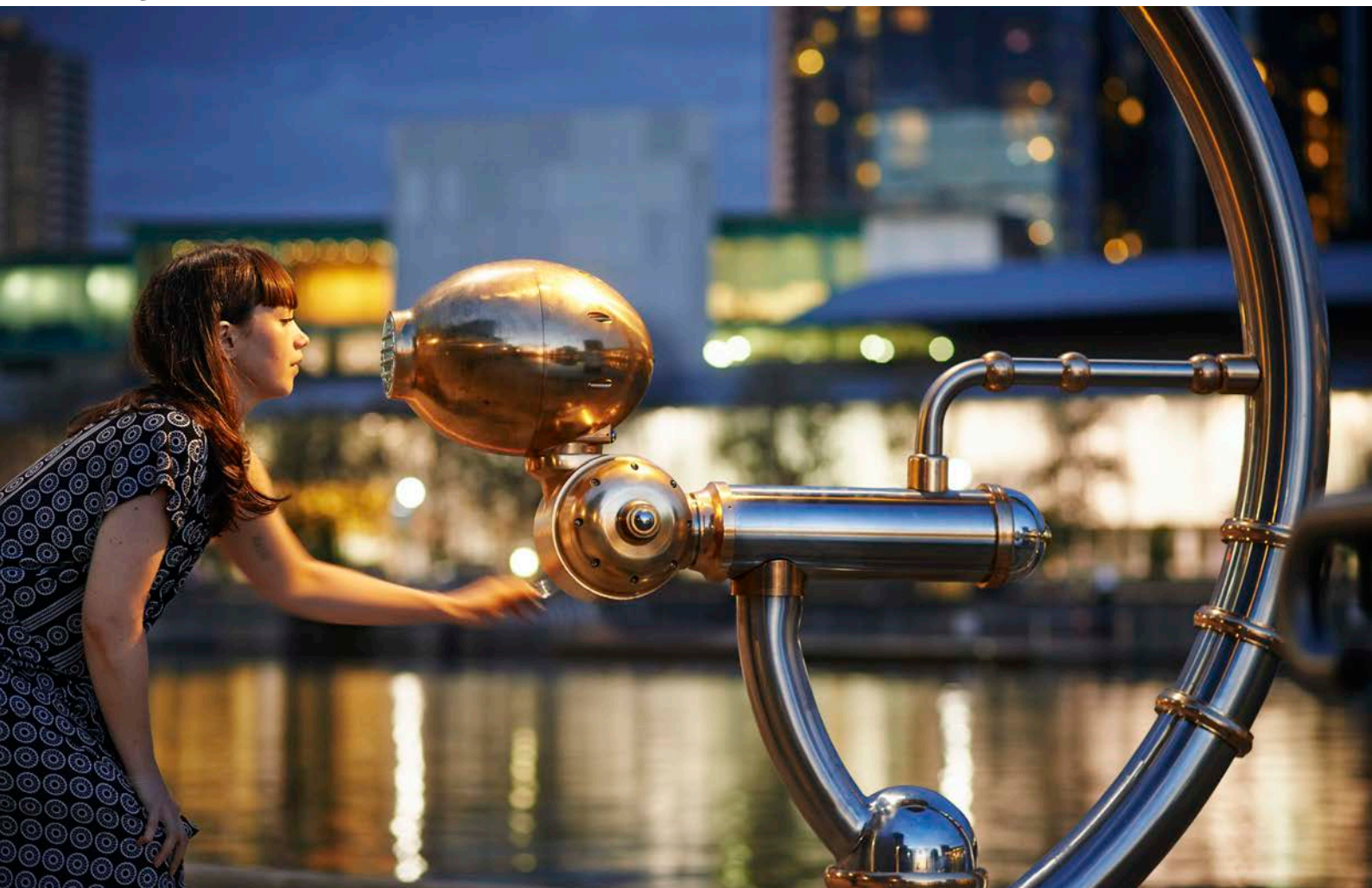


The Economic Impact of the City of Melbourne's Investment in the Arts

Analysis of Artists, Audiences and the General
Public survey responses

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1 Executive Summary

The purpose of this report is to provide an assessment of the economic impact of the City of Melbourne's investment in the arts through its Arts Melbourne¹ branch.

An unique approach to this research was undertaken with three different stakeholder groups being surveyed to understand the economic impact. They were:

- Artists who were recipients of City of Melbourne support (funding and/or in-kind).
- Audience members attending City of Melbourne funded arts events and performances, including participants at workshops such as those offered as part of ArtPlay.
- Members of the general public who had not directly engaged in a City of Melbourne art event over the last twelve months.

Insights gleaned from these stakeholder groups enabled a better understanding of the factors driving supply (artists making art) and demand (audiences consuming art) in Melbourne. The research highlights the impact of the City of Melbourne's supporting role in the arts, which contributes broadly to Melbourne's reputation as a creative city. It also finds that funding of the arts by the City is supported by the public at large.

An important feature of the survey design was the use of a methodology known as contingent valuation (CV). This method allowed the study of non-market economic impact placed on the arts in Melbourne by audiences, as well as the non-use economic impact associated with the arts more generally amongst Melbourne's public (including those who do not attend City of Melbourne supported arts activities).

1.1 Key Findings

Induced effects of audience spending

- Average expenditure by audience respondents per trip, inclusive of ticket and ancillary spending, was \$39.
- 70 per cent of audience respondents indicated their primary reason to visit Melbourne on that day was to attend the arts activity.
- 80 per cent of audience respondents attended free events.

Impact on artists through City of Melbourne support (Option Impact)

- 94 per cent of artists surveyed stated their project would not have proceeded without the funding and support from the City of Melbourne.
- 75 per cent of artists were able to create new work to a higher standard.

¹Reference to the City of Melbourne's arts activities throughout this report is specifically referring to activities and initiatives managed by the Arts Melbourne branch. These are: Annual Arts Grants Program, ArtPlay, Arts House, Arts Programs (Art Futures and First Friday Dance Club), City Gallery, Creative Spaces, Musical Instruments (Federation Bells and Grand Organ), Public Art Melbourne, and Signal.

Impact of future opportunities for artists created through City of Melbourne support (Quasi Option Impact)

- 70 per cent of commissioned/programmed artists were able to collaborate with other artists as a result of the opportunities arising from the support received from the City of Melbourne.
- 60 per cent of artists based at Creative Spaces were able to expand their professional contacts and network.
- 58 per cent of commissioned/programmed artists were able to expand their professional contacts and network.

Impact of knowing the arts will be preserved for future generations (Bequest Impact)

In response to the statement: *“The arts in Melbourne, including our iconic venues and festivals, should be preserved for future generations to enjoy”*

- 92 per cent of audience respondents agreed or strongly agreed.
- 68 per cent of general public respondents agreed or strongly agreed.

Willingness of people to pay to support the arts, even if not directly consuming arts (Existence Impact)

- Under a hypothetical scenario it was found that the typical (median) audience respondent was willing to pay \$37 to maintain the City of Melbourne’s arts program in the face of a 25 per cent funding gap.
- 66 per cent of audience members and 30 per cent of the general public said that they would volunteer to support the City of Melbourne arts activities.
- The average amount the general public was willing to pay to support the City of Melbourne’s arts activities is \$41 annually.
- Aggregated general public willingness to pay across the state of Victoria is around \$140 million per annum.

Demonstrated impact of City of Melbourne arts investment being valued by others (Prestige Impact)

- 65 per cent of artists went on to receive other paid artistic work.
- 45 per cent of artists were able to obtain further funding from other funding institutions.

In response to the statement: *“The arts are an essential part of Melbourne’s national and international profile”*

- 91 per cent of audience respondents agreed or strongly agreed.
- 62 per cent of general public respondents agreed or strongly agreed.

Impact of the value attached to the intellectual and cultural capital of the arts (Education Impact)

In response to the statement: *“Arts events and activities contribute to our cultural knowledge and education”*

- 88 per cent of audience respondents agreed or strongly agreed.
- 57 per cent of general public respondents agreed or strongly agreed.

In response to the statement: *“The arts fosters creative thinking and innovation which benefits our city”*

- 88 per cent of audience respondents agreed or strongly agreed.
- 56 per cent of general public respondents agreed or strongly agreed.

1.2 Scope of the Research

The scope of this research included the City of Melbourne's venues, activities and initiatives managed by the Arts Melbourne branch. These are:

- Annual Arts Grants Program – One off project funding;
- ArtPlay – Creative workshop and performance space for children and families;
- Arts House – Presents and develops work that is contemporary, experimental and participatory;
- Arts Programs – Art Futures conversations and First Friday Dance Club's free city dance lessons;
- City Gallery – Showcasing the City of Melbourne's art and heritage collection;
- Creative Spaces – Making, working and creating spaces and studios for artists / creatives;
- Musical Instruments – Federation Bells and the Melbourne Town Hall Grand Organ;
- Public Art Melbourne – Commissioning and funding art in the public realm; and
- Signal – Workshop space for young people aged 13 to 25 years.

The Triennial Arts Grant Program (TAGP) has not been included in this research due to its idiosyncratic nature and the type of activities it funds. The TAGP is better suited to a case study approach and is therefore beyond the scope of this research.

1.3 Summary and Recommendations

As this report reveals, investment by the City of Melbourne in the arts returns tangible economic benefits to both the local and broader economy. Arts venues and programs attract visitors to the City and play a vital role underpinning Melbourne's reputation as a creative and cultural city.

Aside from economic benefits, the importance of intangible benefits from the arts cannot be ignored. The ability of the arts to enhance social and cultural life for those who encounter them improves the lives of Melbourne residents, workers and visitors.

The benefits of the arts extend beyond the domain of what can be quantified and measured. Putting a monetised valuation on the arts will only capture part of the story. It will understate the plethora of benefits that the arts provide to Melbourne's social, economic and cultural life.

We therefore recommend the City of Melbourne consider strategies to market and promote the economic benefits of its investment in the arts while simultaneously conveying the significance of the non-economic benefits. It is also important to bear in mind that while an economic impact study such as this provides valuable evidence of the impact of the investment into the arts by the City of Melbourne at a point in time, this impact is not static. Given the substantial investment of \$10,237,378 in 2016-17 towards the arts by the City, part of its accountabilities and in accordance with best practice program management, the City should replicate this analysis every two years, informed by data from the annual deployment of the surveys developed for the purposes of the current analysis².

²Arts Melbourne budgeted investment (labour, materials and services, and maintenance) in 2016-17 for the following programs: Annual Arts Grants Program, Arts House, ArtPlay, Signal, First Friday Dance Club, Art Futures, Musical Instruments, City Gallery (including the art and heritage collection), Public Art Melbourne, and Creative Spaces.

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2 Introduction

This report demonstrates the economic impact of investment in the arts by Arts Melbourne (The City of Melbourne Arts unit), taking into account the viewpoints of different stakeholders. It also offers a more traditional valuation based on multipliers derived from input-output analysis. But rather than relying solely on a multiplier approach to derive an approximation of economic impact, RMIT University incorporated contingent valuation methods (CVM) by working alongside the City of Melbourne to develop three surveys: an artist survey, an audience survey and a general public survey.

Contingent valuation is a type of stated preference modelling whereby (via the use of carefully designed surveys that elicit respondents' willingness to pay) it is possible to measure the impact of non-market goods and services, such as free or subsidised arts events and performances; and also to measure the non-use impact the wider public attaches to the arts. The benefit of this approach as applied in this research, is that it becomes possible to attribute a monetary measure of impact associated with the arts activities provided by Arts Melbourne.

The surveys included a series of questions designed to aid understanding about perceptions of arts related services, funding and facilities. There is no doubt that quantifying the economic impact of investment in the arts is a complex task.



The idea of simply reducing the range of benefits the arts provides to a simple dollar figure will not adequately account for all the unobservable benefits derived from the presence of a rich arts and cultural heritage.

Another complicating factor is that measurement often may pose a problem in itself. For example, at the City of Melbourne, access to Arts Melbourne activities is often free thereby prohibiting the application of measurement techniques that rely on transactional data. There is also a need to account for and distinguish between the different types of economic impact. For instance, clarity around underlying assumptions used in calculating induced effects is vital to the integrity of results. Acknowledging the different types of impact ensures that estimates of impact are comprehensive, avoiding the understatement of the benefits associated with arts investment.

