



15 September, 2017

Select Committee on Regional Development and Decentralisation  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Chair

**Reference: Regional Arts Australia Submission to Inquiry**

Regional Arts Australia (RAA) appreciates the opportunity to contribute to the Inquiry on Regional Development and Decentralisation.

In this submission we particularly address the first of the Inquiry Terms of Reference, namely the critical contribution of arts and culture in best practice approaches to regional development.

RAA has consulted with its member associations in preparing the submission.

Yours sincerely

John Oster  
Executive Director

## Introduction

We wish to establish the case for arts and culture as a driver of sustainable, resilient and healthy communities everywhere, and particularly in regional communities.

We submit the following:

1. We regard the role of the arts to be an important catalyst for healthy and sustainable regional communities by providing resources for creativity and community engagement. There are implications here for attracting and retaining regional populations.
2. Arts, culture and creative industries are big business and important drivers of the economy. There is significant data to support the notion that arts and culture provide important economic stimulus for vibrant regional communities.
3. Focussed research about the impact of the arts in regional Australia indicates important social benefits for regional Australians.
4. Arts resources are a catalyst for leveraging additional income and support for communities.
5. Given the important role the Regional Arts Fund plays in supporting resilient and healthy communities, we recommend the value of the fund be increased to \$22m over four years.

### About Regional Arts Australia

Regional Arts Australia (RAA) is the peak organisation representing the arts in regional Australia. We promote the importance of the arts as a key driver in creating vibrant and sustainable regional communities. We believe arts and culture enrich the lives of regional Australians, and build innovative and creative communities.

RAA has served regional Australia for almost 70 years and we provide national reach and national impact to resource and promote regional arts and culture in collaboration with our members, the state-based Regional Arts Organisations.

Regional artists are renowned for their artistic and creative excellence. One in three people in Australia live in regional Australia and their arts and cultural contributions have a national impact. Through arts and culture, we want to broaden our national vision of the brilliance that regional, remote and very remote Australia contributes to the nation. We want to ensure that all regional and remote Australians, including Indigenous Australians, have valuable and equitable opportunities to engage with the arts. We know that access to arts and cultural experiences build aspiration, resilience and flexibility amongst our young people, and we will strive to ensure young people in the regions have access to these formative opportunities.

RAA manages the Regional Arts Fund on behalf of the Australian Government.

The objectives of the Fund are to support and promote participation in, and access to, Australia's arts and culture in regional and remote Australia by:

1. encouraging and supporting sustainable economic, social and cultural development in regional communities;
2. developing partnerships and networks which leverage financial and/or in-kind support for specific projects and encourage ongoing collaboration;
3. developing audiences and broaden community engagement with the arts; and
4. increasing employment and professional development opportunities for, and raising the profile of, regional and remote artists.

Through the Regional Arts Fund in 2012-2016 the amount of funding provided to individuals and organisations was **\$10,865,587**. The total leveraged income was estimated to be **\$28,230,714**.

The projects included funding to:

- 578 Community Grant projects
- 844 Quick Response Grants
- 30 National Strategic Projects

We submit that the Regional Arts Fund is a vital source of creative stimulus to regional communities, underpinning community wellbeing and liveability. We recommend the Regional Arts Fund be increased in value. More information about this recommendation is presented in Section 5 of this submission.

## 1. Growing and sustaining the rural and regional population base

Regional and remote places now use arts and culture to build strong communities, generate jobs, reimagine places and develop innovative infrastructure.

The Committee will be aware of recent ABS data showing significant decline in population in some key areas or regional and remote Australia.

We are mindful of Graeme Hugo's observation that, "...population is a key element and facilitator of regional development but not a simplistic cause of that development. Disregard of this has resulted in misguided and unsuccessful government investment in schemes designed to attract people to areas where there is no sustainable economic potential. However, population is an important factor in realising the potential in regions which do have resources"<sup>1</sup>.

We regard the role of the arts as being a catalyst for healthy and sustainable regional communities by providing resources for creativity and community engagement. We submit that the arts assist in drawing and retaining population in regional centres. Professionals, many of whom value the arts, are more likely to migrate to and remain in places where there is vibrant arts and cultural activity and improved regional lifestyle. This has been the case for doctors, lawyers, teachers and health professionals who are willing to move to and become part of the infrastructure of rural areas, where they can enjoy a holistic lifestyle.

