ECONOMIC OVERVIEW OF THE ARTS IN THE ACT

ACT Government

CANBERRA

The report is intended to provide information regarding economic dimensions of arts and cultural activities in the Australian Capital Territory. The report has been prepared by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) using a mix of published and unpublished data as indicated throughout the document. CMTEDD makes no warranty regarding the accuracy or completeness of data used in this publication.

CMTEDD have engaged KPMG to perform a high level review and provide advice in relation to the suitability of the data sources, application of data and interpretation of quantitative results. KPMG has made recommendations following their review, which have been incorporated into this report by CMTEDD.

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SNAPSHOT

OUTPUT

In 2012–13 the direct output of the arts and cultural sector in the ACT was estimated to be $974m of which the arts were responsible for $361m.

VALUE ADDED

The arts and culture sector directly added $426m of value to the ACT's economy in 2012–13. This was equivalent to 1.3% of total value added by industry. Of this, $162m was associated with the arts.

EMPLOYMENT

There were 6,456 persons employed in the arts and cultural sector in the ACT in 2011. This was equivalent to 3.1% of ACT employment.

HOUSEHOLD EXPENDITURE

Canberrans have an appetite to pay for cultural activities, spending approximately $211m per year, which is a higher per capita level than other capital cities.

LOCAL PARTICIPATION

In 2013–14 nearly 350,000 people attended events at venues such as the Canberra Theatre Centre or Canberra Museum and Gallery. In 2013, more than 412,000 people attended events hosted by arts organisations supported by artsACT.

CULTURAL TOURISM

Close to 729,000 domestic and 128,000 international cultural tourists visited the ACT in the year to September 2014. Their total spending was estimated to be worth $855m.

CREATIVE INDUSTRIES

As of June 2014, the ACT had nearly 1,200 active businesses in the creative industries.

EDUCATION

The ACT has more than 3,000 higher education students studying the creative arts. In addition to course fees, these students are estimated to spend $62m per year.

INTRODUCTION

Does music move you? Are you absorbed by poetry? Do you find cinema thought provoking? The great value of the arts lies in the intrinsic effect it has on individuals and the community in terms of inspiring creativity.

The ACT is home to a flourishing arts community with a wide spectrum of activity including visual arts and crafts, music, literature, dance, theatre, film, digital arts and community arts. Canberra hosts many exciting art festivals and exhibitions attracting visitors from across the country, as well as being home to artists, art organisations, theatres, galleries, concert halls, public art and arts hubs.

In addition to the intrinsic benefits of the arts, the arts and cultural sector contributes to the ACT economy in a range of direct and indirect ways. This report provides an overview of the arts sector in the ACT from an economic perspective. It has been prepared to inform the ACT Government in its support for the arts sector.

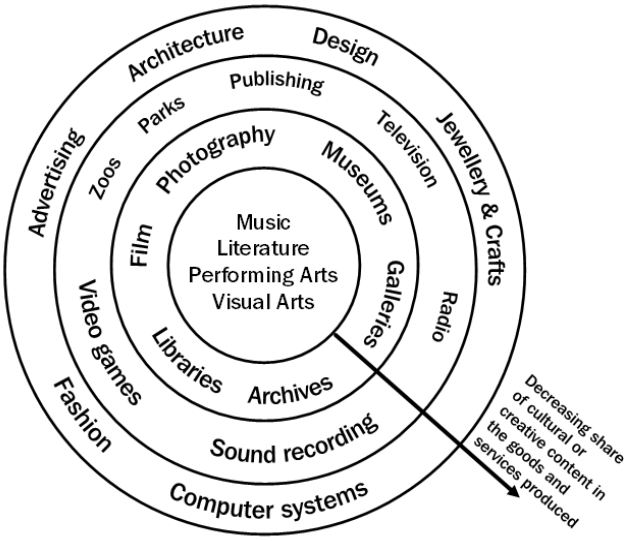
The ACT Arts Policy Framework was developed following the 2009 Loxton Review and released in July 2012. The Framework was reviewed to ensure that ACT Government policy remains responsive to changes in the arts sector. The 2015 ACT Arts Policy released on 30 June 2015 has a revised vision for the arts "to be a diverse and dynamic arts ecology valued locally, nationally and globally".

Among the key indicators which the ABS uses to measure wellbeing and societal progress are attendance at cultural venues and events, and participation in selected cultural activities. Details are published in Arts and Culture in Australia: A Statistical Overview (cat. no. 4172.0).

The figure below shows the groups of activities identified as creative based on David Throsby, a well known cultural economist, whose books on Economics and Culture have become standard reference in the field. At the centre are the domains considered to produce the highest degree of creative content in their output relative to their commercial value.[1]

1 Ginsburgh, Victor A. and David Throsby (2014) (eds.) Handbook of the Economics of Art and Culture Vol. 2, Oxford.

FIGURE I – HIERARCHY OF CREATIVE INDUSTRY



Some cultural goods and services have creative or artistic elements that are tangible, such as artwork or publications, while others are intangible services, such as musical performance or museum visitations. Some are final goods that are supplied to consumers, such as radio and video broadcasts or a theatre performance, while others are intermediate goods, such as the preparation of sets for film or theatre productions.

Cultural outputs – the goods and services produced – have in common with all other industry outputs – utilization of labour and capital as well as intermediate goods and services.

METHODOLOGY AND SCOPE

Defining the 'arts' sector for the purposes of an economic study is not a simple exercise in itself. Various scopes have been adopted in other studies ranging from a strict definition of the arts (e.g. performing and visual arts) to 'arts and culture' to 'creative economy'.

For example, one of the main official classification systems is the ABS's set of *Australian Culture and Leisure Classifications* (ACLC). Although the ACLC includes activities undertaken for the purpose of artistic expression, they also a wide array of other activities including sports and recreational activities, libraries, heritage and archives.

The ABS has prepared a set of correspondence tables that link the ACLC classifications to its system of industry classifications (the Australia New Zealand Standard Industry Classifications). The correspondence tables consist of many industries that are defined as only partially aligning with the ACLCs, although the degree to which there is alignment is not quantified. This results with various industry classifications such as retailing and wholesaling activities coming into scope, despite the relevance of these industries being arguably small.

Alternative methodologies have been established by organisations such as the UK's National Endowment for Science, Technology and the Arts and built upon by Australian consultants SGS Economics and Planning. In their 2013 report for the Australian Creative Industries Innovation Centre, SGS defined a detailed classification of 'creative industries' determined by examining which industries have a high concentration of creative occupations. In other terms, SGS's work defines which industries have a high requirement for creative inputs.

While the input-driven methodology by SGS is useful, there are some notable industry classifications which it deems non-creative that are arguably inextricable from the arts sector. This includes, for example, Arts Education and Arts Museums (ANZSIC codes 8212 and 8910 respectively). While these activities may not have a high intensity of creative *inputs*, they are clearly and directly relevant in the context of the arts sector.

For this reason, an amalgamation of industry classifications from the ACLC and SGS's work has been adopted in this paper. A list of these industries is included for reference in Appendix C.

The scope adopted is often dictated by the availability of data. In this paper the analysis of the direct economic contribution of the arts is based on the methodology published by KPMG in their report 'Economic Impact of the Victorian Arts and Culture Sector'.[2] KPMG's methodology utilises the ACLC and other ABS economic data to estimate the direct output and 'value add' of arts activities including media, publishing, design; performing and visual arts, collecting institutions, community arts.

This paper also examines less direct ways in which the arts and creative sectors impact the ACT's economy, such as contributing to a city's liveability, educational outcomes, tourism and so on.

