

Estimate of the economic impact of Coastella in Kapiti Coast District

This report provides an estimate of the economic impact of the Coastella event in Kapiti Coast District using multiplier analysis. It was generated on 30 April 2019 by Kapiti Coast District Council and is based on the following information:

Table 1: Coastella assumptions

	National Visitors out of region	National Visitors out of Kapiti Coast District but from the wider region	Local attendees from Kapiti Coast District	Local Crew Employed in Kapiti Coast District*
Attendance	157	1363	1101	470
Days spent in Kapiti Coast District	2	1	1	2
Average daily spend	\$72.71	\$72.71	\$72.71	\$72.71
Total spend (all visitors)	\$22830.94	\$99103.73	\$80053.71	\$68347.4
Accommodation, restaurants and bars	50%	50%	50%	
Food purchases from stores	10%	10%	20%	
Other retail (eg Souvenirs, gifts)	5%	0%	0%	
Ground & Other Transportation	15%	20%	15%	
Fuel for own transport	15%	15%	10%	
Child care services (during event)	3%	3%	3%	
Other services	2%	2%	2%	

*This category captures local crew employed in Kapiti Coast District but who receive their earnings from outside Kapiti Coast District

To estimate the total economic impact of Coastella in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

Effect	Description
Direct effect	This is the effect associated with increased spending directly in each industry associated with the event. For example, if attendees at an event spend \$10,000 on accommodation then output (or turnover) in the accommodation industry will increase by \$10,000. This is the direct effect of spending associated with the event.
Indirect effect	The indirect effects are the second round of economic effects associated with the direct effect. For example, the \$10,000 increase in turnover in the accommodation industry will require accommodation providers to purchase more cleaning products from local wholesalers. The increase in economic activity in industries with linkages to the accommodation industry is an example of the indirect effect of the event.
Earnings effect	The earnings effect arises from increased spending from new employment associated with the event. For example, the increase in demand for accommodation may encourage hotels to take on extra casual staff to cope with the increased number of guests. These extra workers will spend some on their earnings locally, for example at bars, which will induce extra economic activity. This effect is sometimes known as the induced effect.
Total effect	The total effect is the sum of direct, indirect and earnings effects.

These impacts can be expressed in a number of ways, including: turnover, value added (GDP), household earnings and employment. Table 2 summaries these economic impact effects:

Turnover: The total value of goods or services that are produced as a result of the event.

Value added (GDP): The increase in the value of the goods and services generated in the economy as a result of the event which, when aggregated, totals Gross Domestic Product (GDP). It is the sum of salaries and wages, depreciation, profits and indirect taxes less subsidies.

Household income: The overall increase in household earnings of people in the area as a result of the event.

Employment: the additional employment, expressed as Full-Time Equivalent (FTE) employees, generated as a result of the event. Employment is expressed in terms of annual employment as well as employment generated in the period around the event.

Results

Table 2: Total economic impact of event by type

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$190,282	\$78,629	\$108,312	\$377,223
Value added	\$85,227	\$37,190	\$20,520	\$142,938
Household income	\$52,476	\$19,486	\$10,292	\$82,253
Employment (Annual FTEs)	1	0	0	2

The above table shows:

The direct value added as a result of Coastella in Kapiti Coast District is estimated to be \$85,227. After taking into account the industry and earnings effects, the total value added is estimated to be \$142,938.

The direct boost to household income is estimated to be \$52,476. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$82,253.

An extra 1.9 full-time equivalent employees (on an annual basis) are expected to be generated by Coastella.

Multiplier analysis and interpreting estimates

Multiplier analysis is a widely used tool for evaluating and estimating the economic value of an event. Historically multiplier analysis has been favoured as the most credible method for measure the economic return on major events. There are, however, some caveats and limitations of multiplier analysis that users should be familiar with. These are outlined below.

In undertaking multiplier analysis, Infometrics draws on its own series of regional input-output tables. These tables essentially provide the inputs, outputs of industries in a region as well as how they are related. In applying the multiplier approach we assume what is termed in economics 'partial equilibrium' analysis. Essentially this means that the impact of the event is assumed not to have a material impact on the resources used in the regional economy. The key assumption is that the supply of capital, materials and labour can grow to meet the additional demands generated by the event and the flow on multiplier effects without resulting in resource constraints in other industries. This is generally a sensible assumption if the event is small enough within the regional economy so that any change will only have a marginal effect on the allocation of resources.

By using multiplier analysis in regional economic analysis we assume the event is additional to existing activity and would not have been undertaken anyway. If this is not the case, the resulting economic impact would most likely be lower than that generated by the multiplier.

As with most types of economic analysis, multiplier analysis can be less accurate for smaller regions. Larger regions therefore typically have higher levels of accuracies when applying multiplier analysis.

Some regional areas are not as clearly defined as others. By this we mean that in some areas it can be easier to move between regions and participate in more than one economy (eg, someone could work in Wellington City but spend the large proportion of their income in Upper Hutt City). For regions where people can participate in more than one regional economy, the accuracy of multiplier analysis can be diminished. This is particularly the case for smaller regions, for the reasons outlined above.

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Multiplier analysis assumes that there is no slack in the economy (i.e., underemployment). If there is slack in an areas economy, the estimated increase in employment may not be overstated.

The application of multiplier analysis also assumes that other activities in the area (e.g., local spending, regular tourism etc) is not displaced or crowded out in the leadup to the event, during the event and immediately following the event.

Expenditure by local resident attendees is not included in the estimate of regional economic impact as it can be argued that if the event did not take place, the level of spending would still occur in the area. The estimate of economic impact is therefore considered to be conservative.

Multiplier analysis shows the economic benefits from holding an event. Public organisations considering funding applications to support the event should weigh up these benefits against the level of funding they are being asked to provide. These costs should also reflect the dead weight loss from redistribution of public funds which the Treasury estimates to be 20% of the total value of public funding.

Appendices

The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Coastella can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
- national visitors from regional council area but not residing in Kapiti Coast District
- Crew/event staff from outside Kapiti Coast District.

The estimated economic impact of local crew/event staff that receive wages from outside the region is also included.

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$22,831	\$9,444	\$13,647	\$45,922
Value added	\$9,979	\$4,322	\$2,586	\$16,887
Household income	\$6,844	\$2,269	\$1,297	\$10,410
Employment (Annual FTEs)	0	0	0	0

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$99,104	\$41,214	\$60,281	\$200,599
Value added	\$43,446	\$19,109	\$11,420	\$73,975
Household income	\$29,819	\$10,000	\$5,728	\$45,547
Employment (Annual FTEs)	1	0	0	1

Local Crew Employed in Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$68,347	\$27,971	\$34,384	\$130,703
Value added	\$31,803	\$13,759	\$6,514	\$52,076

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Economic impact Coastella Event Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Household income	\$15,812	\$7,217	\$3,267	\$26,296
Employment (Annual FTEs)	0	0	0	0

Appendix 2

The number of local visitors attending the Coastella in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$80,054	\$33,081	\$45,334	\$158,469
Value added	\$33,416	\$15,038	\$8,589	\$57,042
Household income	\$22,569	\$7,949	\$4,308	\$34,826
Employment (Annual FTEs)	1	0	0	1

Overview

This report captures the economic impact results from the Coastella Music Festival.

