

ARTS, CULTURE & LOCAL GOVERNMENT¹

DR KEVIN JOHNSON

GEOGRAFIA

kevin@geografia.com.au

PROFESSOR KEVIN O'CONNOR

THE UNIVERSITY OF MELBOURNE

kevin_johnson@inet.com.au

KEYWORDS

Arts and Culture, Health, Wellbeing, Local Government, Municipal Strategies, Economic Benefit, Social Capital, Quantifying Impact

ABSTRACT

In helping to develop an arts and cultural strategy for an inner metropolitan Victorian council in 2007-8 (during which the research for this article was undertaken) it was necessary to consider the benefits of arts and culture; the extent to which this can be quantified; and how local governments can invest in stimulating a local arts and culture environment. This paper is an observational review of a pragmatic approach taken to developing an argument for local government involvement.

Arts and culture have become an area of interest and activity for local governments in many cities and regions. The interest emanates from an expanding understanding of the contribution that arts and cultural activities make to a municipality, ranging from aesthetic, to economic, social and community development impacts (Florida, 2001; Howkins, 2001). In shaping a strategic approach to this activity for a municipality in Melbourne there was a need to fully understand the 'why and how' of local government investment in arts and culture. This involved posing and responding to quite fundamental questions: 1) What benefits accrue to the community from investment in arts and culture? 2) How do we quantify these benefits? 3) What role can local government have in stimulating arts and culture?

The purpose of this paper is to outline the pragmatic research undertaken in an effort to address these questions and create a municipal arts and culture strategy. It eschews the substantial theoretical discussion that has emerged around these and similar questions, which is largely captured in the creative cities work of Florida (2001) and can be seen in the analyses and case studies assembled by Yigitcanlar (et al, 2007). Rather, this paper's purpose is to provide an observational review of the issues that surround local government decisions to invest in arts and culture thus devising a way of responding to those issues in a strategic way.

1. TOWARD A BETTER UNDERSTANDING OF THE ROLE OF ARTS AND CULTURE IN A MUNICIPAL ECONOMY, SOCIETY AND ENVIRONMENT

Although a sense of its aesthetic value is central to any understanding of arts and culture in a community, it is the prevailing view in the research literature (e.g., Throsby, 1994) that benefits accrue to community wellbeing across the spectrum of economy, society and environment, albeit with different levels of tangible effect (Figure 1).

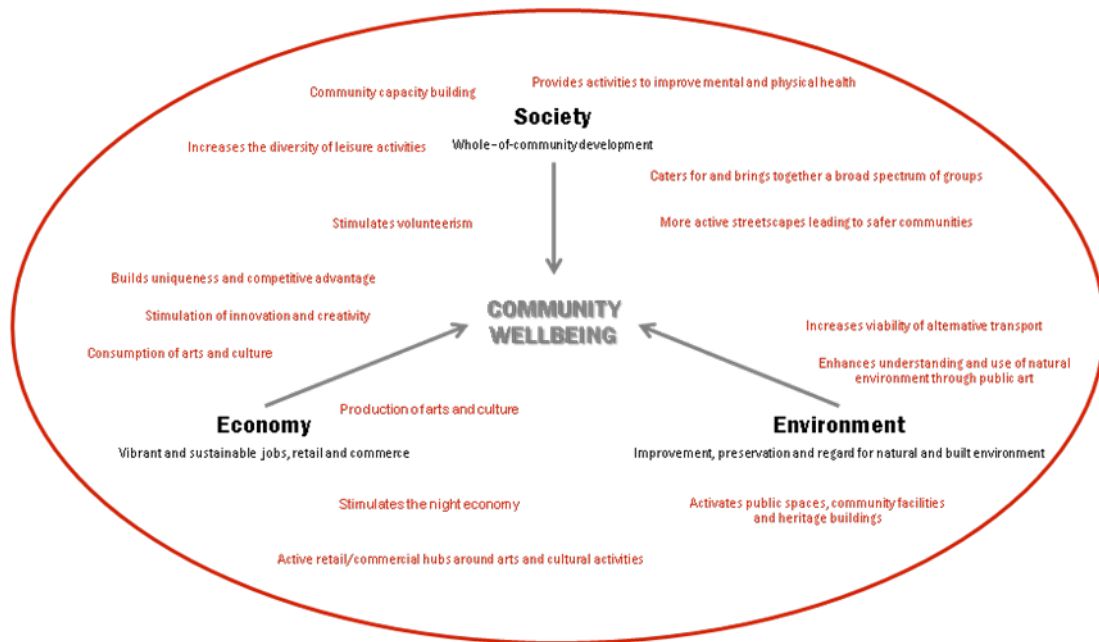


Figure 1: The Gains from Arts and Culture – A General Model of Local Community Wellbeing

For example, the Australia Council's Art and Wellbeing study (2004) documents the outcomes of arts and culture-based community wellbeing programmes around the country. The study notes the positive contribution made to personal health; ecologically sustainable development; community building in public housing estates; rural revitalisation; community strengthening; active citizenship; and social inclusion.

In municipalities across Victoria and elsewhere this link is broadly acknowledged through existing programmes such as arts and craft courses run at local community centres. These are invariably well patronised activities that enjoy the full endorsement of the local council. The Government of Victoria (2004) has also unequivocally acknowledged the value of arts and culture in its overarching policy statement *Growing Victoria Together*.

However, while the benefits of arts and culture are tacitly understood, it would come as no surprise to the reader to note that they are often not consciously acknowledged or fully appreciated in municipal management and organisation. As a consequence, there is room to improve awareness of the contribution of arts and culture and also improve the way this activity is incorporated into municipal strategies.

This requires a careful balance of practical and somewhat more esoteric approaches to valuing arts and culture in a local community. For the most part, the move towards greater awareness has been to focus attention on measuring the inputs and outputs of art and cultural practice. This is so because current fiscal management environments that use performance-based monitoring demand explicit economic returns across most operational areas of government. Certain concepts, such as multiplier effects and cultural tourism, have consequently become centrepieces of this discussion.

