

Background Paper Live Music Toolkit

Evidence of Economic, Social and Cultural Impact of Live Music

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Introduction

Over the past two decades and particularly since 2011 there has been an increasing understanding of the economic, cultural and social value of the arts and in particular live music in Victoria and Australia. The State of Play initiative commenced in 1999 seeking to measure the size and health of Melbourne's live music industry. The Report was released annually until 2011 when a number of more detailed studies examining the live music industry were undertaken including:

- The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria (June 2011), prepared by DeLoitte Access Economics for Arts Victoria
- Economic Contribution of Venue-Based Live Music Industry in Australia (September 2011), prepared by Ernst and Young for APRA
- Music Industry Economic Impact Study (November 2011), prepared by SGS Economics and Planning for the City of Melbourne
- The 2012 Live Music Census
- The 2013 Regional Live Music Census
- The Economic and Cultural Value of Live Music in Australia (2014) prepared by the University of Tasmania in partnership with the Cities of Melbourne and Sydney, the South Australian Government, and the Live Music Office.

What is evident from these studies along with strategies such as the Creative State (The Victorian State Government Creative Industries Strategy) and the National Arts Participation Survey, is that the cultural, social and economic value of the arts and particularly live music are interdependent. As outlined in the 2014 report on the Economic and Cultural Value of Live Music in Australia, these aspects are interdependent *insofar as the cultural value of live music creates and depends on its economic value, and both are underpinned by its social function.*¹ Further, the Creative State outlines that *creativity is not limited to the creative industries. It has major impact when used in other parts of our economy and society.*²

Summary of Economic Impacts

The annual economic impact of the live music industry is profound, and this has been proven through multiple studies, particularly over the past decade. The most recent and comprehensive analysis of the economic, social and cultural contribution of the live music industry was undertaken in 2014 by the University of Tasmania in partnership with the City of Sydney, City of Melbourne, the Government of South Australia, and the Live Music Office. Key findings about the economic impact of the live music industry were:

- Live music spending in Australia delivers at least 3:1 benefit-to-cost ratio. That is for every dollar spent on live music in Australia, \$3 worth of benefit is returned to the wider Australian community. This was conservatively estimated to be \$15.7 billion in 2014 consisting of:

¹ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

² Victorian State Government (2016), Creative State 2016 – 2020. Available online: https://creative.vic.gov.au/_data/assets/pdf_file/0005/110948/creativestate-4.pdf

- \$2.1 billion in commercial benefits (profits generated by live music producers and a net positive impact on productivity at work reported by live music attendees)
- \$3.2 billion of civic benefits (including an estimated 65,000 full and part time jobs enabled by spending on live music and taxation revenue to all levels of government)
- \$10.4 billion of individual benefits (the range of intangible benefits reported by consumers and producers that they feel are associated with experiencing live music eg: greater social capital and improved health-and-wellbeing)
- In Victoria, live music spending was estimated to be \$5.8 billion in 2014 consisting of:
 - \$567 million in commercial benefits
 - \$931.6 million of civic benefits
 - \$4.287 billion of individual benefits.³

These figures are significantly higher than previous valuations of the live music industry because a more detailed model of consumer spending and a more complete accounting of the various ways live music benefits the community was applied. Spending such as ticket, food and alcohol sales represent less than half of actual spending on live music attendance. Previous studies relying on this data alone have underestimated the economic impact of the live music industry. For example:

- The 2011 report the Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria estimated that in 2009/2010 live performances in Victorian venues provided direct and indirect economic contribution to the Victorian economy of \$501 million and full time equivalent employment for 17,200 people⁴
- The 2011 report the Economic Contribution of Venue-Based Live Music Industry in Australia estimated venue based live music generated revenue of \$1.21 billion in Australia in 2009/2010 and provided full time equivalent employment for 14,866 people⁵
- The 2012 Live Music Census (Melbourne) estimated in 2012, \$1.04 billion was spent in small venues, concerts and festivals, and 116,000 full time equivalent jobs were created through the live music industry⁶
- The 2013 Regional Live Music Census (Regional Victoria) estimated in 2013, the annual contribution to the regional Victorian economy generated by patron spending at live performance venues, festivals and special events was \$276.2 million, and 65,600 full time equivalent jobs were created.⁷

³ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

⁴ Deloitte Access Economics (2011), The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria. Available online: http://musicvictoria.com.au/assets/Documents/DAE_Live_music_report_2011.pdf

⁵ Ernst and Young (2011), Economic Contribution of Venue-Based Live Music Industry in Australia. Available online: http://apraamcos.com.au/media/1493/nationallivemusicresearch_sept2011.pdf

⁶ Music Victoria and City of Melbourne (2012), Victorian Live Music Census 2012. Available online: http://www.musicvictoria.com.au/assets/Documents/Victorian_Live_Music_Census_2012.pdf

⁷ Music Victoria (2013), Regional Live Music Census. Available online: http://www.musicvictoria.com.au/assets/Documents/2014/RegionalLiveMusicCensus2013_web.pdf

In addition, previous studies have not necessarily considered civic and individual benefits that flow from the live music industry and consequently have undervalued the contribution live music makes to the community.⁸

Live music is a source of regional competitive advantage with large proportions of people attending live music events travelling inter- and intra-state to attend live music.⁹ This is supported by research completed by Tourism Research Australia in 2014 which found that events are important drivers of regional tourism, with almost one-quarter of Australians having attended at least one event in a regional area in the last two years. More recent research commissioned by the Victorian State Government about festivals in Victoria found an estimated 35 percent of festival attendees travel from other parts of Victoria and beyond to attend festivals in Victoria. In addition, domestic overnight trips to Melbourne for festivals grew by 18 percent between 2010 and 2015 and by 8 percent in regional areas.¹⁰