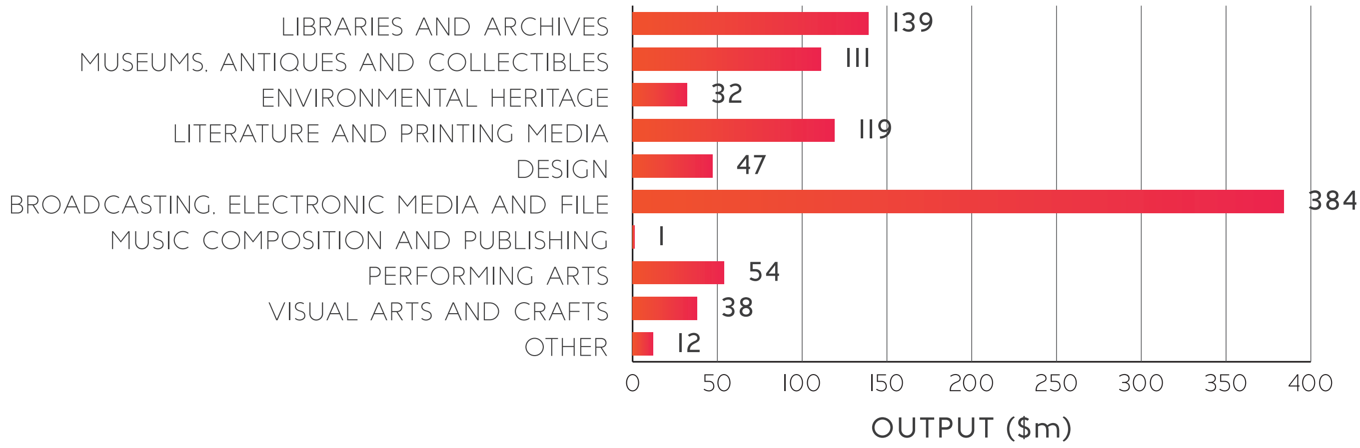
2 http://creative.vic.gov.au/files/ef593af2-6b70-427a-af87-a26c00e69eb6/Economic_Impact_of_the_Victorian_Arts_and_Cultural_Sector_2013.pdf

DIRECT ECONOMIC CONTRIBUTION

A methodology for estimating the direct economic benefit of the arts and culture sector has been taken from KPMG's 2013 report on the economic impact of the arts sector in Victoria. The methodology uses data about the sector released by the ABS in 2011, as well as other ABS publications on industry and employment, to produce estimates of the value of the sector.

In this context, the 'arts and culture sector' is initially defined according to the ABS's Australian Culture and Leisure Classification (ACLC). The ACLC's scope encompasses things such as environmental heritage and libraries and archives, which may not be directly relevant to the arts sector, but which have been included in this report for completeness.

FIGURE 2 – DIRECT OUTPUT OF THE ARTS AND CULTURE SECTOR IN 2012–13



Source: CMTEDD calculations based on ABS 8155.0 and 4172.0

OUTPUT

Using KPMG's methodology, it is estimated that the direct output (that is, the quantity of goods or services produced) by the ACT's arts and cultural sector in 2012–13 was $966m.

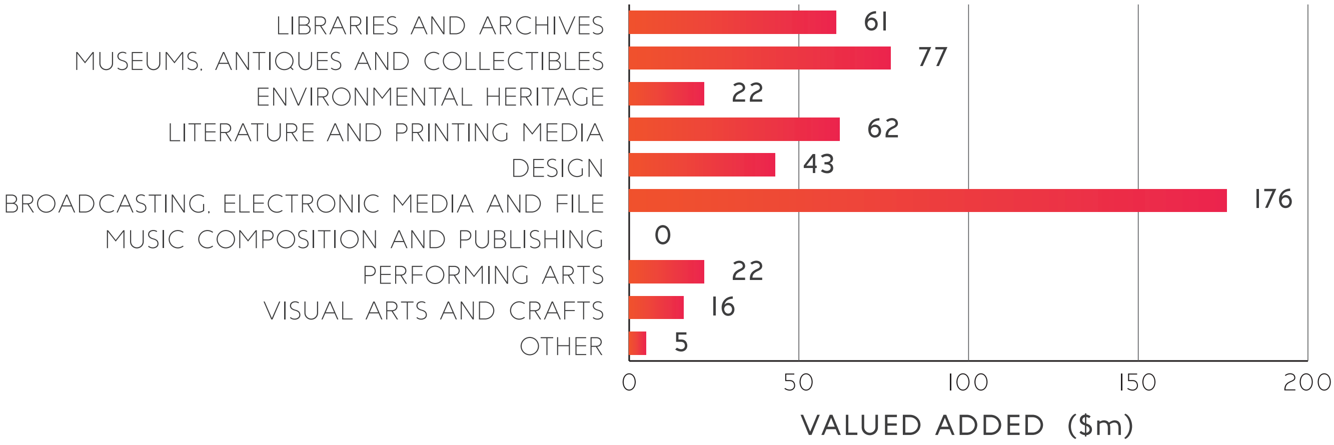
The largest component of this was in the 'Broadcasting, electronic media and file' category at $401m, with a further $204m consisting of libraries/archives, museums and environmental heritage. Excluding these categories, gives a direct output for arts-related activities of $361m per year.

VALUE ADDED

In order to translate the sector's output into a measure of net value added to the ACT economy, the value of goods and services used by the sector during production is subtracted from its output.

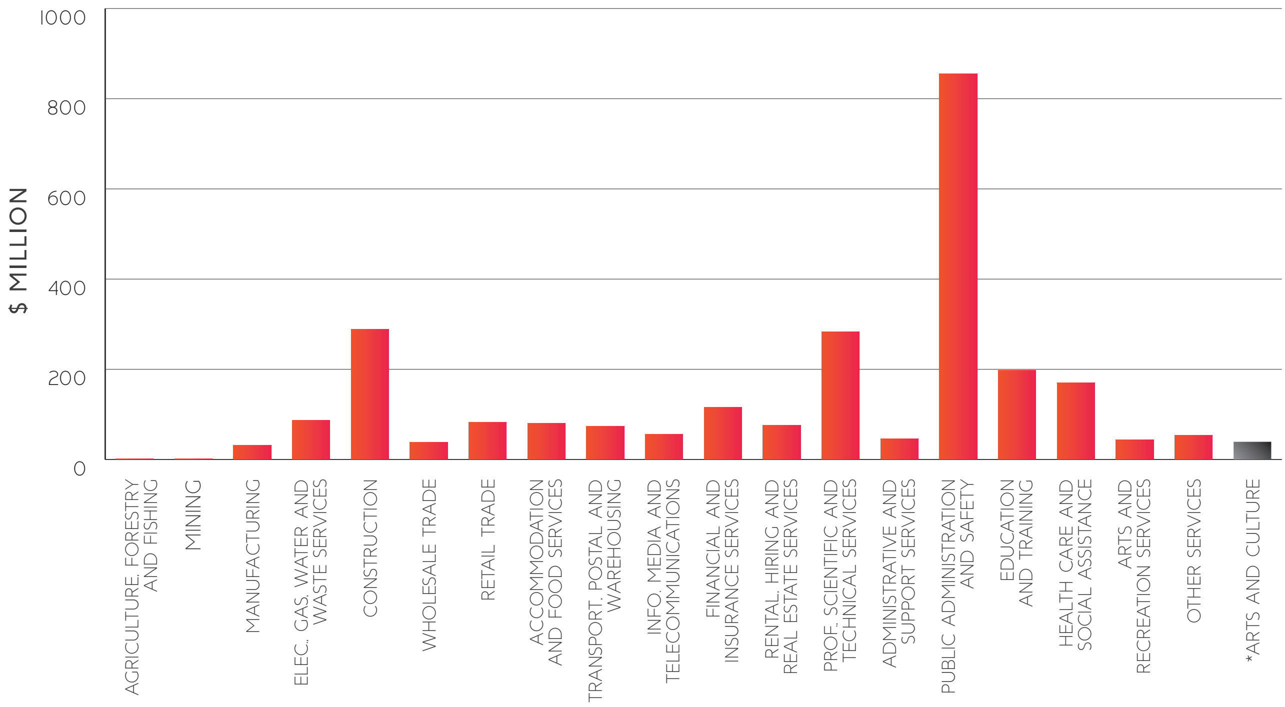
In 2012–13, value added by the sector was estimated at $426m. Again, nearly half of the value add ($175m) was associated with broadcasting activities. A further $88m was associated with libraries/archives, museums and environmental heritage, leaving $162m associated with arts-related activities.

FIGURE 3 – VALUED ADDED BY THE ARTS AND CULTURE SECTOR IN 2012–13



Source: CMTEDD calculations based on ABS #8155.0 and #4172.0

FIGURE 4 – COMPARISON OF VALUE ADDED BY INDUSTRY



Source: ABS #5220.0 and CMTEDD calculations based on ABS 8155.0 and 4172.0

Representing approximately 1.3% of total value added by industry, the arts and culture sector is not considered a major driver of the ACT economy according to its *direct* value add. Nonetheless, it is of similar significance as some other industry divisions in the ACT, such as the wholesale trade and administrative and support services sectors. Furthermore, the arts and creative sectors make important indirect contributions to the city's economy, as explored in the following sections.