While it can be argued that this effort at estimation of financial impact is worthwhile, as Figure I shows, the relationships between arts and culture and community wellbeing outcomes are highly interconnected and difficult to unravel from other effects. As has been pointed out, arts and culture, like roads, are partly a public good, creating positive benefits for the entire community that cannot easily be given a monetary value (Snowball & Antrobus, 2002). In fact, there is a school of thought in the literature (e.g., Madden, 2001) that suggests economic impact assessments of the benefits of arts and culture are a diversion. They seek to measure short-term gains that are almost impossible to quantify, when in fact the real gain is qualitative and long-term: arts and culture “...enrich the quality of life of community residents, express unique aspects of local heritage and culture, and contribute to an area’s social capital and long-term development.” (Sterngold, 2004: 185).

Notwithstanding the complexity of the issue and the claims against undertaking largely quantitative cost-benefit analysis of arts and culture, there are some basic economic, social and environmental benefits that can be readily identified. There are provided here because, in the absence of an acceptable alternative and in the fiscal environment alluded to above, it still provides a useful first cut evaluation of the impact of arts and culture on local communities.

1.1 CONTRIBUTION TO THE ECONOMY

Two elements of the economic benefits of arts and culture are considered. Firstly, it contributes to a local economy in the form of production (employment and output) and consumption (e.g., audiences). Secondly, historical economic analysis concludes that an urban environment in which arts and cultural activities flourish has broader based commercial success (Landry, 2000; Glaeser, 2001; Florida, 2005; Montgomery, 2007).

i) Production and Consumption of Arts and Culture

Taking a narrower definition of arts and culture, employment in the cultural sector - as defined by the Australian Bureau of Statistics (ABS) - has been trending upwards for the last two decades. The now 300,000 strong national workforce experienced an average growth rate of 3.5% over the last five years (the major occupations in this sector are in music; film and television; journalism; performing arts support; visual arts; acting; and producers and directors). The expectation from the Australian Department of Employment and Workplace Relations (2007) is that this growth will continue at 1.9% per annum to 2012. Within the sector, the industry ‘Services to the Arts’ (e.g., arts administrators and ticket sellers) is forecast to grow by 2.6% per annum. A more recent modelling exercise shows that employment in the cultural sector grew by an average of 4.6% per annum over the 10 years to 2006-7 and is forecast to grow by 2.8% each year to 2016-17. This compares with 2.3% and 1.7% respectively for all industries (Geografia, 2007).

This growth can be attributed in no small part to rising national income generating demand for output, as well as to the nature of the arts and culture workforce. Overall, the cultural sector has a young and highly educated workforce. The median age is 35 compared with 39 for all industries and almost 25% of workers have a Bachelor degree or higher. They also work long hours relative to all other industries (DEWR, 2007), reflecting the high level of volunteerism and commitment to the sector as shown in the ABS survey of voluntary work (ABS, 2000).

The scale of unpaid work in the sector is a very important point – the national body *Volunteering Australia* (2004) note that voluntary work is worth up to \$42 billion annually to the Australian economy. From the ABS survey it is reasonable to infer that up to one third of this can be attributed to voluntary work for community, arts and cultural organisations (see Table I).

In terms of direct economic output, the industry subdivision 'Cultural Services' has grown slightly faster than the overall rate of growth of the national economy, going from \$4.8 billion in 1996-7 to \$7.2 billion by mid-2007. By 2016-17 it will be worth almost \$10 billion in current dollars (Geografia, 2007). This is the Gross Value Added (GVA); the value of direct output of the industry as measured by income received. As such, it does not include the whole range of expenditure associated with arts and culture, such as participation in the night-time economy in and around arts events.

In fact, arts and cultural activity benefits the consumers of the output much more so than the producers (Australian Council, 2004). So while it may be necessary to subsidise arts and cultural production through grants and infrastructure investment, this stimulates what is often voluntary, unpaid or poorly paid work, the benefits of which flow out into the economy, particularly into retail and hospitality enterprises such as cafés, restaurants and bars.

It is important to note that quantifying this impact is difficult without surveying spending patterns of patrons at arts venues. However some ABS data that is available is provided in Table I.

ii) Arts, Culture and Economic Prosperity

There is evidence that, throughout history, enviable levels of business innovation and high property values are features of cities with thriving arts and cultural communities (Montgomery, 2007). The strength of this connection can be seen in cities such as Barcelona, London and New York; and further back in time, Florence, Vienna, Venice and Paris. While it is true that wealth stimulates patronage of the arts and cultural sector, it is not solely a one-way street and the presence of arts and culture, in turn, stimulates broader wealth generation.

In our current context, there is a well developed understanding that much of the advance in economic productivity generally relies upon innovation and creativity. Those functions draw directly upon skills that can be refined and enhanced in the arts and cultural services area. This can best be seen in the importance attached to design in many sectors of the economy. Those with design skills are drawn in large part from a background rich in arts and cultural activities.

Hence a local regulatory and built environment that is conducive to what appear to be non-commercial, arts and cultural activity can provide a significant underpinning to the modern economy. By the same token, an unsupportive regulatory environment can impede the development of the relationship between commerce and culture.

1.2 CONTRIBUTION TO SOCIETY

Broader than economic gains, are the social benefits from arts and culture, specifically social capital building, community wellbeing and social inclusion.

i) Building Social Capital

Research has shown that, in developing an environment that cements the links between arts, culture and commerce, a sense of place is created. This builds community cohesion and, more generally, social capital (e.g., Adams, 2005; Florida, 2005; Johnson, 2006; Montgomery, 2007).

In turn, social capital improves economic prospects (Putnam, 1993). It does so through higher levels of business confidence, lower transaction costs (from improved social and business networks), street beautification and crime reduction (Knack, 2002). Equally so, like any factor of production, while social capital is seen as a critical competitive advantage, without regular and sustained investment, it will decline over time (Portes & Landolt, 1996).

Part of the response to this around the world has been the introduction of creative city strategies (e.g., Melbourne, Brisbane, London and Helsinki). These documents outline the benefits of nurturing a creative environment, specifically, although not exclusively, through the arts. They emphasise long-term and sustained investment and often focus on a particular place: a cultural 'hub' or 'quarter', as a geographical heart of the strategy.

