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ABOUT THE TOURISM COMMITTEE

This policy paper was prepared by the OECD Centre for Entrepreneurship, SMEs, Local Development and Tourism, as part of the Tourism Committee's Programme of Work. The Tourism Committee, created in 1948, acts as the OECD forum for exchange, and for monitoring policies and structural changes affecting the development of domestic and international tourism.

Addressing the major challenges faced by the tourism industry, and maximising tourism's full economic potential, requires an integrated and multi-faceted approach to tourism policy development across many government levels and departments. In this environment, OECD members see considerable benefit in co-operating to address economic, sustainability and employment issues, and promote tourism policy performance and evaluation, innovation and liberalisation of tourism. A closer co-operation with major emerging economies is also seen as being critical to achieving a strong impact with this work.

The website of the Tourism Committee (www.oecd.org/cfe/tourism/) provides detailed information about the OECD activities on tourism.

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Summary and key policy messages

Events are a dynamic and fast-growing sector that has obvious synergies with tourism. If managed and hosted effectively, they can expand the visitor economy, provide media exposure, promote regional development, and stimulate the upgrading of infrastructure and the emergence of new partnerships for financing sport, tourism, culture, and leisure facilities.

The hosting of major events, therefore, represents a unique opportunity to rethink or reposition a destination and to support the development of modern infrastructure. As such many countries now view the successful hosting of such events as a vehicle for economic growth, job creation, branding, well-being, and urban regeneration.

From a tourism perspective, many cities, regions and countries are now devoting considerable resources to developing, attracting and supporting major events as part of a wider strategy to increase visitor numbers and expenditure. However, hosts cities, regions and countries of such events face a range of challenges including funding, effective governance, and the ability to accurately evaluate the economic, social, environmental, and other added value of tourism events.

The report focusses on those major one-off or recurring events with the ability to attract significant numbers of domestic or international participants/spectators, and provide significant economic, social and cultural benefits to the host economy; thus promoting changes in terms of territory dynamics and tourism development. Due to their very unique scope and scale, the specific impacts of mega-events such as the Olympic Games and the FIFA World Cup, are not considered directly.

The report considers a large number of country approaches (benefitting from inputs from Australia, Canada, Chile, Czech Republic, Denmark, Egypt, Estonia, France, Iceland, Ireland, Italy, Mexico, New Zealand, Russia, Spain, South Africa, Turkey, and the United Kingdom) to better understand events-related policy and practices used to promote tourism growth.

It clearly highlights that major events have the capacity to create substantial legacies for the host destination (both positive and negative). These can be in the form of physical assets, such as stadia, lasting recognition of destination branding in key tourism markets or better community understanding of a sport or cultural activity, and are naturally linked to the objectives of the host city or country. The success of an event can also encourage attendees to return for further leisure and hospitality.

While positive legacies are often assumed to flow through automatically, this is not necessarily the case. In reality, they generally require a concerted effort by a range of government departments, event organisers and destination managers. It is important to note, however, that events, if not well planned and delivered, can have a range of negative impacts for the host community, including long-term debt, the creation of 'white elephants' (under-utilised infrastructure), and other environmental and social impacts. As such, identifying the best ways to capture the legacy benefits of an event is a constant challenge for organisers and governments.

An analysis of various country approaches to i) aligning major event and tourism strategies, and ii) assessing the impacts of major events on the visitor economy; demonstrates that:

- while events have an obvious role to play in enhancing the attractiveness and competitiveness of destinations by adding to the mix of attractions, they can only do so with the support of quality event-specific and supporting infrastructure, and effective marketing and promotion.
- there is a large degree of heterogeneity between major events (even within countries), including the rationale for hosting specific events, the methods used to assess the economic and other impacts, and the availability of data from public and private sources.

It is also clear that the impacts of these often highly political events are somewhat relative. For example, the impacts associated with what might be considered a major event for one destination may not have the same impact (desired or actual) at another, and in certain circumstances the impacts can even spill over geographical borders. For these reasons it is difficult to propose or apply a single or 'standard' methodology for maximising or measuring the impacts of major events. The analysis, does however, enable a few lessons to be drawn for consideration by cities, regions and countries wishing to leverage the unique characteristics of major events to support the development of the visitor economy. A selection of key learnings is highlighted below:

Adopting an integrated approach to align major events and tourism strategies

- providing a framework for a proactive and strategic approach to bidding for and hosting major events can help to identify priorities and targets for hosting.
- the development of a major/business events strategy aligned with a long-term tourism strategy, or the establishment of a dedicated major events agency, can help to focus resources and ensure that relevant government agencies are working together to achieve wider economic, social and environmental development goals.
- ensuring transparent decision-making with respect to identifying, bidding for and hosting specific major events will help to establish and maintain public support and enable the effective measurement of performance against clearly articulated objectives.
- government funding in support of one-off major events should be weighted towards those with the most potential to deliver social and economic returns, while for recurring events, towards those that have potential to become self-funding.
- major events with close ties to the destination in terms of sport, culture or business, are more likely to effectively add to the mix of attractions, maintain public support, promote domestic participation, and provide opportunities for local supply-chains.
- a programme of smaller/niche events with international appeal (sporting and cultural) can achieve significant economic, social and cultural benefits for host communities, often in areas outside of major centres and typically with less financial outlay and risk.
- the adoption of a long-term perspective, with a well-structured and managed leverage and legacy plan is essential to maximise the return for event organisers, key partners and investors.
- government funded infrastructure development should be built with long-term use as the priority, and ideally with resources earmarked for the post-event period.

Assessing the impacts of major events on the visitor economy

- measuring and reporting the economic, socio-cultural and environmental impacts of major events (ex ante and ex post) is fundamental to the success of any event strategy and enables governments to make more informed decisions concerning the value of such events, and whether they will likely deliver the expected benefits for the forecast cost.
- evaluation of impacts throughout the event lifecycle is critical and requires co-operation between policy and statistical organisations, and with industry stakeholders. Pre-event analysis is necessary to set a base-line against which to measure eventual impacts, while post-event analysis should include evaluation that takes place sufficiently after events have occurred to be able to measure the medium-term impacts.
- developing and incorporating a suitable data collection system as part of any event development program, will support ongoing programme performance reporting, and evaluation needs.
- a clear reference framework with stable and common indicators (at the national level) would promote comparative analysis and constructive public debate.
- domestic expenditure, such as that on infrastructure or by residents attending the events, will be compensated by less spending elsewhere in the economy, and should, along with ‘leakage’, be clearly identified in the analysis of impacts.
- measuring the full economic impact of major events requires the inclusion of elements that are difficult to value – on the positive side this includes increased brand value, marketing effects and local pride and support, while on the negative side it includes extraordinary event costs, local congestion and crowding out effects.
- where based on robust data and reliable methodological assumptions, economic impact models provide a flexible and open way of measuring the total economic impact of a major event on the economy.
- economic impact assessments of major events should, where possible, be conducted by neutral third parties.

This work builds upon that undertaken by the OECD Local Economic and Employment Development (LEED) programme on Local Development Benefits from Staging Global Events (2008), Local Development Benefits from Staging Global Events: Achieving the Local Development Legacy from 2012 (2010), and the OECD Tourism Committee’s The Impact of Culture on Tourism (2009), which are also primary sources utilised throughout the report.

The relationship between major events and tourism

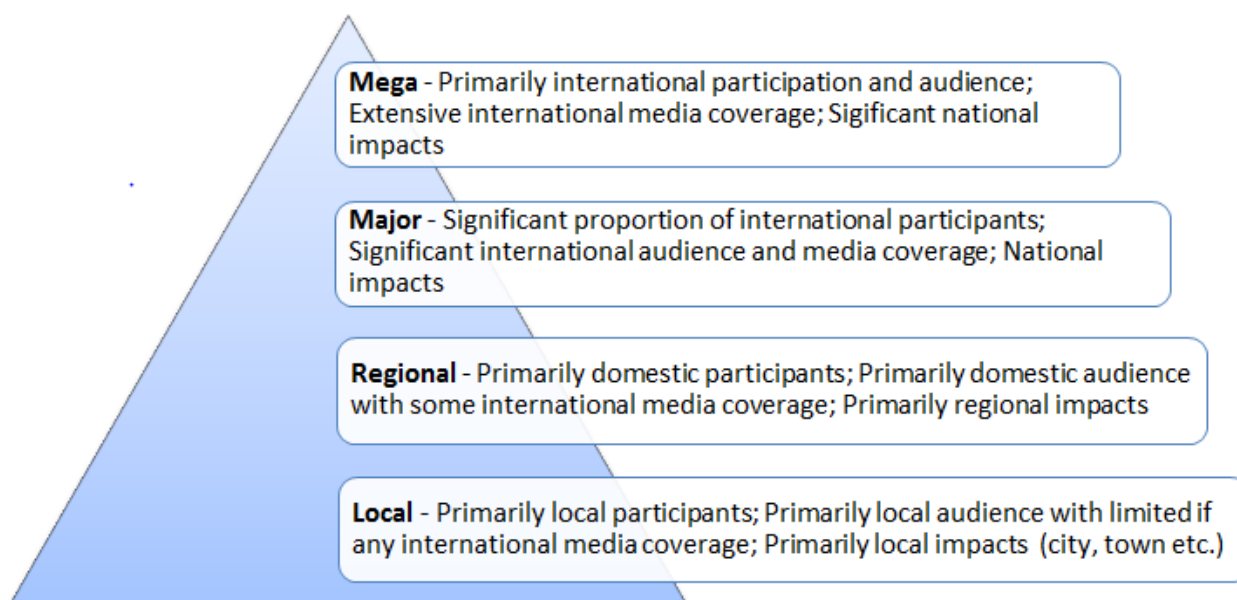
Events offer a unique form of tourist attraction, ranging in scale from small community festivals, through to international trade fairs, and on to the largest of global sporting events, such as the Olympic Games and the FIFA Football World Cup. One of the key differences between events and traditional attractions is the period of time over which they impact the host community or region. Events are short-term by definition, often lasting only one or two days, although some larger events can last significantly longer (e.g. weeks for Grand Slam Tennis tournaments or the Tour de France, up to several months for the European Capital of Culture, or World Expo's); while fixed attractions tend to draw visitors seasonally, or over an extended period.

Events (sporting, cultural, business etc.) are an increasingly important motivator for tourism, figuring prominently in the development and marketing of most destinations and playing a growing role in destination competitiveness. However, without some way in which to distinguish between different types or categories of events, it is difficult to consider the potential impacts associated with each, in terms that are easily understood.

When considering the scale and impact of events, they fall into four broad categories i) local, ii) regional, iii) major, and iv) mega-events. The key factors typically recognised as determining the perceived scale and impact of events are the level of participation, audience/spectators, and media coverage; and the degree to which an event generates significant international demand for each (Figure 1).

Events with international appeal and true global reach typically fall into the categories of major or mega-events. Such events have the potential to act as catalysts for local development, and to deliver a range of economic, socio-cultural, environmental and other benefits associated with image, branding, and expansion of the visitor economy, just to name a few.

Figure 1. Typical event categories



Mega-events, as the largest and highest profile of all events, invariably, require the most significant and sophisticated infrastructure development, are typically the most expensive to host, and given the competitive bidding process for such events, typically take the longest time from inception to delivery. They also tend to have the longest legacy period. However, there are also very limited opportunities for cities and countries to host these very largest of events. For example, since the establishment of the modern Olympics in 1896 (120 years), there have been a total of 29 Summer Olympic Games awarded to only 23 different cities; while the FIFA World Cup has been held on only 21 occasions in 16 different countries since 1930, albeit in many more cities within each host country. Despite this, many countries continue to view the investment of resources necessary to bid for and potentially host these mega-events, as one that can provide commensurate returns.