Other key findings of Tourism Research Australia were:

- People attended an average of 2.7 events in the past 2 years with the most popular events being food and wine, **followed closely by music related**, garden and botanical, sport (as a spectator), and art exhibitions.
- Three-quarters of event attendees would not have gone to the destination if not for the event, 58 percent of attendees were likely to attend other similar events, and most intend to return to the destination in the future
- On average, those who made overnight trips stayed just over five nights away from home and three nights in the region where the event was held. Length of stay was longer for those on interstate trips.
- People are more likely to travel to events within their own state, and more often within two hours' drive from home (58 percent) than over two hours' drive from home (42 percent).
- Music event, festivals or concerts are more likely to attract females, attract 15 – 34 year olds, be intrastate overnight trips, and be attended with friends.¹¹

Summary of Social and Cultural Impacts

The latest results from the National Arts Participation Survey (2016) *confirm the significant and increasing personal value Australians place on the impact of the arts, and the ways in which they make our communities stronger and more cohesive.*

- A total of 98 percent of Australians engage with the arts and since the 2013 survey, there is substantially increased recognition of the positive impact the arts have on wellbeing and the ability to develop new ideas. More Australians now believe the arts have a big or very big

⁸ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

⁹ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

¹⁰ LEK (2018), Victoria's Creative Industry Festival Review. Available online:

¹¹ Tourism Research Australia (2014), Events: Drivers of Regional Tourism. Available online: https://creative.vic.gov.au/research/reports/victorias-creative-industry-festivals-review/_nocachehttps://www.tra.gov.au/Research/View-all-publications/All-Publications/events-drivers-of-regional-tourism

impact on their sense of wellbeing and happiness (60 percent up from 52 percent in 2013), their ability to express themselves (69%, up from 61% in 2013), and their ability to think creatively and develop new ideas (67%, up from 59% in 2013).

- There is a growing appreciation among Australians of the role of the arts in creating social cohesion, with three in four Australians believing the arts are an important way to get a different perspective on a topic or issue, and two in three Australians believing that the arts impact their understanding of other people and cultures (64 percent) and allow them to connect to others (64 percent).¹²

Looking more specifically at the value of music, in 2016, 97 percent of Australians listened to recorded music and more than half attended live music.¹³ As the Live Music Office states, *the value of live music is intuitively understood by the millions of Australians whose lives are enriched by time spent on sticky floors, in muddy fields and at concert halls.*¹⁴

Supporting this, the 2011 study by Deloitte Access Economics into the Economic, Social and Cultural Contribution of Venue Based Live Music in Victoria, found that:

- Live music in venues makes an especially strong social contribution by providing an opportunity for performers and patrons to develop their social networks, particularly for young people
- Individuals place high value on the social benefits experienced from attending live music performances indicating they believe it improves their quality of life.¹⁵

Supporting this further, the 2014 study by the University of Tasmania into the Economic and Cultural Value of Live Music in Australia, outlines the research underpinning the established link between performing arts (music in particular), and health and wellbeing outcomes for individuals. *Live music is recognised as contributing to a sense of community, meaning and attachment to place.*¹⁶ The Study also identifies the economic impact of the health and wellbeing outcomes for individuals who experience live music in Australia. In 2014, it is estimated \$10.4 billion of benefit including greater social capital and improved health-and-wellbeing, was provided to individuals in Australia through experiencing live music in 2014.

The 2011 Study by Deloitte Access Economics for Arts Victoria also found that:

- Live music nurtures creativity by providing scope to perform original music with a high proportion of venues regularly featuring original bands and performers

¹² Australia Council for the Arts (June 2017), Connecting Australians: The National Arts Participation Survey (June 2017). Available online: www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf

¹³ Australia Council for the Arts (June 2017), Connecting Australians: The National Arts Participation Survey (June 2017). Available online: www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf

¹⁴ Live Music Office (nd), UTAS Research. Available online: http://livemusicoffice.com.au/research/#/research_category/utas-live-music-in-australia/

¹⁵ Deloitte Access Economics (2011), The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria. Available online: http://musicvictoria.com.au/assets/Documents/DAE_Live_music_report_2011.pdf

¹⁶ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

- The opportunity to perform live in music venues plays a crucial role in developing music careers and incubating talent. Live music performance is especially important in terms of building a profile and developing performance skills, ensuring that performers have the fan-base and stagecraft to sustain them through each career phase.¹⁷

¹⁷ Deloitte Access Economics (2011), The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria. Available online:

http://musicvictoria.com.au/assets/Documents/DAE_Live_music_report_2011.pdf

Appendix A: Research and Information Reviewed

A full list of the studies and reports reviewed about the economic, social and cultural impacts of live music and more widely the creative sector, are outlined in Table 1 below. The specific findings from each document are provided on the following pages.

