

SUPPLY AND DEMAND OF CREATIVE ARTS IN REGIONAL VICTORIA, AUSTRALIA

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Certification:

- (a) Except where due acknowledgment has been made, the work is that of the candidate alone
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- (c) The content of the thesis is the result of work which has been carried out since the official commencement data of the approved research program

Signed:

Tristan Andrew Masters

March 1st, 2007

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LIST OF ABBREVIATIONS:

ABS: Australian Bureau of Statistics

APAI: Australian Postgraduate Award (Industry)

ARC: Australian Research Council

ANEG: Arts Network East Gippsland

ANOVA: Analysis of Variance

BCP: Basic Community Profile

CGE: Computable General Equilibrium

I-O: Input-Output

LOTE: Language Other Than English

MWAF: Mildura-Wentworth Arts Festival

NCCRS: National Centre for Culture and Recreation Statistics

NRP: National Regional Profile

OLS: Ordinary Least Squares

**SUPPLY AND DEMAND OF CREATIVE ARTS IN REGIONAL VICTORIA,
AUSTRALIA**

Abstract:

Creative arts can make vital contributions to both economies and communities. Moreover, these impacts can be keenly felt by smaller, regional communities, where shifts away from traditional rural industries are apparent, as well as in the context of the 'new economy' which emphasises the importance of knowledge industries and creative industries. This research investigates creative arts supply and demand in regional Victoria, Australia through the collection of qualitative and quantitative data in three target communities. Fundamentally, this thesis presents a detailed analysis of the current supply and demand environment, including the impacts of regional arts festivals, and determines the conditions, events and characteristics which could strengthen regional Victorian supply and demand of creative arts.

In order to establish the challenges and opportunities with regard to the supply of creative arts, focus groups with a range of regional arts professionals were conducted. Data was first sought regarding the current operational environment and the associated challenges and opportunities of a regional location. Qualitative analysis of the focus group data at the community as well as small and micro-business level led to recommendations towards a best-practice business model for regional arts small and micro-businesses, in addition to key areas through which regional communities could develop through the arts. The results of the focus groups, bolstered by quantitative results of a survey completed by regional Victorian arts professionals produce a number of findings. This thesis shows that the supply of creative arts in the target areas is limited by scarce resources, isolation, negative community attitudes towards creative arts, and a small audience or sales market and an over-reliance on volunteers. Small and micro-businesses in the regional Victorian arts sector are seen as having motivations for operating beyond making money, limited business acumen, and have difficulty in marketing themselves effectively.

The foundation of a community development framework through the arts suggests that regional Victorian communities would benefit through organising an annual arts festival, through using the arts as a means to retain younger residents, and through making the relationship between local government and regional arts professionals more cohesive. Best-practice strategies to strengthen the operations of small and micro-businesses include adopting a more entrepreneurial attitude towards arts business, using an agent to source new audiences or sales markets and to maximise the promotion of their product, creating art which is accessible to the local community, and to engage in skills development and business training.

Regarding demand for creative arts, this thesis analysed a large quantitative data set which detailed current demand patterns across regional Victoria, using attitudes towards creative arts, participation in creative arts and expenditure on creative arts as a measure of current demand levels. Moreover, this thesis applies a range of statistical and econometric tests to the data collected from the three target communities in order to explore current demand patterns, and determine the conditions and characteristics which influence levels of creative arts demand. Contrary to the view emergent from the supply data, this thesis shows that regional Victorians have strong levels of demand for creative arts. Results particularly show higher than average levels of overall monthly arts expenditure, and strong demand for cinema, craft fairs or exhibitions, books, CDs and other music formats. Low levels of demand were similarly noted for classical music, opera or ballet. Chi-Squared analysis and ordered probit results lead to the conclusion that gender, age, festival attendance, education, and individual levels of overall arts expenditure are all determinants of creative arts demand.

Quantitative analysis of two sets of data, collected at two regional festivals, was conducted in the third and final empirical chapter of this thesis. Arts festivals and events are regarded in this research as a tangible and important way in which to positively influence both supply and demand, in addition to heralding significant economic and social benefits for regional communities. A comprehensive account of the nature of individual expenditure on a range of goods and services relating to an arts event is given in order to demonstrate the characteristics of a typical creative arts festival attendee. This thesis found that regional festival patrons are more likely to be female, local to the host region, have a middle income, and hold a high school or equivalent qualification. On account of the high concentration of local attendees, an econometric model, including two versions of an Ordinary Least Squares regression in addition to Tobit and probit estimations was used to more accurately estimate individual expenditure characteristics, notably accounting for the zero-expenditure of attendees who are local to the host region.

As such this thesis provides valuable contributions to knowledge regarding the supply and demand of creative arts in regional areas. It also provides practical insights for policy makers, festival organisers, and the regional arts industry.

Chapter One

Introduction

“The economy as a real person would certainly be male, somewhat overweight, prone to hypochondria, garrulous, and inclined to neglect his personal freshness- in short not the sort of individual you would relish sitting next to on a long aeroplane flight ... Art would just as certainly be female, smart, unpredictable and somewhat intriguing ... Suppose these two individuals ran into each other at a party, would they have the slightest interest in one another and ... what sort of relationship might develop between them?” (Throsby 2001a, p.xi).

1.1 – Introduction

The creative arts industry has witnessed significant growth over the past three decades, which has translated into a broad range of economic and social benefits (Guldberg 2000). However in spite of this, a knowledge gap exists insofar as there are very few studies which explicitly deal with the supply and demand of creative arts in regional areas. In addition, the centrality of creative and knowledge-based industries in the contemporary economy (Kong 2000; Throsby 2001; Frey 2002; Tepper 2002; Flew 2003), coupled with the changing economic and social landscapes of regional areas (Getz 1997; Gray and Lawrence 2001; Throsby 2001; Woodhouse 2006; Mangion & McNabb 2005) reflects a need to create a deeper understanding of creative arts supply and demand in the regional context.

This thesis represents a detailed enquiry into creative arts in regional Victoria. In this research, a comprehensive analysis of the supply and demand of creative arts in three regional communities is presented, in addition to an investigation of arts festivals and events in non-metropolitan communities.

The aim of this enquiry is to develop a deeper understanding of regional creative arts in Victoria by illustrating the current situation and identifying key areas and mechanisms to improve the current supply and demand environment. This research uses a mixed methods design, employing a combination of quantitative and qualitative data analysis techniques across a number of data sets in order to carry out this investigation. This introductory chapter is designed to outline and describe the research project and to outline the content and structure of this thesis. This includes a description of the primary and secondary research questions being addressed throughout the thesis. Also included

in this chapter are details of external relationships involved in the project, some preliminary information regarding the communities directly involved in this project, and the definitions and key assumptions which underlie the research.

1.2 – Research Questions, Aims and Outcomes

A number of research questions are being addressed throughout this research. This section identifies the primary and secondary research questions relating to this project, in addition to providing details of the proposed research aims.

1.2.1 – Primary Research Questions

The main research questions which this research will address are as follows:

- What is the current situation with respect to supply and demand of creative arts in regional Victoria?
- What conditions or characteristics, either social or economic, can be seen to strengthen the creative arts environment in regional Victoria?

‘What’ questions, according to Blaikie (2000), require descriptive answers which are “directed towards discovering / describing characteristics of and patterns in some social phenomenon” (Blaikie 2000, p.60). As such, this research is designed to provide a deeper insight into both the current supply and demand environment with regard to regional arts in Victoria, in addition to highlighting the conditions and characteristics which affect arts supply and demand.

1.2.2 - Secondary Research Questions

Supply

In addition to the primary research questions, there are a number of secondary research questions to be considered in this study. With regard to the supply of arts, the secondary research questions are as follows:

- What strategies, included in a community development framework, can be implemented to grow and sustain the regional arts sector?
- What are some key features of a best-practice business model for artists and small to medium arts businesses, taking into account specific contextual factors including their location, size, and availability of resources?

Demand

With regard to the analysis of demand for creative arts, in addition to being guided by the two primary research questions, this thesis will address the following research questions:

- What are the current attitudes towards the arts among residents of regional Victoria?
- What are the current patterns of arts attendance and expenditure among residents of regional Victoria?
- What are the characteristics of individuals who exhibit high and low levels of demand for the arts in regional Victoria?

Festivals

Finally, while addressing the primary research questions detailed above, this research will address the following questions with regard to creative arts festivals in regional Victoria:

- To what extent can regional arts festivals be considered to have positive economic benefits to the host community?
- Which demographic characteristics and expenditure categories are statistically significant in terms of analysing individual event expenditure?
- How can current measures of event impact and individual event expenditure be further developed in light of high percentages of local event attendees?

1.2.3 – Research Aims

In essence, there are five aims of this research, which are as follows:

- 1 To generate a deeper insight into the current nature of supply and demand of the arts in regional Victoria
- 2 To identify the social, cultural and economic characteristics, conditions and events that encourage growth and / or strengthening of the supply and demand of regional arts in Victoria.
- 3 To develop recommendations towards a sustainable best-practice business model for small arts businesses and micro-businesses operating in regional areas, which incorporate best-practice entrepreneurial strategies combined with unique elements of the creative arts and the regional environment.
- 4 To make recommendations towards the creation of a community development framework through the arts for regional areas.
- 5 To devise an econometric model for the analysis of individual event expenditure data which takes into account the high concentration of attendees local to the host region.

1.3 – Industry Partner Collaboration and Funding

This research is being carried out through RMIT University under an Australian Postgraduate Award (APAI) via a Linkage Grant from the Australian Research Council

(ARC). The aim of the Australian Research Council is to further and promote quality research in Australia, in order to be globally competitive and deliver benefits to the community. The linkage grant program is specifically designed to foster links and broker partnerships between researchers and government, industry and community groups.

The project is being undertaken with the assistance of Arts Victoria, the nominated industry partner. Arts Victoria is a division of the Department of Premier and Cabinet and is the state government authority responsible for the development of services and programs for the arts throughout the state, and the implementation of government policy relating to the arts.

In addition to a financial contribution, Arts Victoria has provided valuable 'in-kind' support for this project. This has included access to resources and publications and the provision of relevant statistical data and specialist knowledge when required. As this research has been designed and carried out with a strong practical focus, results will be communicated to the industry partner (and other relevant governing bodies and authorities) with a view to informing policy and funding arrangements relating to the regional Victorian arts sector.

1.4 - Target Regions

This research is being carried out with a focus on three target communities in regional Victoria, which were selected upon consultation with the industry partner, on the basis of their perceived stages of cultural development. The three target regions under investigation in this research are the Shire of East Gippsland, the Rural City of Mildura, and the City of Greater Shepparton. In addition to their stage of cultural development, sites were selected on the basis of geographic spread throughout the state of Victoria. Using these factors to select the three target regions was seen to more closely approximate a cross-section of current supply and demand of regional creative arts in Victoria. Moreover, collecting a range of data from key stakeholder groups at multiple sites which are at differing stages of cultural industry development was seen as being the most apposite way in which to generate an accurate and more informed illustration of regional Victoria's current creative arts environment, in addition to determining the characteristics or events which can be seen to strengthening this current environment.

1.5 - Definitions

A recent study carried out by the Australian Bureau of Statistics and published by the Australia Council for the Arts (Australia Council 2003) identified tremendous variation in terms of what 'the arts' mean to Australians. The term is open to a wide range of interpretations, and can encompass a number of combinations of activities which fall

between this broad set of parameters. For the purpose of this project, the term 'creative arts' will include:

- Visual arts
- Craft (including ceramics)
- Performing arts, (theatre, ballet, opera and dance)
- Film and video
- Music
- New media and multi-media arts, and
- Literature.

Moreover, this study focuses on the supply of regional creative arts at the small and micro-business level. For the purpose of this thesis 'micro-business' is defined as a business which has five employees or less, which includes sole proprietors. The term 'small business' is defined as an organisation which has between five and ten employees. Other established definitions of small and micro-business are not seen as suitable in the regional context. For example the ABS selected definition of small business is an organisation whose total income and expenses was between \$10,000 and \$5m in the financial year (ABS 2004). As one focus of this thesis is to describe ways in which such organisations could innovate in order to bolster regional arts supply, a definition of the term 'innovation' is required. While more complex definitions exist, the term is defined herein as "The application of new ideas to the products, processes or any other aspect of a firm's activities" (Rogers 1998, p5), and is considered to be focused upon the commercialisation of these ideas (Rogers 1998).

A definition of cultural tourism used throughout this study is that which was provided in a report commissioned by the Cultural Ministers' Council Statistics Working Group (Hossain, Heaney and Carter 2005). This definition describes a 'cultural tourist' as a visitor who visits or participates in any of the following:

- Theatre, concerts or other performing arts
- Museums or art galleries
- Art / craft workshops / studios
- Festivals, fairs or cultural events
- Aboriginal art / craft cultural displays
- Aboriginal sites / communities
- Historical / Heritage buildings or monuments

Similarly, this project adopts a definition of 'cultural tourism' given by Raj (2003) which is:

“travel directed toward experiencing the arts, heritage and special character of a place”. These two definitions are employed with regard to arts festivals in regional Victoria in chapter seven of this thesis.

1.6 – Outline of the Thesis

This thesis consists of a total of eight chapters. A literature review chapter follows this introduction, which positions the current research within the connected and interrelated fields of research, and which describes and discusses key selected works which relate to this study. The third chapter describes in detail the methodology used to carry out this research. This chapter includes a justification of the research paradigm, a detailed description of the research design and process through which this research was carried out, and the ethical considerations of the study. The fourth chapter of this thesis presents a detailed background to the research, which identifies key aspects of the environment in which this study takes place. This includes a detailed description of the arts and culture industry in Australia, Victoria, and regional Victoria, in addition to details of the three target regions, and two festivals, under investigation.

Chapter five, the first of the empirical chapters, is focused on the supply of creative arts in regional Victoria. This chapter presents qualitative analysis of focus group data collected in Shepparton and East Gippsland. This qualitative data is supported by a small amount of statistical and background data used to inform the analysis. In the first instance, this chapter will detail the key features, opportunities, challenges, and environmental factors which characterise the current creative arts supply environment. In addition, recommendations and strategies relating to a community development framework through the arts, and recommendations towards the creation of a best-practice business model for regional artists and arts businesses are discussed.

Chapter six of the thesis depicts the current nature and level of demand for the arts through detailed analysis of a large quantitative data set. This chapter focuses on the attitudes towards the arts, frequency of participation in the arts, and typical monthly expenditure in the arts by residents of each of the target regions. A range of statistical and econometric tests are conducted on the results of a large mail-out survey completed by residents of each of the three target communities. The purpose of this chapter is to devise a model of current arts demand in regional Victoria, in addition to highlighting statistically significant relationships within the data set, particularly individual characteristics and community characteristics which influence demand levels.

The final empirical chapter relates to regional arts festivals. In this chapter demographic and individual level expenditure data was collected from attendees at regional arts festivals in the Greater Shepparton and Mildura regions, and a number of statistical and econometric models and tests are applied to the data. In discussing the significant results of this data analysis, this chapter highlights the economic impacts of regional arts festivals to the host community, in addition to building on existing methods of analysing individual expenditure data from regional arts festivals.

The final chapter of this thesis is the conclusion, which highlights and summarises the key research findings. Moreover, this chapter also describes the limitations and implications of this study for government policy and regional communities, in addition to outlining areas for future research.