At the same time, there has been criticism of creative city strategies as having little impact on planning, development and individual decision-making and thus the benefits having been overstated (Peck, 2005). The argument goes that land, housing and economic development invariably roll out within a 'traditional' framework and reliance on creative industry or creative cluster strategies for economic benefits is naïve or even an elitist concept.

This may be the case in cities whose wealth is generated from heavy industry or resource extraction. Although even in these cases there is some dispute. For example, there are visible artists communities in Broken Hill, New South Wales and in Madrid, New Mexico; both mining towns. However, there are limits to the relevance of 'creative strategies' to the functional requirements of a port town, or to the financial services sector in the CBD, for example. But in well-established, well-resourced municipalities, particularly in the inner city (or in peri-urban districts with solid day-tripper or weekend tourism industries), location, population and history combine to create an ideal environment in which to foster arts and cultural activity and further stimulate economic and social activity. These examples make clear that the effects of arts and cultural activities are most often felt in a particular place perhaps labelled a creative quarter or precinct.

The critique of creative city strategies does reveal two important points. Firstly, it is important that these strategies are fully embraced by all areas of governance. They must be embedded within master planning, health and wellbeing, economic development and other strategic planning projects. Secondly, a city or a place cannot just be branded as creative/cultural for it to be so. Economically and socially productive creative activities must be able to thrive there. To achieve this invariably requires ongoing public and private (business and individual) investment

in regulation, policies, programmes, activities and buildings. Some of that action will naturally lead to the designation of particular places as arts strips or precincts.

The key steps for a local government to successfully activate a creative quarter and thereby create a localised sense of place are to:

1. Capitalise on existing strengths in the cultural and physical environment.
2. Ensure a mix of activities: free and user-pays; young and older; new and traditional; business, arts, culture and leisure.
3. Invest in pedestrian and other 'non-car' spaces and access routes between different places within the 'hub'.
4. Provide functional and affordable public spaces for arts and cultural activities.
5. Brand the area as 'something different', particularly through public art and signage.
6. Ensure good management of noise issues to balance the needs of visitors and residents.
7. Promote the area as a place to work, visit and recreate in.
8. Implement the strategy through a whole-of-council process.

ii) Building Community Health & Wellbeing

Moving on from the broad-brush concept of social capital building; alongside sporting activities, arts and cultural pursuits generate positive returns across health and wellbeing indicators and for a range of community groups. Most notable are the benefits to the elderly, particularly those with mobility limitations. The ageing of the population can only serve to increase the significance of this attribute of arts and culture.

Additionally, recent studies have shown that the average number of hours available for leisure each week has not shifted since the mid-80s, after having made a great deal of ground up until then. Moreover, there is an inverse relationship between income and leisure time. That is, the higher the income being earned, the less time there is generally to relax. The implication of this is that leisure activities need to be high value and convenient. While transport costs are arguably negligible to higher income arts patrons, the time cost is not. Therefore 'convenient' really means 'local'.

Concurrent with this trend, the ABS has reported that, amongst Australia children, the level of participation in arts and cultural activities has increased even as it has decreased in selected outdoor sporting activities (ABS, 2006). Together, these two trends point to the increased significance of local arts and cultural activities to health and wellbeing for the young and for Generations Y and X.

iii) Social Inclusion

Finally, ABS (2004) data confirms the relationship between the flagship arts and cultural institutions and middle class, well-educated (especially female) inner city residents. In Melbourne this translates into higher levels of patronage of central City venues from more affluent households, than from outer metropolitan, lower income households. It is only with cinemas, parks and libraries that this correlation is weaker – in these cases the greater geographical distribution of these services helps to broaden the demographic and spatial spread of participation.

Weaker social networks (between less affluent households and CBD-based institutions) and transport disadvantage force this skew in participation. That is, the very young, the very old, those with disabilities and on lower incomes and living further from the CBD are less able or willing to participate outside of their local area.

Supporting local arts and culture, therefore, means that local governments are supporting the participation of groups traditionally not being catered for at State or national level. When added to the greater demand for convenient access amongst all demographic groups (see above), there is a strong case for localised arts and culture provision.

1.3 CONTRIBUTION TO THE ENVIRONMENT

As outlined in the previous section, recent research has shown that, as residents in the capital cities of Australia become more culturally disconnected from the CBD, older (and potentially transport disadvantaged) and busier, they are turning to their own municipalities and activity centres to meet their work, recreation and functional needs. This preference is primarily a result of convenience (Gleeson, 2004). Not only does this generate positive economic and social outcomes, it also improves the environment through:

- Enhanced streetscapes and parks with the introduction of public art;
- Greater awareness of, and interest in, local heritage through trails, signage and voluntary guidance;
- Activation of heritage buildings and public spaces with subsequent increases in property values and declines in vandalism and graffiti;
- Reduced traffic congestion; and
- Greater levels of local consumption.

Some of this is documented in the recent Australia Council (2004) study, which, amongst other things, discusses the use of arts and culture to raise awareness of the concept of sustainable development.

2. QUANTIFYING THE VALUE OF ARTS AND CULTURE

As noted earlier, not only is it difficult to quantify all the returns from investment in arts and culture, it has been claimed that it is an unprofitable exercise except when reviewing specific events or services. Nonetheless, some effort is necessary in view of the expectation from local councillors that performance indicators are developed. One simple method is to take a broad approach by quantifying arts and culture production and consumption indicators, including:

- Expenditure in the form of consumption and investment;
- Time spent on arts and cultural pursuits;
- Employment and voluntary work in the cultural sector; and
- Direct economic output of the sector.

Fortunately much of this information for Australia has recently been compiled by the ABS into one reference document. This summarises the results from several surveys at national and state level. In some cases this can be interpolated down to the municipal level. What this data reveal is a sizeable and diverse economic sector that, in terms of employment (production), is embedded across many other industries and, with respect to

consumption, has been a consistent and increasingly popular form of both passive and active recreation in Australia.

