

## AUSTRALIAN MAJOR PERFORMING ARTS GROUP



Transitioning Regional Economies Inquiry  
Productivity Commission  
Locked Bag 2, Collins St East  
Melbourne Vic 8003

31 July 2017

Dear Sir/ Madam

Re: Transitioning Regional Economies Inquiry

The Australia Major Performing Arts Group, AMPAG ([see appendix 1](#)) understands the purpose of the inquiry is to; *'devise an analytical framework for assessing the scope for economic and social development in regions which share similar economic characteristics, including dependency on interrelationships between regions.'*

The study seeks to establish a framework to identify not only those regions under distress, that lack resilience, but to measure characteristics or elements that, if nurtured or created, could deliver better longer-term prospects for the region and most importantly for the individuals within it.

AMPAG submits that measuring characteristics of arts and cultural making and engagement across regional communities will provide valuable insight into factors impacting communities' social and economic resilience and adaptability.

The initial report proposes a framework consisting of three areas of inquiry;

1. Economic performance over time

An analytical framework for assessing the scope for economic and social development in regions, examining prospects for, and inhibitors to, change to the structure of regional economies.

2. Single economic metric of relative adaptive capacity

A summary of the complex set of factors, including the skills and education of regional workforces, access to infrastructure and services, availability of natural resources, financial resources available to business owners and individuals, and the diversity of industries. A relative measure, derived using data across all regions.

### 3. Framework for economic and social development

A policy framework to assess the scope for economic and social development in regions and the factors that may inhibit adaptation to changing circumstances. Governments should focus on the people who reside in regions — both urban and non-urban — rather than the geographical areas themselves.

The arts sector is often misconstrued as an 'entertainment' or 'lifestyle' leisure sector. The reality is very different—performing arts are labour-intensive, generating significant employment and stimulating secondary economic activity. However, the positive contribution of the arts to social and economic activity is more complex.

#### Arts and Culture- diversity of impacts

The arts increase wellbeing, connectedness and vibrancy in communities, improve health, have the capacity to effectively engage marginalised or disadvantaged groups as well as stimulate stronger learning outcomes in students. They contribute to the development of higher order thinking, creativity and insight that can inspire people with new ways of seeing our world and each other. In a race to build a resilient creative and innovative workforce the capacity of the arts to underpin creativity and interconnections across communities is yet to be fully realised.

A study published in October 2015 by the European Commission on the spillover effects of the arts, culture and creative industries, evaluated surveys, analyses, case studies, literature reviews etc. It found:<sup>1</sup>

Knowledge spillovers	Industry spillovers	Network spillovers
Stimulating creativity and encouraging potential	Improved business culture and boosting entrepreneurship	Building social cohesion, community development and integration
Increasing visibility, tolerance and exchange between communities	Impacts on residential and commercial property markets	Improving health and wellbeing
Changing attitudes in participation and openness to the arts	Stimulating private and foreign investment	Creating and attractive ecosystem and creative milieu, city branding and place making
Increase in employability and skills development in society	Improving productivity, profitability and competitiveness	Stimulating urban development, regeneration and infrastructure
Strengthening cross-border and cross-sector collaborations	Boosting innovation and digital technology	Boosting economic impact or clusters

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<sup>1</sup> Tom Fleming Creative Consultancy, *Cultural and creative spillovers in Europe: Report on a preliminary evidence review*, October 2015

For this reason, AMPAG recommends incorporating assessment of arts and culture characteristics of regional communities and the impact from arts and cultural policy interventions on regional capacity, in the develop an economic metric of relative adaptive capacity.

### **Recent inquiry findings:**

The House of Representatives **Inquiry into broadcasting, online content and live production to rural and regional Australia report** released in May 2016 found that;

*'The performances and interactive programs delivered by these groups (MPAs) are highly valued by these communities, and often have a profound impact on audiences and participants. They can also be an important source of inspiration for, and have a long-lasting impact on, students and local professionals. These groups, and the other performing arts companies, play a crucial role in shaping and reflecting Australia's cultural identity.'*

In addition, the recently released report by the House of Representatives Standing Committee on Employment, Education and Training **Inquiry into innovation and creativity: workforce for the new economy**, recognised the importance of creative skills and engagement. Recommendation 10 states:

*'The Committee recommends that the National Innovation and Science Agenda explicitly recognise the importance of STEAM, creative digital skills, the creative industries and the arts more generally.'*

AMPAG's submission to the Inquiry drew on a wide range of research into the role and impact of arts on creativity and on our capacity to respond to new economic realities and to develop more innovative business environments. We recommend this research to the Commission. (see [appendix 2](#) AMPAG's submission into this Inquiry– provided as a separate file).

The submission also outlines evidence confirming that arts in education significantly contributes to student welfare, school engagement and shapes the innovative capacity of a communities' future workforce and in turn economic outcomes.

### **Creative Industries**

AMPAG recognises the significant proportion of GDP generated by the creative industries not, only in Australia, but internationally (see [appendix 3](#)). There are numerous regional Australia examples that illustrate the way in which creative industries have contributed to new regional economic and social prosperity.

## **Regional Arts Australia**

AMPAG endorses the views put forward by Regional Arts Australia to the Inquiry in response to the Initial report summarised here–

- Culture should be a fundamental element of policy development for regional Australia.
- Arts, Cultural and Creative industries are big business and important drivers of the economy including providing important economic drivers for regional communities
- Research about the cultural sector has remained undiscovered by the Commission.