2.1 Dimensions of Cultural Impact

As cultural economist David Throsby notes:

At its most fundamental, value can be thought of as the worth, to an individual or a group, of a good, a service, an activity or an experience, with an implied possibility of a ranking of value (better to worse, or higher to lower value) according to given criteria. The process by which value is assigned to something is referred to as valuation or evaluation. (Throsby, 2010:17)

In the context of this report, evaluation of the arts is undertaken through an economic lens, whereby impact (or value in the words of Throsby) is expressed in monetary terms. Throsby describes notions of economic and cultural impact as 'distinct concepts' which need to be separated in considering the valuation of cultural goods and services in the economy and in society. In this sense Throsby himself acknowledges that this idea of separating impact components might be at odds with conventional economic wisdom and its focus on revealed preferences as the ultimate arbiter of value or impact (Throsby, 2001:31). In acknowledging the inability of price and monetary signals to reflect all aspects of impact there is a need to look 'beyond price' to appreciate the full set of benefits that the arts and culture provide.

In the research conducted by the Warwick Commission to measure the value of arts and culture to people and society in England, comprehensive insight into the different approaches that may be taken to measuring cultural impact is provided. This includes noting the benefits and limitations of the various approaches. What is clear from the research undertaken by this commission on behalf of Arts Council England is that different so-called 'varieties of impact' exist. In acknowledging the split between the economic and the cultural impact, there can be a danger in focusing on one of these aspects, to become reductionist and neglect the contributions of the other. The challenge then in terms of balancing this duality that characterises cultural impact is summarised by the Warwick Commission in stating the following key question:

How can we capture, measure, quantify and qualify the value of the arts and culture in their cultural, social and economic dimensions to develop a more robust and comprehensive body of evidence in support of policy making? (Arts Council England, 2014)

The sentiment of the above stated question clearly has relevance to the current study investigating the economic impact of the arts investment undertaken by Arts Melbourne. Before outlining the approach we have taken to define impact in terms of a number of different dimensions, it is worthwhile to reflect upon cultural impact characteristics identified by Throsby (2001, 28-29). Throsby identifies the following characteristics that inform understanding of cultural value or impact:

- **Aesthetic:** Focuses on the properties of beauty, harmony, form and other aesthetic characteristics of the work. It needs to recognise that style, fashion and socially constructed notions of good (and bad) taste will play a role in shaping this form of impact.
- **Spiritual:** This impact might be interpreted in a formal, religious context, such that the work has particular cultural significance to members of a religious faith, tribe or cultural grouping, or it may be secularly based, referring to inner qualities shared by all human beings. This source of impact can also provide benefits in terms of 'understanding, enlightenment and insight'.
- **Social:** When artistic and cultural forms convey a sense of connection that brings people together social impact is created and may contribute to a comprehension of the nature of the society in which we live and to a sense of identity and place.
- **Historical:** 'An important component of the cultural impact of an artwork may be its historical connections: How it reflects the conditions of life at the time it was created, and how it illuminates the present by providing a sense of continuity with the past'.
- **Symbolic:** One of the principal functions of the artistic forms is to 'exist as repositories and conveyors of meaning' which individuals extract from them as they consume them.
- **Authenticity:** This impact refers to the fact that the work is the real, original and unique artwork which it is presented to be.
- **Locational:** In his more recent work, Throsby has put forward this additional feature of cultural impact, which is present when 'cultural significance attaches to the physical or geographical location of a heritage item'.

The approach taken to measure the impact of Arts Melbourne's investment in arts is based on eight dimensions of economic impact. These are briefly described in Table 1.

Table 1: The Eight Dimensions of Economic Impact

Impact	Definition
Direct	The impact of arts and activities related to arts that can be consumed directly. For example, Arts Melbourne directly funds artists and some funds are spent on goods and services from local suppliers.
Indirect	The use benefits to arts program audiences and patrons and the local economy. For instance recreational and leisure benefits and entertainment activities, as well as education, inspiration and knowledge associated with arts program attendance.
Option	People who do not currently consume cultural offerings may want the option of being able to do so in the future. The option impact reflects the willingness to preserve the option to become a patron and partake in an Arts Melbourne's program in the future even when they do not so currently (the impact placed on the program by potential audiences).
Quasi-option	This is the impact associated with delaying a decision about an irreversible choice when there is uncertainty about the payoffs of the alternative choices. For example, this might represent a person's impact, placed on the preservation of Melbourne's cultural and architectural spaces (against, say, high-rise housing re-developments).
Bequest	People derive satisfaction from knowing that unique cultural resources will be preserved for future generations to enjoy.
Existence	The impact unrelated to any actual or potential use, the 'intrinsic impact' solely derived from knowing that artistic and cultural works continue to exist.
Prestige	People may neither use nor like a particular cultural resource, but they derive benefit from knowing that this resource is cherished by others outside their community. Insofar that such prestige adds on to a cultural event or institution's existence impact, it would appear difficult to clearly separate the two.
Educational	Intellectual and cultural capital spillovers are created by cultural assets and spending. For example, cultural programs may fund works of non-fiction literature that add to the City's body of knowledge, and a long-running performing arts festival may foster greater creativity or capacity for cultural evolution.

2.2 Survey Methodology

The audience survey yielded 103 useable response sets from 136 surveys, making the completion rate 74 per cent. The survey was open from June to August 2016 and was administered by the City of Melbourne who contacted patrons who had provided a valid email address. The survey was designed by the project team at RMIT in collaboration with the City of Melbourne. The target population of the survey included patrons and attendees of City of Melbourne activities and venues such as the City Gallery, Signal, ArtPlay, Arts House and Federation Bells. It should be noted that audiences to events funded via the triennial program were not targeted as part of this particular audience survey.

The artist survey yielded 65 completed responses from 136 survey attempts, making the completion rate 48 per cent. The target population came from artists who had received funding or support from Arts Melbourne. The artists' survey fell under three distinct categories: annual arts grants recipients, artists leasing Creative Spaces, and artists commissioned or funded for arts programs. The artist survey

ran from July to August 2016 and was designed by the team at RMIT in collaboration with the City of Melbourne. The City was also responsible for the administration of the survey to the target population, who were invited to participate via email.

Thirdly, the general public survey was conducted from 11 to 15 November 2016. It was successfully completed by 980 respondents from 1,350 attempts, to make the completion rate close to 73 per cent. The target profile for the general public was across the Greater Melbourne area, not just the City of Melbourne. As such, the survey targeted those residing in the postal code zones of 3000-3207; 80 per cent of respondents were from this area. The age range sought was open to adults between the ages of 18 to 85, and the survey delivered responses that were evenly distributed by age and gender. The survey was designed by the RMIT project team, although for this stage of the research the survey was administered by SSI Survey Sampling using a database of sourced respondents.

In conjunction with the surveys, additional data for the multiplier analysis was sourced from the Australian Bureau of Statistics (ABS). In particular, ABS data from the Bureau's Australian National Accounts input-output table was used. This data was then used to derive results based on the Australian Urban Research Infrastructure Network Economic Impact (Input-Output) Analysis Tool For Regional Infrastructure Investment Projects (Burgan et al., 2016).



3 Calculating Economic Impact

This section has been structured according to the eight dimensions of economic impact identified earlier and summarises the data results accordingly. It is noted, in Table 2, that not every stakeholder group targeted through the surveying informs each dimension.

Table 2: Summary of impact type and data sources used to elicit valuation calculations

Impact Type	Artists	Audience	General Public
Direct and Indirect			
Option	Y		Y
Quasi Option	Y		Y
Bequest		Y	Y
Existence			Y
Prestige	Y	Y	Y
Education	Y	Y	Y

To begin the economic evaluation, a brief background on multiplier estimates and their limitations is provided. This is followed by key findings from each of the three surveys, responses from which are used to gauge the six remaining types of economic impact.

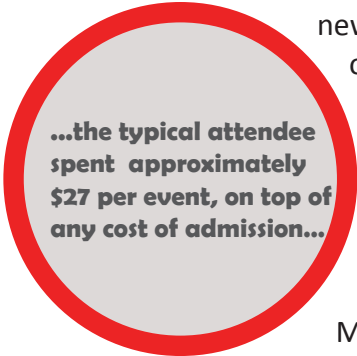
3.1 Evaluation Based on Multiplier Estimates

Economic impact assessments of arts investment typically employ regional input-output analyses to measure direct and induced impacts on the local economy. This is a system that combines quantitative methods and economic theory to build simple models based on mathematical equations to calculate impact specified in terms of direct and indirect effects. It has been used in many studies previously to gauge the impact of industries at the macro level (for example: Davidson and de Silva, 2013 use this approach to investigate the impact of coal). Similarly, it has been used to provide a regional economic analysis related to arts investment, for example in the case of Victorian state government expenditure (KPMG, 2013) and also for Art Melbourne’s Triennial Arts Grants Programs (Essential Economics, 2010).

Unlike the above studies, this assessment uses surveys as the primary generator of findings. A regional input-output analysis is only presented here to offer a benchmark (or methodology consistency) against assessments that do primarily base their findings on the technique. In employing regional input-output analysis, we offer a caveat: it is important to note that the multiplier estimates for impact and employment presented below are conservative in terms of their underlying assumptions and hence is likely to understate the full benefits. As such, the analysis presented may overstate the net leakages of arts spending from the local economy, and therefore is likely to have understated the true local direct and induced impact of the City of Melbourne’s support for the arts. This is an acknowledged limitation associated with the source data used in constructing regional input-output tables³.

With this in mind, we can state that according to the regional input-output model for the City of Melbourne, every dollar of local spending in the arts sector, including spending by the City of Melbourne in support of its arts activities, returns a net contribution of 0.695 dollars, or around 70 cents, over and above the initial spending to the local economy. This is calculated as the impact of additional

new output created, less the cost of goods and services used in producing the output. Of this amount 0.395 dollars, or around 40 cents, is a direct impact of a dollar's worth of spending, while 0.300 dollars, or around 30 cents, is attributed to the flow-on or multiplier effects of a dollar's worth of arts spending in the local economy.



...the typical attendee spent approximately \$27 per event, on top of any cost of admission...

In terms of the impact of arts investment on local employment according to the regional input-output model, 7.7 jobs are generated in the City of Melbourne for

every one million dollars spent in the arts and recreation services industry sector. It is estimated that 5.4 of these jobs are created directly in the arts and recreation sector, while an additional 2.3 are created through flow-on or induced effects.

Again, as a result of overstating the net leakages of arts spending from the local economy, the analysis in terms of employment creation is also conservative in the sense that the estimate is likely to be understated.