As a recipient of the Kāpiti Coast District Council's Major Event Fund, the Coastella Music Festival received \$50,000 in investment funding in 2018-2019

To estimate the total economic impact of the Coastella Music Festival in Kāpiti Coast District, multiplier analysis has been applied to these attendance figures and spend assumptions.

The economic impact of attendee's from within Kāpiti Coast District are not included in the overall economic impact assessment as it is likely that spending within Kāpiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however provided separately in the supporting supplementary tables.

Using the information provided about visitors from outside Kāpiti Coast District, crew and event staff, three economic impact effects can be generated.

Direct effect: This is the effect associated with increased spending directly in each industry associated with the event.

Indirect effect: The indirect effects are the second round of economic effect associated with the direct effect.

Earnings effect: The earnings effect arises from increased spending from new employment associated with the event.

The total effect is the sum of direct, indirect and earnings effects.

1. Coastella Figures

Attending numbers

2,621 attendees along with a working percentage of crew\event staff from both within and outside of the Kāpiti Coast District, totalling 3,091 attendees.

Estimated spend

The average spend was \$72.71 per person; this was calculated based on an average total of all reported spend.

Table 1: Coastella assumptions

	National Visitors out of region	National Visitors out of Kapiti Coast District but from the wider region	Local attendees from Kapiti Coast District	Local Crew Employed in Kapiti Coast District*
Attendance	157	1363	1101	470
Days spent in Kapiti Coast District	2	1	1	2
Average daily spend	\$72.71	\$72.71	\$72.71	\$72.71
Total spend (all visitors)	\$22830.94	\$99103.73	\$80053.71	\$68347.4
Accommodation, restaurants and bars	50%	50%	50%	
Food purchases from stores	10%	10%	20%	
Other retail (eg Souvenirs, gifts)	5%	0%	0%	
Ground & Other Transportation	15%	20%	15%	
Fuel for own transport	15%	15%	10%	
Child care services (during event)	3%	3%	3%	
Other services	2%	2%	2%	

*This category captures local crew employed in Kapiti Coast District but who receive their earnings from outside Kapiti Coast District

To estimate the total economic impact of Coastella in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

2. Economic impact & Return on Investment

Total value added to the district is estimated by the Infometrics Event Economic Impact Toolkit. The result was \$142,938 based on a \$377,223 turnover (visitor impact of attendees from outside of the Kāpiti Coast District).

The event received \$50,000 from the Major Events Fund in 2018/2019, resulting in a 3:1 return on investment.

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$190,282	\$78,629	\$108,312	\$377,223
Value added	\$85,227	\$37,190	\$20,520	\$142,938
Household income	\$52,476	\$19,486	\$10,292	\$82,253
Employment (Annual FTEs)	1	0	0	2

The above table shows:

The direct value added as a result of Coastella in Kapiti Coast District is estimated to be \$85,227. After taking into account the industry and earnings effects, the total value added is estimated to be \$142,938.

The direct boost to household income is estimated to be \$52,476. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$82,253.

An extra 1.9 full-time equivalent employees (on an annual basis) are expected to be generated by Coastella.

This result is showing a decrease in the return and improvement in terms of economic impact and the ability for the event organisers to continue to build a stand-alone event. This result is disappointing as it is show a decline in representation from visitors from within the wider region but a slight increase in local visitors. this information is also high contestable as the completed surveys are significantly down from previous.

3. Appendices

Appendices

The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Coastella can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
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The estimated economic impact of local crew/event staff that receive wages from outside the region is also included.

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
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Employment (Annual FTEs)	0	0	0	0

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$99,104	\$41,214	\$60,281	\$200,599
Value added	\$43,446	\$19,109	\$11,420	\$73,975
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Employment (Annual FTEs)	1	0	0	1

Local Crew Employed in Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$68,347	\$27,971	\$34,384	\$130,703
Value added	\$31,803	\$13,759	\$6,514	\$52,076

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$80,054	\$33,081	\$45,334	\$158,469
Value added	\$33,416	\$15,038	\$8,589	\$57,042
Household income	\$22,569	\$7,949	\$4,308	\$34,826
Employment (Annual FTEs)	1	0	0	1

Estimate of the economic impact of Kapiti Food Fair 2018 in Kapiti Coast District

This report provides an estimate of the economic impact of the Kapiti Food Fair 2018 event in Kapiti Coast District using multiplier analysis. It was generated on 05 April 2019 by Kapiti Coast District Council and is based on the following information:

Table 1: Kapiti Food Fair 2018 assumptions

	National Visitors out of region	National Visitors out of Kapiti Coast District but from the wider region	Associated workers from outside Kapiti Coast District	Local attendees from Kapiti Coast District	Local Crew Employed in Kapiti Coast District*
Attendance	1900	3515	1924	10849	2191
Days spent in Kapiti Coast District	1	1	1	1	1
Average daily spend	\$22.53	\$22.53	\$22.53	\$22.53	\$22.53
Total spend (all visitors)	\$42807	\$79192.95	\$43347.72	\$244427.97	\$49363.23
Accommodation, restaurants and bars	50%	50%	50%	50%	
Food purchases from stores	10%	10%	10%	20%	
Other retail (eg Souvenirs, gifts)	5%	0%	5%	0%	
Ground & Other Transportation	15%	20%	15%	15%	
Fuel for own transport	15%	15%	15%	10%	
Child care services (during event)	3%	3%	3%	3%	
Other services	2%	2%	2%	2%	

*This category captures local crew employed in Kapiti Coast District but who receive their earnings from outside Kapiti Coast District

To estimate the total economic impact of Kapiti Food Fair 2018 in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

Effect	Description
Direct effect	This is the effect associated with increased spending directly in each industry associated with the event. For example, if attendees at an event spend \$10,000 on accommodation then output (or turnover) in the accommodation industry will increase by \$10,000. This is the direct effect of spending associated with the event.
Indirect effect	The indirect effects are the second round of economic effects associated with the direct effect. For example, the \$10,000 increase in turnover in the accommodation industry will require accommodation providers to purchase more cleaning products from local wholesalers. The increase in economic activity in industries with linkages to the accommodation industry is an example of the indirect effect of the event.
Earnings effect	The earnings effect arises from increased spending from new employment associated with the event. For example, the increase in demand for accommodation may encourage hotels to take on extra casual staff to cope with the increased number of guests. These extra workers will spend some on their earnings locally, for example at bars, which will induce extra economic activity. This effect is sometimes known as the induced effect.