The hosting of, and desire to host, international events has become more commonplace as destinations seek to position themselves in a period of changing global tourism dynamics. They are often seen as catalysts for the implementation of long-term development plans, the upgrading of infrastructure, and the emergence of new partnerships for financing sport, tourism, culture and leisure facilities. Indeed many cities view the process of bidding for major events, even if ultimately unsuccessful, as providing a range of tangible benefits, particularly those cities or countries looking to rapidly develop their events and internationalisation strategy. Examples of potential benefits for candidates bidding for but not winning the right to host a major event include (OECD, 2008):

- raising the international profile and brand image,
- facilitating closer working between public authorities on a range of logistical issues,
- accelerating development planning (urban, event-related facilities, transport infrastructure etc.),
- forcing potential hosts to identify their own metrics for success.

1. Many events are organised and delivered by the private sector without the need for government intervention. However, in some instances government involvement may be helpful, or in fact necessary to either i) underwrite and/or secure an event through a bidding process, or ii) secure broader and longer-term benefits that may be outside the remit or focus of event organisers (including the construction of infrastructure – stadia, transport, urban regeneration – that can provide significant benefits to the host community long after the event has concluded).

For the largest of events in particular, the specific aims and desired outcomes from a national perspective, may vary between potential host candidates depending on their level of economic development, existing infrastructure, identified security needs, plans for urban regeneration, current and desired international image, maturity as a tourism destination, and sustainability credentials, just to name a few. Therefore it is clear that events provide different potential legacies, depending on the requirements of the respective host city or country.

Similarly, it is clear that the dynamic and fast-growing events sector shares obvious synergies with tourism. For example, while major events (sporting, cultural or business focussed) are not typically developed as tourist attractions in their own right, domestic and international visitors make a significant contribution to the successful hosting of such events, usually as spectators or attendees. On the other hand, for many destinations, the potential benefits associated with hosting a major event (including increased tourism), are often used as a catalyst or leverage to bring forward the development of event-related facilities and infrastructure, which are typically important for tourism and of which the visitor economy also reaps the benefits.

For example, the city authorities in Lisbon effectively leveraged Expo '98 to rejuvenate the city, taking the approach that what was built for the fair must become part of the city. The decaying industrial district on the south bank of the Tagus River was transformed into a vibrant waterfront; a major expansion of the metro system took place as well as other infrastructure including the construction of the Vasco da Gama Bridge and the intermodal station – Gare do Oriente. The site of the Expo itself underwent massive redevelopment with the construction of an "Oceanarium", alongside new commercial and residential buildings. The main pavilion now houses the Vasco da Gama shopping centre and cinema complex, complete with shops, restaurants and bars. The impacts of the redevelopment have been significant. Lisbon is now one of Europe's most popular short break destinations, while the Expo put Lisbon back on the business map due partly to the improvements made to the city's infrastructure, but also by demonstrating the ability to successfully plan and execute an event of such magnitude and complexity, and in doing so secure a positive legacy for the city and its residents (OECD, 2008).

Events that drive international tourism in large numbers can be grouped into four main categories:

1. Niche events – often with close links to the host destination, whether the connection is literary, culinary, adventure sports, music festivals etc. (e.g. Glastonbury music festival). This category may also include events at the smaller end of the spectrum, such as the North Atlantic Fiddle Convention, which may only attract in the region of 1 000 visitors, however, such events are relatively inexpensive to organise and are likely to attract a higher proportion of high spending international attendees.
2. Participatory sports events – for example, the world masters games, world police and fire games, ironman events, and junior sports events. These are 'destination' events which attract thousands of competitors from outside the host country, most of whom bring multiple people with them (spouses, friends, family) and often extend their event related stay into a holiday. The 2015 World Orienteering Championships in Scotland attracted 6 000 visitors and a net additional spend of over GBP 9 million.
3. Signature cultural events – events which gain an international reputation as 'must see' and include, for example, South by South West (SXSW) in Austin, Texas, Sonar festival in Barcelona, White Nights in Melbourne, or the Edinburgh Fringe Festival and Hogmanay, in Scotland.
4. International sports events – for example, single or multi-sport events such as the World Cup Rugby, the Tour de France, and World Championships for a variety of sports (athletics, swimming, gymnastics etc.). Such events can not only bring in large numbers of participants and spectators but also achieve large worldwide television coverage and can play a significant role in raising the profile of the destination and the brand of the country. The biggest events of this type would be the Summer Olympic Games and the Football World Cup; however, smaller international sports events can have a similar effect on a smaller scale, often with less financial risk.

The expansion of the visitor economy linked to such events is often referred to as event tourism, in much the same way as cultural, or food tourism, highlights the close links between certain unique characteristics of a city, region, or country.

Aligning tourism and major events strategies to promote tourism growth

From the perspective of the tourism industry, events are highly valued attractions. As key drivers of demand, they act as catalysts, animators and image-makers for both business (conventions, trade shows etc.) and leisure travel (sports events and cultural festivals etc.). The close links between major events and tourism are clearly recognised by many cities, regions and countries that have identified event tourism as a specific priority within long-term tourism strategies (e.g. Australia, Canada, the Czech Republic, Denmark, Estonia, France, Ireland, Japan, Korea, Latvia, New Zealand, Portugal, Slovenia, Spain, Switzerland, Turkey and the UK), with many devoting considerable resources to develop, attract and support major events in order to enhance destination attractiveness/competitiveness, and spread the benefits of tourism to regional areas.

Sub-national, national, and even trans-national approaches to identifying, bidding for and hosting events may vary depending on the available budget, and the desired economic, social and environmental returns. However, the development of a major events or business events strategy (e.g. Scotland's National Events Strategy), or the establishment of a dedicated event agency (e.g. Sport Event Denmark, New Zealand Major Events), can help to maximise the benefits and minimise any negative impacts for hosts, by focussing resources and ensuring that the relevant government agencies are working together to achieve wider economic development goals.

Selected country approaches

Selected examples of targeted event strategies and/or dedicated agencies designed to promote major events as catalysts for tourism, are outlined below:

Australia

In Australia, for instance, there has been significant activity in the major events policy space in most jurisdictions. As more states and territories align their economic growth strategies to the strength of their visitor economies, more attention has been paid to driving demand for visitation. Major events are increasingly recognised for their capacity to attract large numbers of international and interstate visitors.

Reflecting this, the past five years has seen a trend towards integrating previously separate government tourism marketing bodies and their counterpart major events agencies into single, integrated state tourism organisations to better leverage visitation outcomes. This has been observed in Queensland (merger of Tourism Queensland and Events Queensland in 2013 to create Tourism and Events Queensland), New South Wales (merger of Events NSW and Tourism NSW in 2011 to Destination NSW) and most recently Victoria (merger of Tourism Victoria, Victorian Major Events Corporation and Melbourne Convention Bureau in 2016 to create Visit Victoria).

While major, one-off events like major sporting fixtures or music festivals are a mainstay of major events in Australia, there has also been a shift towards developing niche and regional events with close links to their destinations in an effort to boost visitation.

Canada

Having had a sport hosting policy in place since 1983, the Canadian government has long recognized the development benefits (social, cultural, economic, community, and sporting) derived from hosting international sport events, and that a proactive, strategic and coordinated approach to bidding and hosting is required in order to realize and maximize the benefits for Canadians. As a result, a revised Federal Policy for Hosting International Sport Events was introduced in 2008, with some provinces subsequently developing their own hosting policies. Additionally, the Strategic Framework for Hosting International

Sport Events in Canada, developed in consultation with provinces and territories, offers a collaborative approach to “maximize the sport, economic and community benefits” from hosting such events. The Government of Canada generally funds over 60 international single sport events each year and supports, in accordance with the Hosting Program budget and/or necessary approvals, the hosting of two major international multisport events every ten years.

The objectives of the Federal Hosting Policy are to:

- Provide a framework for a proactive and strategic approach to bidding for and hosting of international sport events, resulting in the identification of priorities and targets for hosting;
- Promote effective, timely and transparent decision-making with respect to bidding and hosting, coordinated with Provinces/Territories and the sport community;
- Target investment to those bidding and hosting projects which advance the Strategic Framework and contribute to the achievement of the Government of Canada's interests for hosting international sport events; and
- Manage the type and number of bidding and hosting projects supported by the Government of Canada to ensure sound program and fiscal management as well as the achievement of Hosting Program objectives.

In 2009, Canada’s Economic Action Plan (EAP) allocated \$100 million over 2 years to provide short-term financial assistance to existing marquee tourism events. The objective of the Marquee Tourism Events Program (MTEP) was to assist existing marquee tourism events deliver enhanced world-class programs and experiences, thereby increasing or sustaining the number of tourists from within and outside Canada.

Support for marquee tourism events was expected to contribute to the short-term and long-term growth and viability of Canada’s visitor economy by increasing or sustaining the level of tourism and tourism-related spending, and providing economic stimulus to ensure that tourism events could remain competitive within and outside Canada.

An ex post evaluation undertaken in 2011 indicated that the MTEP had achieved its immediate program objective, with MTEP funding stimulating improvements to the quality of funded marquee tourism events through increased spending on incremental activities, such as new or enhanced marketing and promotion, product development, programming, capital projects, and equipment. However, due to a lack of comparable baseline data, an assessment of the programme’s intermediate objectives, including an analysis of the change in the number of domestic and international tourists attending supported events, the change in the level of tourism related spending (along with the change in event revenues), could not be comprehensively conducted.

In Destination Canada’s ‘Seizing the Winning Conditions for Canada 2016-2020’ corporate plan, business events are one of four core activity areas alongside content marketing in key leisure markets, connecting America, and the Millennial Travel Program. Meetings, conventions, and incentive travel, account for 14.2% of all travellers to Canada (approximately 2.3 million visitors annually). These visitors also generate approximately CDN 3 billion in spending or 19.2% of total receipts. Business Events Canada (BEC), a division of Destination Canada, is responsible for generating demand for international meetings, conventions and incentive travel for Canada. The BEC brand reflects the growing significance of the meetings industry to Canada’s economy, which is also seen as effective in facilitating the introduction of Canada’s export business interests to key influencers, business stakeholders, entrepreneurs and investors from around the world.

Denmark

Sport Event Denmark is the national Danish sports event organization, established and supported by the Danish Government, the Danish National Olympic Committee, and the Sports Confederation of Denmark. The main objective of Sport Event Denmark is to attract and host major international sports events and congresses, and it focuses primarily on sports that have a strong foundation within Denmark.

For the last decade, Sport Event Denmark has succeeded in winning over 80% of all international bid campaigns, and has welcomed over 250 international sports events including a wide range of World Championships, European Championships, World Cups and major sports conferences and congresses.

The vision for Sport Event Denmark is for Denmark to become the ideal destination for major international sports events and to be ranked among the most prominent sport event nations in the world. Each event is delivered through a unique and close cooperation between three parties; Sport Event Denmark, the host city and the relevant national sport federation. The role of Sport Event Denmark in this event triangle is primarily to provide advice and financial support. The host city contributes in the areas of funding, logistical support and promotion of the event. The national federation is responsible for all technical and commercial matters, such as ticket sales and sponsorship.

Estonia

During 2015-2020 the Estonian Ministry of Economic Affairs and Culture, in cooperation with the Enterprise Estonia tourism development centre, is offering grant assistance from the funds of the European Regional Development Fund, for the organisation of international events and conferences held in Estonia. The aim of the initiative is to present Estonia as the destination of international conferences and cultural and sporting events.

The grant can be applied for by a state and local authority establishment and a legal person that is registered in Estonia. For cultural and sporting events to be eligible for consideration under the grant programme, they must meet a range of conditions including the following (with conferences having different criteria):

- marketing activities must be planned for at least one priority target market specified in the tourism development plan, and information about Estonia's tourism opportunities must be offered as part of the event;
- the event must be reported by international media;
- the total number of nights spent by foreign visitors for the event must exceed 1 000;
- the event must last for at least 2 consecutive days.

From the submission of the application, and in order to reflect the long lead-times often associated with organizing international events, the grant programme provides for activities related to the organisation of a cultural or sporting event (maximum grant of EUR 65 000) to be carried out within 48 months, while for conferences (maximum grant of EUR 30 000), they must be carried out within 60 months.