1.7 – Delimitations of Scope and Key Assumptions

This thesis is limited in scope to an investigation of East Gippsland, Mildura, and Greater Shepparton. As described above, these three target regions were selected through consultation with the industry partner on the basis of their stage of cultural development, in seeking to represent an accurate cross-section of regional arts activity in Victoria. As such, the key assumption relating to this project is that the results generated herein broadly reflect the nature of regional arts supply and demand across the state. While it must be stressed that each community is likely to have specific nuances and attributes which make it unique, the results and recommendations presented in this thesis are thus assumed to be broadly applicable to regional communities throughout Victoria. However to fully note this claim, further research would need to be conducted to explore the applicability of the findings to other regional areas.

1.8 – Conclusion

Thus this introductory chapter has given an overview of the nature, design, and structure of this thesis, in addition to detailing the relevant external relationship such as funding arrangements and industry partner collaboration. In describing the primary and secondary research questions being addressed in this thesis, it has been shown that the following research will investigate a range of aspects related to regional arts supply, demand and festivals, using a broad range of data drawn from three target communities. Moreover, having generated a deeper understanding as to the current nature of regional arts supply and demand in Victoria, this project will highlight key areas, conditions, or events which could help to strengthen the current supply and demand environment.

Chapter Two

Literature Review

2.1 – Introduction

The purpose of this literature review is to present and discuss a selection of relevant work which has preceded, and which informs this study. In doing so, this chapter will acknowledge such work, and relate it to the current context of regional Victorian communities. Moreover, this review of the extant literature is placed before the empirical analysis relating to demand for the arts, supply of the arts, and the impact of events and festivals as a means of framing the current research and highlighting the key areas which will be analysed in the body of the thesis. As such this chapter analyses the key issues which underpin and inform this research in addition to shaping and informing the subsequent analysis in this thesis.

This literature review begins with a discussion of literature surrounding the current operational environment which underpins creative arts in regional Victoria. Specifically, this includes a discussion regarding the relevance of the ‘new economy’, the economic and social benefits of the arts, and the economic, environmental and social issues currently facing regional communities in Australia. Following this analysis, the literature which relates to demand for the arts in regional Victoria will be evaluated. Specifically, the literature explored surrounds the issues of:

- Taste formation in the arts
- Demand elasticity of the arts with regard to price and income
- Socio-demographic characteristics of typical consumers of artistic products
- The notion of quality perception as a determinant of price as well as a means of mitigating risk in arts consumption, and
- Whether arts and cultural products have any close market substitutes.

Following this discussion of the pertinent literature regarding demand for the arts, this chapter focuses on the literature which relates to the supply of creative arts in regional Victoria is subsequently analysed in this chapter. Specifically, literature is discussed regarding:

- Supply of arts labour and the professional lives of arts workers

- Rural governance and community development
- Entrepreneurship and innovation in the arts, and
- Business goals and entrepreneurial motivations specific to the small and micro-business sector, and in regional locations.

Finally, this literature review will evaluate a range of opinion, present in the extant knowledge relating to the impact of events and festivals. The main aspects of this analysis are:

- Key benefits associated with events and festivals
- Festivals as a driver of cultural tourism, and
- Methods of measuring the economic impact of festivals.

2.2 – Creative Industries and the New Economy

One of the key issues which underlie this research is the recent discussion regarding the 'new economy', and the role of knowledge-based industries and creative industries therein. In essence, the new economy describes the situation brought about by recent changes in the economy, such as globalisation, digitalisation and changes in leisure consumption which have had a 'catalytic effect' on the arts and culture and the value of knowledge goods to the economy (Tepper 2002). Moreover, arts and culture have been proclaimed as key factors which foster economic growth and development, leading to a focus by economists on 'creative cities' and the 'rise of the creative class' (Florida, 2002), while governments have similarly begun to recognise the size and scope of creative industry as a litmus test of economic health (Tepper 2002). As Venturelli (2000) writes:

“A nation without a vibrant creative labour force of artists, writers, designers, scriptwriters, playwrights, painters, musicians, film producers, directors, actors, dancers, choreographers ... does not possess the knowledge base to succeed in the information economy, and must depend on ideas produced elsewhere” (Venturelli 2000, p16).

In short, the new economy has been heralded as one of the foremost economic phenomena of recent years (Hall 2000), and has tightened the relationship between economics and the arts (Flew 2003; Frey 2002; Kong 2000). One result of such economic shifts has been a substantial increase in the supply and demand of creative arts and cultural assets. However while the Australian economy has witnessed a boom in the creative arts industry, (Guldberg 2000) typified by a surge in public funding as well as continued assistance from private enterprise (Throsby 2001b), the prosperity of Australian arts industries has been unevenly distributed between regional and metropolitan areas. Thus, while it is widely accepted that

the recent eruption in Australia's creative arts industry has prompted an extensive range of positive outcomes nation-wide, there is marked disproportion between the verve of arts enterprise in metropolitan areas and that of regional communities. While at a supply level, regional arts communities face unique challenges as a result of their location, the demand for arts is seen to be beleaguered by commonly held views that regional Australians are less likely to value the arts than those in metropolitan areas (Saatchi and Saatchi 2000).

In spite of this, while considerable attention has been given in academic writing to the position of the arts in the new economy, there is a dearth of writing which deals with the current position of creative arts in regional areas. In the context of the new economy, which has signalled the value of creativity, arts and culture, and its relationship to the wellbeing of a society or community, it is imperative to emphasise the need to build creative industry in regional areas. However that is not to say that the challenges faced in terms of reconciling the imbalance between regional and urban arts enterprise are easily met, and the issue is considerably more far-reaching than being a mere case of isolation and a lack of resources. Therefore, a number of key factors must be taken into consideration in order to present a full account of the situation, as well as to highlight areas for growth and develop strategies to help promote and sustain arts enterprise in regional areas. While the positive implications of the new economy are well established, this research aims to better understand the nature of creative arts in the specific context of regional Victoria. Broadly, while the research aims and questions are stated in the introductory chapter, it can be said that this research aims to discover "what might be done to foster a more robust, more creative and more diverse cultural life" (Tepper 2002, p159) rather than being satisfied to make 'wide-eyed accounts' (Tepper 2002) of the benefits proffered by the new economy.

2.3 – The Arts, Community Regeneration and Economic Sustainability

A significant volume of recent literature describes the benefits proffered by creative industries to towns and cities (Landry and Bianchini 1995; Scott 1997; Landry 2000; Beyers 2002; Florida 2002). Such benefits can be direct or indirect in nature (Throsby 2001a), and range from increased employment (Beyers 2002) to urban revitalisation (Throsby 2001a). Moreover, such 'creative cities' are employing the arts as a lever with which to promote and sustain the creative and innovative nature of other industry sectors (Wood 1999). The literature suggests that creative individuals are traditionally drawn to communities which stimulate creativity and promote diversity (Florida 2002). Anecdotally, and of direct relevance to this research, creative workers often gravitate to Melbourne (Victoria's Capital City) which enjoys a vibrant cultural life, at the expense (both socially and economically) of Victoria's regional areas.

Williams, Shore and Huber (1995) identify a range of ways in which culture industries can positively affect economic development. These benefits include creating employment in a region, generating income in a region, increased cultural tourism, positively changing the image or public perception of an area, as well as improving the physical landscape and the confidence of communities (Williams et al. 1995). Such benefits are seen by this research to be not only particularly relevant to smaller regional communities, but also more keenly felt than in larger cities. The regenerative capacity of the arts is a notion which underpins this research, and it is the view of the current study that the arts have a tremendous capacity to regenerate regional Victorian communities in myriad ways. Moreover, the capacity of the arts to breathe new life into an area is even more relevant in light of literature which relates more directly to regional areas, as shown in the next section of this chapter.

However, while the purported benefits associated with creativity and creative workers in the new economy are prevalent in the literature, it should be acknowledged that some authors are less convinced of such value. Rainnie and Grant (2005), for example, interpret Richard Florida's work surrounding the rise of the 'creative class' as 'a retreat to an exclusive and discriminatory model of regional development' (Rainnie & Grant 2005, p.13). Moreover, and of particular relevance to this research, Rainnie & Grant note that Florida's work heralds negative consequences for 'less favoured regions' (Rainnie 2003, as cited in Rainnie & Grant 2005), or those regions characterised by persistent economic or social disadvantage as defined by labour market indicators or social indicators (Morgan 1997, as cited in Rainnie & Grant 2005). Notwithstanding such counter-argument, this research adheres to the view that creative arts have the potential to positively affect regional areas of Victoria, both economically and socially.

2.4 – The Arts in Regional Economic Regeneration

The second issue to be evaluated in terms of its capacity in informing and framing the current research is the economic benefits associated with employing the arts in regional communities. Effectively, the links between regional communities in Australia and the agricultural industries which engendered and sustained many such communities are becoming less direct and apparent (Mangion and McNabb 2005). As such, a significant number of regional communities have begun to experience a range of economic and social challenges, most notably linked to unemployment (Carlton-LaNey, Edwards and Reid 1999), and the migration of regional youth towards capital cities (Gabriel 2000; Kirstein and Bandranaik 2004), which the literature generally identifies as being linked to the lack of education and employment opportunities in regional communities (Kirstein and Bandranaik

2004). More recently, the challenges faced by agricultural communities in regional Australia have amplified on account of drought conditions which preclude lucrative farming.

Thus, there are a number of growing concerns for the sustainability and livelihood of regional areas with regard to the decline in traditional industries such as agriculture and manufacturing. As such, one key development strategy employed by many rural and regional communities is to widen their economic base (Reid 2004; Mangion and McNabb 2005) away from more 'extractive and productive' industries such as mining and agriculture (Woodhouse 2006). To this end, the arts and culture are viewed throughout this research as a valuable tool which could have positive social and economic benefits to regional communities. In addition to creating more vibrant communities which would retain younger residents, regional creative arts can be seen as a catalyst for cultural tourism, and could be beneficial in terms of expanding the economic bases of regional communities. Thus, the view that creative arts have the potential to make a significant contribution to the regeneration of such communities (Williams, Shore and Huber 1995; Bryan, Hill, Munday and Roberts 2000) is upheld in this research. Moreover, Florida (2002) argues that a successful approach to regional economic development is technology, talent and tolerance, again contending that the economic growth of a region is reliant on creative individuals who opt to live in areas which are stimulating, diverse and progressive. Greater mixes of creative individuals will fuel change in a region by generating innovative combinations of economic opportunity which in turn influence job creation and higher rates of business development (Florida 2002). Notably, some evidence exists in the literature in support of the notion that while traditional rural industries such as agriculture, manufacturing and the like are declining, knowledge-based industries are coming increasingly to the fore (Gray and Lawrence 2001).

While there is much more which could be added to this discussion regarding the position of arts and culture in the 'new economy', or the need to diversify the economic bases of regional communities, this section has analysed the literature surrounding these two issues, which propel, and serve as a backdrop to this study. The following section presents a review of the literature which relates to the supply of creative arts.

2.5 - Supply of Creative Arts

An investigation of the literature which relates to the supply-side of Victoria's regional arts must acknowledge the significant volume of research done by a number of key scholars in the field of contemporary cultural economics. This section will discuss some broad features of the supply of arts labour and some of the unique characteristics of the working lives of

artists. In addition, this section will review some key literature which relates to community development and entrepreneurship and innovation which are central to the enquiry into regional arts supply.

2.5.1 - The Arts Labour Market

The arts labour market and the uniqueness of artists' professional lives are topics which have attracted a significant amount of attention from scholars. However, one pertinent question which is central to this discussion is the definition of an artist. Frey and Pommerehne (1989) define an individual as an artist based on a number of broad criteria, which are as follows.

- Amount of time spent on artistic work
- Level of art-related income
- Reputation as an artist among the public
- Quality of artistic work
- Membership of an artistic group or association
- Professional qualifications
- Self-identification as an artist

Of Frey and Pommerehne's (1989) criteria of an artist, Shaw (2004) suggests that the three which are most commonly used to characterise an artist are the amount of time spent on arts labour, income derived from arts work, and membership of a professional arts group or association, as reputation and other subjective characteristics are far harder to measure (Shaw 2004). While these characteristics are an important starting point, it must be acknowledged that this thesis also includes those who work in regional creative industries in capacities other than as artists.

The first two criteria in the above list adapted from the work of Frey and Pommerehne (1989) points to a central theme relating to the supply of creative arts. Much of the literature highlights the multi-faceted, complex, and unique nature of the working lives of artists, which Shaw (2004) feels is a factor often overlooked by independent studies and government reports. As one goal of the current research is to gain a more concrete understanding of the nature of the arts labour market in regional Victoria, it is important to discuss in some detail the literature surrounding the issue of the supply of artistic labour.

Firstly, one theme which is common in the literature is that the earnings of artists are so low that they are forced to take jobs in addition to their artistic work in order to support themselves, as Robinson and Montgomery (2000):

“Most artists are unable to support themselves solely by doing art but have to devote substantial time to other work. In holding multiple jobs, they typically work longer than average work weeks and have total incomes below those earned by others with similar experience and levels of education” (p526).

However while many authors highlight the complexity of the arts labour market, and particularly their requisite employment in other sectors (Throsby 1994b; Towse 1996; Robinson and Montgomery 2000; Casserta and Cuccia 2001) it is important to acknowledge that Filer (1986) rejects the well-worn perception of ‘starving artists’. In concluding that it is unnecessary to construct an overly ‘exotic’ model of artist labour market behaviour, Filer (1986) remarks that no basis exists to support the claim that artists earn less, on average, than they would in other forms of employment (Filer 1986).

In further analysing the time allocation of professional artists, Throsby (1994b) argues that professional artists break the mould of a view of labour supply insofar as they derive pleasure from their time spent working, and describes a ‘work preference model’, which can take a strong, or a weak form (Throsby 1994b). The thrust of the ‘strong’ version of the work preference model suggests that artists will, without regard for pecuniary motivations beyond their immediate needs, endeavour to maximise the time spent engaged with their chosen artistic work. Moreover, neither increased living expenses, or a fluctuation in earnings of either the arts or nonarts labour will lessen, at the margin, the resolve of the artist to engage in their chosen full-time arts work (Throsby 1994b). The weaker version of the model suggests that artists will respond at the margin to changes in arts and nonarts income, and will switch between the two in an effort to maximise financial rewards (Throsby 1994b).

Robinson and Montgomery’s (2000) investigation into the time allocation and income of artists extends Throsby’s work preference model, particularly insofar as they are able to test between the strong and the weak versions. Their results suggest that artists are responsive at the margin to economic incentives, and allocate their time accordingly between arts and nonarts work, thus upholding the weak version of the work preference model (Robinson and Montgomery 2000). In response to the fact that the work preference model is static, another revisitation of Throsby’s (1994b) work by Casserta and Cuccia (2001) develops a dynamic model of arts labour supply. This model takes into account three theoretical arguments: the human capital approach, the household production approach, and the evolutionary approach (Casserta and Cuccia 2001). The dynamic model of arts labour supply in Casserta and Cuccia (2001) does add considerable depth to Throsby’s model of arts labour, particularly in terms of describing arts supply as a result of an ‘intertemporal’ process, and

linking wages to the accumulation of human capital derived from investment or consumption decisions (Casserta and Cuccia 2001). However, for the purposes of the current discussion regarding the supply of arts in regional Victorian communities, Throsby's (1994b) work-preference model provides a more than adequate theoretical framework, insofar as it describes the key characteristics of the unique nature of arts labour supply.