Total effect The total effect is the sum of direct, indirect and earnings effects.

These impacts can be expressed in a number of ways, including: turnover, value added (GDP), household earnings and employment. Table 2 summaries these economic impact effects:

Turnover: The total value of goods or services that are produced as a result of the event.

Value added (GDP): The increase in the value of the goods and services generated in the economy as a result of the event which, when aggregated, totals Gross Domestic Product (GDP). It is the sum of salaries and wages, depreciation, profits and indirect taxes less subsidies.

Household income: The overall increase in household earnings of people in the area as a result of the event.

Employment: the additional employment, expressed as Full-Time Equivalent (FTE) employees, generated as a result of the event. Employment is expressed in terms of annual employment as well as employment generated in the period around the event.

Results

Table 2: Total economic impact of event by type

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$214,711	\$88,772	\$124,502	\$427,985
Value added	\$95,343	\$41,518	\$23,587	\$160,448
Household income	\$61,075	\$21,766	\$11,830	\$94,671
Employment (Annual FTEs)	2	0	0	2

The above table shows:

The direct value added as a result of Kapiti Food Fair 2018 in Kapiti Coast District is estimated to be \$95,343. After taking into account the industry and earnings effects, the total value added is estimated to be \$160,448.

The direct boost to household income is estimated to be \$61,075. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$94,671.

An extra 2.2 full-time equivalent employees (on an annual basis) are expected to be generated by Kapiti Food Fair 2018.

Multiplier analysis and interpreting estimates

Multiplier analysis is a widely used tool for evaluating and estimating the economic value of an event. Historically multiplier analysis has been favoured as the most credible method for measure the economic return on major events. There are, however, some caveats and limitations of multiplier analysis that users should be familiar with. These are outlined below.

In undertaking multiplier analysis, Infometrics draws on its own series of regional input-output tables. These tables essentially provide the inputs, outputs of industries in a region as well as how they are related. In applying the multiplier approach we assume what is termed in economics 'partial equilibrium' analysis. Essentially this means that the impact of the event is assumed not to have a material impact on the resources used in the regional economy. The key assumption is that the supply of capital, materials and labour can grow to meet the additional demands generated by the event and the flow on multiplier effects without resulting in resource constraints in other industries. This is generally a sensible assumption if the event is small enough within the regional economy so that any change will only have a marginal effect on the allocation of resources.

By using multiplier analysis in regional economic analysis we assume the event is additional to existing activity and would not have been undertaken anyway. If this is not the case, the resulting economic impact would most likely be lower than that generated by the multiplier.

District

As with most types of economic analysis, multiplier analysis can be less accurate for smaller regions. Larger regions therefore typically have higher levels of accuracies when applying multiplier analysis.

Some regional areas are not as clearly defined as others. By this we mean that in some areas it can be easier to move between regions and participate in more than one economy (eg, someone could work in Wellington City but spend the large proportion of their income in Upper Hutt City). For regions where people can participate in more than one regional economy, the accuracy of multiplier analysis can be diminished. This is particularly the case for smaller regions, for the reasons outlined above.

Multiplier analysis assumes that there is no slack in the economy (i.e., underemployment). If there is slack in an areas economy, the estimated increase in employment may not be overstated.

The application of multiplier analysis also assumes that other activities in the area (e.g., local spending, regular tourism etc) is not displaced or crowded out in the leadup to the event, during the event and immediately following the event.

Expenditure by local resident attendees is not included in the estimate of regional economic impact as it can be argued that if the event did not take place, the level of spending would still occur in the area. The estimate of economic impact is therefore considered to be conservative.

Multiplier analysis shows the economic benefits from holding an event. Public organisations considering funding applications to support the event should weigh up these benefits against the level of funding they are being asked to provide. These costs should also reflect the dead weight loss from redistribution of public funds which the Treasury estimates to be 20% of the total value of public funding.

Appendices

The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Kapiti Food Fair 2018 can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
- national visitors from regional council area but not residing in Kapiti Coast District
- Crew/event staff from outside Kapiti Coast District.

The estimated economic impact of local crew/event staff that receive wages from outside the region is also included.

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$42,807	\$17,706	\$25,588	\$86,101
Value added	\$18,710	\$8,104	\$4,848	\$31,662
Household income	\$12,832	\$4,255	\$2,431	\$19,518
Employment (Annual FTEs)	0	0	0	0

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$79,193	\$32,934	\$48,170	\$160,297
Value added	\$34,717	\$15,270	\$9,126	\$59,113
Household income	\$23,828	\$7,991	\$4,577	\$36,397

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District

	Direct effect	Indirect effect	Earnings effect	Total effect
Employment (Annual FTEs)	1	0	0	1

Associated workers from outside Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$43,348	\$17,930	\$25,911	\$87,189
Value added	\$18,946	\$8,206	\$4,909	\$32,062
Household income	\$12,994	\$4,308	\$2,462	\$19,765
Employment (Annual FTEs)	0	0	0	0

Local Crew Employed in Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$49,363	\$20,202	\$24,833	\$94,399
Value added	\$22,969	\$9,937	\$4,705	\$37,611
Household income	\$11,420	\$5,212	\$2,360	\$18,992
Employment (Annual FTEs)	0	0	0	0

Appendix 2

The number of local visitors attending the Kapiti Food Fair 2018 in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$244,428	\$101,008	\$138,419	\$483,854
Value added	\$102,028	\$45,915	\$26,224	\$174,168
Household income	\$68,911	\$24,269	\$13,152	\$106,333
Employment (Annual FTEs)	2	0	0	3

Overview

This report captures the economic impact results from the Kāpiti Food Fair 2018.

As a recipient of the Kāpiti Coast District Council's Major Event Fund, the Kāpiti Food Fair 2018 received \$10,000 in investment funding.

To estimate the total economic impact of the Kāpiti Food Fair in Kāpiti Coast District, multiplier analysis has been applied to these attendance figures and spend assumptions.

The economic impact of attendee's from within Kāpiti Coast District are not included in the overall economic impact assessment as it is likely that spending within Kāpiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however provided separately in the supporting supplementary tables.

Using the information provided about visitors from outside Kāpiti Coast District, crew and event staff, three economic impact effects can be generated.

Direct effect: This is the effect associated with increased spending directly in each industry associated with the event.

Indirect effect: The indirect effects are the second round of economic effect associated with the direct effect.

Earnings effect: The earnings effect arises from increased spending from new employment associated with the event.

The total effect is the sum of direct, indirect and earnings effects.

1. Kāpiti Food Fair 2018 Figures

Attending numbers

18,188 attendees along with a working percentage of crew\event staff from both within and outside of the Kāpiti Coast District, totalling 20,379 attendees.