This rationale has helped drive the important development of arts infrastructure. Theatres, performing art centres, galleries, libraries and other community spaces are central to bringing people together and building lifestyle and resilience. Performing and visual arts touring is also important. The creativity of artists and the experience of audiences are the fundamentals which make the arts a key driver to enliven communities. There is a notable tendency to concentrate high profile cultural infrastructure in larger regional centres. There are many recent examples to be found in Dubbo, Albury and Karratha among many others. These centres serve an important purpose and are often driven by community aspiration to attract the highest quality arts product. Their importance as venues for touring major performing arts and the touring visual art circuit is undeniable.

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<sup>1</sup> Graeme J Hugo, Population Distribution, Environment and Development in Australia. Australian Population & Migration Research Centre Policy Brief. July 2013.  
[https://www.adelaide.edu.au/apmrc/pubs/policy-briefs/APMRC\\_Policy\\_Brief\\_Vol\\_1\\_7\\_2013.pdf](https://www.adelaide.edu.au/apmrc/pubs/policy-briefs/APMRC_Policy_Brief_Vol_1_7_2013.pdf)

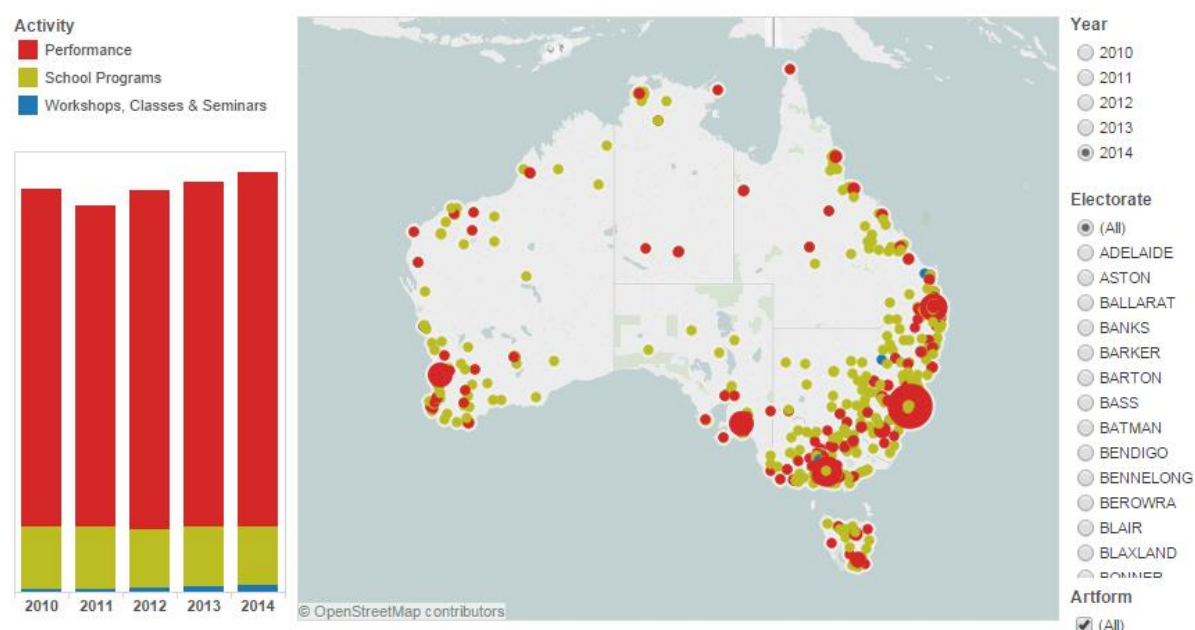
Performing Arts Connections Australia represents a wide range of community venues and presenters and their website contains a list of performing arts venues in regional Australia.

<http://www.apaca.com.au/list-of-current-apaca-members/> .

The development of regional amenities is critical in the population discussion. The 'Evolution of Australian Towns Report 136' by the Department of Infrastructure and Regional Development released in 2014 points to amenity migration, defined as the movement of people to locations perceived to have desirable attributes, usually based on non-economic considerations.