3.1.1 Further Evidence of Induced Effects from Audience Survey

In addition to the input-output analysis described above, results from the audience survey also point to a multiplier effect induced by arts spending that drives economic impact. Based on the 103 completed audience survey responses, it was found that the typical audience member or visitor to an Arts Melbourne supported venue, event or activity spent on average \$26.81, or near to \$27, per event above any cost of admission. This additional expenditure included spending on things like meals, refreshments and transportation. Based on audience survey responses, it was found that:

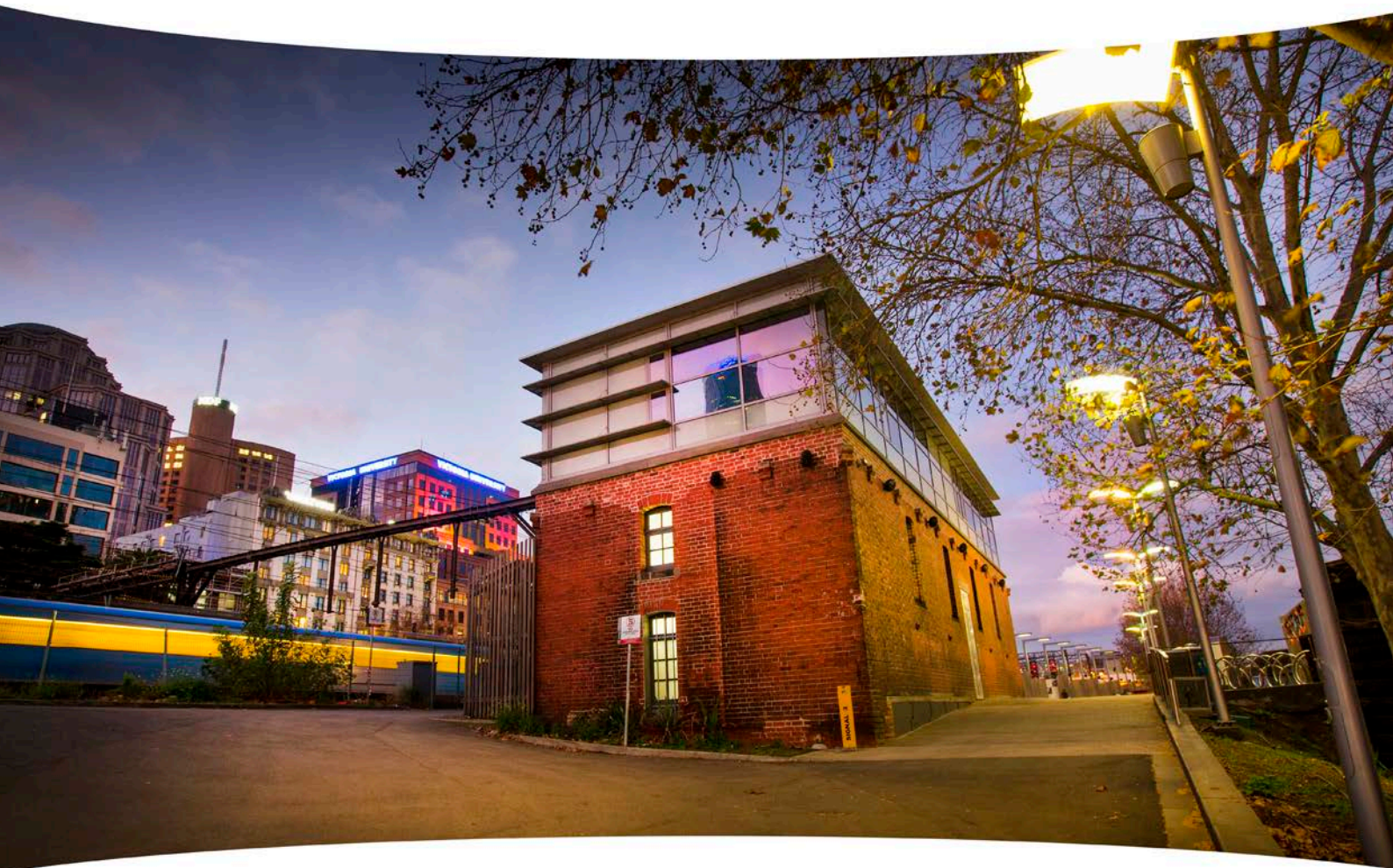
- 73 per cent of respondents purchased food or refreshment with an average spend of \$13.45.
- 20 per cent of respondents made retail purchases spending \$44.10 per person on average.
- Total average spending per trip inclusive of ticket and ancillary spending was \$38.93 per person.
- 70 per cent of respondents indicated their primary reason to visit Melbourne on that day was to attend the arts activity.
- 80 per cent of respondents attended free events.

This snapshot of some of the relevant findings from the audience survey provides evidence of the net increase in spending or the multiplier effect that the arts generate as a benefit to the local economy. This is important from an economic standpoint since any spending undertaken by audiences as part of a visit to the City of Melbourne generates an inflow into the local economy that may otherwise have not occurred to boost overall economic activity.

Evidence from this study shows that when the City of Melbourne supports the arts, it generates not just cultural and social impact (measured via different indicators and metrics not considered within the brief of this report), it also clearly generates important economic impacts that boost the local economy and contribute to job creation.

³ ABS's Arts and Recreation Services Division, from which the multiplier estimates are derived, is a conflation of the following:

- live performances, events or exhibits (e.g. artists, musicians, writers, performers and venue operators)
- sporting or recreational activities (e.g. sports venues, gyms, sports clubs, amusement parks, horse racing)
- the preservation and exhibition of historical, cultural or educational objects (e.g. museums, zoos, botanical gardens)
- gambling activities (e.g. casino, online gambling and lottery operators).



3.2 Contingent Valuation – evaluation based on survey responses

Measuring the extent of economic impact associated with arts investment demands a contingent valuation approach. This is a different approach to the conventional input-output analysis limited to the direct and induced effects outlined in the previous section.

In an attempt to measure contingent value as evidence of impact for Arts Melbourne, surveys for target stakeholder cohorts were developed - audiences, artists, and the general public.

To develop these surveys, background information from the leaders of Arts Melbourne was gathered and principles of best practice, based on an international review of relevant literature, identified. Importantly, several case studies were identified and critically assessed, including London (BOP Consulting 2013), Montreal (2009) and Singapore (2013). Previous relevant commissioned reports by the City of Melbourne, including work by Essential Economics (2013) around the Triennial Arts Grant Program (TAGP), were also considered.

In developing the survey tools it was particularly important to be aware of the different program types. The City of Melbourne's investment in the arts takes many forms, making the task to develop a unified survey tool complicated. This was a key reason why funding allocated via the TAGP was excluded from the research design.

Two underlying principles were adhered to address program type differences:

1. Survey questions must reflect the diversity of the City of Melbourne's arts activities
2. The quality of the survey response should be as high as possible.

The audience and general public surveys were designed to elicit the willingness-to-pay (WTP) for programs provided by Arts Melbourne. This contingent valuation approach is particularly useful for public goods like arts programs which are often free or subsidised for audiences to attend (O'Brien 2010). By capturing the WTP values, an economic figure for the broader cultural and social impact contributed by arts programs, above and beyond the more traditional direct and indirect impacts previously addressed, was estimated. Estimates that incorporate contingent valuation reflect a more holistic assessment of economic impact associated with arts investment by Arts Melbourne.

The survey information, having been collected and analysed at the individual level, was weighted and scaled to enable calculations for the Total Economic Impact associated with the Arts Melbourne program.

3.2.1 Option Impact

Option impact is the value an individual places on having the opportunity to access the arts in the present and the future. For audiences and the public at large, this is in relation to the ability to consume the arts. For artists and creatives, option value refers to the opportunities to produce and create both now and in the future.

From a production perspective, option impact is vital as without artists we have no art. As an extension of this, it can be argued that without a vibrant sense of the arts our city is impoverished and fails to realise its potential. By supporting artists and creating career paths that allow our artists the time and space to hone creative practice, it is not only artists who benefit but also the broader community. Our artists play a key role to the continual development and ongoing sustainability of Melbourne's reputation as a creative city.

The opportunity to consume art events in the future then requires a commitment to develop work that would not have been able to be realised without the support of funding bodies.

A key statistic emerging from the artist survey is that 94.4 per cent state that their work would not have proceeded without the funding or support from Arts Melbourne. This provides evidence to support the option impact associated with funding allocated to artists. However, the support provided by Arts Melbourne did not completely cover the costs of the various projects undertaken by artists, with 45.1 per cent of artists contributing their own funds to the project. While 30 per cent were able to devote all their time to creative work, on average artists supported spent 16 hours a week engaged in non-creative work to support themselves financially.

One example of the way that the City of Melbourne's funding is able to encourage artists' development can be evidenced by the following comment:

"Almost everything I have done since (receiving support from City of Melbourne) has occurred as a result of this opportunity. I have been commissioned to make new works, I have toured my work extensively, I have been the recipient of an Australia Council Theatre Fellowship, I have secured an on-going part-time position as a leading artist in a small arts organisation. My career was genuinely transformed by this opportunity, which fortunately came at a time when I was ready in my artistic practice to make the most of it."

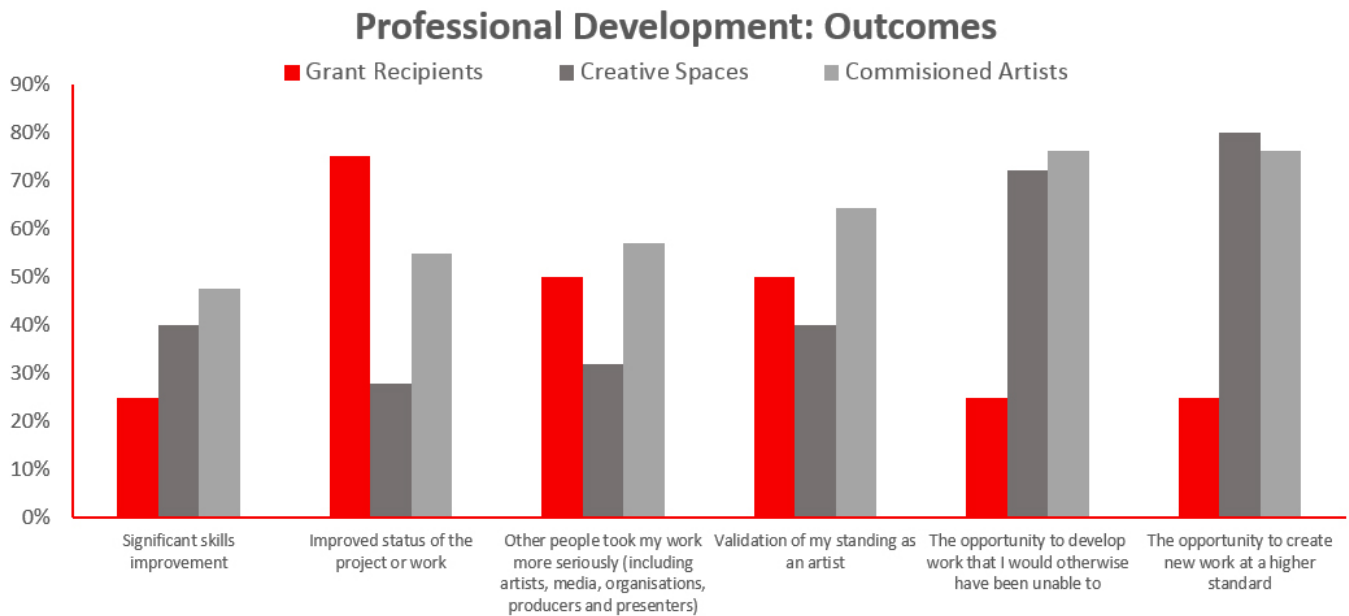
Artist respondent

...Just over 94 per cent of artists surveyed stated the project would not have proceeded without the funding provided by the City of Melbourne...

Chart 1 provides a summary of findings from the artist survey that identified the mechanisms that help the artists hone their craft and continue to be able to practice in the future. Many of these elements relate to networking effects that aid in consolidating reputation and standing as an artist.



Chart 1: Artists' professional development outcomes defined by grant recipients, Creative Spaces tenants and commissioned/programmed artists and performers.



Source: City of Melbourne Artist Survey (2016)

Of the 71 artists surveyed:

- 53 indicated they were able to generate new work to higher standard.
- 51 agreed the funding allowed them to develop work that they would not have otherwise been able to.
- 39 found the funding validated their standing as an artist.
- 37 found that the funding meant that other artists, media organisations, producers and presenters took their work more seriously.
- 37 found the funding improved the status of the project or work.
- 31 experienced a significant skills improvement.

To derive option impact for the general public based around present and future ability to access the arts, respondents were screened on the basis they had not participated or attended Arts Melbourne activities or events over the last 12 months. Despite respondents' non-attendance, 30 per cent were willing to pay to support the arts programs. This indicates a moderate interest in willingness from residents across Greater Melbourne to support the arts even if not consuming these programs currently.

3.2.2 Quasi-Option Impact

The quasi-option impact is where the ability to have future opportunities to consume the arts depends upon the current provision and state of the arts. Identifying this type of impact that is associated with preserving the arts so that they can be accessed by the public in the future is an important consideration that needs to be accounted for in a holistic approach to measuring the economic impact of the arts.

It is important to bear in mind that the quality and type of arts available in the future are a function of artists themselves and the opportunities they can expect. For this reason, in discussing quasi-option impact, focus is given to both artists as well as the general public.

In terms of artists, the opportunities that are created due to formal and informal mechanisms that connect artists, their agents, institutions and audiences are vital. In seeking to understand how Arts Melbourne can support these relationships to not just continue but to flourish, it is necessary to

understand artists’ professional growth. This will have implications for the art available in the community that people have the opportunity to consume (or not) in the future. This impact may also be viewed as the impact of additional information about goods subject to irreversible changes.