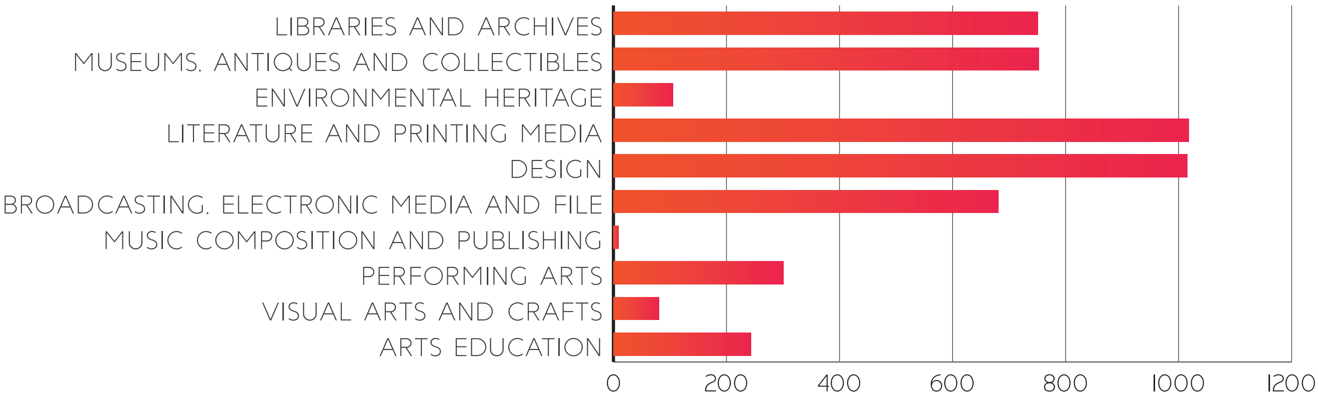
EMPLOYMENT AND VOLUNTEERING

In 2011, there were 6,456 persons employed in the arts and cultural sector in the ACT, equivalent to 3.1% of total ACT employment at the time.

This employment made up an estimated 4,958 full-equivalent (FTE) positions. The Design and Literature and Printing categories had approximately 20% of FTE employment each, with approximately 14–15% employed in each of the Broadcasting, Museums and Libraries categories, reflecting the presence of various large collecting institutions.

The Performing and Visual Arts and Crafts categories had a combined 381 FTE employees. A further 243 FTE were employed in Arts Education. Only nine FTE were attached to the Music Composition and Publishing category.

FIGURE 5 – FTE EMPLOYMENT IN THE ARTS AND CULTURE SECTOR



Source: CMTEDD calculations based on ABS #6273.0

Employment across the sector fell slightly (2.9%) in the ACT between 2006 and 2011, with most of the decrease seen in the categories of Broadcasting, Electronic Media and File and Literature and Print Media. The Design and Performing Arts showed growth of 156 and 85 persons respectively.

In addition to paid employment, the arts and culture sector has a strong community of volunteer workers. As part of reporting arrangements for grant funding, Key Arts Organisations and Program Funding organisations (artsACT funded organisations) provide artsACT with information regarding paid and unpaid employment. Data for 2013 indicates that for every one FTE employee in an artsACT funded organisation there was an additional 0.2 FTE volunteer workers.

Across the artsACT funded organisations plus Cultural Facilities Corporation's (CFC) Canberra Museum and Gallery and Historic Places, there were 619 volunteers contributing 35,187 hours of unpaid work.

TABLE I – CHANGES IN PERSONS EMPLOYED IN THE ARTS AND CULTURE SECTOR

	ACT			Australia		
Change in Employment	**2006**	**2011**	**Change**	**2006**	**2011**	**Change**
Libraries and archives	859	919	7.0%	7,007	7,344	4.8%
Museums, antiques and collectibles	996	962	-3.4%	6,414	7,515	17.2%
Environmental Heritage	137	134	-2.2%	8,713	10,574	21.4%
Literature and printing media	1,754	1,373	-21.7%	116,602	100,361	-13.9%
Design	1,066	1,222	14.6%	76,374	86,758	13.6%
Broadcasting, electronic media and file	1,042	940	-9.8%	50,969	53,042	4.1%
Music composition and publishing	20	12	-40.0%	3,340	3,094	-7.4%
Performing arts	355	440	23.9%	21,471	29,512	37.5%
Visual arts and crafts	73	118	61.6%	7,114	9,288	30.6%
Total	**6,302**	**6,120**	**-2.9%**	**298,004**	**307,488**	**3.2%**

Source: ABS #6273.0

INDUSTRY COMPARISON

At approximately 3.1% of employment and 1.3% of industry value added, Arts and Culture is a small, but not insignificant, contributor to the economy. By total headcount employment, it is on par with or larger than sectors such as Administrative and Support Services; Wholesale Trade; Rental, Hiring and Real Estate Services; Financial Services; and Information, Media and Telecommunication Services.

However, the overall direct value added by this employment is relatively low compared to other industries. Of the standard industry classifications, only the agriculture and mining sectors had a lower value add.

TABLE 2 – COMPARISON OF INDUSTRY VALUE ADD AND EMPLOYMENT

	Employment (total persons)	%	Value added ($m, 2010–11)	%
Agriculture, forestry and fishing	453	0.2%	21	0.1%
Mining	199	0.1%	30	0.1%
Manufacturing	4,637	2.2%	399	1.2%
Electricity, gas, water and waste services	1,822	0.9%	908	2.8%
Construction	14,993	7.3%	3,184	9.9%
Wholesale trade	3,149	1.5%	529	1.6%
Retail trade	16,476	8.0%	963	3.0%
Accommodation and food services	12,535	6.1%	932	2.9%
Transport, postal and warehousing	5,109	2.5%	895	2.8%
Information media and telecommunications	4,157	2.0%	667	2.1%
Financial and insurance services	3,926	1.9%	1,428	4.4%
Rental, hiring and real estate services	2,041	1.0%	794	2.5%
Professional, scientific and technical services	19,561	9.5%	2,958	9.2%
Administrative and support services	6,642	3.2%	566	1.8%
Public administration and safety	63,637	30.8%	9,989	31.0%
Education and training	16,559	8.0%	2,309	7.2%
Health care and social assistance	18,361	8.9%	1,833	5.7%
Arts and recreation services	4,326	2.1%	516	1.6%
Other services	8,197	4.0%	608	1.9%
*Arts and culture	6,456	3.1%	429	1.3%
Total	**206,827**		**32,199**	

Source: ABS #6291.0.55.003 and #5220.0 and CMTEDD calculations based on ABS #6273.0, #4172.0 and #8155.0

*"Arts and Culture" is not a standard classification of the national accounts. In the tableabove, it represents the sum contribution of arts and culture across each of the standard listed classifications.

CONSUMPTION OF ARTS AND CULTURE

Using a survey of households, the ABS estimates the composition of households' average weekly expenditure in each state and territory, as well as for capital cities. Although the latest data for the Household Expenditure Survey is for the 2009–10 period, it does provide an insight into the proclivity of Canberrans to consume arts and culture.[3]

The chart below aggregates 17 different spending categories into ten groupings of arts and culture consumption. It shows that in 2009–10, the average Canberra household spent approximately $30.67 per week on arts and culture. This would have equated to total spending of approximately $211m per year.

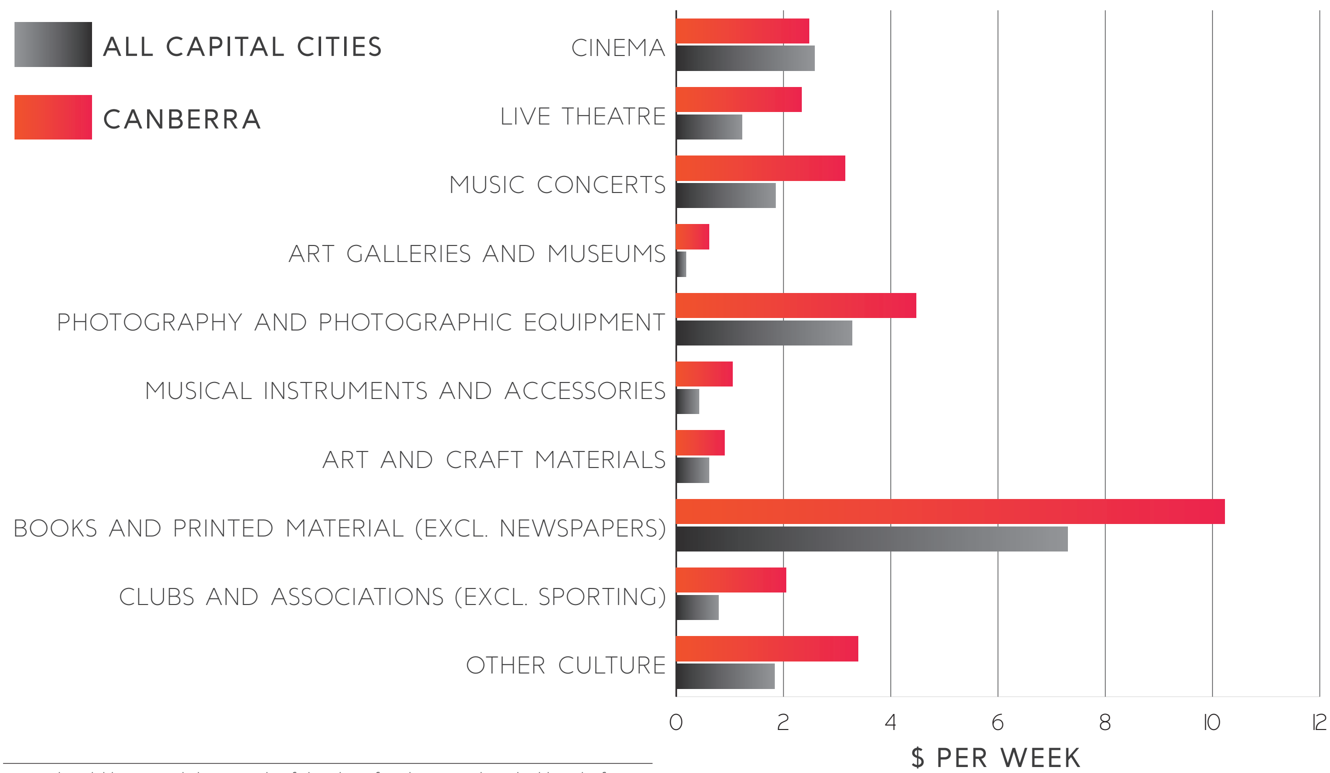
While it would naturally be expected that average spending would be higher in the ACT (due to higher average incomes compared to other cities) Canberra households also spent a higher proportion of their incomes on arts and culture than any other capital city. Canberra households spent approximately 1.3% of their gross household income on arts and cultural goods and services, whereas the average across all capitals was 1.1%.