"While it is easy to assume that people have always preferred to live in desirable locations, personal transport and better communications technology, longer life expectancy and growing wealth has enabled amenity migration. A consequence has been the shifting functions within towns as they have weakened their connections with industry, particularly agriculture and mining and transitioned to an economy based on tourism, lifestyle and service provision. This has also prompted towns to introduce strategies to enhance their amenity as an avenue to promote economic growth."<sup>2</sup>

The Australian Major Performing Arts Group (AMPAG) is the umbrella group for Australia's major performing arts companies. It provides a Touring Interactive Map showing major performing arts touring to each electorate 2010 -2015.<sup>3</sup>



It is noteworthy that the Australia Council is committed to the arts in regional Australia, to foster the vitality of artists and arts organisations in regional and remote communities, and increase access for audiences. These programs support and promote the work of artists and arts organisations as well as building audiences throughout Australia, particularly in regional and remote communities. In 2015-16 the Australia Council invested \$6.5 million in the Major Performing Arts companies for

<sup>2</sup> Bureau of Infrastructure, Transport and Regional Economics, Report 136 by the Department of Infrastructure and Regional Development, 2014

<sup>3</sup> <http://www.ampag.com.au/touring-interactive-map.htm>

presentation and access to artistic work through arts touring in regional Australia. A total regional investment of \$25.8 million enriched the lives of 1.9 million people in regional areas through attendance at a performance, exhibition, schools' activity or workshops.<sup>4</sup>

## 2. The benefits of economic growth and opportunity being shared right across Australia

Arts and culture occupy a far larger place in the Australian economy than is often credited. In this section we highlight Australian Bureau of Statistics (ABS) data and research by the Regional Australia Institute about the economic value of arts and culture to GDP. We also draw the Committee's attention to the considerable economic outcomes of the Regional Arts Fund.

### ABS Data

In 2014 the ABS released data from 2008-09 demonstrating that the contribution of arts and culture to GDP equated to \$50b, or 4% of the national economy annually. This compares with Health Care and Social Assistance \$68b (5.8%) and Retail Trade \$57b (4.9%) and vastly exceeds Agriculture, Forestry and Fishing \$29b (2.5%). In addition, creative industries such as design and fashion raise this contribution to a substantial \$86b (6.9%) total for cultural and creative activity. Arts and culture is a key driver of a creative economy. It is also a key driver in creating and maintaining viable livelihoods in sustainable communities.

### Key Figures

**2008-09**

Gross Domestic Product - National Accounts Basis (\$m)(a)	
Cultural activity	50 050
Creative activity	78 332
Total for cultural and creative activity (b)	85 956
Share of Gross Domestic Product - National Accounts Basis (%) (a)	
Cultural activity	4.0%
Creative activity	6.3%
Total for cultural and creative activity (b)	6.9%
Gross Domestic Product - Satellite Accounts Basis (\$m)(a)	
Cultural activity	50 861
Creative activity	79 148
Total for cultural and creative activity (b)	86 779

(a) National accounts basis only includes activity measured in Australia's national accounts. Satellite accounts basis also includes volunteer services and non-market output of market producers.

(b) Activity included in both cultural activity and creative activity is counted only once in the total.

### Key Points

- Cultural and creative activity is estimated to have contributed \$86.0 billion (6.9%) to Australia's Gross Domestic Product (GDP) on a national accounts basis in 2008-09.

<sup>4</sup> <http://www.australiacouncil.gov.au/about/annual-report-2015-16/>

- On a satellite accounts basis, cultural and creative activity is estimated to have contributed \$86.8 billion to GDP in 2008-09.
- Volunteer services to arts and heritage organisations are estimated to have contributed \$756 million to GDP on a satellite accounts basis in 2008-09.
- It is estimated there was an average of 972,200 people during 2008-09 whose main employment was in a cultural or creative industry or occupation.
- At the end of June 2009, there were 164,730 entities actively trading as a business or non-profit institution within the cultural and creative industries.<sup>5</sup>

### **Regional Australia Institute Research**

Recently the Regional Australia Institute identified:

“The arts are an important part of regional economies. In 2013, regional Australia produced \$2.8 billion in arts and cultural industry output (Gross Value Added, or ‘GVA’); approximately 24 per cent of the national arts and cultural output.<sup>6</sup> Metropolitan cities, by contrast, produced \$9.1 billion GVA from arts and culture, or 76 per cent of national output. Metropolitan areas are, by nature, more populated, technically-driven and economically robust. As such, they would be expected to have a higher GVA in creative industries than regional areas. Still, with 1/3 of the population living in Australia, but only 1/4 of national GVA, regional areas may seem to be underperforming in the creative space. However, in terms of the average annual growth rate from arts and culture, metropolitan and regional Australia are very similar. For metropolitan areas, the average growth rate in GVA from arts and culture was 3.3 per cent per annum. In regional areas, it was 3.0 per cent per annum. Between 2013 and 2031, these average growth rates are forecast to increase to 3.6 per cent in metro areas and 3.1 per cent in regions per annum.”<sup>7</sup>

### **Regional Arts Fund**

The Regional Arts Fund (RAF) managed by RAA on behalf of the Commonwealth provides strategic funding for arts projects across regional Australia.

The RAF is designed to benefit regional and remote arts practitioners, arts workers, audiences and communities. The objectives in 2012-2016 were to:

- encourage and support sustainable cultural development in regional communities where possible, rather than ‘one-off’ events;
- assist sustainable economic and social development within regional, remote and very remote communities, including a focus on Indigenous and isolated communities;
- develop partnerships (such as with local government, community groups, health and education sectors, the private sector, state government agencies and other relevant groups) which leverage financial and/or in-kind support for specific projects, encourage ongoing collaboration or support for cultural activities following the funded projects, and develop audiences and broaden community engagement;
- assist the development of cultural networks, especially in isolated areas, to facilitate information exchange and co-operative relationships;

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<sup>5</sup> [Australian National Accounts: Cultural and Creative Activity Satellite Accounts](#) (cat. no. 5271.0), available for free download from the ABS website ([www.abs.gov.au](http://www.abs.gov.au)).

<sup>6</sup> The arts and culture industry is based on the ANZSIC 2006 division R – arts and recreation services. This division includes heritage activities, creative and performing arts activities, sports and recreation activities, and gambling activities.

<sup>7</sup> <http://www.regionalaustralia.org.au/home/2017/05/rise-regional-bohemians-painting-new-picture-arts-culture-regional-australia/>



- increase employment and professional development opportunities for, and raise the profile of, regional and remote artists; and
- increase skills development initiatives for individuals and organisations in regional and remote communities, with a particular focus on youth, disadvantaged, Indigenous and/or isolated communities. Skills development initiatives may relate to specific art or craft practice; arts management; small business management; emerging technologies; arts or cross-sector training and mentoring schemes; or broader community cultural development and capacity building.<sup>8</sup>

In 2012-2016 the RAF was distributed through regional arts organisations representing all States and Territories. Across Australia, these eight organisations managed a total of 1,458 individual projects.

*Key outcomes:*

**Participation**

- 3,979,899 total number of people assisted. This number includes paid artists and arts workers, participants and audiences.

**Locations**

- All 1458 projects were delivered to benefit those in inner regional, outer regional, remote, very remote and isolated locations and communities across Australia.

**Professional development**

- 843 projects and \$5M went towards professional development initiatives for artists and arts workers.

**Partnerships**

- 3105 partnerships were formed as a result of RAF projects

**Leveraged income**

- Total Leveraged income \$28,230,714.83

**RAF Grants summary**

RAF grant types	Artists employed
Community Grants	5,382
Quick Response Grants	4,243
National Strategic Projects	615
<b>Total</b>	<b>10,240</b>

**People assisted: Artists, participants and audiences**

A core function of the RAF is to assist people, namely regional artists, arts workers and community members. In this instance, the extent to which the fund assists people has been measured in a quantitative way, with self-reported statistics from the applicant at the time of application and acquittal.

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<sup>8</sup> <https://www.arts.gov.au/funding-and-support/regional-arts-fund>

### Total number of people assisted over four years 2012-2016

	Artists employed	Participants	Audience
Community Grants	5,382	102,763	2,090,580
Quick Response Grants	4,243	74,158	1,592,031
National Strategic Projects	615	7,893	102,234
	<b>10,240</b>	<b>184,814</b>	<b>3,784,845</b>

## 3. The impact of the arts in regional Australia

In this section we provide pointers to some significant work demonstrating the importance of arts and culture in regional communities. This material more broadly addresses the Inquiry's investigations into approaches that support growing and diversifying of the regional economic and employment base; an improved quality of life for regional Australians; and vibrant, more cohesive and engaged regional communities.