2.1 AUSTRALIAN PRODUCTION AND CONSUMPTION

Tables I to III summarise various aspects of the consumption and production of arts and cultural activities in Australia. Some comparative figures for consumption of sporting and recreation activities are included. Where available, the change in figures from 1996-7 to 2006-7 is also shown. Key points to note are that:

- Cultural industries employ around 300,000 people, a little over 3% of the Australian workforce;
- Every year around 2.9 million Australians undertake part-time, occasional or unpaid work in culture and leisure activities. This is almost one in five people over the age of 15 across Australia;
- Voluntary work in arts and culture *may* be worth up to \$13 billion a year to the economy;
- In total, Australian governments spend \$5.4 billion supporting arts and culture. This, together with the voluntary work and business support results in production worth over \$56 billion a year;
- Australians spend 1.4 million person hours a year visiting entertainment and cultural venues;
- Over 84% of Australians visit an arts and culture venue every year; and
- During this time they spend over \$14 billion on arts and culture.

PRODUCTION	AMOUNT	PERCENT	CHANGE
Australians employed in cultural industries '06-'07 (est.)	301,570	3.3%	11.1% ('01-'06)
Largest employer	Design (24.5%)		19.9% ('96-'01)
Cultural industries workforce '16-'17 (est.)*	389,000	3.3%	39% ('06-'16)
Part-time, or unpaid workers in culture and leisure	2.049 million	13% of population over 15	
Voluntary work for heritage and arts organisations	280,200	2% of population over 15	
Estimated value of voluntary work for arts organisations	\$13 billion	31% of total	N.A.
All government funding ('05-'06)	\$5,449.7 million	N.A.	N.A.
Contributions from business ('00-'01)			N.A.
Donations **	\$22.8 million	3.9%	
Community projects	\$6.3 million	3.5%	
Sponsorship	\$40.4 million	6.0%	
Total	\$69.6 million	4.8%	

PRODUCTION	AMOUNT	PERCENT	CHANGE
Production of cultural goods and services (01-02)***	\$56,290 million	4.7%	N.A.
Production of cultural goods and services '15-'16 (est.)	\$66,377 million	5.9%	N.A.
CONSUMPTION	AMOUNT	PERCENT	CHANGE
PERSON HOURS/DAY SPENT VISITING ENTERTAINMENT AND CULTURAL VENUES IN AUSTRALIA (1997)	1.4 MILLION	N.A.	N.A.
PERSON HOURS/DAY SPENT ATTENDING SPORTING EVENTS IN AUSTRALIA (1997)	0.5 MILLION	N.A.	N.A.
NUMBER OF PEOPLE ATTENDING SELECTED CULTURAL VENUES AND EVENTS OVER 12 MONTHS (05-06)			('95-'05)
ART GALLERIES	3.63 MILLION	22.7%	1.8%
MUSEUMS	3.61 MILLION	22.6%	-18.7%
ZOOS AND AQUARIUMS	5.7 MILLION	35.6%	0.8%
BOTANIC GARDENS	5.4 MILLION	33.7%	-12.5%
LIBRARIES	5.45 MILLION	34.1%	-11.2%
POPULAR MUSIC CONCERTS	4.03 MILLION	25.2%	-6.3%
CLASSICAL MUSIC CONCERTS	1.5 MILLION	9.4%	22.1%
THEATRE PERFORMANCES	2.7 MILLION	17%	2.4%
DANCE PERFORMANCES	1.62 MILLION	10.2%	2%
MUSICALS AND OPERAS	2.6 MILLION	16.3%	-15.5%
OTHER PERFORMING ARTS	2.65 MILLION	16.6%	-11.2%
CINEMA	10.4 MILLION	65.2%	5%
MOST LIKELY FREQUENCY OF VISIT PER YEAR (05-06)			
ART GALLERIES	2-4 TIMES	46.1%	N.A.
	ONCE	50.4%	

PRODUCTION	AMOUNT	PERCENT	CHANGE
MUSEUMS	ONCE	47.9%	
ZOOS AND AQUARIUMS	2-4 TIMES	45.1%	
BOTANIC GARDENS	5 TIMES OR	71%	
LIBRARIES	MORE	46.8%	
POPULAR MUSIC CONCERTS	2-4 TIMES	42.1%	
CLASSICAL MUSIC CONCERTS	ONCE	46.6%	
THEATRE PERFORMANCES	ONCE	54.4%	
DANCE PERFORMANCES	ONCE	54.6%	
MUSICALS AND OPERAS	ONCE	63.8%	
OTHER PERFORMING ARTS	ONCE	54.1%	
CINEMA	5 TIMES OR MORE		
Participation rates of children (2006)	33% (44% M, 22% F)		N.A.
Household expenditure on culture (03-04)	\$36.39/week	4.1%	3.5%('84-'04)
Total annual expenditure (03-04)	\$14.7 billion	N.A.	N.A.
Main Expenditure	Film and literature		N.A.

Overall Production and Consumption of Arts & Cultural Activities – Australia

VENUE/EVENT	PART'N RATE (%) -	
	Vic	Aus
Cinema	67.1	65.2
Libraries	33.2	34.1
Zoos/Aquariums	37	35.6
Botanic Gardens	36.7	33.7
Popular Music Concerts	23.6	25.2
Art Galleries	23.9	22.7

VENUE/EVENT	PART'N RATE (%) - Vic	PART'N RATE (%) - Aus
Museums	20.9	22.6
Other Performing Arts	16.7	16.6
Theatre Performances	17.9	17
Musicals and Operas	18.4	16.3
Dance Performances	9.9	10.2
Classical Music Concerts	9.3	9.4
At least one venue or event	84.9	84.8