Although Canberra's relatively small size compared to other capital cities means it does not attract as many larger theatre productions and music concerts, Canberrans tended to spend nearly twice as much on live theatre as households in other capitals and 1.7 times as much on music concerts.

The relatively high consumption of arts and culture by ACT households is reflected in the rate of Canberrans attending or participating in cultural activities. In 2013 alone, an estimated 412,186 people attended an event hosted by one of the 22 artsACT funded organisations. Furthermore, in 2013–14, nearly 350,000 people visited one of CFC's venues.

Data from the ABS in 2013–14 indicates that approximately 191,200 Canberrans attended at least one performing arts event per year, with 156,500 attending an art gallery at least once and 237,300 going to a cinema at least once.

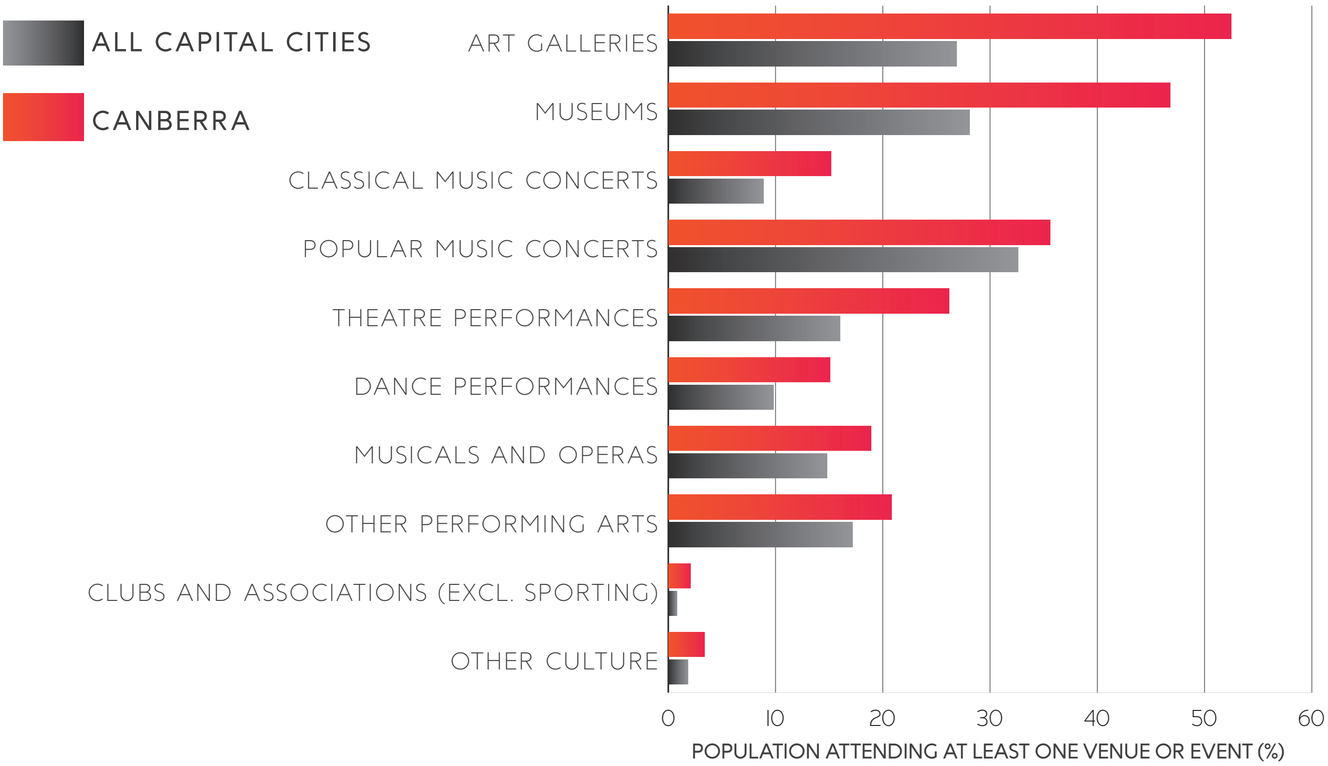
FIGURE 6 – AVERAGE HOUSEHOLD SPENDING ON CULTURE



Source: ABS #6530.0

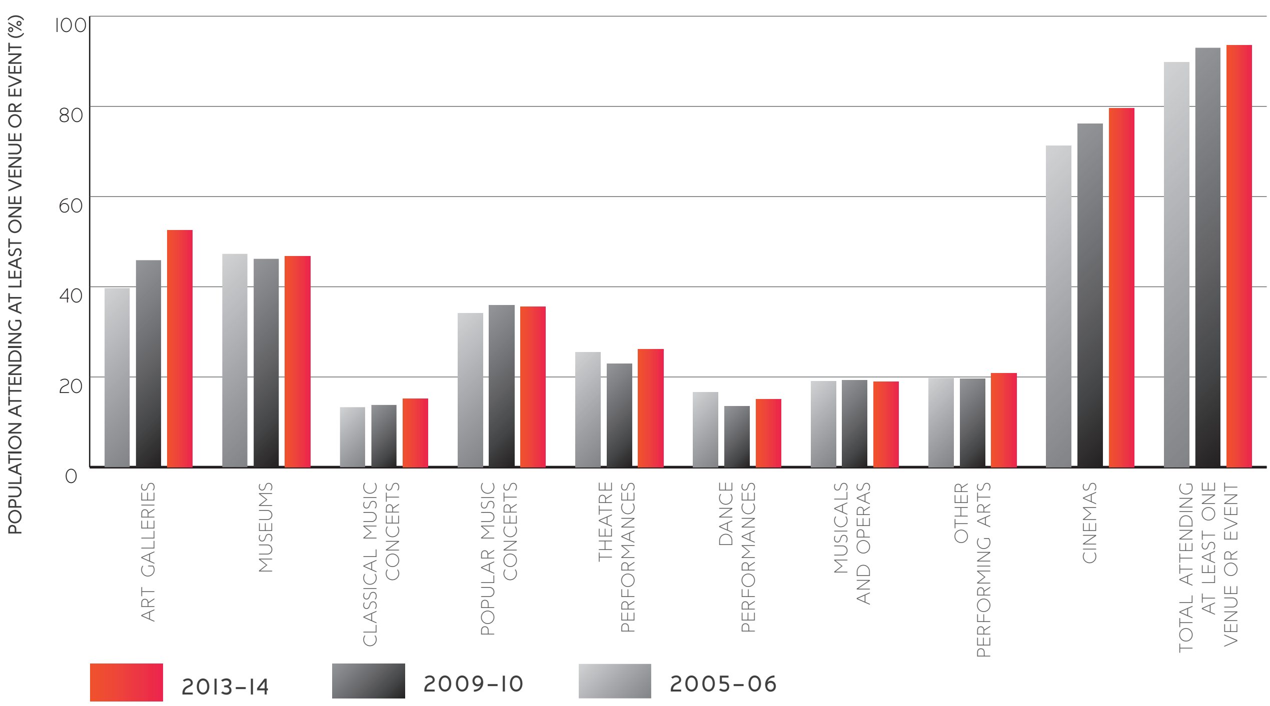
3 It should be noted that much of the data for the very detailed level of spending groups is subject to high relative standard errors and should be used with caution.

