 and $255, with estimated organiser spend ranging from between $17,000 to approx. $100,000. Only two events were identified as having a requirement for council or state government event attraction funding. It is noted, however, that this information has only been provided for a sub-section of all events.

Example event: NSW Country Championships

The NSW Country Championships athletics event was held at the Maitland Regional Athletics Facility over three days in January 2022. The event attracted approx. 2,500 attendees, including:

- Approx. 250 attendees from Maitland LGA (10%);
- Approx. 750 attendees from the rest of the Hunter Region (30%); and
- Approx. 1,500 attendees from the rest of NSW (60%).

Maitland City Council estimates the incremental visitor expenditure (i.e. direct impact) generated by hosting the event to be in the order of $387,000, assuming each attendee from outside of the region spent approx. $255.

Sporting events (cont.)

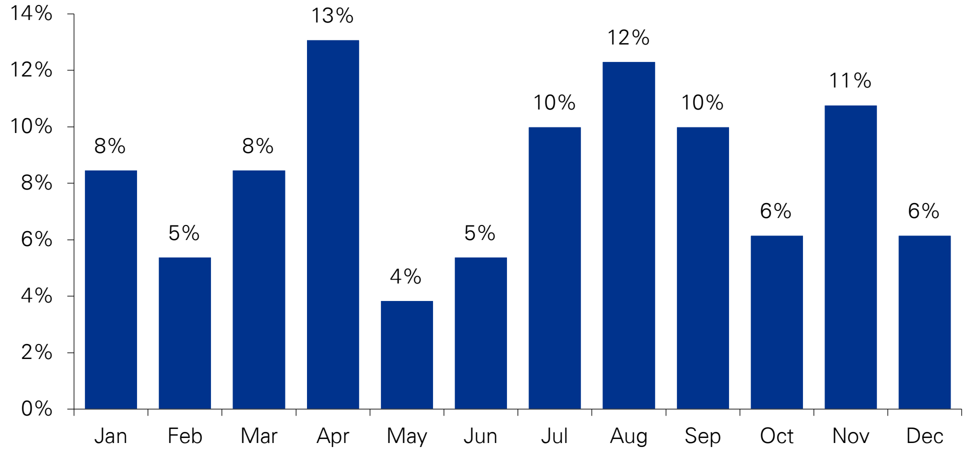
Seasonality

The following charts present the seasonality of identified sporting events across the calendar year, based on the identified events occurring in 2018 and 2019. These years are considered in the analysis as they represent the event calendar pre-COVID-19, and collectively account for 51% of all events and 52% of total attendance over the period January 2017 to July 2022.

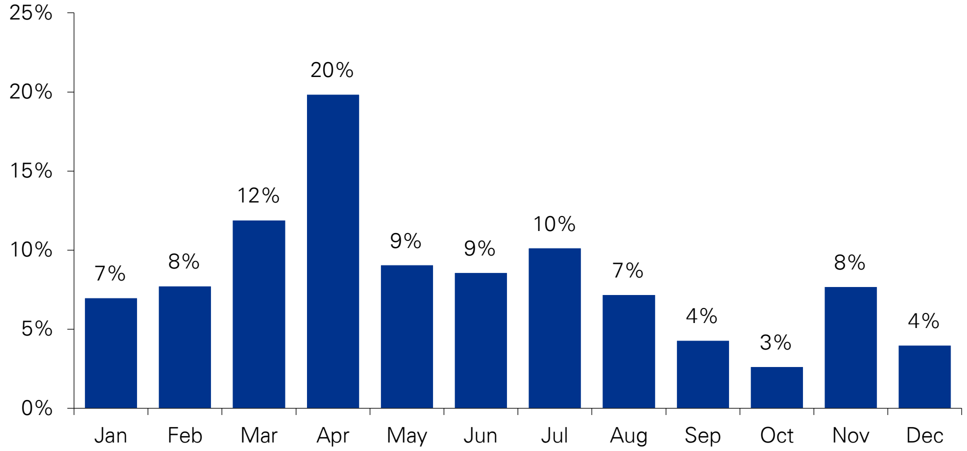
The peak window for hosting sporting events appears to occur over the period March to April (cross-over in NRL and A-Leagues seasons) and July through to September (peak winter sporting season).

When considering the attendances to sporting events, April recorded the highest overall attendance levels, with the period March to July accounting for 60% of overall attendance.

Seasonality - Sporting Events (no. events, 2018-2019)



Seasonality - Sporting Events (attendees, 2018-2019)



Music / entertainment events

Music / entertainment events

A total of 51 music / entertainment events were identified as part of the information provided to KPMG for this study (or information collated by KPMG with respect to events hosted at McDonald Jones Stadium and Newcastle Entertainment Centre). This includes information for events hosted between January 2017 and July 2022.

Information, however, with respect to the origin of attendees was only identified for 7 events.

Music / entertainment events have been further classified as:

- **Single-day events**: Music / entertainment events held at a single location over a single day. An example of this type of event would be a concert hosted at the Newcastle Entertainment Centre or ‘A Day on the Green’ held at Bimbadgen Winery.
- **Multi-day events / festivals**: Music / entertainment events held over two or more (multiple) days and shows that are hosted over numerous consecutive days at the entertainment centre (e.g. Disney on Ice). The Port Stephens Music Festival is an example of this type of event.
- **Community concerts / festivals**: Music / entertainment events primarily focussed on the local community such as annual Carols events.

Attendance

The adjacent table provides a summary of the information provided for music / entertainment events in the Hunter region, with the earliest event dating to February 2017 and the most recent event having been hosted in April 2022.

As presented in the table, the large majority of music / entertainment events hosted across the Hunter were single-day concert events (75%). These events recorded an average attendance of approx. 7,600. Events in this category include concerts held at the Newcastle Entertainment Centre, ‘A Day on the Green’ events and Groovin the Moo.

The majority of single-day identified events held at the Newcastle Entertainment Centre are on-off events, whereas single-day events hosted in outdoor locations are typically either annual events or part of an annual concert series.

Music / entertainment events in the Hunter region*

Event type	No. events	Total attendance / visitation	Avg. attendance / visitation
Single-day	38	290,200	7,600
Multi-day	9	116,600	13,000
Community	4	18,500	4,600
TOTAL	**51**	**425,300**	**8,300**

*Representative of the 51 events for which details of the number of attendees were provided.

Average attendance to multi-day events is almost twice as high as for single-day events, however, noting this includes information related to multi-performance events at the Newcastle Entertainment Centre (e.g. Disney on Ice). Information on community music / entertainment events suggests significantly lower average attendance when compared to other music / entertainment events.

Music / entertainment events (cont.)

Origin of attendance

Information related to origin of attendees was only provided for 6 single-day events, one of which was hosted at McDonald Jones Stadium and five of which were hosted in Maitland (e.g. Groovin the Moo, Under the Southern Stars).

For these events the average attendance is estimated to be in the order of 18,300, and it has been estimated that 39% of attendees are from the host LGA, 32% of attendees are from other LGAs within the Hunter and 29% of attendees are from other parts of NSW.

Expenditure

Expenditure per attendee has been identified by Councils to range between $25 and $85, with estimated organiser spend estimated at $110,000 for a Carols by Candlelight event. No events were identified as having a requirement for council or state government event attraction funding. It is noted, however, that this information has only been provided for a sub-section of all events.

Example event: Elton John Concert (scheduled for 2023)

City of Newcastle

McDonald Jones Stadium is scheduled to host an Elton John concert in January 2023. To date (as at August 2022), information provided by Venues NSW suggests that approx. 36,700 tickets have been sold, including:

- Approx. 9,300 attendees from Newcastle LGA (25%);
- Approx. 16,500 attendees from the rest of the Hunter Region (45%);
- Approx. 8,100 attendees from the rest of NSW (22%); and
- Approx. 2,800 attendees from the rest of Australia and the rest of the world (8%).
- Incremental visitor expenditure (i.e. direct impact) generated by hosting the event could be in the order of $1.38M, assuming each attendee from outside of the region spends approximately 2 nights at the event, with an estimated average nightly expenditure of approx. $246 (source Tourism Research Australia).

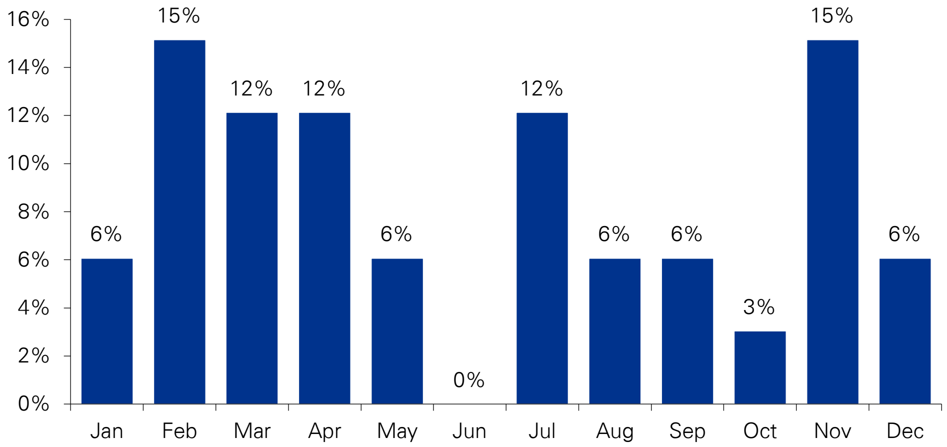
Music / entertainment events (cont.)

Seasonality

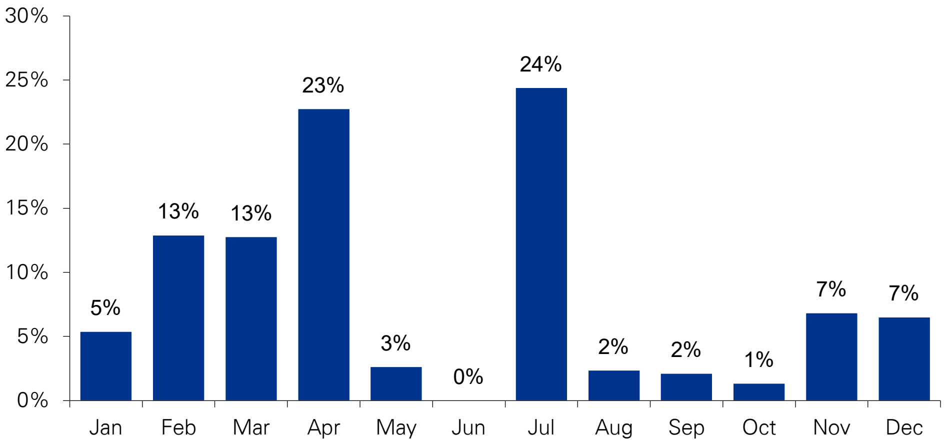
The adjacent charts present the seasonality of identified music / entertainment events across the calendar year, based on the identified events occurring in 2018 and 2019. These years are considered in the analysis as they represent the event calendar pre-COVID-19, and collectively account for 51% of all events and 52% of total attendance over the period January 2017 to July 2022.

The peak window for hosting music / entertainment events (and for attracting attendees) appears to occur over the period February through to April. The month of July also appears to record strong event numbers and attendances.

Seasonality - Music / Entertainment Events (no. events, 2018-2019)



Seasonality - Music / Entertainment Events (attendance, 2018-2019)



Lifestyle festivals

Lifestyle festivals

A total of 78 lifestyle festival events were identified as part of the information provided to KPMG for this study (or information collated by KPMG with respect to events hosted at McDonald Jones Stadium and Newcastle Entertainment Centre). This includes information for events hosted between January 2017 and July 2022.

Information with respect to the number of attendees was available for 73 events, however, information with respect to the origin of attendees was only available for 25 of these events. It is noted this does not incorporate all such events that occurred within the Hunter region.

Attendance

The following table provides a summary of the information identified for lifestyle festival events in the Hunter region, with the earliest event dating to February 2017 and the most recent event having been hosted in July 2022.

Lifestyle festivals in the Hunter region*

Event type	No. events	Total attendance / visitation	Avg. attendance / visitation
Single-day festival	10	64,800	6,500
Multi-day festival	30	482,400	16,100
Unknown	33	134,400	4,100
TOTAL	**73**	**681,600**	**9,300**

*Representative of the 73 events for which details of the number of attendees were provided.

As presented in the table, for festivals where the duration is known the majority of events hosted across the Hunter were multi-day events (75% of events where the type / duration is known). These events also recorded the highest average attendance, with an average attendance of approx. 16,100. Single day events recorded average attendances of less than half that of multi-day events.

Almost all identified lifestyle festival events are annual events. The Warbirds over Scone is one exception, being hosted every two years.

Lifestyle festivals (cont.)

Origin of attendance

The following table provides a summary of the average attendance, and average attendance breakdown for lifestyle festivals held in the Hunter region where information has been provided with respect to the origin of attendees.

NOTE: Average attendances in the table below are different to those presented in the previous table as origin of attendance information was only provided for a sub-set of events.

Origin of attendees for lifestyle festivals in the Hunter region*

Event type	Avg. attendance / visitation	Attendance / visitor breakdown					
		Host LGA	Other Hunter	RoNSW	RoA	RoW	Outside Hunter
Single-day festival	7,300	48%	29%	20%	4%	0%	24%
Multi-day festival	19,400	50%	30%	15%	5%	1%	20%
TOTAL	**16,000**	**50%**	**29%**	**15%**	**5%**	**1%**	**21%**

*Representative of the 25 events for which details of origin of attendees were provided.

As presented in the table, the attendance profile for single-day and multi-day festival events is relatively similar, with single-day events recording 76% of attendees from the Hunter region and 24% of attendees from outside the Hunter region and with multi-day events recording 80% of attendees from the Hunter region and 20% of attendees from outside the Hunter region.

Expenditure

Expenditure per attendee has been identified to range between $25 and $170 with estimated organiser spend ranging from between $20,000 to approx. $80,000. Only two events were identified as having a requirement for council or state government event attraction funding. It is noted, however, that this information has only been provided for a sub-section of all events.

Example event: Warbirds over Scone

Warbirds Over Scone is a two-day Vintage Aircraft Airshow that is hosted on a bi-annual basis at Scone Airport. Based on information provided by Upper Hunter Shire Council the event attracts approx. 5,100 attendees, including:

- Approx. 1,250 attendees from the Upper Hunter LGA (25%);
- Approx. 1,250 attendees from the rest of the Hunter Region (25%);
- Approx. 100 attendees from the rest of NSW (2%);
- Approx. 2,000 attendees from the rest of Australia (39%); and
- Approx. 500 international attendees (10%).

Incremental visitor expenditure (i.e. direct impact) generated by hosting the event could be in the order of $1.04M, assuming each attendee from outside of the region spends approximately 3 nights at the event, with an estimated average nightly expenditure of approx. $133 (source Tourism Research Australia).

Lifestyle festivals (cont.)

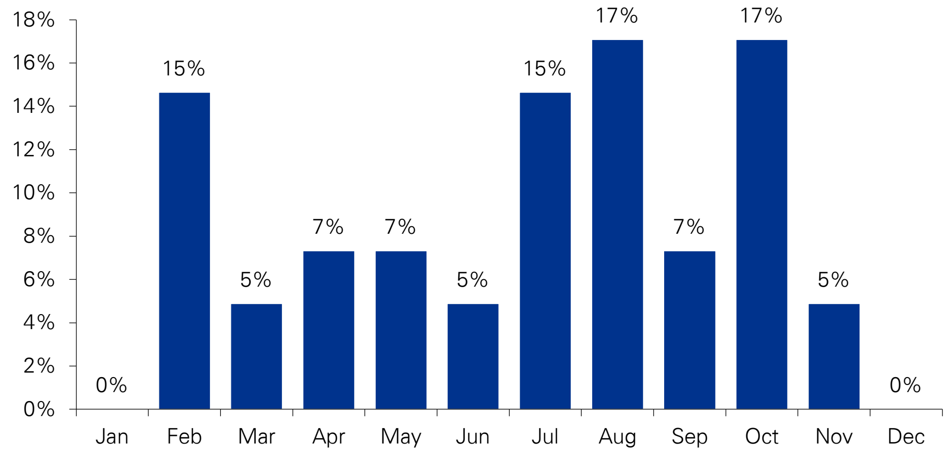
Seasonality

The adjacent charts present the seasonality of identified lifestyle festival events across the calendar year, based on the identified events occurring in 2018 and 2019. These years are considered in the analysis as they represent the event calendar pre-COVID-19, and collectively account for 51% of all events and 52% of total attendance over the period January 2017 to July 2022.

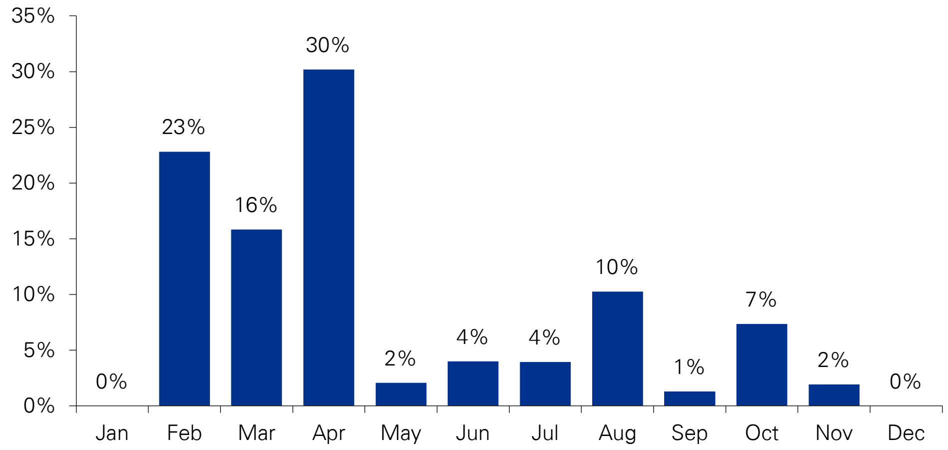
The peak window for hosting lifestyle festivals appears to occur over the period July through to October / November.

When considering the attendances to lifestyle festivals, however, the period February to April recorded the strongest attendance levels, with August and October also recording relatively strong attendance levels.

Seasonality - Lifestyle Festivals (no. events, 2018-2019)



Seasonality - Lifestyle Festivals (attendance, 2018-2019)



Arts and cultural events

Arts and cultural events

A total of 10 arts and cultural events were identified as part of the information provided to KPMG for this study. Information with respect to the number of attendees was provided for eight events, however, information with respect to the origin of attendees was only provided for four of these events. It is noted this does not incorporate all such events that occurred within the Hunter region.

Attendance

The following table provides a summary of the information provided for arts and cultural events in the Hunter region, with the earliest event dating to April 2019 and the most recent event having been hosted in June 2022.

Arts and cultural events in the Hunter region*

No. events	Total attendance / visitation	Avg. attendance / visitation
8	42,700	5,300

*Representative of the 8 events for which details of the number of attendees were provided.

On average arts and cultural events attracted approx. 5,300 attendees. Identified arts and cultural events are a combination of annual and one-off events. Duration of events has ranged from 1 day (Skywhales) to six weeks (2021 Archibald Prize Exhibition).

Origin of attendance

The following table provides a summary of the average attendance, and average attendance breakdown for arts and cultural events held in the Hunter region where information has been provided with respect to the origin of attendees.

NOTE: Average attendance in the table below is different to that presented in the previous table as origin of attendance information was only provided for a sub-set of events.

Origin of attendees for arts and cultural events in the Hunter region*

Avg. attendance / visitation	Attendance / visitor breakdown					
	Host LGA	Other Hunter	RoNSW	RoA	RoW	Outside Hunter
9,200	50%	37%	9%	4%	1%	13%

*Representative of the 4 events for which details of origin of attendees were provided.

As presented in the table, the attendance profile for arts and cultural events suggests an average of 50% of attendees from the host LGA, a further 37% of attendees from the Hunter region and 13% of attendees from outside the Hunter region.

Arts and cultural events (cont.)

Expenditure

Expenditure per attendee has been identified to range between $25 and $85 with estimated organiser spend ranging from between $10,000 to approx. $40,000. Only one event was identified as having a requirement for council or state government event attraction funding. It is noted, however, that this information has only been provided for a sub-section of all events.

Example event: Open Studios

Open Studios is a biannual event where local artists and makers open their studio doors to the general public. The event, hosted across Lake Macquarie, provides opportunities for art lovers to meet artists, learn about the creative process and participate in unique behind-the-scenes experience. Based on information provided by Lake Macquarie Council, the event attracts approx. 6,100 attendees, including:

- Approx. 50% from the Lake Macquarie LGA;
- Approx. 30% from the rest of the Hunter Region (25%);
- Approx. 10% from the rest of NSW; and
- Approx. 10% from the rest of Australia.

Incremental visitor expenditure (i.e. direct impact) generated by hosting the event is estimated by Council to be in the order of $42,000, assuming each attendee from outside of the region spends approximately $35.

Other events

Another 59 events were identified as part of this study. Upon review, however, these events appear to be primarily community events with no / limited out-of-region visitation.

Summary of events

Attendance

The following table presents a summary of the average visitation for the major events types, where such information was available, for events across the Hunter, with the earliest event dating to February 2017 and the most recent event being held in July 2022.

Events in the Hunter region*

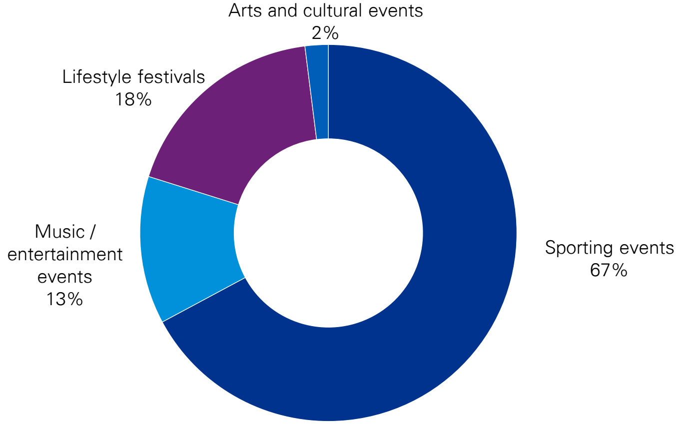
Event type	No. events	Total attendance / visitation	Avg. attendance / visitation
Sporting events	270	1,746,200	6,500
Music / entertainment events	51	425,300	8,300
Lifestyle festivals	73	681,600	9,300
Arts and cultural events	8	42,700	5,300
TOTAL	**402**	**2,895,800**	**7,200**

*Representative of the 402 events for which details of the number of attendees were provided.

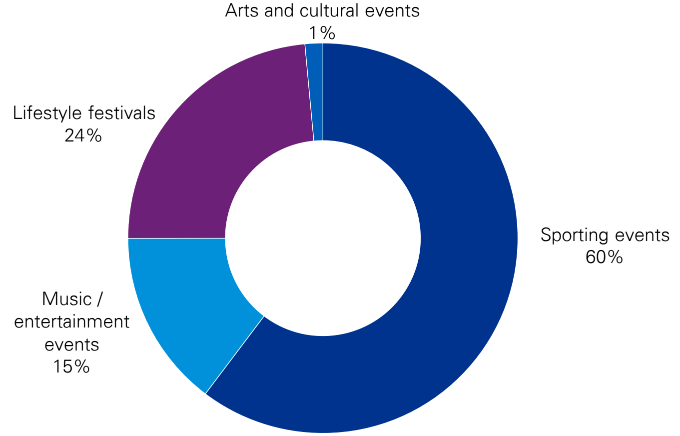
Overall, the analysis suggests sporting events are the most regularly hosted events, representing 67% of all identified events. Lifestyle festivals (18%) and music / entertainment events (13%) also represent material portions of the event calendar.

A similar mix is observed when comparing total attendance by event type. Lifestyle festivals and music / entertainment events have historically achieved the highest average attendances (9,300 and 8,300 respectively, with sporting events (6,500) and arts and cultural events (5,300) recording lower average attendance levels.

Share of events by event type



Share of attendees by event type



Summary of events (cont.)