One feature of the human capital model of arts labour implies that there is a positive relationship between the length of artist training and their earnings (Casserta and Cuccia 2001). However it is generally accepted by the literature that training and education are not significant factors with regard to influencing the earnings of artists (Towse 1996; Robinson and Montgomery 2000; Casserta and Cuccia 2001). Conversely, experience of artists in their chosen field is regarded as being a significant determinant of income (Robinson and Montgomery 2000).

2.5.2 - Community Development

This section describes some key literature regarding community development, which is central to this thesis insofar as it aims to provide the foundations of a community development framework through the arts for regional Victoria.

Despite being less well developed than other places such as the United Kingdom, rural development strategies are forming in Australia based on notions of community self-help, empowerment and 'bottom-up' strategies (Herbert-Cheshire 2000). In the context of community development in regional areas, such discourse is entrenched in strategies to mobilise the skills and resources of the local community, and move away from top-heavy, government approaches (Herbert-Cheshire 2000). Essentially such strategies attest to the development of a new style of governance, which, according to Herbert-Cheshire (2000):

“makes sense of ... recent changes by illustrating the extent to which governing styles have moved away from the formal, coercive powers of government towards a new form of governing that ... involves a partnership between state and non-state (including community) actors” (p204).

A key advantage of this approach, according to the author, is that government can monitor community developments in an arms-length capacity (Herbert-Cheshire 2000). Conversely, those who take a less accommodating view of such mechanisms contend that new strategies which emphasise the community's active role in local governance are a convenient excuse for a withdrawal of government service provision (Sher and Sher 1994).

The practical application of such an ideological framework rests in capacity building, and equipping communities to be self-sufficient. One key aspect of this notion is the goal of prompting increased entrepreneurship and flexibility, and rescinding the common 'victim-rescuer' relationship so often associated with rural communities and government (Herbert-Cheshire 2000). However, to rekindle the entrepreneurial spirit is by no means an easy task. Baumol (1990) indicates that repositioning the 'rules of the game' in order to inspire a change towards a more positive entrepreneurial direction (i.e. from 'unproductive' entrepreneurship such as rent-seeking) is far less gruelling. Clearly, any removal of government support should be done in a very slow, sustainable and careful fashion. Given the often fragile and under-resourced nature of regional arts communities, while the notions outlined in Herbert-Cheshire (2000) are valid, this thesis champions the notion of a pragmatic and well-monitored approach to self-governance.

Nauwelaers and Wintjes (2002) develop a very strong argument for interactive policy intervention, wherein dialogue on the part of both policy makers and businesses in a region is used in order to achieve innovation (Nauwelaers and Wintjes 2002). One aspect of the argument in Nauwelaers and Wintjes (2002) which is of particular importance to this thesis is the recommendation for the instigation (by policy makers) of an interactive and proactive framework which encourages firms to innovate through improving their awareness, routines, and rationalities towards innovation (i.e. 'capacity building') (Nauwelaers and Wintjes 2002).

According to Nauwelaers and Wintjes (2002) it is important to construct a policy portfolio which takes into account the unique factors, challenges, and opportunities relating to innovation. However, it is made very clear that there is not one standard model which can be applied to every region, or set of circumstances:

“The variety of regional contexts, the diversity of firms' abilities and attitudes, and the driving forces and barriers towards innovation, prevent the search for one permanent 'best-practice' policy valid for each and every situation” (Nauwelaers and Wintjes 2002 p202).

This is an argument which resonates with the view of Morrison (2006), which calls for an understanding of the specificities and circumstances of entrepreneurs in a particular region.

2.5.3 – Entrepreneurship and Innovation

Entrepreneurship is multi-dimensional in nature (Greenbank 2001), and is linked to a complex range of factors and motivations (Kuratko, Hornsby and Naffziger 1997). This section of the literature review aims to discuss entrepreneurship and innovation as it relates to this research – in the context of small and micro-business, rural or regional businesses,

and in the arts.

Notably, this research does not aim to force regional arts businesses to succumb to entrepreneurship against their will. Moreover it is acknowledged that entrepreneurship is not a mandatory prerequisite of small business ownership or management (Jennings and Beaver 1997). This research does, however, endeavour to illustrate a capacity for innovation in business practice which would help the supply of regional creative arts to function more optimally. In doing so this research adheres to the view that many small organisations are, in terms of rational theory, operating at sub-optimal performance levels on account of their behaviour and decision-making (Jennings and Beaver 1997). This research is also informed by the notion that traditional economic development models are not appropriate for rural or regional communities, and entrepreneurship is a far more suitable economic development solution (Bailey 2004). The entrepreneurship literature is central to the current study in light of the aim of this thesis to determine best-practice strategies for arts businesses in regional Victoria. It is the view of this thesis that regional Victorian arts businesses in the small and micro-business sector should adopt a more entrepreneurial and innovative approach to their operations in order to create a more prolific supply environment.

2.5.4 - Entrepreneurship and Innovation amongst Small and Micro-business

This section focuses on literature related to entrepreneurship specific to small and micro-businesses. As well as being a key aspect relating to this thesis, it is assumed that many such businesses have unique characteristics, and face a particular set of challenges. As Morrison (2006) argues, an understanding of the nature of entrepreneurship requires a necessary consideration of the “cultural, industry setting and organisational context within which entrepreneurs are embedded” (p.204). Moreover Getz and Carlsen (2000) note that almost every study taking place in a non-metropolitan location inevitably intersects with issues relating to owner-operated or family operated businesses.

Typically, such smaller businesses are characterised by a limited resource base as well as the proximity between ownership and management (Nauwelaers and Wintjes 2002). Furthermore, in the context of regional or more remote businesses barriers to innovation are often evident (McAdam, McConvery and Armstrong 2004). In their study of regional small to medium enterprises in Northern Ireland, McConvery and Armstrong (2004) found that such ‘peripherally’ located businesses have adopted a non-consultative, authoritarian management style which runs against the grain of innovation.

Such innate characteristics of smaller organisations, namely their management structure

and resources are seen to significantly limit their capacity to shape the environment in which they operate (Nauwelaers and Wintjes 2002). Thus strategic management often revolves around adapting to changes in the operational environment in order to capitalise on short term advantage (Jennings and Beaver 1997). According to Nauwelaers and Wintjes (2002) this has created the need for a distinctive policy approach which both increases access to resources and bolsters the capacity of smaller organisations to innovate.

As is the case in the wider entrepreneurship literature, a great number of accounts suggest that small and micro-business proprietors seek to satisfy a range of criteria for success beyond traditional measures such as profit maximisation (Getz and Carlsen 2000; Greenbank 2001; Morrison 2001). In the specific context of small and micro-business in non-metropolitan areas, financial goals are again seen to be secondary to preferences relating to lifestyle, family, or other personal criteria, particularly regarding start-up motivations and business operation. Specifically, Morrison (2001) finds that such business-owners or managers, referred to as 'lifestyle proprietors' are seen to be driven by multifarious goals regarding personal utility, of which only one is maximisation of profits. However, from the point of view of the economy in which such individuals operate, the notion of being motivated by non-pecuniary factors inhibits investment in the region and development of the sectors in which lifestyle proprietors operate, insofar as the high levels of service and low prices are often difficult to compete with (Morrison 2001).

One key issue which emerges from the entrepreneurship literature is that definitions of success are inherently linked to the orientation of the proprietor or manager towards the business (Jennings and Beaver 1997). Clearly not every small business is an entrepreneurial venture, and many small and micro-business owners or managers often demonstrate 'no-growth' objectives and adopt 'satisficing' behaviour, whereby they are not financially motivated beyond making a modest living from their enterprise (Greenbank 2001). While it has been established above that entrepreneurship and small-business management are not always synonymous (Jennings and Beaver 1997), innovation is considered to be the distinguishing factor between entrepreneurial ventures and small businesses (Carland, Hoy, Boulton and Carland 1984).

One area where small and micro-businesses have the potential to innovate is in the adoption of Internet use (Poon and Swatman 1997) as a significant feature of a wider 'e-business' adoption process (Wilkins and Turner 2004). While the Australian government encourages e-business strategies such as online catalogues or online supply chain integration, micro-business take-up of such approaches has been minimal (Wilkins and

Turner 2004). The use of the Internet is seen in this research as being a particularly important strategy for regional small and micro-businesses in the regional arts sector as a means to mitigate challenges associated with resource availability and distance. Moreover the Internet can be used to increase networking, which is a significant and important business development strategy for smaller organisations (Coviello and Munro 1995).

Poon and Swatman (1997) also found in their study of Australian small businesses that the application of entrepreneurial business practices are likely to produce second order effects and benefits related to Internet use. Specifically, small businesses would benefit by carrying out analysis in order to match Internet capabilities to organisational and market needs (Poon and Swatman 1997). This may involve, for example, analysing hit rate statistics and matching web content with the needs of visitors to their website (Poon and Swatman 1997).

Regarding innovation for small regional firms, another recommendation in order to address barriers associated with geographical position is to form 'clusters' of similarly sized and located businesses in order to improve networks, which would help to overcome resource and knowledge barriers of a single firm (McAdam et al. 2004).

In addition, Getz and Carlsen (2000) highlight the need for specific and targeted training, which also formed part of a previous best-practice framework specific to the Australian arts sector in (Saatchi and Saatchi 2000). The following quote from Getz and Carlsen (2000) also demonstrates that, while small and micro-business proprietors are often motivated by non-financial factors, many are also aware of the need to operate in a competitive fashion:

“Rural family business ... might place job satisfaction and family first, but they certainly recognise the need to operate sound, competitive businesses. Financial and managerial help could be crucial to their business success and their continued residency in the area. Training programs offered by the agricultural sector, tourism industry or economic development agencies should incorporate material specific to small family and owner-operated businesses, recognising their special needs” (Getz and Carlsen 2000, p559).

2.5.5 – Entrepreneurship and Innovation in the Arts

In their analysis of success criteria among craft retailers, Paige and Littrell (2002) found a wide range of motivations among small arts business owners. Arts practitioners and business owners in this sector are also seen to place high value on intangible aspects such as experiencing creativity and expressing cultural identity (Paige and Littrell 2002). While the discussion of non-financial motivations such as autonomy, freedom and personal

satisfaction (Kuratko et al. 1997) are described at length in other sections of the entrepreneurship literature, this line of reasoning seems particularly prominent in the literature surrounding the motivations of arts business proprietors. In addition to extrinsic (i.e. financial) and intrinsic rewards (such as professional autonomy or personal freedom) derived from entrepreneurship in the arts, Paige and Littrell (2002) determined that other art-related success criteria are emphasised by craft retailers, such as the satisfaction in continuing a craft tradition and its role in the cultural heritage of a region, or acting as a 'cultural broker', by raising awareness of a particular artform (Paige and Littrell 2002). Moreover, recognition as an 'artist' is often of primary importance and can sometimes overshadow the drive for financial success (Paige and Littrell 2002). This can be related to Throsby's (1994b) theoretical model discussed earlier, insofar as he asserts that arts professionals are dissimilar to other members of the workforce with regard to the utility derived from their work (Throsby 1994b).

Within the entrepreneurship literature, some authors have suggested that arts professionals are perceived as being in contrast to typical business people and as such have been traditionally excluded from discussion of self-employed entrepreneurs (Moussetis and Ernst no date). However, while this may be true, deviation from typical economic norms is regarded by Morrison (2001) as being linked more closely with the fact they are small business than the fact they are arts businesses.

According to Saatchi and Saatchi (2000) there is a need for 'best practice' to be developed and actively promoted within the arts sector (Saatchi and Saatchi 2000). Such a strategy includes best-practice principles such as the need for training and development, including Internet and communication skills development. Moreover, best-practice issues such as advertising, media relations, stakeholder management (i.e. relationships with government and business), research, shaping the needs of artistic output to meet the needs of the public, and the coordination of festivals and events were identified (Saatchi and Saatchi 2000). While a number of similar recommendations are made in this thesis, it is important to highlight that this best-practice framework is specific to small and micro-businesses operating in regional Victoria, while the Saatchi and Saatchi (2000) report was conducted at a national level, and aimed specifically to improve public attitudes towards the arts.

Thus there are a number of foci in the literature which inform the discussion in this thesis regarding the supply of arts in regional Victoria. This section of the chapter has analysed the literature surrounding three key themes, namely the nature of the arts market as distinct from other sectors, notions of governance and community development, and

entrepreneurship and innovation.

2.6 - Demand for the Arts

As noted by Throsby (2001a), economic theory cites the origins of demand as being inherently linked to the tastes of consumers. However, taking the example of new consumer theory, Throsby (2001a) suggests that tastes and preferences often take a back seat, with the shadow prices of consumer goods being considered a trigger of patterns of behaviour. Essentially, this discussion of the demand for the arts begins with an understanding that an individual's consumption of the arts is, essentially, very difficult to quantify, and runs against the grain of typical analyses of independence of choice, taste, and the behaviour of homogenous goods and services (Levy-Garboua and Montmarquette 2002). Levy-Garboua and Montmarquette (2002) term this "the subtle alchemy of individual taste for the arts" (p3).

In light of the associated intangible qualities, economists such as Throsby have devised various measures of demand for the arts. One response to the difficulties in quantifying demand for the arts is the application of a 'willingness-to-pay' scale (Throsby 1983). This scale is aimed at determining the amount which individuals would be prepared to contribute to public expenditure on the arts compared to the current level of assistance. From this point, the value of the creative arts within a community, and their perceived benefit, is implied. Thus the elusive nature of creative arts demand can be measured by rationalising creative arts in terms of public spending and measuring their impact on the 'public good' (Throsby 1983). In terms of attendance at the 'live' arts (theatre, ballet, opera, dance and music), an expected demand function would contain a number of explanatory variables. The most notable of these being the price of attendance, price of substitutes, income levels of consumers, and measures of performance quality (Throsby 1994a).

Thus there is a significant and wide-reaching body of literature which deals with a number of aspects and variations on demand for the arts, using a range of methodologies and data (Levy-Garboua and Montmarquette 2002). This section analyses a number of key issues present in the literature surrounding demand for the arts, which includes a discussion surrounding demand for the arts as a cumulative process, the socio-demographic characteristics of arts audiences, quality perception of the arts as a demand function, the elasticity of arts demand, and whether various artforms can be substituted for one another.

2.6.1 – Rational Addiction

Of particular interest to the current research, and a starting point for this review of the current body of knowledge relating to creative arts demand is the 'rational addiction' model,

discussed in various similar guises by Pollak (1970) Stigler and Becker (1977), and more than a decade later in Becker and Murphy (1988). Particularly this relates to the demand of creative arts insofar as it is assumed to be cumulative, where consumers are more likely to have higher demand for an artform the more exposure and knowledge of it they possess (Throsby 2001a).

The premise of the rational addiction model is that present levels of demand for addictive goods are determined by levels of past consumption, where the 'rational' aspect of the theory asserts that individuals maximise utility over time. However, the definition of a potentially 'addictive' good, according to Becker and Murphy (1988) is simply one where increases in levels of past consumption dictate the current consumption of a good. As such, whilst the model can be applied logically to more harmful pharmacologically addictive products such as cigarette smoking, it can be extrapolated to include less harmful activities and goods such as jogging, music and religion which can also be logically considered addictive (Becker and Murphy 1988). The analysis carried out by Becker and Murphy relies strongly on the understanding that steady-state consumption levels are unstable where addiction is strong, and thus consumption levels are high. Thus consumption levels are linked to unstable steady-state levels (Becker and Murphy 1988).