In addition to these documents, there are a multitude of other studies and reports about the wider arts and cultural sector and tourism sector. While they are valuable in understanding the broad economic, social and cultural impacts of arts and culture, for the purpose of the Local Government Live Music project, a decision has been made to focus upon research and information that either specifically addresses the economic, social and cultural impacts of local live music or has very specific application to the live music sector. Other studies and reports that provide information about the wider arts and cultural sector and tourism sector that may be of interest to local government organisations are:

- Living Culture: First Nations Arts Participation and Wellbeing
- Showcasing Creativity: Programming and Presenting First Nations Performing Arts
- Do you really expect to be Paid? An Economic Study of Professional Artists in Australia
- ARC Linkage: Economic and Cultural Value of Australian Live Music Exports

Document	Reviewed
State of Play Report 2010 – 2011: Live Music in Melbourne (2011), NMIT	√
The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria (June 2011), DeLoitte Access Economics prepared for Arts Victoria	√
Economic Contribution of Venue-Based Live Music Industry in Australia (Ernst and Young for APRA, September 2011)	√
Victorian Live Music Census (2012), Music Victoria and the City of Melbourne	√
Victorian Live Music Census (2017), Music Victoria, the City of Melbourne, the City of Yarra, the City of Port Phillip, RMIT University	√
Regional Live Music Census (2013), Music Victoria	√
The Economic and Cultural Value of Live Music in Australia, 2014 apraamcos.com.au/about-us/industry-research/live-music-research/	√
Events: Drivers of Regional Tourism, Tourism Research Australia (2014)	√
Victoria's Creative Industry Festivals Review	√
Reinventing Rural Places – The extent and impact of festivals in rural and regional Australia (2009) University of Wollongong's Centre for Cultural Environmental Research. Christopher Gibson and Anna Stewart	√
Connecting Australians: The National Arts Participation Survey (June 2017)	√
Live Performance Australia Ticket Attendance and Revenue Survey (2016)	√
Music Crawl, Music Victoria and Creative Victoria	√
Gold Coast Live Music Taskforce Report and Recommendations (2017)	√
If you're happy and you know it: Music engagement and subjective wellbeing	√
Economic and Social Value of the Arts and Creative Sector in the City of Maribyrnong (2017)	√
Creative State Global City: Creative Industries Taskforce Report (2015)	√
The Value of Arts and Culture to People and Society: An Evidenced Review (2014)	√

Table 1: Relevant Studies and Reports Reviewed about the Economic, Social and Cultural Impacts of Live Music

The State of Play (2010-2011)

An annual report prepared between 1999 and 2011 to measure the size and health of Melbourne's live music industry. The report documents live music activity in pubs, clubs and bars, but not festivals and major concert venues. Key findings from the 2011 report were:

- In 2000 an estimated \$10 million was spent advertising 46,993 gigs, 2010/2011 an estimated \$27.7 million was spent advertising 81,113 gigs
- In 2010/2011 the most popular venues for seeing live performances were bars and pubs (88 percent), concerts (78 percent), and festivals (81 percent). The popularity of pubs as a venue for live performances grew from 69 percent in 200 to 88 percent in 2010/2011, while for cafes and restaurants their popularity as a venue for live performances also grew from 11 percent in 2004/2005 to 30 percent in 2010/2011.
- Many of the venues surveyed have issues which impact on their operation as live music presenters – 55 percent reported noise-related problems, 47 percent Parking, 33 percent Health and Safety regulations, 40 percent Building/Development issues, 36 percent security and 37 percent Zoning/Local Govt regulations.
- When asked to comment on how local/state government could best assist their business, there were three dominant suggestions which featured in the majority of answers 1. Reduced bureaucracy and regulation in licensing/planning/development area. 2. More reliable data for lobbying/advocacy. 3. Increased support for local festivals and artists. 4. A stronger, better resourced music industry body.¹⁸

The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria (2011)

Provides a quantified estimate of the economic contribution of live music in Victorian venues as well as a qualitative discussion of the social and cultural values that are accruing. It focused upon live music performance in Victorian hotels, bars, nightclubs, cafes and restaurants. Data was collected through surveys of patrons, venues and performers, and validated through industry consultation.

Key findings were:

- Melbourne has more live music venues than any other Australian city, including around 370 hotels, bars, nightclubs and restaurants featuring live music.
- Some 600 venues throughout Victoria collectively provide an average of 3,000 live performances per week, equating to about five performances per venue per week. It is estimated that there were approximately 5.4 million attendances at live music performances in Victorian venues in 2009/2010
- In 2009/2010, live performances in Victorian venues provided direct economic contribution to the Victorian economy of \$301 million and full time equivalent employment for 14,900 people. Combined with the indirect economic impacts, it is estimated that venue-based live music performance contributed \$501 million to the Victorian economy and full time equivalent employment for 17,200 people.

¹⁸ NMIT (2011), State of Play Report 2010 – 2011: Live Music In Melbourne. Available online: http://www.musicvictoria.com.au/assets/Documents/The_State_of_Play_Report_2010_20.pdf

The venue-based live music industry was also found to make a significant contribution to the Victorian social and cultural landscape.