Estimated spend

The average spend was \$22.53 per person; this was calculated based on an average total of all reported spend.

Exhibitors

36% of visitors were Kāpiti based. The proportionate spend on Kāpiti Coast products within Kāpiti Coast businesses was \$22.53 per person.

2. Economic impact & Return on Investment

Total value added to the district is estimated by the Infometrics Event Economic Impact Toolkit. The result was \$160,448 based on a \$427,985 turnover (visitor impact of attendees from outside of the Kāpiti Coast District).

The event received \$10,000 from the Major Events Fund in 2018, resulting in a 16:1 return on investment.

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$214,711	\$88,772	\$124,502	\$427,985
Value added	\$95,343	\$41,518	\$23,587	\$160,448
Household income	\$61,075	\$21,766	\$11,830	\$94,671
Employment (Annual FTEs)	2	0	0	2

The above table shows:

The direct value added as a result of Kapiti Food Fair 2018 in Kapiti Coast District is estimated to be \$95,343. After taking into account the industry and earnings effects, the total value added is estimated to be \$160,448.

The direct boost to household income is estimated to be \$61,075. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$94,671.

An extra 2.2 full-time equivalent employees (on an annual basis) are expected to be generated by Kapiti Food Fair 2018.

This result is showing an increased return and improvement in terms of economic impact and the ability for the event organisers to continue to build a stand-alone event. This result is impressive as it is showing a strong representation from local business but also an increase of visitors from within Kāpiti Coast but also from the wider region.

3. Appendices

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The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

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- Crew/event staff from outside Kapiti Coast District.

The estimated economic impact of local crew/event staff that receive wages from outside the region is also included.

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$42,807	\$17,706	\$25,588	\$86,101
Value added	\$18,710	\$8,104	\$4,848	\$31,662
Household income	\$12,832	\$4,255	\$2,431	\$19,518
Employment (Annual FTEs)	0	0	0	0

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$79,193	\$32,934	\$48,170	\$160,297
Value added	\$34,717	\$15,270	\$9,126	\$59,113
Household income	\$23,828	\$7,991	\$4,577	\$36,397
Employment (Annual FTEs)	1	0	0	1

Associated workers from outside Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$43,348	\$17,930	\$25,911	\$87,189
Value added	\$18,946	\$8,206	\$4,909	\$32,062
Household income	\$12,994	\$4,308	\$2,462	\$19,765
Employment (Annual FTEs)	0	0	0	0

Local Crew Employed in Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$49,363	\$20,202	\$24,833	\$94,399
Value added	\$22,969	\$9,937	\$4,705	\$37,611
Household income	\$11,420	\$5,212	\$2,360	\$18,992
Employment (Annual FTEs)	0	0	0	0

Appendix 2

The number of local visitors attending the Kapiti Food Fair 2018 in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$244,428	\$101,008	\$138,419	\$483,854
Value added	\$102,028	\$45,915	\$26,224	\$174,168
Household income	\$68,911	\$24,289	\$13,152	\$106,333
Employment (Annual FTEs)	2	0	0	3

Estimate of the economic impact of Maoriland Film Festival in Kapiti Coast District

Background

This report provides an estimate of the economic impact of the Maoriland Film Festival event in Kapiti Coast District using multiplier analysis. It was generated on 06 June 2019 by Kapiti Coast District Council and is based on the following information:

Maoriland Film Festival will be held over 5 days at Maoriland Hub, 68 main Street, Otaki.



Table 1: Maoriland Film Festival assumptions

	International visitors	National Visitors out of region	National Visitors out of Kapiti Coast District but from the wider region	Local attendees from Kapiti Coast District
Attendance	1015	2156	2156	7356
Days spent in Kapiti Coast District	5	5	5	5
Average daily spend	\$20	\$20	\$20	\$20
Total spend (all visitors)	\$101500	\$215600	\$215600	\$735600
Accommodation, restaurants and bars	65%	50%	50%	50%
Food purchases from stores	10%	10%	10%	20%
Other retail (eg Souvenirs, gifts)	10%	5%	0%	0%
Ground & Other Transportation	5%	15%	20%	15%
Fuel for own transport	5%	15%	15%	10%
Child care services (during event)	3%	3%	3%	3%
Other services	2%	2%	2%	2%

To estimate the total economic impact of Maoriland Film Festival in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

Effect	Description
Direct effect	This is the effect associated with increased spending directly in each industry associated with the event. For example, if attendees at an event spend \$10,000 on accommodation then output (or turnover) in the accommodation industry will increase by \$10,000. This is the direct effect of spending associated with the event.
Indirect effect	The indirect effects are the second round of economic effects associated with the direct effect. For example, the \$10,000 increase in turnover in the accommodation industry will require accommodation providers to purchase more cleaning products from local wholesalers. The increase in economic activity in industries with linkages to the accommodation industry is an example of the indirect effect of the event.
Earnings effect	The earnings effect arises from increased spending from new employment associated with the event. For example, the increase in demand for accommodation may encourage hotels to take on extra casual staff to cope with the increased number of guests. These extra workers will spend some on their earnings locally, for example at bars, which will induce extra economic activity. This effect is sometimes known as the induced effect.
Total effect	The total effect is the sum of direct, indirect and earnings effects.

These impacts can be expressed in a number of ways, including: turnover, value added (GDP), household earnings and employment. Table 2 summaries these economic impact effects:

Turnover: The total value of goods or services that are produced as a result of the event.

Value added (GDP): The increase in the value of the goods and services generated in the economy as a result of the event which, when aggregated, totals Gross Domestic Product (GDP). It is the sum of salaries and wages, depreciation, profits and indirect taxes less subsidies.

Household income: The overall increase in household earnings of people in the area as a result of the event.

Employment: the additional employment, expressed as Full-Time Equivalent (FTE) employees, generated as a result of the event. Employment is expressed in terms of annual employment as well as employment generated in the period around the event.

Results

Table 2: Total economic impact of event by type

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$532,700	\$220,278	\$316,106	\$1,069,084
Value added	\$232,602	\$100,831	\$59,888	\$393,321
Household income	\$158,846	\$52,875	\$30,036	\$241,757
Employment (Annual FTEs)	5	1	1	6

The above table shows:

The direct value added as a result of Maoriland Film Festival in Kapiti Coast District is estimated to be \$232,602. After taking into account the industry and earnings effects, the total value added is estimated to be \$393,321.

The direct boost to household income is estimated to be \$158,846. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$241,757.

An extra 6.1 full-time equivalent employees (on an annual basis) are expected to be generated by Maoriland Film Festival.

Multiplier analysis and interpreting estimates

Multiplier analysis is a widely used tool for evaluating and estimating the economic value of an event. Historically multiplier analysis has been favoured as the most credible method for measure the economic return on major events. There are, however, some caveats and limitations of multiplier analysis that users should be familiar with. These are outlined below.