Arts and Culture Participation Rates – Australia and Victoria

FEATURE	TIER	AUSTRALIA	% GROWTH 03/04 TO 05/06	VICTORI A
Funding source (% of total funding)	Total Commonwealth	\$1,878.4m (34%)	10.5%	
	Total State/Territory	\$2,598.1m (48%)	9.9%	\$552.4m
	Total Local government	\$973.2m (18%)	2.9%	\$245.4m
	Total	\$5,449.7m	8.8%	\$797.8m
Per capita funding (from source)	Total Commonwealth	\$95.10	11.8%	
	Total State/Territory	\$131.54	11.2%	\$113.12
	Total Local Government	\$49.27	4.1%	\$50.25
Recurrent funding (% of total tier funding)	Total Commonwealth	\$1,848.6m (98%)	-	-
	Total State/Territory	\$2,114.7m (81%)		
	Total Local Government	\$849.7m (87%)		
Capital funding (% of total tier funding)	Total Commonwealth	\$29.8m (2%)	-	-
	Total State/Territory	\$483.4m (19%)		
	Total Local Government	\$123.5m (13%)		

Arts and Culture Funding 2005-06 - Australia and Victoria

The information Table III is included firstly to highlight the important and ongoing role that government has in supporting arts and culture and, secondly, the increasing contribution that local governments are making.

2.2 PARTICIPATION TRENDS

Overall, production and consumption of arts and culture spans an enormous range of activities and stimulates a significant proportion of the community to take on paid and unpaid roles as producers, as well as eclectic consumers. Moreover, the data that are available show that there has been a modest overall growth in this participation (Figure II), even as participation in sport and recreation has declined.

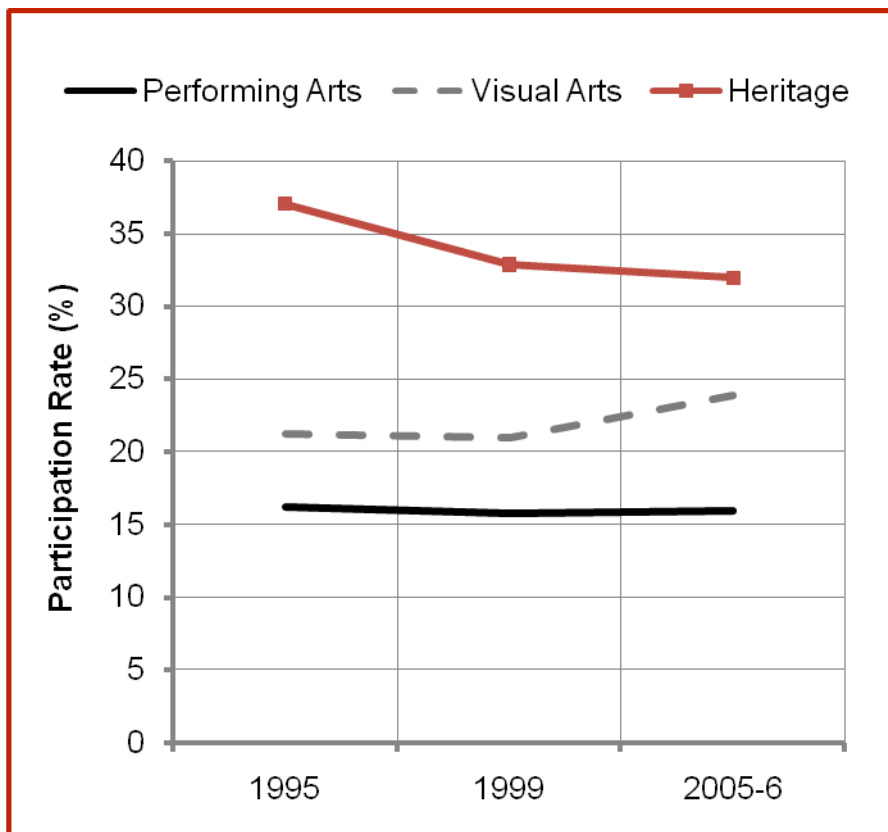


Figure II: Change in Participation Rates 1995 to 2005-6 – Victoria

Key demographic features for participants in each of the ABS categories of arts and culture are summarised in Table IV. Not surprisingly, the activities which have high, and generally growing, attendance rates in Victoria (visiting art galleries, music, theatre and musicals/operas) have a strong correlation with the preferences of the population profile of inner metropolitan areas.

VENUE/EVENT	DOMINANT DEMOGRAPHIC GROUPS
Art galleries	<ul style="list-style-type: none"> -Female/Baby Boomer families -English speaking -Postgraduate tertiary qualified -Highest household income quintile
Museums	<ul style="list-style-type: none"> -Couple families with dependent children -Postgraduate tertiary qualified -Highest household income quintile
Zoos, parks and aquariums	<ul style="list-style-type: none"> -Female -Generation X families -Generation Y -Unemployed and highest household income quintile
Botanic gardens	<ul style="list-style-type: none"> -All but teenagers and elderly -Highest household income quintile
Libraries	<ul style="list-style-type: none"> -Female -Unemployed or part-time workers -Tertiary qualified
Classical music	<ul style="list-style-type: none"> -Female -Baby Boomers -Highest household income quintile
Popular music	<ul style="list-style-type: none"> -Share housers -Generation Y and young Gen Xers -Tertiary qualified -Highest or second highest household income quintile
Theatre	<ul style="list-style-type: none"> -Female -Tertiary qualified -Highest household income quintile
Dance	<ul style="list-style-type: none"> -Share housers -Generation Y and young Gen Xers

VENUE/EVENT	DOMINANT DEMOGRAPHIC GROUPS
	-Tertiary (university or TAFE) qualified -Highest or second highest household income quintile
Musicals and operas	-Baby boomers -Postgraduate tertiary qualified -Highest household income quintile
Other performing arts	-Generation X -Postgraduate tertiary qualified -Highest household income quintile
Cinemas	-All but elderly -Families with children -Tertiary (university or TAFE) qualified -Highest household income quintile

Who Attends Arts and Cultural Venues and Events

While the growth trend is evident, the limited datasets available from CBD-based cultural institutions suggest that the demographic characteristics of attendees at arts and cultural venues and events has remained stable over the last two decades and the expectation is that it will continue to do so, at least in these flagship institutions.

Visitors are more often female, generally older, well educated, in middle to higher income brackets and likely to spend about 2 hours at the venue, although obviously this varies with the type of activity. For example, older audiences tend to favour libraries, museums and parks, with younger audiences attending performing arts events (ABS, 2004).