- Live music nurtures creativity by providing scope to perform original music.
 - 74 percent of venues surveyed regularly feature original bands and performers
 - 86 percent of patrons surveyed believe that live music in venues encourages individuality in Victoria
- The opportunity to perform live in music venues plays a crucial role in developing music careers and incubating talent. Live music performance is especially important in terms of building a profile and developing performance skills, ensuring that performers have the fan-base and stagecraft to sustain them through each career phase.
 - Consultations suggested that performers in the early phase of their career will typically need to play live at least once or twice per week in order to build a profile.
- Live music in venues makes an especially strong social contribution in providing an opportunity for performers and patrons to develop their social networks – this has particular resonance for young people.
 - The patron survey shows that 76 percent of 18 and 19 year olds felt that their friendship group had expanded through attending live music performances.
- Individuals place high value on the social benefits derived from attendance at live music performances.
 - Live music performances are at least as important as other social outings for 86 percent of patrons (even though live music performances comprise less than one quarter of all social outings for 55 percent of patrons).
 - Patrons have high willingness to spend on live music performances, with 42 percent of personal weekly expenditure on out-of-home recreation and entertainment allocated towards attending live music.
- These private benefits foster social engagement and connectedness, leading to enhanced community wellbeing. Patrons overwhelmingly indicated that live music can have positive impacts for the community.
 - 92 percent of patrons believe that venue-based live music improves quality of life.
 - 84 percent of patrons stated that live music in venues provides a welcoming and safe environment.¹⁹

Economic Contribution of Venue-Based Live Music Industry in Australia (2011)

Provides a quantified estimate of the economic value of the venue based live music industry in Australia. It focused upon live music performances in hotels/bars, clubs, restaurants/cafes and nightclubs licensed with APRA that stage live music. Data was collected through an on-line survey of live music venues, consultation with venue owners/operators, and information provided by APRA.

¹⁹ Deloitte Access Economics (2011), The Economic, Social and Cultural Contribution of Venue-Based Live Music in Victoria. Available online:

http://musicvictoria.com.au/assets/Documents/DAE_Live_music_report_2011.pdf

Key findings were:

- The venue-based live music industry in Australia generated revenues of \$1.21 billion during 2009/10 financial year. An estimated 16.7 percent of this revenue was generated from ticket sales to live music performances and the remaining from food and beverage sales.
- An estimated 41.97 patrons attended approximately 328,000 venue based live music performances at 3,904 live music venues across Australia.
- The industry supported approximately 14,866 full time equivalent positions.
- Victoria contributed an estimated 22 percent of total revenue generated by the venue based live music industry in Australia (\$266.2 million). This was behind QLD (24 percent) and NSW (32.1 percent).
- The barriers to owning / operating a live music venue as identified by venue operators were the impact of the current regulatory environment for live music venues (69.1 percent) and the cost of talent (61.7 percent).
- Venue-based live music acts as an incubator for emerging artists/performers. The ability to perform and trial new material with smaller audiences assists artists' with their development. While new technologies are providing different ways for artists' to reach audiences, live performance is critical for artists' technical and creative development, income generation and networking with fans and industry. Venue-based live performance is often the first step in furthering an artist's international career.²⁰

2012 Live Music Census

The Live Music Census was initiated by Music Victoria and the City of Melbourne and was implemented with support from NMIT, RMIT, Box Hill Institute of TAFE and Victoria University. Its primary purpose was to address the differences in data between the various studies prepared in 2011 for Arts Victoria, APRA and the City of Melbourne about the economic and social Impact of the live music industry. Using information from the Live Music Census and Live Performance Australia Ticket Attendance and Revenue Survey, the report found:

- Melbourne hosts 62,000 live music concerts each year
- 465 Greater Melbourne live music venues
- 14.4 million patron visits annually. Over 97,000 people attend live music performances in Melbourne every Saturday night.
- In 2012, nearly \$1.04 billion was spent in small venues, concerts and festivals. Door entry / ticket sales were estimated to account for \$292.7 million and ancillary spending (transport/food/drink/merchandise) for \$746.7 million
- On an annual basis, 116,000 annual full time equivalent jobs are created through the live music industry²¹

²⁰ Ernst and Young (2011), Economic Contribution of Venue-Based Live Music Industry in Australia. Available online: http://apraamcos.com.au/media/1493/nationallivemusicresearch_sept2011.pdf

²¹ Music Victoria and City of Melbourne (2012), Victorian Live Music Census 2012. Available online: http://www.musicvictoria.com.au/assets/Documents/Victorian_Live_Music_Census_2012.pdf

2017 Live Music Census

The Live Music Census was initiated by Music Victoria and the City of Melbourne and was implemented with support from NMIT, RMIT, Box Hill Institute of TAFE and Victoria University. Its primary purpose was to address the differences in data between the various studies prepared in 2011 for Arts Victoria, APRA and the City of Melbourne about the economic and social impact of the live music industry. Using information from the Live Music Census and Live Performance Australia Ticket Attendance and Revenue Survey, the report found:

- Melbourne hosted 73,000 live music gigs in the last year
- There are 553 live music venues in Greater Melbourne
- 17.5 million patron visits annually. Over 110,000 people attend live music performances in Melbourne every Saturday night.
- In 2017, nearly \$1.42 billion was spent in small venues, concerts and festivals. Door entry / ticket sales were estimated to account for \$292.7 million and ancillary spending (transport/food/drink/merchandise) for \$746.7 million
- On an annual basis, 116,000 annual full time equivalent jobs are created through the live music industry²²

2013 Regional Live Music Census

The Regional Live Music Census was initiated by Music Victoria to collect quality data on the annual live music performance industry from venues in non-metropolitan Victoria. It sought to build on the 2012 Live Music Census completed in metropolitan Melbourne. Key findings were:

- There are 197 venues in regional Victoria identified as providing regular live performances (minimum of 2 per week). On average these venues host 458 gigs per week, totalling 22,900 gigs annually. This does not include festivals
- The majority of regional venues are impacted by regulatory issues – 74 percent licencing, 56 percent noise, 33 percent zoning, parking and development
- When asked to share their view about the health of the live music scene, 37 percent of venues reported an increase in patronage compared with 12 months ago, 17 percent reported a decrease and 46 percent reported no change
- 49 percent of the regional live music patrons are in the 26-40 age group - exactly the same percentage as for metro gigs. 31 percent of those aged 40+ attend regional gigs, while those aged 25 and under account for only 20 percent. These percentages are reversed in the metro area.
- On a typical weekend, regional venues attract an average of 150 patrons per gig. This translates to an average weekly total of 57,092 per week across 197 regional venues. Based on a 50-week operating year, regional venues attract a total of 2,854,500 patrons. Adding the estimated regional festival audience (1,000,000) produces an annual regional total of 3,854,000.