Ireland

Sporting, cultural and business events contribute significantly to the success of Irish tourism and the quality of the visitor experience. At an international level, some flagship events, mostly stadium-based, can directly attract tens of thousands of visitors, while large participative sporting events, such as adventure races, attract increasing numbers of overseas competitors.

Major festivals, like the St. Patrick's Festival in Dublin can also generate several thousand overseas visitors. The Gathering Ireland 2013 was a good example of the power of the Irish tourism product when people and place combine. Over 5 000 gatherings, many small community or family events, collectively attracted an estimated additional 275 000 people, to gatherings in every county in Ireland.

Business tourism, in particular the meetings, incentives, conferences and exhibitions (MICE) sector, has proved to be particularly successful for Ireland in recent years, with expenditure by the tourism agencies on business tourism marketing providing a high level of return on investment in terms of visitor expenditure. Business tourism is also particularly beneficial in offsetting seasonality.

Events will continue to be an important part of the Irish tourism offering. In the 2015 strategy, *People, Place and Policy: Growing Tourism to 2025*, events were identified as one of four areas of focus to help create the desire to travel and meet international visitor expectations of Ireland. A range of policy proposals were identified to ensure that the correct structures are in place to enable events to contribute effectively to the overall quality of the visitor's experience of Ireland. They include:

- Fáilte Ireland putting in place a structure to target international events that generate additional overseas tourism revenue, and can be most effectively matched with the overall tourism offering.
- Funding for festivals and events of benefit to tourism will be weighted towards events that have potential to become established and reach financial viability, rather than as an on-going public subsidy.
- More established events will be encouraged to share expertise with developing events in order to maximise the overall benefits of festivals and events for the Irish tourism sector.
- The Government will examine how the Gathering, or a similar project, can be repeated without diluting its impact, and the tourism opportunities that arise from themed years in other areas of Government will be fully developed.
- Local Authorities will have a role in the future funding of smaller tourism and diaspora-related events.

New Zealand

The New Zealand Government, through New Zealand Major Events, works in partnership with the events sector to support New Zealand's growing reputation as an attractive destination for major events of global significance. New Zealand Major Events act as an advisor to government Ministers on the value that the events industry brings to the national economy. It acts as a partner with the events sector to attract major events, boost sector capability and leverage benefits arising from events. It plays the role of investor to ensure valuable legacy outcomes that align with the Government's Major Events Strategy are delivered. Finally, it is a one-stop-shop for event organisers to help them navigate their involvement with government (www.majorevents.govt.nz).

The Major Events Strategy highlights that from the government's perspective, major events are considered those which i) generate significant economic, social, and cultural benefits; ii) attract significant numbers of international participants and spectators; iii) have a national profile outside the region in which they are being held; and iv) generate significant international media coverage in key markets. Potential impacts of major events include i) increased tourism revenue; ii) increased opportunities for NZ brand promotion; iii) the creation of new business and trade opportunities; iv) increased employment opportunities; and v) enhanced events sector capabilities – supported through the Major Events Resource Bank. The expected long-term outcomes of the strategy are a significant contribution to a high value economy, vibrant communities and culture, and a flourishing events sector.

In order to achieve the aims of the Strategy and maximise the potential economic benefits for New Zealand, a Major Events Development Fund was established to prioritise investment in those events with the most potential for economic return. The governance structure for the fund includes the establishment of both an Investment Panel, to provide private sector and senior public sector input into investment decisions, and a Major Events Minister's Group, bringing together five Ministerial portfolios with event investment and leveraging interests (Economic Development; Tourism; Arts, Culture and Heritage; Foreign Affairs; Sport and Recreation). The Investment Panel will consider major event applications and make recommendations to the Ministers Group on event investment, leverage, legacy and prospecting. It is then the role of the Major Events Minister's Group to approve or decline any recommendations made by the Major Events Investment Panel.

United Kingdom

As part of the UK government's aim to increase exports by 2020, a Business Visits and Events Strategy was launched in 2014, to build on existing work by VisitBritain, the home nations and industry, by taking a more co-ordinated and targeted approach, better showcasing the UK's industrial strengths, bolstering exports, stimulating inward investment and boosting tourism.

Prior to the development of an events strategy, each UK government department implemented their own approach to supporting relevant industry events. There was no cross-government, co-ordinated approach to identifying and supporting those business events considered likely to be most valuable to the UK economy.

As such, an opportunity to help the sector expand and boost the events industry within the UK was identified; one that could only be achieved by adopting a co-ordinated approach across both industry and government.

The strategy highlights five key areas requiring support, with strategic responses outlined below:

1. Governance – The establishment of a *Business Visits and Events Board* (with relevant Government departments, UK Trade & Investment (UKTI), representatives from the business visits and events industry, VisitBritain, VisitScotland, Visit Wales, Tourism Northern Ireland and VisitEngland), responsible for:
 - Identifying and prioritising tier 1 / high profile events (either globally, or within a particular sector), along with targeted actions for Ministers and cross-government departments to ensure the success of bids for events of high strategic importance;
 - Overseeing the implementation of the Business, Visits and Events Strategy;

Aligning tourism and major events strategies to promote tourism growth

- Consideration of any strategic issues for the sector that requires cross-government and sector support to resolve.
2. Infrastructure and funding – Working with cities and regions around the UK to identify and fund innovative bids to support the development of business visits and events, and possible UK Government support for a bid to host the World Expo in 2025, working with partners to identify a suitable venue and location.
 3. Visas and ‘welcome’ – The Home Office to identify a single point of contact that can be used by the sector when organising tier 1 events, to ensure any potential visa and immigration issues for delegates are identified and resolved as early on in the planning process as possible.
 4. Marketing and strategic partnerships – With VisitBritain to:
 - develop a GREAT international events promotional toolkit and to undertake international business events promotion at a Britain level, alongside other GREAT partners;
 - create an online UK Business Events Portal to provide information on the benefits of bringing a business event to the UK and the resources available to both potential organisers and delegates;
 - work with relevant organisers and associations to ensure GREAT branding at major business events and exhibitions.
 5. Best practice and expertise – The industry board to identify best practice from the devolved nations, cities and venues for dissemination and use as appropriate

An Event Support Programme is a new initiative that supports the attraction, growth and development of new and existing international business events that align with Great Britain and Northern Ireland’s industrial and academic sector expertise. The programme is expected to run for four years and provides advocacy and financial support.

The programme is open to Destination Management Organisations (DMOs) or venues and event organisers who are collaborating with DMOs. Three streams are open for applications:

- Support to attract international business events to Britain and Northern Ireland – With an emphasis on advocacy to help win bids for international events.
- Support to grow the economic value of secured events – Support for marketing activity to boost the economic impact of events, including trade and investment opportunities and increased delegate numbers.
- Support to create new international business events – For example, growing an existing domestic business event into a significant international event, or an initiative that will introduce a new or cloned version of an established overseas event to Great Britain and Northern Ireland.

First published in 2008, Scotland the Perfect Stage, is Scotland’s major events strategy. It sets out seven key impact areas of tourism, business, image and identity, media, participation and development, environment, and social and cultural benefits. Recently revised, the aim of the 2015-25 strategy is to ensure that Scotland’s reputation as a global leader in the events industry is further enhanced to the benefit of Scotland’s economy and communities. It aims to provide a focus for all of Scotland in relation to securing,

supporting, staging and benefiting from events. It is a strategy for all those involved in events. It is designed to engage, guide and support all event stakeholders, including suppliers, organisers, facility owners and public sector partners. To reflect the significance of events in providing opportunities to drive additional tourism in particular, the strategy also aligns with Tourism Scotland 2020, a strategy for the tourism industry in Scotland produced by the Scottish Tourism Alliance. Tourism Scotland 2020 identifies festivals and events and business events as two of the four key assets that provide authentic experiences for visitors to Scotland and which underpin the industry's growth ambitions. This alignment ensures a strong crossover between these two closely interrelated sectors.

Production of Scotland the Perfect Stage 2015-2025 was led by the EventScotland team at VisitScotland, which has restructured its work in events and now has an Events Directorate with three teams focussing on i) EventScotland, ii) Developing the industry, and iii) Business Events. VisitScotland continues to provide expertise, guidance, support and leadership through this Events Directorate. EventScotland's stated mission is to develop – through a 'one Scotland' approach – a strong and dynamic events industry producing a portfolio of events and festivals that delivers sustainable impact and international profile for Scotland.

EventScotland recognises that measuring and reporting the impacts of events is fundamental to the success of this strategy and a critical area for future planning. Its mission is based on the belief within Scotland, and supported by clear evidence from around the world, that events generate economic growth, international and domestic profile and a wide range of social and cultural benefits both through immediate impacts and subsequent legacy or long term development.

Key targeted impact areas for Scotland's Major Events Strategy are:

- Economic – Tourism and Business,
- Brand, Identity and Reputation,
- Media and Profile,
- Social and Cultural,
- Sustainability.

These five key impact areas are used to assess an event's overall success in achieving desired outcomes, and to build the case for major event bids or infrastructure development. The analysis of event impacts will be undertaken individually and also in portfolios. This could be across a city or geographical area, a time period or across a genre. This approach allows for events to deliver strongly in different areas with the overall portfolio delivering across all areas. It is also important to consider the differences between one-off events and annual events with the latter having the ability to effect large scale cultural change over a longer period. Investigating this effect and finding ways to evaluate it will be a further refinement of our current measurement.

Trans-national

The International Cricket Council (ICC) Cricket World Cup 2015 (CWC 2015), the pinnacle of international one day cricket, was jointly hosted by Australia and New Zealand during February and March 2015. The Tournament's 49 matches were played over 44 days across 14 host cities. The Tournament was attended by over one million, and watched by over 1.56 billion people worldwide.

The high level of government input to deliver the tournament required considerable communication and cooperation between the Australian Federal Government and the New Zealand Government. Each government established a centralised agency to help coordinate their support and services across government agencies as well as Trans-Tasman government relations. The Major Sporting Events Taskforce in Australia and the World Cups Office in New Zealand brought together the key government departments and agencies including Immigration, Customs and Border Control, Security, Foreign Affairs and Trade and Tourism.

Coordinated and streamlined visa and customs processes put in place by each national government made entry to both countries more efficient for international visitors than it would otherwise have been. An innovative joint tourism visa for Australia and New Zealand was implemented for the first time as a direct result of the event (PWC, 2015).

Measuring the potential impacts of major events on the visitor economy

The hosting of major events, therefore, represents a unique opportunity to rethink or reposition a destination and to support the development of modern infrastructure. As such many countries now view the successful hosting of such events as a vehicle for economic growth (including tourism), job creation, branding, well-being, urban regeneration and regional/local development.

As with all forms of special-interest travel, the potential impacts of event tourism (whether positive and negative) must be considered from both a supply and demand perspective. From a consumer perspective it's necessary to understand who travels for events and why, and also who attends events while traveling. It's also important to know what 'event tourists' do and spend during and after events. Included in any demand-side approach is an assessment of the value of events in promoting a positive destination image, place marketing in general, and co-branding with destinations. On the supply side, destinations develop, facilitate and promote events of all kinds to meet multiple goals: to attract tourists (including to reduce seasonality); to serve as a catalyst for urban renewal and to increase the infrastructure and tourism capacity of destinations; to foster a positive destination image and contribute to general place marketing (including contributions to fostering a better place in which to live, work and invest), and to animate specific attractions or areas (Getz, 2008).

Regional attractiveness and competitiveness are directly linked. Countries and regions increasingly have to compete to attract residents, visitors and inward investment. What different destinations have to offer depends not just on economic factors, e.g. standards of living or accessibility, but also on intangible factors such as the general quality of life of its residents. In analysing attractiveness, many studies have borrowed from the work of Porter (1990) on competitiveness, which identifies six main drivers of competitiveness: factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry.