Origin of attendance

The following table presents a summary of the average attendance, and average attendance breakdown for events held in the Hunter region where information has been provided with respect to the origin of attendees. *NOTE: Average attendances in the table below are different to those presented in the previous table as origin of attendance information was only provided for a sub-set of events.*

Origin of attendees for events in the Hunter region*

Event type	Avg. attendance / visitation	Attendance / visitor breakdown					
		Host LGA	Other Hunter	RoNSW	RoA	RoW	Outside Hunter
Sporting events	9,900	28%	47%	21%	3%	0%	25%
Music / entertainment events	17,800	42%	29%	28%	0%	0%	28%
Lifestyle festivals	16,000	50%	29%	15%	5%	1%	21%
Arts and cultural events	9,200	50%	37%	9%	4%	1%	13%

*Representative of the 200 events for which details of origin of attendees were provided.

As presented in the table, the attendance origin profile varies for different event types. The share of out-of-region attendees is relatively similar for sporting events, music / entertainment events and lifestyle festivals (between 21% and 28%), however, the origin of in-region attendees is more variable. In particular, sporting events (47%) appear to attract a higher share of 'Other Hunter' attendees when compared to lifestyle festivals (29%) and music / entertainment events (29%).

The share of attendees from outside of the Hunter region is lower for arts and cultural events (13%). Lifestyle festivals and arts and cultural events are, however, more likely to attract attendees from outside NSW, including attendees form the rest of Australia and internationally.

Estimated out-of-region attendance by event type

The following table presents an estimate of the number of out-of-region attendees by event type. This analysis has been undertaken by applying the attendance / visitor breakdown from events for which this information was provided to:

1) the entire list of events for which attendance data was available (total of 402 events, average attendance of 7,200); and
2) the events where origin of attendance information was provided (total of 200 events, average attendance of 10,900).

Estimate of out-of-region attendees by event type

Event type	Out-of-region attendance (%)	Estimated avg. out-of-region attendance per event	
		Based on events where total attendance was provided	Based on events where both total attendance and origin of attendance was provided
Sporting events	25%	1,590	2,430
Music / entertainment events	28%	2,360	5,050
Lifestyle festivals	21%	1,930	3,320
Arts and cultural events	13%	710	1,230
TOTAL	**N/A**	**1,730**	**2,600**

Summary of events (cont.)

Based on this analysis, music / entertainment events are estimated to attract the highest number of out-of-region attendees on average (between 2,360 and 5,050), followed by lifestyle festivals (between 1,930 and 3,320). Arts and cultural events on average are estimated to attract the lowest number of out-of-region attendees on average (between 710 and 1,230). It should be noted, however, that this information does not consider the number of days for each event, which is also a significant driver of economic value.

Seasonality

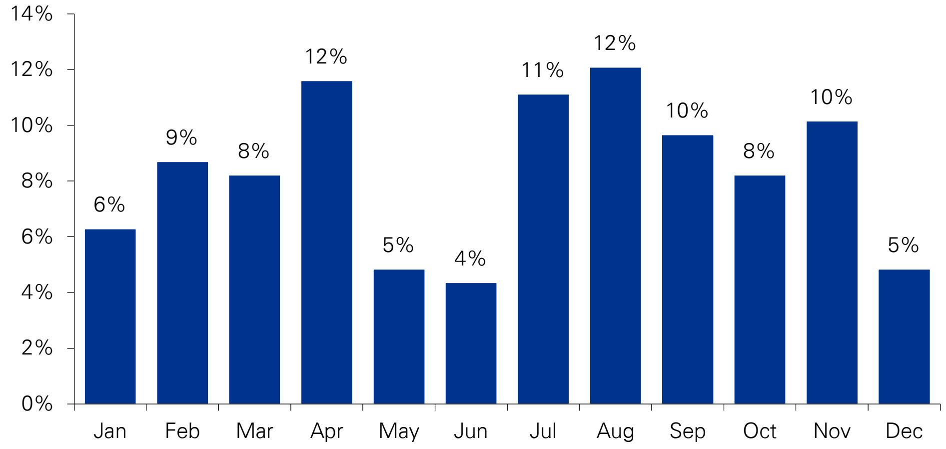
The adjacent charts present the seasonality of identified events across the calendar year, based on the identified events occurring in 2018 and 2019. These years are considered in the analysis as they represent the event calendar pre-COVID-19, and collectively account for 51% of all events and 52% of total attendance over the period January 2017 to July 2022.

The peak windows for hosting events appears to occur over the periods July through to October / November (51% of all events) and between February and April (29%). December and January (11% collectively) appear to be lower periods, with May and June (9% collectively) hosting the smallest share of events throughout the year.

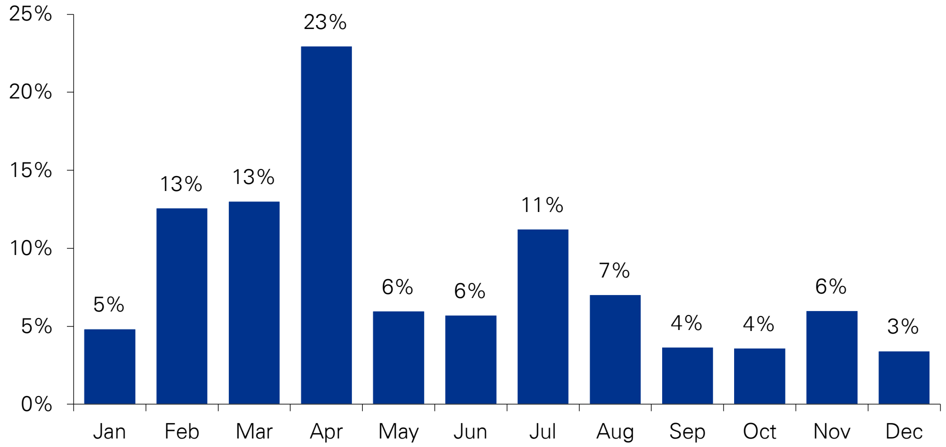
When considering the attendances, the period between February and April recorded the strongest attendance levels (49%), followed by the period of July / August (18%). The period September to January (22%) and the months of May and June (12% collectively) recorded the lowest total attendance levels for events.

Overall, it appears the peak period for events is between January and April (35% events, 53% of attendees) with the low period for the year occurring in May and June (9% events, 12% attendees). The period July to December accounts for 56% of events and 35% of attendees).

Seasonality - All events (no. events, 2018-2019)



Seasonality - All events (attendance, 2018-2019)



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Major event infrastructure

Major event facilities

Suitable venues and facilities are critical to being able to host and support the attraction and delivery of major events. Venues across the Hunter region support various types of events with some used to support multiple event types.

The Hunter has a wide array of venues ranging from heritage theatres, to large open spaces located in wineries, to a large international level stadium.

There is a mix of owner and operator models for the venues, with some being owned and operated by the Council (e.g. Maitland Showground), others being owned by the government sector but operated by private entities (e.g. Newcastle Entertainment Centre), and some venues being both owned and operated by private entities (e.g. the various wineries).

The table on the following page summarises the data collated through an event facilities audit currently being undertaken by Hunter JO, specifically calling out the largest venue of each category for each LGA. The facilities included in the audit (relevant to this study) are classified into the following categories:

- Performing arts venues, i.e. theatres, civic centres.
- Commercially operated outdoor venues, i.e. wineries, stadiums.
- Outdoor localities that host the occasional event, i.e. parks, showgrounds.
- Sports venues, i.e. sports complex's, racecourses.
- Pub hotels and bars that regularly offer live entertainment, i.e. hotels, country clubs.

Information was also collated relating to community halls, non-council performance spaces and licenced clubs, however, these been excluded from this analysis as these facilities are unlikely to host major events and instead typically focus on smaller, more community oriented events.

Key observations

Overall, there is a good mix of venues with differing sizes and capabilities, servicing each of the different event types, within the Hunter region.

The Hunter region is well provisioned with outdoor localities such as parks that are used for events, sporting venues and live music venues, however, commercially operated outdoor venues are limited to only three LGAs. Cessnock contains the majority of these facilities including Roche Estate, Bimbadgen Estate and Hope Estate which are three of the largest outdoor entertainment venues in the region. It is noted that a 30,000 capacity outdoor venue is also proposed for Cedar Mills in Lake Macquarie.

While not included in the facility audit, the Newcastle Entertainment Centre is a 6,500 capacity indoor entertainment arena in Newcastle LGA that hosts a range of indoor sporting, music and entertainment events. McDonald Jones Stadium is the largest outdoor venue in the region and is also located in Newcastle. It is the region’s only major stadium asset.

A key gap in the venue mix appears to be the lack of venues located within the Port Stephens LGA. According to the facility audit information provided to KPMG, there are no performing arts venues in Port Stephens, nor is there a commercially operated outdoor venue.

Convention centre facilities are another gap in the audit and have not been included in the analysis. Minimal information have been collated on the amount, scale and size of business event infrastructure (with the exception of Newcastle Exhibition and Conference Centre which has a max seated capacity of 1,280), with prior studies also identifying this asset category as a gap for the region. While business events are not the primary focus of this study, business events have been identified in prior studies as a key opportunity to grow the events market in the region. The lack of a large scale contemporary convention centre facility is a current inhibitor to growing this segment of the event market, however, does also present an opportunity should such infrastructure be developed into the future.

While the region is relatively well provisioned generally, not all LGAs have a full suite of major event facilities. On this basis, available venues / facilities is not considered to be a significant barrier to hosting events in the region, however, it is noted that certain events will likely only be able to be hosted in specific LGAs given the distribution of event infrastructure across the region e.g. a large scale rugby league or football match will only be able to be hosted at McDonald Jones Stadium. It is noted as a limitation that the Hunter region currently does not provide sufficient facilities to host a very large scale sporting event, such as a Commonwealth Games, which may affect future opportunities.

Major event facilities (cont.)

LGA	Performing Arts Venues (largest in LGA)			Outdoor Venues – Commercially Operated (largest in LGA)			Outdoor Localities (largest in LGA)			Sporting Venues (largest in LGA)			Live Music Venues (largest in LGA)		
	Available in LGA	Name	Capacity	Available in LGA	Name	Capacity	Available in LGA	Name	Capacity	Available in LGA	Name	Capacity	Available in LGA	Name	Capacity
Cessnock	✓	Cessnock Performing Arts Centre	466 capacity	✓	Roche Estate	20,000 capacity	✓	Poppet Head Park	N/A	✓	Badderley Park	10,000 capacity	✓	Weston Workers Club	350 capacity
Dungog	✓	James Theatre	650 capacity	N/A	N/A	N/A	✓	Dungog Showground	N/A	N/A	N/A	N/A	✓	The Royal Hotel	N/A
Lake Macquarie	✓	Rathmines Theatre	300 capacity	N/A	N/A	N/A	✓	Speers Point Park	20,000 capacity	✓	Hunter Sports Centre	5,000 capacity	✓	Lake Macquarie Yacht Club	N/A
Maitland	✓	Maitland Repertory Theatre	140 capacity	N/A	N/A	N/A	✓	Maitland Showground	20,000 capacity	✓	Maitland No.1 Sportsground	8,000 capacity	✓	East Maitland Bowls Club	N/A
Mid-Coast	✓	Manning Entertainment Centre	505 capacity	N/A	N/A	N/A	✓	Gloucester District Park	200 capacity	✓	Taree Showground	N/A	✓	Royal Hotel Taree	N/A
Muswellbrook	✓	Upper Hunter Conservatorium of Music	140 capacity	N/A	N/A	N/A	✓	Muswellbrook Showground	N/A	✓	Olympic Park	4,000 capacity	✓	Muswellbrook Hotel	N/A
Newcastle	✓	Civic Theatre and Playhouse	1,502 capacity	✓	McDonald Jones Stadium	33,000 capacity	✓	Lambton Park	N/A	✓	Newcastle Number 1 Oval	20,000 capacity	✓	The Cambridge Hotel	N/A
Port Stephens	N/A	N/A	N/A	N/A	N/A	N/A	✓	Fly Point Park	N/A	✓	Tomaree Matchfield	4,000 capacity	✓	Shoel Bay Country Club	N/A
Singleton	✓	Singleton Civic Theatre	576 capacity	✓	Dashville	3,000 capacity	✓	Cook Park	N/A	✓	Rugby Park	N/A	✓	Diggers Singleton	N/A
Upper Hunter Shire	✓	Old Court Theatre	90 capacity	N/A	N/A	N/A	✓	White Park	2,864 capacity	✓	Scone Racecourse	N/A	N/A	N/A	

Accommodation

An accommodation audit has been undertaken by Hunter JO to provide a holistic view of the number, size and types of accommodation within the region. This audit aims to take into consideration properties listed on the VisitNSW website, Australian Tourism Data Warehouse, local government websites and properties listed on accommodation booking sites such as Airbnb and booking.com. While STR compile an annual accommodation monitor, the only properties that are included within this data are properties which have greater than 10 rooms. This audit takes into consideration smaller properties, including Airbnbs and other small properties to give a more holistic view of the accommodation options available within the Hunter region.

The following table shows the high level findings of the accommodation audit by LGA:

LGA	Number of Properties	Number of Units	Number of Bedrooms
Cessnock	151	1,927	2,555
Dungog	83	216	367
Lake Macquarie	113	997	1,250
Maitland	107	699	782
MidCoast	150	2,318	2,545
Muswellbrook	33	442	463
Newcastle	114	2,635	2,701
Port Stephens	67	2,074	2,917
Singleton	105	668	910
Upper Hunter	41	338	402
TOTAL	**964**	**12,314**	**14,892**

Source: Hunter JO

The audit lists the number of properties, number of individual units, number of bedrooms within the units, and number of beds (where available) across a wide range of property types from hotels to farm stays. The number of beds was largely incomplete in the received audit data, and therefore, has not been included in the previous table.

In total, there are 964 accommodation properties across the Hunter across 13 different categories. The majority of these properties fall into the 'self contained' category, including houses, cottages and villas, which are not serviced. The metropolitan LGAs have a greater amount of hotels and motels, leading to the higher number of rooms being located in Newcastle, MidCoast and Port Stephens when compared to the more regional LGAs, which in turn contain a greater number of single bedroom properties.

Key observations

Muswellbrook had the lowest number of accommodation properties available, with Cessnock being found to have the greatest amount. This means that for events held in Muswellbrook or Upper Hunter, attendees from outside of the Hunter region are more likely to have to seek accommodation options in other LGAs. Conversely, events held in Cessnock and Mid-coast who have approximately 3 times the amount of properties available are more likely to have attendees stay within the LGA with benefits through accommodation spend less likely to be spread across multiple LGAs when attending events in these Council areas.

Limitations

The audit notes that some discrepancies exist between the online listing and property websites. Where these were found, the property website data was used. Similarly, owners of self contained accommodation have several management options leading to multiple listings on different sites. This has lead to the potential for double counting, especially in popular tourism destinations such as Lake Macquarie and the wine regions. Self contained properties also tend to move in and out of the market, leading to the number of properties available varying on a regular basis. As such, this audit is provided as more of an indication of the number of accommodation options available within the Hunter LGAs.

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KPMG

Event outcomes and classification

Key features of the Hunter region as a destination

This section of the report considers a number of key factors related to why Councils in the Hunter region may seek to host more events and how such events can be classified.

KPMG identified a number of studies that have been completed by local stakeholders to better understand the region's key points of difference and how these can be better utilised to drive growth into the future. This included *The Hunter Advantage* report, which can be found here.

The unique selling proposition (USP) for the Hunter region

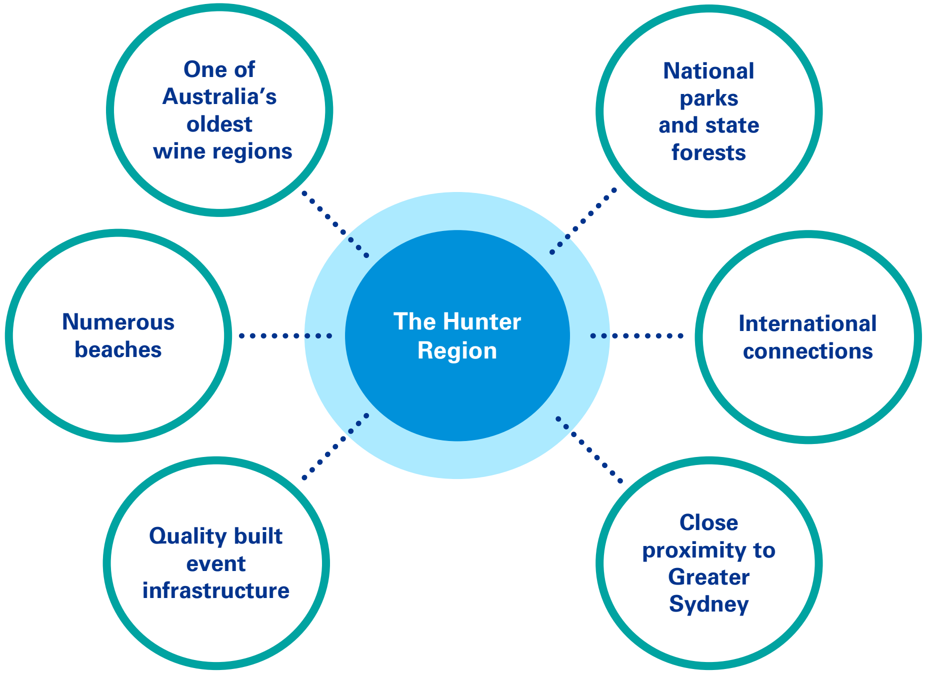
The Hunter Advantage report, prepared by Astrolabe Group for the Hunter and Central Coast Development Corporation (HCCDC) and the Department of Regional NSW (DRNSW), assesses the Hunter's economic comparative advantage and develops a brand narrative and positioning strategy. The report fulfils two key actions from the Greater Newcastle Metropolitan Plan 2036 and identifies three key pillars which describe the advantages of the Hunter region; Lifestyle, study and invest.

In regards to events, the report highlights the uniqueness of the regions existing assets, including the natural environment, and the close proximity of national parks, state forests and beaches, as key points of difference for the Hunter region when compared to other regional tourism destinations. Surf beaches along the coast and Lake Macquarie are identified as key natural features of the region that already play host to major events, including SURFest and Lake Macquarie Superboats respectively.

The report also references events and attractions held within the region, ranging from events at established wineries such as Roche Estate and Hope Estate, to bushwalking in Barrington Tops National Park. Existing events, such as these, should continue to be supported, in addition to an increase and diversification of future events moving forward to encourage more visitors to the region, as well as increasing the liveability of the region for existing residents.

This USP for the region is clearly articulated in the report, as well as a key feature in desktop research (such as the VisitNSW website). This was also identified through consultation completed with key stakeholders within the region.

The Hunter is in direct competition with other regional townships and centres across NSW and Australia for visitor dollars, and will need to leverage the natural and built advantages that currently exist in order to remain strong moving forwards. This could be driven by promotion of the following attributes that the Hunter possesses:



The Hunter Region

One of Australia's oldest wine regions

National parks and state forests

Numerous beaches

International connections

Quality built event infrastructure

Close proximity to Greater Sydney

Desired outcomes from hosting events

KPMG hosted an Events Workshop with Hunter JO and representatives from the 10 member Councils to identify desired outcomes from collaborating to host more events in the Hunter.

Four target outcomes were identified:

- Increasing visitation and visitor expenditure across the region;
- Hosting events that benefit multiple Council areas;
- Building out the region's event offering in the off-peak season (i.e. May-June, Dec-Jan); and
- Improved exposure and location / brand awareness for the Hunter and its member Council areas.

Each of these target outcomes is discussed in more detail below, including a discussion of examples of key measures and indicators relevant to each of these outcomes which have been identified based on a review of other regional event strategies and based on the discussion in the Events Workshop.

Increase visitation and visitor expenditure

Increasing the number of visitors to the region from other localities outside the Hunter brings tourist dollars that otherwise would have been spent elsewhere, providing a cash injection to local businesses, supporting employment, and increasing the GRP of the region. Major 'drawcard' events hosted in the Hunter are more likely to attract out of region visitors, as opposed to smaller more community focused events.

Example of key measures & indicators

- Number of visitors in the region for the event
- Origin of visitors in the region for the event
- Duration of stay for out-of-region visitors
- Average expenditure (i.e. direct impact) by visitors in the region for the event (per day / night or per trip)
- Number of returning visitors after having previously visited the region for an event

Events that benefit multiple Councils

Ideally, it is desirable that benefits of events (i.e. visitor expenditure) are not only realised within the LGA where the event is held, but dispersed across multiple LGAs.

For example, out-of-region attendees may stay in a neighbouring LGA to where the event is held, or event organisers may utilise workers from outside the host LGA. This is an important consideration for events, as if benefits are spread over multiple LGAs, the opportunity and rationale for collaboration between the council areas is stronger when organising and delivering events.

Example of key measures & indicators

- No. visitors staying in accommodation that is located outside the host LGA
- Share of visitor expenditure distributed outside the host LGA
- Visitor expenditure across the broader Hunter region as a share of visitor expenditure within the host LGA
- No. of workers from the broader Hunter region (but not the host LGA)

Enhanced off-peak (low season) event calendar

The current event calendar indicates there is a drop-off / gap in events hosted within the Hunter region in the months of May-June, and December-January. By pursuing and hosting events to be held in these 'off-peak' low season months, visitation to the region could become more consistent year round, maximising occupancy and utilisation, rather than over saturating the region in the months when visitation and demand is already high.

Desired outcomes from hosting events (cont.)

In addition to this, a more even distribution of event activity throughout the year would provide a more stable level of visitation and visitor expenditure to support visitor and event economy enterprises and employment across the region.

Example of key measures & indicators

- Number of events hosted in the low season
- Number of visitors hosted in the low season
- Differential between the number of events hosted in the high season versus the low season
- Differential between the number of visitors in the high season versus the low season
- Differential between accommodation occupancy in the high season versus the low season

Improved exposure and location / brand awareness

A strong and diverse events calendar raises the profile of the region. By hosting successful major events that draw large numbers of visitors from outside the region, an increase in the attractiveness of the region to potential visitors occurs (including the opportunity for return visitation).

A strong brand for a destination is important over both the immediate term and the long term. In the immediate term, visitors are more likely to choose to come to the Hunter if it has a strong reputation and track record of delivering successful major events and for being delivering a high quality visitor / tourism experience. In the long term, a diverse and sustained major events offering can support repeat exposure and sustained and awareness and recall of the Hunter as an event and tourism destination.

Example of key measures & indicators

- Overall event attendance
- Volume and mix of media coverage and audience (incl. broadcast, digital, print and radio)
- Advertising / market equivalent value of media coverage
- Spread of media coverage across target markets
- Number of new social media followers (e.g. Facebook, Instagram, etc.)
- Level of digital engagement (e.g. visitation to Hunter tourism websites, social media interactions, etc.), including pre-event, during event, and post-event engagement
- Net promoter score

Approaches to measurement

Much of the information relating to the identified measures and indicators can be gathered through surveys completed by visitors / ticket holders at (or shortly after) events held in the region. Ideally councils would use a consistent, agreed upon set of questions to ensure results are comparable from LGA to LGA and from event to event and to enable the development of a 'bank' of event information and benchmarks.

In addition, ticket sales information, social media statistics, media coverage reports and other more innovative tools (e.g. mobile phone data, credit card expenditure data, etc.) could be employed to capture the desired data to support event measurement activities.

Event classification framework

A clear classification framework provides stakeholders with a 'common language' to simplify the process for identifying, assessing, prioritising and attracting events. While there are some relatively consistent descriptors for events, a classification framework needs to be tailored for each unique region which will have a different event baseline and set of objectives.

The following outlines the key event characteristics / descriptors that have been identified for inclusion in the Hunter JO event classification framework.

- Type of event;
- Level of event;
- Size of event;
- Frequency of event;
- Duration of event;
- Timing of event;
- Exposure of event; and
- Distribution of event.

These characteristics / descriptors have been identified based on consultation with key stakeholders and research into comparator jurisdictions and are further described throughout the remainder of this section.

Type of event

Events have be classified, as defined earlier in the report, into the following categories:

- **Sporting events**
- **Music / entertainment events**
- **Lifestyle festivals**
- **Arts / cultural events**
- **Business events**
- **Community events**

Level of event

The level of event refers to the level of competition / performance occurring at the event and in turn the likely draw for attendees / participants. The four levels of events are:

- **Local** – Event focussed on local / regional level performance and / or likely to draw attendees from the local region only.
- **State** – Event focussed on state level performance and / or likely to draw attendees from across NSW e.g. New South Wales Schoolboy Rugby Championship.
- **National** – Event focussed on national level performance and / or likely to draw attendees from across Australia e.g. Exclusive exhibition of a nationally recognised artist.
- **International** – Event focussed on international level performance and / or likely to draw attendees from outside of Australia e.g. internationally recognised band / performer.