²² Music Victoria and City of Melbourne (2012), Victorian Live Music Census 2012. Available online: http://www.musicvictoria.com.au/assets/Documents/Victorian_Live_Music_Census_2012.pdf

- Annual combined revenue from venues and events is estimated to be \$60.9 million (festivals \$24.5 million). In addition, patrons attending regional venues and festival gigs in regional areas spend an additional \$215.3 million on food, drink, transports and merchandise (small venues \$116.9 million and festivals \$98.4 million).
- The annual contribution to the regional Victorian economy generated by patron spending at live performances in venues and at festivals and special events is \$276.2 million.
- Live music performances in regional Victoria annually create a total of 65,600 (50,000 full time, 15,000 full time equivalent). It is estimated that regional festivals provide an additional 4,000 full time and FTE jobs during the planning and operational phase.
- Live music performances in small venues in regional Victoria create an annual total of 22,500 full time equivalent jobs for musicians.²³

The Economic and Cultural Value of Live Music in Australia 2014

The study sought to value the economic, social and cultural contribution of the Australian live music industry. The research was undertaken by the University of Tasmania in partnership with the City of Sydney, City of Melbourne, The Government of South Australia, and the Live Music Office. Data was collected through a survey of live music consumers, interviews with venue owners and operators, and existing data about the sector. A cost benefit analysis approach was applied that considered the benefits to the broader community from money spent on live music.

Key Findings

- Live music spending in Australia delivers at least 3:1 benefit-to-cost ratio. That is for every dollar spent on live music in Australia, \$3 worth of benefit is returned to the wider Australian community. This was conservatively estimated to be \$15.7 billion in 2014 - \$2.1 billion in commercial benefits, \$3.2 billion of civic benefits, and \$10.4 billion of individual benefits.
 - Commercial benefits comprise of the profits generated by live music producers and a net positive impact on productivity at work reported by live music attendees.
 - Civic benefits include an estimated 65,000 full and part time jobs enabled by spending on live music and taxation revenue to all levels of government.
 - Individual benefits are the range of intangible benefits reported by consumers and producers that they feel are associated with experiencing live music. These included benefits such as greater social capital and improved health-and-wellbeing.
- In Victoria, the commercial benefits of live music in Victoria in 2014 were estimated to be \$567 million, the civic benefits were estimated to be \$931.6 million, and the individual benefits were estimated to be \$4.287 billion.
- The figures of \$15.7 billion for Australia is larger than previous valuations of the Australian live music industries due to a more detailed model of consumer spending and a more complete accounting of the various ways live music benefits the community. Spending such as ticket, food and alcohol sales represent less than half of actual spending on live music attendance. Previous studies relying on this data alone has underestimated the economic impact of the live music industry. In addition, previous studies have not necessarily considered civic and individual benefits

²³ Music Victoria (2013), Regional Live Music Census. Available online: http://www.musicvictoria.com.au/assets/Documents/2014/RegionalLiveMusicCensus2013_web.pdf

that flow from the live music industry and consequently have undervalued the contribution live music makes to the community.

- Food and drink is the number one expense for those attending a live music performance equating to 29.3 per cent of the total spend. Expenditure on tickets comes in second at 19.2 per cent of spend, followed by travel at 17.6 per cent and accommodation at 12.4 per cent
- Live music is a source of regional competitive advantage. Approximately half of the survey respondents reported travelling inter- and intra-state to attend live music, with one in five travelling overseas. This suggests there is a strong case for investment of public funds into live music making²⁴

Events: Drivers of Regional Tourism (2014)

This report presents the findings of a survey conducted in 2015 of nearly 2,500 people from across Australia who attended an event in a regional area in the past 2 years. Key findings from the research are:

- Events are important drivers of regional tourism with almost one-quarter of Australians having attended at least one event in a regional area in the last two years.
- Survey respondents attended an average of 2.7 events with the most popular events being food and wine, ***followed closely by music related***, garden and botanical, sport (as a spectator), and art exhibitions.
- Three-quarters of event attendees would not have gone to the destination if not for the event, 58 percent of attendees were likely to attend other similar events, and most intend to return to the destination in the future
- Trips taken for events were fairly evenly split between overnight (55 percent) and day trips (45 percent). On average, those who made overnight trips stayed just over five nights away from home and three nights in the region where the event was held. Length of stay was longer for those on interstate trips.
- Respondents were more likely to travel to events within their own state, and more often within two hours' drive from home (58 percent) than over two hours' drive from home (42 percent).
- Beyond the event itself, destinations were visited for affordability, local attractions, the range of activities available and to visit friends and family. A number of other attractions and experiences were rated as important by around one quarter of respondents including history and heritage, culinary experiences and the natural environment.
- Music event, festivals or concerts are more likely to attract females, attract 15 – 34 year olds, be intrastate overnight trips, be attended with friends and they are less likely to be intrastate day trips.