Touted even earlier in an article by Pollak (1970), the habit-formation model within the economic theory of demand also states as one of its fundamental principles the 'myopia' associated with future consumption. Pollak (1970) contends that individuals do not acknowledge the effect of their current consumption patterns on future taste or consumption levels. Another facet of this model, which observes demand theory as the allocation of a finite amount of income among a range of goods, asserts that one reason long or short-term demand functions may differ is that fixed commitments such as expenditure on housing may prevent an individual from adjusting consumption patterns. Additionally, consumers may be unaware of external possibilities of consumption, or taste for other goods outside his or her past patterns (Pollak 1970).

Permanently altering the price of an addictive good may have a 'modest' short-run impact in terms of its consumption, although long-run demand is more elastic for addictive goods than non-addictive goods (Becker and Murphy 1988). Assuming that the arts can be considered a non harmful good with addictive properties, insofar as increased or decreased past consumption levels affect current consumption levels, Becker and Murphy's (1998) argument assumes that demand for artistic products is price elastic.

2.6.2 – Learning by Consuming and Taste Formation in the Arts

Whilst the rational addiction model relates broadly to demand patterns in the arts, a more robust and refined model describes a process of 'learning by consuming' in taste formation in the arts. This model was described by Throsby (1994a) and later by Levy-Garboua and Montmarquette (1996). Levy-Garboua and Montmarquette (1996) assert that a pleasant or unpleasant experience will result each time an individual experiences an aspect of the arts. This in turn affects taste for that particular cultural good, and propensity for future consumption is accordingly revised (Levy-Garboua and Montmarquette 1996) according to whether the experience resulting from the past consumption was a positive or negative one. It is likely that consumption will be revised upwards in the case of positive past experiences, or revised downwards in the presence of negative past experiences. Similarly, in an earlier work, Throsby (1994a) notes that an individual's cultural consumption can be regarded as a process which has led to current levels of satisfaction, along with the requisite knowledge and expertise which will shape future patterns of consumption.

Moreover Levy-Garboua and Montmarquette (2002), in a subsequent article, go on to suggest that consumers of cultural products are assumed to be unaware of their personal tastes within the arts, and discover them through repeated exposure to various artistic goods in an unsystematic manner across time (Levy-Garboua and Montmarquette 2002).

This model of learning by consuming can be regarded as retaining the key nature of the rational addiction model, where past and current consumption are directly related. However it more adequately represents demand for arts, which, although demonstrating attributes which can class them as addictive, is not the same as the demand pattern in more physiologically addictive goods. Notably, there have been subsequent challenges to Becker and Murphy's (1988) rational addiction model, for example in Cameron's (1996) evaluation of cinema demand in the United Kingdom, which finds that its application to cinema is flawed, and the rational addiction model is not supported. When revisiting the work of Pollak (1970), the short-run utility and demand functions of habit formation describe the 'physiologically necessary' and 'psychologically necessary' components of the goods, which can not be seen as directly related (in a majority of cases) to the consumption of arts related goods. As such this study takes the view that while the rational addiction model is generalisable insofar as demand for arts goods is dictated by levels of past consumption, it is limited in the extent to which it can be applied to these goods on the grounds that they are not explicitly physiologically addictive. As a result, the 'learning by consuming' model with a detailed application to performing arts, is viewed herein as a more appropriate empirical foundation on which to base subsequent analyses of creative arts demand patterns.

However, as Throsby (1994a) asserts, whether consumer behaviour towards the arts is referred to as 'cultivation of taste', or 'addiction', the first step is to acknowledge that taste for the arts is dependent on past consumption. Irrespective of the theoretical foundations, economic models of this nature must reflect the endogenous nature of taste for the arts (Throsby 1994a).

According to Towse (1994) taste formation can similarly be induced as a result of subsidy for the arts. Subsidy, according to Towse, is regarded as being able to create demand where it does not presently exist (eg new artforms), and to widen audience bases in existing artforms. In economic terms the aim is a rightward shift of the demand curve, achieved by 'educating' individuals, offering experiences which might result in increased consumption in an artform. The author also remarks that the employment characteristics and qualifications of individuals has a discernable impact on the types of artform preferred by individuals (Towse 1994). The issue of the typical socio-demographic characteristics of arts consumers is discussed in the following section. This is particularly relevant to the current study, as such variables are used extensively in chapter six in the analysis of demand data.

2.6.3 – Socio-Demographic Characteristics of Arts Consumers

In general, the existing literature asserts, along the same lines as Towse (1994) that the characteristics of arts audiences will differ by artform. As a significant portion of the data analysis in this chapter revolves around the demographic characteristics of regional Victorian survey participants and the relationship between demographic characteristics and attitudes, participation in, and expenditure on the arts, a discussion of the extant literature regarding many audience characteristics is necessary in order to contextualise the current enquiry.

Baumol and Bowen (1966), in their seminal work *Performing Arts: the Economic Dilemma*, conclude that audiences at classical music concerts are typically middle-aged, employed in professional or managerial positions, and are highly educated and high income earners (Baumol and Bowen 1966). Since this early enquiry into the characteristics of a 'typical' arts consumer, subsequent authors have upheld many of these observations (Throsby and Withers 1979, Abbé-Decarroux and Grin 1992; Kurabayashi and Ito 1992; Towse 1994; Prieto-Rodriguez and Fernandez-Blanco 2000).

There is also evidence in the literature to suggest that audiences or consumers of 'high' arts differ to that of 'popular' arts. Towse (1994) states that whereas white-collar professionals are seen to prefer the more classical or 'high arts' (eg ballet, opera, drama, and classical

music), skilled manual workers, semi and unskilled workers, the unemployed, pensioners, and widows prefer, on the whole more 'popular' types of culture, such as rock, reggae, folk and country music (Towse 1994).

In their assessment of the audiences of Spanish classical and popular music, Prieto-Rodriguez and Fernandez-Blanco (2000) test the hypothesis that there is a correlation between the two audiences, that is, that fans of one genre of music similarly appreciate the other. The results show, consistent with the existing literature, discernable statistically significant demographic effects such as negative age effects in classical music audiences, education effects, and effects of household structure such as presence of young children. Notably, the results indicate that marital status and gender did not exhibit significant effects (Prieto-Rodriguez and Fernandez-Blanco 2000). However, using a bivariate probit model and controlling for a number of demographic factors, the authors reject the null hypothesis that fans of the two genres of music are two separate groups (Prieto-Rodriguez and Fernandez-Blanco 2000), indicating that both groups have a common, innate taste for music more generally. This more recent study is regarded by the authors as being a point of separation from an earlier, similarly focused study conducted by Kurabayashi and Ito (1992). The latter work, analysing audience characteristics in classical and popular music, found that classical musical audiences in Japan have shifted towards those aged 40 and above, and broadly consist of high-income earning professionals and managers. Audiences of Japanese and other popular music typically consisted of teenagers and younger adults, and differences were observed regarding occupation. According to the authors:

“The different tastes for music exhibited in different social strata might be explained by the difference in academic attainment and in the cultural background of individuals” (Kurabayashi and Ito 1992, p279).

In data specific to Australia, Woolcott research, in a study commissioned by Arts Victoria found that performing arts audiences in Melbourne¹ were strongly biased towards women (63%). It was also shown that audiences had a mean income of \$42,000 per annum, were 40 years old or younger (64%), and that a significant volume of audience members were attendees at arts festivals (Arts Victoria 2002).

In an overview of attendance data focused on regional Victoria, Arts Victoria (2001), demonstrate that attendance rates in the arts among regional Victorians is lower than the

¹ The focus of this study was audiences in small to medium sized venues, or audiences for the productions of small to medium sized companies.

state average. However, more disaggregated data shows that in the cases of popular music and museums, most regions of Victoria were higher on average than Melbourne. Other significant regional statistics include Barwon and western district regions exhibiting the highest non-metropolitan rates of cinema attendance, as well as high theatre attendance rates (17.3% - the same figure as the state average which includes the Melbourne Statistical Division), yet low gallery attendance in the central highlands and Wimmera regions. In the areas surrounding Loddon and Mallee, (which includes Mildura) significant attendance rates were observable in the case of galleries, museums and popular music (Arts Victoria 2001).

2.6.4 – Quality Assessment and Demand for the Arts

Another prominent argument proffered by Abbé-Decarroux (1994) is that identification, or perception of quality will have an impact on demand insofar as *a priori* decisions regarding willingness to attend an event or performance will be often based on such perception (Abbé-Decarroux 1994). Establishing the causal link between quality and risk, the author proposes that prior to attending an event, the consumer must evaluate the level of risk inherent in his or her attendance, based on a perception of the quality of the performance. One conclusion drawn from this study is that a reduction in the *a priori* risk associated with attendance will increase attendance (Abbé-Decarroux 1994). In a similar fashion, Throsby (1983; 1994a) argues that, 'quality characteristics' of cultural events are likely to be a significant determinant of price, and thus a determinant of demand. Reviews from critics, works being performed, and who appears in the performance are three such price determinants cited by Throsby. Notably, a recent Australian study of performing arts attendants in Melbourne (Arts Victoria 2002) revealed that 20% of a sample of 753 respondents cited their primary reason for attending a live performing arts event as being the 'reputation of the creative team or cast' – the highest response field across the study. Similarly 17% of those who took part in the study attended on the grounds that they had 'heard good things' about the performance which they attended, and a slightly smaller figure of 7% reported being inspired to attend a performance specifically on the basis of a review of the show (Arts Victoria 2002). These recent findings which are specific to the Australian context, uphold the views prescribed by Abbé-Decarroux (1994) and Throsby (1994a) regarding perceptions of quality. It is thus accepted herein, that *a priori* predictions by potential arts audiences as to the quality of the performance in question has a significant impact on demand for the arts.

Interestingly, the results generated by Abbé-Decarroux (1994) show divergent elasticity of price between two admission prices to the performing arts. In the first instance, the demand for full-price admission to a performing arts event in Geneva was shown to be price-inelastic, as opposed to the case of reduced-price or concession admissions, wherein

demand was revealed to be price-elastic. As explained by Abbé-Decarroux (1994), this result runs counter to several previous studies such as Withers (1980) and Gapinski (1986) who conclude that performing arts is price-inelastic through a less detailed calculation based on revenue at the box office divided by number of tickets sold (Abbé-Decarroux 1994).

2.6.5 – Elasticity of Demand for the Arts

Another common theme in the extant cultural economic literature surrounding demand for the arts is that of elasticity of demand for artistic products (Withers 1980; Gapinski 1986; Abbé-Decarroux 1992; Levy-Garboua and Montmarquette 2002). It is on this issue that a number of scholars arrive at different conclusions, depending not only on their approach to the data under analysis but also the sector of the arts market which was under analysis. Levy-Garboua and Montmarquette (2002), arrive at the conclusion that it is 'likely' that demand for the arts is price elastic, and that the arts are a luxury good (particularly for those with lower incomes) through analysing various aspects of demand for cinema and the performing arts. A similar conclusion was drawn by Becker and Murphy (1988). However the aforementioned study carried out by Abbé-Decarroux (1994) presents a contrasting finding, insofar as price elasticities and inelasticities were observed according to ticket price structuring at performing arts events.

However, arguably tantamount to the ticket price is the time-cost associated with attendance (Throsby 1994a; Gapinski 1986). Along with Throsby, other scholars have found that the investment of (often very limited) leisure time in attending arts events are likely to wield a significant degree of influence over demand. As Gapinski (1986) asserts, as income levels increase, individuals express a desire for greater numbers of experiences. However, 'time-allocation logic' suggests that levels of leisure time become lower as income increases, thus individuals demand for less time-consuming activities increases (Gapinski 1986).

2.6.6 – Are the Arts Interchangeable? Substitutes within the Arts Market

Adding further substance to the above discussion regarding demand for the arts is the question of whether the arts have close substitutes in the market. This notion was first developed in Baumol and Bowen (1966), wherein they remarked that cinema can be viewed as a substitute for theatre. Subsequently, authors such as Withers (1980) and more recently, Gapinski (1986) have developed the question of the effects of substitutes on creative arts demand. Arts are regarded as being highly differentiated goods, with a high level of significance with respect to substitution effects (Levy-Garboua and Montmarquette 1996). In the analysis carried out by Levy-Garboua and Montmarquette (1996) which addressed the 'learning by consuming' model of theatre demand, cinema, books and

magazines were all identified as substitutes in the market for theatre attendance (Levy-Garboua and Montmarquette 1996).

Throsby (1994a) remarks, with regard to the effect of substitutes, that own-price responsiveness for those typically referred to as 'high arts' (classical music, opera etc) is likely to be lower than 'immediately accessible' forms of culture or entertainment, where substitutes are more readily available and demand is less discriminating. Gapinski (1986), in his analysis of theatre, opera, symphony and dance (which can all be regarded as 'high arts') found demand to be inelastic in each case with regard to own price. Theatre and opera were seen as showing less audience response to changes in price, whilst conversely symphony and dance were more greatly affected (Gapinski 1986).

However, in determining the nature of substitution between arts products, it is important to attempt to identify whether individuals are engaging in substitute activities in addition to others, or instead of others. For example, assuming theatre and cinema are substitutes for one another (Baumol and Bowen 1966), it is important to question whether individuals attend the cinema in place of theatre, or whether they attend cinema in addition to attending the theatre.

The wealth of literature in the field of cultural economics makes a number of general claims in terms of demand for creative arts. This literature review has pointed to a number of schools of thought which underpin the current study into demand for the arts in the specific regional Victorian context.

2.7 - Events and Festivals

The perceived economic benefits to a local community of hosting an event or festival have been well documented (Gazel and Schwer 1997; Raj 2003; Gursoy, Kim and Uysal 2004; Dwyer, Forsyth and Spurr 2005; Jackson, Houghton, Russell and Triandos 2005; Wood 2005; Mangion and McNabb 2005). Moreover, the extant literature has demonstrated other, less tangible (or readily quantifiable) community benefits (Besculides, Lee and McCormick 2002; Newman, Curtis and Stevens 2003; Wood 2005; Kay 2000; Gursoy et al. 2005), such as civic pride, cohesion within the host community, or 'putting a city on the map' (Dwyer et al. 2005) which can significantly benefit the host region. These benefits are also referred to as 'psychic income' (Burgan and Mules 1992). While some contend that the emphasis on economic gains attributable to the hosting of events is incomplete in the absence of these social benefits (Wood 2005), this analysis is limited to a discussion regarding the economic impact and benefits of arts and cultural events or festivals to a local community. However

before continuing, it is important to note that there is evidence to suggest that higher levels of 'social capital' translate into economic development (Woodhouse 2006). In addition to a discussion of the literature which deals with specific benefits of events and festivals this section will analyse key aspects relating to prominent measures of the economic impacts of festivals and events.

2.7.1 – Cultural Tourism and the Economic Impacts of Festivals and Events

As Gartner and Holecek (1983) asserted more than two decades ago, the economic significance of short-term tourism or recreational events to a region have been recognised for some considerable time. These economic benefits in the literature range from increased employment (Getz 1997; Gartner and Holecek 1983; Dwyer et al. 2005), increased tourism (Raj 2003), higher levels of expenditure in the host region through providing outlets for the expenditure of both local and non-local attendees (Getz 1997) as well as increasing profits of businesses in the host community (Allen, O'Toole, McDonnell and Harris 2005). Events and festivals, particularly smaller events, have also boomed in prevalence and popularity on account of the fact that they require minimal capital investment, while having the potential to generate significant financial returns (Getz 1993; Gursoy, Kim and Uysal 2004). This can be regarded as one reason why they are of considerable value to regional communities.