Overall, arts and cultural participation in Australia (and in metropolitan Melbourne where this study was undertaken) is strong. The 'traditional' correlations between participation and levels of income and education also remain valid.

3. TOWARD A STRATEGIC APPROACH BY LOCAL GOVERNMENT

The involvement of state and Commonwealth in the arts in Australia is well noted, acknowledged and researched, less so is the involvement of local government, which is the focus of the study behind this paper.

Before outlining this, there are two basic questions that need to be asked: why should local governments invest in arts and culture and how should they do it?

3.1 WHY SHOULD LOCAL GOVERNMENT INVEST?

There are several core arguments for why local governments should be involved in stimulating arts and cultural activities. Firstly, there is a legislative mandate. Secondly, there is the risk of losing the competitive edge that comes with a sense of place. Finally, it meets the demands and needs of existing and new constituents by contributing towards community wellbeing.

i) Legislative Incentive

One explanation for why local governments are making the choice to support arts and culture is provided by legislation. In Victoria the *Local Government Act 1989* states that, in seeking to achieve its primary objectives, a Council should have regards for the following:

- 3 (c) (a) to promote the social, economic and environmental viability and sustainability of the municipal district; and
- 3 (c) (c) to improve the overall quality of life of people in the local community.

The preceding discussion has made it clear that arts and culture can play a significant role in achieving these mandated objectives.

ii) Creating a Sustainable Community

Beyond the legislated obligation, there is also an imperative to support arts and culture based on an assessment of the risk inherent in not doing so.

Consider 'single industry' towns in regional Australia, specifically those that rely on resource extraction. Excluding their primary functions, by most measures of social and economic capital building, these towns face substantial hurdles when trying to build social capital. Recent research undertaken by the authors suggests the following characteristics define these towns:

- They sustain few dependent residents (children, the elderly and disabled);
- The demographic profile is heavily skewed towards working age residents and single occupant households;
- The income profile is made up of a group of very low income, increasingly marginalised residents and very high income, often temporary or semi-permanent residents working in the dominant industry;
- The property market is highly volatile;
- Resilience to economic cycles is low;

- Crime rates are usually (although not always) higher than the average for the state or region;
- Levels of volunteerism are low; and
- Services, particularly personal services, are in very short supply.

Part of the attempt to improve the quality of life in these places is to create a sense of place through community building; and part of this process involves greater access to arts and cultural activities.

At the other end of the spectrum, there are places where arts and culture defines their existence, and draw people in from around the region and world. The competition to be Europe's cultural capital (fought between cities such as Glasgow, Paris and London) shows how important this can be and the effect of the Folk Festival on Port Fairy is a good example from regional Victoria. In between these extremes, a municipality needs to select a strategic position where arts and culture contributes to both its external identity and to local quality of life.

iii) Demand from Residents

Finally, there is local demand from residents for local arts and cultural activities. Demographic changes in inner city areas suggest that this may increase with an increase in the proportion of Generation X residents. This generation is identified with a strong interest in a sense of community and a preference for living in walkable neighbourhoods with high levels of amenity (Buck & Rembert, 1997).

Given that local governments are the key delivery mechanism for community development, they must play an increasingly important role in sustainably supporting arts and culture in their jurisdictions: both as a way to contribute to local goals and also to add to the State's and Nation's wealth.

In addition to the legislative, economic and social imperatives, there is one more factor to consider. Concurrent with the state and Federal policy shift towards an emphasis on the commercial and economic benefits of arts and culture, there has been a shift towards financially supporting institution-based, rather than community-based activities. Past Victorian examples include the development of the Melbourne Recital Hall and Southbank redevelopment. This concentration of effort is despite State Government policy positions on supporting arts in the community generally.

The 2000 Commonwealth Nugent Inquiry into funding for arts and culture made recommendations that consolidated this trend (Smith, 2001). Large companies (ballet companies, orchestras, museums and theatre companies) have been the focus of Federal and state attention and without question they have benefited in terms of content and delivery, not least due to purpose-built venues in the CBDs of Australian capital cities. In Victoria there have been exceptions to this rule, such as the various State-funded regional arts infrastructure projects and the joint funding programme *Art in the Suburbs* (Arts Victoria, 2007).

Nevertheless, the overwhelmingly CBD-centric approach has created something of a funding and policy gap at the local level outside of the city centres. To address this, arts and culture must be supported locally and in a way that goes beyond institution-based, iconic arts and cultural activities.

3.2 HOW SHOULD LOCAL GOVERNMENT INVEST?

Just as state and national governments have sketched out and implemented a strategy for their investment, local governments also need to create a framework. Meeting all of the community wellbeing objectives for arts and culture requires a multi-faceted approach that responds to different community preferences. For example, participation figures for Victoria show that the community is interested in everything from visiting art galleries, parks and museums, to attending festivals and live music. This means that a mix of venues and programmes are appropriate.

The complexity of the multi-faceted approach is contrasted with the simplicity of the underlying policy framework. This is:

1. Identify where the barriers to greater levels of local activity are: for example, in the capacity to produce arts and culture, lack of marketing or limited spaces to present, express and perform.
2. Identify the opportunities for tackling these barriers. This can be hard or soft infrastructure investment that will stimulate and support the development, promotion and delivery of local arts and cultural activity.

The current consensus on how to do this is outlined below. Not surprisingly – given that they largely address the same objectives – these four steps mirror the eight steps for planning for place activation outlined earlier.

i) Finding and Exploiting the Competitive Edge

In a conversation for the study underpinning this paper, a local arts and cultural practitioner said of the local scene: "...you can't fabricate energy." By this it was meant that the ideal development strategy firstly identifies the strengths and weaknesses of a sector; seeks to nurture the latter; and, in doing so, ultimately addresses the former.