In undertaking multiplier analysis, Infometrics draws on its own series of regional input-output tables. These tables essentially provide the inputs, outputs of industries in a region as well as how they are related. In applying the multiplier approach we assume what is termed in economics 'partial equilibrium' analysis. Essentially this means that the impact of the event is assumed not to have a material impact on the resources used in the regional economy. The key assumption is that the supply of capital, materials and labour can grow to meet the additional demands generated by the event and the flow on multiplier effects without resulting in resource constraints in other industries. This is generally a sensible assumption if the event is small enough within the regional economy so that any change will only have a marginal effect on the allocation of resources.

By using multiplier analysis in regional economic analysis we assume the event is additional to existing activity and would not have been undertaken anyway. If this is not the case, the resulting economic impact would most likely be lower than that generated by the multiplier.

As with most types of economic analysis, multiplier analysis can be less accurate for smaller regions. Larger regions therefore typically have higher levels of accuracies when applying multiplier analysis.

Some regional areas are not as clearly defined as others. By this we mean that in some areas it can be easier to move between regions and participate in more than one economy (eg, someone could work in Wellington City but spend the large proportion of their income in Upper Hutt City). For regions where people can participate in more than one regional economy, the accuracy of multiplier analysis can be diminished. This is particularly the case for smaller regions, for the reasons outlined above.

Multiplier analysis assumes that there is no slack in the economy (i.e., underemployment). If there is slack in an areas economy, the estimated increase in employment may be overstated.

The application of multiplier analysis also assumes that other activities in the area (e.g., local spending, regular tourism etc) is not displaced or crowded out in the leadup to the event, during the event and immediately following the event.

Expenditure by local resident attendees is not included in the estimate of regional economic impact as it can be argued that if the event did not take place, the level of spending would still occur in the area. The estimate of economic impact is therefore considered to be conservative.

Multiplier analysis shows the economic benefits from holding an event. Public organisations considering funding applications to support the event should weigh up these benefits against the level of funding they are being asked to provide. These costs should also reflect the dead weight loss from redistribution of public funds which the Treasury estimates to be 20% of the total value of public funding.

Appendices

The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Maoriland Film Festival can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
- national visitors from regional council area but not residing in Kapiti Coast District
- Crew/event staff from outside Kapiti Coast District.

International visitors

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$101,500	\$41,439	\$56,091	\$199,029
Value added	\$43,853	\$18,443	\$10,627	\$72,922
Household income	\$29,345	\$9,691	\$5,330	\$44,365
Employment (Annual FTEs)	1	0	0	1

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$215,600	\$89,178	\$128,875	\$433,653
Value added	\$94,234	\$40,816	\$24,416	\$159,466
Household income	\$64,629	\$21,429	\$12,245	\$98,303
Employment (Annual FTEs)	2	0	0	2

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$215,600	\$89,662	\$131,141	\$436,402

	Direct effect	Indirect effect	Earnings effect	Total effect
Value added	\$94,516	\$41,572	\$24,845	\$160,933
Household income	\$64,872	\$21,756	\$12,461	\$99,088
Employment (Annual FTEs)	2	0	0	2

Appendix 2

The number of local visitors attending the Maoriland Film Festival in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$735,600	\$303,980	\$416,567	\$1,456,147
Value added	\$307,052	\$138,181	\$78,921	\$524,153
Household income	\$207,387	\$73,038	\$39,582	\$320,006
Employment (Annual FTEs)	6	1	1	8

MĀORILAND FILM FESTIVAL 2019

VISITOR FEEDBACK AND ECONOMIC IMPACT REPORT



136 visitors responded to the survey, representing 1% of the tickets sold.

There were 7,372 door and online sales, 1,810 rangatahi attending rangatahi screenings, 150 Kaumatua passes, 500 attending Toi Matarau events, 2000 people through the Māoriland Hub, Tā Moko, Industry events and VR space, 500 through the Māoriland Māra and 350 at the pōwhiri, making a total of 12,682 visitors, a 14% increase on last year (12,000).

61 international filmmakers attended the festival travelling from Australia, Canada, the United States, Norway, Finland, Rarotonga and the UK. 45 New Zealand filmmakers travelled to the festival from around New Zealand.

Māori Television, TVNZ and the Spinoff covered the festival. In the lead-up the festival was covered by the Dominion Post, The Spinoff, Radio New Zealand, Ōtaki StreetScene, Ōtaki Mail, Ōtaki Today, and Regional News.

OVERALL FESTIVAL RATING

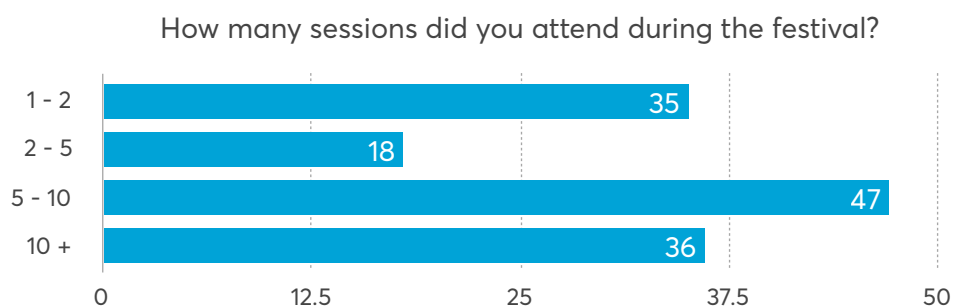
72% visitors rated the festival as excellent, 26% as very good and 2% as good. There were no negative responses.

VISITOR ENJOYMENT

Visitors appreciated the full range of events on offer but particularly single out the feature length and documentary films, NATIVE Minds and Te Matatoki. Visitors particularly enjoy any opportunity to hear filmmakers speak to their work.

SESSIONS ATTENDED

74% of visitors attended two or more sessions.



MORE OF

Visitors to the festival want more films for young children, a wider range of Indigenous peoples represented (91 Indigenous nations were represented this year!) - more films from the African and Asian continents, more advertising outside of Ōtaki and the Kāpiti Coast and more interactive content - VR and more NATIVE Minds (Māoriland lecture series).

The free whānau screening was greatly missed - the festival chose not to present this event this year as we were unable to source a whānau friendly new work.

Many visitors have requested a longer festival!

A recurring request from visitors that is outside of the scope of the festival is for more healthy food options in Ōtaki and greater public transport options both within Ōtaki and linking through to Wellington - people wish to be able to attend the festival at night and get back to Wellington.

LESS OF

Visitors would like less clashes between films and repeat screenings. Similar to the request for more family friendly films, there were a couple of requests for less films with depictions of violence on screen.

