

Economic Evaluation of WOMADelaide 2009

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EXECUTIVE SUMMARY

The 2009 WOMADelaide music event is held annually in Adelaide and has clearly demonstrated public support. In 2009 it was held in Adelaide from the 6th -8th March. The event overlapped a number of activities, including the Short Film Festival. There was also the Adelaide Cup horse racing event held on Monday 9th. Despite the economic circumstances and the uncertainty, the 2009 event held firm and the attendances, while slightly down on 2008 remained strong.

Major events can benefit the hosting community in a number of ways. The first is the benefits in terms of its impact on the local economy through the generation of tourism expenditure, and consequently upon jobs and incomes. The second is through the contribution to the cultural life of the community. This paper presents an economic impact evaluation of WOMADelaide 2009, and so does not constitute a complete benefit cost evaluation of the project – rather it is only a partial perspective. The paper does not provide any assessment of costs – direct or indirect (such as alternative uses of the parklands over the period of the event). Rather it considers that the creation of income earning opportunities can be considered a positive benefit from a community perspective. This paper is an update of analyses of previous evaluations, and is based on the same format.

The assessment is based on a combination of data from a survey undertaken during the event and from budget data provided by the event organizers. An economic impact assessment focuses on the visitor expenditure component of the benefits.

The event organisers have estimated that there were some 70,000 attendances at the event, slightly down on the previous year because of the negative influence of a prolonged heatwave on walk up attendance. Using the survey and ticket information it is estimated that these attendances were associated with 24,200 in scope attendees (excluding children, artists and organisers), also slightly down on 2008 to last year. 37% of this attendance is in visitation from out of the state (somewhat lower than 2008) and from the survey results it is estimated that 8,900 of the attendees were visitors to South Australia (and 1,750 visitors from other South Australia to Adelaide). While the survey results indicate that economic conditions dampened demand from interstate and overseas, some of this was made up by local attendances.

The 2009 survey of attendees indicates that 80% of the visitors to the state would not have made the trip to South Australia if not for the WOMADelaide event (consistent with previous years) – indicating that the

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- Barry Burgan is a Director of Economic Research Consultants. This study, while embodying the best efforts of the investigator, is but an expression of the issues considered most relevant, and neither the individual nor associated organisations can be held responsible for any consequences that ensue from the use of the information herein.

event is a significant drawcard. Further 96% of visitors said they would recommend the event to friends and contacts, while 96% also said they would visit again.

It is estimated that these event specific out of state visitors stayed an average of some 6.0 nights in Adelaide, and 0.34 nights elsewhere in South Australia.

The event can therefore be considered to have generated an estimated 36,900 visitor nights in the state of South Australia.

Further, it is estimated from the survey that 16.0% Adelaide residents who attended the event would have holidayed out of the state if the event had not been held in Adelaide. This is a higher proportion than events in general, and illustrates the importance of the event to those who attend it.

The average event specific visitor spent an estimated \$577 in the State during their visit (or \$93 per visitor night – excluding their spend on tickets). Therefore **the total visitor spend in areas additional to event attendance but attributable to the event being held in the State is estimated as \$5.5 million.** This measures the new net expenditure in the state (when excluding the spend of those visitors who would have come to SA anyway, and including the foregone expenditure of locals that would have otherwise have been lost to the state).

The approach used by Tourism SA for evaluating events would generally stop at this point. But consistent with previous studies and the objectives and targets in the Strategic Plan for South Australia to create jobs, in this paper the modelling is extended to look at impact on incomes and jobs. This also can be considered valid in the context of current economic uncertainties. It is modelled that this estimated expenditure is estimating as **generating new incomes in the state of \$4.8 million (ie net increase in Gross State Product) and supporting of the order of 69 FTE's of employment** (note that much of this employment will be in short term and casual employment, therefore will be spread around a lot more people, but provide short term opportunities).

Expenditure in hosting the event is estimated as being \$4.8 million of which it is estimated that \$2.6 million occurred in South Australia **and \$1.1 million of that was funded by external sources** (ie was a net benefit to the state). This expenditure was in turn estimated as supporting \$1.1 million of new incomes (GSP) in the state and supported 16 FTE's of employment.

Therefore the **holding of the event in South Australia is estimated as producing a total net economic benefit of \$5.9 million in terms of incomes (GSP) and some 85 FTE's of employment.** The majority of the jobs will be casual and short term and may well be taken up as extra hours rather than new jobs per se.

Overall the analysis is indicative that the 2009 event was somewhat down on outcomes over the last couple of years, but given economic circumstances and the fact that job opportunities are somewhat more important at the current point of time, this continues to be a significant contribution.

	2009	2008	2007	2006	2005	2004	2003	% Change - 2008 over 07
In scope attendance	24166	27161	26977	25655	20083	20689	17861	-11%
Out of state "new" visitors	7144	9341	8127	8005	6886	6053	4896	-24%
Visitor nights created	37915	51410	45707	44706	40737	33373	23867	-26%
Newly Created Expenditure								
Visitor (\$'000)	\$5,462	\$6,697	\$6,514	\$6,177	\$5,001	\$4,327	\$2,635	-18%
Operating (\$'000)	\$1,056	\$1,194	\$1,139	\$1,045	\$837	\$616	\$699	-12%
Total (\$'000)	\$6,518	\$7,891	\$7,653	\$7,222	\$5,838	\$4,943	\$3,334	-17%
Impact on GSP (\$'000)	\$5,928	\$7,158	\$6,921	\$6,539	\$5,703	\$4,818	\$3,311	-14%
Impact on Employment (FTE's)	84	103	102	98	84	74	53	-17%

As noted above, this economic contribution is only one element of the benefit of a major event. There is considerable value to South Australians in attending the event, and a significant contribution to the cultural fabric of the state (and therefore the quality of life). From the survey 99% of Adelaide respondents who attended the event considered the event important to the state, with most (86%) considering it very important.