This approach requires programmes and facilities that target existing and emerging opportunities, galvanising the local community and their interests. However, planning should be undertaken carefully. It should not undervalue or ignore other activities that retain a strong connection with groups in the community or with the municipality's history; or that can emerge as a new strength over time given sufficient support. Striking a balance requires a decision on adopting one of two fundamental strategic positions, which can be described as either a Local Service Strategy or a Specialisation and Development Strategy.

A Local Service Strategy responds to the needs of as many groups in the community as possible. The primary objective is to enhance community wellbeing and neighbourhood amenity. In the longer term, the local arts and cultural sector in a municipality will probably comprise a large number of activities in many small venues and places where local participation may be strong, although local economic impacts might be small.

By contrast, the Specialisation and Development Strategy emphasises the strengths on the basis that they constitute a point of difference between the local community and the surrounding region (or beyond). This approach will invariably require significantly more investment but its purpose is to create a new service base and place identity for the locality by utilising fewer, larger flagship venues or carefully selected activities.

These approaches are not mutually exclusive. It is more a case of finding a point along the continuum between them that most suits the values of the council and the existing strengths of the community, which can then be expressed in a strategic approach.

ii) Multipurpose and Inclusive Spaces

The distinction between the Local Service and Specialisation and Development approaches has one very sharp edge for a municipal strategy, as a critical municipal role involves the provision and maintenance of spaces for professional and non-professional arts and cultural activities. Research findings from State arts agency, Arts Victoria concurs; noting that space (accommodation, rehearsal and performance/exhibition space), along with funding and skills training, are the key challenges to greater levels of local participation (Arts Victoria, 2007a).

The obvious problem is that spaces are expensive to build and maintain. The more subtle problem is that they can be difficult to manage as their particular function might limit some other uses, and so constrain their accessibility to all residents. Ideally, a well designed multipurpose performance space can support a contracted resident professional theatre or dance company, provide exhibition space and meet some local community group needs in activities like community meetings, local historical societies and non-professional arts groups as well (Australia Council, 2006). Due to their architectural heritage, scale, location and sheer timetabling difficulties, it is no mean feat to provide such 'well-designed' spaces. So, more often than not, professional and non-professional activities are accommodated in the same forums. In some case this is effective (e.g., a local theatre facility can run both a professional and non-professional season). In others they do not mix so well (e.g., art galleries).

Overall, ideal spaces are:

- Multipurpose;
- Appropriate to local market supply *and* demand;
- Integral to the community's identity;
- Accessible in every sense of the term (that is, not elitist or fortresses);
- Autonomously run, but with checks and balances; and
- Focused on tackling the infrastructure bottlenecks in the community (whether that is a space for production, presentation, or both).

iii) Ensure Innovation

Following on from the preceding point, a recent UK report into public subsidy of the arts concluded that self-assessment, diversity, internationalism and risk-taking –particularly on the part of the funding bodies – are crucial to attaining and maintaining a high standard of output. This in turn, guarantees higher levels of consumption (McMaster, 2008).

The principle underpinning these concepts is that innovation comes from risk taking and, as McMaster concluded, risk-taking essentially means autonomy for arts and cultural organisations, either through longer-term funding or by having arts practitioners sit on funding decision-making boards. At the local level this can be something of a challenge. Municipal grant programmes traditionally have decisions made by councillors on staff recommendations.

iv) Whole-of-Council Planning for Arts and Culture

Contemporary thinking in strategic local planning is that the *process* by which an industry, community or sector is assisted is as important, if not more so, than the *form* the assistance takes (Alexander, 2007). This means that, for arts and cultural planning, the practice by which the municipality applies its efforts and the broad strategies that underpin that practice are critical features of planning, arguably more so than the programmes, projects and spaces provided – these latter aspects will change and adapt over time within the framework of the former.

Mistakes will be made; policies will be changed and staff will move on, taking their local knowledge and skills. All of this can be managed if the underlying practice and premise is efficient, community focused and inclusive, and institutionally-based, rather than officer-based.

If local governments are seen as coordinators of an extensive set of activities (the equivalent at state level would be Cabinet, with each branch within local government a state agency), both internal and external communication and facilitation become critical roles, especially for historically undervalued sectors, such as arts and culture. With this in mind, arts and culture, as with any council strategy, must be operationally integrated with, but functionally independent of, other council business areas such as health and wellbeing, economic development and built environment planning.

Subsuming arts and cultural planning within another, possibly higher profile, strategy runs the risk of making it optional, rather than essential, to council operations. At the same time, an arts and cultural strategy must still be moving in the same direction as the other strategic plans. In fact, discussions with Arts Victoria indicate that the integrated ‘cultural planning’ approach to arts and culture is the direction some Victorian councils are heading (pers. comm., Doyle, 2007).

However, artistic achievements should not be overlooked in favour of the social and economic objectives of other council areas (McMaster, 2008). With fewer resources than state or Federal, local governments must carefully balance the multiple goals of supporting arts and culture to ensure as many residents and visitors as possible are well serviced. One way of achieving this is by ensuring that quality and integrity of output are maintained through an independent strategy. At the least, this will improve attendance rates. As Holden (2004: 12) described, in view of the multiple responsibilities of local government, ‘...*plurality, quality and community*’ are all vital to an arts and cultural strategy.

Achieving all of these objectives is a tall order, and various cost effective delivery mechanisms should be considered. This includes everything from collaborative projects between different branches of council; delivering virtual content (increasingly important with an ageing and growing population); service agreements with neighbouring councils; and the creation of temporary art spaces (e.g., in parks).

4. CONCLUSION

It is not going out on a limb to say that arts and culture improves community wellbeing through contributions to the economy, social capital and the built and natural environment. It can help to create a sense of place, improve community cohesion, aid in street beautification, revitalise old buildings and contribute to any number of other municipal goals. Nor is it unreasonable to state that people are increasingly seeking high value and convenient leisure opportunities in a local setting, often substituting arts and cultural activities for sport and recreation participation. While it is difficult to quantify this in simple economic terms, at the least, it can be said that it is a small, but important industry that stimulates a great degree of activity in other sectors.

For all of these reasons, local governments should take the time to develop, and continue to refine, arts and cultural strategies that will guide a committed plan of local investment. There is a legislative mandate, (often) growing demand from residents for quality of life public goods, a policy gap in the suburbs and an opportunity to attract visitors and new residents.