For tourism, the factor conditions have traditionally been most important for destination attractiveness, both in terms of natural 'factors' (natural resources such as beaches, climate, etc.) and created 'factors' (such as cultural attractions, events, etc.). But increasingly, destinations, in order to compete, are taking steps to restructure the industry, and develop innovative products and marketing approaches. As such events clearly have a role to play in enhancing the attractiveness and competitiveness of destinations by adding to the mix of attractions, but equally this highlights that events can only enhance destination attractiveness with the support of quality event-specific and supporting infrastructure, and effective marketing and promotion.

Based on an analysis of experiences in over 30 cities and nations, the OECD (2008) identified a set of potential benefits from hosting major events, with the benefits or returns varying in size and duration depending on the type (including one-off versus regular), scale and infrastructure requirements associated with hosting individual events, and how much energy and capital is invested to secure a long-term legacy.

The potential benefits of hosting major events from the perspective of the visitor economy include:

1. Structural expansion of the visitor economy

Visitors coming to a city or region for an event will contribute to a more buoyant economy, with visitor expenditure having a multiplier effect on incomes throughout related supply chains.

2. Alignment of tourism with other strategies

The requirements of hosting a major event can be used to, promote an integrated whole-of-government approach, and maximise synergies between relevant development and growth

strategies e.g. tourism with culture and transport. For example transport links and other infrastructures constructed for events are one of the most visible lasting legacies for a host city/region and can have real impacts for tourism growth.

3. Marketing and promotion

Pre-event branding associated with the successful hosting of a major event, can provide lasting recognition of destination branding in key tourism markets, encourage return visitation of attendees/participants, and a better understanding of the focus of the event (sport, arts and culture, food and wine, etc.)

4. Environmental impacts

The international focus often associated with major events can help to prioritise work on an often under-developed or neglected built environment and therefore the attractiveness and competitiveness of destinations. In addition, ensuring that events are managed in an environmentally friendly manner is also becoming a high priority in terms of branding.

However, evidence suggests that the most successful host countries and cities have long-term strategies or plans in place that the hosting of events helps to implement and achieve, and a dedicated management effort for specific events aimed at maximising the benefits and securing a positive legacy (Box 1).

Box 1. New Zealand Major Events - Leverage and legacy planning

The New Zealand Government, through New Zealand Major Events (NZME) invests in events that generate significant immediate and long-term benefits that align with both the Government's Major Events Strategy and wider government objectives. Given that the government is investing taxpayer dollars, a strong emphasis is placed on maximising leverage and legacy opportunities that will provide both short-term and long-term benefits to the community and country as a result of hosting the event.

New Zealand Major Events describes leverage and legacy as the broader and longer-lasting national and local benefits that are set in motion then realised by an event:

- Leverage opportunities - These are the additional benefits that can be developed around the event itself. These benefits are likely to be outside the immediate scope of current planning for the event and additional action is likely to be required to maximise the benefits for the respective sport/art, region and country.
- Legacy opportunities - These are the lasting or long-term benefits that can be accrued beyond the event. Exploring these opportunities requires a deliberate and focused action plan to ensure that lasting positive benefits are delivered to the respective sport/art, region and country.

The concept of leverage and legacy is about understanding and acknowledging the broader benefits that an event can deliver to the wider community and country, and is one that must be integrated into the overall vision and objectives for events.

Leverage and legacy planning needs to underpin the whole approach to an event and it is important that it begins during the initial feasibility and bidding stages. Creating a positive and lasting legacy requires deliberate effort, strong leadership, sustained commitment and attention. A well-structured and managed leverage and legacy plan is essential to ensuring event organisers, key partners and investors get the most out of an event.

Source: [New Zealand Major Events](#) (December 2016)

A positive legacy can encourage community and stakeholder support for an event, represent a tangible return on investment, or justification for public expenditure. However, to achieve a positive result requires strategic planning well in advance of the event, adoption of a long-term perspective and evaluation throughout the event lifecycle, from inception through to the post-event period. Any infrastructure development needs to be built with long-term use as the priority, and ideally with funding and resources earmarked for the post-games period.

It is important to note, however, that events, if not well planned and delivered, can have a range of negative impacts for the host community. For example, from an economic legacy perspective, events (particularly those requiring substantial venue and related infrastructure development) can lead to long-term debt, such as the 1976 Montreal Olympics which had a negative impact on the city's finances for over 25 years. Without adequate legacy planning and post-event utilisation, event venues and infrastructure have the potential to become little more than 'white elephants'. While community resentment can also be an enduring feature due to the raising of unrealistic legacy expectations and the gentrification of certain areas, as was the case with the 1996 Atlanta Olympics where there was reduced social housing and dislocation (Matheson 2010).

Pre-event evaluations are necessary to set a base-line against which to measure eventual impacts, and can also help to ascertain whether legacy plans are realistic. Similarly, a commitment to post-event evaluation is necessary to accurately determine the long-term impacts of hosting individual events. Meaningful community engagement throughout the legacy planning and development process can help to ensure that the eventual event legacy better reflects the needs and aspirations of the community (Matheson, 2010; Owe, 2012).

The potential legacy benefits associated with well-planned and delivered events can be broadly grouped under the headings of economic, socio-cultural and other intangible, and environmental impacts.

Economic impacts

Domestic and international visitors play a significant role in contributing to the success of events through direct participation (e.g. in meetings, conventions), and direct and indirect event-related expenditure which is generally accepted to be higher per day, if not per trip, than leisure visitors.

For example, the direct contribution of such events to the visitor and wider economy includes:

- Total direct expenditure, which incorporates all domestic and foreign expenditure associated with the delivery of the event and includes:
 - spectator/attendee spending (including all accommodation, ticket sales, other purchases, taxes and tips), including that of companions (e.g., spouse and family) and any additional spending made before or after an event due to extended stays;
 - participant/exhibitor spending, including any spending outside the event, but as a result of their involvement in the event, and;
 - the cost of event production, including the costs incurred in developing stadia and other relevant infrastructure, and for example, by convention centres for products and services relating to hosting events.
- Increases in new full-time equivalent (FTE) jobs in various sectors (including hospitality, construction, retail trade, and professional services);
- Increases in household consumption associated with higher levels of employment and greater household income.

Visitors coming to a city or region for an event will contribute to a more buoyant economy, with visitor expenditure having a multiplier effect on incomes throughout related supply chains. Well-managed events can attempt to focus this effect on local businesses with supply chains able to develop and expand to take advantage of increased business opportunities. Furthermore, a well-planned, diverse and appealing events calendar can more evenly distribute major events throughout the year, and create demand for accommodation and visitor services outside of traditional peak periods. This can have the effect of driving economic growth and employment throughout the year for (often regional) destinations that are otherwise susceptible to seasonal cycles of visitation.

In addition, major events provide a pretext for external investment that might not otherwise exist. But this does not mean that the investment comes free or without opportunity costs. It is clear that in a global economy, the hosting of major events is an activity that offers cities and nations a means to host the world for a short period of time, and to project a desired image or brand through global media. Such events, when designed and managed with vision and discipline, can also be successful in their own terms and yield lasting benefits for the cities that host them; by leveraging the event as a catalyst to drive wider city, regional or national development plans.

Selected country examples of the types of economic impacts associated with major events are outlined below:

Australia

Evidence from Australia indicates that major events represent a significant proportion of total international visitation, with 15% of all arrivals (898 400) attending a cultural or sporting event during their trip in 2012-13. It is estimated that these visitors generate higher yield, staying and spending more than twice the average of all international visitors. Of this figure, over 100 000 travelled to Australia specifically to attend a cultural or sporting event. While generally taking shorter trips, these visitors are more likely to stay in commercial accommodation compared to those not travelling to attend an event (71% versus 60%), and spend an average of 20% more per day than other visitors (Tourism and Transport Forum, 2014).

The potential economic impact of cultural events is demonstrated by *Vivid Sydney*. Developed by Destination NSW and held annually in May and June (a period of traditionally lower demand), Vivid Sydney combines music, art and Sydney's night-time skyline to activate the CBD. The 2015 program attracted more than 1.7 million people and generated a record AUD 63.2 million in visitor expenditure to the NSW economy. More than 112 000 international and domestic overnight travellers specifically visited NSW for the event in 2015, an increase of 25 per cent on 2014. This included 26 000 international visitors who travelled on Vivid Sydney travel packages. The success of Vivid Sydney also highlighted the capacity of major events to act as anchors for corporate incentive travel and conferences. In 2013 Business Events Sydney was able to use Vivid Sydney to help secure six business events during the period of the festival that, combined, delivered an AUD 8 million benefit to the State of New South Wales.

The Business Events Council of Australia (BECA), with the support of the Australian Government (under the T-QUAL Grants Program¹) and the Australian business events industry, commissioned a study to estimate the value of business events to the Australian economy. This study aimed to highlight the importance of the business events industry to Australia, by estimating the economic contribution, value add and employment of the industry. The final report estimates that during the financial year 2013-14, over 37 million people attended more than 412 000 business events across Australia (meetings and conventions,

1. Ending in 2015, T-QUAL was a competitive grants programme that aimed to provide support for a range of projects to support the tourism industry.

exhibitions, or incentive events with at least 100 delegates and exhibition space of over 500m²), directly generating AUD 28 billion in expenditure, AUD 13.5 billion in direct added value, 180 000 jobs, and a contribution to taxation of AUD 860 million.

The report highlights that the business events industry delivers significant economic benefit to Australia, and generating a strong visitor yield, given the high daily expenditure of participants. But business events deliver much more than tourism spend. Beyond the tourism benefits, business events have wide and enduring benefits associated with business relationships, knowledge transfer, employment and industry development. Business events help industry deliver their goals; acting as levers to launch new ideas, identify trends, spread news of research breakthroughs; and equipping people to meet the challenges of change (BECA 2015).

Canada

The Canadian Sport Tourism Alliance (CSTA) conducted an economic impact assessment of the FIFA Women's World Cup Canada (WWCC) 2015. Nearly 1 500 surveys were completed over the 52 match tournament, across six host cities. The results showed an overall attendance of 1.35 million made by 424 000 unique spectators attending an average of 3.2 matches per person, with 54% visiting from outside the host cities. More than 74 000 visitors made one or more day trips while 174 000 visitors made an overnight visit to one of the official host cities, including 96 600 travellers from the United States. In addition, visitor spending directly attributable to FIFA WWCC 2015 reached CAD 93.2 million. The economic impact assessment showed that the visitor expenditures, in combination with the operational and capital budgets of the event contributed an increase of CAD 249 million to the GDP of the 6 host provinces.

Chile

In 2015, Chile hosted the Copa America football tournament. Held once every four years, it is the largest of its kind in South America. Around the time of the event (June and early July) international arrivals increased by 47% over the previous year, with the highest increases from Argentina (112%), and Brazil (48%).

Of total arrivals during this period, it was estimated that Copa America was the primary motivation for 30%. Total expenditure for foreign tourists who came to Chile because of Copa America was USD 66 855 475. Those arriving via airports (66%), stayed an average stay of 7.3 nights in the country and spent an average of USD 1 126.8. These figures compare to an average of 12.9 nights with expenditure of USD 1 138 for those not travelling for the event. These results indicate higher expenditure per night for those international visitors motivated by Copa America (USD 154 per night) compared to those who were not (USD 88 per night).

France

In the summer of 2016, France hosted the European Football Championships (UEFA Euros) for the third time. This tournament, besides being a highlight of the European sporting calendar, from the government's perspective it provided an opportunity not only to build on France's reputation as an effective organiser and host of major sporting events, but also to derive maximum benefit from its economic impact.

The organisation of the Euros drew on the combined forces of the government, local authorities and the organising committee, which consisted of UEFA and the French Football Federation (FFF). Acting for the government, the Interministerial Delegation for major sporting events (DIGES) drew up an Interministerial Action Plan for football (*Plan interministériel d'action pour le football*, or PIAF

“Euro 2016”) with input from all relevant ministries, in response to a request from the French President and with the aim of providing efficient governance to the project (Box 2).