### Arts and Health

The combination of arts and health disciplines provide critical benefits for community resilience. In 2013, the Standing Council on Health and the Meeting of Cultural Ministers endorsed the National Arts and Health Framework. This framework has been developed to enhance the profile of arts and health in Australia and to promote greater integration of arts and health practice and approaches into health promotion, services, settings and facilities.

"In its broadest sense, arts and health refers to the practice of applying arts initiatives to health problems and health promoting settings. It involves all art forms and may be focused at any point in the health care continuum. It also has an impact on the determinants of ill-health by changing individuals' attitudes to health risks and supporting community resilience.

Arts and health initiatives can be delivered across a range of settings. Benefits can accrue for all stakeholders including government, health service providers, artists, those in health care and the wider community and include improved communication, better understanding, attitudinal change and clinical outcomes. Arts and health activities have their effect through different means and are achieved through experiencing the arts as an artist or creator, as a participant or member of an audience.

There is clear empirical evidence that arts and health activity is a health-promoting endeavour for all members of society."<sup>9</sup>

We draw the Committee's attention to the July 2017 report of the All-Party Parliamentary Group on Arts, Health and Wellbeing Inquiry Creative Health in the UK. Its key finding include:

- The arts can help keep us well, aid our recovery and support longer lives better lived.
- The arts can help meet major challenges facing health and social care: ageing, long-term conditions, loneliness and mental health.
- The arts can help save money in the health service and social care.

<sup>9</sup> Commonwealth of Australia, National Arts and Health Framework: <https://www.arts.gov.au/national-arts-and-health-framework>



One cited example demonstrates that the “arts-on-prescription project” has shown a 37% drop in GP consultation rates and a 27% reduction in hospital admissions.<sup>10</sup>

Australian research by Dr Christina Davies and the University of WA further quantifies the benefits of arts engagement for mental health; “Those who engaged in 100 or more hours/year of arts engagement (i.e. two or more hours/week) reported significantly better mental well-being than other levels of engagement”<sup>11</sup>.

This is a critical area of consideration for an improved quality of life for regional Australians; and vibrant, more cohesive and engaged regional communities.

### **Stats & Stories**

In 2015 RAA partnered with Deakin University in the Stats & Stories project examining the impact of the arts in regional Australia.<sup>12</sup>

Five themes emerged highlighting the function of arts and culture in supporting community resilience:

1. Community connectedness
2. Economic regeneration
3. Social inclusion
4. Civic pride and community identity
5. Regional development

A brief summary of the themes:

1. Community connectedness strengthens engagement and resilience, especially given the challenges of a global world. Linking local communities through arts activities that connect them leads to improved community networks and capacities. One of the paradoxes of the global world is that the faster globalisation develops, the more people require local community connectedness. In short, community connectedness provides four key strategies to strengthen localities:

- Community engagement that enables people to agree on local priorities for action
- Partnerships with local and other levels of government, businesses and organisations
- Networks to strengthen ties locally, nationally and internationally by information sharing, training and development.
- Physical places to meet such as arts centres, galleries, community halls or recreation facilities.

2. Arts events and festivals are a major driver of physical renewal and economic regeneration. They underpin regional tourism, with 57% of first-time visitors to the region giving an event as their main reason for visiting. Similarly, 75% of event attendees would not have gone to the destination on this occasion if not for the event. While the arts are part of the tourism experience, they are not only about making money. Gentrification has noticeable effects on housing market renewal and public consumption within the gentrified area, activating the local economy by hiring

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<sup>10</sup> [https://www.instituteforcreativehealth.org.au/sites/default/files/creative\\_health\\_the\\_short\\_report.pdf](https://www.instituteforcreativehealth.org.au/sites/default/files/creative_health_the_short_report.pdf)

<sup>11</sup> Davies,C; “The art of being mentally healthy: a study to quantify the relationship between recreational arts engagement and mental well-being in the general population.: UWA

Ref: <https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-015-2672-7>

<sup>12</sup> <http://regionalarts.com.au/publications>

services, attracting audiences, increasing visitors staying in hotels and B&Bs, eating in cafes and restaurants and going shopping in local stores. Additionally, the transformation of derelict industrial precincts contributes to boosting the regional economy that improves the vitality and quality of rural and regional environments.