The Initial report lists a range of issues that impact the future strength of regional community including; social fabric, people's sense of being left behind, mobility of people, community cohesion, remoteness, adaptive capacity, skill levels and industry diversity. There is a clear body of evidence that both arts and culture carry characteristics or introduce elements that, if nurtured or created within regional communities, can contribute to delivering better longer-term prospects for the region and for the individuals within them.

AMPAG recommends the Commission investigate and include ways that the framework for regional economic and social development can incorporate arts and cultural social and economic measurements.

For further information contact

**Bethwyn Serow**

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AMPAG

[www.ampag.com.au](http://www.ampag.com.au)

## Appendix 1

### Who We are

The Australian Major Performing Arts Group, or AMPAG, is the umbrella group for Australia's major performing arts companies (MPAs) who inspire millions through theatre, circus, contemporary dance, classical ballet, classical music, opera, musicals and comedy.

MPAs engage regularly with regional communities through performance tours, education programs, arts development workshops and programs, online and arts broadcasting services.

In 2015:

- 4.1 million Australians attended a performance, school activity or workshop by an MPA company.
- The MPAs employed more than 10,900 people—including 6,800 artists and creatives. This represents around 25 per cent of performing arts employment in Australia.
- MPA companies had a turnover of \$504 million, of which 66 per cent was from non-government sources.

#### Major performing arts companies

- |                                     |  |
|-------------------------------------|--|
| 1. Adelaide Symphony Orchestra      | 15. Orchestra Victoria                       |
| 2. Australian Brandenburg Orchestra | 16. Queensland Ballet                        |
| 3. Australian Chamber Orchestra     | 17. Queensland Symphony Orchestra            |
| 4. Bangarra Dance Theatre           | 18. Queensland Theatre Company               |
| 5. Bell Shakespeare Company         | 19. State Opera South Australia              |
| 6. Belvoir New South Wales          | 20. State Theatre Company of South Australia |
| 7. Black Swan State Theatre Company | 21. Sydney Dance Company                     |
| 8. Circus Oz                        | 22. Sydney Symphony Orchestra                |
| 9. Malthouse Theatre                | 23. Sydney Theatre Company                   |
| 10. Melbourne Symphony              | 24. The Australian Ballet                    |
| 11. Melbourne Theatre Company       | 25. Tasmanian Symphony Orchestra             |
| 12. Musica Viva Australia           | 26. West Australian Ballet                   |
| 13. Opera Australia                 | 27. West Australian Opera                    |
| 14. Opera Queensland                | 28. West Australian Symphony Orchestra       |

## **Appendix 2**

AMPAG submission to :

House of Representatives Standing Committee on Employment, Education and Training –

**Inquiry into innovation and creativity: workforce for the new economy,**

provided as separate electronic file.

# A Multipolar Creative World

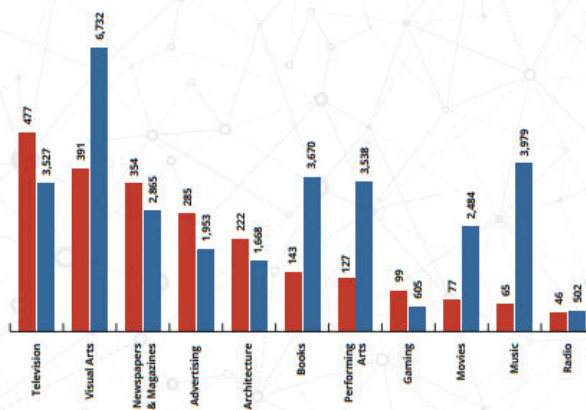
## Creators are Key Contributors to the World Economy

**US \$2,250 billion**  
Global CCI Markets

**29.5m Jobs**  
Global CCI Employment

## Global CCI Contributions by Sector:

■ Sectors by revenues (US\$ bn)  
■ Number of jobs (in '000)



## North America

- The third largest CCI market but N°1 in the consumption of digital content
- N°1 in Movies and TV content by sales
- A leader in Performing Arts
- Strong live music market

**US \$620bn**  
28%\*

**4.7m Jobs**  
16%\*\*

**US \$124bn**  
6%\*

**1.9m Jobs**  
7%\*\*

**Brazil**  
N°1 music market in Latin America

## Latin America & Caribbean

- TV is king in this region and generates one third of all CCI revenues
- Argentina and Colombia are in the world top 5 exporters of TV programs
- Film is a key industry in Argentina, Brazil & Mexico
- Over 400 films produced there per year

## Europe

- The second largest CCI market and N°1 in advertising
- A unique concentration of heritage monuments, over 5,500 art schools, 7 of the worlds most visited museums
- Industry leaders: Universal Music Group, Publicis, WPP, Pearson, Axel Springer, Vivendi, Ubisoft, Hachette

**US \$709bn**  
32%\*

**7.7m Jobs**  
26%\*\*

**US \$58bn**  
3%\*

**2.4m Jobs**  
8%\*\*

**Nollywood**  
Annual Film Production: 2,000

**Bollywood**  
Annual Film Production: 3,000

## Africa & Middle East

- A cultural mosaic spurred by linguistic diversity, fast growing, young and connected population
- African music fuels popular music in Europe and Americas
- TV is Africa's n°1 CCI
- The film industry is growing fast

## Asia-Pacific

- Number one CCI market with the largest consumer base and a booming middle class
- N°1 in Gaming
- N°1 in Architecture
- N°2 in Movies

**US \$743bn**  
33%\*

**12.7m Jobs**  
43%\*\*

**Japan**  
Yomiuri Shimbun newspaper sells 10m copies a day

Source: Cultural Times - The First Global Map of Cultural and Creative Industries, EV, December 2015 / \* % of global CCI revenues \*\* % of global CCI jobs