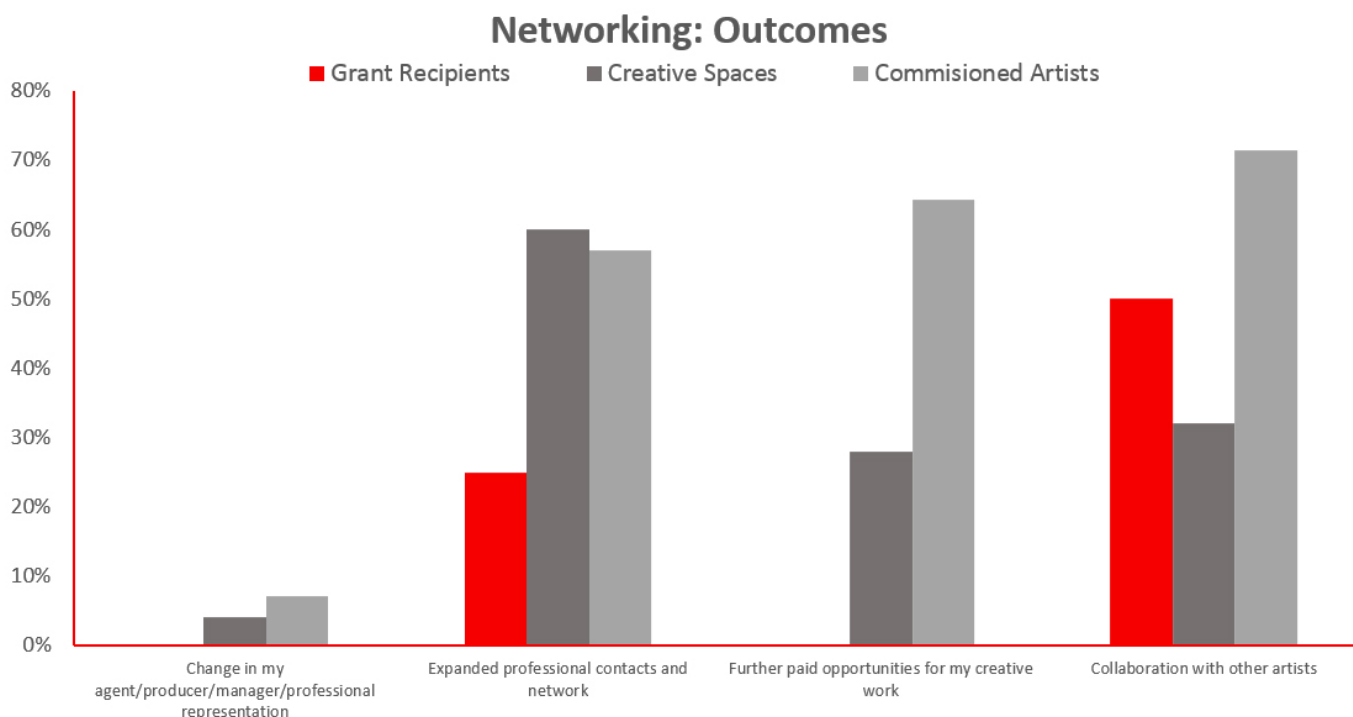
Indicative of the sentiments reflected by artists providing written comments from the artist survey is the view that:

“The support the City of Melbourne provides to artists through adventurous productions, sets the City apart from many other local governments. Whilst this survey has focused on economic benefit, it’s the cultural benefits stemming from the City’s backing of artists and producers such as Arts House which have an impact that will resonate way into the future.”

Artist respondent

Chart 2 provides a summary of findings from the artist survey that identified the networking opportunities identified as vital to support career development and the production of art into the future. It is of interest to compare findings across different types of artists receiving support. From the survey, it is found that tenants of Creative Spaces and commissioned/programmed artists feel better networking opportunities arise compared to grant recipients.

Chart 2: Artists networking outcomes defined by grant recipients, creative space recipients and commissioned artists and performers.



Source: City of Melbourne Artist Survey (2016)

The artists survey data on networking outcomes finds that:

- 70 per cent of commissioned/programmed artists were able to collaborate with other artists as a result of the opportunities arising from the funding.
- 64 per cent of commissioned/programmed artists were able to generate future work.
- 28 per cent of tenants at Creative Spaces were able to generate future work.

- 60 per cent of tenants at Creative Spaces were able to expand their professional contacts and network.
- 58 per cent of commissioned/programmed artists were able to expand their professional contacts and network.

To identify this non-use quasi-option impact, the general public were asked whether they agreed or not with the following statement according to a seven point scale:

“The City of Melbourne has a vital responsibility to support the arts and culture to benefit Melbourne more broadly”

- 60 per cent of the general public agreed with the statement.

3.2.3 Bequest Value

Bequest impact derives from knowing the arts and culture will be preserved for future generations to enjoy. Individuals benefit from the satisfaction of knowing that unique cultural resources will be preserved for future generations to enjoy.

Respondents from both the audience and general public surveys were asked to rank the statement on a scale from zero to seven (strongly disagree to strongly agree):

“The arts in Melbourne, including our iconic venues and festivals, should be preserved for future generations to enjoy”.

Results from this question were:

- Audience respondents overwhelmingly supported this statement: it was the highest ranked response with 96.2 per cent agreeing with this proposition.
- All but one audience respondent scored this statement eight or higher.
- The general public also ranked this statement the highest with 65.15 per cent agreeing.

With both audiences and the general public overwhelmingly supporting the preservation of iconic venues and festivals for future generations, there is strong evidence of a preference within the community for preserving Melbourne’s arts.

3.2.4 Existence Impact

Existence impact is derived from knowing the arts exist and are supported even if they are not directly consumed by an individual. For instance, people may appreciate and value the presence of a jazz concert in their neighborhood park, though they themselves do not attend it. The sense of knowing the arts exist and supported provides its own sense of satisfaction and evidence of a cultivated community that individuals may access if they so wish.

Existence impact is closely tied with the willingness to pay and the results of this are presented in section 3.2.7.

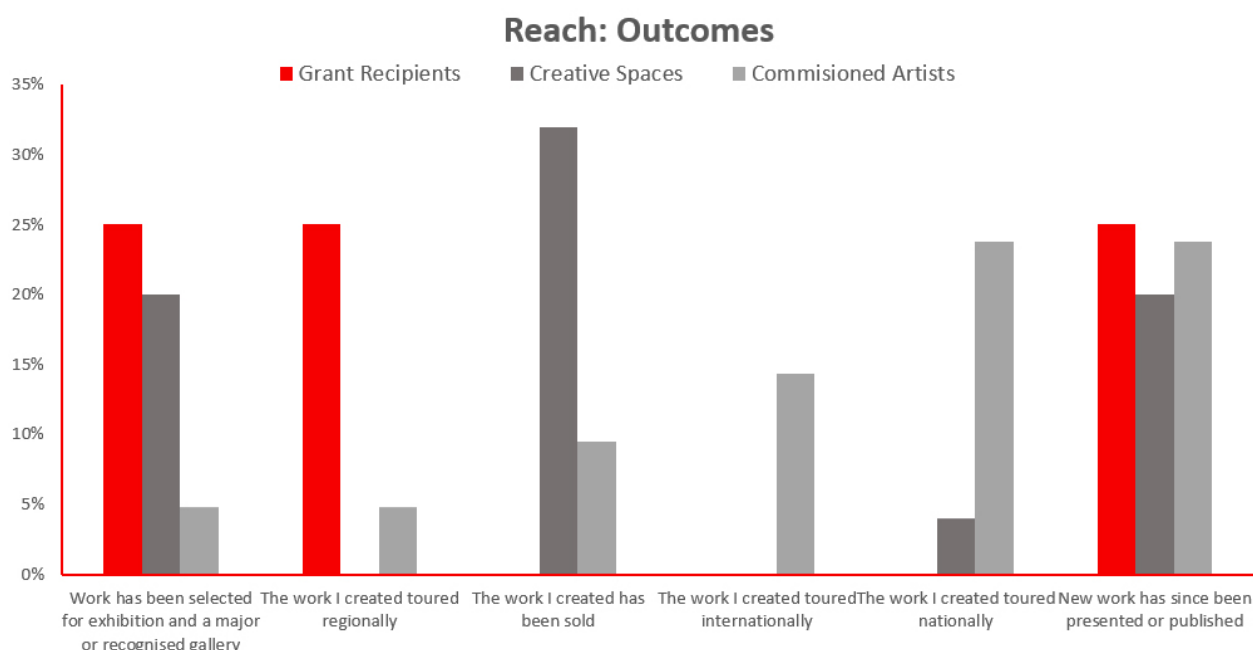
3.2.5 Prestige Impact

Prestige impact is the satisfaction an individual gains from knowing that the arts are cherished and appreciated by others outside their community. In a sense, the enviable position Melbourne occupies as Australia’s creative capital is linked to the prestige impact associated with the vibrant arts and culture scene that the city is renowned for around the world.

In terms of the survey approach, artists, audiences and the general public were all asked questions designed to measure prestige impact. Firstly, the artist survey examined how the work funded was able to facilitate artists reaching beyond the scope of the initial funded project, and generate work that was both recognised and consumed beyond this scope.

Artists grow and develop throughout their careers. They may win prizes, receive grants and reach new audiences through exciting new opportunities which in turn can sustain their career. Funding from the City of Melbourne can facilitate this. Chart 5 presents some of the findings from the artist survey around how City of Melbourne support facilitated artists to expand their impact and reach.

Chart 5: Reach outcomes for artist survey by grant recipients, Creative Spaces tenants and commissioned/programmed artists.



Source: City of Melbourne Artist Survey (2016)

The results identify how support from the City of Melbourne enabled artists to establish a wider distribution of their work to locations beyond the reach of Melbourne and beyond their initial scope.

For the commissioned/programmed artists:

- 64.5 per cent went on to achieve other paid artistic work from their engagement.
- 45 per cent were also able to obtain further funding from additional funding institutions.

For Creative Spaces tenants:

- 36 per cent of artists generated further funding from other organisations.

Significantly, for artists generally, the prestige impact of the funded work has expanded their reach with:

- 4 per cent of artists touring regionally.
- 27 per cent of artists touring nationally.
- 8 per cent of artists touring internationally.

As the following statement from a tenant of a subsidised Creative Space reveals, the benefit of support by the City of Melbourne has been vital to the development of artists' creative practice.

"The opportunity to develop my work in a studio at River Studio for 3 years was invaluable. The affordability of the space meant I could develop work much larger than I could have realised elsewhere and it marked a time of rethinking in my practice that led to significant developments in my work. These developments have since led to many new opportunities in Singapore where I currently live. I also built up a strong network of peers that continues to support me and my practice."

Artist respondent

Support from Arts Melbourne also funds artists to create new works: the lifeblood of new arts innovation. Since receiving funding:

- over 20 per cent of artists were able to publish or present their new work elsewhere;
- 32 per cent of artists were able to sell their work; and
- a further 20 per cent of these artists had work selected for exhibition in a major gallery.

These opportunities are often called "claim to fame." Some of the paid opportunities that City of Melbourne supported artists have / will enjoy include:

- Works performed at the Dublin Theatre Festival 2017
- Works performed at the Brighton Theatre Festival (UK) 2017
- Works performed at Canadian Stage Toronto 2017
- Works performed at the Push Festival Vancouver 2018
- Inclusion of works in the Melbourne International Arts Festival 2016
- Works included in the Mobile States national tour
- Work that went on to national and international touring, including the Sydney Festival 2016
- Work included in the 2015 Dance Massive festival program
- Work toured to seven cities in a European tour in 2016
- Work toured to South America in September-November 2016
- Works used as case studies in academic practice-based research at prestigious universities
- Adaption of work for ABC radio

Prizes and awards achieved by artists as a result of City of Melbourne funding / support provides further evidence of prestige impact. Recognition contributes to the building of an artist's reputation. Ultimately, higher profile reputations grow the economic multiplier and acknowledge the impact of the artist's work beyond the community.