VISITOR USUAL RESIDENCE

42% of attendees were from outside the district. This is an increase from last year's response of 37.7%.

Māoriland Film Festival 2019 hosted 61 international filmmakers and 45 New Zealand filmmakers. These filmmakers were accommodated in houses booked via BookaBach, Airbnb and Holiday Houses.

The majority of international guests stayed from the Tuesday evening - Monday morning.

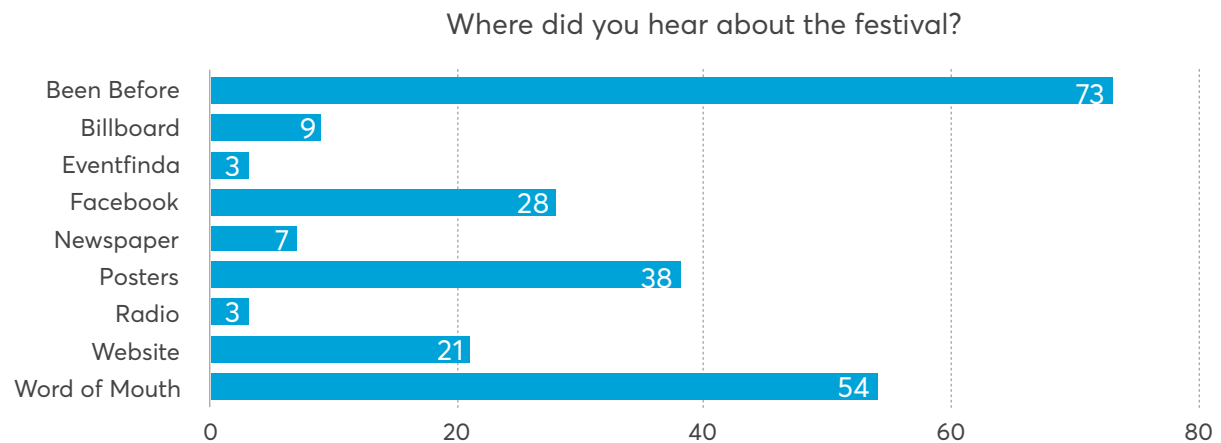
PROMOTION OF THE FESTIVAL

The majority of visitors find out about the festival through word of mouth or are previous festival attendees. 20% or less are finding the festival through Facebook or the film festival website. Posters continue to be an effective source of advertising at 16% of responses.

Very few visitors heard about the festival via traditional media. Ōtaki Mail and Ōtaki Today are great supporters of the festival. Beyond this, there is little to no interest from the regional newspapers or media despite a great deal of effort being made by the organisers working to a media plan including sending out press releases well ahead of the festival and in the run up to the start.

Where do you usually live?

	Responses	%
Upper North Island	11	9%
Lower North Island	2	2%
South Island	1	1%
Horowhenua	4	3%
Kāpiti Coast	76	58%
Lower Hutt	4	3%
Palmerston North	2	2%
Porirua	3	2%
Wairarapa	1	1%
Wellington	14	11%
Australia	4	3%
Europe	1	1%
Canada	1	1%
USA	1	1%
Pacific Islands	3	2%



VISITOR FEEDBACK

"I walked up the main street of Otaki after a Friday night screening at Nga Purapura and the town was absolutely buzzing. There were food carts and live music at the pub and people walking around. It was all because of, I think, MFF. Such a good feeling. Thank you to everyone involved."

"I have been meaning to attend for 4 years and am so HAPPY that I finally did - it was brilliant. Great prices so we felt we could attend 2 shows and it is just up the road

Very enjoyable - at the Q&A after the movie on the Truth and Reconciliation in Maine - it would have been good if the Q's were repeated back as we could not hear them BUT it was wonderful having the producer there."

"Maoriland Film Fest is very inspiring. And it really motivating. As a filmmaker from Solomon Islands with no creative industry established in my country, MFF inspires me to bring our stories to a wider audience. MAORILAND IS AWESOME and I'm thankful that I can participate in the Native Minds Panel to tell our story."

"You do a very valuable job at providing us with the opportunity of seeing life from the perspective of indigenous peoples."

"A real showcase for Otaki and well organised"

"Absolutely one of the best festivals I've ever been to in the world! Unique, welcoming, inspiring - will definitely attend in the future! Arohanui"

"I can not say enough good things about this festival and I have am a regular festival attendee both in NZ and overseas. This is well worth travelling up from Wellington to attend."

ECONOMIC IMPACT

The majority of visitors to the film festival "ate out", bought takeaway food or shopped in Ōtaki during the event. Average spend per day was \$20.

This report captures the economic impact results from the Māoriland Film Festival 2019.

As a recipient of the Kāpiti Coast District Council's Major Event Fund, the Māoriland Film Festival 2019 received \$50,000 in investment funding.

To estimate the total economic impact of the Māoriland Film Festival 2019 in Kāpiti Coast District, multiplier analysis has been applied to these attendance figures and spend assumptions.

The economic impact of attendee's from within Kāpiti Coast District are not included in the overall economic impact assessment as it is likely that spending within Kāpiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however provided separately in the supporting supplementary tables.

Using the information provided about visitors from outside Kāpiti Coast District, crew and event staff, three economic impact effects can be generated.

Direct effect: This is the effect associated with increased spending directly in each industry associated with the event.

Indirect effect: The indirect effects are the second round of economic effect associated with the direct effect.

Earnings effect: The earnings effect arises from increased spending from new employment associated with the event.

The total effect is the sum of direct, indirect and earnings effects.

MĀORILAND FILM FESTIVAL FIGURES

Attending numbers

A total number of 12,682 visitors attended 1 or more sessions during the 5 days of the Festival, increasing the number of visitors by 14% from last year.

Estimated spend

The average spend was \$20 per person; this was calculated based on an average total of all reported spend. This is a decrease from last year's \$50 average spend per person. The survey did not capture why this may be the case.

Table 1: Maoriland Film Festival assumptions

	International visitors	National Visitors out of region	National Visitors out of Kapiti Coast District but from the wider region	Local attendees from Kapiti Coast District
Attendance	1015	2156	2156	7356
Days spent in Kapiti Coast District	5	5	5	5
Average daily spend	\$20	\$20	\$20	\$20
Total spend (all visitors)	\$101500	\$215600	\$215600	\$735600
Accommodation, restaurants and bars	65%	50%	50%	50%
Food purchases from stores	10%	10%	10%	20%
Other retail (eg Souvenirs, gifts)	10%	5%	0%	0%
Ground & Other Transportation	5%	15%	20%	15%
Fuel for own transport	5%	15%	15%	10%
Child care services (during event)	3%	3%	3%	3%
Other services	2%	2%	2%	2%

To estimate the total economic impact of Maoriland Film Festival in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

ECONOMIC IMPACT & RETURN ON INVESTMENT

Total value added to the district is estimated by the Infometrics Event Economic Impact Toolkit. There was a total of \$393,321 of added value to the district based on a \$1,069,084 turnover (visitor impact of attendees from outside of the Kāpiti Coast District).