Box 2. France – EURO 2016 programme and impacts

France’s Interministerial Delegation for major sporting events (DIGES), within the Interministerial Action Plan for football (*Plan interministériel d’action pour le football*, or PIAF “Euro 2016”), set out the strategy and remit of stakeholders to ensure positive economic, diplomatic, cultural and social impacts from hosting UEFA Euro 2016.

Working groups were set up to assist the process of translating the PIAF’s objectives into concrete measures commensurate with the stakeholders’ specific areas of expertise, and then to oversee and track their implementation. They included:

- The working group “Economie TEN”, which was set up under the oversight of the DIGES and which is co-run by the Ministry of Foreign Affairs and International Development (MAEDI). It was given a remit to use the Euros as a springboard for measures to promote and enhance the attractiveness of France and its overseas territories, with a particular focus on tourism, international influence, and the promotion of French business and the digital sector.

In addition to representatives from the DIGES and the MAEDI (Directorate-General for Globalisation and Sponsorship, tourism promotion mission and sports ambassador), its members included representatives from the Ministry of the Economy, Industry and Digital Sector, the Ministry of Culture and Communication, the Atout France and Business France agencies, and CCI France and the Club of host sites for the Euro 2016.

- A Euro 2016 Task Force was set up within the MAEDI, tasked with supervising and coordinating intervention by the Ministry’s departments (especially the Directorate-General for Globalisation and Sponsorship, tourism promotion mission and sports ambassador) and its agencies responsible for rolling out the PIAF.

The work carried out by the Task Force follows on from that of the Economie TEN group and has led to the widespread mobilisation of the French diplomatic and cultural network (Alliances françaises cultural institutes, co-operation departments, French lycées), as part of an influence strategy.

These efforts allowed the Euros to be promoted to the local audience, and also gave AEFÉ the opportunity to showcase “Destination France” and spotlight the country’s image (international communication about the host cities; organising press tours to some host cities, etc.).

According to provisional research by the Centre for the Law and Economics of Sport (*Centre de l’économie et du droit du sport*—CDES), the economic impact of Euro 2016 is worth an estimated EUR 1.2 billion of additional activity for the public and private sectors. These figures are yet to be confirmed over the long term. More specifically:

- attendance in the stadia broke records, with 2.5 million tickets sold for the entire event (1.2 million of which were bought by foreign fans) and almost 4 million people followed games in the ten “fan-zones”. Exceptional numbers of people tuned in to watch on television, which generated revenues for the host cities. 20.8 million viewers in France and more than 600 million worldwide watched the television broadcast of the final between France and Portugal, while the total numbers for the event reached almost 7 billion.
- given the wider context, Paris did not see the turnout that had been hoped for, however, in the rest of France the event produced particularly good results. All host cities saw high visitor numbers during the month of the competition, with occupancy rates around 95% on match nights. The Euros had a strong impact on the hotel industry in Lyon, Toulouse and Marseille (amounting to between 39% and 51%), as well as in Nice, (9%) and Bordeaux (11%) during what is traditionally already a very busy period for the tourist industry. Hotels saw significantly increased business compared to the previous year, driven by higher average prices and/or occupancy rates. During the tournament itself, sales in Lens, Lille and Saint-Etienne grew by over 70% compared to 2015.

The plan sets out the strategy and remit of the various stakeholders, and addressed every facet of the event in order to guarantee seamless co-ordination. It established four priorities designed to ensure positive results on the economic, diplomatic, cultural and social fronts:

- ensure organisational excellence,
- ensure that Euro 2016 was a popular event, shared by everybody in all parts of the country,
- support France's growth and attractiveness,
- promote the values of sport.

Italy

For many years, Milan was considered primarily a business tourism destination with an accommodation offer and services dedicated to this target. Although business tourism has suffered in recent years due to the international crisis, Milan has been able to more than offset the trend of this segment, confirming its status as a leisure destination, renowned in particular for shopping and for cultural/creative tourism.

This repositioning has been stimulated by a number of factors, including: on the one hand the city's reputation as an international capital of fashion has played a key role in attracting increasingly large flows of shopping tourism which is a fast growing segment at the international level; while on the other hand, Milan is growing a reputation as a destination for those interested in local culture and intangible heritage of the city (e.g. local manufacture, design, and wine & food), thus creating new opportunities for culture-based tourism development.

The evolution of tourism in Milan was further boosted with the successful bid to host Expo Milan 2015 – a cultural event with genuine global appeal – and the associated resources allocated by the national government, the region, and by municipalities and local Chambers of Commerce for its development and international promotion. Expo Milan 2015 was held from 1 May to 31 October, 2015 with a primary theme of “Feeding the Planet, Energy for Life”. In addition to the activities at the exhibition site itself, the city also offered a full calendar of events in the centre of Milan: the “FuoriExpo”.

In May 2016 the final data on visitors to Expo 2015 were published and the estimated impact calculated: 21 477 000 tickets were sold (of which 31% were international visitors) and the average expenditure per visitor (excluding tickets) was calculated to be EUR 207 per day. The tourism impacts of Expo 2015 can be analysed in four main areas i) tourism flows and revenues; ii) visibility and reputation; iii) the creation of new tourist products and services; iv) accessibility and intermodality (Box 3).

Box 3. Italy – Expo Milan 2015 impacts

Impact on tourism flows and revenues

- In general, the economic impact estimates for Expo 2015 show that for the period 2012-2020, an additional production of EUR 31 billion, an added value of EUR 13.9 billion and 242,000 new jobs.
- Business and leisure tourism attracted by the event: in 2015 Milan saw an increase in arrivals of 11% compared to 2014, and estimates indicate an increase at the national level of 5.5%.
- Positive data on room occupancy in Milan and neighbouring provinces. For the region the occupancy of hotel rooms has increased from 2014 to 2015 by 16% (18% in Milan, 26% in Monza, and 25% for Varese).
- Available data for the first months of 2016 confirm a positive trend on arrivals and overnight stays.

New tourism products and services

- Expo Milan 2015 had also important results for Lombardy and Milan tourism system and governance. At the regional level, sixteen territorial coalitions were formed in Lombardy in order to reorganize local supply systems and to increase territorial attractiveness with respect to specific themes such as wine & food, landscape, cultural heritage, arts & crafts excellence.
- Expo 2015 stimulated the regional government to create a new Destination Management Organization, "Explora" in 2013, whose primary function is the promotion of the tourist offer of Lombardy through the new brand "inLOMBARDIA".

Implications in terms of communication and branding

- During the six-month event, Expo 2015, with the involvement of 240 stakeholders, reached an estimated 300 million people across 20 platforms on the internet.
- Research activities conducted by Milanese universities have highlighted a strong impact from the event on brand "Milan", while monitoring activities on Expo flows were useful in identifying expectations and habits of specific targets groups, providing important information for local and national tourism promotion strategies.
- The city also has received positive international visibility due to agreements with major transport companies (rail and air transport in particular) and with co-marketing activities.

Impact on accessibility and intermodality

- A third important aspect concerns the improvement of urban mobility and of intermodal connectivity that came with the event, among them in particular the opening of a new subway line in Milan (plus another still under construction) and motorway junctions around the exhibition site and to the town. In addition, the aforementioned agreements with major rail and air transport companies also allowed an increase in connections between main north Italian and city airports and direct high-speed train connections with the exhibition site. These actions represent a long-term legacy for the city.

United Kingdom

Attracting more visitors to the city was a key aim of the Liverpool European Capital of Culture 2008 (ECoC) bid, which sought to use tourism as a driver for economic development, both directly through visitor spend and subsequent growth of the visitor economy (Garcia et al, 2010). Results show that in 2008, 35% of visits to Liverpool were influenced by the ECoC title and would not have taken place otherwise. In

total, 9.7 million visits to Liverpool in 2008 were motivated by the Liverpool ECoC, thus generating a direct economic impact of GBP 754 million attributable to the ECoC title and events programme.

A broader examination of the European Capital of Culture: Success Strategies and Long-term Effects identified evidence of a very positive short-term tourism impacts associated with hosting the ECoC. Results over the longer term, however, were mixed, with those host cities able to sustain the short-term boost in numbers in the years following the ECoC having developed post-ECoC marketing and event strategies (European Parliament 2013).

In July 2014, Yorkshire, Cambridge, Essex and London staged the first three stages of the 2014 Tour de France. The Tour is the largest annual global sporting event, and the oldest and most iconic cycle race in the world. In hosting the event the various partners aimed not only to deliver a world-class sporting event but also to:

- Enhance the UK's reputation as a world leader in delivering major events;
- Secure significant economic benefits for the areas the Tour passed through, as well as for the UK overall;
- Raise the profile of Yorkshire, Cambridge, Essex and London as attractive places to visit and invest.

A post-event assessment of impacts showed that the event had a significant economic impact and one which was likely to continue. The direct economic impact on the "host regions" was GBP 128 million while for the UK overall (i.e. from overseas visitors, including the teams, overseas media and the ASO (the Amaury Sports Organisation – the owners of the Tour de France) the impact was GBP 33 million. The figures for the individual host regions were GBP 102 million for Yorkshire and GBP 30.5 million for the combined region of Cambridge, Essex and London, including GBP 19.5 million for London (the figures do not sum as adjustments were made to account for spectators moving between regions).

The principal component of the economic impact is the expenditure of visitors coming into the host regions to watch the Tour de France (86% of the total). The spectator survey results showed that 1.3 million spectators were visitors to the respective host regions, including 113 000 visitors from overseas. Overall, the event generated expenditure of GBP 109.8 million based on the 1.33 million visitors.

United States

Each March in the United States, SXSW (South by Southwest) attracts leading creative professionals to Austin, Texas for a mix of industry conferences, trade shows, and festivals. In addition to its role in sustaining Austin's cultural attraction, SXSW also injects hundreds of millions of dollars into the local economy. In 2016 alone, SXSW's economic impact on the Austin economy totalled USD 325 million. SXSW's convergence of creative disciplines across a multitude of industries remains its core value proposition. During SXSW, the influx of international talent each year transforms Austin into a global epicentre for creative professionals.

In 2016, SXSW hosted nearly 140 000 Registrants and Single Admission Ticket Holders in 2016. It included 13 days of industry conferences, a 4-day trade show, 8 exhibitions, a 6 night music festival featuring more than 2 200 bands, and a 9-day film festival with more than 460 screenings. It is arguably the single most profitable event for the City of Austin's hospitality industry.

SXSW Registrants made 14 415 individual hotel reservations totalling 59 000 room nights. The average length of hotel bookings made directly by those attending SXSW reached 5.2 nights (an increase from 4.6 nights in 2014). Demand during SXSW regularly outstrips supply, and over the past five years the average hotel rates during SXSW have increased by 60%. Direct bookings by SXSW alone generated USD 1.8 million in hotel occupancy tax revenues for the City of Austin.

- Operational Output – A measure of the direct, indirect, and induced local economic benefit of the year-round operations of SXSW and event-specific expenditures by SXSW and official sponsors. In 2016, the impact of SXSW operations on the Austin economy was USD 116.9 million.
- Conference and Festival Impact – The direct, indirect, and induced local economic benefit of conference and festival attendees totalled USD 159.7 million in 2016, with an estimated additional USD 48.7 million generated by more than 110 000 attendees at free-to-the-public events (source: www.sxsw.com).