Within the specific context of regional Australian communities, event tourism has become part of many redevelopment strategies (with varying degrees of success), in order to inject some much needed capital into 'flagging economies' (Mangion and McNabb 2005), as well as to revive the profile of typically non-tourist areas (Gibson and Davidson 2004). This notion is also described in Williams, Shore and Huber (1995) as "image modification so as to reposition places in the mental maps of external investors" (p73). Getz (1993) remarks that it is not only larger events, but also far smaller community events, which have the potential to generate tourism demand. However, it can be said that short-run events-based tourism is a more pragmatic method of attaining the many and varied benefits of tourism while not putting the local resources and infrastructure under excessive strain (Getz 1993).

One key aspect relating to economic impacts of festivals and events is cultural tourism. As described by Besculides, Lee and McCormick (2002) cultural tourism can range from visits to archaeological sites to taking part in community festivals. Moreover, it can be seen to have benefits to members of the local community as well as the visiting tourists (Besculides et al. 2002). Raj (2003) finds that festivals in the United Kingdom have contributed to the growth of cultural tourism, and that those festivals which attract tourists result in significant

direct and indirect effects on the economy of the host community. He states:

“Cultural tourism has been increased through development of local festivals and provided greater economic and cultural benefits to the local areas” (Raj 2003, p9).

While many of the positive economic impacts associated with festivals and events are particularly relevant to regional Victoria, it is important to recognise that much of the literature regarding the economic impacts of events refer to what can be branded ‘mega-events’ (Getz 1997), such as the Olympics or the Edinburgh Festival. Thus, to take a pertinent example, while this research maintains that regional arts festivals continue to make an economic contribution to the host community, there is unlikely to be any significant change in employment through the net increase in demand for goods and services (Gartner and Holecek 1983; Dwyer et al. 2005) as a result of the event, or employment during the planning and development process of larger events (Getz 1997). Similarly larger events can be seen to result in improvements to infrastructure in the host region (Getz 1993), as well as generating significant taxation revenue through visitor expenditure on highly taxed goods and services (Getz 1997; Gazel and Schwer 1997). It is unlikely that a regional Victorian community festival will propel any developments in infrastructure, while any taxation revenue is only going to be very minimal.

In addition to the positive impacts, many of the negative social costs underlined in the literature are not going to be as relevant to regional Victorian festivals on account of their smaller size. For example, Gazel and Schwer (1997) analysed the effects of a large-scale popular music concert in Las Vegas, where conservative estimates of direct and indirect economic impact totalled more than US\$12,000,000. The authors discuss negative effects such as an additional police presence, destruction of property, and post-event restoration of the area, which are highly unlikely to be relevant problems for regional Victorian arts festivals. However, in spite of their lesser size and scope, small community events and festivals should not be underestimated regarding their contribution to the local economy (Gartner and Holecek 1983).

Mangion and McNabb (2005) are considerably less inclined to pronounce the benefits of festivals and their benefits to a local community. This piece of research is particularly relevant to the current study on account of its focus on a rural Victorian festival. The authors contend that enquiries into non-metropolitan events have focused on relatively new regional festivals, and as such it is difficult to ascertain whether the large volume of perceived benefits associated with event tourism are present in rural communities over a

long period of time (Mangion and McNabb 2005). While acknowledging and demonstrating an awareness of the benefits associated with event tourism, Mangion and McNabb (2005) concluded that their study into the Man from Snowy River Bush Festival found very little evidence to suggest economic benefits to a regional economy in the longer term. Specifically, their findings include only minimal employment opportunities which can be attributed to the festival, no real increase in level of employment as a result of the festival, no evidence that festival profits remain in the host region, and no evidence to suggest that residents of the host community have an awareness of the level of festival income (Mangion and McNabb 2005).

Interestingly, the study concludes that, in spite of an estimated \$3 million in direct economic contribution to the community (not including a multiplier), and an estimated 12,000 visitors to the region, there is little evidence of perceived economic benefits being experienced by members of the host community (Mangion and McNabb 2005). However, as this was a qualitative study, these conclusions are based on the perceptions and experiences of members of the host community, rather than the economic impacts themselves. In contrast, this thesis uses individual expenditure data, particularly that of visitors to the host region, as well as quantitative analysis techniques, to analyse regional arts festival expenditure. Expenditure levels are regarded in this thesis as the most comprehensive or accurate measure of the impact of a festival or event, rather than the alternative (as described in Mangion and McNabb 2005) of assessing the validity and feasibility of regional arts festivals based on perceptions of the economic benefit by local residents.

2.7.2 – Visitor Expenditure

Notwithstanding the work of Mangion and McNabb (2005), the bulk of the literature suggests that festivals and events generate positive economic benefits for the host community. The means by which to quantify these benefits, however, has been the subject of some considerable debate. Wood (2005) remarks that the impacts and successful outcomes of local authority events is seldom assessed 'in a systematic and objective manner' (Wood 2005), while others have illustrated the need for a user-friendly means of assessment (Jackson et al. 2005).

As argued in Burgan and Mules (1992), economic impacts are largely determined by the level of expenditure made by visitors to the host region during a festival or event. At a very basic level, the results generated from the current study are couched in the notion that the initial economic benefit to the host community can be simply stated as being goods and services consumed by non-local event attendees, in addition to similar goods and services

consumed by local event attendees who would have travelled elsewhere to have a similar cultural experience, had the event been held elsewhere (Gazel and Schwer 1997). The precise economic impact is contingent on the so called 'spill-over' or indirect effects within the community (which can include job creation in the area, expenditure on other non-event related goods and services in the host community, and in the case of larger events, tax revenue implications. These effects will in turn reduce the amount of third-party subsidy (eg government support) for arts and cultural events, in addition to bringing about other community and economic benefits. (Gazel and Schwer 1997).

According to Burgan and Mules (1992), whose paper deals exclusively with measuring the economic impacts of Australian sporting events, a great deal of caution must be exercised to only count the income which is directly attributable to the event. The authors contend that only that expenditure made by sources external to the region can be considered new expenditure, and in estimating the economic effects of an event, analysts must isolate the income which would not have been injected into the economy of the host region in the absence of the event (Burgan and Mules 1992; Getz 1997). This notion is reiterated in Prentice and Andersen (2003), who suggest that not everyone present in the host region during the festival is a festival tourist. In this case the authors use the example of Edinburgh as a festival host city, yet also a popular tourism destination throughout the year. Other authors, such as Getz (1993) are vocal regarding the need to distinguish between 'gross economic activity' (total event related spending) and 'true tourism impact', which can only consider what is often termed 'new money' or 'incremental income' (Getz, 1993). It is thus repeatedly upheld in the literature that there is a need to understand the motivations and behaviours of tourists in order to determine whether their event expenditure can be counted as 'true tourism impact' (Getz 1993).

Jackson et al. (2005), describe the use of a 'Do-it-Yourself' economic impact kit for regional Victorian festivals and events. This kit was designed in response to a perception that assessments of the impacts of funding allocations by state government are generally not considered worthwhile on account of their small size (Jackson et. al. 2005). One of the features of this method of analysing visitor expenditure in the host region during the festival is that it distinguishes between export income, import replacement income, and import redistribution income. Export income refers to expenditure at the event by individuals who would not have come to the host region if the festival was not held, those who made an extra visit to the region as a result of the festival, and those who extended their stay as a result of the festival. Import replacement income refers to expenditure by local attendees who attend the festival rather than spending their leisure time outside of the region. Finally,

import redistribution income is a term used to describe local attendees who attend the festival in place of other activities in the region (Jackson et al. 2005). As such, a more careful approach is taken to separating the source of the festival income so as not to confuse or overstate the economic impact of the event.

This research used the survey which accompanies the kit described in Jackson et al. (2005) as the data collection instrument in the festivals chapter of this thesis.

2.7.3 – Input-Output and Computable General Equilibrium Estimates

In terms of quantifying the impacts of festivals and events in a community, there are two pervasive yet discordant views as to the most appropriate method of analysis. Computable general equilibrium (CGE) and Input-Output (I-O) models frequently appear in contrast, and the application of both is defended and questioned in the extant tourism literature (Burgan and Mules 1992; Gazel and Schwer 1997; Jackson et al. 2005; Dwyer et al. 2005). While this thesis does not use a multiplier or present an estimate of job creation as a result of the festivals analysed herein, a discussion of the validity of I-O models in the context is presented on account of the fact that it is used in the analysis described by Jackson et al. (2005), which this research aims to extend and further develop in this thesis.

One of the most prevalent criticisms of using I-O measures in assessing the impacts of festivals and events is that it is a considerably less rigorous method of assessment when compared to CGE, particularly in relation to analysis of wider economic factors (i.e. at a state or national level), such as changes to expenditure and impacts on employment trends (Dwyer et al. 2005; Jackson et al. 2005). Moreover, I-O has a tendency to give a more generous estimate of economic impacts, particularly regarding output and job creation as a result of the event (Dwyer et al. 2005), and tends not to interpret the negative shocks to demand insofar as the I-O model assumes perfect elasticity of inputs (Dwyer et al. 2005).

Thus while it must be acknowledged that I-O models are limited in a number of settings, they have been the most popular method of conducting impact analyses in Australia (Burgan and Mules 1992) and are a suitable model by which to conduct such impact studies on short-run events at a local level. I-O methods of assessing the economic impacts of a festival or an event in regional Victoria are regarded as being appropriate in light of their tendency not to permanently influence prices, significantly alter the labour market or bring about long-term structural change in the local economy (Gazel and Schwer 1997; Jackson et al. 2005).

2.7.4 – The Use of Multipliers in Determining Economic Impacts of Festivals

The use of multipliers is one which repeatedly arises in the literature, and one which is particularly relevant to I-O models (Dwyer et al. 2005; Gazel and Schwer 1997). This method of analysis typically involves obtaining detailed expenditure data from a sample of attendees, estimating total expenditure, and applying a multiplier to estimate the total direct and indirect economic impact (Gartner and Holecek 1982; Matheson 2004). Specific to regional Victoria, a regional Victorian multiplier has been implemented in the event evaluation kit described in Jackson et al. (2005) (another multiplier is used for metropolitan events), and was calculated based on previous I-O models with a regional focus and state accounts information (Jackson et al. 2005).

A significant critique of the use of multipliers is that on account of the fact that many festivals do not significantly influence employment, and because events are but one expenditure outlet in the host region, multipliers may exaggerate the economic impacts based on available expenditure data (Getz 1993). Moreover it is unclear that event expenditure can be translated into increased production in the local economy through surplus capacity which is implied in the use of a multiplier (Getz, 1993). This is particularly the case regarding non-locally owned businesses, (often larger businesses or chains) as the leakages of money resulting from increased revenue is likely not to be redistributed in the local economy of the host region (Matheson 2004). Moreover, as multipliers are estimated using Input-Output tables based on normal economic behaviour in a region, in the case of 'mega-events' (where typical economic patterns are drastically altered for the period of the event) multipliers can be dramatically overstated (Matheson 2004).

Again, while it is important to touch on the issue given its prevalence in the literature, this study does not use multipliers to estimate the total economic impact of regional arts festivals in Victoria. Rather, a detailed analysis of individual expenditure data, which includes an econometric model designed to account for missing and zero-level expenditure (generally from local event attendees) is presented.

2.8 – Conclusion

Thus it is clear that this project has a number of theoretical bases, from which literature has been drawn and discussed. Broadly dealing with the supply and demand of creative arts in addition to the impacts of arts festivals, the aims, outcomes, rationale and research questions also indicate foundations in such areas as entrepreneurship and innovation, regeneration of rural or regional communities through the arts, issues of governance in non-metropolitan communities, cultural tourism, the socio-demographic structure of arts

audiences, the new economy, economic impacts of arts festivals, and the unique characteristics of arts workers. This chapter has presented, analysed and discussed some more prominent pieces of literature which focus on issues which are relevant to the context of the current research, and has thus positioned this project within a number of broader fields of study. While there is ample literature in numerous fields which inform this research, there is a dearth of academic research into regional arts in Victoria. As such, this project will seek to reduce this knowledge gap through an investigation of regional arts supply, demand and festivals in Victoria.

Chapter Three

Methodology

3.1 – Introduction

The purpose of this chapter is to describe the research design and methodology used throughout this project. It will be explained that this research uses qualitative and quantitative methods in order to investigate the current supply and demand environment with regard to regional Victoria, as well as highlighting areas and mechanisms to strengthen the current situation. Specifically, this chapter will describe the process of data collection and analysis regarding demand, supply and festivals, which includes:

- A survey of current levels of demand for the arts among regional residents
- A survey of patrons at two regional arts festivals with a particular focus on individual event expenditure
- Focus group data on a range of topics relating to the supply of regional arts collected from regional arts professionals, and
- A survey completed by regional arts professionals regarding details of their professional lives.

This chapter will also describe the techniques used to analyse each of these data sets, from the qualitative analysis of focus group data to the range of statistical and econometric tests conducted on festival and demand data. In addition, this chapter contains a discussion regarding the range of assumptions which underpin this research, and the ethical considerations which relate to undertaking this project.

3.2 – Research Design

Before describing in more detail the methodology and research design of this project, it is important to outline some key assumptions upon which this research is based. In addition, this section describes the inductive strategy, mixed methodology design, and the collection of data across the three target communities.

3.2.1 – Research Assumptions

The first aspect of the approach taken to this project to be discussed is the ontological

assumption, defined by Morgan and Smircich (1980) as “the various views that different social scientists hold about human beings and their world” (p492). This research takes the view that reality exists as a contextual field of information as described by Morgan and Smircich (1980). This view of the world implies that:

“The social world is a field of ever-changing form and activity based on the transmission of information... A change in the appropriate pattern... will reverberate throughout the whole, initiating patterns of adjustment capable of changing the whole in fundamental ways” (p495).

With regard to epistemology, this research is carried out under the assumption that the researcher is independent of the subjects and subject matter being researched. As such the epistemology of this research is seen to be grounded in positivism (Hussey and Hussey 1997). Finally, the axiological assumption underpinning this research is also positivist, in that the research was conducted in such a way that values, bias and personal beliefs were, as far as possible, omitted (Hussey and Hussey 1997).

3.2.2 – Inductive Strategy

This research project can also be regarded as an inductive study insofar as the results generated through the quantitative and qualitative data leads to generalisations and conclusions, rather than beginning with a theoretical framework to be tested. This neatly describes the way in which this study draws observations, and arrives at conclusions, based upon the trends present in the various data sets. As Blaikie (2000) notes:

“Inductive logic is used to produce generalizations [sic] about the patterns or regularities that exist in the data obtained” (p103).

Inductive research also implies that research should be conducted objectively, and without preconceived notions (Blaikie 2000). Thus it must be stressed that the research questions framing this research are deliberately broad, and do not imply a position regarding the nature of supply and demand of creative arts in regional Victoria (Blaikie 2000).

3.2.3 - Qualitative and Quantitative Techniques

On account of the nature of this research, and in particular its practical, ‘real-world’ focus (Robson 2003), a combination of quantitative and qualitative research procedures have been used. Quantitative data was collected through the three surveys administered to residents of the target communities (demand), regional arts professionals (supply) and attendees at two regional festivals. Qualitative data was collected via focus group discussions in East

Gippsland and Shepparton to better understand the supply of creative arts in regional Victoria. The focus groups targeted those who currently have an ongoing professional relationship with the arts in the case study communities.