For example a school sporting carnival will draw within region attendees to the event as athletes and/or spectators, thus giving it a local classification. In comparison, a global defence industry conference will likely bring international delegates into the Hunter and therefore would be given an international classification.

Event classification framework (cont.)

Size of event

Size of event refers to the potential number of attendees to an event, including spectators, organisers and participants. Estimated number of attendees for an event can be determined based on previously held iterations of an event, or by using a benchmark event as a proxy. For simplicity the three classifications for the size of event are:

- **Small** – Events with less than 2,000 attendees.
- **Medium** – Events with between 2,000 to 7,999 attendees.
- **Large** – Events with 8,000 plus attendees.

The thresholds for this category have been based on the event information made available to KPMG on the basis that each category accounts for roughly one third of all events based on available event information (small = 34%, medium = 33%, large = 33%)

Frequency of event

Events fall into two frequencies:

- **One-off events** – Events that come to the region with no agreement to return in the future. An example of a recent one-off event in the Hunter is the Matilda's vs USA Women football match held in Newcastle in November 2021.
- **Recurring events** – Events that are scheduled to return on an annual (or other) basis. An example of an annual event is the Groovin the Moo festival held in Maitland each year.

Frequency can be important when considering and event. For example, a smaller annual event may deliver greater aggregate value to the host LGA than a larger event that does not return to the region. Recurring events also provide opportunities to build a long-lasting brand association between and event and a region / host LGA.

Duration of event

Duration refers to the number of days for each event. Categories include:

- **Single day** – Events held on one calendar day.
- **Multiple days** – Events held over two or more calendar days.

Multi-day events promote overnight and longer in-region stay (and expenditure) which can be an important determinant to the value of an event to the region.

Timing of event

As mentioned earlier, the timing of when events are held during the year is a key consideration when contemplating attracting a new event into the region. Based on analysis of the seasonality of events, event timing categories are:

- **Peak season** - Events scheduled to be hosted between January and April.
- **Shoulder season** - Events scheduled to be hosted between July and December.
- **Low season** - Events scheduled to be hosted in May and June.

Event classification framework (cont.)

Exposure of event

For improving the Hunter region's brand and visibility, the exposure and reach of an event is an important consideration. Events may be televised or broadcast to national or international viewers, thus showcasing the Hunter region to as wide as audience as possible. The reach of the event can therefore be classified into the following categories:

- **Non-televised** – Event is not broadcasted or televised.
- **Regionally/State-wide Televised** - Event broadcasted within the regional / state market.
- **Nationally Televised** – Event is broadcasted to the national market.
- **Internationally Televised** – Event is broadcasted to international markets.

Distribution of event

Economic impacts can be spread further than just the LGA that an event is held within. For example, visitors to a music event may choose to stay in accommodation that is located in a neighbouring LGA or an event organiser may hire labour from a different LGA. Events are therefore determined to fall into two different classifications:

- **Single LGA** – Event direct economic impact concentrated to only the host LGA.
- **Multiple LGAs** – Event direct economic impact distributed across multiple LGAs.

DRAFT

KPMG

Event contribution model

Approach to developing an event contribution model

Overview of the modelling approach

Modelling the economic impact of events on small regional economies is complex. For this assignment we have used a version of KPMG-SD, a proprietary regional computable general equilibrium (CGE) model, that has been modified to facilitate analysis of events in the Hunter region. The special purpose version of KPMG-SD, referred to as the Model, has then been used to simulate Gross Regional Product (GRP) and employment multipliers with respect to key event parameters related to ticketing revenue, organiser expenditure and patron expenditure.

The multipliers estimated with KPMG-SD are sophisticated because they capture the detailed inter-relationships contained in the model, including the impact of complex supply constraints. To estimate the required multipliers significant modifications were made to the standard configuration of KPMG-SD's database and theoretical structure. These included:

- **Regional dimensions** – in its standard configuration KPMG-SD divides the economy in regions consistent with the ABS Statistical Area 4 (SA4) classification. For this assignment we have explicitly modelled the 10 LGAs in the Hunter as well as the rest of the NSW and the rest of Australia.
- **Regional data** – data relating to the composition and size of regional economies is not readily available. The National Input-Output tables published by the ABS quantify the size and structure of the economy at the National level. This includes capturing the flows associated with businesses buying and selling goods and services to each other and to other of customers such as domestic households and foreigners. The Input-Output data also captures income flows associated with the usage of labour and other factors of production (e.g. fixed assets). We use KPMG-SD, together with relevant sub-national data, to disaggregate the National Input-Output data on a regional basis. At the LGA level we rely heavily on employment data to map the relationships captured in the National Input-Output accounts to the LGA level.
- **Commuter flows** – one of the challenges of economic modelling at the LGA level is that commuter flows between neighbouring LGAs may be significant. The geographic catchments of SA4 regions are designed with reference to a labour market that is close to self contained. That is, most of the people that work in an SA4 also live there. The boundaries of LGAs are not related to labour market dynamics. The close proximity of the 10 contiguous LGAs that fall in the Hunter region to each other and to other regions (e.g. Central Coast) means that it is necessary to capture the role of commuter flows on the local economies. Events that occur in a particular LGA my directly impact incomes of commuters that live in other LGA. For example, the income of worker that lives in Cessnock but commutes to work in Newcastle may be directly impacted by what happens to the Newcastle economy. In our modelling we have used Census data about regional commuter flows to capture these linkages between the Hunter LGAs.

Model application

The multipliers estimated using the Model are organised in a way that allows the Model to estimate the impact on GRP and employment for the 10 Hunter LGAs of a wide range of events held in one of the Hunter LGAs. The key parameters for describing an event in the Hunter are outlined later in this section, however, the key categories of inputs that are important for the modelling can be summarised as follows:

- **Ticketing revenue** – incl. the source and destination of the ticketing revenue.
- **Organiser expenditure** – incl. the source and destination of event organiser expenditure.
- **Patron expenditure** – incl. the source and destination of patron expenditure.

Within these three categories there is significant flexibility to specify particular features of events. As will be evident from the illustrative examples that are modelled in this section of the report, the event outputs are informed by how much new revenue:

- leaves the host LGA and the Hunter as a whole (e.g. if the event organiser is domiciled outside of the region); and
- enters the host LGA and the Hunter as a whole from event organisers and patrons domiciled outside of the Hunter region.

Approach to developing an event contribution model (cont.)

Caveats and limitations of the modelling approach

The approach we have used for this assignment is designed to provide non-specialists with a cost-effective simulation tool for analysing the impact of events held in the Hunter. The limitations and caveats associated with the Model include:

- The Model provides estimates of event impacts only on the GRP and employment outcomes for the 10 Hunter LGAs.
- The results generated by the Model should be interpreted as estimates that are subject to a degree of uncertainty that is commensurate with the inherent limitations of official data and economic theory in modelling economies at the LGA level.
- The Model has a limited life-span as the values of the multipliers will need to be refreshed periodically. The is less about the elapse of calendar time and more about changes in the size and composition of the local economies and the economies with which they interact. Even in the absence of major shocks to the local and broader economies it would be prudent to attach greater uncertainty to model results as time elapses and to refresh the multiplier estimates every 3 to 5 years. If the economy is subjected to major shocks then it would be appropriate to consider re-estimation of the multipliers immediately. We cannot be precise about what constitutes a "major shock" as it may be specific to the Hunter (e.g. positive or negative shock on a key industry) of more general nature. Indicators of a major shock might include a significant change in the unemployment rate relative to recent trends or a significant change in the number of people employed in a particular industry (e.g., reflecting closure of major businesses or influx of new businesses).
- The multipliers provide reasonable estimates for expenditure shocks that are not significantly bigger in magnitude than those used for the example events below. It is not possible to provide a formal definition of "significantly bigger" in the context of the simulation tool. Our general guidance is that results may be unreliable for expenditure shocks greater than:
  - $2 million in very small Hunter economies (Dungog and Upper Hunter);
  - $6 million for small economies (Cessnock, MidCoast and Muswellbrook);
  - $15 million for medium sized economies (Singleton, Port Stephens and Maitland); and
  - $25 million for the larger economies (Newcastle and Lake Macquarie).
- In addition to the guidance above about shock size it is important to recognise that the results generated by the model are valid only for economically reasonable values of key parameters. For example, it would be unreasonable to rely on estimates from the Model if inputs relating to overnight visitation within an LGA exceeded the available accommodation capacity within the LGA.
- The Model allows for the user to specify the Host LGA for an event and to specify inputs for the Host LGA. It also allows the user to specify inputs related to a region titled "Other Hunter" which includes all of the LGAs within the Hunter region that are not the Host LGA. Given the complexities of modelling economic impacts for small regional economies the Model does not allow the user to specify inputs specifically for each non-host LGA within the Hunter region. Instead, inputs for Other Hunter are assigned to each non-host Hunter LGA in a fixed proportion, either on the basis of production shares or consumption shares, depending upon the input.

Key parameters

The outputs of the Model are informed by a number of key inputs / parameters, including:

- Attendance, including ticketed attendees / spectators / participants and other attendees (e.g. performers / officials / etc.)
- The origin of attendees;
- Ticketing revenue and the location of the event promoter's business operations;
- Visitor expenditure, including consideration of length of stay and visitor expenditure per day / night;
- Distribution of visitor expenditure across the Hunter region;
- Retained expenditure of Hunter residents;
- Organiser spend, and how it is distributed across the Hunter region; and
- Costs to council, including event attraction fees and other event support and delivery costs.

Each of these will be outlined in more detail, along with information relating to benchmarks where appropriate.

Attendance

For the purpose of the Model attendees have been categorised as:

- **Attendees / participants**: Individuals who have purchased a ticket to attend the event (e.g. a concert), individuals who are participating in an event (e.g. a marathon) or people who otherwise attending / visiting an event (e.g. a lifestyle festival).
- **Other**: Individuals who are part of the organisation and delivery of the event, including performers / professional athletes, event delivery staff, officials, etc.

The Model considers 'unique attendees', that is the number of unique individuals who attend / visit an event. This is different to gross event attendance which is a count of the number of attendees over the duration of an event regardless of whether the same person attends the event on multiple days.

While earlier sections of the report have outlined the average attendances for different types of events, it is difficult to develop a benchmark for event attendance at the event type level given every event is relatively unique. Historical events of a similar nature (e.g. regular season NRL events at the same venue) can be used, however, to develop an estimate of event attendance.

Origin of attendees

The Model allows for consideration of the origin of attendees based on the following categories:

- Host LGA;
- Other Hunter;
- Other NSW or Intrastate / Rest of NSW (RoNSW);
- Rest of Australia (RoA); and
- Rest of World (RoW).

The Model allows the tailoring of the origin of attendee mix for both attendees / participants and other attendees.

Key parameters (cont.)

Analysis of existing events across the Hunter, as well as information identified as part of the event case studies (presented later in this report), does provide an indication as to the potential mix of event attendees by origin for certain types of events. The following tables provides a summary of this information.

Reference data for origin of event attendees – Events hosted in the Hunter*

Event type	Attendance / visitor breakdown				
	Host LGA	Other Hunter	RoNSW	RoA	RoW
Sporting events	28%	47%	21%	3%	0%
Music / entertainment events	42%	29%	28%	0%	0%
Lifestyle festivals	50%	29%	15%	5%	1%
Arts and cultural events	50%	37%	9%	4%	1%

*Representative of the 200 events for which details of origin of attendees were provided.

Reference data for origin of event attendees – Case studies

	Attendance / visitor breakdown			
	Host LGA	Intrastate	RoA	RoW
Min.	3%	2%	1%	0%
Max.	69%	62%	84%	5%
Average*	43%	32%	23%	1%

*Simple average.

These reference benchmarks can be a useful guide, however origin of attendance should also be considered specifically based on the unique characteristics of the event itself.

Ticketing revenue

Ticketing revenue is an important consideration with respect to an event that is not always considered when assessing the potential impact of an event.

Firstly, ticketing revenue reflects an economic outflow i.e. ticket revenue is being spent by individuals on an event. For events where the event promoter (i.e. the recipient of the ticketing revenue) is located outside of the host LGA or the Hunter this represents money leaving the region. For events where the event promoter is local to the host LGA the purchase of tickets by individuals from outside the host LGA represents money coming into the region.

The key inputs relating to ticketing revenue in relation to the Model include:

- Average daily ticket spend / price;
- No. ticketed days per attendees; and
- Location of the event organiser.

Ticket price benchmarking has not been undertaken.

Visitor expenditure

The Model allows for visitor expenditure information to be specified for each origin of attendee category i.e. for individuals from the host LGA, from other LGAs across the Hunter, from other NSW, from RoA, and from RoW.

Key drivers of visitor expenditure (in addition to attendance levels) include:

- Avg. no visitor days / nights per attendee; and
- Avg. visitor expenditure per day / night per attendee.

Key parameters (cont.)

The average number of visitor days / nights per attendee will depend on the nature and duration of the event. The following table presents TRA data for average length of stay for visitors to the Hunter, by LGA where possible. It is noted this is for all visitors to the Hunter, not only event visitors.

Average length of stay (all visitors, 2019)

LGA	International visitors	Domestic overnight
Cessnock	7.0	2.0
Newcastle	19.0	2.0
Dungog	-	3.0
Lake Macquarie	12.0	3.0
Maitland	33.0	3.0
MidCoast	8.0	3.0
Muswellbrook	-	2.0
Port Stephens	4.0	3.0
Singleton	26.0	3.0
Upper Hunter	20.0	2.0
TOTAL	**13.8**	**2.8**

Source: Tourism Research Australia

The length of stay parameter should also consider whether event attendees will extend their stay in the region beyond the duration of the event itself.

TRA data specific to event visitors suggests the average length of stay for event visitors to the Hunter is 5 nights for international visitors and 1 night for domestic overnight visitors.

There are also some reference benchmarks for average visitor spend per day / night.

Average visitor expenditure per night / day (all visitors, $2019)

LGA	International visitors*	Domestic overnight visitors*	Domestic daytrip visitors
Cessnock	82	343	124
Newcastle	105	246	119
Dungog	N/A	N/A	66
Lake Macquarie	118	187	88
Maitland	N/A	191	99
MidCoast	81	177	104
Muswellbrook	N/A	189	96
Port Stephens	103	235	91
Singleton	N/A	300	82
Upper Hunter	N/A	133	73
TOTAL	**N/A**	**N/A**	**105**

*For visitors staying in paid accommodation

Source: Tourism Research Australia

Key parameters (cont.)

The following table presents average visitor expenditure per night data sourced from the case studies.

Reference data for average visitor expenditure per night – Case studies		
	International visitors	**Domestic* overnight visitors**
Minimum	$68	$99
Maximum	$332	$332
*Based on analysis of interstate visitor expenditure		

Distribution of visitor expenditure

The Model allows for the allocation of visitor expenditure (by origin of attendee category) across both the host LGA and also the remainder of the Hunter region. This allows the Model to account for instances where a degree of visitor expenditure 'spills' into adjacent LGAs and the broader Hunter region.

This consideration is unique to the Hunter region, and the intent of this study, as other local government based tourism entities are typically focussed on a single LGA. The only identified example where this type of analysis has been conducted was for the 2019 Bluesfest event. The information presented for this event suggests approximately 60% of total visitor expenditure in the region occurred in Byron Bay (i.e. the host LGA), with 40% being spent across the remainder of the Northern Rivers region.

When determining this parameter, the following factors should be considered:

- The number of likely overnight visitors (domestic and international);
- The accommodation capacity of the host LGA, noting larger events in LGAs with less accommodation capacity will likely see more expenditure distributed across other LGAs;
- The duration of the event, with longer-duration events creating more opportunity for visitors to spend time outside the host LGA; and
- The likelihood of visitors extending their stay beyond the event itself and visiting other parts of the region.

Retained attendees (and therefore retained expenditure of Hunter residents)

Analysis of events is typically undertaken on an incremental basis i.e. visitors to a region / event (and visitor expenditure in a region) are only included in the analysis if they would not otherwise have attended the region if the event was not to have occurred.

To undertake a similarly incremental analysis for attendees from the Host LGA or from the broader Hunter region (and their associated ticket spend and other patron spend) it is important to understand the potential ticket revenue and visitor expenditure flows for people domiciled in Newcastle and other Hunter LGAs in the absence of the event under consideration.

For example, patron spend by Newcastle residents at an event in Newcastle could be assumed to have little impact because it simply displaces other expenditures these residents would have made in Newcastle if the event had not been held. Alternatively, it could be argued that at least some of the patron spend by Newcastle residents at an event in Newcastle would have been lost to the local economy if the event had not been held because these patrons would have travelled elsewhere to attend a comparable event. Analogous considerations apply to patrons from other Hunter LGAs.

Retained patron spend therefore reflects the patron expenditure that is retained within the region as a result of hosting the event.

Key parameters (cont.)

A similar concept can be applied to ticketing revenue. For example, if an event organiser is domiciled outside of the Hunter region, the purchase of tickets by residents from Hunter LGAs represents an outflow of income from the Hunter (i.e. imports of services from a business located outside the region). The negative impact of this outflow of income is ameliorated, however, by the extent to which the ticket purchases for this event by Hunter residents displaces other expenditures they would have made outside of the region if the event had not been held (i.e., one type of import into the Hunter is replaced by another).

Within the Model, these two concepts are captured in the concept of retained attendees, with the input being expressed as a percentage. For example, a retained attendees input of 10% can be interpreted as follows:

- 10% of event attendees from the Host LGA would have attended a like event outside the Hunter region if the event was not hosted in the Host LGA; and
- 10% of event attendees from Other Hunter would have attended a like event outside the Hunter region if the event was not hosted in the Hunter.

and therefore:

- 10% of the ticket costs paid by event attendees from the Host LGA and Other Hunter LGAs to business entities located outside of the Hunter region are assumed to displace other purchases they would have made outside the region in the absence of the event, with only the remaining 90% of ticket costs assumed to be incremental outflows from the region (i.e. expenditure on new imports to the region).
- 10% of the patron spend by event attendees from the Host LGA and Other Hunter LGAs is assumed to be incremental spending within the region (as it would otherwise have been spent outside the Hunter region), with the remaining 90% assumed to displace spending that would have occurred within the region if the event had not been held.

Retained attendees – Another perspective

Another way of considering the concept of retained attendees (and retained expenditure) is to consider an individual with a fixed disposable income for entertainment activities, say $100 per year.

In an average year the individual typically spends $50 of this disposable income on entertainment goods and services from organisations located within the Hunter and the remaining $50 of this disposable income on entertainment goods and services from organisations located outside the Hunter.

This year, however, there is a major event that the individual wishes to attend in the Hunter, with the individual choosing to use the $50 normally spent outside the Hunter to instead spend locally in association with attending the event. In this instance, it would be determined that 100% of the individual's event expenditure was retained i.e. it would otherwise have been a leakage to the Hunter economy but is now retained within the Hunter economy.

Key parameters (cont.)

Organiser spend

Expenditure by the event organiser / promoter in the Hunter region (i.e. to deliver the event) is another important driver of economic value.

The Model includes two key inputs for organiser spend, namely:

- Total organiser expenditure in the Hunter region; and
- The distribution of organiser expenditure across the host LGA and the remainder of the Hunter region.

Organiser expenditure will vary widely based on the unique characteristics of the event. Case study information suggests this expenditure can range from between less than $1 per gross attendee and up to $90 per gross attendee (alternatively, between less than $1 per unique attendee to up to $136 per unique attendee).

Similar to visitor expenditure, the distribution of event expenditure across multiple LGAs is not typically measured. The only identified example where this type of analysis has been conducted was for the 2019 Bluesfest event. The information presented for this event suggests approximately 57% of total organiser expenditure in the region occurred in Byron Bay (i.e. the host LGA), with 43% being spent across the remainder of the Northern Rivers region.

The Model assumes all organiser spend is incremental to the Hunter region, irrespective of whether the organiser is domiciled within the region or outside of the region.

Costs to council

Understanding the costs to council / the host region is important as it allows for a comparison between the direct impacts (i.e. visitor expenditure and organiser expenditure) and the costs incurred to deliver this impact.

The Model allows for the following inputs relating to council costs:

- Event attraction fees e.g. event sponsorship: and
- Other costs e.g. marketing costs, event delivery support (e.g. traffic management, security), waiver of permit / approval fees, etc.

There are no robust benchmarks available for these costs, however, research on other local government event attraction entities suggests attraction fees should be targeted to deliver an average ROI of 20:1 or more, where possible.

ROI calculations

The Model draws upon the inputs to calculate the projected ROI of the event. This ROI has been presented on the following bases:

- ROI for the Host LGA, excluding ticketing revenue flows; and
- ROI for the Hunter Region, excluding ticketing revenue flows.

The ROI (both for the Host LGA and the Hunter Region) has been calculated excluding ticketing revenue flows. This is to enable a more direct comparison with the ROI calculated by other jurisdictions.

Typically, ROI calculations included in event assessment models do not appear to allow for consideration of the potential outflows related to ticketing revenue. Excluding this outflow has the impact of increasing the ROI of the event when compared to when this outflow is included.

It is also noted that where no cost inputs are entered into the model, the model assumes $1 for the purpose of calculating the event ROI.

Event impact - Average annual regional impact

Aggregate visitor expenditure

The information provided for events in the Hunter region does not allow for a bottom up estimation of the overall size of the major events market in the region (or within each LGA). Data published by TRA, however, does provide a region-wide estimate of overall visitor expenditure by domestic day visitors, domestic overnight visitors and international visitors.

As outlined earlier in this report, average annual visitor expenditure in the Hunter region over the period 2016 to 2019 was in the order $164 million (2019$). We estimate that this is equivalent to $180 million in 2022 prices.

Aggregate Hunter visitor expenditure - Millions

	2019 prices	2022 prices
International	57	63
Domestic overnight	79	87
Domestic day	28	30
Total	**164**	**180**

Source: Tourism Research Australia; KPMG

For the purposes of modelling the impact of this expenditure on the Hunter region we have made the following additional assumptions:

- Half of the domestic overnight visitors are domiciled in the rest of NSW while the other half is domiciled in the rest of Australia (outside of NSW).
- All of the domestic day visitors come from the rest of NSW.
- The composition of visitor expenditure across goods and services is based on assumptions embedded in the simulation tool (see table below).

Composition of visitor expenditure

	Food & beverage	Accommodation	Retail & other
International & domestic overnight	27%	26%	47%
Domestic day	40%	0%	60%

Source: KPMG analysis of Tourism Research Australia data

- The distribution of visitor expenditure across the Hunter LGAs is based on the estimated shares of aggregate production by the *Food & Beverage*, *Accommodation* and *Arts & Recreation* services industries (see table with simulation results on adjacent page for assumed distribution).

Event impact - Average annual regional impact (cont.)

Employment and GRP estimates

Simulation results for GRP and employment are reported in the table below. In aggregate the visitor expenditure in the Hunter region is estimated to directly and indirectly support about 860 FTE jobs and generate just over $51 million in real GRP per annum (2022 prices).

Estimated impact of Hunter visitor expenditure

	Distribution of visitor spend*	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	7.9%	$4.4	74
Dungog	1.2%	$0.8	10
Singleton	6.3%	$2.0	31
Lake Macquarie	25.1%	$15.9	229
Newcastle	25.8%	$9.5	214
MidCoast	8.5%	$5.7	92
Port Stephens	10.3%	$5.5	99
Muswellbrook	2.8%	$1.0	14
Upper Hunter	1.9%	$1.0	15
Maitland	10.1%	$5.5	84
Total	**100%**	**$51.2**	**863**

*Based on the estimated shares of aggregate production by the *Food & Beverage, Accommodation* and *Arts & Recreation services* industries within the Hunter region.

Event impact - Indicative / example event impacts

Indicative / example event analysis

In addition to the overall average annual regional impact of events, the Model has been employed to estimate the impact of a set of indicative / example events hosted within the Hunter region. These were selected to cover a range of Host LGAs and a range of event types, and include:

- Newcastle 500 Supercars (Newcastle);
- STOMP Festival (Cessnock);
- NRL Trial Match (Maitland);
- Open Studies (Lake Macquarie); and
- Groovin the Moo (Maitland).