²⁴ University of Tasmania (2014) The Economic and Cultural Value of Live Music in Australia. Available online: <http://apraamcos.com.au/broadcast/LiveMusic-report-FINAL.pdf>

- The highest value events (those with broad mainstream appeal that can drive overnight trips) were music, food and wine, cultural and spectator sporting events.²⁵

Victoria's Creative Industry Festivals Review (2018)

This review sought to describe and map the current festivals environment in Victoria, estimate the economic, social and cultural value and significance of festivals to the state, examine what the role of festivals is and how this may have changed, assess the strengths, weaknesses, opportunities and threats for the festivals sector, and recommend actions to improve the operation and sustainability of festivals in Victoria.

The focus of the report is Creative Industry festivals which are defined as festivals estimated to have at least 20 percent of creative programmed content (eg: music). This means the review has not looked at festivals such as the Melbourne Food and Wine Festival and Melbourne International Garden Show.

Key findings from the review were:

- Festivals are a dynamic ecology and within the ecology festivals play very different roles. Some drive strong brand, visitation and ticketing outcomes, while others provide a point of focus and creative celebration for their communities, and other operate mainly to develop and elevate the creative talent and endeavour within a particular art-form
- As an ecology, festivals are weakly coordinated with many coordinated around summer, leading to specific areas of unrealized opportunity (e.g. congested calendar, specific knowledge and capability gaps) even as the sector grows steadily
- 43 percent of festivals are located in regional Victoria, and 57 percent in metropolitan Melbourne
- Festivals are concentrated around the summer months, 20 percent are held in March
- The average ticket price is \$10 - \$30 although 61 percent of festivals have a free component
- Total attendance to festivals was estimated to be over 9 million in the past year, of this 7 million was estimated to be free, while 2 million was ticketed
- An estimated 43,000 volunteer and paid roles are created by festivals annually, of this, 12,000 are estimated to be paid staff, while 31,000 are volunteers
- Cultural outcomes delivered by festivals in Victoria include over 430 active creative festivals, around 9 million attendances per annum (both paid and unpaid), around 80,000 performers and practitioners taking part in festivals, and that Victorians are the most highly engaged with festivals compared with other Australian States and Territories
- Social outcomes include providing amenity to city dwellers and regional Victorians alike, engaging people in 31,000 volunteer roles and 40 percent of festivals being led by particular cultural identity or place and 60 percent are art form led

²⁵ Tourism Research Australia (2014), Events: Drivers of Regional Tourism. Available online: <https://www.tra.gov.au/Research/View-all-publications/All-Publications/events-drivers-of-regional-tourism>

- Economic outcomes include an estimated 12,000 paid full and part time roles, \$2 million in ticket income per annum, significant visitation outcomes with an estimated 35 percent of attendees travelling from other parts of Victoria and beyond, and that domestic overnight trips to Melbourne for festivals / cultural events grew by 18 percent between 2010 and 2015 and by 8 percent in regional areas.
- Creative Victoria uses festivals to drive a broad mix of benefits including:
 - Cultural benefits such as providing a vehicle for showcasing creative works from a fragmented base, furthering the development of creative / artistic talent, providing distinctive platforms for combining and curating old and new, small and large works, and different art-forms, and helping Victorian creative talent to connect with opportunities in other markets.
 - Cultural benefits such as facilitating wider public access to creative art forms, supporting wider social goals (education, health, social cohesion), engaging more Victorians in cultural and creative endeavour, providing distinctive, high profile public events
 - Economic benefits such as providing creative employment, stimulating cultural tourism, enhancing Victoria's brand and reputation in other states and overseas, providing year to year leverage of creative sector infrastructure (e.g. venues).

Reinventing Rural Places: The Extent and Impact of Festivals in Rural and Regional Australia (2009)

The study sought to document the extent and significance of festivals for rural communities and economies in NSW, Victoria and Tasmania. Key findings from the research were:

- Festivals are highly diverse with the most common being were sporting, community, agricultural and music festivals. They range in size from tiny festivals to regional flagship festival and mega events with audiences of 50,000 or more
- Ballarat was identified as the non-metropolitan capital of festivals with 73 festivals in a year.
- Although most festivals were small, not-for-profit and did well to earn a modest profit, the sheer number and distribution of rural festivals makes them a sizeable industry in a cumulative sense. The combined estimated turnover (through ticket sales and merchandise) in Victoria, NSW and Tasmania was \$550 million annually. In addition, the study estimated that the flow on economic activity generated by festivals in rural communities was in the order of \$10 billion per annum across the three states.
- That an estimated 176,560 full-time and part-time jobs are created directly in the planning and operation of cultural festivals in regional Australia (4.1 full-time and 5.1 part-time jobs per festival in the planning stage; 13 full-time jobs and 12.6 part-time jobs on average created at the time of operation). In addition, organisers claimed that on average another 27 directly related jobs (over 77,000 in total) were created by their festivals in the wider community.
- Clear evidence of the integration of festivals into community life. Festivals are pivotal dates on the annual calendars of towns and villages: they support charities and provide opportunities for high schools and Rotary clubs to raise funds; they bring together scattered farmfolk, young and old and

disparate subcultures; they blend attitudes, enlarge social networks and encourage improvements in social cohesion.²⁶

Connecting Australians: The National Arts Participation Survey (June 2017)

Connecting Australians: Results of the National Arts Participation Survey is the third in a series by the Australia Council for the Arts, following editions in 2009 and 2013. It measures Australians' engagement with the arts in 2016 through attending arts events, exhibitions and festivals; reading; listening to music; sharing and connecting with the arts online; and creating art themselves.