As Denzin and Lincoln (2000) argue, while stressing that neither has more merit, quantitative and qualitative research is seen to have diametrically different approaches to the collection and analysis of data. As per the argument in Denzin and Lincoln (2000), the quantitative data used in this project, with regard to demand for regional arts and the nature and impact of arts festivals, seeks to measure and analyse the causal relationships between variables. On the other hand, the qualitative data regarding the supply of regional arts aims to develop a 'rich description' of the environment in which such activity takes place (Denzin and Lincoln 2000). While the choice of a mixed methods design makes it difficult to package this research neatly into one established paradigm, this is thought to be the most effective way to approach the project. Moreover, as Morgan and Smircich (1980) note, the bifurcation of research methodology into phenomenological and positivistic, or 'subjective' and 'objective' approaches is crude and overly simplistic. They remark:

"The choice and adequacy of a method embodies a variety of assumptions regarding the nature of knowledge and the methods through which that knowledge can be obtained" (Morgan and Smircich 1980)

The triangulation of methodologies is also defended by Hussey and Hussey (1997), who contend that such an approach can result in a broader, and often complementary approach to research questions, while removing or diminishing the "potential bias and sterility" (p74) associated with the approach of a single method.

3.2.4 – Data Collection Across Multiple Sites

As described in the introductory chapter, data analysed in this thesis was collected in three target communities in regional Victoria: East Gippsland Shire; The City of Greater Shepparton; and the Rural City of Mildura. These three sites were selected upon advice from the industry partner as the most effective means of illustrating the patterns of supply and demand of regional Victoria as a whole. The main criterion for selecting such a 'cross-section' of communities was their perceived current stage of cultural development, in addition to their geographical location, which was also a consideration in selecting appropriate target communities.

Throughout this research, the unit of analysis which informs the discussion is the individual

who has a relationship to regional creative industries in each of the three Victorian target regions selected for examination. The groups which were used in the sample populations for the three data sets are as follows:

- Regional artists or arts workers in each of the three target communities in regional Victoria;
- Festival attendees at the 2005 SheppARTon festival and the 2006 Mildura-Wentworth Arts Festival; and
- Samples from the general populations of Mildura, Greater Shepparton, and East Gippsland who were selected at random to receive a demand questionnaire.

From the three target communities selected for this study, festival data was collected at two of the three sites (Greater Shepparton and Mildura), and focus group data was collected at two of the three sites (East Gippsland and Greater Shepparton). Demand data was collected at all three sites. East Gippsland was selected as target region in spite of the fact it no longer hosts a festival, as it was felt that that it would yield rich supply and demand data on account of its current level of cultural development. Mildura was not included in collection of supply data due to the considerable distance from Melbourne, which prevented visiting this site as often as East Gippsland or Shepparton.

3.3 – Data Collection and Analysis

3.3.1 - Supply Data

Focus Groups

Focus group discussions were carried out in East Gippsland and Greater Shepparton in order to gather supply side data from representatives from the regional cultural community, and were attended by a wide range of arts professionals. Those who attended these discussion groups included local government representatives, small arts business and micro-business owners, individual artists, arts educators and members of volunteer community arts organisations in the target regions.

In the case of the East Gippsland region, this community consultation process involved three focus group discussions, each one hour in duration. Two of these sessions took place in Bairnsdale - one was held at the Bairnsdale Corporate Centre, and the second at the East Gippsland Aboriginal Arts Co-operative. The third session took place at the office of the Mallacoota Arts Council. The community consultation process in the Greater Shepparton region took place at the Eastbank Centre, a recently developed multi-arts facility, which houses the local art gallery and a performing arts space. The two Shepparton focus groups

were attended by local Government arts administrators, members of volunteer community arts organisations, and practicing professional artists and arts business proprietors. The audio component of these focus group discussion sessions was recorded, and subsequently transcribed verbatim. The transcripts were then coded and analysed using NVIVO software. NVIVO is a qualitative research and analysis package which facilitates the electronic coding, shaping, and comprehensive analysis of qualitative data sets.

In the first instance the purpose of this section of the data collection was to discern the characteristics of the supply of regional creative arts. Topics included community attitudes to the arts, socio-demographic factors of regional Victoria, the availability and allocation of resources, and the impact of a regional location from the perspective of arts supply.

In order to gain a deeper understanding of the supply of regional creative arts at the community level, focus groups sought information regarding the potential of leveraging cultural tourism from regional arts, the benefits of festivals and events, the role of regional arts in retaining youth populations, the relationship of the arts community and local government. Data was also collected from participants regarding the supply of regional arts at the business level. This included how regional arts businesses currently operate, as well as highlighting current challenges and opportunities.

The semi-structured nature of the focus groups were particularly useful in the sense that East Gippsland and Greater Shepparton have different approaches to the delivery of their creative arts program, and are at divergent stages of development as regional arts communities. By working within a comparable framework in both sites, but allowing the unique contextual factors in each region to emerge, in addition to the different issues confronting both communities, the qualitative data was rich with information and gave a very useful insight into contemporary issues in regional Victoria's creative arts environment.

Supply Survey

In order to supplement the data which was gathered through the focus group discussions, a small group of regional arts workers were surveyed in order to gain further insight into the current supply environment in regional Victoria. These surveys were administered at the focus group sessions, in addition to being sent directly via email to other regional arts workers who were unable to participate in the focus groups. A total of 38 individuals make up the supply survey sample, and a copy of the survey instrument is presented as Appendix 1 to this thesis.

In addition to asking very general demographic questions, the supply survey collected information relating to the amount of money earned from artistic endeavours, estimates of their skill in running an arts business, whether the value of their artistic output had increased in the last three years, needs analysis for arts and cultural suppliers, and perceptions regarding the extent to which arts and culture are valued by local government or the wider community more generally. While clearly a sample population of 38 is insufficient to lead to generalisable results, this survey was instrumental in terms of adding to the results generated through the focus group discussion process. Specifically, the supply survey data was useful in terms of providing a snapshot of key characteristics of the regional arts labour market. This data was entered into SPSS, where basic frequency tables were generated across a range of variables. SPSS is a data management and comprehensive statistical software tool which was used to conduct a range of statistical and econometric tests on the quantitative data sets in this thesis.

The focus groups and the supply survey data collection can again be described as purposive sampling in that they were all professionally associated with arts in the region (McMurray, Pace and Scott 2004). However, it is important to stress that the sample population of artists included in both the focus group sessions and the supply survey includes representatives from the cultural community beyond those who fall within the definition of artists as described by Throsby and Hollister (2003). Specifically, in addition to local regional artists, data was collected from government administrators involved in the delivery of arts and culture in the target regions, as well as arts educators and volunteers, who carry out a significant portion of the community development in the regional areas under investigation. The primary reason for deliberately removing barriers to participation is due to the arts labour market in regional communities being so small. As such it would be a hindrance to exclude participants in the study, in terms of generating a sufficient amount of supply-side data to draw valid and useful conclusions, as well as delivering a comprehensive illustration of regional creative arts. Supply data was thus drawn from anyone living in the target regions that have an ongoing professional relationship to the arts, irrespective of the area in which this work was carried out, income, or hours worked in the arts.

3.3.3 - Demand Data

Demand data was collected using a self-complete survey sent to randomly selected household in the three target regions. The households were selected using an electronic copy of the White Pages telephone directory, and the questionnaire was completed by a

representative from each household. In addition to broad demographic data, this survey instrument was designed to extract information relating to attitudes, frequency of participation and expenditure relating to arts and culture. A copy of the demand survey instrument is presented as Appendix 2 to this thesis.

The first section of the survey asked respondents to specify their gender, age, and postcode of usual place of residence. In addition, the survey asked whether respondents identified as Aboriginal Australians or Torres Strait Islanders, whether they were born in Australia (and if not, how long they have been resident in Australia), and which language they typically speak in their household. The final aspect of the demographic questions in the questionnaire asked respondents to identify their employment status, reasons for not currently being in the workforce (if applicable), highest educational achievement, and gross personal weekly income. The demographic data was used in the first instance to test for any sampling error against the more established population structure as determined by the ABS. Subsequently, these participant characteristics were integral in the subsequent data analysis in determining demographic trends in arts demand, in addition to providing an illustration of regional Victorian creative arts consumers and avoiders.

The second section of the survey used a three-point scale by which to measure attitudes towards statements regarding the arts. Respondents were asked simply to respond 'agree', 'neutral', or 'disagree' to each of the eight questions. In the first instance responses were sought on general attitudes towards arts and culture, followed by more specific questions relating to perceived benefits of the arts to the local regional economy, as well as its perceived impacts on the community. The attitudinal questions in the questionnaire were deliberately phrased in both a positive and negative fashion, so as to reduce the perception that the survey had any bias or 'agenda'.

The third aspect of the regional demand survey asked respondents to specify how often they took part in a range of art forms and events. In this instance the survey used a five-point scale to gauge the frequency of involvement. The options given in each case were 'never', 'once a year or less', 'every so often', 'once a month', and 'once a week or more'. It was not specified as to whether this was in an audience capacity or whether their involvement was a more direct association i.e. they produced or were involved in the activity. Rather, the survey aimed to broadly capture how often members of regional Victorian communities took part in the arts. A range of different events across various tenets of arts and culture were selected for inclusion in the survey, so as to be broadly reflective of the arts and cultural program which is on offer in the three selected regions. Specifically,

visual arts, performing arts, popular and classical music, cinema, and craft were all included in order to broadly reflect, and give an illustration of the arts as a whole.

Respondents were then asked to nominate their average monthly expenditure on items relating to the arts. The range of items on which expenditure data was gathered included:

- Books
- Magazines
- Admission to cinema
- Video or DVD hire
- Admission to visual arts performances (theatre, ballet, opera and dance)
- Admission to a performing arts gallery
- Purchase of CDs tapes and / or records
- Expenditure on classical music performances
- Expenditure on popular music performances; and
- Take-home cultural products such as craft items or paintings.

For the purpose of the analysis described in this chapter, the expenditure brackets nominated were '\$0', '\$1-\$10', '\$11-\$20', '\$21-\$30', and '\$31 or more' per month. A question followed asking whether respondent expenditure in the preceding three years had increased, remained constant, or had decreased.

The penultimate question presented in the survey asked respondents to nominate the reasons (if any) why they chose not to participate in the arts. The options given to respondents included distance (from venues etc), lack of time, lack of interest in the arts, the cost being too high, disinterest in the cultural program currently available in the region, family commitments, feeling 'uncomfortable' with attendance at, or consumption of, arts related goods and services, or 'other'. Finally, survey participants were asked whether they had attended an arts or cultural festival in the preceding two years, and if so were asked to nominate the festival which they attended.

The self-complete survey was thus designed to deliver a very broad picture of creative arts demand in regional Victoria, using attitudes, frequency of participation, and expenditure in the arts. Moreover, in addition to collecting a range of demographic data from regional residents, the survey also sought to determine barriers to involvement in regional arts.

Sampling Frame – Demand Data

The demand survey was posted to a total of 2,500 households, which corresponded to 833

in each target region. The figure of 2,500 was estimated based on the need for a minimum of 5 responses across each field in the questionnaire, to prevent cell count problems which would affect the validity of the results. A 20% response rate was used as a guide for estimating the total number of surveys to be administered. While clearly a mail-out survey creates challenges in terms of both time and cost, an online survey may not have reached a representative sample of the target populations, based on the fact that ABS data suggests that only 57% of Victorian households had home Internet access in 2004-05, and only 51% in ex-metropolitan areas of Australia (ABS 2005). Moreover, the sample gathered from this survey varies considerably to that which was administered at festival events in East Gippsland and Shepparton, as it can be assumed that respondents to the latter survey already have some interest in regional arts insofar as they attended a festival. As such, in order to capture data from arts consumers as well as avoiders, it was determined that this was the most expedient and thorough means of creating an appropriate sampling frame.

A total of 492 completed questionnaires were returned from across the three regional sites. As a total percentage of the 2,500 which were mailed, this represents a response rate of 19.7%. As such the figure of 20% which was employed to calculate the total number of surveys required to be distributed can be regarded as a reasonable estimate. As the target of 500 completed questionnaires was very nearly reached, the likelihood of having to aggregate categories in the survey to avoid a cell count problem of fewer than five responses was considerably lowered.

In addition, a number of questionnaires were returned uncompleted (the most common reason being a change in recipient address). A total of 137 of the 833 questionnaires sent to the Mildura region, 80 from East Gippsland, and 77 from Greater Shepparton were returned. As such, a total of 2,206 questionnaires were effectively distributed during this process. This raises the effective response rate from 19.7 to 22.3%.

Analysis – Demand Data

The 492 responses to the survey were subsequently entered as a data set into SPSS for Windows. In the first instance, the demographic information gathered was compared to the 2001 Australian Bureau of Statistics Census of Population and Housing data. Specifically, the Basic Community Profile (BCP) data of each of the three case study sites was used to capture the broad demographic data. A basic comparison of the percentages of each demographic variable which appeared in both the survey instrument and the BCP data was conducted. In doing so, it was possible to test the extent of sampling error in the survey population, to remark as to whether the sample was representative of the wider population

in each site.

Subsequently, a number of frequency tables were constructed in order to illustrate the level of responses in each category, according to: attitudinal questions on various aspects of the arts; questions which collected data regarding how often respondents took part in a range of cultural activities; and questions posed regarding how much respondents typically spend on a similar range of arts goods and services in a month. Responses to these three questions will give a very general illustration of the current levels of demand for arts and culture, which exist in regional Victorian communities.

Responses to the demand survey were then analysed using SPSS in order to establish any statistically significant relationships in the data. Specifically, chi-squared tests were conducted in three distinct stages. Chi-squared tests were run in order to test for significant trends between demographic characteristics and attitudes towards the arts, between demographic variables and frequency of participation in the arts, and finally between demographic variables and expenditure on the arts.

In order to provide a more detailed depiction of the inter-relationships of the expenditure data within demographic groups, a number of measures of central tendency and dispersion including the mean and standard deviation were calculated in each case. Furthermore, confidence interval tests at 95% were calculated, and non-overlapping intervals were highlighted in order to demonstrate where statistically significant differences between demographic groups were discernable.

Subsequently, the data relating to attitudes towards the arts, participation in various arts and cultural activities, as well as the data relating to typical monthly expenditure on the arts was analysed further, in order to determine which demographic characteristics had a significant effect on demand for the arts. Specifically, an ordered probit model was estimated using STATA software on each of the attitudinal, frequency of participation, and expenditure questions posed in the demand survey. STATA is an advanced statistical software package designed for data management, analysis and graphics. While SPSS was used for the chi-squared and ANOVA testing, STATA was used for the more detailed ordered probit modelling of the demand data. Results show the parameter estimates and the associated p-values, in addition to the marginal effects in each case.

Thus the data was analysed to illustrate current levels of demand among residents of regional Victorian with respect to attitudes, frequency of participation, and expenditure in the

arts. Moreover, the modelling of the data points to the areas, and characteristics of consumers, and other trends in the data which relate to high or low levels of demand in order to highlight characteristics and events which foster strong demand for regional arts.

3.3.4 - Festival Data

In order to generate the data analysed in the festivals chapter of this thesis, a self-complete survey was also distributed over the course of community arts and cultural festivals in both Mildura and Shepparton. The 2005 SheppARTon festival, and the 2006 Mildura-Wentworth Arts Festival (MWAFF) were the two festival sites at which quantitative data was collected. Notably no festival data was collected in East Gippsland on account of the fact that there is no festival in the region of a corresponding nature or size of the SheppARTon festival or the MWAFF.