Detailed assumptions for each event are presented in Appendix D. Analysis results are presented as follows.

Newcastle 500 Supercars (Newcastle)

The Newcastle 500 is an annual Supercars event held on a street-circuit in Newcastle.

Gross revenue / expenditure flows

The adjacent table summarises key revenue / expenditure flows related to the hosting of the event in Newcastle for each of the three categories, namely: ticket revenue; organiser expenditure to host the event; and expenditure by patrons in relation to the event.

For each category the assumptions have enabled identification of the source (from) and destination (to) of that revenue / expenditure.

Revenue / expenditure flows: Newcastle 500 Supercars ($ million, 2022 prices)

	Ticket Revenue		Organiser Spend		Patron Spend	
	from	to	from	to	from	to
Newcastle (Host LGA)	2.98			5.11	4.30	15.41
Other Hunter	2.30			0.57	2.86	0.92
Rest of NSW	2.30				3.55	
Rest of Australia	1.80	9.51	5.68		5.35	
Rest of the World	0.13				0.27	
Total	**9.51**	**9.51**	**5.68**	**5.68**	**16.32**	**16.32**

For this event:

- $9.51 million in ticket revenue is collected from patrons domiciled in Newcastle, Other Hunter LGAs, Rest of NSW, Rest of Australia and the Rest of the World. This revenue accrues to entities in the Rest of NSW. Thus, for example, patrons domiciled in Newcastle pay $2.98 million to entities in the Rest of NSW to attend the event.
- The business(es) organising this event are assumed to be domiciled in the Rest of NSW. They spend $5.68 million within the Hunter to host the event, with $5.11 million spent in Newcastle (as the Host LGA) and the remaining $0.57 million spent in other Hunter LGAs.
- Patron spend is $16.32 million with $15.41 million of that spent in Newcastle and $0.92 million spent in other Hunter LGAs.

Event impact - Indicative / example event impacts (cont.)

Retained expenditure

For this event, retained expenditure is assumed to be 10%. This can be interpreted as follows:

- 10% of the ticket costs paid by residents from Newcastle and Other Hunter LGAs to business entities in the Rest of NSW are assumed to displace other purchases they would have made outside the region in the absence of the event, with only the remaining 90% of ticket costs assumed to be incremental outflows from the region (i.e. expenditure on new imports to the region).
- 10% of the patron spend by residents from Newcastle and Other Hunter LGAs is assumed to be incremental spending within the region (as it would otherwise have been spent outside the Hunter region), with the remaining 90% assumed to displace spending that would have occurred within the region if the event had not been held.

Simulation (i.e. impact assessment) results

The adjacent table presents the estimated impacts of the Newcastle 500 Supercars on GRP and employment for the Hunter LGAs. Simulation results are presented both including and excluding ticketing revenue flows, to demonstrate the importance of the ticketing revenue assumptions.

For Newcastle (the Host LGA) the event is estimated to directly and indirectly support about 55 FTE jobs and generate in the order of $3.06 million in real GRP per annum (2022 prices) when ticketing revenue flows are included. This increases to an estimated 61 FTE jobs and in the order of $4.46 million in real GRP per annum (2022 prices) when ticketing revenue flows are excluded.

When including ticketing revenue flows, the GRP and employment impacts of the event on other Hunter LGAs are estimated to be negative (or negligible) in most instances. This reflects the outflow of ticketing revenue from these LGAs and the transfer of patron spend from these LGAs to the Newcastle LGA. These negative impacts are largely reversed when ticketing revenue is excluded from the analysis.

Estimated impact of Newcastle 500 Supercars

	Including ticketing revenue flows		Excluding ticketing revenue flows	
	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	-0.03	0	0.05	0
Dungog	-0.01	0	0.01	0
Singleton	0.06	0	0.10	1
Lake Macquarie	-0.05	1	0.41	4
Newcastle	3.06	55	4.46	61
MidCoast	-0.17	-2	-0.04	-1
Port Stephens	0.00	1	0.15	2
Muswellbrook	0.03	0	0.05	0
Upper Hunter	-0.04	-1	-0.01	-1
Maitland	0.00	-1	0.16	0
Total	**2.86**	**52**	**5.34**	**66**

Event impact - Indicative / example event impacts (cont.)

ROI results

The following table presents the ROI results for the Newcastle 500 Supercars event, assuming Council costs in the order of $1.6 million.

Estimated ROI of Newcastle 500 Supercars

	Including ticketing revenue flows	Excluding ticketing revenue flows
Host LGA	8.7 : 1	10.4 : 1
Hunter region	6.8 : 1	9.7 : 1

The ROI for the event is estimated to be 10.4:1 for the Newcastle LGA and 9.7:1 for the Hunter region as a whole when ticketing revenue flows are excluded.

STOMP Festival (Cessnock)

The STOMP Festival is an annual lifestyle festival hosted in the Cessnock CBD incorporating activities such as wine tasting, brewery tours, markets, entertainment, kids rides and activities, and street performers.

Gross revenue / expenditure flows

The adjacent table summarises key revenue / expenditure flows related to the hosting of the STOMP festival in Cessnock.

Revenue / expenditure flows: STOMP Festival ($ million, 2022 prices)

	Ticket Revenue		Organiser Spend		Patron Spend	
	from	to	from	to	from	to
Cessnock			0.07	0.07	0.11	2.11
Other Hunter					0.17	0.20
Rest of NSW					1.74	
Rest of Australia					0.29	
Rest of the World					0.00	
Total	**0.00**	**0.00**	**0.07**	**0.07**	**2.31**	**2.31**

For this event:

- The event is not ticketed, therefore no ticketing revenue is captured.
- The business(es) organising this event are assumed to be domiciled in Cessnock (the Host LGA). They spend $0.07 million within the Cessnock LGA to host the event.
- Patron spend is $2.31 million with $2.11 million of that spent in Cessnock and $0.20 million spent in other Hunter LGAs.

Event impact - Indicative / example event impacts (cont.)

Retained expenditure

For this event, retained expenditure is assumed to be 0%. This can be interpreted as follows:

- None of the patron spend by residents from Cessnock and Other Hunter LGAs is assumed to be incremental spending within the region.
- All patron spend by Hunter region residents is assumed to displace spending that would have occurred within the region if the event had not been held.

Simulation (i.e. impact assessment) results

The adjacent table presents the estimated impacts of the STOMP Festival on GRP and employment for the Hunter LGAs. Simulation results are only presented excluding ticketing revenue flows as there are no assumed ticketing revenues for this event.

For Cessnock (the Host LGA) the event is estimated to directly and indirectly support about 8 FTE jobs and generate in the order of $0.50 million in real GRP per annum (2022 prices).

The GRP and employment impacts of the event on other Hunter LGAs are estimated to be negligible in most instances.

ROI results

The following table presents the ROI results for the STOMP Festival, assuming Council costs in the order of $12,500.

Estimated ROI of STOMP Festival

	Excluding ticketing revenue flows
Host LGA	166 : 1
Hunter region	168 : 1

The ROI for the event is estimated to be 166:1 for the Cessnock LGA and 168:1 for the Hunter region.

Estimated impact of the STOMP Festival

	Excluding ticketing revenue flows	
	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	0.50	8
Dungog	0.00	0
Singleton	0.01	0
Lake Macquarie	0.01	0
Newcastle	0.03	0
MidCoast	-0.02	0
Port Stephens	0.01	0
Muswellbrook	0.01	0
Upper Hunter	0.00	0
Maitland	0.02	0
Total	**0.57**	**8**

Event impact - Indicative / example event impacts (cont.)

NRL Trial Match (Maitland)

The NRL Trial Match was hosted at the Maitland Sportsground and was played between Newcastle and Parramatta.

Gross revenue / expenditure flows

The following table summarises key revenue / expenditure flows related to the hosting of the NRL Trial Match in Maitland.

Revenue / expenditure flows: NRL trial match in Maitland ($ million, 2022 prices)

	Ticket Revenue		Organiser Spend		Patron Spend	
	from	to	from	to	from	to
Maitland	0.03	0.07	0.08	0.07		0.29
Other Hunter	0.02			0.01	0.14	
Rest of NSW	0.02				0.14	
Rest of Australia						
Rest of the World						
Total	**0.07**	**0.07**	**0.08**	**0.08**	**0.29**	**0.29**

For this event:

- $0.07 million in ticket revenue is collected from patrons domiciled in Newcastle, Other Hunter LGAs and Rest of NSW. This revenue accrues to entities in the Rest of NSW. Thus, for example, patrons domiciled in Maitland pay $0.03 million to entities in the Rest of NSW to attend the event.
- The business(es) organising this event are assumed to be domiciled in the Maitland (Host LGA). They spend $0.08 million within the Hunter region to host the event, with $0.07m spent within Maitland (as the Host LGA) and the remaining $0.01 million spent in other Hunter LGAs.
- Patron spend is $0.29 million with all of that spent within the Maitland LGA.

Retained expenditure

For this event, retained expenditure is assumed to be 0%. This can be interpreted as follows:

- None of the ticket costs paid by residents from Maitland and Other Hunter LGAs to business entities in the Rest of NSW are assumed to displace other purchases they would have made outside the region in the absence of the event. All ticket costs assumed to be incremental outflows from the region (i.e. expenditure on new imports to the region).
- None of the patron spend by residents from Other Hunter LGAs is assumed to be incremental spending within the region. All patron spend is assumed to displace spending that would have occurred within the region if the event had not been held. No patron spend for attendees from Maitland has been assumed.

Event impact - Indicative / example event impacts (cont.)

Simulation (i.e. impact assessment) results

The adjacent table presents the estimated impacts of the NRL Trial Match on GRP and employment for the Hunter LGAs. Simulation results are presented both including and excluding ticketing revenue flows.

For Maitland (the Host LGA) the event is estimated to directly and indirectly support about 1 FTE job and generate in the order of $0.09 million in real GRP per annum (2022 prices) when ticketing revenue flows are included. The differences in the result when excluding ticketing revenue are very small and not distinguishable at the level of accuracy reported in the table.

Similarly, impacts on other Hunter LGAs from hosting this event in Maitland are very small and not distinguishable at the level of accuracy reported in the table.

ROI results

The following table presents the ROI results for the NRL Trial Match, assuming Council costs in the order of $5,000.

Estimated ROI of NRL Trial Match

	Including ticketing revenue flows	Excluding ticketing revenue flows
Host LGA	78 : 1	71 : 1
Hunter region	47 : 1	44 : 1

The ROI for the event is estimated to be 71:1 for the Maitland LGA and 44:1 for the Hunter region as a whole when ticketing revenue flows are excluded.

Estimated impact of the NRL Trial Match hosted in Maitland

	Including ticketing revenue flows		Excluding ticketing revenue flows	
	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	0.00	0	0.00	0
Dungog	0.00	0	0.00	0
Singleton	0.00	0	0.00	0
Lake Macquarie	0.00	0	0.00	0
Newcastle	0.00	0	0.00	0
MidCoast	0.00	0	0.00	0
Port Stephens	0.00	0	0.00	0
Muswellbrook	0.00	0	0.00	0
Upper Hunter	0.00	0	0.00	0
Maitland	0.09	1	0.05	1
Total	**0.09**	**1**	**0.06**	**1**

Event impact - Indicative / example event impacts (cont.)

Open Studios (Lake Macquarie)

Open Studios is an 'Open House' style event with 40 participating art studios around Lake Macquarie.

Gross revenue / expenditure flows

The following table summarises key revenue / expenditure flows related to the hosting of the Open Studios event in Lake Macquarie.

Revenue / Expenditure flows: Open Studios event in Lake Macquarie ($ million, 2022 prices)

	Ticket Revenue		Organiser Spend		Patron Spend	
	from	to	from	to	from	to
Lake Macquarie					0.11	0.29
Other Hunter					0.06	
Rest of NSW					0.06	
Rest of Australia					0.06	
Rest of the World						
Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.29**	**0.29**

For this event:

- The event is not ticketed, therefore no ticketing revenue is captured.
- No organiser spend has been determined.
- Patron spend is $0.29 million with all of this spend occurring in the Lake Macquarie LGA.

Retained expenditure

For this event, retained expenditure is assumed to be 0%. This can be interpreted as follows:

- None of the patron spend by residents from Lake Macquarie and Other Hunter LGAs is assumed to be incremental spending within the region.
- All patron spend by Hunter region residents is assumed to displace spending that would have occurred within the region if the event had not been held.

Simulation (i.e. impact assessment) results

The table on the following page presents the estimated impacts of the Open Studios Event on GRP and employment for the Hunter LGAs. Simulation results are only presented excluding ticketing revenue flows as there are no assumed ticketing revenues for this event.

For Lake Macquarie (the Host LGA) the event is estimated to directly and indirectly support less than 1 FTE job and generate in the order of $0.03 million in real GRP per annum (2022 prices).

The GRP and employment impacts of the event on other Hunter LGAs are estimated to be very small and not distinguishable at the level of accuracy reported in the table.

The results reflect the assumption that only the patron spend from the Rest of NSW and the Rest of Australia impacts the Hunter region.

Event impact - Indicative / example event impacts (cont.)

Estimated impact of the Open Studios event		
	Excluding ticketing revenue flows	
	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	0.00	0
Dungog	0.00	0
Singleton	0.00	0
Lake Macquarie	0.03	0
Newcastle	0.00	0
MidCoast	0.00	0
Port Stephens	0.00	0
Muswellbrook	0.00	0
Upper Hunter	0.00	0
Maitland	0.00	0
Total	**0.03**	**0**

ROI results

The following table presents the ROI results for the Open Studios event, assuming Council costs in the order of $30,000.

Estimated ROI of STOMP Festival	
	Excluding ticketing revenue flows
Host LGA	5.9 : 1
Hunter region	3.8 : 1

The ROI for the event is estimated to be 5.9:1 for the Lake Macquarie LGA and 3.8:1 for the Hunter region.

Event impact - Indicative / example event impacts (cont.)

Groovin The Moo (Maitland)

Groovin the Moo is an annual single-day music festival hosted at the Maitland Showground.

Gross revenue / expenditure flows

The following table summarises key revenue / expenditure flows related to the hosting of Groovin the Moo in Maitland.

Revenue / expenditure flows: Groovin the Moo Festival in Maitland ($ million, 2022 prices)

	Ticket Revenue		Organiser Spend		Patron Spend	
	from	to	from	to	from	to
Maitland	1.30			0.10	0.86	2.91
Other Hunter	0.98			0.01	0.64	0.16
Rest of NSW	0.98				1.57	
Rest of Australia		3.25	0.11			
Rest of the World						
Total	**3.25**	**3.25**	**0.11**	**0.11**	**3.07**	**3.07**

For this event:

- $3.25 million in ticket revenue is collected from patrons domiciled in Maitland, Other Hunter LGAs and Rest of NSW. This revenue accrues to entities in the Rest of Australia. Thus, for example, patrons domiciled in Maitland pay $1.30 million to entities in the Rest of Australia to attend the event.
- The business(es) organising this event are assumed to be domiciled in the Rest of Australia. They spend $0.11 million within the Hunter to host the event, with $0.10 million spent in Maitland (as the Host LGA) and the remaining $0.01 million spent in other Hunter LGAs.
- Patron spend is $3.07 million with $2.91 million of that spent in Maitland and $0.16 million spent in other Hunter LGAs.

Retained expenditure

For this event, retained expenditure is assumed to be 0%. This can be interpreted as follows:

- None of the ticket costs paid by residents from Maitland and Other Hunter LGAs to business entities in the Rest of NSW are assumed to displace other purchases they would have made outside the region in the absence of the event. All ticket costs are assumed to be incremental outflows from the region (i.e. expenditure on new imports to the region).
- None of the patron spend by residents from Maitland and Other Hunter LGAs is assumed to be incremental spending within the region.
- All patron spend by Hunter region residents is assumed to displace spending that would have occurred within the region if the event had not been held.

Event impact - Indicative / example event impacts (cont.)

Simulation (i.e. impact assessment) results

The adjacent table presents the estimated impacts of the Groovin the Moo festival on GRP and employment for the Hunter LGAs. Simulation results are presented both including and excluding ticketing revenue flows, to demonstrate the importance of the ticketing revenue assumptions.

For Maitland (the Host LGA) the event is estimated to be a net drain on employment and real GRP per annum (2022 prices) when ticketing revenue flows are included. This is due to assumed ticket revenue outflows exceeding inflows from organiser expenditure or visitor expenditure. When ticketing revenue flows are excluded the results increase to generating an estimated 6 FTE jobs and in the order of $0.40 million in real GRP per annum (2022 prices) for Maitland.

When including ticketing revenue flows, the GRP and employment impacts of the event on other Hunter LGAs are estimated to be negative (or negligible) in most instances. This reflects the outflow of ticketing revenue from these LGAs and the transfer of patron spend from these LGAs to the Maitland LGA. These negative impacts are largely reversed when ticketing revenue is excluded from the analysis.

ROI results

The following table presents the ROI results for the Groovin the Moo event, assuming Council costs in the order of $5,000.

Estimated ROI of Groovin the Moo

	Including ticketing revenue flows	Excluding ticketing revenue flows
Host LGA	170 : 1	430 : 1
Hunter region	-120 : 1	336 : 1

Estimated impact of Groovin the Moo Festival hosted in Maitland

	Including ticketing revenue flows		Excluding ticketing revenue flows	
	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #	GRP Increment $m, 2022 prices	Full-time Equivalent Jobs #
Cessnock	-0.04	0	0.01	0
Dungog	-0.01	0	0.00	0
Singleton	-0.01	0	0.01	0
Lake Macquarie	-0.17	-1	0.02	0
Newcastle	-0.10	0	0.03	0
MidCoast	-0.07	-1	-0.01	0
Port Stephens	-0.06	0	0.02	0
Muswellbrook	0.00	0	0.01	0
Upper Hunter	-0.01	0	0.00	0
Maitland	-0.36	-1	0.40	6
Total	**-0.84**	**-3**	**0.48**	**6**

The ROI for the event is estimated to be 430:1 for the Maitland LGA and 336:1 for the Hunter region as a whole when ticketing revenue flows are excluded.

Event impact case studies

A number of case studies have been identified and analyses to further understand, demonstrate and benchmark the impact and contribution an event can provide to a host region / location.

The following case studies have been selected for inclusion within this report to demonstrate a broad spread across the different event types and scales and include events local to the Hunter region and from further afield.

V8 Supercars Newcastle 500 (2019)

- The Newcastle 500 Supercars event, held on a temporary street circuit in close proximity to the picturesque Newcastle foreshore, attracts large numbers of motorsport fans, crowds and spectators to the region.
- Traditional media coverage of the event generated over $2 million in value and reached more than 14 million people, whilst interest in the event more broadly continued to grow through social media channels.

Major Music Festival (2018)

- A multi-day annual music and cultural festival event held in a regional Australian location.
- The festival is one of the biggest annual cultural events of its type in Australia, with 97% of attendees visitors to the host region.

Bluesfest (2019)

- Bluesfest is one of Australia's most acclaimed and respected music festivals. Bluesfest is also a significant cultural and tourism attraction for both local residents and visitors to the region.
- Notably, the total value added economic impact of Bluesfest 2019 represented approximately 2.3% of the total GRP for the Byron Shire region.

Living Smart Festival (2019)

- The Living Smart Festival on Lake Macquarie is a single day lifestyle festival of three distinct events; Living Smart Festival (Sustainability Event), Feast for the Senses (Dining Under the Stars) and Living Together Festival (Multicultural Event)
- The festival attracts mostly local attendees from the Lake Macquarie LGA with 69% residents of the region.

National Level Sporting Championship (2019)

- A multi-day national level sporting championship event, held in a capital city has been referenced to demonstrate the impact and contribution of this type of event.

Perth Festival (2022)

- A month long arts and cultural festival provided 125 free and ticketed events around Perth showcasing international and local artists.

The following pages provide overviews each of these case studies to outline a high level representation of the estimated visitation, origin of visitors, average spend, organiser spend and employment supported by the event.

It is important to note that there are significant complexities in measuring events due to their differing specifications and differing analysis techniques. Therefore the estimation of an average event for each event type is not possible and the identification of specific types of events to be targeted is not possible. The accompanying model and event prioritisation tool should be used instead to assist the Hunter JO and its member councils to make decisions on what events should be hosted in the region.

Further benchmarking data and detail can be found in Appendix C.

Case study - V8 Supercars Newcastle 500 (2019)

$11.0m

Total visitor expenditure

$5.2m

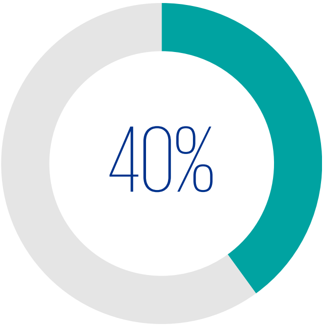
Total organiser spend

72,000

Total unique attendees

145

FTE jobs supported by the event



Estimated proportion of attendees who stayed overnight in the region

$92

Average daily spend per intrastate attendee

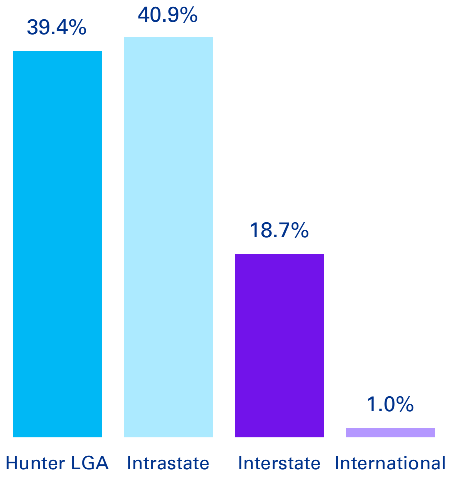
$183

Average spend per interstate attendee per night

$187

Average spend per international attendee per night

Attendee origin breakdown



Estimated average length of stay

1.8 days

All visitors

Sources: Hunter Research Foundation Centre – Newcastle 500 Supercars Event: Economic and non-economic Impact Assessment for the City of Newcastle; Ernst and Young – Economic Impact of the Newcastle 500 Supercars event for 2017, 2018 and 2019

Case study - Major Music Festival (2018)

$23.9m

Total visitor expenditure

$4.4m

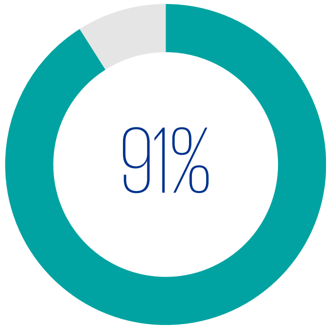
Total organiser spend

36,100

Total unique attendees

153

FTE jobs supported by the event



Estimated proportion of attendees who stayed overnight in the region

$477

Average trip spend per intrastate attendee

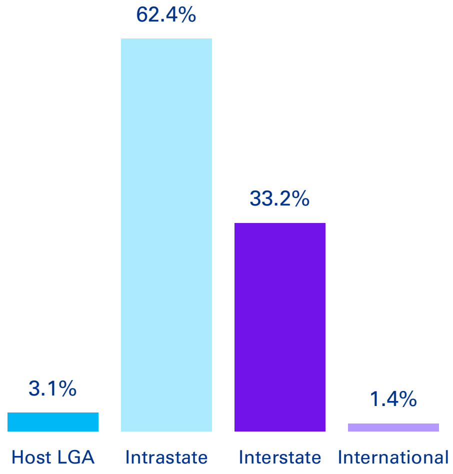
$780

Average trip spend per interstate attendee

$958

Average trip spend per international attendee

Attendee origin breakdown



Estimated number of day-trippers and overnight visitors

3,159

Day-trippers

30,139

Overnight visitors

Source: Confidential

Case study – Bluesfest (2019)