The event received \$50,000 from the Major Events Fund in 2018/2019, resulting in an 8:1 return on investment.

Table 2: Total economic impact of event by type

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$532,700	\$220,278	\$316,106	\$1,069,084
Value added	\$232,802	\$100,831	\$59,888	\$393,321
Household income	\$158,846	\$52,875	\$30,036	\$241,757
Employment (Annual FTEs)	5	1	1	6

This result is showing a decrease in the return on investment in terms of economic impact. This result is disproportionate to the increase of visitors from the district but also from the wider region and country but the large decrease in average spend per person has caused the main effect.

This information is also highly contestable as the completed surveys are down from previous, where 136 responses were received, only 1% of the total visitors as opposed to 176 visitors, 3% of last year's visitors.

The absence of a free whānau screening also impacted on audience numbers. In previous years this event alone has contributed an additional 800 (wet weather) - 2,000 (fine weather) attendees.

APPENDICES

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Maoriland Film Festival can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
- national visitors from regional council area but not residing in Kapiti Coast District
- Crew/event staff from outside Kapiti Coast District.

International visitors

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$101,500	\$41,439	\$56,091	\$199,029
Value added	\$43,853	\$18,443	\$10,627	\$72,922
Household income	\$29,345	\$9,691	\$5,330	\$44,365
Employment (Annual FTEs)	1	0	0	1

National Visitors out of region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$215,600	\$89,178	\$128,875	\$433,653
Value added	\$94,234	\$40,816	\$24,416	\$159,466
Household income	\$64,629	\$21,429	\$12,245	\$98,303
Employment (Annual FTEs)	2	0	0	2

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$215,600	\$89,662	\$131,141	\$436,402

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$80,054	\$33,081	\$45,334	\$158,469
Value added	\$33,416	\$15,038	\$8,589	\$57,042
Household income	\$22,569	\$7,949	\$4,308	\$34,826
Employment (Annual FTEs)	1	0	0	1

	Direct effect	Indirect effect	Earnings effect	Total effect
Value added	\$94,516	\$41,572	\$24,845	\$160,933
Household income	\$64,872	\$21,756	\$12,461	\$99,088
Employment (Annual FTEs)	2	0	0	2

Appendix 2

The number of local visitors attending the Maoriland Film Festival in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$735,600	\$303,980	\$416,567	\$1,456,147
Value added	\$307,052	\$138,181	\$78,921	\$524,153
Household income	\$207,387	\$73,038	\$39,582	\$320,006
Employment (Annual FTEs)	6	1	1	8

Estimate of the economic impact of Otaki Kite Festival in Kapiti Coast District

This report provides an estimate of the economic impact of the Otaki Kite Festival event in Kapiti Coast District using multiplier analysis. It was generated on 10 April 2019 by Kapiti Coast District Council and is based on the following information:

Table 1: Otaki Kite Festival assumptions

	National Visitors out of Kapiti Coast District but from the wider region	Local attendees from Kapiti Coast District	Local Crew Employed in Kapiti Coast District*
Attendance	12349	9511	140
Days spent in Kapiti Coast District	1	1	2
Average daily spend	\$45.71	\$45.71	\$45.71
Total spend (all visitors)	\$564472.79	\$434747.81	\$12798.8
Accommodation, restaurants and bars	50%	50%	
Food purchases from stores	10%	20%	
Other retail (eg Souvenirs, gifts)	0%	0%	
Ground & Other Transportation	20%	15%	
Fuel for own transport	15%	10%	
Child care services (during event)	3%	3%	
Other services	2%	2%	

*This category captures local crew employed in Kapiti Coast District but who receive their earnings from outside Kapiti Coast District

To estimate the total economic impact of Otaki Kite Festival in Kapiti Coast District, multiplier analysis is applied to the assumptions in Table 1.

The economic impact of attendees from within Kapiti Coast District (if these are provided in Table 1) are not included in the overall economic impact assessment as it is likely that spending in Kapiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however, provided separately in the supporting supplementary tables.

Using the information in Table 1 about visitors from outside Kapiti Coast District and crew/event staff (if provided), three economic impact effects can be generated:

Effect	Description
Direct effect	This is the effect associated with increased spending directly in each industry associated with the event. For example, if attendees at an event spend \$10,000 on accommodation then output (or turnover) in the accommodation industry will increase by \$10,000. This is the direct effect of spending associated with the event.
Indirect effect	The indirect effects are the second round of economic effects associated with the direct effect. For example, the \$10,000 increase in turnover in the accommodation industry will require accommodation providers to purchase more cleaning products from local wholesalers. The increase in economic activity in industries with linkages to the accommodation industry is an example of the indirect effect of the event.
Earnings effect	The earnings effect arises from increased spending on new employment associated with the event. For example, the increase in demand for accommodation may encourage hotels to take on extra casual staff to cope with the increased number of guests. These extra workers will spend some on their earnings locally, for example at bars, which will induce extra economic activity. This effect is sometimes known as the induced effect.
Total effect	The total effect is the sum of direct, indirect and earnings effects.

These impacts can be expressed in a number of ways, including: turnover, value added (GDP), household earnings and employment. Table 2 summaries these economic impact effects:

Turnover: The total value of goods or services that are produced as a result of the event.

Value added (GDP): The increase in the value of the goods and services generated in the economy as a result of the event which, when aggregated, totals Gross Domestic Product (GDP). It is the sum of salaries and wages, depreciation, profits and indirect taxes less subsidies.

Household income: The overall increase in household earnings of people in the area as a result of the event.

Employment: the additional employment, expressed as Full-Time Equivalent (FTE) employees, generated as a result of the event. Employment is expressed in terms of annual employment as well as employment generated in the period around the event.

Results

Table 2: Total economic impact of event by type

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$577,272	\$239,985	\$349,784	\$1,167,041
Value added	\$253,412	\$111,418	\$66,268	\$431,098
Household income	\$172,806	\$58,311	\$33,236	\$264,352
Employment (Annual FTEs)	5	1	1	7

The above table shows:

The direct value added as a result of Otaki Kite Festival in Kapiti Coast District is estimated to be \$253,412. After taking into account the industry and earnings effects, the total value added is estimated to be \$431,098.

The direct boost to household income is estimated to be \$172,806. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$264,352.

An extra 6.5 full-time equivalent employees (on an annual basis) are expected to be generated by Otaki Kite Festival .

Multiplier analysis and interpreting estimates

Multiplier analysis is a widely used tool for evaluating and estimating the economic value of an event. Historically multiplier analysis has been favoured as the most credible method for measure the economic return on major events. There are, however, some caveats and limitations of multiplier analysis that users should be familiar with. These are outlined below.