This facet of the data collection process used the survey instrument contained in the *Encore!* Event Evaluation Kit developed co-operatively between Arts Victoria and the Sustainable Tourism Cooperative Research Centre² and which was central to the discussion presented in Jackson et al. (2005). Used to its full capacity, the kit provides an accurate and 'user-friendly' estimate of export income (income from non-residents who would not have visited the region had the event not been held); import replacement income (expenditure at the event by residents who would have travelled elsewhere during the period); and income redistribution (income from residents who chose this activity over another form of entertainment in the region) (Jackson et al. 2005). The kit also facilitates an Input-Output (I-O) analysis of income and expenditure by festival organisers following the event, as well as applying relevant multipliers to the data set entered into the kit (which used Excel spreadsheet software coupled with an interactive 'overlay' specific to the kit) (Jackson et al., 2005). This allows a detailed insight into economic impacts of such events, in addition to job creation and other stakeholder information.

The survey used to collect data from festival attendees contained four key modules - demographic questions, festival expenditure questions, marketing questions (satisfaction with the event, likelihood to return to the region etc), and additional or 'open' questions. For the purposes of the current study, the marketing and 'open' questions were disregarded in favour of more in-depth analysis of demographic trends and expenditure effects in the data. Moreover, no estimate based on job creation, total economic impact of either festival, or a detailed account of event organiser input-output were estimated. It should be emphasised

² *Encore Event Evaluation Kit Version 1.0.109* Developed for Sustainable Tourism CRC by SJK Consulting, © CRC for Sustainable Tourism Pty Ltd 2005.

that such estimations are possible when using the *Encore!* Event Evaluation Kit. Rather, the analysis presented in chapter seven of this thesis focuses on relationships between attendee characteristics and patterns of expenditure, significance regarding festival expenditure categories, and creating a modelling framework which is sensitive to the expenditure of local event attendees.

In terms of the demographic data modelled in the festivals chapter, information was sought regarding:

- Gender
- Age bracket
- Gross individual Income (per annum)
- Typical place of residence / region
- Household structure, or current living arrangement, and
- Highest attained level of education

This information is used in this chapter to create a profile of regional festival audiences in Victoria. Moreover, in addition to being tested to highlight any outstanding trends in the demographic make-up of the two data samples, this data was used to illustrate any significant demographic effects on individual levels of festival expenditure.

In terms of expenditure data, the survey instrument asked respondents to report their expenditure on a range of goods and services directly related to the festival, or linked to visitation to the host festival by non-local festival patrons. These were grouped into the following categories:

- Accommodation expenditure during the festival
- Food & beverage expenditure during the festival, not associated with accommodation costs
- Expenditure on tickets to festival events
- Expenditure on other entertainment in the host region, not related to the festival (i.e. gallery visitation, movie tickets)
- Transport expenditure during the festival
- Personal services expenditure in the host region during the visit (i.e. medical bills, laundry costs, hair & beauty expenditure), and
- Any other expenditure (i.e. gifts, souvenirs, clothing)

Sampling Frame – Festival Data

The survey was administered to a random cross-section of festival attendees at both free and ticketed events, and data was collected at multiple points over the course of both these

events. Moreover, particular emphasis was placed on administering questionnaires at events which targeted divergent demographic groups, in addition to collecting data across a range of activities and artistic mediums, from live music concerts to film festivals, as well as festival opening and closing events at the SheppARTon festival. As such, every effort was made to ensure that a representative sample was gathered from these events and every attendee at the festival had an equal chance of taking part in the survey. A total of 207 completed questionnaires made up the sample from the SheppARTon festival, and 185 in the case of the Mildura Wentworth Arts Festival sample.

Analysis – Festival Data

While the *Encore!* Event Evaluation Kit survey was used to collect the relevant festival data, testing and modelling of this data was conducted independently, using SPSS and EVIEWS software. EVIEWS is a more specialised econometric software program, which was used to conduct more comprehensive econometric tests on the data, in addition to the statistical analysis using SPSS.

Specifically, SPSS was used to analyse frequency percentage tables in order to give an overview of the demographic characteristics of festival attendees, as well as presenting expenditure summaries for both festival sites. SPSS was also used to conduct chi-squared tests on the data from both sites in order to determine any significant trends from within the demographic data. Following the chi-squared approximations, one-way Analysis of Variance (ANOVA) was also run on the data from both sites, comparing the means across groups for the quantitative expenditure data. Finally, using EVIEWS, a four-part econometric model is estimated, testing the effects of a range of demographic dummy variables on festival expenditure. The model includes two versions of an ordinary least squares regression in addition to a probit and Tobit estimation. On account of the significant volume of missing, or 'zero expenditure' responses to expenditure questions, the ANOVA tests are run twice on each data set, with alternate assumptions regarding these responses. In order to test for normality and robustness, Kolmogorov-Smirnov tests and Kruskal-Wallis tests were run on the expenditure data for both festivals

In addition to demonstrating trends and relationships in the festival data, the analysis represents a more comprehensive modelling framework which represents an extension of the work of Jackson et al. (2005), who described the use of the *Encore!* Event Evaluation Kit and its use in estimating the economic impact of regional festivals.

3.3.5 - Data Collection Timeline

The data described in the sections above was collected over an extended period. Data collection, as depicted in the figure below, commenced in March 2005, where SheppARTon festival data was collected. As depicted below, the majority of the data collection took place largely in the latter part of 2005, and early 2006. Figure 1 gives an account of the timeframe within which data for this project was collected.

Figure 1: Data Collection Timeline

	Mar-Apr 05	May-Jun 05	Jul- Aug 05	Sep-Oct 05	Nov-Dec 05	Jan-Feb 06
SheppARTon Festival Data						
East Gippsland Focus Groups						
Demand Survey						
Shepparton Focus Groups						
MWAF Festival Data						

3.4 - Ethical Considerations

The nature of this research project and the data collection techniques are such that there is little risk above the everyday for individuals as a result of their involvement. Moreover, every effort was made to mitigate any concerns or unpleasant experiences as a result of participation. This project was approved as a 'Level 2', or 'some risk' project by the university Human Research Ethics Sub-Committee.

At each major stage of the data collection, namely the demand, supply, and festival surveys, as well as the focus group sessions, respondents and participants were made aware of the nature of the research being conducted, the purpose of the research, and the proposed use of the data collected. Participants were also provided with the name and contact information of the investigator, and were informed that every effort would be made to ensure their anonymity. In order to achieve this, while the focus group discussions were audio recorded, participants were not identified beyond the region or area in which they live. Similarly, presentation of the quantitative data remained aggregated beyond the possibility of individual identification, thus reducing risks to participants and encouraging them to give honest and open responses to questions.

Participants in this research were exposed to a very small level of potential discomfort insofar as the demand survey asked respondents to respond to a question regarding their current employment status. Moreover participants were asked to disclose their gross personal income (in the case of the mail-out demand survey), their gross household income (the festival survey), or their arts-related income (in the case of the supply survey). In order to mitigate the risk to which participants were exposed in this case, participants were required only to state the income bracket which best represented their personal case, rather than specific dollar amounts. The festival and mail-out demand survey required participants to specify the nature of their household structure and their employment status. Whilst such questions had the potential to cause some degree of discomfort for some respondents, it was envisaged that such risk would be very minor.

Plain language statements were made available to those who took part in the focus groups and to those who completed a supply survey. In addition to describing the project and the nature of the data collection this clearly stated that participation in the research project was entirely voluntary and that they were welcome to withdraw at any point. Similarly, during the focus groups it was made clear that the audio recording of the discussion groups could be stopped at any point upon request to the facilitator. Consent to take part in the demand data collection was assumed to be implied by the completion and return of the questionnaire. Data gathered during the course of this project was made available only to the researcher and university supervisors. As per university ethics policy, hard copies of survey data and focus group transcripts as well as electronic copies of focus group transcripts have been stored in a suitable facility on campus, and these will be retained for a period of five years following the completion of the project.

3.5 – Conclusion

This chapter has described in detail the methodology and research design of the current study. The assumptions and ethical considerations which underpin this research have been discussed, indicating that it is underpinned by an inductive approach and grounded in positivism and adopts a mixed methods framework. In addition, each phase of the data collection associated with this project, and the various qualitative, statistical and econometric data analysis techniques used on the corresponding data sets have been illustrated.

The qualitative data collected from arts workers is designed to comprehensively illustrate the current nature of the supply of regional arts in Victoria, in addition to highlighting areas for

growth from a community and business perspective. The quantitative demand data is used to illustrate the current nature of regional creative arts demand and to highlight the characteristics of regional residents which impact on demand levels. Finally, festival data is used to highlight significant trends and determine characteristics which influence festival-related expenditure, as well as developing a more comprehensive model to analyse the economic impacts of regional festivals. As such, the research design and methodological framework discussed above is seen to be the most effective way to approach the project, and to provide useful answers to the real-world research questions.

Chapter Four

Background

4.1 – Introduction

This chapter aims to provide background information and context to the current research. This will be achieved through a broad illustration of the current nature of the creative arts and cultural sector in Australia, Victoria, and regional Victoria, and a statistical overview of the three selected target communities. Finally, this chapter will outline the two regional festivals at which data was collected. As such, this chapter will give a necessary background into the research being undertaken, and will be particularly beneficial to readers in terms of prefiguring and conceptualising some of the issues which are provided for analysis in the following chapters.

4.2 – The Arts Industry in Australia

Just as the term ‘the arts’ can be rather a flexible one in terms of definition (Australia Council 2003), arriving at a definition of what constitutes an artist similarly often begs a uniform and rigorous measurement. As such, the data varies considerably in terms of reports of the number of artists working in Australia. According to Guldberg, 80,000 arts and culture professionals were working in Australia in 1996. This reflects more than a 300% increase since 1976, when 26,400 arts professionals were identified (Guldberg 2000). An even larger figure was determined by the ABS, who estimated that 524,200 people or 14.5% of the population aged 15 and over had some form of involvement working in the culture and leisure industries, either in paid or unpaid employment. Thus it can be seen that a clear understanding of the parameters must be undertaken in order to arrive at a more accurate estimate of industry figures. Throsby and Hollister (2003) who count only practicing professional artists who belong to relevant professional associations, suggest that the population of artists in Australia is around 45,000. Of these, musicians (12,000) are the largest group, and dancers the smallest (1,000-1,500).

As an industry, the growth of the arts in Australia has been significant, and indeed this notion underlies the significance of the current research. Between 1974-75 and 1993-94, Australian ‘arts economy’ grew at a rate of 4.4%, while the Australian economy as a whole over this period grew at a rate of 3.1% (Guldberg 2000). In data published by the Australia Council (2003) from national industry input-output tables the value of Australian production

by arts and related industries was \$6,869.0 million in 1996-97. This figure exceeded a number of other industry groups such as Commercial Fishing (\$2, 280.1 million) and Beer, Wine and Spirits (\$4,807.6 million) in the same period (Australia Council 2003).

Guldberg goes on to acknowledge that in spite of the staggering increase in the volume of arts professionals in the workforce, median wages of these workers has declined at a rate of 0.7%, a figure slightly higher than the figure in the broader Australian workforce (0.4% between 1985-86 and 1995-96) (Guldberg 2000). Throsby and Hollister (2003) note that in 2000-01 mean artist income was \$37,200. Mean income derived from work in their principal artistic field was \$17,100, while the average level of non-arts income was \$12,600 (Throsby and Hollister 2003).

In addition to flexible interpretations of what can be included under the definition of the arts, another reason for the discrepancy in reported figures is that artists in Australia either work voluntarily in the arts, or work in other sectors in order to support themselves. Guldberg (2000) reports that of the 15.1% of Australians who reported participation in the arts, only 331,400 engaged solely in paid work. Of the remainder, 545,600 were paid for some of the work undertaken, while 1.3 million were at all times volunteering their services (Guldberg 2000). This research views the report by Throsby and Hollister (2003) as being the most accurate and up to date account of the nature of the arts labour force in Australia. However, it must be acknowledged that there has been considerable debate regarding the validity of more aggregated population and industry figures, which some feel overstate its size and nature (Heartfield 2000). While this is sometimes the case, it must be stated that recent disaggregated data is not always available for regional Victoria.

4.3 - Australian Cultural Funding

This section will describe the current nature of cultural funding in Australia, based on published information from the ABS. The most recently published report prepared by the National Centre for Culture and Recreation Statistics (NCCRS) and published by the Cultural Ministers' Council Statistics Working Group (NCCRS 2006) shows that in the year 2004-05, cultural funding reached \$5,014.9 million. This figure, which includes contributions from local, state and federal government, represents an increase from the preceding year of \$7.7 million.

To separate this figure into the three tiers of government, in 2004-05 the federal government contributed \$1,760.9 million (35%) to culture, combined state and territory governments represented \$2,356.3 million (47%), and local governments contributed \$897.7 million

(18%). While these figures represent an overall funding increase from the previous year of 0.2% or \$7.7 million, it should be stated that in 2004-05, state and local government contributions decreased from the previous year by 0.3% and 5% respectively (NCCRS 2006).

Victoria continued to exhibit the second highest amount of cultural funding of the states and territories, with 2004-05 figures highlighting a contribution of \$472.2 million, behind New South Wales (\$785.1 million). Data shows that state and territory contributions reflect population size, with the exception of the Northern Territory, which provides more funding than Tasmania and ACT in spite of having the smallest population (NCCRS 2006). Local government funding is seen to be reflective of population size in the relevant state.

While these figures give a broad description of government contributions to culture, it is important not to overstate the nature of government funding. This research is focused upon key facets of the arts, as delineated in the introductory chapter of this thesis. However, the aggregated funding details described above are inclusive of culture and heritage funding not under investigation in this research. As such, it is important to re-examine the 2004-05 funding information, separating arts contributions from those relating to culture and heritage. This is particularly the case regarding State government funding, wherein it can be seen that 40% of total State and Territory contributions were awarded to nature parks and reserves (NCCRS 2006).

The statistics published by the NCCRS show heritage funding, which is not as relevant to the current study, to include:

- Art museums
- Other museums
- Nature parks and reserves
- Zoological parks, aquaria and botanic gardens
- Libraries and archives

In 2004-05, the Australian Government spent a total of \$431.5 million on heritage funding, while in the same year state and territory governments spent \$1,940.2 million on heritage³. Of their total \$472.2 million, the Victorian government spent \$384.6 million on heritage funding (NCCRS 2006). Clearly, with regard to total state and territory government

³ Data relating to local government cultural funding became available in 2003-04, but the separation of funding at this level into heritage and arts funding is not included in this report. As arts-specific funding which discounts heritage funding is not published for this year, and at this level, the total figure of \$897.7 million should be interpreted with caution.

contributions, and funding specific to Victoria, heritage funding represents a considerable percentage, which demonstrates the importance of disaggregating the funding data in order to get a clearer picture of the nature of the current funding environment (Throsby 2001a).

Arts funding, as distinct from heritage funding, and which is of greater relevance to this research, represents the following categories:

- Literature and print media
- Performing arts
- Performing arts venues
- Visual arts and crafts
- Broadcasting and film
- Community cultural centres and activities
- Administration of culture
- Other arts (not elsewhere classified)

In the arts category, federal government contributed \$1,329.4 million in 2004-05, while state and territory funding, not including heritage contributions, totalled \$416.1 million in the same period. Victorian state government funding to the arts totalled \$87.6 million (NCCRS 2006).

The Victorian state-local government partnership invested \$18.5m in developing cultural centres and venues in regional areas from 1999-2003. According to Arts Victoria (2003), this contributed to a total state-wide infrastructure valued at more than \$50m. These resources have aided the further development of the performing arts centre network, as well as constructing and refurbishing community cultural resources, cinemas and public galleries in regional centres (Arts Victoria 2003). According to the most recent funding data, capital funding for arts projects (not including heritage funding) totalled \$15.2 million (NCCRS 2006).