$35.5m

Total visitor expenditure

$2.6m

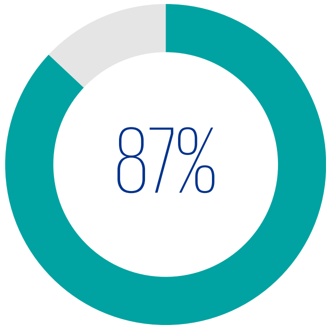
Total organiser spend

37,191

Estimated attendees

63

FTE jobs supported by the event



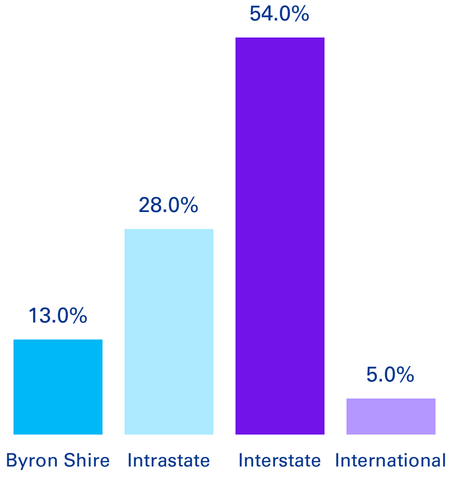
Estimated proportion of attendees who stayed overnight in the region

(assumed visitors from outside the Byron shire will stay overnight in the region)

$304

Average spend per night for overnight attendees

Visitor origin breakdown



Estimated number of single-day and multi-day ticket purchases

17,079

Single-day ticket holders

20,112

Multi-day ticket holders

Source: Lawrence Consulting – Economic Impact of Bluesfest 2019

Case study - Living Smart Festival (2019)

$375k

Total visitor expenditure

$0.01m

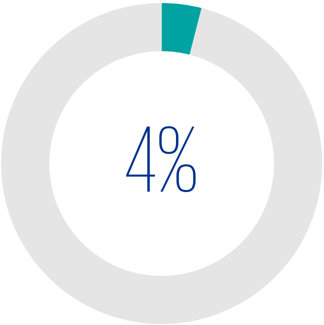
Total organiser spend

28,000

Total unique attendees

2

FTE jobs supported by the event[1]

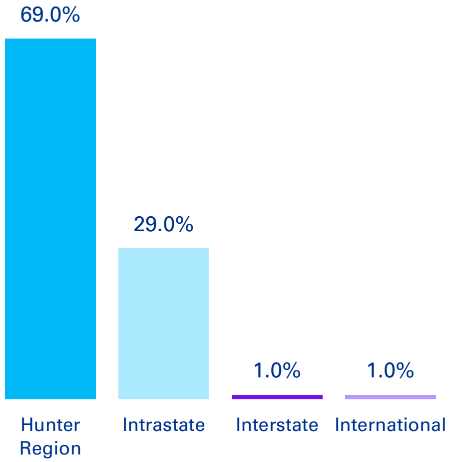


Estimated proportion of attendees who stayed overnight in the region

$49

Average spend per primary purpose visitor

Visitor origin breakdown



Estimated number of day-trippers and overnight visitors

6,455

Day-trippers

1,049

Overnight visitors

Source: ier: Living Smart Festival Economic & Experiential Research Study

[1] *Calculated using the Model developed as part of this study; based on primary purpose visitor expenditure*

Case study - National Level Sporting Championship (2019)

$4.3m

Total visitor expenditure

$236k

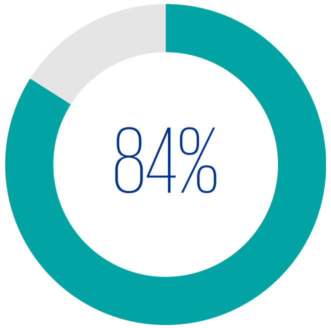
Organiser Spend

5,518

Total unique attendees

N/A

FTE jobs supported by the event



Estimated proportion of attendees who stayed overnight in the region

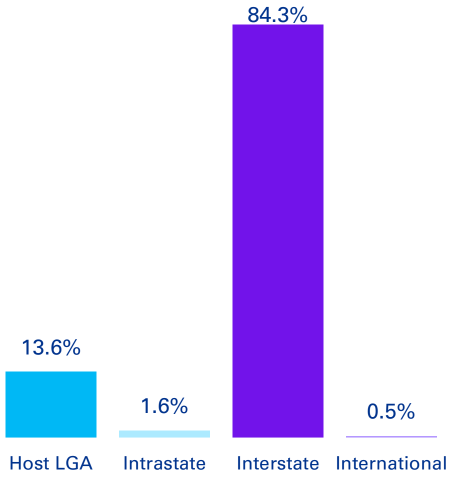
$138

Average spend per day trip attendee

$243

Average spend per overnight attendee

Visitor origin breakdown



Estimated number of day-trippers and overnight visitors

748

Day-trippers

4,770

Overnight visitors

Source: Confidential

Case study - Perth Festival (2022)

$6.0m

Total visitor expenditure

$20m

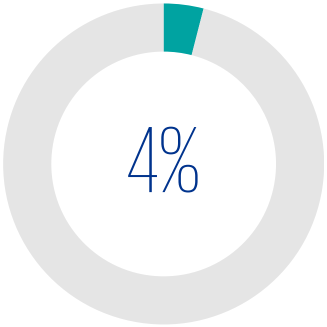
Total indirect economic impact

143,665

Total attendees

245

FTE jobs supported by the event



Estimated number of attendees who stayed overnight in the region

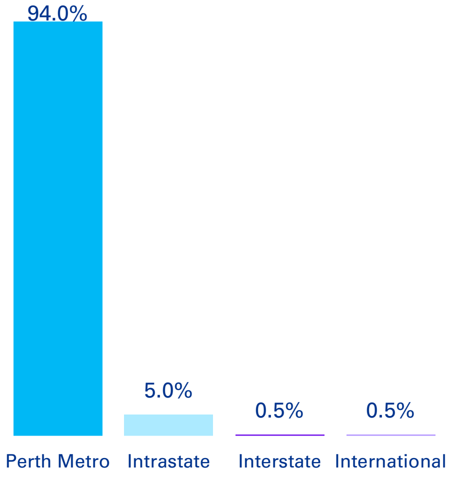
$51

Average spend per day trip attendee

$85

Average spend per overnight attendee

Visitor origin breakdown



Estimated number of day-trippers and overnight visitors

140,954

Day-trippers

2,711

Overnight visitors

KPMG

Event attraction strategy

Event attraction strategy

The Hunter, as well as each member Council within the region, has the opportunity to bid for a range of events throughout a year. Bidding for an event, however, requires a significant investment in resources and time. The development of an event attraction strategy provides a strategic approach and framework through which the region can identify, assess and bid for events that deliver optimal value for the region.

Typically, a mature event attraction strategy includes articulation of the following components:

1. The **mission and vision** for attracting and hosting events;
2. The **destination brand / competitive advantage**, both for event promoters and for participants / visitors;
3. The **intended outcomes / benefits** of hosting events;
4. The **number and types of events (including event mix)** that should be attracted to the region; and
5. The key **strategies and activities required** to deliver upon the above elements;
6. The **business model** underpinning deliver upon the strategy.

Typically, local governments have tended to develop event attraction strategies for their respective LGA in isolation, with limited consideration of how benefits may accrue to surrounding LGAs. State Governments have also developed event attraction strategies at the State (and often regional) level.

There are no identified examples, however, of multiple local governments collaborating for a joint-event attraction strategy. This unique and collaborative strategy is the intent of this investigation by Hunter JO, however, it is noted that the event industry maturity across the relevant councils is variable and a combined strategy would need to be fit-for-purpose for the majority (if not all) Councils to be successful.

This section of the report seeks to build out an event attraction strategy for the Hunter region, noting that the core focus of this report is the economic components of the strategy (i.e. largely component 3 and component 4).

Component 6 (i.e. the business model) is the focus of the subsequent section of this report.

Other components (i.e. components 1,2, and 5) of a typical event attraction strategy are addressed, albeit in less detail.

Event attraction strategy (cont.)

Mission and vision

The mission and vision for events in the Hunter has been articulated by Hunter JO as follows:

MISSION	TO HAVE A COORDINATED APPROACH TO EVENT ATTRACTION AND DELIVERY
VISION	WE'RE RECOGNISED AS A DESTINATION FOR HOSTING WORLD-CLASS EVENTS THAT ALIGN WITH OUR UNIQUE OFFERING

At the core of the mission and vision for events in the Hunter is the desire to work together to attract, create and deliver events for the benefit of the entire region. This will include leveraging the existing work already being undertaken by individual Councils and harnessing the combined energy and resources of the collective to elevate and accelerate the growth and value of the events industry across the Hunter.

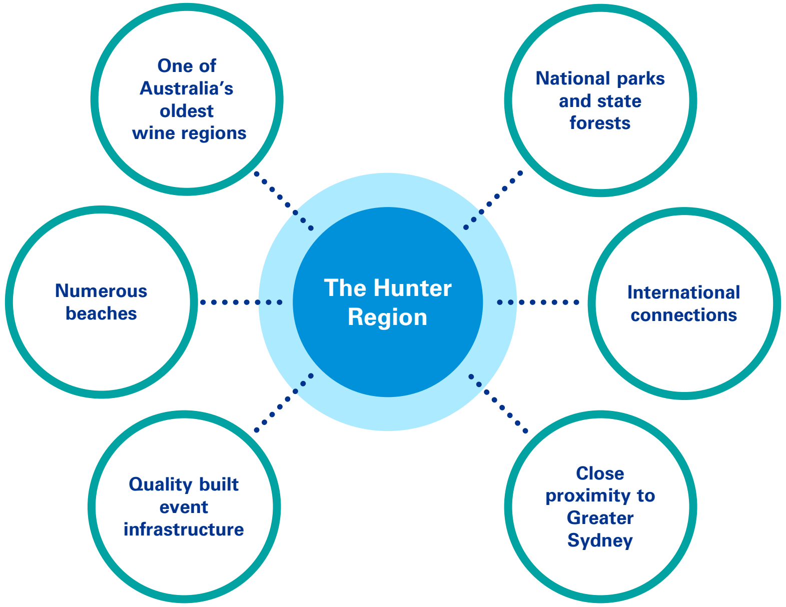
Destination brand / competitive advantage

Development of a destination brand proposition, including the competitive advantages of the Hunter region, along with the unique attributes and advantages of each of the Council areas was not within the core scope of this project. It has been identified, however, that this is area that is not as mature as other competitor regions and Councils and Hunter JO are currently focussing effort and resourcing for this purpose.

For example, as outlined earlier in the report, the Hunter Advantage report identified a potential positioning strategy for the Hunter region, focussing on the key pillars of lifestyle, study and invest.

While the strategy acknowledges the role of events across the Hunter and references the natural advantages and proposition of the region (i.e. national parks, state forests, beaches, wineries, etc.) its purpose was not specifically to develop a tourism or events destination brand for the region. The Hunter JO does have a desire to focus effort and resources to increasing brand awareness in the future.

Should the Hunter JO proceed with the establishment of a collaborative approach and business model for events in the region it is recommended that a targeted events destination brand be developed. Based on the various information available at the current time, it is anticipated such a brand would include reference to the attributes identified in the Hunter Advantage report (see below), along with others.



Event attraction strategy (cont.)

Intended outcomes and benefits

As outlined earlier in this report, desktop research and engagement with Councils through an Event Workshop identified the following key intended outcomes / benefits associated with collaborating to host and deliver more events in the Hunter:

Outcome / benefit	Description	Measurement
Economic impact	The primary intended outcome of any event strategy is to leverage events to deliver economic impact for the host region. This includes increasing economic output in the region through attracting new visitors and visitor expenditure and expenditure within the host region related to event delivery / operations which in turn benefits businesses and workers within the region.	**Direct economic impact** = Incremental visitor expenditure plus incremental event organiser expenditure. **Value added** = The additional value generated for capital (i.e. profit for businesses) and labour (i.e. wages for workers) as a result of the direct economic impact. Relative to measures of turnover (e.g. direct economic impact, value added nets out the cost of good sold. **Employment** = the number of full-time equivalent (FTE) jobs supported by the direct economic impact. **Return on investment** = Direct economic impact divided by the cost to attract (incl. event sponsorship, delivery costs borne by the host LGA, etc.)
Benefits to all Councils	The unique nature of this event attraction strategy is the collaboration between multiple Councils across the region. On this basis, it will be important that benefits are generated for all Council areas across the region.	**Distribution of direct economic impact** = Share of direct economic impact by LGA relative to LGA size (by population or economy)
Building the off-peak event calendar	One of the key outcomes identified by Councils as part of the Event Workshop was to build out the event calendar in the periods of the year where there are fewer events. This would smooth the impact of events across the region and optimise the value of events.	**Number of events hosted in the off-peak period** (May and June) **Share of events hosted in the off-peak period** (May and June)
Brand / location exposure	Enhancing the brand / location exposure of a destination / LGA is an important driver for hosting events. This can include traditional media coverage, social media interactions or other digital engagement.	**Media exposure** = Number of live viewers; volume and mix of media coverage / audience; media coverage in target markets **Marketing equivalency** = Marketing / advertising equivalent value of media coverage **Digital engagement** = Number of new social media followers; number of social media interactions; visits to website

Event attraction strategy (cont.)

Number, type and mix of events

Analysis presented earlier in this report outlines the current number, type and mix of events held across the Hunter region based on information provided to KPMG by Councils and Venues NSW. Key observations include:

- Sporting events are the most regularly hosted events (69% of all identified events), followed by lifestyle festivals (16%). Arts and cultural events represent the lowest share of total events (2%).
- Likewise, sporting event attract the highest number of attendees (62% of total identified attendees), followed by lifestyle festivals (22%). Arts and culture events represent the lowest share of overall attendance (1%).
- Few events are hosted in the months of May and June each year.

Overall, the current event mix does have a skew towards sporting events, noting average attendance suggest a skew towards lifestyle festivals (recording an average attendance of 9,900).

In relation to the ability for an event to attract attendees from outside the Hunter region, analysis presented earlier in this report suggests:

- Music / entertainment events are estimated to attract the highest number of out-of-region attendees on average per event (between 2,390 and 5,050), followed by lifestyle festivals (between 2,150 and 3,550); and
- Arts and cultural events are estimated to attract the lowest number of out-of-region attendees on average per event (between 870 and 1,230).
- The average number of out-of-region attendees for sports events is projected to drop from between 1,610 - 2,440 to between 1,490 - 1,740 when Newcastle Knights and Newcastle Jets games at Hunter Stadium are removed from the analysis.

Acknowledging the insights above have been developed based on incomplete data for the region, it appears there is an opportunity to focus on the development and attraction of additional arts and cultural events in order to provide residents and visitors with a full range of event experience and opportunities. There also appears to be an opportunity to focus on developing and attracting additional lifestyle festivals and music / entertainment events, which on average have been able to attract a higher share, and number, of out-of-region attendees when compared to other event types.

Another lens for considering the types of events that should be attracted to a region is alignment with the regional destination brand / competitive advantages. As noted earlier, the strategic positioning of each council, and the Hunter region as a whole, is not defined to a point that would allow a strategy to identify the specific subset of event types that the Hunter is seeking to attract, nor have councils outlined a combined strategic ambition in relation to the number of events they are seeking to host in the region.

As such, developing a narrow focus with respect to the type of events is considered premature and at this stage, unlikely to deliver value or achieve sufficient buy-in.

What is considered to provide value, however, is the development of an event prioritisation framework. Such a framework can establish a system by which Hunter JO and member councils can assess potential events relative to an agreed set of targets, or in comparison to other potential events. A framework of this nature will be specifically important to identifying events that may require collaboration and investment across more than one LGA, as is the intent of this study.

An event prioritisation framework should be structured to include consideration of both quantifiable economic outcomes, as well as other strategic objectives of Hunter JO and its member councils.

Further details of the event prioritisation framework developed to support event assessment and attraction for the Hunter region are outlined on the following pages.

Event attraction strategy (cont.)

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 Hunter JO 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 Hunter JO 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 attraction strategy (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.

Criteria raw rating / scoring

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.

Criteria 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 Hunter JO, 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 event rating

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

A target of 1.6 for the overall event rating should be the benchmark for pursuing an event. This rating 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 an overall event rating 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 overall event rating 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 attraction strategy (cont.)

Pillar	Criteria		% weighting		Rating of 1	Rating of 2	Rating of 3
Economic	**Direct economic impact**	The total estimated direct economic impact generated by the event, including visitor expenditure and organiser spend in the local economy	***80%***	*60%*	**Low** *Gross expenditure between $100,000 and $1m*	**Medium** *Gross expenditure between $1m and $5m*	**High** *Gross expenditure $5m and above*
	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%*	**Low** *ROI less than 20:1*	**Medium** *ROI >20:1 and <40:1*	**High** *ROI 40:1 and above*
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%*	**Limited alignment** *Limited alignment with identified Hunter brand attributes / competitive advantages; low positive community perception of the event*	**Partial alignment** *Partial alignment with identified Hunter brand attributes / competitive advantages; moderate positive community perception of the event*	**Full alignment** *Full alignment with identified Hunter brand attributes / competitive advantages; high positive community perception of the event*
	Event timing	When the event would be hosted during the year, preferencing events in the low season		*5%*	**Peak season** *Event scheduled to be hosted between January and April*	**Shoulder season** *Event scheduled to be hosted between July and December*	**Low season** *Event scheduled to be hosted in May or June*
	Media exposure	The level and extent of media coverage and general awareness of the event and its host location		*5%*	**Low** *Event televised in regional / state market; low event recognition / awareness outside the region*	**Medium** *Event televised nationally; moderate event recognition / awareness in Australia*	**High** *Event televised nationally and internationally; strong event recognition / awareness in Australia*
	Regional distribution	The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs		*5%*	**Low** *Direct economic impact concentrated in a single LGA*	**Medium** *Direct economic impact distributed across up to three LGAs*	**High** *Direct economic impact distributed across four or more LGAs*

Event attraction strategy (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 an event rating 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 for every dollar of council investment		*20%*	1	Estimated ROI of less than 20:1 based on a $1.6m event attraction fee[1]
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)
Event rating					**2.40** **(max of 3)**	

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[1] Council gives its support to Supercars date for Newcastle 500 in 2023 - City of Newcastle (nsw.gov.au)

Event attraction strategy (cont.)

Strategies and activities

The event attraction strategy presented in this report has focussed on the economic components of a typical event strategy. While we have not focussed on the industry development and capability components of an event strategy, the typical focus areas and activities as identified in comparator event strategies can include:

- Working with existing events to build scale, exposure and potential economic impact;
- Better leveraging existing and new events to promote visitor attractions and destinations across other parts of the Hunter region;
- Enhancing processes to identify, evaluate and fund events;
- Facilitating additional event funding through partnerships with other government and private sector organisations;
- Promoting investment into infrastructure required to support and deliver events across the region;
- Engaging the region's key and high-value industries to develop or service events;
- Developing the destination brand of the region, including marketing and activation activities to increase audience reach and brand awareness;
- Supporting the capability development of the regional events industry, including developing tools, systems and processes to support event planning and management; and
- Engaging the local business and resident community to engender support for individual events and the events industry as a whole.

Event attraction business model

Current state event attraction business models

Existing event attraction business models in the Hunter region

Within the Hunter region, it is understood that the ten member Councils currently demonstrate differing levels of resourcing and capability in relation to event attraction and delivery:

- The largest LGAs in the region (Lake Macquarie and Newcastle) have developed dedicated event strategies (Newcastle City Council Events Plan and Lake Mac Events and Festival Strategy) and have dedicated events personnel (Lake Macquarie employs 3 full time event personnel). These Councils also provide significant funding to attract events, with Lake Macquarie committing to $600,000 annual funding of its event program.
- Several of the next largest LGAs in the region (for example Port Stephens and Maitland) have developed Destination Management Plans which include reviews of the event market and event opportunities in each LGA, with some Council personnel engaged in event attraction and delivery. Funding for events is also provided by these Councils.
- Many of the smaller LGA Councils are currently developing Destination Management Plans which will include an assessment of their event capability. However due to the smaller size of these LGAs funding for events is understood to be limited and considered on an ad-hoc basis.

As part of Destination NSW's Sydney Surrounds North Region, all LGAs in the Hunter region are also able to access event expertise and apply for event funding for existing events. Many existing events in the Hunter region, such as the V8 Supercars Newcastle 500 and Surfest attract event funding from Destination NSW.

Business models in comparable regions across Australia

In order to assess a potential event attraction business model for the Hunter region, consultation with a number of existing event attraction entities operating in comparable regions across Australia have been undertaken and review the event attraction business models for these regions has been completed. Specifically, we have undertaken research and consultation in relation to the event attraction organisations in the following regions:

- Gold Coast, QLD
- Geelong, VIC
- Sunshine Coast, QLD
- Canberra, ACT
- Tamworth, NSW

These regions were selected as they showcase a variety of regional event attraction business models and levels of maturity. They include well established event destinations such as the Gold Coast as well as small regional centres such as Tamworth which is primarily know for its signature event, the Tamworth Country Music Festival. Other regional centres such as Geelong, Canberra and the Sunshine Coast in Queensland have a strong focus on events, as well as attracting comparable resident and visitor populations as the Hunter region.

Details of the business models for the comparator event attraction organisations are provided on the following pages.

Major Events Gold Coast

Major Events Gold Coast (MEGC)	
History/ population	• Previously the Gold Coast suburbs of Broadbeach, Surfers Paradise and Coolangatta each developed individual event organisations. MEGC was created in July 2020 and merged these 3 separate event organisations plus other event groups within the Gold Coast City Council (GCCC) to develop one entity. • Gold Coast resident population – 633,800
Structure	• MEGC is a not for profit organisation, but part of the GCCC, reporting through an independent board. • MEGC is looking to confirm an annual budget but currently requests funds on an event by event basis. The board can approve funding of up to $500,000 per event for a period of up to 5 years, but this is often not a sufficient time horizon for events. • MEGC includes an event delivery arm (delivers four festivals) and an event attraction arm. • Destination Gold Coast is a separate organisation focusing on attracting business events to the Gold Coast.
Focus of event attraction	• The Gold Coast has historically been focused on mass participation events, especially amateur sports events such as the signature Gold Coast Marathon and the V8 Supercars, which both attract significant visitor numbers to the Gold Coast. The ROI is high, and easy to justify for these events. • The event attraction focus is shifting, however, to events which build the reputation of the Gold Coast with wider media reach. For example, the recent World Title match (boxing) included an international broadcast component. • The advantages of the Gold Coast include: Natural attractions; weather/climate; and significant infrastructure improvements as a result of hosting the Commonwealth Games in 2018.
Co-operation with State event groups	• Most of the major events on the Gold Coast have attracted Tourism Events Queensland (TEQ) funding (i.e. World Bowls event – historically 60-70% TEQ funding and 30-40% GC funding). More recent events such as the Pacific Airshow have been predominantly attracted and funded by MEGC.
Staffing of organisation	• Approximately 30 total staff – four in event attraction and 13 in festivals, with the remainder in corporate (strategy, finance, etc). • Destination Gold Coast has a further 10 staff, focused on attracting business events to the Gold Coast.
Funding and economic benefit of events	• MEGC received funding of approximately $10m in FY21 as a grant from GCCC. An additional $2.8m was generated through events delivered by the group. • The events attracted were estimated to generated an economic impact of $180m in FY19. • Employee costs equated to approximately $2.5m in FY21. • The GCCC is looking to increase the economic impact of events to $450m by 2025, which will require significantly higher funding of MEGC.
Other	• Merging of the multiple event bodies has had the positive impact of being able to consolidated the areas various festivals into four major events, a reduction from eight festivals previously. The timing of the festivals was also improved to ensure an even spread of events annually and more events in low tourist season.