The findings confirm the significant and increasing personal value Australians place on the impact of the arts, and the ways in which they make our communities stronger and more cohesive. The research demonstrates that the arts have a unique capacity to connect Australians from diverse backgrounds, and that two in three of us believe the arts help us to understand other people and cultures, and allow us to connect to others.

Key findings from the survey are:

- A total of 98 percent of Australians engage with the arts and since the 2013 survey, there is substantially increased recognition of the positive impact the arts have on our wellbeing and ability to develop new ideas. More Australians now believe the arts have a big or very big impact on
 - their sense of wellbeing and happiness (60 percent up from 52 percent in 2013)
 - their ability to express themselves (69%, up from 61% in 2013)
 - their ability to think creatively and develop new ideas (67%, up from 59% in 2013).
- There is a growing appreciation among Australians of the role of the arts in creating social cohesion. More Australians now agree that the arts reflect Australia's cultural diversity (75 percent, up from 64 percent in 2013) and that the arts shape and express Australian identity (57 percent, up from 45 percent in 2013).
 - Three in four Australians believe the arts are an important way to get a different perspective on a topic or issue, and two in three Australians believe that the arts impact their understanding of other people and cultures (64 percent) and allow them to connect to others (64 percent)
- Seven million Australians experienced First Nations arts last year, double the number since the first survey in 2009. Four in five believe First Nations arts are an important part of Australia's culture.
- More than 14 million Australians aged 15 years and over attended arts events or festivals in person in 2016 (72%).
- More than half of Australians attended live music in 2016 (54 percent), including opera, classical music, musical theatre, art music and contemporary popular music. This reflects the ongoing importance of music performance in the lives of Australians. However, the proportion of Australians attending live music decreased between 2013 and 2016 (from 59 to 54 percent),

²⁶ Gibson and Stewart (2009), *Reinventing rural places – The extent and impact of festivals in rural and regional Australia*. University of Wollongong's Centre for Cultural Environmental Research. Available online: <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=3357&context=sspapers>

driven by a decline in the proportion of Australians attending contemporary music across Australia (from 39 in 2013 to 32 percent in 2016, following a stable trend between 2009 and 2013).

- Live contemporary music in Australia is a dynamic landscape, particularly given changes in the regulatory environment and music festival market in recent years. While there was a reduction in the number of large-scale music festivals between 2013 and 2016, if this was the cause of the attendance decline it would be likely to be more pronounced among younger Australians – but there were declines in contemporary music attendance across most age groups. The declines were also across states and territories, and for both regional and metropolitan residents.
- Nearly half the population aged 15 years and over attended an arts festival in 2016 (45 percent). Music festivals were the most popular, attended by over one quarter of Australians (27 percent). Around one million Australians attended Indigenous festivals (6 percent) and a similar number attended literature festivals (5 percent).
- Music is the most popular art form, with 97 percent of Australians listening to recorded music and more than half attending live music.
- Younger Australians (aged 15-24 years) create and experience the arts at the highest rates.
- One in four Australians give time or money to the arts, reflecting their value in our lives.
- Three quarters of us think the arts are an important part of the education of every Australian and are proud when Australian artists do well overseas.²⁷

Live Performance Australia Ticket Attendance and Revenue Survey (2016)

Live Performance Australia presents the results from an annual survey about the ticket sales for live performances in Australia. The survey includes live performances from a wide range of genres eg: dance, comedy, musical theatre etc. The information most relevant to this project is the data about contemporary music and contemporary music festivals. The 2016 data shows that:

- Nationally, there was a total of 5.66 million attendances at contemporary live music performances generating \$440.08 million in revenue. This accounted for 30.8 percent of all revenue from live performances in Australia, but this was down from 34 percent in 2015, and 40.1 percent in 2014.
- In Victoria, there were a total of 1.55 million attendances at contemporary live music performances generating \$129.68 million in revenue. This accounted for 29.5 percent of all revenue from live performances in Victoria.
- Contemporary music festivals in Australia delivered 673,000 attendances and generated revenue of \$79.86 million. This is significantly lower than 2014 and 2015. In Victoria contemporary music festivals delivered 89,000 attendances and generated revenue of \$14.03 million. Victoria has also experienced notable declines in both attendances and revenue over this time.²⁸

²⁷ Australia Council for the Arts (June 2017), Connecting Australians: The National Arts Participation Survey (June 2017). Available online: www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf

²⁸ Live Performance Australia, LPA Ticket Attendance and Revenue Survey 2016. Available online: <http://reports.liveperformance.com.au/ticket-survey-2016>

Music Crawl

Music Crawl is an initiative of the Victorian State Government designed to build connections between Melbourne and regionally based music industry leaders. Music Crawl involves delegations of Victoria's leading music artists, managers, booking agents and peak body representatives visiting targeted regions around the state to explore opportunities for contemporary music touring and collaboration. To date three Music Crawls have occurred resulting in:

- 37 music leading industry representatives visit 15 Victorian locations
- 32 venues being showcased, from small bars to international renowned performing arts centres
- Over 35 performances from leading artists across the state
- Strengthened connections between the music industry, media and local government
- Regionally based artists booking shows in Melbourne, and regional venues/festivals securing tours by metro-based artists
- An average return of \$3.00 for every dollar invested through new business and artistic connections, including live touring, performances and creative opportunities
- Achieved significant media interest, including TV, radio, print and online interviews and features²⁹

If you're happy and you know it: Music engagement and subjective wellbeing (2016)

This paper explores the connection between habitual music engagement and subjective wellbeing ie: individual evaluations of life satisfaction. The paper outlines the internationally recognised literature about music and wellbeing, and presents the results from a study of 1,000 people.