Doing this well will draw upon some of the fundamentals outlined above. The test that municipalities face is to identify where the local competitive edge lies, get the mix of hard and soft infrastructure investment right and provide the best combination of spaces that are accessible and relevant to the local arts sector and to residents. Arts and cultural organisations need to be allowed to take – and bear some of the burden of – taking risks to ensure innovative results. The local arts and cultural strategy also has to be integral to, but independent within, the council policy framework.

ACKNOWLEDGMENTS:

Thanks must go to the Council involved who kindly gave their permission to use the research undertaken on their behalf for this paper. Thanks also to Grant Coble-Neal from ACIL Tasman who agreed to allow results from a joint Geografia-ACIL Tasman project to be used for this paper.

REFERENCES

- ABS, 2000, *Survey of Voluntary Work*, Government of Australia, Canberra
- ABS, 2004, *Arts and Culture and Australia: A Statistical Overview*, Australian Bureau of Statistics, Canberra
- ABS, 2005, *Cultural Funding in Australia Three Tiers of Government 2003-04*, Australian Bureau of Statistics, Canberra
- ABS, 2006, *Year Book Australia*, Australian Bureau of Statistics, Canberra
- ABS, 2006a, *Census Dictionary*, Australian Bureau of Statistics, Canberra
- ABS, 2007, *Attendance at Selected Cultural Venues and Events*, Australian Bureau of Statistics, Canberra
- ABS, 2007a, *Arts and Culture in Australia: A Statistical Overview*, Australian Bureau of Statistics, Canberra
- Adams, R., 2005, 'Melbourne: Back from the Edge' in Charlesworth, E., (ed), *City Edge: Case Studies in Contemporary Urbanism*, Elsevier, Oxford, pp50-65
- Alexander, C., 2007, *The Nature of Order*, Centre for Environmental Structure, California
- Arts Victoria, 2007, *Funding Program Overview 2007-08*, Government of Victoria, Melbourne
- Arts Victoria, 2007a, *Small Arts Organisations Research and Evaluation – Precipis*, Government of Victoria, Melbourne
- Australia Council, 2004, *Art and Wellbeing*, Australia Council, Sydney
- Australia Council, 2006, *Creative Communities*, Australia Council, Sydney
- Buck, W., & Rembert, T., 'Just Doing It: Generation X Proves That Actions Speak Louder than Words', in *The Environmental Magazine*, Sep-Oct
- DEWR, 2007, *Industry Employment Outlook: Cultural & Recreational Services*, Department of Employment and Workplace Relations, Government of Australia, Canberra
- Doyle, S., 2007, personal communication, Manager, Research, Arts Victoria, Melbourne
- Florida, R., 2001, *The Creative Class*, New York. Basic Books
- Florida, R., 2005, *The Flight of the Creative Class: The New Global Competition for Talent*, Harper Business, New York

- Geografia, 2007, *10-Year Economic and Employment Forecasts*, Melbourne
- Glaeser, E.L., 2001, *The Formation of Social Capital*, Isuma: Canadian Journal of Policy Research, Spring
- Gleeson, B., 2004, *Landscapes Apart: Museums and Australian Suburbia*, presented to the Cities and Museums Conference, Brisbane
- Government of Victoria, 2004, *Growing Victoria Together*, Melbourne
- Holden, J., 2004, *Capturing Cultural Values*, Demos, London
- Howkins, J., 2001, *The Creative Economy: How People Make Money from Ideas*, Penguin, London
- Johnson, L., 2006, 'Valuing the Arts: Theorising and Realising Cultural Capital in an Australia City', *Geographical Research*, 44 (3), pp296-306
- Knack, S., 2002, 'Social Capital and the Quality of Government: Evidence from the States' in *American Journal of Political Science*, Vol. 46, No. 4, October, pp. 772-785
- Landry, C., 2000, *The Creative City: A Toolkit for Urban Innovators*, Earthscan/Kogan Page
- Madden, C., 2001, 'Using "Economic" Impact Studies in Arts and Cultural Advocacy: A Cautionary Note', in *Media International Australia Incorporating Culture and Policy*, No. 98, February, pp161-78
- McMaster, B., 2008, *Supporting Excellent in the Arts: From Measurement to Judgment*, Department for Culture, Media and Sport, London
- Montgomery, J., 2007, *The New Wealth of Cities: City Dynamics and the Fifth Wave*, Ashgate Publishing Limited, Aldershot
- Peck, J., 2005, 'Struggling with the Creative Class', in *International Journal of Urban and Regional Research*, Vol. 29, No. 4, pp740-770
- Portes, A., and Landolt, P., 1996, 'The Downside of Social Capital' in *The American Prospect* Vol., 26, pp 18-23
- Putnam, R., 1993, 'The Prosperous Community: Social Capital and Public Life', in *American Prospect*, Vol. 4, No. 13
- Yigitcanlar, T., Velibeyoglu, K., & Baum, S., (eds), 2007, *Knowledge-based Urban Development: Planning and Applications in the Information Era*, Hershey, New York, Information Science Reference
- Snowball, J.D., & Antrobus, G.G., 2002, 'Valuing the Arts: Pitfalls in Economic Impact Studies of Arts Festivals', in *The South African Journal of Economics*, Vol. 70, No. 8, December, pp1,297-1,319

Smith, T, 2001, 'The Visual Arts: Imploding Infrastructure, Shifting Frames, Uncertain Futures', in Bennett, T., & Carter, D., (eds), *Culture in Australia: Policies, Publics and Programs*, Cambridge University Press, Cambridge, pp 66-88

Sterngold, A., 2004, 'Do Economic Impact Studies Misrepresent the Benefits of Arts and Cultural Organizations?', in *Journal of Arts Management, Law & Society*, Vol. 34, No. 3, Fall, pp166-187

Throsby, D., 1994, 'The Production and Consumption of the Arts: A View of Cultural Economics', in *Journal of Economic Literature*, Vol. XXXII, March, pp1-29