Geelong Major Events

Geelong Major Events (GME)	
History/ population	• Established in 1998, when Victoria developed a strong focus on events. • Geelong and the Bellarine resident population – 270,800
Structure	• GME is part of the Geelong City Council (GCC or 'Council'), reporting through a Committee established under Council (councillors are included on the Committee with four year terms). GME is part of the "Economy, Place, Events" division of Council and is responsible for event permits (statutory role), marketing (promotes all events in Geelong) and Major Event procurement. • GME does not deliver events. The private sector undertakes this role, with other areas of Council delivering community events (with a budget of $200,000 p.a.). • Business events in Geelong are organised separately within the Tourism division of Council, which operates as a regional convention bureau with membership from businesses, as well as funding from Council. • GME has an annual event attraction budget of $1m. The Committee has authority to spend up to this budget and can request additional funds for specific events (e.g. Commonwealth Games and T20 Cricket). • GME believes it is very important to have a separate Committee with committed funds as Council processes often take too long and decisions regarding supporting events often need to be made within short timeframes (e.g. 48 hours). In addition, bids for events are often confidential and having to disclose events that are bid for, but not won was identified by GME as having the potential to create unwanted media attention.
Focus of event attraction	• GME has historically focused on outdoor events which has resulted in attracting cycling and sailing events and an International Airshow. This is a limiting factor as the majority of events are held in summer. Geelong Convention Centre is likely to change that focus and extend the event season. • The primary reason to attract an event is economic returns, with the secondary reason being improving the brand and reputation of Geelong.
Co-operation with State event groups	• GME works closely with Visit Victoria to jointly fund most major events, approximately 25-35 events per annum.
Staffing of organisation	• Eight total staff – including event permits, marketing and Major Event procurement, excluding the delivery of events.
Funding and economic benefit of events	• GME received grant funding of $1.2m from Council to attract events in FY20 and aims to generate a 30:1 ROI – similar to commercial sponsorship. GME has developed a methodology to calculate ROI (this is confidential but independently checked), utilising Spendmapp to check assumptions. • GME staff are Council employees with all staff and administration costs being borne directly by Council. • GME indicated that there must be a balance between economic return from events and the "Community tolerance" for events as events do cause issues and clear communication is key. In FY20, • GME attracted 18 major events (impacted by COVID-19) and a total of 360,000 participants, which generated economic activity of $53m.
Other	• The Cadel Evans Road Race runs through two LGAs, being City of Greater Geelong and Surf Coast Shire Councils. Historically, this event has run well (with both councils collaborating behind the scenes), however, Geelong Council is the one point of contact for the event organiser. Surf Coast Shire Council does not provide funding for the event.

Sunshine Coast Events

Sunshine Coast Events (SCE)	
Population	• Sunshine Coast resident population – 346,600
Structure	• SCE is a separate entity within Sunshine Coast Council (Council) with autonomy to make decisions on attracting events (note: Council has ability to veto any decision). SCE has a volunteer Board, including industry representatives and Council representatives. • Business event attraction is operated separately to SCE, as part of the Regional Tourism Organisation – Visit Sunshine Coast. There is only one person dedicated to attracting business events, as the majority of business events are attracted and run by commercial operations (e.g. major hotels and resorts).
Focus of event attraction	• Focus of major event attraction is to "drive visitors to the region", preferably from out of the state. • SCE look at a range of events from mass participation (e.g. Iron Man) to music festivals (e.g. Caloundra Music Festival) and smaller sporting events. • Primary reason to attract an event is economic returns, with secondary reason being the increased awareness of Sunshine Coast. The tertiary reason is to ensure that events are attracted to all areas of the Sunshine Coast, not just main town centres. • The number of visitors is not the only consideration in attracting an event, with spend per visitor and repeat visitation also key. For example, the 'Over 60s Cricket World Cup' to be held over 3 weeks on the Sunshine Coast is only a small event (10 teams x 15 players plus partners) but it is an international event over a long period with competitions every second day, bringing opportunity for players to spend money in the community. There is also a high probability of repeat visitation by event visitors. • SCE focus on events that are the right size for their facilities and capability, and do not pursue events that are better suited for the Gold Coast or Brisbane.
Co-operation with State event groups	• SCE have a strong relationship with Tourism Events Queensland (TEQ) with most large established events receiving some funding from TEQ. • SCE has provided seed funding for many events as TEQ are focused on supporting events that are better established.
Staffing of organisation	• Eight total staff included in the Tourism and Major Events section of the Economic Development division of Council. SCE does not generally deliver events, but currently are delivering one Culinary Festival, as part of their overall strategy and will find an operator for the event in due course.
Funding and economic benefit of events	• SCE receives annual event attraction funding of $2.4m as a direct grant from Council. Historically, a tourism levy has been used to raise funds to attract events. This levy was applied as a specified dollar ($) per rateable value of accommodation and commercial businesses. • SCE target an overall ROI of 30:1. SCE calculates economic impact consistent with the TEQ approach, which seeks to deliver significant value against the outcomes of contributing to the Queensland economy, attracting visitors to Queensland, enhancing the profile of Queensland and fostering community pride in Queensland. SCE tend to partner with events, rather than just provide sponsorship, but they have clear guidelines on how the event is to acquit against the funding. • In 2018/19 (pre COVID-19), SCE funded 63 major events, attracting more than 141,500 visitors to the region and generating $68m in economic return.
Other	• The Sunshine Coast is an amalgamation of LGAs including a variety of coastal and hinterland areas. SCE strives to attract events to all regions within Council boundaries.

Events Canberra

Events Canberra	
Population	• Canberra resident population – 305,700
Structure	• Events are a key measurable output of the ACT government and the Major Events Strategy for the region has been created and is managed by the tourism department. • Business events and major events are organised and funded separately, with Events Canberra not responsible for business events. The responsibility for business events sits with Business Canberra. • VisitCanberra is also involved in the event space supporting a range of major exhibitions and events.
Focus of event attraction	• The main focus of the ACT Major Events Strategy is to support the ACT Government's Strategic Priorities by: – growing the visitor economy, – creating social and community benefits through enhanced liveability and social inclusion, – ensuring positive legacies for the city through urban renewal, and – better transport and continuing to support a healthy and active community. • The ACT Events Policy, which is currently in development, provides an overarching whole-of-government framework for realising the potential of Canberra's event sector. • The Major Events Strategy in Canberra classifies events as either regular anchor events (such as Floriade, Summernats, Nara Candle Festival) and one-off major events (such as sporting World Cups, blockbuster exhibitions and music festivals).
Funding and economic benefit of events	• The ACT Event Fund incorporates two funding categories: Community Event funding and Event Development funding, with a budget of approximately $450,000 per annum. • The Major Event Fund is administered by VisitCanberra, with an annual budget of approximately $1m. • All funding is directly from the ACT Government. • From 2010 to 2017, the ACT Government estimated that their event funding has attracted 2.96m attendees to Canberra, generating $636m in economic return.

Destination Tamworth

Destination Tamworth	
History/ population	• The Tamworth Country Music Festival has been held in Tamworth for 50 years and has established the small town of Tamworth as a leading regional event destination in Australia. • Tamworth resident population – 65,300
Structure	• Destination Tamworth is an initiative of Tamworth Regional Council and is responsible for the procurement and support of events within the Tamworth region as well as being a key partner in the Tamworth Regional Council's Event Attraction Strategy.
Focus of event attraction	• The Tamworth Regional Council's Event Attraction Strategy builds on the reputation of the Tamworth Region as a leading regional events destination in NSW and seeks to increase the region's ability to attract, retain and grow the annual event calendar, and create opportunities for local businesses to capitalise on increase visitation to the region. • The strategy also has a focus on fostering an inclusive community culture to keep residents engaged and active ambassadors for events within the region.
Funding and economic benefit of events	• A Tamworth Event Impact Assessment Model was developed in 2018 to guide the process of valuing events to ensure a fair and equitable distribution of funds. • The five factors considered by the model to determine the economic impact are: – type of event, – level of significance, – length of event, – estimated attendance per day and – the average daily spend. • Additional consideration for marketing/branding impact, seasonal capacity and community/social impact is also undertaken on an event to event basis.

Key features of comparator business models

Key features of successful event attraction business models

In summary, based on a review of event attraction business models in comparable locations to the Hunter, the following features are considered key to developing a successful event attraction business model:

- The structure of an event attraction business should allow autonomous decisions to be made regarding events without the necessity to follow typical Council approval process, ensuring quick decisions can be made. However, Councils would always have the ability / power to veto decisions.
- An event attraction business should have a dedicated annual budget enabling the allocation of funds to secure events in a timely and efficient manner. Certainty of funding is critical to the attraction of events.
- Appropriate staffing of an event attraction business is critical as knowledge of available events and contacts with key event organisers are the main avenues used to attract events.
- Strong relationships with the State Government event organisations (i.e. Destination NSW) are critical.

Funding of event attraction activities

All comparator event organisations accessed funding (for operations and event attraction) as budgeted appropriations / grants from Councils or State governments, with event attraction funding raging from approximately $500,000 (Canberra) to up to $10m (Gold Coast). It is important to note that these funding amounts are specifically for event attraction, with additional funding arrangements in place for staffing, marketing and resourcing.

Albeit not identified in the review of comparator organisations, alternative funding mechanisms (which are either adopted in other environments or have been adopted in the past) could include:

- **A specific council rate / levy on business**: Similar to the historical Sunshine Coast Tourism levy, this would include a specified dollar ($) amount per rateable value for certain businesses (e.g. accommodation and commercial businesses). The cost burden of this levy type falls to the specified businesses which may be challenging to implement if some businesses do not feel they are likely to benefit from additional events.
- **A special council rate / levy on residents**: Essentially a special-purpose levy added to a local government rates bill or utility bill. The cost burden of this levy type falls on residents / home owners within the LGA. This may be challenging to implement as the benefits of events may not always be evident to residents and / or if some residents perceive their rates should be targeted towards other purposes.

Example: Regional rates in New Zealand

It is not uncommon in New Zealand for regional councils to apply a special regional rate to assist with funding major projects which will benefit the entire region. For example, this approach was undertaken for Westpac Stadium in Wellington and similarly for Forsyth Barr Stadium in Dunedin. Effectively residents pay an additional agreed charge per rates notice for an agreed period of time to assist with funding the project.

- **A tourist levy:** This would entail adding a ‘tourism levy’ charge to certain tourism-related activities, potentially including accommodation (e.g. a bed tax), entry to national parks or other tourism destinations, etc.. The cost burden of this levy falls to visitors, however, this can have the effect of making visiting the region more expensive when compared to other regions, impacting visitation. Alternatively, if the market cannot support the additional charge it may have to be absorbed in the pricing set by the accommodation provider / tourism operator, reducing profitability.
- **Business memberships**: Most tourism entities generate operating funding through business memberships. This model, however, does not typically fully fund the operations of such entities and is only likely to work when focussed at the broader industry level (e.g. tourism).

Ultimately, comparator entities are funded by government contributions as they deliver broader economic benefits to their communities (as opposed to financial outcomes for the entities themselves).

Event attraction business model options for the Hunter

Background to the development of a business model for event attraction in the Hunter

The development of a Hunter Events Strategy, including recommendations on an event attraction business model, has been the subject of several reports over the last 5 years, with the latest report being completed in December 2019.

Key recommendations from these reports regarding the event attraction business model included:

- Establishing a "Hunter Events" function / entity;
- An investment of $7.5m over 5 years in Hunter Events, with 50% of funding to be sourced through the NSW Government;
- Investing in an appropriate event professional to lead Hunter Events; and
- Developing a detailed Hunter Events Strategy.

Existing event attraction funding

As outlined earlier in this section, some of the Hunter councils already have funded event attraction functions. It is unclear if the investment proposed as part of earlier reports was intended to be in excess of, or instead of this existing funding. It is also unclear if this proposed investment was to be in excess of, or instead of existing NSW Government funding for events in the Hunter.

The establishment of "Hunter Events" was identified to be achievable through a company limited by guarantee structure or as a separate Business Unit under Hunter JO. These alternative approaches were based on the successful development of event attraction businesses in regions such as Geelong and Sunshine Coast, however, these models required significant investment from all LGAs within the Hunter region, with no guarantees of success and have not attracted widespread support to date. Further, it appears some councils already have relatively sizeable event attraction budgets and do not see sufficient additional value in pooling resources to this end.

With this in mind, this study has sought to identify and consider alternative business models that do not require significant and long-term budget commitments, and which aim to address some of the challenges and opportunities facing events in the region, including:

- Smaller councils do not have the resources (human and financial) to focus their attention on identifying and attracting events [challenge]; and
- There is scope for increasing event visitation across the region based on the regional comparison presented earlier in this report, for the benefit of all LGAs [opportunity].

Proposed event attraction models for the Hunter region

The event landscape in the Hunter region has unique attributes, particularly when compared to regions such as Geelong and the Sunshine Coast:

- The Hunter region as a whole is already attracting a significant volume of event visitors and hosts a wide range of events;
- The number and size of events hosted in LGAs across the region vary significantly;
- Several of the larger LGAs in the region have well developed event strategies and dedicated event personnel; and
- The investment in, and maturity of, event attraction models in the region vary significantly from significant investment in the larger LGAs and limited to no investment in small LGAs.

With the LGAs having differing aspirations regarding events it has been difficult to demonstrate the 'value' of a unified event attraction model. Consequently the appetite for LGAs to invest in a Hunter region event attraction business has been limited.

Based on the unique nature of the Hunter region with regard to events and the previous inability to generate support for a formal Hunter region event attraction model we have proposed preliminary models which are intended to lead towards the development of a formal event attraction model over time.

Based on the insights gathered throughout this project, including during the Events Workshop, three alternative event attraction business models have been identified for consideration. These models seek to test and deliver evidence to inform the benefits of a fully consolidated Hunter region event attraction model. These alternative models are presented over the following pages.

Model 1

Event attraction business model 1 - Targeting cross LGA events

This model is short-term and low-investment, designed to demonstrate the value of events across LGAs on a 'pilot' basis.

Model 1 – Targeting cross LGA events	
Structure/ staffing	An experienced event professional will be employed directly by Hunter JO to focus on events providing economic benefits across multiple LGAs in the Hunter region. The event professional would need to have strong experience in the event industry, close relationships with event organisers and Destination NSW and, ideally, experience in the Hunter region event market. The event professional would be employed on a two year contract.
Focus	The focus of the event professional would be to develop events which benefit multiple LGAs across the Hunter region through: • Attracting new events to the region which are likely to benefit two or more LGAs and enabling co-ordination between LGAs to ensure efficient event operations. • Working with existing event organisers to ensure that economic benefits are extended into surrounding LGAs wherever possible. • Reporting on the value of each event to each LGA on the basis of the number of out-of-region visitors attracted, length of stay, and visitor and organiser expenditure.
Funding	Wages (and limited administration costs) for the event professional will be funded through contributions from all LGAs in the Hunter region, with funding likely to be based on the proportion of total population or the proportion of accommodation based in each LGA. The event professional will require assistance from local Council personnel to support him/her in developing event bids and documenting the outcome of events. Funding for event attraction will be determined on a case-by-case basis, whereby the event professional will prepare an internal bid assessment outlining the benefits of the event, the likely LGAs who will benefit, and the likely distribution of benefit / expenditure. Councils will then be required to assess their willingness to invest in the event.
Outcome	The model is intended to demonstrate the economic benefit of events across LGA and will provide evidence to support (or otherwise) the development of a dedicated Hunter event attraction model at a future time.
Next steps	At the conclusion of the two year contract, it is envisaged that many successful events and event bids will demonstrate the need to move to a formal Hunter event attraction model.

Model 1 (cont.)

The assessment of event attraction business models in comparable regions to the Hunter region has indicated that Councils generally provide direct funding in order to attract events. Funding is also required to support the operation of the event attraction function.

Model 1 aims to deliver a right-sized event attraction function within the Hunter to focus on attracting events that will benefit multiple LGAs. Specifically, it is proposed that this model will require investment from all member councils for a minimum period of 2 years.

It is noted that major events typically have a long (i.e. multi-year) lead time from event identification, attraction and hosting. With this in mind some events attracted under this Model may not actually be hosted within the 2 year initial period envisaged. Success, therefore should be measured based on the estimated economic impact of events contracted during the initial 2 year period. This is the same for each of the three Modals.

Specifically, Model 1 assumes the following operational costs:

- $150,000 per annum total salary cost to attract an event professional; and
- $50,000 in direct administration expenses per annum.

Collectively, this results in a total investment of $200,000 per annum and $400,000 for the 2 year contract.

Allocation of expenses across LGAs should be done in a manner that is transparent, simple to understand and equitable. Two alternative allocation methodologies include:

- Allocation based on relative size of population (potentially more appropriate for events primarily attracting daytrip visitors);
- Allocation based on relative stock of accommodation, which is required to fully benefit from visitors to the region (potentially more appropriate for events seeking to attract more overnight visitors).

For the purposes of the analysis in this report, we have adopted the midpoint of these two allocations. This is presented in the adjacent table. Based on the identified allocation methodology, the cost per council would range from approx. $3,000 per year for Dungog up to approx. $44,000 per year for Newcastle.

Model 1 – Allocation method

LGA	% Population	% Accommodation (rooms)	Proposed % (Average)	Investment required (annual)
Cessnock	8.1%	15.6%	11.9%	$23,749
Dungog	1.3%	1.8%	1.5%	$3,032
Lake Macquarie	27.5%	8.1%	17.8%	$35,571
Maitland	11.6%	5.7%	8.6%	$17,233
Mid-Coast	12.5%	18.8%	15.7%	$31,306
Muswellbrook	2.2%	3.6%	2.9%	$5,752
Newcastle	22.1%	21.4%	21.8%	$43,529
Port Stephens	9.9%	16.8%	13.3%	$26,695
Singleton	3.1%	5.4%	4.3%	$ 8,516
Upper Hunter Shire	1.9%	2.7%	2.3%	$4,618
TOTAL INVESTMENT	**100%**	**100%**	**100%**	**$200,000**

It is noted the model does not identify an amount for event attraction / event sponsorship, however, the approach will not be successful without a commitment from councils to make at least some event attraction funding available. The amount, however, may vary for each council depending on a number of factors, including the identification of suitable events.

Model 2

Event attraction business model 2 - Improving event attraction capability

This model is designed to improve the event attraction capability in the less mature LGAs in the Hunter region.

Model 2 – Improving event attraction capability	
Structure/ staffing	An experienced event professional will be employed directly by Hunter JO to focus on events providing economic benefits to the less mature LGAs (such as Dungog, Muswellbrook, Singleton, Upper Hunter Shire and potentially Cessnock) in the Hunter region. The event professional would need to have strong experience in the event industry, close relationships with event organisers and Destination NSW and, ideally, experience in the Hunter region event market. The event professional would be employed on a two year contract.
Focus	While many of the larger LGAs in the Hunter region currently employ dedicated personnel to attract and deliver events, many of the smaller LGAs do not have the resources available to focus on the events market. The provision of a ‘shared’ event professional across the grouping of less mature LGAs could be a cost effective method of attracting more events to these LGAs (and improving benefits to the surrounding LGAs) and increasing the event capability within these councils. The focus of the event professional would be to attract events which benefit the subset of LGAs through: • Attracting new events to the region which are likely to benefit the participating LGAs, and enabling co-ordination between LGAs to ensure efficient event operations. • Working with the participant LGAs to transfer skills and knowledge regarding the attraction and retention of events. • Reporting on the value of each event to each participant LGAs on the basis of the number of out-of-region visitors attracted, length of stay, and visitor and organiser expenditure.
Funding	Wages (and limited administration costs) for the event professional will be funded through contributions from participant LGAs, with funding likely to be based on the proportion of population or the proportion of accommodation based in each participant LGA. The event professional would require assistance from local Council personnel to support them in developing event bids and documenting the outcome of events but will be tasked with increasing the event capability of Council personnel. Funding for event attraction will be determined on a case-by-case basis, whereby the event professional will prepare an internal bid assessment outlining the benefits of the event, the likely LGAs who will benefit, and the likely distribution of benefit / expenditure. Councils will then be required to assess their willingness to invest in the event.
Outcome	The model is intended to increase the event capability of the participant LGAs and encourage a more even spread of events across the Hunter region, which would form a more solid base for a unified Hunter region event attraction model.
Next steps	At the conclusion of the two year contract, it is envisaged that many successful events and event bids in the participant LGAs will demonstrate the need to move to a formal Hunter event attraction model.

Model 2 (cont.)

Model 2 aims to deliver a right-sized event attraction function within the Hunter to focus on attracting events that will benefit LGAs that do not have an existing or mature event attraction function. Councils identified for participation in this model include Dungog, Muswellbrook, Singleton, Upper Hunter Shire and Cessnock.

Specifically, it is proposed that this model will require investment from a selection of participant member councils for a minimum period of 2 years.

Specifically, Model 2 assumes the following operational costs:

- $150,000 per annum total salary cost to attract an event professional; and
- $50,000 in direct administration expenses per annum.

Collectively, this results in a total investment of $200,000 per annum and $400,000 for the 2 year contract.

Allocation of expenses across LGAs should be done in a manner that is transparent, simple to understand and equitable. Two alternative allocation methodologies include:

- Allocation based on relative size of population (potentially more appropriate for events primarily attracting daytrip visitors);
- Allocation based on relative stock of accommodation, which is required to fully benefit from visitors to the region (potentially more appropriate for events seeking to attract more overnight visitors).

For the purposes of the analysis in this report, we have adopted the midpoint of these two allocations. This is presented in the adjacent table.

Based on the identified allocation methodology, the cost per council would range from approx. $8,000 per year for Dungog up to approx. $82,000 per year for Mid-Coast.

Model 2 – Allocation method

LGA	% Population	% Accommodation (rooms)	Proposed % (Average)	Investment required (annual)
Cessnock	27.9%	32.6%	30.3%	$60,554
Dungog	4.4%	3.7%	4.0%	$8,064
Mid-Coast	43.1%	39.2%	41.1%	$82,288
Muswellbrook	7.5%	7.5%	7.5%	$14,941
Singleton	10.7%	11.3%	11.0%	$21,970
Upper Hunter Shire	6.5%	5.7%	6.1%	$12,183
TOTAL INVESTMENT	**100%**	**100%**	**100%**	**$200,000**

It is noted the model does not identify an amount for event attraction / event sponsorship, however, the approach will not be successful without a commitment from councils to make at least some event attraction funding available. The amount, however, may vary for each council depending on a number of factors, including the identification of suitable events.

Model 3

Event attraction business model 3 - Model 1 and 2 combined

This model proposes combining Models 1 and 2 to improve the event capability of less mature LGAs as well as seeking to attract events that deliver benefits across multiple LGAs.

Model 3 – Model 1 and 2 combined	
Structure/ staffing	Two (2) experienced event professionals will be employed directly by Hunter JO with: • One (1) employee to focus on events providing economic benefits to the less mature LGAs in the Hunter region; and • One (1) employee to focus on events providing economic benefits across multiple LGAs in the Hunter region.
Focus	Refer to Model 1 and Model 2.
Funding	Wages (and limited administration costs) for one event professional will be funded by all LGAs, with wages for the second event professional to be funded through the participant LGAs. Funding is likely to be based on the proportion of population or the proportion of accommodation based in each LGA. The event professionals will require assistance from local Council personnel to support them in developing event bids and documenting the outcome of events but will be tasked with increasing the event capability of Council personnel.
Outcome	The model is intended to provide the outcomes of both Model 1 and Model 2 by increasing the event capability of the less mature LGAs and to encourage a more even spread of events across the Hunter region to form a more solid base for a unified Hunter region event attraction model.
Next steps	As both models will be run concurrently, at the conclusion of the 2 year contract, it is envisaged that sufficient evidence is provided to demonstrate the need to move to a formal Hunter event attraction model.

Model 3 (cont.)

Model 3 aims to deliver a right-sized event attraction function within the Hunter that incorporates the features of both Model 1 and Model 2.

Specifically, it is proposed that this model will require investment from a selection of participant member councils for a minimum period of 2 years.

Specifically, Model 2 assumes the following operational costs:

- $300,000 per annum in total salary cost to attract two event professionals; and
- $100,000 in direct administration expenses per annum.

Collectively, this results in a total investment of $400,000 per annum and $800,000 for the 2 year contract.

The allocation method for Model 3 reflects a summation of the required investment for each LGA under Model 1 and Model 2.

Based on the identified allocation methodology, the cost per council would range from approx. $11,000 per year for Dungog up to approx. $114,000 per year for Mid-Coast.

It is noted the models do not identify an amount for event attraction / event sponsorship, however, the approach will not be successful without a commitment from councils to make at least some event attraction funding available. The amount, however, may vary for each council depending on a number of factors, including the identification of suitable events.