FIGURE 7 – ATTENDANCE AT CULTURAL VENUES AND EVENTS



Source: ABS 4114.0

FIGURE 8 – ATTENDANCE AT CULTURAL VENUES AND EVENTS, 2005–2014



Source: ABS 4114.0

Figure 7 compares attendance rates for the ACT against the Australian average. ACT residents had higher attendance rates than the national average across each category, with attendance rates at art galleries and museums particularly higher than the national rates.

In many cases, attendance rates in the ACT have also been growing steadily, albeit slowly, over time. From 2005–06 to 2013–14, the proportion of Canberrans attending an art gallery at least once per year grew from 39.7% to 52.5%, which was the largest increase of any cultural event. The next largest increase was in the proportion of Canberrans attending the cinema at least once per year, which rose from 71.3% to 79.6% between 2005–06 and 2013–14.

Attendance rates for both classical and popular music concerts increased slightly over the same eight year period (1.9% and 1.5% respectively), while dance performances and musicals and operas saw slight declines (1.5% and 0.2% respectively).

CREATIVE INDUSTRIES

As at June 2014, there were approximately 25,000 active businesses registered in the ACT. Of these, nearly 1,200 were associated with arts or creative activities.[4] At approximately 4.7%, the proportion of creative industry businesses compared to the total business population in the ACT is consistent with the proportion across the whole of Australia.

A relatively large number of businesses can be seen in the creative artists classification, as well as design related classifications such as architecture, advertising and other design services.

More than 60% of creative industry businesses in the ACT are non-employing, and there are no businesses employing more than 200 people, meaning all could be characterised as small to medium enterprises (SMEs).[5]

Similarly, most creative industry businesses had relatively small annual turnover, with approximately 70% having an annual turnover of less than $200,000 per annum.

As shown in tables Table 3 and Table 4, below, the composition of the creative industry (by measures of size) is not drastically different to the broader makeup of industry, it is somewhat more weighted towards smaller employment and turnover levels.

TABLE 3 – ACT CREATIVE INDUSTRY BUSINESSES BY EMPLOYMENT

		Non-employing	1–19 employees	20–199 employees	200 or more employees	Total
Creative industry	Number of businesses	743	422	21	0	1,186
	Proportion of creative industry	63%	36%	2%	0%	100%
Total industry	Number of businesses	14,576	10,163	791	43	25,573
	Proportion of total industry	57%	40%	3%	0%	100%

Source: ABS #8165.0

TABLE 4 – ACT CREATIVE INDUSTRY BUSINESSES BY TURNOVER

		Zero to less than $50k	$50k to less than $200k	$200k to less than $2m	$2m or more	Total
Creative industry	Number of businesses	443	384	305	47	1,179
	Proportion of creative industry	38%	33%	26%	4%	100%
Total industry	Number of businesses	6,265	8,286	9,184	1,744	25,479
	Proportion of total industry	25%	33%	36%	7%	100%

Source: ABS #8165.0

4 Refer to Appendix C for list of industry classifications.
5 Various definitions exist for what constitutes an SME. In ACT Government policy, the defining characteristic is that the business has 200 or fewer employees.

A relatively simple indicator of an industry's economic competitiveness is the 'Location Quotient', or LQ. LQ compares a particular industry's share of local employment against that industry's share of employment in the broader economy. An industry having an LQ greater than one is likely to signal that the industry has a competitive advantage in the local economy. That is to say, the local economy is more likely to be a favourable environment for that particular industry than elsewhere in the country.

For example, consider a 'creative arts' industry sector. If 1.0% of ACT workers are employed in that sector, but nationally only 0.8% of workers are employed in that sector, then the LQ for that sector in the ACT would be equal to 1.25 (i.e. 1.0% divided by 0.8%). This would signal that the sector is relatively strong in the ACT compared to typical conditions across Australia.

Table 5 lists 36 creative industry sectors with their LQ in the ACT. Using data from the 2011 Census, five of these industries were found to have an LQ greater than one, including arts education; TV broadcasting; radio broadcasting; jewellery and silverware manufacturing; and museum operation.

In aggregate, the combined creative industries have an LQ of approximately 0.9 in the ACT, suggesting that the ACT does not have a competitive advantage in these sectors. This is not unexpected, given the very high concentration of public administration jobs in the ACT, which can have the effect of 'crowding out' other industries.

Table 5 also lists the net profit ratio for small businesses in each industry. These are benchmarks published by the Australian Taxation Office (ATO) for a typical small business and are not specifically for ACT businesses. The net profit ratio indicates the profitability of businesses, by comparing the level of after-tax profits to total sales. That is, a higher net profit ratio indicates higher profitability for businesses in that industry.

TABLE 5 – ACT CREATIVE INDUSTRY BUSINESSES BY EMPLOYMENT RANGE

	Businesses	Employed	LQ	Net profit ratio
Advertising Services	101	327	0.50	40%
Architectural Services	198	664	0.90	49%
Arts Education	37	466	1.23	24%
Book and Magazine Wholesaling	3	9	0.15	46%
Book Publishing	18	47	0.36	32%
Cable and Other Subscription Broadcasting	0	21	0.30	21%
Clothing Manufacturing	24	89	0.27	20%
Creative Artists, Musicians, Writers and Performers	184	354	0.80	36%
Cut and Sewn Textile Product Manufacturing	12	55	0.34	21%
Entertainment Media Retailing	7	85	0.79	15%
Footwear Manufacturing	0	9	0.25	35%
Free-to-Air Television Broadcasting	0	440	1.44	46%
Internet Publishing and Broadcasting	26	22	0.44	46%
Jewellery and Silverware Manufacturing	15	208	2.50	24%
Leather Tanning, Fur Dressing and Leather Product Manufacturing	3	0	0.00	21%
Magazine and Other Periodical Publishing	17	61	0.35	22%
Motion Picture and Video Distribution	3	5	0.35	23%
Motion Picture and Video Production	58	58	0.31	
Motion Picture Exhibition	0	193	0.90	31%
Museum Operation	4	1,116	6.83	13%
Music and Other Sound Recording Activities	7	3	0.16	37%
Music Publishing	0	0	0.00	0%
Newspaper and Book Retailing	75	468	0.88	8%
Newspaper Publishing	6	420	0.82	24%
Other Specialised Design Services	168	330	0.68	36%
Paper Stationery Manufacturing	3	15	0.16	19%
Performing Arts Operation	14	57	0.48	29%
Performing Arts Venue Operation	3	52	0.71	24%
Post-production Services and Other Motion Picture and Video Activities	9	8	0.30	49%
Printing (including the Reproduction of Recorded Media), nfd	42	0	0.00	20%
Printing Support Services	7			27%
Professional Photographic Services	91	115	0.57	36%
Radio Broadcasting	0	197	1.65	31%
Reproduction of Recorded Media	3	5	0.12	42%
Software Publishing	27	7	0.46	60%
Video and Other Electronic Media Rental and Hiring	14	115	0.70	16%
Total	1,179	6,021	0.89	

Source: ABS #8165. (business counts), ABS 2011 Census (employment), CMTEDD calculations based on 2011 Census (LQs), ATO industry benchmarks (profit and wage ratios)

ART AND CULTURE AS AN ECONOMIC CATALYST

Aside from their direct economic contribution, the arts and creative industries play an important, though not always obvious, role in supporting broader economic growth. Of particular relevance at to Canberra's economy at this point in time are the role of art in the growth of modern economies; the ability of art to create attractive cities in which to live; and art and culture's ability to induce tourist visitations.

INNOVATION AND GROWTH

Research shows that one of the most important drivers of job creation and economic growth is an ability to innovate.[6] This is reflected in the ACT Government's business development strategy, which includes accelerating innovation as one of three strategic imperatives for growing Canberra's economy.

While there are many factors that influence or enable innovation, art is increasingly being recognised for the role it plays in fostering creative thinking, even in fields such as Science, Technology, Engineering and Maths (STEM), which are increasingly important to modern knowledge economies. For example, research undertaken at Michigan State University in 2013 found that not only did graduates in the STEM fields have higher degrees of participation in arts and crafts than the average American, but that "exposure to a wide variety of arts and crafts differentiated the most entrepreneurial [STEM graduates] from the rest". [7]

Furthermore, economies that have a high level of creative activity may be more resilient and capable of dealing with economic change in the face of technological advancement than those that are not. A recent study by the UK's National Endowment for Science, Technology and the Arts (NESTA) compared the degree of creativity required for a detailed set of occupations with the probability of each occupation being computerised or automated.[8] NESTA's analysis supported a conclusion that despite the increasing potential for jobs to be automated, there is an inverse relationship between the degree of creativity required for an occupation and the risk of that occupation becoming automated.