To assess the general public and the audiences' assessment of the prestige impact of the arts for the City of Melbourne, respondents were asked whether they agreed with the following the statement on a seven point scale:

“The arts are an essential part of Melbourne’s national and international profile”:

From this question it was found that:

- 91.3 per cent of audience respondents agreed or strongly agreed with this statement.
- 61.8 per cent of the general public agreed or strongly agreed with this statement.

This statement was the second highest scoring among similar statements in the audience and general public surveys. It indicates that there is widespread belief that the arts scene in Melbourne makes a substantial contribution to the perception of the City’s national and international prestige. This perception is summarised by the following audience respondent:

“I love the little City Gallery and its thoughtful exhibitions. I have encouraged other people in my Ballarat heritage group & “Save Civic Hall” to visit the brilliant “History of the Future” exhibition. When in Melbourne I love the liveliness of the arts scene and am grateful that much of it is free as I have a reduced income now. Melbourne is one of the world’s liveliest cities - largely due to your arts programming. The street art, public sculptures, busking etc. all add to the ambience.”

Audience Respondent

The artists, the audience and general public alike are able to demonstrate that the City of Melbourne’s investment in the arts has impact in terms of cultural profile. Furthermore, despite accounting for a small percentage of respondents there was evidence from both the audience survey (as the statement above from an audience respondent shows) and also from the general public survey to suggest that the arts provided by the City of in Melbourne are cherished beyond the city boundaries.

3.2.6 Education Impact

Education impact refers to the impact attached to intellectual and cultural capital spillovers resulting from arts activities.

To measure the intellectual and cultural capital spillovers created by cultural assets and spending, as well as the ability to foster greater creativity or capacity for cultural evolution, respondents from both the audience and general public surveys were asked to rank the following statements referring to perceived impact on a scale ranging from (strongly disagree to strongly agree).

“Arts events and activities contribute to our cultural knowledge and education”

- 87.5 per cent of audience respondents agreed with this statement
- 56.74 per cent of general public respondents agreed with this statement “The arts fosters creative thinking and innovation which benefits our city”
- 87.5 per cent of audience respondents agreed with this statement
- 55.93 per cent of general public respondents agreed with this statement, which was the lowest of all valuations

“The arts contribute to Melbourne’s economy by drawing visitors who also spend money on local businesses”.

- 83.7 per cent of audience respondents agreed with this statement
- 60.69 per cent of general public respondents agreed with this statement

The contribution of the arts to fostering creative thinking and innovation was rated the lowest of the various responses for the general public and audiences alike. However, as the number that agree with this statement is still quite high, it is clear there is perceived value on the importance of the educational impacts of arts provision from both the general public and the audiences.

“The ArtPlay Grant Is extremely helpful in providing opportunities to crest new work, develop professionally and engage with the community and other arts professionals. The ArtPlay programs are excellent being both innovative and engaging. The staff at ArtPlay are outstanding”.

Artists survey respondent

3.2.7 Willingness to Pay

Both the audience and general public survey included questions aimed at eliciting the willingness to pay (WTP) of survey participants using contingent valuation techniques. The surveys asked respondents their willingness to pay based on a simple scenario for both those who have attended an activity or activities supported by the City of Melbourne (audience survey) in the last year, as well as those who have not (general public survey).

Audience survey respondents were presented with a standard WTP scenario:

Thousands of arts events and activities occur throughout the City of Melbourne each year engaging both professionals and volunteers. Individual artists also produce creative work for sale, performance, and/or exhibit their throughout Melbourne. These activities draw many visitors to the city annually, and help boost the local economy. Many such activities are supported by or held in spaces funded by the City of Melbourne.

Imagine the following hypothetical scenario for our purposes in assessing the economic value of City of Melbourne arts programs:

All funding for the arts has been reduced by 25 per cent, so the only way that the arts can receive support at previous levels is through direct contributions.

For the general public survey the scenario was the same with the exception that all funding was abolished rather than reduced by 25 per cent.

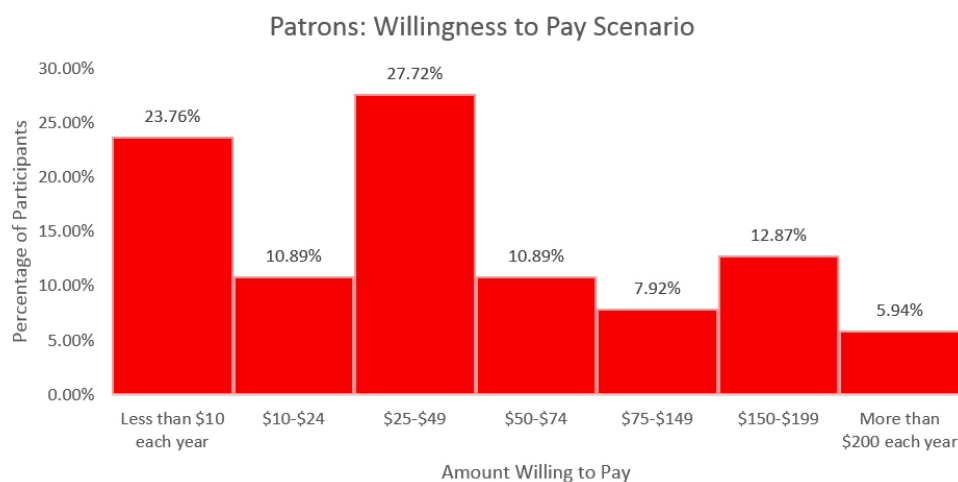
Respondents in both surveys were then asked a series of questions on how much money they would be willing to contribute to retain arts services.

Firstly, based on the 101 complete audience survey responses it was found:

- The typical (median) respondent would be willing to pay approximately \$37 to maintain the Arts Melbourne supported activities and close the 25 per cent gap created by a hypothetical shortfall in funding.
- For the general public, 42 per cent were willing to pay, with the average amount being slightly higher at \$41 per annum.

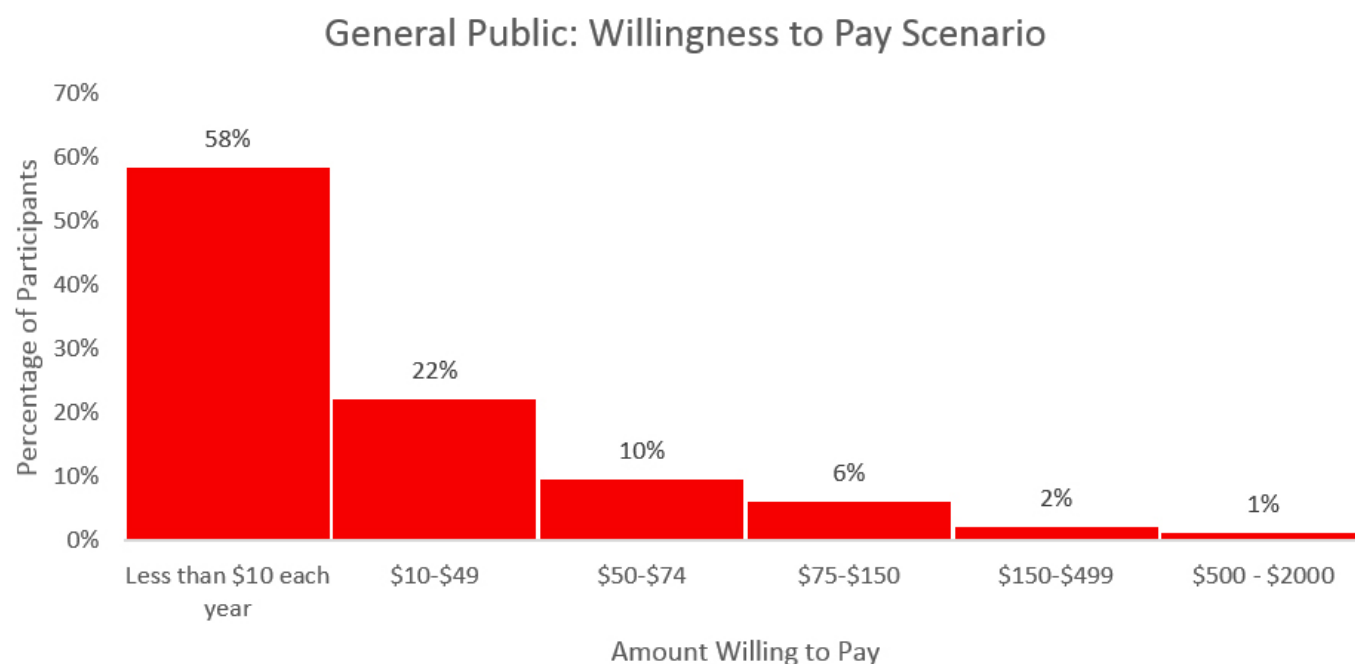
The evidence from both audiences and the general public on willingness to pay suggests that Melbournians support and impact an existence impact associated with the arts activities provided by Arts Melbourne.

Chart 3: Audience/patrons willingness to pay (WTP) on a per annum basis.



Source: City of Melbourne Audience Survey (2016)

Chart 4 General Public willingness to pay (WTP) on a per annum basis.



Source: City of Melbourne Audience Survey (2016)

Using the average of general public’s willingness to pay bands the willingness to pay is \$41.33 per person on average. Based on Australian Bureau of Statistics (ABS) population data, respondents for the general public survey are representative of the Victorian population. It is therefore possible to extrapolate willingness to pay estimates across the wider population and ascertain aggregated values associated with the impact of the City of Melbourne’s arts activities.

To provide an aggregated estimate, an average (per person) willingness to pay from survey data is multiplied by the population of Metropolitan Melbourne and Victoria. Given the most recent ABS estimates for Metropolitan Melbourne’s population is 4,529,500 (ABS, 2015) and Victoria is 6,039,100 (March 2016) this yields estimates of:

- \$105,302,382 aggregated Willingness to Pay within Metropolitan Melbourne.
- \$140,397,752 aggregated Willingness to Pay within Victoria.

3.2.8 Volunteerism

In addition to the willingness to pay question designed to provide evidence of a direct monetary valuation, it was important to account for another way individuals may contribute to support the arts – through volunteering.

Focusing solely on willingness to pay underestimates an individual’s willingness to contribute as some people will be able to contribute time but not money. When asked if willing to volunteer time to support the arts in the face of funding cuts to Arts Melbourne activities, the audience and general public surveys found:

- 65.7 per cent of the audience respondents said they would volunteer to support Arts Melbourne activities.
- 30 per cent of the general public respondents indicated they would be willing to volunteer to support Arts Melbourne activities. On average they were prepared to provide 24 hours a year of their time.
- Around half of the artists surveyed incurred additional financial costs they had to cover themselves to realise their projects supported by Arts Melbourne. The time spent by artists on creative work relative to remuneration suggests non-financial motivations akin to volunteering.

These results from audiences and the general public showed both a willingness to pay, and a willingness to volunteer time to support the arts. The data suggests that when the City of Melbourne supports the arts, it generates cultural benefits beyond its net economic benefits.

If these otherwise unpriced impacts are not accounted for in the decision-making processes around the allocation of scarce local government funds, there is a risk that final decisions may favour outcomes with a higher commercial impact, but might not deliver the best net overall impact and social benefit to the broader community and economy.



4 Conclusion and Recommendations

The City of Melbourne’s arts branch invests in its programs to help realise a vision of Melbourne as a creative city, and to benefit the city’s reputation as the cultural capital of Australia. The City of Melbourne’s Art Strategy 2014-17 underlines this commitment to the arts by supporting a range of funding opportunities for artists, arts projects, organisations and events.

4.1 Summary of the Economic Impact Assessment Results

Artist Survey

Artists were surveyed who, over the last five years, had received direct funding from the City of Melbourne, or some other form of in-kind support (such as subsidised access to a Creative Space).

The main purpose of the artist survey was to determine the extent to which support from the City

of Melbourne enhanced career opportunities for artists in terms of their creative practice. Career development for artists and performers is an essential ingredient for Melbourne's profile as a vibrant, creative and liveable city.