Model 3 – Allocation method

LGA	Model 1 investment (annual)	Model 2 investment (annual)	Model 3 Investment required (annual)
Cessnock	$23,749	$60,554	$84,303
Dungog	$3,032	$8,064	$11,096
Lake Macquarie	$35,571	-	$35,571
Maitland	$17,233	--	$17,233
Mid-Coast	$31,306	$82,288	$113,594
Muswellbrook	$5,752	$14,941	$20,693
Newcastle	$43,529		$43,529
Port Stephens	$26,695	-	$26,695
Singleton	$8,516	$21,970	$30,486
Upper Hunter Shire	$4,618	$12,183	$16,801
TOTAL INVESTMENT	**$200,000**	**$200,000**	**$400,000**

KPMG

Key findings

Key findings

Hunter JO and its member councils have spent a number of years investigating ways to further develop the events economy within the Hunter region. This study has continued along this path, specifically focussing on the economic opportunity related to event attraction. Key observations and findings from the analysis presented in this report include:

Observation / finding	Comments
Opportunity to grow	The Hunter region recorded an average of $164m in annual event visitor expenditure over the period 2016-19. Overall it is clear, however, that the Hunter is underperforming on almost all elements of event visitor visitation and expenditure when compared to other destination regions. This represents a strong opportunity for growth for the Hunter region event market and an opportunity to take back market share or grow the wider state market share for large interstate events through inter-regional and interstate collaboration.
A diverse event calendar, with a notable gap	The Hunter region hosts a wide range of events, with sporting events representing the largest share of events (67%) and attendees (60%) outlined in this report. Events are also supported by a broad range of event suitable venues and facilities. While business events were not the primary focus of this study, business events have been identified in prior studies as a key opportunity to grow the events market in the region. The lack of a large scale contemporary convention centre facility is a current inhibitor to growing this segment of the event market, however, does also present an opportunity should such infrastructure be developed into the future.
Significant benefits	Hosting major events is recognised by councils and locations across Australia as a key strategy to enhance economic activity within a region / locality. Primarily, hosting events attracts visitors and visitor expenditure which directly benefits local businesses and workers. For example, the hosting of the Newcastle 500 V8 Event in Newcastle was estimated to generate direct expenditure in the order of $16.2m in the Newcastle LGA in 2019. Similarly, case studies of major festival events estimate such events can generate direct expenditure of up to almost $40m for a host region (i.e. Bluesfest in Byron Bay). Overall, it is estimated that events generate visitor expenditure in the order of $180m per annum (2022 prices) for the Hunter region, supporting 863 FTE jobs and generating $51.2m in real GRP (2022 prices). Analysis of events funded by other regions suggests the ROI (direct expenditure impact for every dollar of event attraction funding) on major event attraction can be in the order of 20:1 and above.
Targeted intended benefits	In relation to the concept of a collaborative event attraction strategy in the Hunter, an Events Workshop with Hunter JO and representatives from member councils identified four target outcomes, including: • Increasing visitation and visitor expenditure across the region; • Hosting events that benefit multiple Council areas; • Building out the region's event offering in the off-peak season (i.e. May-June, Dec-Jan); and • Improving exposure and location / brand awareness for the Hunter and its member Council areas.

Key findings (cont.)

Observation / finding	Comments
A unique proposition	Each of the LGAs within the Hunter region has a varying degree of maturity with respect to event attraction – including varying degrees of funding, resourcing and capability. Some LGAs (e.g Newcastle and Maitland) have dedicated teams and significant recurrent event attraction funding, whereas other LGAs have no dedicated resourcing / capability and limited / no event attraction funding. Further, research has not identified any comparable approaches whereby LGAs are working together (in a formal) sense to fund and attract events at a regional level. As such, the intent to bring together the 10 Hunter JO member councils to develop and implement a collaborative event attraction strategy and business model is considered unique in the Australian market. Improved and consistent data collection would support ongoing and better understanding of the characteristics and impact of events in the region (e.g. through a standardised event survey).
A tailored event attraction strategy	This study develops an event attraction strategy for the Hunter region, focussing primarily on the economic components of a typical event attraction strategy. The strategy considers key target outcomes / benefits and identifies potential measures against which performance could be assessed. The strategy does not, however, specifically identify the type of events the region should seek to attract. This was considered to be premature for where the collective destination brand and strategy for the region is currently placed. Instead, the strategy includes an event assessment and prioritisation framework. The purpose of the framework is to provide a mechanism by which Hunter JO and member councils can assess potential events – both relative to an agreed set of targets, and in comparison to other potential events. The event assessment and prioritisation framework includes consideration of both quantifiable economic outcomes (referred to as the economic pillar) as well as other strategic objectives of Hunter JO and the member councils (referred to as the strategic pillar). • The economic pillar of the framework includes *direct economic impact* and *ROI* as key criteria. • The strategic pillar of the framework includes *event type*, *event timing*, *media exposure* and *regional distribution* as key criteria. Ultimately, application of the framework generates an event rating (between 1 and 3) for each event that can be used to compare potential events against each other and determine whether an event is worth attracting to the region. A target of 1.6 for the event rating should be the benchmark / threshold for pursuing an event. Events generating a score of lower than 1.6 are considered more appropriate to be funded on an individual LGA basis. The event assessment and prioritisation framework is presented on the following page.

Key findings (cont.)

Event Assessment and Prioritisation Framework

Pillar	Criteria		% weighting		Rating of 1	Rating of 2	Rating of 3
Economic	**Direct economic impact**	The total estimated direct economic impact generated by the event, including visitor expenditure and organiser spend in the local economy	***80%***	*60%*	**Low** *Gross expenditure between $100,000 and $1m*	**Medium** *Gross expenditure between $1m and $5m*	**High** *Gross expenditure $5m and above*
	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%*	**Low** *ROI less than 20:1*	**Medium** *ROI >20:1 and <40:1*	**High** *ROI 40:1 and above*
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%*	**Limited alignment** *Limited alignment with identified Hunter brand attributes / competitive advantages; low positive community perception of the event*	**Partial alignment** *Partial alignment with identified Hunter brand attributes / competitive advantages; moderate positive community perception of the event*	**Full alignment** *Full alignment with identified Hunter brand attributes / competitive advantages; high positive community perception of the event*
	Event timing	When the event would be hosted during the year, preferencing events in the low season		*5%*	**Peak season** *Event scheduled to be hosted between January and April*	**Shoulder season** *Event scheduled to be hosted between July and December*	**Low season** *Event scheduled to be hosted in May or June*
	Media exposure	The level and extent of media coverage and general awareness of the event and its host location		*5%*	**Low** *Event televised in regional / state market; low event recognition / awareness outside the region*	**Medium** *Event televised nationally; moderate event recognition / awareness in Australia*	**High** *Event televised nationally and internationally; strong event recognition / awareness in Australia*
	Regional distribution	The extent of distribution of economic impact across the Hunter region, preferencing events that provide benefits across multiple LGAs		*5%*	**Low** *Direct economic impact concentrated in a single LGA*	**Medium** *Direct economic impact distributed across two or three LGAs*	**High** *Direct economic impact distributed across four or more LGAs*

Key findings (cont.)

Observation / finding	Comments
Right-sized business model options	Previous studies have developed relatively ambitious event attraction business models for the Hunter. These models, however, have not been implemented due to a range of factors, including the proposed funding levels. Alternatively this study has identified three smaller-scale event attraction business models, based on insights gathered throughout the project and during the Events Workshop. These models seek to address the opportunity to collaborate to attract events that benefit multiple (or all) LGAs within the region and the challenge facing some LGAs who have very limited resourcing, funding or capability for event attraction. The three models include: • **Model 1 – Targeting cross-LGA events ($200k per annum, excl. event attraction costs)**: Recruitment of an experienced event professional (employed directly by Hunter JO) to focus on attracting events that will deliver economic benefits across multiple LGAs in the Hunter region. • **Model 2 – Improving event attraction capability ($200k per annum, excl. event attraction costs)**: Recruitment of an experienced event professional (employed directly by Hunter JO) to focus on attracting events to the less mature LGAs (such as Dungog, Muswellbrook, Singleton, Upper Hunter Shire and potentially Cessnock) in the Hunter region. • **Model 3: Model 1 and Model 2 combined ($400k per annum, excl. event attraction costs)**. The maximum annual cost (incl. staffing and administration cost but excluding event attraction costs) of these Models for each council (based on population and accommodation rooms) is estimated to range from approx. $11,000 (for Dungog) to up to approx. $114,000 (for Mid-Coast), noting these costs are representative of Model 3. Costs are estimated to be lower under either Model 1 and Model 2 (with Newcastle, Maitland, Port Stephens and Lake Macquarie LGAs not participating in Model 2). It is noted the Models do not identify a minimum or targeted amount for event attraction / event sponsorship funding. The approach, however, will not be successful without a commitment from councils to make at least some event attraction funding available. The amount may vary for each council depending on a number of factors, including the identification of suitable events. Event attraction funding for regions comparable to the Hunter ranges from approximately $500,000 (Canberra) to approximately $10m (Gold Coast). For smaller regions or LGAs, event attraction funding will be significantly lower.
Limited funding model alternatives	A review of the funding models in comparator jurisdictions identified that funding (incl. staffing / operational costs and event attraction / sponsorship costs) in all cases is provided directly by councils. The only alternative revenue source appears to be revenue generated through profitable event delivery activities (e.g. Major Events Gold Coast). On this basis, it appears costs for a Hunter event attraction business model will required to be funded by councils. Other possible funding mechanisms could include a special rate / levy on events businesses, a special rate / levy on residents, a tourist levy, or business memberships. These revenue generation mechanisms, however, are not employed for like activities in other jurisdictions. Ultimately, event attraction activities of this nature are almost solely funded by government contributions as they deliver broader economic benefits to their communities (as opposed to financial outcomes for the function / entity itself).

DRAFT

Appendix A: Regional comparison

Geelong and the Bellarine

270,776

Estimated Residential Population (2021)

Source: ABS

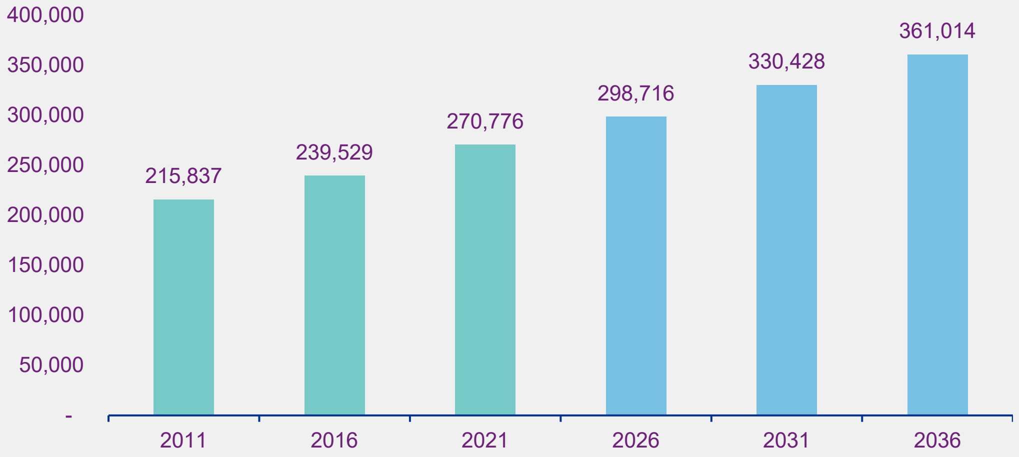
$37m international overnight visitor expenditure on events (2016-19 ave.)

$51m domestic overnight visitor expenditure on events (2016-19 ave.)

$18m domestic daytrip visitor expenditure on events (2016-19 ave.)

Source: Tourism Research Australia

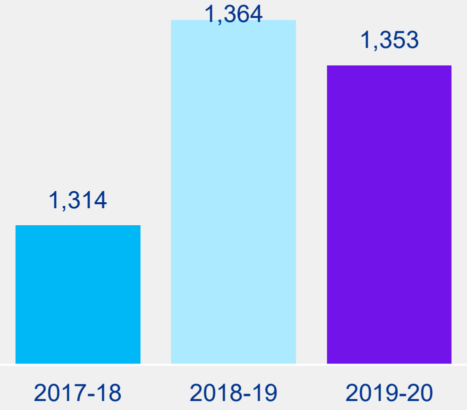
Population trends and forecast



Source: ABS

Accommodation rooms available

Across 31 accommodation properties (excluding Airbnbs, and private listings)



Source: STR Accommodation Monitor

15,000 annual international overnight visitors for events (2016-19 ave.)

107,000 annual domestic overnight visitors for events (2016-19 ave.)

212,000 annual domestic daytrip visitors for events (2016-2019 ave.)

Source: Tourism Research Australia

Spend per event visitor

$2,512

International visitor spend per trip

$475

Domestic overnight visitor spend per trip

$83

Domestic day trip visitor spend per trip

Source: Tourism Research Australia

$105M

Average annual expenditure on events within the Geelong and the Bellarine region (2016-19)

Sunshine Coast

346,648

Estimated Residential Population (2021)

Source: ABS

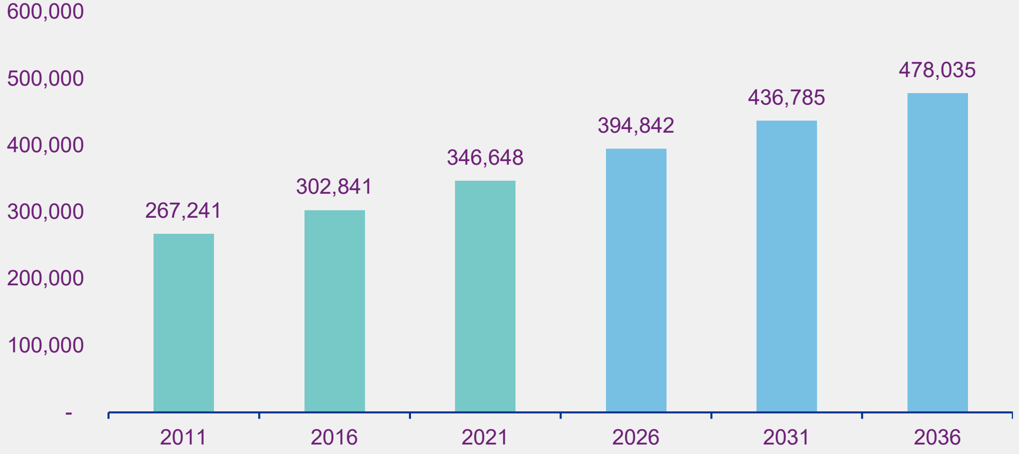
$64m international overnight visitor expenditure on events (2016-19 ave.)

$107m domestic overnight visitor expenditure on events (2016-19 ave.)

$21m domestic daytrip visitor expenditure on events (2016-19 ave.)

Source: Tourism Research Australia

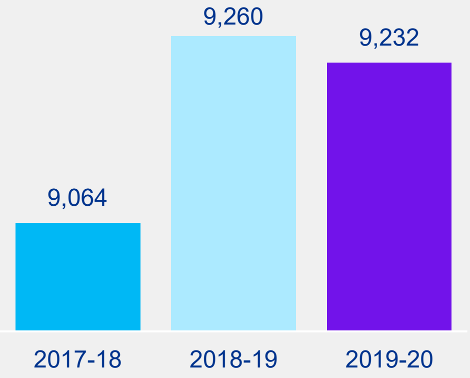
Population trends and forecast



Source: ABS

Accommodation rooms available

Across 272 accommodation properties (excluding Airbnbs, and private listings)



Source: STR Accommodation Monitor

75,000 annual international overnight visitors for events (2016-19 ave.)

139,000 annual domestic overnight visitors for events (2016-19 ave.)

178,000 annual domestic daytrip visitors for events (2016-2019 ave.)

Source: Tourism Research Australia

Spend per event visitor

$847

International visitor spend per trip

$771

Domestic overnight visitor spend per trip

$119

Domestic day trip visitor spend per trip

Source: Tourism Research Australia

$192M

Average annual expenditure on events within the Sunshine Coast region (2016-19)

KPMG

Canberra

305,673

Estimated Residential Population (2021)

Source: ABS

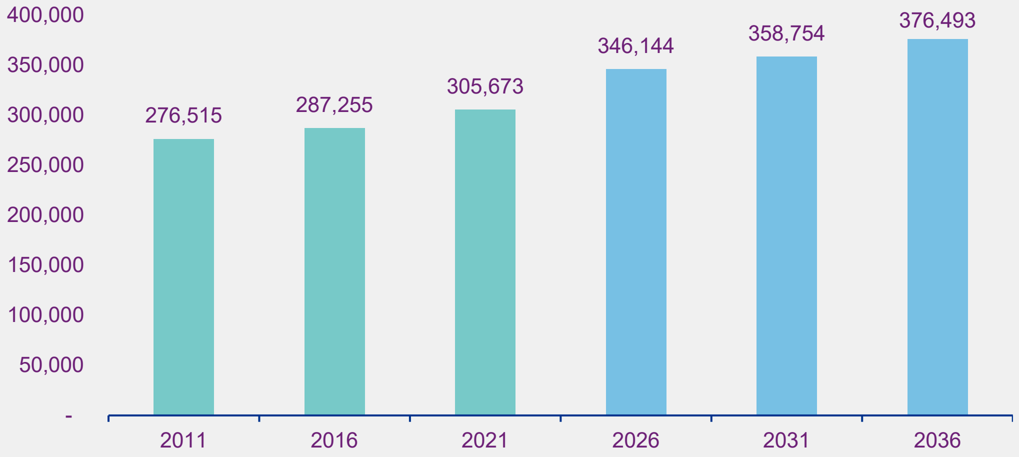
$250m international overnight visitor expenditure on events (2016-19 ave.)

$147m domestic overnight visitor expenditure on events (2016-19 ave.)

$16m domestic daytrip visitor expenditure on events (2016-19 ave.)

Source: Tourism Research Australia

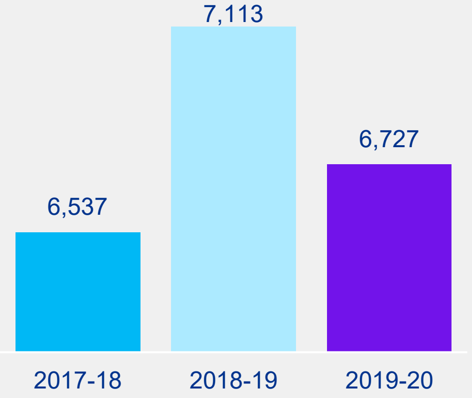
Population trends and forecast



Source: ABS

Accommodation rooms available

Across 65 accommodation properties (excluding Airbnbs, and private listings)



Source: STR Accommodation Monitor

66,000 annual international overnight visitors for events (2016-19 ave.)

244,000 annual domestic overnight visitors for events (2016-19 ave.)

143,000 annual domestic daytrip visitors for events (2016-2019 ave.)

Source: Tourism Research Australia

Spend per event visitor

$3,820

International visitor spend per trip

$603

Domestic overnight visitor spend per trip

$112

Domestic day trip visitor spend per trip

Source: Tourism Research Australia

$413M

Average annual expenditure on events within the Canberra region (2016-19)

Gold Coast

633,764

Estimated Residential Population (2021)

Source: ABS

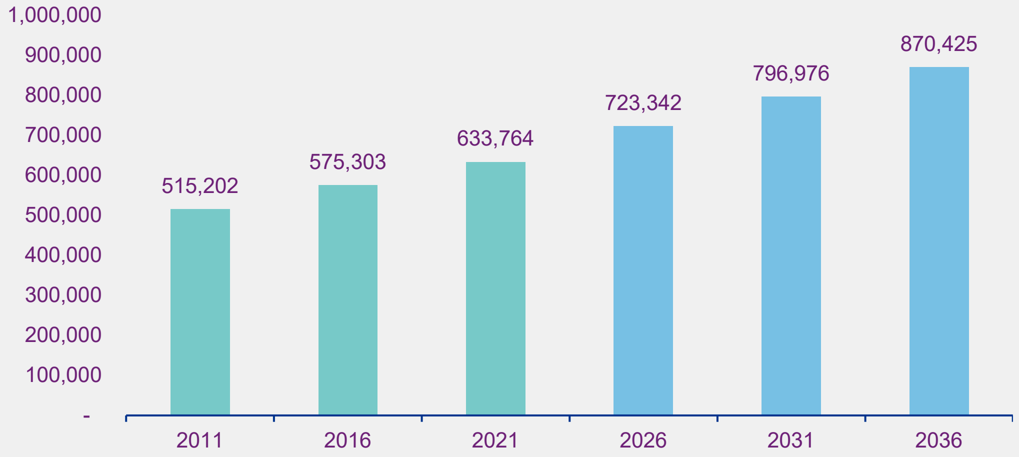
$272m international overnight visitor expenditure on events (2016-19 ave.)

$254m domestic overnight visitor expenditure on events (2016-19 ave.)

$30m domestic daytrip visitor expenditure on events (2016-19 ave.)

Source: Tourism Research Australia

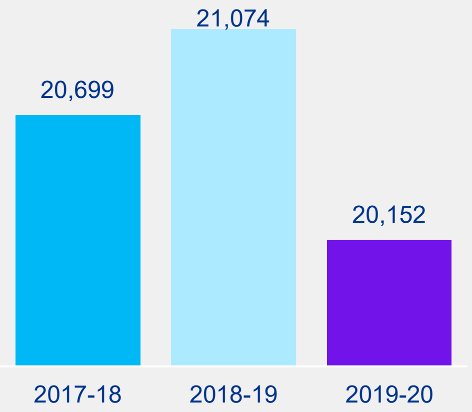
Population trends and forecast



Source: ABS

Accommodation rooms available

Across 326 accommodation properties (excluding Airbnbs, and private listings)



Source: STR Accommodation Monitor

165,000 annual international overnight visitors for events (2016-19 ave.)

235,000 annual domestic overnight visitors for events (2016-19 ave.)

317,000 annual domestic daytrip visitors for events (2016-2019 ave.)

Source: Tourism Research Australia

Spend per event visitor

$1,613

International visitor spend per trip

$1,081

Domestic overnight visitor spend per trip

$93

Domestic day trip visitor spend per trip

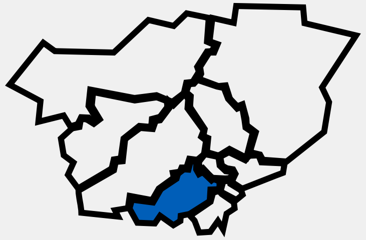
Source: Tourism Research Australia

$554M

Average annual expenditure on events within the Gold Coast region (2016-19)

Appendix B: LGA summaries

LGA summary



Cessnock

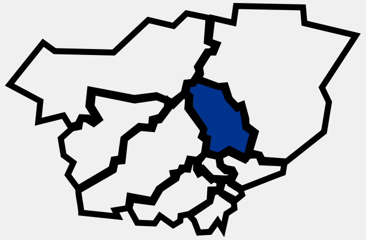
61,256

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Roche Estate	20,000	Roche Estate
Hope Estate	19,000	Hope Estate
Bimbadgen Estate	10,000	Bimbadgen Estate
Crowne Plaza Hunter Valley	1,675	Crowne Plaza

Major Events	Attendance	Event Timing	Organiser
Cessnock STOMP Festival	17,000	April (Annual)	Cessnock Business Chamber
A Day On The Green	8,000-10,000	Various dates	Roundhouse Entertainment

Accommodation Options	Number
Establishments	151
Rooms	1,927
Beds	2,555



Dungog

9,664

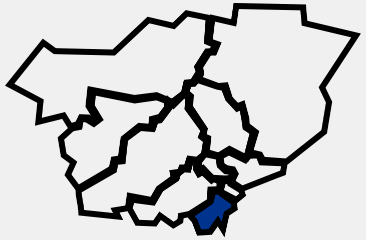
Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Dungog Showground	N/A	Dungog Shire Council
Gresford Showground	N/A	Gresford Showground Trust
James Theatre	650	Dungog Shire Council

Major Events	Attendance	Event Timing	Organiser
Pedal-fest Dungog		September (Annual)	Pedalfest

Accommodation Options	Number
Establishments	83
Rooms	216
Beds	397

LGA summary (cont.)