In undertaking multiplier analysis, Infometrics draws on its own series of regional input-output tables. These tables essentially provide the inputs, outputs of industries in a region as well as how they are related. In applying the multiplier approach we assume what is termed in economics 'partial equilibrium' analysis. Essentially this means that the impact of the event is assumed not to have a material impact on the resources used in the regional economy. The key assumption is that the supply of capital, materials and labour can grow to meet the additional demands generated by the event and the flow on multiplier effects without resulting in resource constraints in other industries. This is generally a sensible assumption if the event is small enough within the regional economy so that any change will only have a marginal effect on the allocation of resources.

By using multiplier analysis in regional economic analysis we assume the event is additional to existing activity and would not have been undertaken anyway. If this is not the case, the resulting economic impact would most likely be lower than that generated by the multiplier.

As with most types of economic analysis, multiplier analysis can be less accurate for smaller regions. Larger regions therefore typically have higher levels of accuracies when applying multiplier analysis.

Some regional areas are not as clearly defined as others. By this we mean that in some areas it can be easier to move between regions and participate in more than one economy (eg, someone could work in Wellington City but spend the large proportion of their income in Upper Hutt City). For regions where people can participate in more than one regional economy, the accuracy of multiplier analysis can be diminished. This is particularly the case for smaller regions, for the reasons outlined above.

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Multiplier analysis assumes that there is no slack in the economy (i.e., underemployment). If there is slack in an areas economy, the estimated increase in employment may not be overstated.

The application of multiplier analysis also assumes that other activities in the area (e.g., local spending, regular tourism etc) is not displaced or crowded out in the leadup to the event, during the event and immediately following the event.

Expenditure by local resident attendees is not included in the estimate of regional economic impact as it can be argued that if the event did not take place, the level of spending would still occur in the area. The estimate of economic impact is therefore considered to be conservative.

Multiplier analysis shows the economic benefits from holding an event. Public organisations considering funding applications to support the event should weigh up these benefits against the level of funding they are being asked to provide. These costs should also reflect the dead weight loss from redistribution of public funds which the Treasury estimates to be 20% of the total value of public funding.

Appendices

The following appendices give a more detailed decomposition of the economic impacts of various types of visitors to the event.

Appendix 1: Economic impact generated by visitors from outside Kapiti Coast District

The different types of visitors and associated that come to Kapiti Coast District as a result of Otaki Kite Festival can generate different effects based on the information provided in Table 1. The following section decomposes the total economic impact (contained in table 2 above) for each type of visitor to Kapiti Coast District:

- International visitors
- National visitors outside of Kapiti Coast District but within the wider region
- National visitors from outside the wider region
- national visitors from regional council area but not residing in Kapiti Coast District
- Crew/event staff from outside Kapiti Coast District.

The estimated economic impact of local crew/event staff that receive wages from outside the region is also included.

National Visitors out of Kapiti Coast District but from the wider region

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$564,473	\$234,747	\$343,345	\$1,142,565
Value added	\$247,457	\$108,842	\$65,048	\$421,347
Household income	\$169,845	\$56,959	\$32,624	\$259,428
Employment (Annual FTEs)	5	1	1	6

Local Crew Employed in Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$12,799	\$5,238	\$6,439	\$24,475
Value added	\$5,955	\$2,577	\$1,220	\$9,752
Household income	\$2,961	\$1,351	\$612	\$4,924
Employment (Annual FTEs)	0	0	0	0

Appendix 2

The number of local visitors attending the Otaki Kite Festival in Kapiti Coast District is not included in the total economic impact estimate, although it is useful to know what the additional economic benefit had been if these attendees had been included. For these reason we also provide the economic benefit of local attendees.

Local attendees from Kapiti Coast District

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Economic impact Otaki Kite Festival Event Kapiti Coast District

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$434,748	\$179,655	\$246,196	\$860,599
Value added	\$181,471	\$81,667	\$46,643	\$309,780
Household income	\$122,568	\$43,166	\$23,393	\$189,127
Employment (Annual FTEs)	3	1	0	5

Overview

This report captures the economic impact results from the Ōtaki Kite Festival.

As a recipient of the Kāpiti Coast District Council's Major Event Fund, the Ōtaki Kite Festival received \$20,000 in investment funding.

To estimate the total economic impact of the Ōtaki Kite Festival in Kāpiti Coast District, multiplier analysis has been applied to these attendance figures and spend assumptions.

The economic impact of attendee's from within Kāpiti Coast District are not included in the overall economic impact assessment as it is likely that spending within Kāpiti Coast District by these attendees would have occurred regardless of the event. The economic impact of local attendees is, however provided separately in the supporting supplementary tables.

Using the information provided about visitors from outside Kāpiti Coast District, crew and event staff, three economic impact effects can be generated.

Direct effect: This is the effect associated with increased spending directly in each industry associated with the event.

Indirect effect: The indirect effects are the second round of economic effect associated with the direct effect.

Earnings effect: The earnings effect arises from increased spending from new employment associated with the event.

The total effect is the sum of direct, indirect and earnings effects.

1. Ōtaki Kite Festival Figures

Attending numbers

21,860 attendees along with a working percentage of crew\event staff from both within and outside of the Kāpiti Coast District, totalling 22,000 attendees.

Estimated spend

The average spend was \$45.71 per person; this was calculated based on an average total of all reported spend.

2. Economic impact & Return on Investment

Total value added to the district is estimated by the Infometrics Event Economic Impact Toolkit. The result was \$431,098 based on a \$1,167,047 turnover (visitor impact of attendees from outside of the Kāpiti Coast District).

The event received \$20,000 from the Major Events Fund in 2018/2019, resulting in a 22:1 return on investment.

	Direct effect	Indirect effect	Earnings effect	Total effect
Turnover	\$577,272	\$239,985	\$349,784	\$1,167,041
Value added	\$253,412	\$111,418	\$66,268	\$431,098
Household income	\$172,806	\$58,311	\$33,236	\$264,352
Employment (Annual FTEs)	5	1	1	7

The above table shows:

The direct value added as a result of Otaki Kite Festival in Kapiti Coast District is estimated to be \$253,412. After taking into account the industry and earnings effects, the total value added is estimated to be \$431,098.

The direct boost to household income is estimated to be \$172,806. After taking into account the industry and earnings effects, the total effect on household income is estimated to be \$264,352.

An extra 6.5 full-time equivalent employees (on an annual basis) are expected to be generated by Otaki Kite Festival .

This result is showing an increased return and improvement in terms of economic impact and the ability for the event organisers to continue to build a stand-alone event. This result is impressive as it is showing a strong representation from local the local community but also an increase of visitors from within the wider region.

3. Appendices

Appendices

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