Findings from the survey of artists included:

- 94 per cent of artists' output would not have taken place without the City of Melbourne's funding/support.
- 80 per cent of artists were working to support themselves financially (which drops to 50 per cent during period of funding delivery).
- 75 per cent of artists reported that they were able to develop works of higher standards.
- Artists spend time on creative work for a range of reasons, and many of them pursue their art for non-financial motivations.
- Close to half the artists reported they incurred additional financial costs that they had to pay themselves.

Audience Survey

The second survey focused on audience members who had attended at least one City of Melbourne funded arts exhibition, activity or performance during 2016. This survey asked questions about audience members 'willingness to pay' for certain aspects of arts. Further questions were designed to measure bequest, prestige and education impact associated with the programs.

Findings from the audience survey included:

- Every \$1 of spending on City of Melbourne arts activities generates around 70 cents of new economic activity to benefit the local community.
- Audience members indicated they would be willing to pay between \$25 and \$49 per annum to support the arts programming currently offered by the City of Melbourne.
- In 70 per cent of cases, the event was the motivation to visit the municipality.
- During this visit, key spending included:
- Food or refreshment purchases averaging \$13.45 per person.
- Retail purchases averaging \$44 per person.
- Audience members typically lived locally.
- Audience members typically belonged to households with relatively low incomes.
- There is a loyal audience base with many audience members attending between four to ten times over the year.

General Public Survey

The survey of the general public extended the measure of economic impact by considering the implicit impact the general public placed on arts activities provided by the City of Melbourne. This provided insight into the existence and bequest impact of the arts as the sample selected for the general public survey had not attended nor engaged in any venues or activities funded by the City of Melbourne for the 12 months preceding November 2016.

Findings from the general public survey included:

- Despite not engaging with arts events provided, there is a widespread positive perception in the public about the benefits of the City's arts programs.
- Over 77 per cent strongly agreed that *"The arts in Melbourne, including our iconic venues and festivals, should be preserved for future generations to enjoy"*.
- Aggregated willingness to pay across Victoria is \$140 million per annum with 75 per cent of this

generated by residents in metropolitan Melbourne.

- A small amount of respondents were willing to pay surprisingly large sums to support the arts: 12 per cent were willing to pay approximately \$144 per annum towards this support.
- A significant volunteer pool were prepared to donate their time. Approximately 30 per cent of respondents were willing to volunteer an average of three days a year.

As a complement to the primary data analysis based on the key findings from each of the three surveys, the research employed secondary data available from the Australian Bureau Statistics (ABS) to calculate of the economic impact associated with what is commonly referred to as a multiplier effect.

In the context of spending on the arts, the multiplier effect refers to the additional spending generated as a result of the initial expenditure that takes place – including on things not directly related to the arts (for example, spending by an arts patron at a café before a show).

The results of the multiplier analysis indicated that:

- 7.7 jobs are generated in the City of Melbourne for every one million dollars of local economic activity associated with the arts.
- 5.4 of these jobs are created directly in the arts and recreation sector, while an additional 2.3 are created through flow-on effects.
- Every dollar of local spending in the arts sector returns a net contribution of at least an additional 70 cents over the initial \$1 spent to the local economy.

4.2 Recommendations

As this report reveals, the investment by the City of Melbourne in the arts returns tangible economic benefits to both the local and broader economy. Arts venues and programs attract visitors to the City and play a vital role underpinning Melbourne's reputation as a creative and cultural city.

Aside from the economic benefits, the importance of intangible benefits from the arts cannot be ignored. The ability of the arts to enhance social and cultural life for those who encounter them improves the lives of Melbourne residents, workers and visitors. The benefits of the arts extend beyond the domain of what can be quantified and measured. Putting a monetised valuation on the arts will only capture part of the story. It will understate the plethora of benefits that the arts provide to Melbourne's social, economic and cultural life. Furthermore, it is important to bear in mind that while an economic impact study such as this provides valuable evidence about the impact of the investment into the arts by the City of Melbourne at a point in time, this impact is not necessarily static.

We therefore make the following two key recommendations:

Recommendation 1:

The City of Melbourne consider strategies to market and promote the economic benefits of its investment in the arts while simultaneously conveying the significance of the non-economic benefits.

Recommendation 2:

Given the substantial investment in the arts by the City, as part of its accountabilities and in accordance with best practice program management, the city should replicate this analysis every two years, informed by data from the annual deployment of the surveys developed for the purposes of the current analysis.

5 About the Report Authors

This report has been produced by RMIT University Cultural Economics Group. This group brings together a mix of academics in terms of their career stage, areas of methodological expertise and discipline areas. The group is premised on the belief that research into arts and culture, including economic, social and cultural aspects is able to be informed by understandings across a range of disciplines using a range of different approaches suited to different purposes. The group encourages collaboration both within the academia as well as engagement with key stakeholders in industry, the community and from all levels of government. Key themes within the group's research include: creative industry analysis; creative cities; exploration of the link between creativity and innovation; and artistic labour.

Specifically the report authors include:

Dr Meg Elkins

Dr Meg Elkins is an applied development economist working in the School of Economics, Finance and Marketing at RMIT University. She was awarded a PhD in Economics from LaTrobe University in 2014. Her research interests include policy evaluation in developing economies, in particularly reviewing Poverty Reduction Strategy Papers and the Millennium Development Goals. Further areas of interest are social protection, corruption, poverty reduction, labour markets and well-being. Meg's current research interests are in the area of applied microeconomics investigating: pathways in-and-out of homelessness using Journeys Home Data Set; youth and labour market outcomes associated with leisure activities using Longitudinal Survey of Australian Youth data, and social protection and the achievement of the Millennium Development Goal using Asian Development Bank and World Bank Data. Meg is a member of Development Studies Association (DSA) in the UK and a member of the multi-dimensional poverty group associated with the DSA/European Association of Development Research and Training Institute (EADI). Meg is currently leading a project investigating the economic impact of the arts and artists with the City of Melbourne. Other recent research analyses youth curiosity and leisure activities. Her research has been published in several high quality economic, communication and education publications.

Dr Bronwyn Coate

Dr Bronwyn Coate is currently a Lecturer in Economics at RMIT University. She co-ordinates the RMIT University Cultural Economics Group. Bronwyn's research is innovative and recognised for the contribution it makes in understanding the dynamics of creative industries. Bronwyn's PhD involved a series of empirical studies that investigated the secondary market for visual arts created by Australian artists with a focus on Indigenous art. Her research contributed to debate and policy around the introduction of resale royalty legislation that came into effect in June 2010. Since completing her PhD Bronwyn's academic career has been disrupted as a result of raising a young family. Bronwyn continues to work as part of a team of researchers on the Kinomatics Project, involving a big cultural data set (in excess of 330 million records) that explores the diffusion and flow of film as a cultural product around the world. Bronwyn collaborates successfully with other academics across a range of disciplines, which is of importance to informing cultural policy debate through empirically motivated evidenced based research.

Associate Professor Ashton de Silva

Dr Ashton de Silva is an applied economist/econometrician specialising in the analysis of the property (including housing) sector, natural resources, arts and culture, credit & financial markets and government policy. He has published papers in leading international academic journals as well as written several reports for key industry bodies. He has a strong record of attaining grants, industry research contracts as well as Government funding to investigate areas of household finances and broader economic policy. Representatives from industry and the popular press regularly contact him for his perspectives and insights.

Associate Professor Jonathan Boymal

Dr Jonathan Boymal is an Associate Professor in the Office of the Pro-Vice Chancellor (Business), and holds an underlying position in the School of Economics, Finance and Marketing. Jonathan has research experience in the area of applied economics. This includes competitive grant applications, program evaluation at the state and federal government level, and refereed publications and HDR completions in the areas of housing and urban economics, cultural economics, population economics, evaluation, economic psychology, health economics, cost-benefit analysis and technology diffusion.

Dr Mehmet Ozmen

Dr Mehmet Özmen is an economist and data scientist with extensive experience in analytics, statistics and data mining methodologies. Mehmet has extensive consulting experience in both academia and in business using evidence based and data driven approaches to resolve public policy questions. He is also an active academic with teaching and mentoring activities and has recent publications in top tier international and Australian peer-reviewed journals.

Other Contributors to the Report whose Efforts are Acknowledged

In preparing this report the RMIT University Cultural Economics Group grateful acknowledges the cooperation and input from the City of Melbourne. We also acknowledge Dr. Ben Eltham for his feedback and suggestions on an earlier version of this report. We are also grateful to Laszlo Romer for the design and layout of the report document.

All images used throughout the report depicting various arts programs were provided courtesy of the City of Melbourne.

Any errors and omissions with the content of this report remain the responsibility of the report authors.



6 Appendix: Respondent Profile

Information gleaned from the surveys of artists and audiences provide important insight on how investment in the arts contributes to Melbourne's economy. In addition, views expressed by the general public provide useful insights into the arts program latent economic impact.

6.1 Artists Survey Respondent Characteristics

There were 136 artist respondents who attempted the survey with 65 of these providing completed responses that were able to be used for analysis. The survey was carried out online from July to August 2016 and respondents were informed of and recruited to the survey through the City of Melbourne's own channels. The artist survey provides valuable insights into the way arts and culture programs enhance the quality and quantity of artistic and creative culturally enriched output. This delivers benefits to artists, audiences and the community as a whole to reveal that impact creation and impact from the arts is intrinsically linked.

Growing the quality of output necessarily means supporting artists' professional development. In providing professional development opportunities for artists, the City of Melbourne provides three forms of funding:

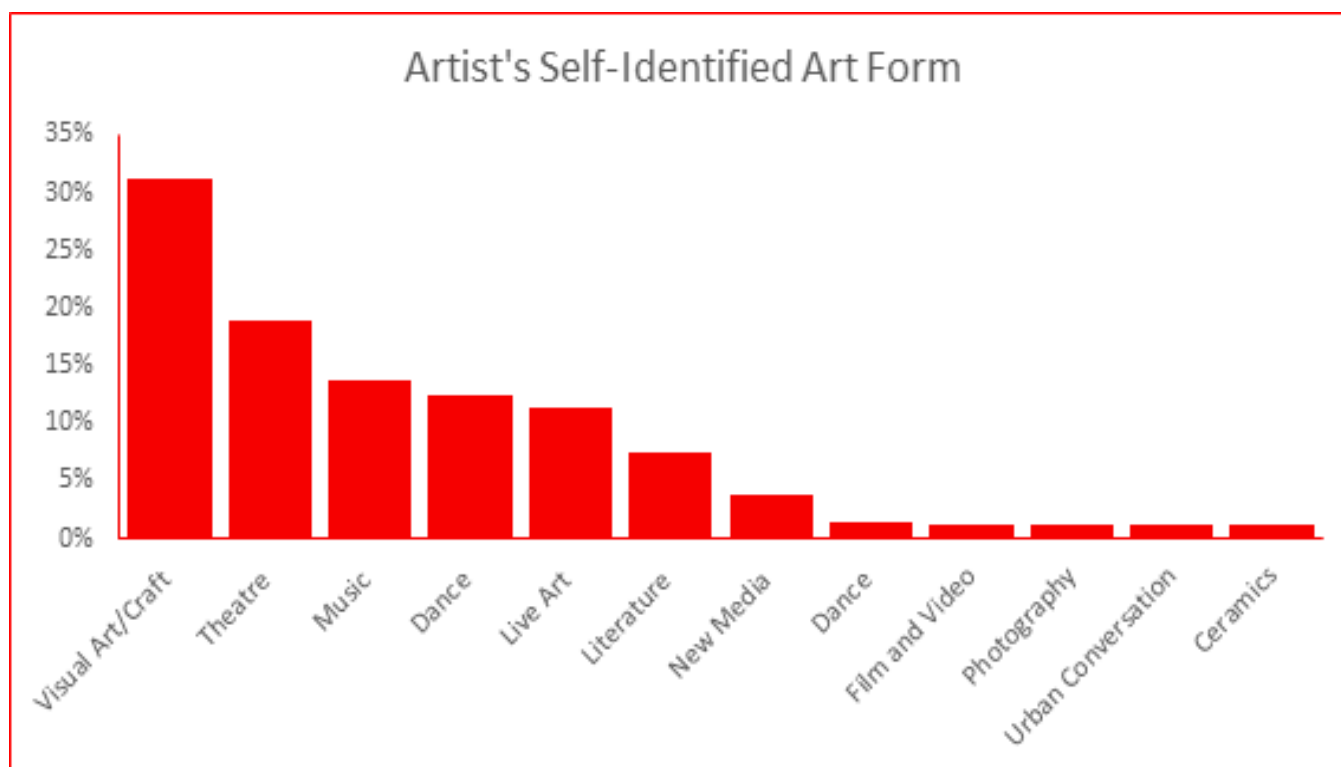
1. Arts Grants and Expressions of Interest programs - the City of Melbourne's annual arts grant recipients are often distinctly different from those funded via grants from Creative Victoria and the Australia Council for the Arts. The Arts Melbourne branch often fund non-traditional and contemporary artists who are seen to be pushing the boundaries. Expressions of Interests (ArtPlay, Arts House, Public Art Melbourne and Signal) provide opportunities for artists to develop new works for city locations and venues. Other granting programs respond to needs identified by Arts Melbourne program areas and align to Council goals.
2. Creative Spaces – subsidised studios, making and creative spaces for the artists and creatives to develop and sustain their practice.
3. Commissioned and Programmed Artists – Initiated and supported by programs including ArtPlay, Signal and Arts House to provide cultural engagement with the community.