Lake Macquarie

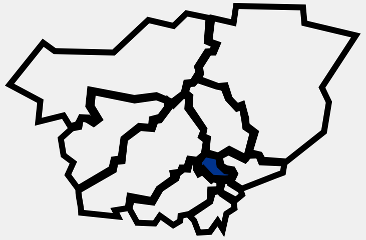
207,775

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Cedar Mill (proposed)	30,000	
Lake Macquarie	N/A	Lake Macquarie Council
Morisset Showgrounds	15,000	Lake Macquarie Council
Speers Point Park	20,000	Lake Macquarie Council

Major Events	Attendance	Event Timing	Organiser
Lake Macquarie Festival	15,000	January (Annual)	Lake Macquarie Council
Fast and Loud Powerboats	3,200	May (Annual)	Offshore Superboat Championships
SURFEST		January (Annual)	SURFest

Accommodation Options	Number
Establishments	113
Rooms	997
Beds	1,250



Maitland

87,395

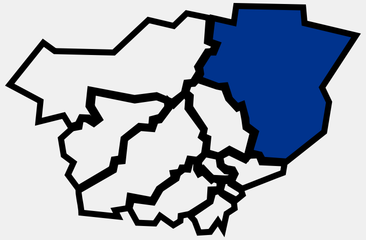
Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Maitland Sportsground	8,000	Maitland City Council
Maitland Showground	30,000	Hunter River Agricultural and Horticultural Association
The Levee	10,000	Maitland City Council

Major Events	Attendance	Event Timing	Organiser
Groovin the Moo	25,000	April (Annual)	Groovin the Moo
NRL Trials	3,000	February (Annual)	NRL
A-league Trials	1,750	September (Annual)	A-league

Accommodation Options	Number
Establishments	107
Rooms	699
Beds	782

LGA summary (cont.)



MidCoast

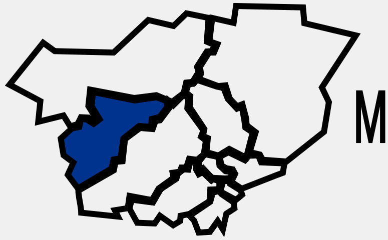
94,395

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Manning Entertainment Centre	505	MidCoast Council
Taree Racecourse	N/A	Manning Valley Raceclub
Stroud Showground	N/A	MidCoast Council
Gloucester Showground	N/A	MidCoast Council

Major Events	Attendance	Event Timing	Organiser
Triathlon NSW Club Championship Forster		May (Annual)	Triathlon NSW
Taree Easter Powerboat Spectacular		March (Annual)	Taree Powerboat Club

Accommodation Options	Number (2016 data)
Establishments	150
Rooms	2,318
Beds	



Muswellbrook

16,355

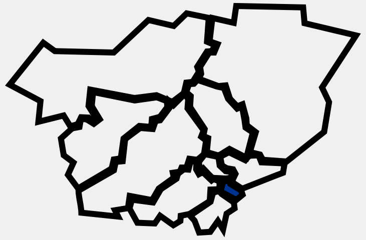
Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Muswellbrook Race Club	N/A	Musswellbrook Race Club
Upper Hunter Conservatorium	140	Hunter Conservatorium of Music
Muswellbrook Showground	N/A	Muswellbrook Council

Major Events	Attendance	Event Timing	Organiser
Muswellbrook Gold Cup Day		April (Annual)	Musswellbrook Race Club

Accommodation Options	Number
Establishments	33
Rooms	442
Beds	463

LGA summary (cont.)



Newcastle

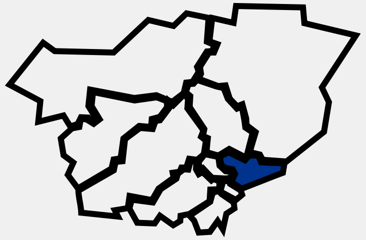
167,363

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Newcastle Entertainment Centre	6,500	ASM Global
McDonald Jones Stadium	33,000	Venues NSW
Newcastle Civic Theatre	1,450	City of Newcastle
Newcastle Exhibition and Convention Centre	2,400	Wests Group

Major Events	Attendance	Event Timing	Organiser
V8 Supercars Newcastle	50,000	November (Annual)	Supercars

Accommodation Options	Number
Establishments	114
Rooms	2,635
Beds	2,083



Port Stephens

74,506

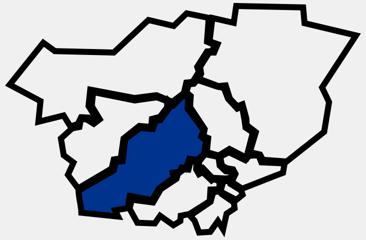
Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
One Mile Beach	N/A	
Riverside Park	N/A	Port Stephens Council
King Park Sports Complex	N/A	Port Stephens Council

Major Events	Attendance	Event Timing	Organiser
Port Stephens Triathlon	4,500	March (Annual)	Elite Energy
Bluewater Country Music Festival	2,000	June (Annual)	Bluewater
Port Stephens Surf Festival	670	May (Annual)	Surfing NSW

Accommodation Options	Number
Establishments	67
Rooms	2,074
Beds	4,390

LGA summary (cont.)



Singleton

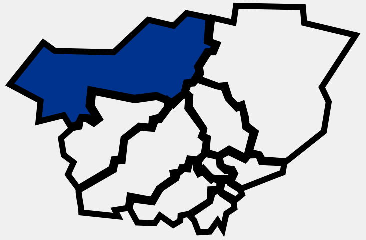
23,380

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Singleton Civic Centre	576	Singleton Council
Dashville	3,000	Dashville
Cook Park	N/A	Singleton Council
Rugby Park	N/A	Singleton Rugby Club

Major Events	Attendance	Event Timing	Organiser
Wine Machine Hunter Valley	11,000	April	Wine Machine

Accommodation Options	Number
Establishments	105
Rooms	668
Beds	910



Upper Hunter

14,167

Estimated Residential Population (2021)

Major Events Venues	Capacity	Operator
Old Court Theatre	90	Upper Hunter Council
White Park	2,864	Upper Hunter Council

Major Events	Attendance	Event Timing	Organiser

Accommodation Options	Number
Establishments	41
Rooms	338
Beds	402

DRAFT

Appendix C: Event benchmarking summary

Event benchmarking summary

Event economics benchmarking summary											
Event	**Newcastle 500**	**Bluesfest**	**Living Smart Festival**	**Major Music Festival**	**NRL (regular season)**	**A-League Men (regular season)**	**Concert**	**Motorsport event**	**Motorsport event**	**Age sporting championship**	**National sporting championship**
Summary details											
Year	2019	2019	2019	2018	2018	2018	2018	2021	2021	2019	2019
Location	Newcastle	Byron Bay	Lake Macquarie	Non-capital city	Non-capital city	Non-capital city	Non-capital city	Non-capital city	Non-capital city	Capital City	Capital City
Duration (days)	3	5	1	6	1	1	1	4	3	5	5
Attendance (spectators / participants and other attendees)											
Gross attendance	154,008	100,847	28,000	115,983	14,400	6,795	10,069	11,537	6,681	16,443	7,183
Unique attendees	72,043	37,191	28,000	36,106	14,400	6,795	10,069	11,537	6,681	5,518	4,478
Attendee origin (spectators / participants and other attendees)											
Host region	39.4%	13.4%	69.2%	3.1%	65.9%	60.1%	56.6%	64.6%	58.3%	13.6%	54.4%
Intrastate	40.9%	28.4%	29.1%	62.4%	31.2%	36.5%	39.4%	17.7%	20.9%	1.6%	7.7%
RoA	18.7%	53.2%	0.9%	33.2%	2.6%	2.8%	3.2%	17.7%	20.9%	84.3%	37.4%
RoW	1.0%	5.0%	0.9%	1.4%	0.3%	0.6%	0.8%	0.0%	0.0%	0.5%	0.5%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Event benchmarking summary (cont.)

Event economics benchmarking summary

Event	Newcastle 500	Bluesfest	Living Smart Festival	Major Music Festival	NRL (regular season)	A-League Men (regular season)	Concert	Motorsport event	Motorsport event	Age sporting championship	National sporting championship
Avg. length of stay (days / nights)											
Host region	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intrastate	1.86	3.63	1.42	5.65	N/A	N/A	N/A	1.65	1.80	5.37	0.57
RoA	1.94	3.63	3.99	8.86	N/A	N/A	N/A	1.65	1.80	6.55	6.20
RoW	1.80	3.63	0.00	15.80	N/A	N/A	N/A	N/A	N/A	8.37	6.29
Spend per night / day ($2022)											
Host region	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intrastate	116.66	332.19	47.58	95.01	73.67	82.56	89.29	290.65	262.64	150.80	98.35
RoA	205.09	332.19	131.03	99.11	N/A	N/A	N/A	290.65	262.64	150.80	186.86
RoW	204.34	332.19	82.15	68.24	N/A	N/A	N/A	N/A	N/A	265.53	186.86
Other											
Visitor expenditure per gross attendee / visitor ($2022)	78.07	384.66	14.60	183.95	37.21	48.40	57.89	170.05	197.38	287.51	276.44
Visitor expenditure per unique attendee / visitor ($2022)	166.90	1,043.04	14.60	590.92	37.21	48.40	57.89	N/A	N/A	856.76	443.43
Organiser spend per gross attendee / visitor ($2022)	36.90	28.16	0.47	42.31	10.07	13.81	14.82	52.27	88.92	15.67	76.46
Organiser spend per unique attendee / visitor ($2022)	78.87	76.36	0.47	135.91	10.07	13.81	14.82	N/A	N/A	46.69	122.64

Appendix D: Indicative event model inputs

Newcastle 500

Model inputs – Newcastle 500		
Input	**Assumed value**	**Source / rational**
Event details		
Event name	Newcastle 500	N/A
Host LGA	Newcastle	N/A
Event type	Sport	N/A
Attendance / visitors		
Attendees / participants	65,712	Ernst and Young – Economic Impact of the Newcastle 500 Supercars event for 2017, 2018 and 2019 (EY Report); assumes attendees from the Newcastle LGA attend an average of 1.5 days each whereas other attendees have a 2.5 day average attendance.
Other attendees	6.331	EY Report
Origin of attendees / participants		
Host LGA	43.2%	EY Report
Other Hunter	20.0%	EY Report; assumes half of intrastate visitors are located within the Hunter region and half come from the rest of NSW.
Other NSW	20.0%	
RoA	15.7%	EY Report
RoW	1.1%	EY Report
Origin of other attendees		
Host LGA	0.0%	Travelling teams, officials, etc. assumed to come equally from the rest of NSW and the rest of Australia.
Other Hunter	0.0%	
Other NSW	50.0%	
RoA	50.0%	
RoW	0.0%	

Newcastle 500 (cont.)

Model inputs – Newcastle 500 (cont.)			
Input	**Assumed value**		**Source / rational**
Ticket revenue	**Daily ticket price**	**Avg. ticketed days**	
Host LGA	70	1.5	Ticket prices based on average daily ticket price of alternative ticket packages (e.g. single day, weekend, three day, etc). Avg. ticket days assumes Newcastle-based attendees on average purchase tickets for the equivalent of 1.5 days, whereas other attendees average purchase tickets equivalent to 2.5 days.
Other Hunter	70	2.5	
Other NSW	70	2.5	
RoA	70	2.5	
RoW	70	2.5	
Attendee / visitor expenditure (all attendees)	**Visitor spend per day / night ($)**	**No. days / nights per attendee**	
Host LGA	101	1.50	KPMG analysis of EY Report, escalated to 2022 dollars
Other Hunter	117	1.86	KPMG analysis of EY Report, escalated to 2022 dollars
Other NSW	117	1.86	KPMG analysis of EY Report, escalated to 2022 dollars
RoA	205	1.94	KPMG analysis of EY Report, escalated to 2022 dollars
RoW	204	1.80	KPMG analysis of EY Report, escalated to 2022 dollars
Distribution of visitor expenditure (all attendees)	**Share in host LGA**	**Share in Other Hunter**	
Host LGA	100%	0%	No data is available to support these assumptions. On this basis, a conservative assessment has been made that all expenditure from host LGA and other Hunter attendees occurs in the host LGA and that 10% of visitor expenditure from intrastate, interstate and international visitors occurs throughout the rest of the Hunter region (compares to 40% for Bluesfest).
Other Hunter	100%	0%	
Other NSW	90%	10%	
RoA	90%	10%	
RoW	90%	10%	

Newcastle 500 (cont.)

Model inputs – Newcastle 500 (cont.)		
Input	**Assumed value**	**Source / rational**
Retained expenditure		
Retained attendees	10%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 10% of Host LGA and Other Hunter attendees would have gone to a similar event outside the Hunter Region if the event was not hosted in the region.
Event organiser details		
Organiser name	Supercars	N/A
Organisation location	Rest of Australia	Head office is located in Queensland.
Organiser spend	$5.68m	EY Report, escalated to 2022 dollars
Share in host LGA	90%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 90% of in-region organiser expenditure will occur in the host LGA (compares to 57% for Bluesfest).
Share in other Hunter	10%	
Cost to Council		
Event attraction fees	$1.6m	Council gives its support to Supercars date for Newcastle 500 in 2023 - City of Newcastle (nsw.gov.au)
Other costs to Council	$0	No information available. Assumed to be included in the event attraction fee amount.

STOMP Festival

Model inputs – STOMP Festival		
Input	**Assumed value**	**Source / rational**
Event details		
Event name	STOMP Festival	N/A
Host LGA	Cessnock	N/A
Event type	Lifestyle Festival	N/A
Attendance / visitors		
Attendees / participants	16,940	Council RFI return
Other attendees	60	Council RFI return
Origin of attendees / participants		
Host LGA	25%	Council RFI return
Other Hunter	40%	Council RFI return
Other NSW	30%	Council RFI return
RoA	5%	Council RFI return
RoW	0%	Council RFI return
Origin of other attendees		
Host LGA	100%	Council RFI return
Other Hunter	0%	Council RFI return
Other NSW	0%	Council RFI return
RoA	0%	Council RFI return
RoW	0%	Council RFI return

STOMP Festival (cont.)

Model inputs – STOMP Festival (cont.)			
Input	**Assumed value**		**Source / rational**
Ticket revenue	**Daily ticket price**	**Avg. ticketed days**	
Host LGA	NA	NA	Not a ticketed event.
Other Hunter	NA	NA	
Other NSW	NA	NA	
RoA	NA	NA	
RoW	NA	NA	
Attendee / visitor expenditure (all attendees)	**Visitor spend per day / night ($)**	**No. days / nights per attendee**	
Host LGA	25	1	Council RFI return; Assumes all local attendees are day trippers
Other Hunter	25	1	Council RFI return; Assumes all local attendees are day trippers
Other NSW	343	1	TRA; Assumes all intrastate attendees stay 1 night
RoA	343	1	TRA; Assumes all intrastate attendees stay 1 night
RoW	343	1	TRA; Assumes all intrastate attendees stay 1 night
Distribution of visitor expenditure (all attendees)	**Share in host LGA**	**Share in Other Hunter**	
Host LGA	100%	0%	No data is available to support these assumptions. On this basis, a conservative assessment has been made that all expenditure from host LGA and other Hunter attendees occurs in the host LGA and that 10% of visitor expenditure from intrastate, interstate and international visitors occurs throughout the rest of the Hunter region (compares to 40% for Bluesfest).
Other Hunter	100%	0%	
Other NSW	90%	10%	
RoA	90%	10%	
RoW	90%	10%	

STOMP Festival (cont.)

Model inputs – STOMP Festival (cont.)

Input	Assumed value	Source / rational
Retained expenditure		
Retained attendees	0%	No data is available to support this assumption. On this basis, a conservative assessment has been made that all attendees would have chosen an alternative event within the Hunter region.
Event organiser details		
Organiser name	Unknown	NA
Organisation location	Cessnock	NA
Organiser spend	$70k	Council RFI return
Share in host LGA	90%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 90% of in-region organiser expenditure will occur in the host LGA (compares to 57% for Bluesfest).
Share in other Hunter	10%	
Cost to Council		
Event attraction fees	$5k	Council RFI return
Other costs to Council	$7.5k	Council RFI return

NRL Trial Match

Model inputs – NRL Trial Match

Input	Assumed value	Source / rational
Event details		
Event name	NRL Trial – Knights v Eels	N/A
Host LGA	Maitland	N/A
Event type	Sport	N/A
Attendance / visitors		
Attendees / participants	6,526	Council RFI return
Other attendees	160	Council RFI return
Origin of attendees / participants		
Host LGA	50.00%	Council RFI return
Other Hunter	25.00%	Council RFI return
Other NSW	25.00%	Council RFI return
RoA	0.00%	Council RFI return
RoW	5.00%	Council RFI return
Origin of other attendees		
Host LGA	37.50%	Council RFI return
Other Hunter	31.25%	
Other NSW	31.25%	
RoA	0.00%	
RoW	0.00%	

NRL Trial Match (cont.)

Model inputs – NRL Trial Match (cont.)			
Input	**Assumed value**		**Source / rational**
Ticket revenue	**Daily ticket price**	**Avg. ticketed days**	
Host LGA	10	1.00	KPMG estimate
Other Hunter	10	1.00	
Other NSW	10	1.00	
RoA	NA	NA	
RoW	NA	NA	
Attendee / visitor expenditure (all attendees)	**Visitor spend per day / night ($)**	**No. days / nights per attendee**	
Host LGA	0	1.00	No expenditure estimated for Maitland residents.
Other Hunter	85	1.00	Council RFI return
Other NSW	85	1.00	Council RFI return
RoA	NA	NA	Council RFI return
RoW	NA	NA	Council RFI return
Distribution of visitor expenditure (all attendees)	**Share in host LGA**	**Share in Other Hunter**	
Host LGA	100%	0%	No data is available to support these assumptions. On this basis, a conservative assessment has been made that all expenditure from all attendees occurs in the host LGA.
Other Hunter	100%	0%	
Other NSW	100%	0%	
RoA	NA	NA	
RoW	NA	NA	

NRL Trial Match (cont.)

Model inputs – NRL Trial Match (cont.)		
Input	**Assumed value**	**Source / rational**
Retained expenditure		
Retained attendees	0%	No data is available to support this assumption. On this basis, a conservative assessment has been made that all attendees would have chosen an alternative event within the Hunter region.
Event organiser details		
Organiser name	Maitland City Council	Assumed that Council takes the risk on the event.
Organisation location	Maitland	NA
Organiser spend	$75k	KPMG estimate, including event costs and accommodation / meals for visiting team.
Share in host LGA	90%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 90% of in-region organiser expenditure will occur in the host LGA (compares to 57% for Bluesfest).
Share in other Hunter	10%	
Cost to Council		
Event attraction fees	$0	NA
Other costs to Council	$5k	Small marketing cost assumed for the event.

Open Studios

Model inputs – Open Studios		
Input	**Assumed value**	**Source / rational**
Event details		
Event name	Open Studios	N/A
Host LGA	Lake Macquarie	N/A
Event type	Art and Culture	N/A
Attendance / visitors		
Attendees / participants	6,000	Council RFI return
Other attendees	92	Council RFI return
Origin of attendees / participants		
Host LGA	50.00%	Council RFI return
Other Hunter	30.00%	Council RFI return
Other NSW	10.00%	Council RFI return
RoA	10.00%	Council RFI return
RoW	0.00%	Council RFI return
Origin of other attendees		
Host LGA	100%	Council RFI return
Other Hunter	0%	Council RFI return
Other NSW	0%	Council RFI return
RoA	0%	Council RFI return
RoW	0%	Council RFI return

Open Studios (cont.)

Model inputs – Open Studios (cont.)			
Input	**Assumed value**		**Source / rational**
Ticket revenue	**Daily ticket price**	**Avg. ticketed days**	
Host LGA	NA	NA	Not a ticketed event.
Other Hunter	NA	NA	
Other NSW	NA	NA	
RoA	NA	NA	
RoW	NA	NA	
Attendee / visitor expenditure (all attendees)	**Visitor spend per day / night ($)**	**No. days / nights per attendee**	
Host LGA	35	1.00	Council RFI return; Assumes all local attendees are day trippers
Other Hunter	35	1.00	Council RFI return; Assumes all local attendees are day trippers
Other NSW	96	1.00	TRA; Assumes all intrastate attendees are day trippers
RoA	96	1.00	TRA; Assumes all interstate attendees are day trippers
RoW	96	1.00	TRA; Assumes all international attendees are day trippers
Distribution of visitor expenditure (all attendees)	**Share in host LGA**	**Share in Other Hunter**	
Host LGA	100%	0%	No data is available to support these assumptions. On this basis, a conservative assessment has been made that all expenditure from all attendees occurs in the host LGA.
Other Hunter	100%	0%	
Other NSW	100%	0%	
RoA	100%	0%	
RoW	100%	0%	

Open Studios (cont.)

Model inputs – Open Studios (cont.)		
Input	**Assumed value**	**Source / rational**
Retained expenditure		
Retained attendees	0%	No data is available to support this assumption. On this basis, a conservative assessment has been made that all attendees would have chosen an alternative event within the Hunter region.
Event organiser details		
Organiser name	Lake Macquarie Council	N/A
Organisation location	Host LGA	Hosted by Lake Macquarie Council
Organiser spend	$0	Council RFI return
Share in host LGA	100%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 100% of in-region organiser expenditure will occur in the host LGA (compares to 57% for Bluesfest).
Share in other Hunter	0%	
Cost to Council		
Event attraction fees	$0	Council RFI return
Other costs to Council	$30k	Cost of artworks; Council RFI return

Groovin the Moo

Model inputs – Groovin the Moo		
Input	**Assumed value**	**Source / rational**
Event details		
Event name	Groovin the Moo	N/A
Host LGA	Maitland	N/A
Event type	Music / Entertainment	N/A
Attendance / visitors		
Attendees / participants	25,000	Council RFI return
Other attendees	130	Council RFI return
Origin of attendees / participants		
Host LGA	40.00%	Council RFI return
Other Hunter	30.00%	Council RFI return
Other NSW	30.00%	Council RFI return
RoA	0.00%	Council RFI return
RoW	0.00%	Council RFI return
Origin of other attendees		
Host LGA	100%	Council RFI return
Other Hunter	0%	Council RFI return
Other NSW	0%	Council RFI return
RoA	0%	Council RFI return
RoW	0%	Council RFI return

Groovin the Moo (cont.)

Model inputs – Groovin the Moo (cont.)

Input	Assumed value		Source / rational
Ticket revenue	**Daily ticket price**	**Avg. ticketed days**	
Host LGA	130	1.00	Ticket prices based on advertised price as per website. Event is a single day event.
Other Hunter	130	1.00	
Other NSW	130	1.00	
RoA	130	1.00	
RoW	130	1.00	
Attendee / visitor expenditure (all attendees)	**Visitor spend per day / night ($)**	**No. days / nights per attendee**	
Host LGA	85	1.00	Council RFI return; Assumes all local attendees are day trippers
Other Hunter	85	1.00	Council RFI return; Assumes all local attendees are day trippers
Other NSW	209	1.00	TRA; Assumes all intrastate attendees spend 1 night
RoA	209	1.00	TRA; Assumes all interstate attendees spend 1 night
RoW	209	1.00	TRA; Assumes all international attendees spend 1 night
Distribution of visitor expenditure (all attendees)	**Share in host LGA**	**Share in Other Hunter**	
Host LGA	100%	0%	No data is available to support these assumptions. On this basis, a conservative assessment has been made that all expenditure from host LGA and other Hunter attendees occurs in the host LGA and that 10% of visitor expenditure from intrastate, interstate and international visitors occurs throughout the rest of the Hunter region (compares to 40% for Bluesfest).
Other Hunter	100%	0%	
Other NSW	90%	10%	
RoA	90%	10%	
RoW	90%	10%	

Groovin the Moo (cont.)

Model inputs – Groovin the Moo (cont.)		
Input	**Assumed value**	**Source / rational**
Retained expenditure		
Retained attendees	0%	No data is available to support this assumption. On this basis, a conservative assessment has been made that all attendees would have chosen an alternative event within the Hunter region.
Event organiser details		
Organiser name	Triple J	N/A
Organisation location	Outside Hunter	Head office is located in Sydney.
Organiser spend	$110k	Limited data to support this assumption. In line with estimated organiser spend costs for the Lake Macquarie Carols by Candlelight event.
Share in host LGA	90%	No data is available to support this assumption. On this basis, a conservative assessment has been made that 90% of in-region organiser expenditure will occur in the host LGA (compares to 57% for Bluesfest).
Share in other Hunter	10%	
Cost to Council		
Event attraction fees	$0	Council RFI return
Other costs to Council	$5k	Small marketing cost assumed for the event.

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