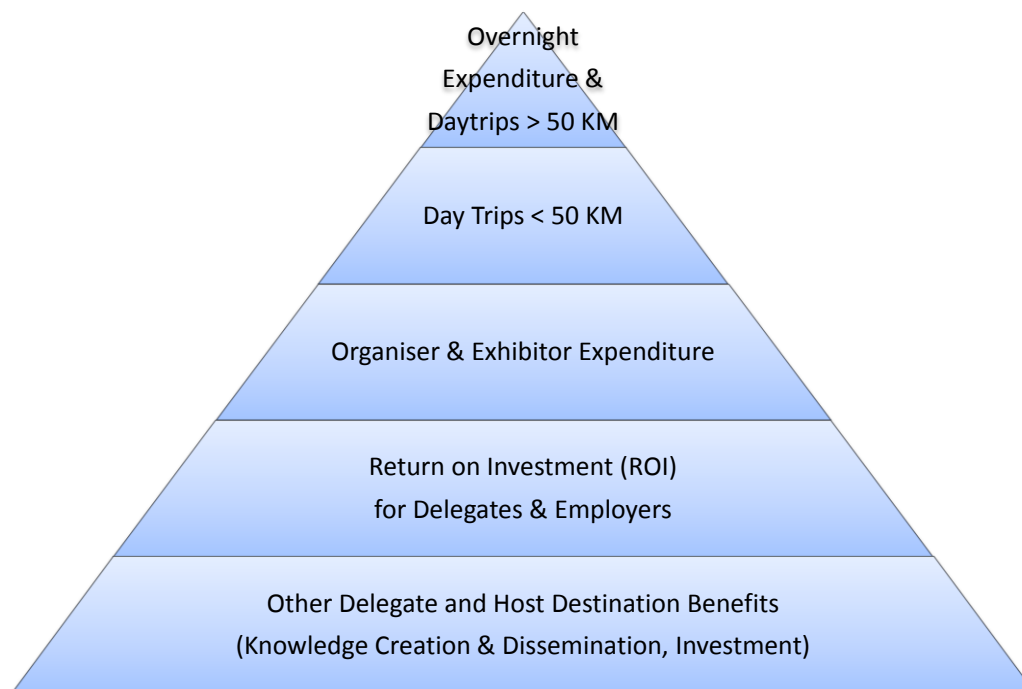
Socio-cultural and other intangible impacts

It is clear that major events can leave substantial legacies. In addition to those in the form of physical assets, such as stadia, they can include an expansion of the visitor economy and lasting recognition of destination branding in key tourism markets. However, in addition to these and depending on the type of event in question, there are a range of potential socio-cultural impacts which can contribute to the enhancement of quality of life, including i) satisfaction from attending events; ii) increased participation and interest in leisure, sport and/or cultural activities; and iii) an enhanced perceptions of image, identity and place.

One of the fastest growing event segments is that of Meetings, Incentives, Conventions and Exhibitions (MICE), and particularly in emerging destinations, where there has been significant development in hotels, convention centres, and transportation systems, in order to attract business events and tourism. With new destinations entering this market, there is very strong competition to host such events around the world, and pressure on existing mature destinations to remain competitive. There is also an increasing focus on ensuring that business events generate an acceptable return to justify the commitment of time and money for delegates, and this requires that the full range of benefits derived from attendance at an event are recognised and measured to determine the actual return.

A key reason for delegates to attend business events is to enhance their performance in the form of increased sales or sales leads, improved product or market knowledge, personal or professional development, or improved business practices; while employers send staff to business events on the understanding that the organisation will derive these same benefits (Tourism & Business Events International, 2012). Similarly, from the host perspective, there is a view amongst some governments and the meetings industry, that in addition to the more traditional impacts or benefits associated with events, the greatest value of hosting major business events arises from the business, professional, academic and policy outcomes generated in terms of broad economic and community advancement. However, in the absence of a rigorous and readily accessible mechanism to quantify the value of business events ‘beyond tourism’; many governments tend to rely solely on estimates of additional expenditure of delegates while in the host country as a proxy, to assess their value. As a consequence, the vast majority of potential benefits associated with hosting such events, which can be categorised as i) the return on investment (ROI) for delegates and employers, and ii) other delegate and host destination benefits; may not be captured (Figure 2).

Figure 2. The five components of business event value



Source: Tourism & Business Events International (2012)

Many of the more intangible benefits associated with hosting business events are derived by delegates and employers, and as such a proportion of these benefits leave the host destination at the end of the event. However, from a host community perspective, successfully hosting major business events can facilitate the local dissemination of new knowledge, improved workforce practices, better education, new investment, and better industry sector policies; while at the same time enhancing the reputation of the host city or country as a leisure and/or business events destination (Box 4).

While many studies have confirmed the existence of a wide range of intangible benefits associated with a specific event or events, the ability to quantify these same benefits has proven problematic, particularly as some can take a considerable period of time to become apparent; at times making it difficult to convince key stakeholders of their significance. In light of the inherent difficulties to quantify the intangible benefits of business events, and in an effort to focus attention on ways to maximise the returns generated (Tourism & Business Events International, 2012):

- event organisers should be encouraged to undertake Return on Investment (ROI) studies as often as possible to highlight the broader benefits that business events generate;
- the development of local case studies would help local government and other stakeholders better understand the types of benefits that can be derived.

Box 4. Sydney - Beyond tourism benefits of business events

A study by Business Events Sydney (BES) titled *Beyond Tourism Benefits – Measuring the social legacies of business events*, surveyed attendees (delegates, sponsors, exhibitors and members of the organising committee) at five international congresses in Sydney between 2009 and 2011. It found a direct connection between the staging of business events and an extensive range of benefits and outcomes beyond tourism spend. Survey respondents were asked to state their agreement or disagreement with different statements relating to the potential benefits that Sydney, as a congress destination, may have realised, individual benefits for delegates, and benefits for exhibitors and sponsors. Attendee perceptions of event benefits in the BES study can be grouped into:

1. Benefits for the host destination
 - 87% agreed that successful hosting of the events enhanced Sydney's reputation as a global business events destination
 - 82% agreed that successful hosting of the events facilitated networking opportunities for local delegates
 - 82% agreed that the events exposed local delegates to cutting-edge research and world's best practice, while
 - 76% believed it enhanced the capacity of the professional sector in the conference destination
2. Benefits for the delegates
 - 91% believed the congresses provided opportunities to share knowledge
 - 89% agreed that new knowledge and ideas had enhanced their professional practice
 - 81% agreed they had made new contacts, while
 - Over 80% believed that attending congresses contributed to building the knowledge and capabilities of young people working in the sector
3. Benefits for exhibitors and sponsors
 - 85% were able to network with clients and/or key industry figures
 - 80% obtained leads for future business
 - 73% improved brand awareness OR gained product exposure/ awareness, while
 - 71% raised the organisation's profile amongst delegates and peers

Source : Edwards *et. al* (2011)

An improved understanding of the broader benefits associated with hosting business events has the capacity to make them more attractive investment opportunities for both private and public sector investment, which in turn could have major flow-on benefits for the visitor economy.

Selected examples of the types of socio-cultural and other intangible impacts associated with major events are outlined below:

Brazil

In 1999, the Rio authorities used the high-profile Latin America-Caribbean-European Union Summit to show off its new “Favela-Bairro” project, which brought basic city services into the favelas. As well as raising the city’s public profile, it lifted the spirits of the cariocas (local people from Rio) living in the favelas. The city also used the event as an opportunity to undertake a major renovation of its tourist sites and waterfront. Instead of using a convention centre on the outskirts of town, Rio decided to put the summit in its long-ignored Museum of Modern Art in the heart of the city. The city renovated the museum, including painting a colourful mural on the outside wall and re-starting its long-disused fountain. In addition, the iconic tourist beaches of Copacabana and Ipanema were returned to pristine condition. Rio’s facelift attracted tourists and business interest, which brought money into the city. The renewed attitude to the city’s poor, as well as the regeneration of their city, was not only well broadcast using the EU summit as a springboard, but also engaged the local people with the authorities and raised pride and employment (OECD 2009).

Japan

The Setouchi International Art Festival in Japan aims to leverage contemporary art on the islands in the Seto Inland Sea in order to attract visitors to the following: other museums in the wider region, traditional cultural sites such as shrines and temples, natural sites in coastal cities, and restaurants serving local specialties. A main aim of the Festival is regional revitalisation, and a clear outcome of the art projects in Naoshima has been a strengthened belief that interaction between elderly residents, young tourists, artists and volunteers through art activities revitalises local communities.

As part of its goal to develop more art tourism in the area, in 2007 the Kagawa Prefectural Government announced its participation in the Setouchi International Art Festival. The Kagawa Art Tourism Plan 2010-15 aims to leverage contemporary art on the islands to increase the number of tourists and the length of stay for domestic and international tourists in the prefecture by 5%. The Setouchi International Art Festival is the most important tool to achieve this goal (OECD, 2014).

Established in April 2008, the Executive Committee of the Setouchi International Art Festival brought together representatives of local government, the local business community and the creative industries. The Committee is chaired by the Governor of Kagawa Prefecture. The first Setouchi International Art Festival was held between July and October 2010 on seven islands in the Seto Inland Sea, and at Takamatsu Port and Uno Port. Seventy-five groups of artists from 18 countries and territories participated. According to the report by the Committee, the 2010 festival had more than 900 000 visits. The second festival was held in 2013. The festival term was divided into three seasons: spring, summer, and autumn. In addition to the seven islands of the first festival, five other islands were added as sites. Participants increased to 200 groups of artists from 26 countries and territories, and the number of visitors exceeded 1 million.

A survey in 2010 showed that more than 70% of visitors were from outside of Kagawa Prefecture, about 70% were female and more than 70% were under 40 years old. In 2013, 61% of visitors were from outside of Kagawa Prefecture, about 67% were female and about 60% were under 40 years old.

In 2010, international visitors accounted for 1% of visitors to the festival, coming mainly from Australia, Chinese Taipei, France and the United States. Even though international visitors accounted for only a small share of visitors to the festival that year, they made great contributions to the increase in overseas visitors to Kagawa Prefecture from the previous year: In 2010, international visitors to Kagawa Prefecture increased by 65% from the previous year. In 2013, international visitors accounted for 2.6% of visitors to the festival.

The 2013 festival had an economic ripple effect of about JYP 13.2 billion, which was a JYP 2.1 billion increase over the 2010 festival. It was also hoped that festival visitors would visit other tourist sites in the wider region. In 2013, 46% of visitors stayed two nights or more. Those who stayed two nights or more and visited areas other than the festival sites greatly increased over 2010.

United Kingdom

Edinburgh is internationally renowned for hosting an annual Festivals programme. Starting with the Edinburgh International Festival in 1947, it has developed a year-round programme of Festivals which plays an important role in the cultural, economic and social life of Edinburgh, of the wider city-region, and of Scotland itself.

Box 5. Scotland - The socio-cultural impacts of the Edinburgh Festivals programme

The results of the Edinburgh Festivals 2015 Impact Study show that the Edinburgh Festivals make a significant contribution to the quality of life, international reputation and economic vitality of Edinburgh and Scotland, and continue to be Scotland's world-leading cultural brands. They:

1. Provide unique places of cultural discovery
 - 92% of respondents said that the Festivals had given them the chance to see something they would not otherwise have seen
2. Play a crucial role in year-round audience development
 - 68% of respondents said that attending the Festivals had made them more likely to attend another cultural event
3. Deliver an unrivalled international platform for companies, artists and thinkers
 - 92% of respondents agreed that the Festivals were 'must-see' events
4. Invest in the growth and development of individuals and communities
 - 57% of respondents said that the Festivals were events that 'bring the community together'
5. Create a sense of civic pride
 - 89% of local festivalgoers agreed that the Festivals increased people's pride in Edinburgh as a city
6. Position the city region as an attractive, creative, international destination
 - 94% of respondents said that the Festivals are part of what makes Edinburgh special as a city

The Edinburgh Festivals comprise of twelve festivals including the internationally renowned Edinburgh Fringe Festival, the Royal Edinburgh Military Tattoo, and Edinburgh's Hogmanay. They are considered economic powerhouses of the Scottish tourism industry, provide significant socio-cultural benefits (Box 5), and play an increasingly important role as event gateways, spreading visitors and the benefits of tourism, beyond Edinburgh. In 2015, attendances of over 4.5 million were recorded across the 12 Edinburgh Festivals, with other impacts including:

- the economic impact was measured at GBP 280 million in Edinburgh and GBP 313 million in Scotland, representing a 19% and 24% increase on the figures reported in 2010;
- 5 660 new FTE jobs supported in Edinburgh and 6 021 in Scotland compared to 5 047 and 4 757 respectively in 2010;
- festival visitors are now spending more nights elsewhere in Scotland than in 2010.