These three areas provide the means to enable artists to access and activate new networks, as well as enhance existing ones through collaboration. In understanding the career cycle of an artist, the formation of an artist's capacity as creative entrepreneur and the reputation that they build over time from their work and the networks they establish are crucial drivers to long term success. The artist survey addresses career trajectories by asking artists to self-report what stage in their career they see themselves (i.e. as emerging, mid-career or established). In light of the different stages artists identify with, it is of interest to consider responses to questions on the artist's reach and networking opportunities.

Close to half of all respondents were aged under 45 years and 70 per cent were female. Participants had a higher than average education level with more than half participants reporting a Postgraduate Degree and 80 per cent reporting a Bachelor or Higher. Of those, 60 per cent reported receiving University training in their arts practice. One in five said that they had been studying or receiving formal training in the arts over the past 12 months.

Half of the artists said they obtained additional income through paid employment or other sources to support them self financially over the period in which they received funding.

Chart 6: Artists self identified art form



Source: City of Melbourne Artists Survey (2016)

Of the artists surveyed 31.3 per cent identified as visual artists. Theatre and live art performers accounted for 30.1 per cent of the artists surveyed. Musicians accounted for 13.8 per cent of performers and those artists who identified writers accounted for 7.5 per cent of the survey respondents.

6.2 Audience Survey Respondent Characteristics

The audience survey provides valuable insight on how City of Melbourne arts activities encourage audience members into contributing to the local economy by spending on local businesses as part of their attendance at an Arts Melbourne activity.

Considering that many arts activities are free or heavily subsidised, this survey also sheds light on how audience members impact different aspects of art in the City and additionally elicits the willingness to pay (WTP) for art events.

There were 136 respondents who attempted the survey in total. Of these, 31 were partial completes and four were removed from analysis due to complete non-response. The survey was carried out online from July to August 2016 and respondents were informed of and recruited to the survey through City of Melbourne's own channels. Close to half of all respondents were aged under 35, and nine out of 10 were female. Many respondents were local area residents living in the City of Melbourne postcode (25 per cent) with the rest residing in inner-city suburbs close to the CBD.

In terms of employment and purchasing power, most respondents were employed in paid work (full-time: 31 per cent and part time/casual: 44 per cent). In addition:

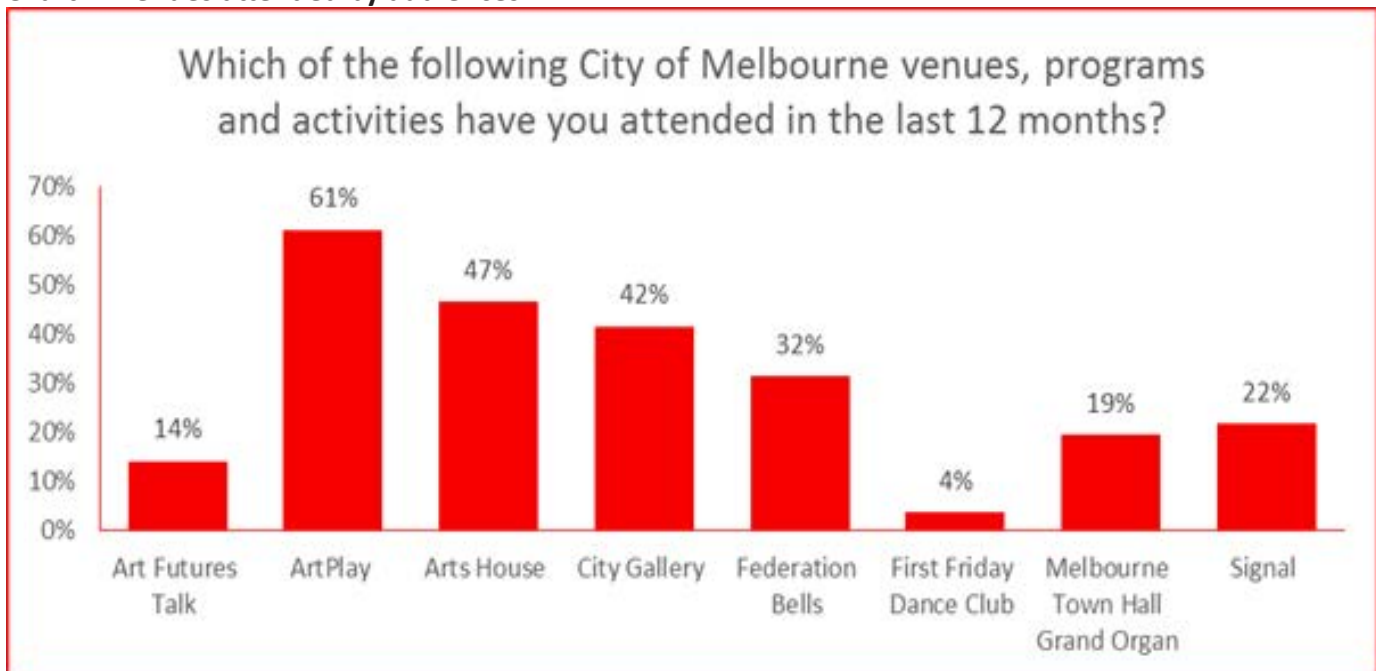
- 26 per cent of respondents were from households earning less than \$60,000 a year.
- 63.7 per cent of respondents were from households earning less than \$150,000 a year.
- A smaller proportion of respondents were studying full-time (Tertiary: 13.3 per cent and School: 3.8 per cent).
- 14.3 per cent were engaged in unwaged home or carer duties.

- Those who responded to the survey also had above average education with 44.8 per cent having completed a postgraduate qualification and 72.4 per cent having completed at least a bachelor degree.
- 36 per cent of respondents declared their main occupation to be in the arts or creative sector.

As part of the survey, audience members were asked about the Arts Melbourne venues and activities they have attended in the last 12 months (Chart 7). Further, they were asked to indicate approximately how often they attended these events (Chart 8).

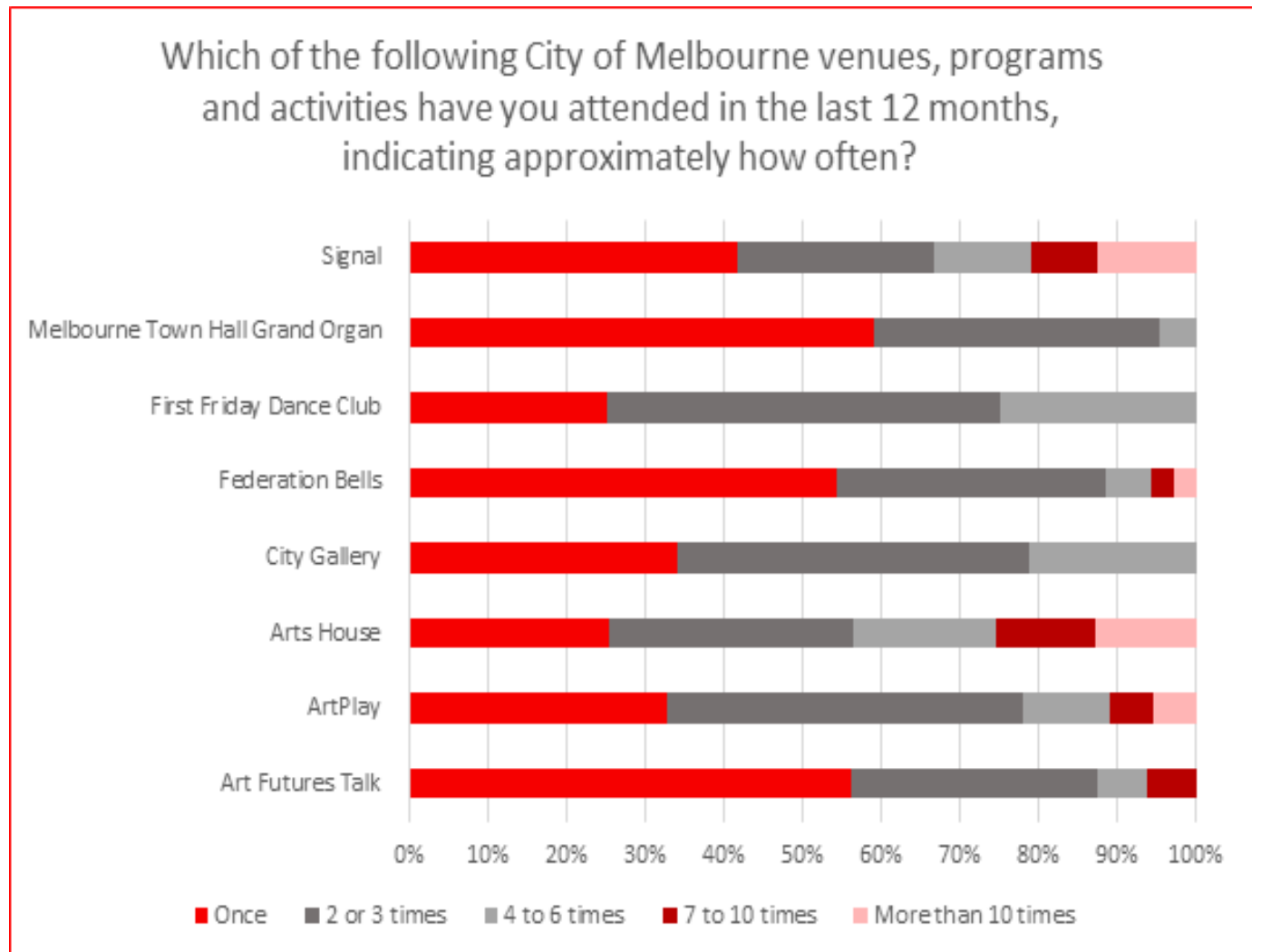
The most commonly attended programs/venues were ArtPlay (61 per cent), Arts House (47 per cent) and the City Gallery (42 per cent). More than 40 per cent of respondents for a given venue/program were repeat visitors over the past 12 months.