The latest version of the ACT Government's business development strategy, released in May 2015, explicitly recognises the importance of arts and creative industries to Canberra's future as a leading knowledge economy.

ATTRACTIVE CITIES

Similar to its relationship to innovation, arts plays an important, yet sometimes difficult to quantify, role in the economic competitiveness of a city through its ability to create interesting and vibrant neighbourhoods. This relationship was articulated by Arts Victoria in their 2008 report on *The Role of Culture and Arts in Liveability*[9].

While attributes such as a vibrant cultural scene may not necessarily be as important as other factors, such as good employment prospects or a high standard of living (see the Property Council/Auspoll annual 'My City' survey[10]), providing an attractive and interesting place to live is nonetheless an important factor in attracting and retaining talented migrants.

Migration (whether interstate or international) accounts for approximately 40% of the ACT's population growth. Therefore, Canberra's ability to continue attracting people from around Australia or the world is an important issue for our ongoing growth and development.

6 http://www.nesta.org.uk/sites/default/files/vital-six-per-cent.pdf
7 http://www.researchgate.net/profile/Robert_Root-Bernstein/publication/258134674_Arts_and_Crafts_Critical_to_Economic_Innovation/links/00b495282446bdee66000000.pdf
8 http://www.nesta.org.uk/sites/default/files/creativity_vs._robots_wv.pdf
9 http://creative.vic.gov.au/Research_Resources/Research_Reports/The_Role_of_Arts_and_Culture_in_Liveability
10 http://www.propertyoz.com.au/library/My_City_2014.pdf

Art is also often said to play an important role in urban renewal/regeneration programs. Charles Landry explains the role culture in the evolution of cities in his 2014 reflection on Canberra:

> *"Culture becomes a competitive tool that is used to encourage urban regeneration and revitalisation…Activating street life and promoting festivals becomes part of the cultural repertoire. Urban tourism increasingly becomes an economic sector. At the same time, community driven arts projects proliferate as part of a growing movement of engagement and inclusion".*[11]

Whether the success of urban renewal projects can be provably attributed to the involvement of art remains open for open for debate in the academic literature. At least anecdotally, the local success of urban revitalisations in places such as Braddon and New Acton has been linked to the integration of the arts and cultural sectors in those communities.

TOURISM

Arts and cultural activities are recognised for their ability to drive tourist visitations, particularly in the domestic traveller market. The economic value of this contribution is not necessarily captured within the "arts sector", as spending will be reflected in accommodation, restaurants, retail and so on. However, the arts sector is part of what attracts visitors (and their spending) to a particular destination.

The value of this type of tourism has been explored in past papers such as the Cultural Ministers' Council Statistics Working Groups *Cultural Tourism in Regions of Australia report* in 2005.[12] More recent research undertaken by Tourism Research Australia (TRA) in 2013 included a survey of what regional events Australians had attended in the previous two years. [13]

The research found that:

- 8% had visited a regional music event, festival;
- 6% had visited a regional art exhibition;
- 5% had visited a regional cultural event or festival;
- 5% had visited a regional theatrical production or show; and
- 4% had visited a regional "quirky or unusual event".

Another TRA research project in 2014 examining visitor perceptions of the ACT, reported that "arts and culture was rated as the strongest of the four pillars [of tourist experiences] and has the most potential as a driver of visitation".[14] The report noted that Canberra's reputation for hosting world class art exhibitions created strong appeal, although markets and events were also identified as attractive factors.

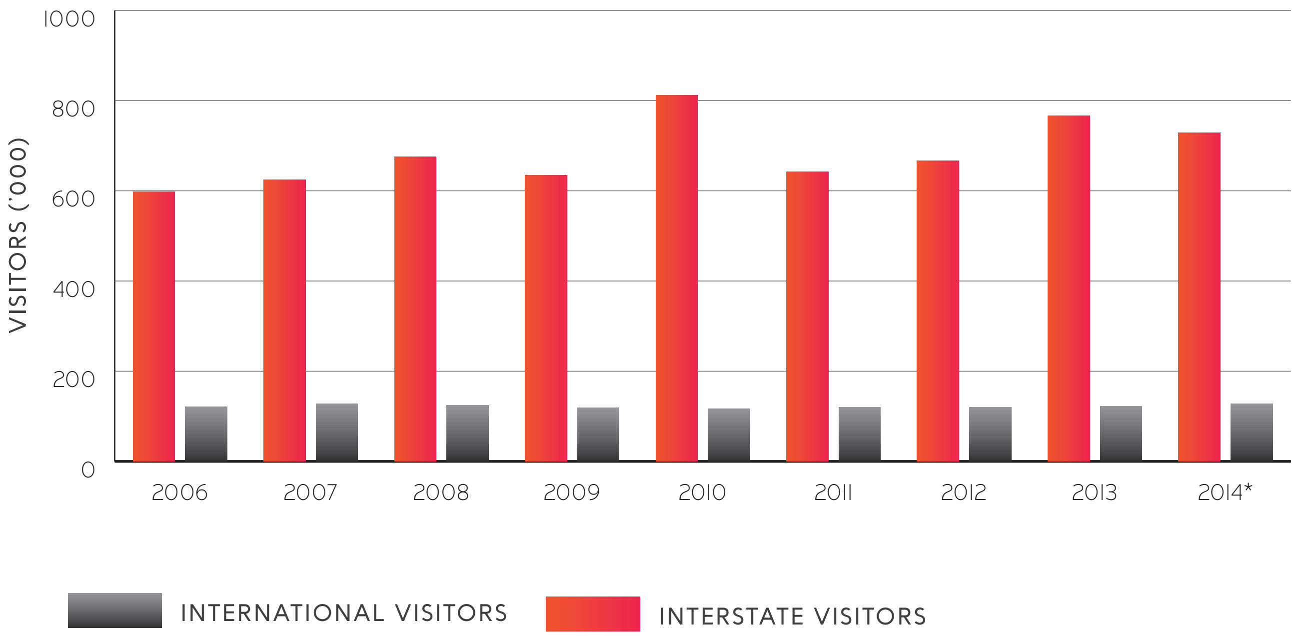
The same report ranked Canberra's appeal with regards to art and culture against other capital cities including Melbourne, Hobart and Sydney. Canberra's appeal was scored poorly by those who had not recently visited the ACT, but ranked above Hobart and Sydney (and almost equal with Melbourne) for appeal by those who had recently visited the ACT. These findings point to a high quality, but poorly understood, artistic and cultural tourism experience in the ACT.

Data from TRA's International Visitor Survey (IVS) National Visitor Survey (NVS) can be used to measure the number of "cultural visitors" (defined as visitors that participated in three or more cultural activities during their trip) to the ACT each year. Figure 9 shows that from 2006 onwards, there has been an average of 122,000 international cultural visitors to the ACT each year, plus an average of 683,000 domestic cultural visitors per year.

Although the number of international cultural visitors to the ACT has remained relatively constant over the period shown below, interstate cultural visitors have grown by an average 3.4% per year from 2006 to 2014.

11 http://www.maryannewaldren.com.au/f.ashx/FINAL-Landry-Report-The-Collaborative-Imperative_final_online.pdf
12 http://culturaldata.arts.gov.au/sites/www.culturaldata.gov.au/files/Cultural_tourism_in_regions_of_Australia.pdf
13 http://tra.gov.au/documents/DVS_Events_-_Drivers__of__Regional_Tourism_FINAL_04082014.pdf
14 http://tra.gov.au/documents/Visitor_perceptions_of_the_ACT_Aug2014_FINAL.pdf

FIGURE 9 – CULTURAL VISITORS TO THE ACT, 2006–2014



Source: Unpublished TRA data

TRA has provided modelled visitor and expenditure data for in year ending September 2014. It is estimated that total expenditure by international cultural visitors was worth approximately $264m. For domestic (interstate) cultural visitors, total expenditure was estimated to be approximately $592m.

There are caveats regarding these data and it should be noted that these expenditure figures refer to total spending by visitors on their trip. That is, not all spending is on cultural activities and not all spending necessarily occurred in the ACT (for example, if the visitor travelled to other regions).

TABLE 6 – ESTIMATED EXPENDITURE BY INTERNATIONAL AND DOMESTIC CULTURAL VISITORS (YEAR ENDING SEPTEMBER 2014)

Cultural visitors	$ million
Interstate visitors	591.7
International visitors	263.8
Total	855.5

Source: Unpublished TRA data

ARTS EDUCATION

As outlined previously, one of the more prominent creative industry classifications according to employment size and LQ is Arts Education. It represents a nexus between the arts and the ACT's broader business development strategy, which places a high importance on the higher education sector as a driver of growth and diversification for Canberra's economy.[15]

Arts education in Canberra is delivered by tertiary institutions such as the Australian National University (ANU) and University of Canberra (UC) as well as vocational institutions including the Canberra Institute of Technology (CIT) and Academy of Interactive Entertainment (AIE).