Environmental impacts

As with any activity that brings huge numbers of people and services together, there is the potential for major events to cause environmental damage. All events involve transporting people, goods and services to and from the host venue or venues, both during the organisation and delivery of events.

There are potentially a wide range of environmental impacts associated with major events for which management strategies could be developed, including:

- Transport – emissions from traffic and transportation congestion issues;
- Waste – waste generated in the construction of facilities and during the delivery of an event (including food and promotional material);
- Energy – energy consumed while operating venues and in accommodation used by participants, organisers and visitors;
- Water – water used at venues and in visitor/participant accommodation (drinking, shower/bath, toilets).

More commonly however, major and mega-events not only seek to mitigate negative environmental impacts such as those outlined above, but also increasingly seek to provide benefits, such as: the creation of environmentally friendly buildings and public places; improvements and greening of public transport infrastructure and cycle and pedestrian routes; development of green spaces.

The measurement of the environmental impacts of major events has not been as prominent as that of the economic or socio-cultural impacts. However, in line with the growth in the events sector in recent years, there has been increasing interest in better understanding and attributing a cost to environmental impacts (Andersson and Lundberg, 2013). Two approaches that are gaining in popularity are i) Ecological Footprint Analysis; and ii) Calculation of carbon emissions.

1. Ecological Footprint Analysis – assesses the use of resources, such as land and water needed for a specific activity or destination in terms of global hectares (gha), and compares this to the bio-capacity of a place (e.g. city, region or country – also measured in gha), in order to understand the amount and relative importance of the resources used.

2. Carbon emissions – is another method to assess the environmental impact of an event with a particular focus on the greenhouse effect. This method also has the advantage of using one single measurement unit, namely tons of carbon dioxide emissions produced by activities. Carbon dioxide emissions are included in a complete ecological footprint analysis.

Despite their technical nature, both methods are easily accessible, with “footprint calculators” and also event-specific calculators available on-line which can be used at no cost. Ecological footprint analysis produces output at a detailed level, indicating those tourism activities that may have negative impacts on the environment (e.g. transport, food consumption and accommodation). Another advantage of using global hectares is the ability to measure and quantify improvements over time (Andersson and Lundberg, 2013).

Methodologies to evaluate the impacts of major events on the visitor economy

Those making the case for hosting major events regularly cite the economic benefits that these events will bring. While capturing the potential pre- and post-event benefits is not an automatic proposition (particularly considering the often high costs involved), when events of sufficient international appeal are hosted well, they can play a significant role in local development, acting as catalysts for job creation, business growth, and infrastructure improvement, and in extending global reach. However, for major events to provide economic benefits at a national level they must increase the expenditure from abroad and this generally means tourism, either during or after the event. Extra domestic expenditure (for example on infrastructure or by residents attending the events) will be compensated by less spending elsewhere in the economy, either simultaneously or later. Therefore, increased national expenditure (be it public or private) will generally not increase GDP (Mitchell and Stewart, 2015).

Therefore it is necessary to understand the economic impact and wider added value associated with hosting major events in order for governments to produce *ex ante* estimates of the potential return on the investment necessary to attract and host such events. By accurately estimating the impacts of similar events after the event (*ex post*), governments will be in a position to make more informed decisions concerning the expected value of such events, and whether they will likely deliver the expected benefits for the expected cost.

Several approaches to economic impact analysis have been applied to festival and event research, such as *ex post* econometric analyses (e.g. Baade and Matheson, 2004), cost-benefit analyses (e.g. Burgan and Mules, 2001), input-output analyses (e.g. Crompton, Lee, and Shuster, 2001), and computable general equilibrium (CGE) analyses, which aims to capture the total economic impacts (direct and flow-on) of an event on the economy (e.g. Dwyer, Forsyth, and Spurr, 2005).

CGE modelling incorporates detailed representations of industry production, consumption, government, trade, prices and the behaviours that link the economy together and can overcome many of the limitations of simpler input-output models, providing a more accurate estimate of the impacts. With the ability to provide an analysis of the static/dynamic, direct/ indirect and short/long term effects caused by a shock, CGE modelling is a preferred approach for many governments, however, CGE models are considered most effective when the shock to be evaluated (economic, policy, event etc.), is expected to have significant impacts throughout the economy, and as such may be a consideration for only the largest of events.

A common approach is to describe the direct economic impact attributed to tourists to the country, region or destination as an impact of an event or a festival. Estimates of expenditure from abroad are normally based on surveys of visitor spending linked to a specific festival or event. More recently, in an effort to more fully explore the impacts of events from a sustainability perspective, Andersson & Lundberg (2013) developed a model to assess the triple impacts (economic, socio-cultural and environmental) of event tourism, to address the issue of commensurability, i.e. the challenge of measuring the economic, socio-cultural and environmental impacts in a uniform metric (Box 6).

Box 6. Triple impact assessment of event tourism

The model developed by Andersson & Lundberg (2013), provides an approach to estimating the monetary value of individual impacts (economic, socio-cultural and environmental) associated with an event or festival, to allow an overall assessment; an approach that will allow for the comparison of impacts between events.

The net economic impact of a festival or event can be based on Direct Expenditure and Opportunity Cost:

- Direct Expenditure – an estimate of all expenditure that festival visitors incur related to the festival visit. This is estimated through a survey that enables a calculation of average expenditure, which can then be multiplied by the total number of festival visitors.
- Opportunity Cost – an assessment of the amount of money that would have been spent by event visitors in the city/ region even if the festival had not taken place.

Socio-cultural impacts reflect externalities and can be estimated in monetary terms as a non-use value that accrues to local residents at the event destination. This value can be analysed in terms of:

- Option value – measures residents' perceived value of the fact that they have an opportunity to visit the festival this year or future years.
- Bequest value – describes residents' perceived value attached to the provision of culture and entertainment for the younger generations.
- Existence value – related to residents' perceived value of the effect that the festival has on the image and on the development direction of the city.

Environmental impacts can be estimated using two concepts:

- The Ecological Footprint – measured in terms of global hectares needed to produce the event (e.g. the water, energy and food consumed at the event as well as the hectares needed to offset the emission of CO₂ equivalents). The ecological footprint can be converted into a monetary measure by estimates of land lease cost per hectare land in the area where the event takes place.
- Carbon Calculations – greenhouse gas emission expressed in tons of CO₂ equivalents, which can be converted into a monetary value using market prices of "carbon credits" or equivalent units traded on the market.

When tested on a three day music festival, the results showed that of a total evaluated impact of EUR 6.69 million, the largest share was economic impact (more than 50%), followed by an almost equally large socio-cultural impact and an almost negligible cost from environmental impacts.

Source: Andersson and Lundberg (2013)

Another recent development in the assessment of impacts is associated specifically with business events and in particular relates to the application of a Tourism Satellite Account approach to better measure and understand the MICE economy. The UN World Tourism Organization (UNWTO) commissioned a study, *Measuring the Economic Importance of the Meetings Industry – Developing a Tourism Satellite Account Extension*, to develop guidelines to more effectively assess the economic contribution of the meetings industry, utilising an expansion of the Tourism Satellite Accounts (TSA). The TSA is a measurement framework, based on the concepts, definitions and classifications of the System of National Accounts (SNA) developed to provide a credible measure of the economic contribution of the tourism sector (UNWTO 2006).

Using this methodology, a number of countries have undertaken national level studies to assess the economic contribution of the business events sector to national economies. Studies such as those undertaken by Australia, Canada, Denmark, Mexico and the United States, produced estimates of the economic contribution of business events to the national economy that are both internationally credible and comparable, therefore demonstrating effectively the importance of this tourism sub-sector to the wider economy, and contributing to evidence-based policy development (Table 1). However, two key limitations are that they are very costly to produce and their findings have limited relevance at the destination (region or city) level where most decisions are made.

Table 1. Utilising Tourism Satellite Accounts to estimate the economic contribution of business events

Dimension	National Business Events Study in Australia	The Economic Contribution of Meetings Activity in Canada	The Economic Significance of Meetings to the US Economy	The Economic Significance of Meetings to Mexico	The Economic Contribution of Meeting Activity in Denmark
Year	2005	2008	2011	2011	2012
UNWTO Method	Underpinned the UNWTO Method	Yes	Yes	Yes	Yes
Number of Events	316 thousand	671 thousand	1.8 million	197.4 thousand	187.9 thousand
Number of Attendees	28.4 million	70.2 million	204.7 million	23.1 million	6.9 million
Direct Expenditure	AUD 17.4 billion	CAD 32.2 billion	USD 263.4 billion	USD 18.1 billion	DKK 20.8 billion
Direct Contribution to Employment	115.6 thousand	235.5 thousand	1.65 million	441.3 thousand	25.8 thousand

Source: Adapted from Tourism & Business Events International (2012)

A more recent study is that undertaken by Jones and Li (2015), who note that there is an increasingly prevalent view across many countries, regions and cities that a strong business tourism offer, and related exhibition and conference facilities are an important element in destination attractiveness, and by extension economic performance.

Jones and Li (2015) utilise the Tourism Satellite Accounting methodology to estimate the direct economic impact of MICE activity in the UK in 2011, and assess the potential to extend the core Meetings Satellite Account (MSA), to estimate indirect economic impact and sub-national economic impacts. Key findings included:

1. it is possible to refashion existing TSA frameworks and structures into a meetings satellite account, with a modest amount of structural alteration and some conceptual decisions around the treatment of indirectly purchased services, such as accommodation.
2. any attempt to populate the MSA structure with reliable and topical data is only possible following an extensive research effort that includes meeting attendees; exhibitors; organisers and venues – including data on attendee and industry economic behaviours far in excess of those gathered in typical business or tourism surveys, or available in administrative datasets.

3. any effort to extend an MSA to below-national level (similar to Regional Tourism Satellite Accounts) would still likely be inadequate to inform policy processes at the relevant city-scale, opening the issue of cost effectiveness for such an exercise.

They argue that a transparent, replicable approach to the estimation of the economic impacts of the MICE, embedded in systems of national accounts would, improve understanding of the economic effects of such activity, and would therefore be a step to better public policy in this area.

Selected country approaches

The following are examples of tools and approaches to more effectively measure the impact of major events on the visitor economy:

Canada

The Canadian Sport Tourism Alliance (CSTA), formed in 2000 with the support of the Canadian Tourism Commission (now Destination Canada), is a non-profit organization representing more than 400 members including more than 150 municipalities and 200 national and provincial sporting organizations, as well as a variety of product and service providers and educational partners from across the country. One of the CSTA's key objectives is to market Canada internationally as a preferred sport tourism destination. In addition, the CSTA is actively involved in sharing best practices among members, developing industry specific tools and templates (including the Sport Tourism Economic Assessment Model [STEAM] and STEAM PRO for post-event analysis of impacts), to enhance the profile and measure the economic impact of sport tourism.

For CSTA, the measurement of event specific economic impacts is a key priority. Research began in 2001 resulting in the production of the Sport Tourism Economic Assessment Model (STEAM) in 2002. Background research found that there was no nationally consistent, accessible model that was calibrated for sport tourism. The STEAM model addresses these shortfalls by using a nationally consistent set of economic impact multipliers based on Statistics Canada's provincial input / output (I/O) tables which are then extended to provide municipal and regional impacts. As the I/O tables do not fully capture taxation, the STEAM model has incorporated the methodology adopted by Statistics Canada's Government Revenue Attributable to Tourism study.² The model also contains visitor expenditure profiles that have been calibrated with a data set featuring more than 20 000 out of town visitor survey responses collected at more than 200 events across the country. The model is updated periodically to incorporate new information such as updated I/O values, changes in I/O structure (SIC to NAICS), and changes in taxation (introduction of a national VAT, etc.). The primary use of STEAM is as a predictive model, thereby allowing the user to calculate the potential economic activity associated with a festival or event on the host community, with the results being used to solicit funds from government stakeholders or private sector sponsors.