Fast facts:

- 58% of domestic day and overnight trips are to regional destinations.
- \$34b spent by visitors in regional areas during 2013.
- 57% first-time visitors to a region identify an event as their main reason for visiting.
- 176,500 jobs are created each year in the planning and operation of festivals in non-metropolitan Australia.
- 2,800+ rural festivals in Australia per year.

3. The arts encourage and support social inclusion. Australia has increasing ethnic diversity and a changing landscape. It is confronted with challenges to develop inclusive communities that understand, recognise and integrate social inclusion effectively. The arts play a significant role in community engagement, in health and wellbeing, in social inclusion of communities of all kinds (including youth, Indigenous, the aged, those of different cultural and geographic origins, and the socially marginalised) and in reconciliation and the life of people in regional communities. Social inclusion entails a society where all people feel valued, their differences respected, and their basic needs met so they can live in dignity. It is a determinant of mental health and wellbeing.

4. Australians believe that the arts can have a big impact on quality of life promoting civic pride and community identity. Events bring people together. At the individual level, arts events encourage active participation within communities, providing opportunities for personal and professional development. Immersion within the community provides individuals with support: efforts that create civic pride. Symbolic expressions of identity can be found through community celebrations, festivals and the installation of public art.

In 2013 Australia Council research noted people believe the biggest impacts of the arts are on:

- 66% Development of children.
- 61% People's ability to express themselves.
- 59% People's ability to think creatively and develop new ideas.
- 56% People's ability to deal with stress, anxiety or depression.
- 52% Improved sense of wellbeing and happiness.

In addition:

- 92% Agree Indigenous arts are an important part of Australia's culture.
- 85% Agree the arts make for a richer and more meaningful life.
- 45% Believe community pride and identity has a big impact.
- 45% Believe the arts help shape and express Australia's identity.<sup>13</sup>

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<sup>13</sup> Australia Council, Arts Nation: An Overview of Australian Arts 2013.

5. The arts are a tool for regional development. Against a background of rural and regional decline, population drift to the cities and the closing of major facilities, development through the arts is a means of stimulating regions. Arts activities and events have flourished and diversified from traditional country fairs to festivals and blockbuster art exhibitions.

By building quality infrastructure, the arts can develop and build tourism, boost employment and morale of people in the local community. Regional development results in greater understanding of others, particularly those who are different from ourselves, and a stronger regional identity.

## 4. Leveraging long-term private investment

### Leveraged Income

Regional Arts Fund projects across Australia have an impressive track record of attracting additional leveraged income. Community and financial partnerships spread the benefit of projects.

Partnerships are based on the recognition that there is demonstrable value to the community derived from regional arts activity. One way that this can be quantified is by the value of leveraged income. Leveraged income can take the form of cash or in-kind support, including volunteer hours.

**All leveraged income, for each grant type over the four-year period**

	total cash \$	total in-kind \$	total unspecified* \$	grand total \$
Community Grants	9,081,432.29	6,362,408.81	4,737,857.05	20,181,698.15
Quick Response Grants	1,691,170.16	1,818,973.77	957,799.21	4,467,943.14
Cultural Workers	721,674.00	57,000.00	342,633.00	1,121,307.00
National Strategic Projects	1,764,519.14	695,247.40		2,459,766.54
	13,258,795.59	8,933,629.98	6,038,289.26	28,230,714.83

## 5. Recommendation

We recommend that the Regional Arts Fund be increased to \$22 million over four years. The deep cuts to the fund in the 2008 federal budget reducing it to \$11.8 million over four years have reduced the effectiveness of regional arts delivery. The unmet need for support for creative community activity is substantial. The number of unsuccessful funding applications for high quality cultural projects in regional Australia through the Regional Arts Fund approaches 70% in some jurisdictions. We need to dispel the notion that this kind of investment is a drag on the federal budget. There are quantifiable benefits from cultural funding:

- reduced health costs;
- more liveable regional communities supporting higher retention of population;
- social benefits in community cohesion;
- regional economic benefits through infrastructure and tourism.