Across these institutions, courses are offered in fields such as literature, television, radio, film, visual arts and crafts, design, music, photography, game design and programming, sound engineering and recording. A list of courses offered is included at Appendix B.

In the tertiary sector in 2013, the ACT had 2,232 creative arts students at UC and ANU (1,502 and 695 respectively). This represented 6% of higher education students studying at the ANU and UC and 2.5% of all creative arts students studying in Australia.

A typical tertiary student spends approximately $20,000 per annum on non-course fee expenses (i.e. living costs and costs related to studying). Therefore, the presence of 2,232 creative arts students in Canberra is estimated to contribute roughly $45m in spending to the ACT economy each year.[16]

In the vocational sector, the ACT had approximately 840 students in the creative arts field in 2013. This was equivalent to approximately 1.8% of vocational creative arts students in Australia in that year. Assuming vocational students have the same general living and study expenses as tertiary students, the ACT's 800 vocational creative students would contribute approximately $17m in spending to the ACT economy each year.

15 http://www.business.act.gov.au/strategy

16 Mean expenditure for full-time domestic and international students as at 2012 https://www.universitiesaustralia.edu.au/news/commissioned-studies/Australian-University-Student-Finances-in-2012#.VWaUStyUd8E

APPENDIX A: EXAMPLES OF CANBERRA'S ARTS SPACES AND FESTIVALS

2015 FRINGE FESTIVAL – FEBRUARY

The Fringe Festival is held in conjunction with the National Multicultural Festival showcases the diversity of alternative contemporary arts, particularly multicultural and cross-cultural arts created and produced in the ACT; and encourages the participation of local arts and cultural organisations.

The National Multicultural Festival is a celebration of the ACT's Multicultural and Indigenous communities. It is a sharing of culturally diverse traditions, dance, food, performances, exhibitions and concerts and has been in operation for over fifteen years. In 2014, more than 250,000 people attended the festival weekend.

ART, NOT APART IS A LITTLE FESTIVAL FOR THE ARTS – 14 MARCH 2015

Exhibitions, performances, installations, strange interventions, street food, cafes and a dance party are held throughout the beautiful New Acton precinct, Westside (shipping container village), Acton beach with an Art Walk between.

The theme of the festival is to use art as a cohesive force to break down barriers and draw out connections in society.

YOU ARE HERE FESTIVAL – 18–22ND MARCH 2015

Welcome to You Are Here 2015! – five years old this year…

YAH is a rare space in which artists truly get to experiment with new ideas and take risks with their work. In partnership with first timers *Noted Festival*, an experimental writers festival the likes of which Canberra has never seen before.

5 full days of theatre, dance, visual art, music, performance, spoken word and everything else that can't be so easily classified.

STEP INTO THE LIMELIGHT – THE ACT'S LARGEST YOUTH ARTS EVENT.

Step into the Limelight is the ACT Department of Education's and Training Directorate major arts showcase event for public schools. It began in 2007 and has grown to become the largest youth performing Arts showcase event in the ACT. More than 1,600 students from over 65 public schools from Pre School to Year 12 work closely with professional artists, tertiary institutions and arts organisations to develop outstanding artistic works for the show. The performance is held at the AIS Indoor Arena.

The aims of Step into the Limelight are:

- Promote ACT Public education through the Creative Arts
- Provide enriched learning experiences for students
- Provide quality teacher professional development through collaboration
- Showcase a range of quality art works inclusive of all school sectors

Step into the Limelight will involve three events:

- Art Exhibition held at the ANU School of Art Gallery 27 July – 8 August 2015
- Short Film Festival 2015 held at the Palace Electric Cinema, New Acton on 18 August.
- Gala Performance held at AIS Arena 27–28 August 2015

Schools are invited to nominate a performance in Drama, Dance and Music which explores the theme (LIGHT) for the Gala Showcase. The show looks to provide a balance of work that showcases the very best of Primary Schools, High Schools and Colleges.

WEEREEWA FESTIVAL: THE NGUNNAWAL NAME FOR LAKE GEORGE

A biennial festival of Lake George was founded in 1999 to celebrate this magnificent ancient landscape in arts and environmental science activities and events. The 2014 festival ran from February until the end of March with a wide range of events showcasing regional excellence in arts and culture – visual arts, dance, writing, music, cuisine and viticulture – with some focussed on the environment itself. This includes getting out on the Lake on foot and by bicycle.

FASHFEST 2015

Returning for its third year, the May 13–15 event will showcase more than 30 designers and Fashfest producer Steve Wright said the line-up represents a maturing of the event.

"When we started Fashfest in the centenary year, our whole reason for doing what we did was about demonstrating there is significant design talent in Canberra and I think we've done that now," he said.

"Now we're also taking designers from other parts of the world that are probably a little bit more conceptual and a little bit more intellectual in their approach to design, and then placing them here in Canberra."

Each night opens with a graduate designer from CIT providing a debut opportunity for newcomers such as MAAK, Mimetic, Illusory Cog, Little Jane Lane and Ziyah. The line up includes local labels: Assemblage Project, Rockstars and Royalty, Braddon Tailors, BMdesignsheadwear, Perpetually Five, Recollection and Corr Blimey.

DESIGN CANBERRA MAKES ITS MARK – INAUGURAL FESTIVAL, NOVEMBER 2014

DESIGN Canberra is a Craft ACT initiative about creating time for cross pollination of ideas about economic growth, sustainability, cultural and social well-being. Conversations about these subjects flow between our critical thinkers, entrepreneurs, national cultural institutions, tertiary institutions, industry, local cultural organisations, government and individual artists and designers. DESIGN Canberra 2014 successfully brought these sectors together, facilitating new and inspirational dialogues. The exhibitions were a must see showcasing some of Canberra's best artists and designers.

The 'design hub' was an inspiring venue of exhibitions and events held over the four days of Design Canberra. It was a venue for public interaction with designers holding floor talks, master classes, information sessions and lectures. The studio spaces showcase the multiple design professions, the design process and the wide range of products that are produced here in Canberra.

The Design Institute of Australia represents a range of design professions including; digital media, fashion, furniture, graphic, industrial, interior, jewellery and textile design.

The 14th Australian Ceramics Triennale will be hosted in Canberra in 2015.

IMAGINARIUM FESTIVAL 9 & 11 APRIL GORMAN ARTS CENTRE

CYT in partnership with ACT Writers Centre and QL2 present a 3-day Festival of Storytelling for young people aged 7 – 13yrs.

IMAGINARIUM is a three-day festival of storytelling for primary students, featuring CYT's first ever 24-hr Production Project by our young artists, headline workshops from acclaimed children's author, Kate Forsyth (The Impossible Quest series) and headline performances by renowned Australian Puppeteer, Marianne Mettes (Sesame Street, PuppetOOdle).

Engage in a hive of performances, author talks, and idea generations. Participate in improvisations, creative writing, dance, puppetry, filmmaking, illustration, zine and imaginative play workshops. For those looking for a challenge, step up and get involved in our 24-hr Production Project!

During Imaginarium, artists (7 – 13yrs) will have 24 hours to write, audition, cast, direct, design, build, rig lights and rehearse a brand new World Premiere production, ready to perform for family, friends and public as the festival finale on Saturday night!

LONSDALE STREET TRADERS

Lonsdale Street Traders has helped give Braddon a new edge, by showcasing locally made, vintage and specialty imports. It was the place to find a unique gift, meet for a coffee over a vegan muffin, discover local designers. The rawness of the space helped it become something special and different.

The Traders was also the birth of the pop-up shop front in Canberra. The turnover of new popups guaranteed with all most every visit there would be a new shop to explore. It's given some retailers an opportunity to get on their feet before seeking out more long term digs a rare thing that not a lot of small business owners get to do.