Chart 7: Venues attended by audiences



Source: City of Melbourne Audience Survey (2016)

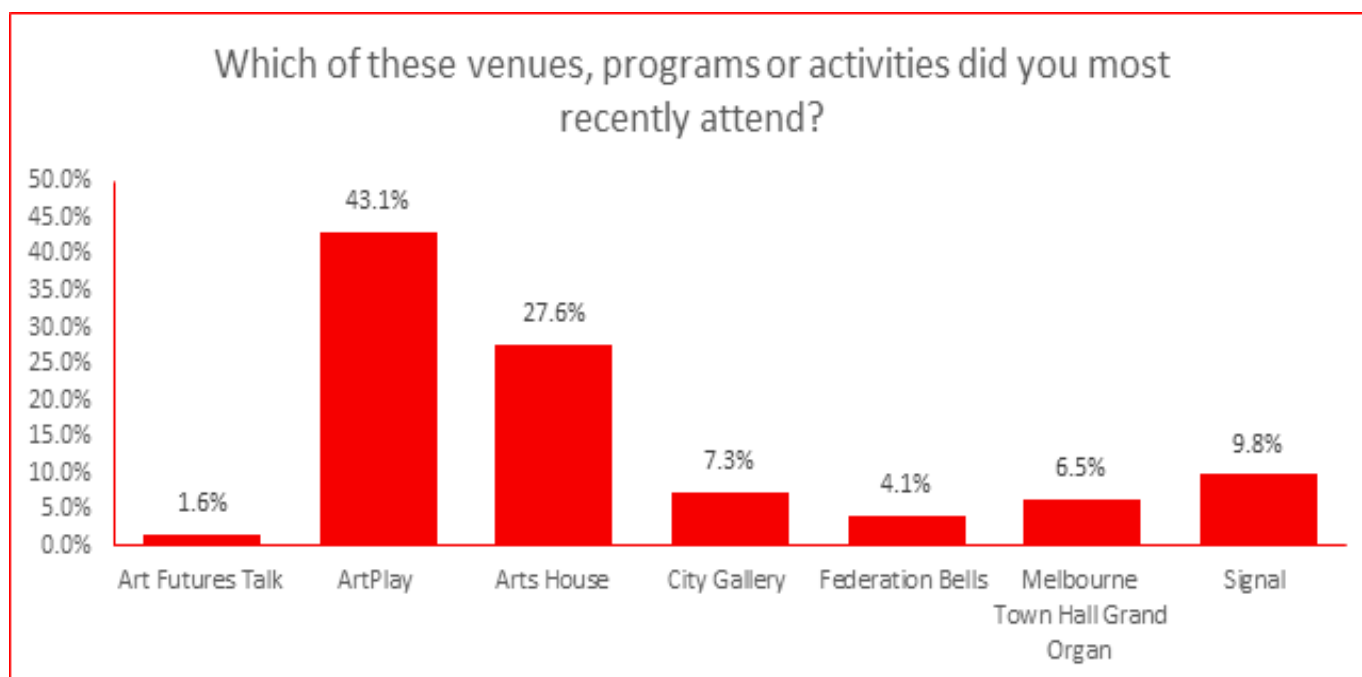
Chart 8: Frequency of audience attendance by venue



Source: City of Melbourne Audience Survey (2016)

Respondents were asked which venue, program or activity they had most recently attended. Their response formed the basis for a number of questions on the survey. Interestingly, close to 40 per cent responded ArtPlay while another 30 per cent Arts House with the remaining attending one of the other venues or programs. Readers should note that the analysis will be biased towards attendees of these programs.

Chart 9: Most regularly attended venue



Source: City of Melbourne Audience Survey (2016)

Respondents were asked to report their group size as well as the age composition of their group. It was found that 38.2 per cent respondents were in a group of two while more than 14 per cent of respondents were in a group larger than six. The average ratio of under 18 to over 18 years of age was consistently 30 per cent to 40 per cent across group sizes.

Taking these respondents as representative of the City of Melbourne arts activities audience base, in terms of the effective economic impact of the contribution of the City of Melbourne arts investment, it shows that a significant proportion are regular attendees, often families, with relatively low household income and who are unlikely to have large amounts of discretionary income.

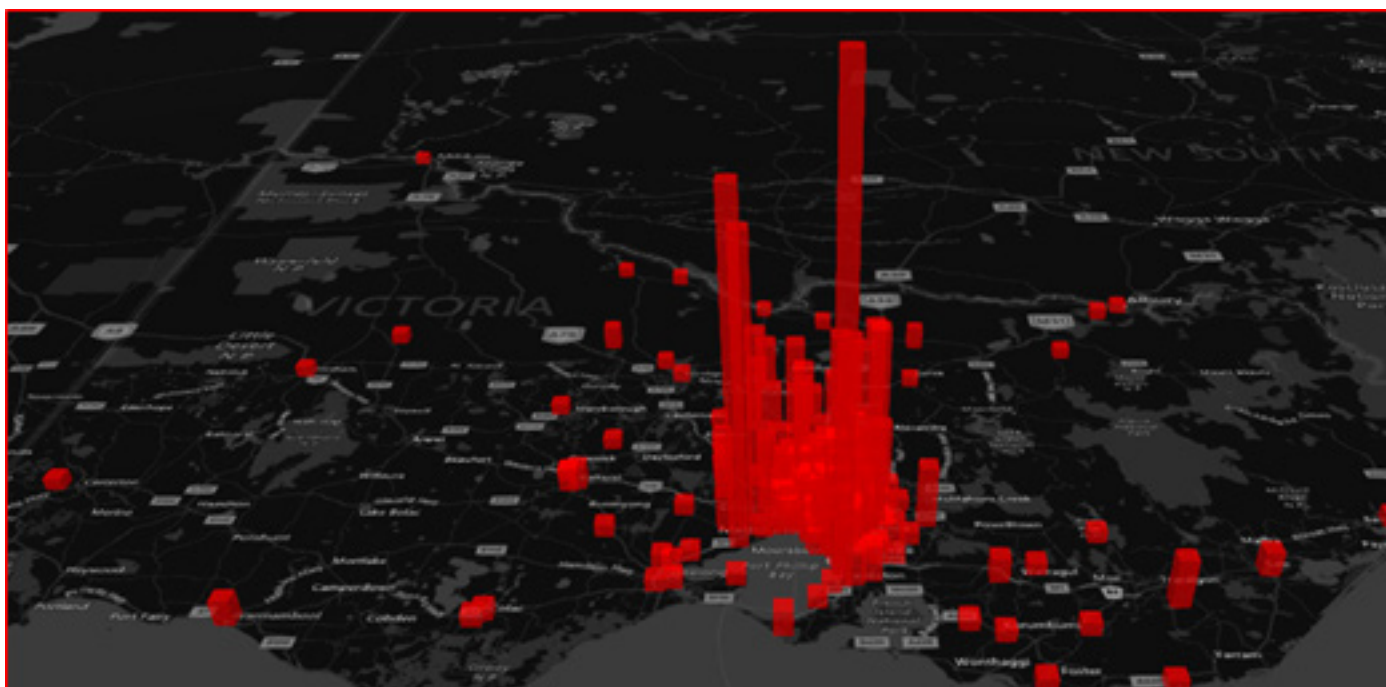
6.3 General Public Survey Respondent Characteristics

In contrast to the audience survey that comprised 75 questions spanning six sections, the general public survey contained fewer sections. This was due to the fact that respondents had not attended a City of Melbourne listed arts activity within the last 12 months.

The general public survey was administered by RMIT with a population age-gender representative survey panel provided through SSI. The online survey recruited individuals from metropolitan Melbourne with a small number of additional Victorian residents also invited to complete the survey. The survey was attempted by 1400 respondents with 1024 individuals meeting the selection criteria of not having attended a City of Melbourne arts event in the past 12 months.

The 1024 valid respondents were from 223 different postcodes. Most resided in inner-city suburbs with 91.8 per cent of respondents being from metropolitan Melbourne (postcodes 3000-3207). Only 4.2 per cent of eligible respondents (those who had not attended a City of Melbourne arts event in the past 12 months) were from the City of Melbourne local government area (Figure 1).

Figure 1: Distribution of General Public Survey Postcodes



Source : City of Melbourne General Public Survey (2016)

The survey was age-gender representative with 46.7 per cent of respondents identifying themselves as male and 52.6 per cent as female. Respondents were from a wide range of ages as show in table 1 below:

Table 1: General Public Survey Respondent Age Groups

Respondent Age Group	%	Count
18-24 years	10.84%	111
25-34 years	17.68%	181
35-44 years	19.82%	203
45-54 years	18.95%	194
55-64 years	14.65%	150
65 and over	17.68%	181
Prefer not to answer	0.39%	4
Total	100%	1024

Source : City of Melbourne General Public Survey (2016)

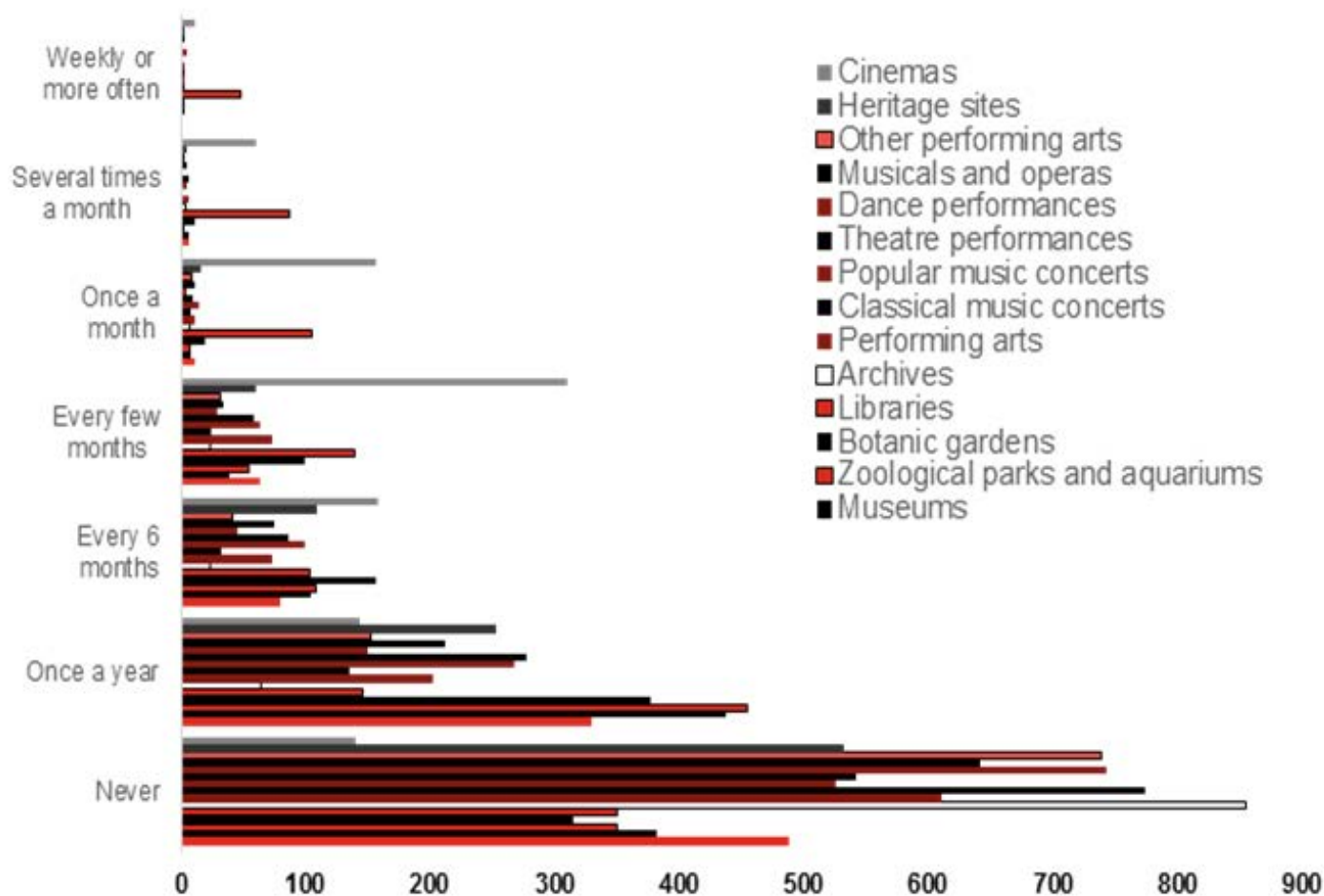
In terms of employment and purchasing power, most respondents were employed in paid work (full-time: 34.5 per cent and part time/casual: 20.8 per cent). In addition:

- 36.7 per cent of respondents were from households earning less than \$60,000 a year.
- 71.3 per cent of respondents were from households earning less than \$150,000 a year.
- A small proportion of respondents were studying full-time (Tertiary: 6.3 per cent and School: 0.61 per cent).
- 5.8 per cent were engaged in unwaged home or carer duties.

Levels of education were representative of the general population with 10.9 per cent having completed a postgraduate qualification and 28 per cent having completed a bachelor degree. 27.5 percent held a certificate or diploma and 31.3 percent had a high school education or less.

Cultural consumption of the general public is demonstrated in the following figure.

Chart 10: Generalised cultural consumption for the general public



Source : City of Melbourne General Public Survey (2016)

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