The study found that people engaging with music by dancing or attending musical events experience higher subjective wellbeing than those who do not engage with music in these forms. The study also found that people who sang or danced in the company of others generally experienced higher levels of subjective wellbeing than those who engaged with music alone.³⁰

Economic and Social Value of the Arts and Creative Sector in the City of Maribyrnong (2017)

This report presents the findings from research into the economic and social value of the arts and creative sector in the City of Maribyrnong. The report identifies:

- There are 1,451 jobs in the arts and creative sector, representing 3.8 percent of all jobs in the City of Maribyrnong
- The sector contributes \$297.8 million to the Gross Regional Product in Maribyrnong, accounting for around 5.4 percent of the local economy
- There are other economic benefits that are not easily monetised including the impact upon gentrification, and urban revitalisation, retail strip renewal, improved visitor brand, health and

²⁹ Music Victoria (January 2018), Victorian Music Crawl # 3. Available online: <http://www.musicvictoria.com.au/victorian-music-crawl>

³⁰ Weinberg and Joseph (2016), If you're happy and you know it: Music engagement and subjective wellbeing.

wellbeing benefits that help reduce public health expenditure and the economic benefit of clustering

- The social benefits of the arts and creative sector are extensive, and extend beyond the direct effects of participation in events or activities by visitors and residents and the physical improvements from the creative industries repurposing aging building stock. The include:
 - Affirmation of individual and community identity
 - A means to improve social inclusions and mental wellbeing, particularly for those at risk of isolation such as the elderly, asylum seekers and refugees
 - improved perceptions of safety and neighbourhood pride and revitalisation
 - Reduced antisocial behaviour and crime
 - The existence value of the sector which is the satisfaction community members feel from knowing the arts and creative sector are there.³¹

Creative State Global City: Creative Industries Taskforce Report (2015)

This report is the precursor to Creative State, the Victorian State Government's 2016 creative industries strategy. The Report outlines key evidence underpinning the value and impact of creative industries, identifying that:

- In 2013, Victoria's cultural and creative industries directly contributed \$22.7 billion to the Victorian economy representing 8 percent of the Victoria's economy. In addition, creative and cultural industries employed 220,000 people, accounting for about 8 percent of total employment in Victoria.
- The cultural and creative industries support growth in other industries, by driving innovation through the application of creativity. They are vital to the sustainability and growth of other industries such as manufacturing, biotechnology, food and finance.
- There are substantial 'spill over' benefits from thriving cultural and creative industries through increased liveability and social capital. Cultural and creative activity boosts liveability, adding to a location's attractiveness for tourism and immigration. For example, arts and culture are a major drawcard for Victoria's visitor economy, with cultural tourism generating \$1 billion for the State in 2013.
- The cultural and creative industries play a significant role in the delivery of social benefits. For example, there are cultural and creatively oriented programs that complement core government services and to address social and community issues in areas as diverse as education, justice, science, disability, community development and health.³²

³¹ Geografia, April 2017, Economic and Social Value of the Arts and Creative Sector in the City of Maribyrnong. Available online: <https://www.maribyrnong.vic.gov.au/arts-and-culture/About/Economic-and-Social-Value-Report>

³² Victorian State Government, November 2015 Creative State Global City: Creative Industries Taskforce Report. Available online: <https://creative.vic.gov.au/creative-state/introduction>

The Value of Arts and Culture to People and Society: An Evidenced Review (2014)

Developed by the Arts Council of England, the Review sought to assess the evidence base about the economic, social, health and wellbeing, education, lifelong learning and environmental impacts and outcomes of arts and culture in England. It found:

- Businesses in the UK arts and culture industry generated an aggregate turnover of £12.4 billion in 2011, and the arts and culture industry employed, on average, 110,600 full-time equivalent employees in the UK and 99,500 in England between 2008 and 2011
- In 2011, 10 million inbound visits to the UK involved engagement with arts and culture, representing 32 per cent of all visits to the UK and 42 per cent of all inbound tourism-related expenditure
- There are five key ways that arts and culture can boost local economies: attracting visitors; creating jobs and developing skills; attracting and retaining businesses revitalising places; and developing talent
- Those who had attended a cultural place or event in the previous 12 months were almost 60 per cent more likely to report good health compared to those who had not, and a higher frequency of engagement with arts and culture is generally associated with a higher level of subjective wellbeing.
- Engagement in structured arts and culture improves the cognitive abilities of children and young people.
- High-school students who engage in the arts at school are twice as likely to volunteer than those who don't engage in the arts and are 20 per cent more likely to vote as young adults
- Employability of students who study arts subjects is higher and they are more likely to stay in employment
- Culture and sport volunteers are more likely than average to be involved and influential in their local communities
- There is strong evidence that participation in the arts can contribute to community cohesion, reduce social exclusion and isolation, and/or make communities feel safer and stronger
- Taking part in structured music activities improves attainment in maths, early language acquisition and early literacy.³³

³³ Arts Council of England, March 2014, The Value of Arts and Culture to People and Society: An Evidenced Review. Available online: http://www.artscouncil.org.uk/sites/default/files/download-file/Value_arts_culture_evidence_review.pdf