Building on the success of STEAM, the CSTA launched the STEAM PRO model in 2006, which provides a comprehensive post event economic impact assessment featuring on-site surveying to accurately quantify visitor expenditures. These visitor expenditures, in combination with operational and capital costs, are analysed with the same multipliers as the STEAM model. The on-site surveys are used to measure i) overall attendance, ii) origin of participants / spectators, iii) visitor expenditures and iv) the attribution of

2. www.statcan.gc.ca/pub/13-604-m/13-604-m2013071-eng.htm

the event in the decision to travel. The survey sampling plan and questionnaire are consistent with a series of survey guidelines established by a coalition of provincial and federal tourism partners in 2007.³

The adoption of STEAM and STEAM PRO has been broad, with the primary users being national sports organizations or host destinations. Access to STEAM is made on a complimentary basis to CSTA members following the completion of a training session. STEAM PRO has been used at more than 200 festivals and sports events across Canada ranging from smaller international events (i.e. FIS Cross Country Ski World Cup) to large domestic national and international events (FIFA Women's World Cup Canada 2015, IIHF World Junior Hockey Championships x 4, CFL Grey Cup, etc.) and has been applied to multi-sport events such as the Canada Games along with participant based events such as marathons and triathlons. The CSTA has also developed STEAM models for the Government of the Bahamas and Sport Jamaica.

The CSTA argues that:

- The ability to measure the economic impact of single events is crucial in garnering financial support across the private and public sector.
- Economic impact assessments need to be conducted by neutral third parties, as event promoters and organizers may have an incentive to artificially boost attendance figures. Without outside analysis, it can be difficult to properly validate attendance figures.
- Sport and event based tourists are fundamentally different than other tourists, and their expenditures can vary significantly based on the nature of the event.
- The critical mass of sport tourism economic activity takes place at the amateur level. While hosting events such as the FIFA Women's World Cup Canada 2015 provided a substantial economic impact, thousands of soccer tournaments are held across the country on an annual basis delivering sizeable economic benefits to host communities of all sizes.

In addition, the Economic Impact Model for the Arts and Heritage (EIMAH), developed by Statistics Canada, was updated in 2015 with the collaborative support of the Department of Canadian Heritage. EIMAH is a flexible tool that evaluates the economic impacts of arts, culture, sport and heritage organizations, facilities and events within and outside the province or territory where they are located. This includes such organizations and facilities as museums, theatres, galleries, arenas and historic sites, along with arts, culture, sport and heritage related events such as performances, productions, presentations, and festivals.

EIMAH calculates the direct, indirect, induced and total impacts of labour income, gross domestic product (GDP), employment (total jobs, and number of full-time equivalents) and revenues for taxes on products and taxes on production incurred by the expenditures attributable to an organization, festival or event. It specifically relies on Statistics Canada's Inter-provincial Input-Output Model, which takes into account inter-provincial/territorial trade, as well as provincial production and consumption of goods and services, and provides comparable multipliers and coefficients for each province and territory. EIMAH applies the multipliers and coefficients to estimate the impact of an organization, facility or event in terms of labour income, gross domestic product (GDP), employment and tax revenues (confined to taxes on production and taxes on products). The current version of EIMAH uses coefficients and multipliers for the base year 2010.

3. A copy of the guidelines can be found here:
<http://www.mtc.gov.on.ca/en/research/resources/resources.shtml>

Statistics Canada is conducting a feasibility study on linking the Canadian Culture Satellite Account (CSA) with the Canadian Tourism Satellite Account. The objective of the study is to develop, as a proof of concept, estimates of tourism spending for culture industries in Canada (and by province/territory) and/or culture products for reference year 2012 according to the concepts/definitions of the CSA. The feasibility study will investigate the available Statistics Canada data sources, their level of detail as well as limitations related to data reliability and confidentiality. The focus will be on associating domestic and international tourism spending with culture industries and products. A methodology to develop provincial and territorial estimates will also be developed.

Czech Republic

The Czech Tourist Authority – CzechTourism, has extensive experience in monitoring events using positioning data from mobile networks. Combined with traditional face-to-face interviews during the event, mobile positioning data can be used to estimate not only the number of visitors, but also the financial impact on the venue/destination. In partnership with the Czech Statistical Office, the University of West Bohemia and the destination organization Pilsen Tourism, CzechTourism launched a project to monitor the impact of selected events on the economy and image of the city of Pilsen during its year as European Capital of Culture (ECoC) 2015.

For example, utilising mobile positioning data from mobile networks, it estimated that the City Opening Ceremony for ECoC 2015 attracted approximately 25 thousands visitors, mostly from Pilsen and the surrounding region. In addition, face-to-face interviews with visitors were undertaken to determine visitor origin (either i) Pilsen and the Pilsen region; ii) other Czech Republic regions, or; iii) foreigners), and to estimate their expenditure associated with the event. The average expenditure per person was then multiplied by the estimated 25 000 visitors, providing a direct economic impact of CZK 20 million (one third of which was from Pilsen and the Pilsen region), which did not exceed the financial investment required to host the event.

There are several limitations associated with this methodology, including potentially inaccurate estimates of total expenditure by visitors, and potential inaccuracies in estimating the total number of visitors due to: i) large numbers of people together at the same time in a relatively small area potentially overloading the mobile network; ii) inadequate network coverage, and iii) the area monitored did not include the Pilsen brewery, which was one of the Ceremony venues. As a result, the direct economic impact cannot be quantified precisely, and the figures presented must be viewed as estimates only.

Despite these limitations, mobile communication and positioning technologies continue to advance rapidly and demonstrate great potential as a method to track individual mobility and travel behaviour, particularly when combined with more traditional methods of data collection. As this approach is further developed, it will enable those undertaking impact assessments to conduct surveys for longer periods and provide more accurate data on the spatial and temporal frameworks of travellers.

Denmark

VisitDenmark, in corporation with the local destination management organisation of Greater Copenhagen (Wonderful Copenhagen), and the national Danish sports event organisation (Sport Event Denmark), has developed a model to measure and calculate the economic impact of major events on the visitor economy.

The model is a tool for learning, planning and evaluation, as it measures the total short term direct and indirect tourism economic impact of the event. However, the model cannot calculate whether an event is

profitable or not, as it does not include the whole event economy. Instead the approach focuses on event generated turnover and societal gains.

Measuring the full economic impact would require, in addition to the tourism economic figures, inclusion of elements that are difficult to value – on the positive side this includes increased brand value, marketing effects and local pride and support, while on the negative side it includes extraordinary event costs, local congestion and crowding out effects.

In addition, the model enables event hosting organisations and decision makers to forecast and prognosticate the impact of an event through a predictive model. The concrete event impact evaluation is generally funded by the host organisation.

For an event to generate a tourism turnover these three criteria must be met:

- the consumption must come from participants,
- the participants must be outside their usual environment,
- the participants must reside in the host area mainly as a result of the event.

The model is based on the following main sources:

- a participant survey, which is the primary source to tourism consumption (price),
- the volume of participants (quantity) typically provided by the host organisation,
- Calculation of the impact on the visitor economy in the regional equilibrium model (the LINE model). Based on the estimated tourism consumption (price x quantity) the model calculates derived impact such as full-time equivalents, gross added value and tax revenue.

The event definition, data collection methodologies etc. are based on the recommendations in the “Handbook of Marketing Evaluation Methodologies”, published by the European Travel Commission in 2004. VisitDenmark, Sport Event Denmark and Wonderful Copenhagen have conducted several event impact evaluations using the model. For example, the European Men’s Handball Championship in 2014, The Copenhagen Distortion music festival in 2013, UCI Road World Championships in 2012, and start of the Giro d’Italia in 2012. Despite the weaknesses the model provides an applicable valuation of the output of an event, as the model enables both private and public decision makers at local, regional and national level to measure and evaluate the impact of major event.

VisitDenmark, Sport Event Denmark and Wonderful Copenhagen are currently working on an improved model based on input from an expert committee consisting of academics and other experts within the field, primarily addressing the challenges regarding the total costs and crowding out issues.

France

In 2015, Atout France published *Measuring the economic impact of a tourism event: a Methodological guide*. The guide notes various rationale for an increased emphasis on measuring the economic impacts of such events at the local level in recent years. These include, strengthening (for organisers), or justifying (for partners) support for an event, and ensuring that local decision-makers have the necessary information to choose which types of events to support and the level of support to provide in developing and hosting events.

The guide also highlights that work on assessing the impacts of cultural and sporting events has, in the absence of a clear reference framework, led to the use of a variety of different methods, preventing the production of stable and common indicators that allow comparative analysis and constructive public debate.

In developing the guide, Atout France attempts to provide some clear theoretical and practical benchmarks to facilitate the harmonisation of practices and improve the comparability and reliability of studies. Key points arising from the methodological guide are based around the concepts of:

1. What to measure:
 - The impact or consequence (positive or negative) attributed to the presence of an event on a territory. In essence, the differential or gap between hosting and not hosting the event.
 - To be able to assess the impact on the local economy and the level of resources of local actors it is important to consider six key indicators: sales volume, turnover, value added, employment, income, and tax household income.
 - The short-term economic impact including expenditure on event organisation (purchase of goods, materials, payment of wages etc.) and purchases and drinks made locally by individuals from the territory to attend (in shops, accommodation, restaurants etc.). Investments that go beyond the framework of the event (construction of an auditorium, sports facilities etc.) are excluded from the analysis.
 - Trade between territorial stakeholders and actors outside the territory should be taken into consideration in calculating the direct impact. Resource inputs to the territory (external agents to domestic agents) are regarded as positive, while resource outputs (domestic agents to external agents) are considered negative (“leakage”). Exchanges between local actors are not counted.
2. How to measure:
 - Expenses of the organisers - The calculation of the impact arising from the organisation of the event usually require the active participation of those involved in staging the event, and access to information on the revenue and expenditure of organizers e.g. the source of revenues and the destination of expenses.
 - Expenses of visitors – determined by multiplying the number of individuals with average spending. This may be derived utilising for e.g. ticket sales supplemented by surveying a representative sample of participants to be able to determine attributable and average expenditure.
 - Measuring secondary impacts is more complex to implement because it requires the use of tools and models to restore the functioning of the local economy, and interactions between economic agents. Tools such as input-output models, Keynesian multipliers and computable general equilibrium models utilise multipliers applied to the primary impact to estimate the secondary impact. The Atout France guide notes that secondary impacts cannot be accurately estimated without having accurately calculated the primary impact and without clear justification for the calculation of multipliers.

United Kingdom

The eventIMPACTS Toolkit was developed by a group of stakeholders including UK Sport, Visit Britain, EventScotland and Glasgow City Marketing Bureau, and was launched in 2010. It comprises key guidance and good practice principles for evaluating the social, economic, environmental and media-related impacts associated with staging major sporting and cultural events.

The Toolkit is organised around five key issues and nine impact areas:

- attendance,
- economic impacts,
- environmental impacts,
- social Impacts: i) satisfaction, ii) identity image and place, iii) participation, iv) skills and volunteering, and v) children and young people and
- media-related impacts.

Many of the monitoring and evaluation methods contained in the Toolkit are concerned with producing quantitative data and/or are survey-based. To some extent, this can be explained by a desire to provide the events industry with reasonably inexpensive, simple and easy-to-use tools to assist in impact evaluation.

To help event organisers and others make informed decisions about the kind of impact assessment they should be undertaking given the nature of their event and the budget they have available for research, impact areas and associated evaluation tools are separated into three types.

1. Basic impacts - impact assessment can probably be undertaken using existing 'in-house' or event organiser data. Cost likely to be minimal.
2. Intermediate impacts - impact assessment is likely to require some research, but could be organised by event organiser or generalist research company. Moderate cost depending on scope.
3. Advanced impacts - impact assessment is likely to require a significant piece of work using a specialist contractor/research company. Likely high cost.

All guidance and resources are freely available for use and download on the eventIMPACTS website (www.eventimpacts.com).

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