APPENDIX B: ARTS COURSES OFFERED IN CANBERRA

	Canberra Institute of Technology	Academy of Interactive Entertainment	University of Canberra	Australian National University
Art And Design	Visual arts, graphic and interior design, photography, media and music	Advanced Diploma of Professional Game Development	Bachelor of Arts in Architecture	Graduate Certificate of Arts
	Advanced Diploma – Graphic Design		Bachelor of Web Design and Production	Master of Visual Arts
	Advanced Diploma – Creative Product Development		Bachelor of Industrial Design	Bachelor of Art History and Curatorship
	Advanced Diploma – Interior Design		Bachelor of Interior Architecture	Master of Art History and Curatorial Studies
	Diploma – Visual Arts		Bachelor of Landscape Design	Master of Digital Arts
	Diploma – Interior Design and Decoration		Bachelor/Diploma of Design	Bachelor of Design Arts
	Diploma – Graphic Design		Bachelor of Graphic Design	Bachelor of Visual Arts
	Certificate IV – Visual Arts		Bachelor of Writing	
	Certificate IV – Interior Decoration			
	Certificate III – Design Fundamentals			
	Statement of Attainment – Graphic Design Professional Practice			
	Diploma – Building Design			
Fashion	Diploma – Applied Fashion Design and Technology			
	Certificate III – Millinery			
	Certificate III – Clothing Production			
Media	Advanced Diploma – Screen and Media	Certificate II in Creative Industries (Media)	Bachelor of Film Production	
	Diploma – Screen and Media	Certificate III in Media	Bachelor of Media Arts and Production	
	Certificate IV – Interactive Digital Media	Advanced Diploma of Screen and Media	Bachelor of Communication in Advertising	
	Certificate IV – Screen and Media	Certificate II in Information, Digital, Media and Technology		
	Certificate III – Media	Certificate III in Information, Digital, Media and Technology		
Photography	Diploma – Photo Imaging	Bachelor of Games and Virtual Worlds		
	Certificate IV – Photo Imaging			
	Statement of Attainment – Digital Photographic Practices			

	Canberra Institute of Technology	Academy of Interactive Entertainment	University of Canberra	Australian National University
Music	Advanced Diploma – Music (Sound Production)			Bachelor of Music performance
	Advanced Diploma – Music			Bachelor of Creative musicianship (including composition or improvisation)
	Diploma – Music (Sound Production)			Bachelor of Musicology (including ethnomusicology)
	Diploma – Music			Masters in Music performance for a selected range of instruments
	Certificate IV – Music (Business)			Masters in Music composition, arranging and sound design
	Certificate IV – Music			Masters in Musicology, ethnomusicology and music curatorship
	Certificate IV – Music (Sound Production)			
	Certificate III – Music (Technical Production)			
	Certificate III – Music			
	Statement of Attainment – Music (Pro Tools 101)			
	Statement of Attainment – Music (Operating Sound Equipment)			
	Statement of Attainment – Game Audio			
	Statement of Participation – Pro Tools 201			

APPENDIX C: CREATIVE INDUSTRY CLASSIFICATIONS

ANZSIC code	Label	Included by SGS	Included by ACLC	This paper
0191	Horse farming		Y	
–	Information Media and Telecommunications, nfd	Y		Y
1320	Leather tanning, fur dressing and leather product manufacturing		Y	Y
1333	Cut and sewn textile product manufacturing		Y	Y
1351	Clothing manufacturing (inc knitted fabric)		Y	Y
1352	Footwear manufacturing		Y	Y
1523	Paper stationery manufacturing		Y	Y
1611	Printing		Y	Y
1612	Printing Support Services	Y		Y
1620	Reproduction of recorded media		Y	Y
1891	Photographic chemical product manufacturing		Y	Y
2312	Motor vehicle body and trailer manufacturing		Y	
2392	Boatbuilding and repair services		Y	
2411	Photographic, optical and ophthalmic equipment manufacturing		Y	
2421	Computer and electronic office equipment manufacturing		Y	
2429	Other electronic equipment manufacturing		Y	
2591	Jewellery and Silverware Manufacturing	Y		Y
2592	Toy, sporting and recreational product manufacturing		Y	
2599	Other manufacturing n.e.c.		Y	
3020	Non-residential building construction		Y	
3109	Other heavy and civil engineering construction		Y	
3492	Computer and computer peripheral wholesaling		Y	
3494	Other electrical and electronic good wholesaling		Y	
3499	Other machinery and equipment wholesaling n.e.c.		Y	
3503	Trailer and other motor vehicle wholesaling		Y	
3712	Clothing and footwear wholesaling		Y	
3734	Toy and sporting goods wholesaling		Y	
3735	Book and magazine wholesaling		Y	Y
3739	Other goods wholesaling n.e.c.		Y	
3800	Commission-based wholesaling		Y	
3913	Trailer and other motor vehicle retailing		Y	
4221	Electrical, electronic and gas appliance retailing		Y	
4222	Computer and computer peripheral retailing		Y	
4241	Sport and camping equipment retailing		Y	
4242	Entertainment media retailing		Y	Y
4243	Toy and game retailing		Y	
4244	Newspaper and book retailing		Y	Y
4245	Marine equipment retailing		Y	
4251	Clothing retailing		Y	
4252	Footwear retailing		Y	
4273	Antique and used good retailing		Y	
4279	Other store-based retailing n.e.c.		Y	
4310	Non-store retailing		Y	

ANZSIC code	Label	Included by SGS	Included by ACLC	This paper
4320	Retail commission-based buying and/or selling		Y	
4400	Accommodation		Y	
4511	Cafes and restaurants		Y	
4520	Pubs, taverns and bars		Y	
4530	Clubs (hospitality)		Y	
4610	Road freight transport		Y	
4621	Interurban and rural bus transport		Y	
4820	Water passenger transport		Y	
5010	Scenic and sightseeing transport		Y	
5029	Other transport n.e.c.		Y	
5219	Other water transport support services		Y	
5400	Publishing (except Internet and Music Publishing), nfd	Y		Y
5410	Newspaper, Periodical, Book and Directory Publishing, nfd	Y		Y
5411	Newspaper Publishing	Y	Y	Y
5412	Magazine and Other Periodical Publishing	Y	Y	Y
5413	Book Publishing	Y	Y	Y
5420	Software Publishing	Y	Y	Y
5500	Motion Picture and Sound Recording Activities, nfd	Y		Y
5510	Motion Picture and Video Activities, nfd	Y		Y
5511	Motion Picture and Video Production	Y	Y	Y
5512	Motion picture and video distribution		Y	Y
5513	Motion picture exhibition		Y	Y
5514	Post-Production Services and Other Motion Picture and Video Activities	Y	Y	Y
5521	Music publishing		Y	Y
5522	Music and other sound recording activities		Y	Y
5600	Broadcasting (except Internet), nfd	Y		Y
5610	Radio Broadcasting	Y	Y	Y
5620	Television Broadcasting, nfd	Y		Y
5621	Free-to-Air Television Broadcasting	Y		Y
5622	Cable and Other Subscription Broadcasting	Y		Y
5700	Internet Publishing and Broadcasting	Y	Y	Y
5910	Internet service providers and web search portals		Y	
5921	Data processing and web hosting services		Y	
6010	Libraries and archives		Y	
6619	Other motor vehicle and transport equipment rental and hiring		Y	
6620	Farm animal and bloodstock leasing		Y	
6632	Video and other electronic media rental and hiring		Y	Y
6639	Other goods and equipment rental and hiring n.e.c.		Y	
6921	Architectural Services	Y	Y	Y
6924	Other Specialised Design Services	Y	Y	Y
6925	Scientific testing and analysis services		Y	

ANZSIC code	Label	Included by SGS	Included by ACLC	This paper
6940	Advertising Services	Y	Y	Y
6962	Management advice and related consulting services		Y	
6991	Professional Photographic Services	Y	Y	Y
6999	Other professional, scientific and technical services n.e.c.		Y	
7000	Computer System Design and Related Services	Y		
7211	Employment placement and recruitment services		Y	
7212	Labour supply services		Y	
7299	Other administrative services n.e.c.		Y	
7313	Gardening services		Y	
7712	Investigation and security services		Y	
8211	Sports and physical recreation instruction		Y	
8212	Arts education		Y	Y
8910	Museum operation		Y	Y
8921	Zoological and botanical gardens operation		Y	
8922	Nature reserves and conservation parks operation		Y	
9000	Creative and Performing Arts Activities, nfd	Y		Y
9001	Performing Arts Operation	Y	Y	Y
9002	Creative Artists, Musicians, Writers and Performers	Y	Y	Y
9003	Performing arts venue operation		Y	Y
9111	Health and fitness centres and gymnasia operation		Y	
9112	Sports and physical recreation clubs, and sports professionals		Y	
9113	Sports and physical recreation venues, grounds and facilities operation		Y	
9114	Sports and physical recreation administrative service		Y	
9121	Horse and dog racing administration and track operation		Y	
9129	Other horse and dog racing activities		Y	
9131	Amusement parks and centres operation		Y	
9139	Amusement and other recreation activities n.e.c.		Y	
9201	Casino operation		Y	
9202	Lottery operation		Y	
9209	Other gambling activities		Y	
9429	Other machinery and equipment repair and maintenance		Y	
9499	Other repair and maintenance n.e.c.		Y	
9520	Funeral, crematorium and cemetery services		Y	
9539	Other personal services n.e.c.		Y	
9540	Religious services		Y	
9551	Business and professional association services		Y	
9552	Labour association services		Y	
9559	Other interest group services n.e.c.		Y	

ACT Government

CANBERRA