In addition to public funding, there has been a concurrent growth in private sponsorship in the arts. Total private support for the arts in 2000-2001 was estimated at \$69.6 million, where \$40 million was in the form of direct sponsorship. This figure more than doubles the support received in 1996-97 of \$29 million. Essentially, as Throsby (2001b) attests, private support for the arts in Australia comes from two key sources; business sponsorship, from which a certain degree of return is expected (through advertising etc), and philanthropy, the contribution of funds and/or resources as a donation from which no return is expected.

Thus a broad description of the nature of funding for the arts in Australia and Victoria has

been given. These figures have been presented to illustrate the current and recent funding environment in which this research takes place, and to inform aspects of the study which intersect with the relationship of government to the arts, and with discussions regarding arts funding and resources.

4.4 – A Snapshot of the Victorian Arts Industry

Information based on the 1996 Census and published by Arts Victoria (ABS1998) shows that 14,800 Victorians were employed in cultural occupations in cultural industries, and more than 63,000 employed wherein cultural activities best represents their main role⁴. Data shows the most common occupation to be designers and illustrators (18%), and reflects a relatively even balance of male and female cultural professionals. Other key findings presented in this report indicate that in 1996-97, goods and services supplied to the Australian economy by Victoria's arts and cultural industry totalled \$4,758 million, and that cultural exports from Victoria in the same year totalled \$378 million, which is equivalent to 2.3% of all Victorian exports.

Designers and Illustrators (18%), and film / television / radio / stage professionals (13%) were among the largest groups of arts professionals in Victoria⁵, however from an industry point of view, newspaper printing and publishing was the largest employer (17%). In terms of the individual incomes of Victorian artists and arts professionals, journalists, directors and producers were more likely to earn over \$36,400 per year, the other end of the scale shows visual arts and crafts professionals to be more likely to earn less than \$15,600 per annum (ABS 1998).

4.5 – A Snapshot of the Regional Victorian Arts Industry

Throsby and Hollister (2003) note that largely on account of the fact that infrastructure is largely based in capital cities, and that more employment opportunities exist in capital cities, a significantly higher concentration of arts professionals live in such an urban environment. A total of 73% of Australian artists live in Australia's capital cities, while 13% live in a regional town or city, 9% live in a semi-rural setting, and the remaining 5% live in a rural or remote location. This represents a more significant difference when compared to statistics regarding the labour force more broadly, which shows 64% of Australia's workforce to be living in capital cities, with the remaining 36% living in a regional, rural or remote location (Throsby and Hollister 2003). State-based figures from Victoria suggest that, of those employed in

⁴ This figure includes 25,500 Victorians employed in cultural occupations within non-cultural organisations, and 23,000 in non-cultural occupations within cultural organisations.

⁵ Data also shows library / museum workers to be a significant group (16%), however they are not included here as they are outside of the definition of the arts used in this thesis.

cultural industries 82% were from Melbourne, compared to 18% from the rest of Victoria (ABS 1998).

With regard to the size and scope of Victoria's regional arts industry, a number of statistics presented in an Australian Bureau of Statistics report published by Arts Victoria in 1998 (ABS 1998) give an overview of the arts industry in areas of Victoria other than the Melbourne Statistical Division. In September 1997:

- A total of 797 cultural businesses were operating in regional Victoria, of which 16% had ten or more employees
- A total of 40,300 Victorians were employed in cultural industries, with 16% being located in regional Victoria
- The section of the industry in which most cultural workers were employed was newspaper printing and publishing (25%)

The table below, based on data prepared by the ABS and published by Arts Victoria (ABS 1998) describes the occupations of cultural workers in regional Victoria compared to metropolitan Melbourne. However, as this data is drawn from the 1996 Census, it should be used as a relative guide only, rather than an accurate depiction of current levels of employment.

Table 1: Employment in Cultural Occupations - Melbourne vs. Regional Victoria

Cultural Occupation	Melbourne	Rest of Victoria
Visual Arts and Crafts Professionals	1,910	666
Designers / Illustrators	6,465	715
Journalists & Related Professionals	2,915	606
Musicians & Related Professionals	1,649	168
Film/TV/Radio/Stage Professionals	4,356	550
Authors & Related Professionals	850	90
Actors / Dancers & Related Professionals	966	96
Music / Performing Arts Teachers	2,114	659

The table shows that designers and illustrators represent the largest proportion of cultural workers in regional Victoria, followed by visual arts and crafts professionals, with authors, actors and dancers being the least represented. While it is reasonable to assume that these figures would have changed over the past years, it provides a broad illustration of the types of arts being professionally practiced in regional Victoria, as well as numbers of professional arts workers relative to Melbourne. More recently, Regional Arts Victoria, the peak body

which represents the interests of creative arts in regional communities, had a total membership of 6,572 in 2005, which incorporated 105 affiliate organisations from regional areas across the state.

4.6 – Arts Demand Statistics

Having given a broad illustration of the Australian and Victorian arts and culture industry, the following section describes some key demand features with regard to the arts. The table below based on ABS data from the 2002 General Social Survey (ABS 2002a), shows national, Victorian, and non-metropolitan attendance statistics in 2002 across a range of arts and cultural categories.

Table 2: Attendance Rates at Cultural Venues and Activities – 2002

Venue or Event	Total Aust (%)	Metro Aust (%)	Non-Metro Aust (%)	Victoria (%)
Art Gallery	24.9	26.0	23.0	22.9
Popular Music	26.4	27.3	24.9	27.1
Classical Music	9.0	10.6	6.1	8.7
Theatre	18.0	19.0	16.1	19.3
Dance	10.9	11.1	10.6	10.0
Opera / Musical	18.7	20.4	15.7	21.1
Other Performing Arts	20.4	21.7	18.1	20.7
Cinema	69.9	74.1	62.6	71.0
At least one venue / event	88.2	89.9	85.2	89.5

The table above notes that non-metropolitan Australians attend the arts less than their metropolitan counterparts in every case. Dance performances and ‘other performing arts’ performances were the closest comparisons. In addition to overall demand trends, the data shows that key demographic characteristics affect demand for the arts. The data⁶ (ABS 2002a) reflects the following:

- With the exception of dance performances, attendances were higher in every case among those living in Australia’s capital cities, compared to the rest of Australia
- Households with dependent children were less likely to attend classical music performances
- Generally, those born in English speaking countries other than Australia had higher attendance rates than those born in Australia or other countries

⁶ Again, care should be taken in interpreting this data, as it reflects attendance rates at Zoological gardens, aquaria, museums and libraries.

- Those employed, and particularly those employed on a part-time basis, had higher attendance rates than those who were not employed
- Those with higher educational qualifications had higher rates of attendance
- Income significantly affects arts attendance, where those in the highest income quintile showed the highest attendance rates. As a rule, as gross household income decreased, so did attendance.
- While cinemas showed significant repeat attendance, those who attended musicals, opera, or other performing arts did so only once in the year surveyed.

4.7 – Festival Attendance

Data regarding attendance at arts and cultural festivals is somewhat limited, and in this case, presented at a national level. For the purpose of data collection by the Australia Council, arts and cultural festivals were defined as those which had a principal focus on agriculture, wine, or food. The results show that, nationwide, 2,691,000 people attended multi-arts festivals between November 1995 and September 1996 (Australia Council 2003). Total attendance at multi-arts festivals, in addition to any other festival, including those focused on popular and classical music, film and video, theatre, dance, other performing arts, and craft, totalled 4,094,000 people. Interstate travellers whose primary reason for travel was the festival spent \$54 million or \$436 per person (Australia Council 2003).

4.8 - Profiles of Selected Target Communities

Before proceeding with the analysis of supply and demand factors pertaining to regional Victorian creative arts it is necessary to give a brief understanding of the setting in which this study takes place.

This section of the chapter will provide a brief profile of each of the three sites which are used as examples of regional areas in this study. This illustration of Greater Shepparton, Mildura, and East Gippsland presents broad statistics and basic information relating to the target regions and the populations of the communities therein. In the following cases, the ABS National Regional Profiles (NRP) of the areas are used to provide broad descriptive information as to the characteristics of the local populations. The information was collected between the years 2000 and 2004, and profiles Mildura Rural City, the City of Greater Shepparton, and the Shire of East Gippsland. Maps are not to scale, and should be used as a guide only. Stars placed on maps represent the geographical region, and are not representative of population size.

4.8.1 – City of Greater Shepparton

Figure 2: Location Map of Greater Shepparton



Map adapted from www.craiglee.com.au

Greater Shepparton is located in the Goulburn-Murray region, and is comprised of a number of towns, including the principal towns of Dookie, Mooropna, Murchison, Shepparton, and Tatura. Geographically, the town of Shepparton is located 180km north of Melbourne, and as such, 100% of the population are considered to live in an 'inner regional' location. The most recent population statistics published in the NRP⁷ (ABS 2006a) suggest that as at June 30th, 2004, the population of Greater Shepparton was 59,907 (29,816 males and 30,091 females), making it the most populated of the three target communities. The population of the region relative to size translates to a population density of 24.8 persons per square kilometre. In 2001, the indigenous population was 2.8% and the percentage born in a country other than Australia was 10.2%. Traditionally, the Greater Shepparton regional economy has been dominated by the agriculture and manufacturing industries, and in 2001, the total value of agriculture in the region stood at \$411.9 million. More than half of this figure relates to crops valued at \$207 million. In terms of the socio-demographic characteristics of the region, the most recent data indicates that average taxable income at the end of the 2003 financial year was \$34,006 and unemployment in the September quarter of 2004 to be 5.2%, equivalent to 1,629 people. The population statistics of the NRP also demonstrate the highest concentration of residents to be aged 0-14 years (22.1%). Finally, data from 2001 shows that a total of 38.1% of the population had a post-school qualification.

⁷ The National Regional Profile data presented here refers to the Local Government Area of the City of Greater Shepparton. ABS catalogue number 1379.0.55.001.

4.8.2 - Shire of East Gippsland

Figure 3: Location Map of Shire of East Gippsland



Map adapted from www.craiglee.com.au

East Gippsland Shire⁸ is a large region with a comparatively low population density (2 people per square kilometre as at June 30th, 2004). The largest town in the region is the commercial hub of Bairnsdale, located 277 kilometres from Melbourne, and in 2004 the total regional population was 40,746. The main towns within the East Gippsland Shire are Bairnsdale, Lakes Entrance, Orbost, Mallacoota, Omeo, Buchan, Paynesville, and Metung. The 2001 data relating to the location of residents of East Gippsland (ABS 2006b) infers that 93.5% of the population were considered to live in an 'outer regional' location, while the remaining 6.5% of the population were considered to live in a 'remote' location. The average taxable income of residents of East Gippsland was \$32,566 at the end of the 2004 financial year, while in the September quarter of the same year unemployment stood at 7.5% (1,414 people). The Shire of East Gippsland is seen to have the lowest value of agriculture of the three target regions, with the most recently available data from 2002 indicating a total value of \$127.7 million. Population data relating to East Gippsland Shire shows the percentage of residents born overseas to be 9.6%, while 2.9% of the population identify as being of Aboriginal or Torres Strait Islander descent. The most recent data reported in the NRP states that 41.7% of the East Gippsland population had post-school qualifications in 2001. As was the case in Greater Shepparton, the highest concentration of residents by age is in the 0-14 year old bracket, which represents 18.6% of the population.

⁸ The National Regional Profile data presented here refers to the Local Government Area of the East Gippsland Shire. ABS catalogue number 1379.0.55.001.

4.8.3 – Rural City of Mildura

Figure 4: Location Map of City of Mildura



Map adapted from www.craiglee.com.au

The most geographically distant region from Melbourne, the rural city of Mildura⁹ is around 550 kilometres from Melbourne, situated in the north-western corner of the state of Victoria, near the border of both New South Wales and South Australia. The city of Mildura includes areas such as Irymple, Mildura, Red Cliffs, Wentworth, Ouyen, and Merebin. NRP data (2006c) indicates that the population counted as resident in the rural city of Mildura was 51,162 in 2004. A total of 98.3% of the population were considered (in 2001) to live in an 'outer regional' location, with 1.8% being considered to live in a 'remote' environment. While areas within the rural city of Mildura are considerably further from Melbourne than regions of East Gippsland, the measure of remoteness area in the case of Mildura is likely to be influenced by the fact that Mildura has the third busiest airport in Victoria. In the September quarter of 2004 the unemployment rate was estimated to be 8.7% or 2,126 people. Regarding the agricultural industry of the region, the rural city of Mildura had, in 2002, a total value of agriculture of \$524.9 million, which principally consisted of a crop value of \$498.9 million, making it the most agriculturally rich of the three target regions. The indigenous population of Mildura rural city stood at 2.4% in 2002, with 9.1% indicating having been born overseas. As with the other two regions described above, the highest concentration of the population in terms of age was 0-14 years, which accounts for 22.6% of the population. With regard to the highest educational level of the population, 36.3% of the population reported having a post-school qualification.

⁹ The National Regional Profile data presented here refers to the Local Government Area of the Mildura Rural City. ABS catalogue number 1379.0.55.001.

4.9 – Outline of Target Festivals

Data used to inform this thesis was collected at two regional arts festivals – the 2005 SheppARTon Festival and the 2006 Mildura-Wentworth Arts Festival. This section will give a brief outline of both of those festivals. As discussed earlier, no festival data was collected in East Gippsland on account of the lack of an appropriately sized festival at the regional level.

4.9.1 – 2005 SheppARTon Festival

The SheppARTon Festival is an annual, multi-arts based festival, which generally attracts around 14,000 attendees each year. The theme of the 2005 SheppARTon festival was 'Journey', and ran from the 3rd to the 14th of March 2005. The festival is both arts and community focused, celebrating the diverse talent of artists within the community, in addition to bringing a range of external performers and personalities to take part in the festival. In 2005 the festival program included 'An evening with Bud Tingwell', a poet's breakfast, a literary lunch, 'Opera in the Orchards', featuring a performance of Gilbert and Sullivan's 'Pirates of Penzance', stand-up comedy, a short film festival which featured the work of local and non-local short film makers, and the opening of the Joseph Furphy Memorial in the Shepparton town centre, to name a few. Thus the festival program is deliberately broad, and meshes the work of local and non-local artists.

4.9.2 – 2006 Mildura-Wentworth Arts Festival

The Mildura-Wentworth Arts Festival also a multi-arts festival with a diverse artistic program, and which in 2006 was awarded major festival status by Arts Victoria. The 2006 MWAF included events and performances ranging from opera, comedy, circus performances, a popular music concert, a film festival, workshops, community events, and art exhibitions. Founded by local chef and Mildura personality Stefano de Pieri, the Mildura-Wentworth Arts Festival was in its 12th year in 2006 when data was collected. The festival is the centrepiece of the region's cultural calendar, and feeds into other events such as the Writers' Festival, the Murray River International Music Festival, and 'Palimpsest', an event revolving around both visual arts and the environment. As with the SheppARTon festival, the focus of MWAF is on engaging the local community and celebrating art and culture.

4.10 - Conclusion

This chapter has given an account of the nature of the arts industry in Australia, Victoria, and regional Victoria, and has presented a number of statistics which relate to the current study. In so doing, this chapter has described and brought to the fore a number of relevant aspects of the operational environment, in addition to an account of each of the three target areas used as data collection sites. Finally, this chapter has outlined the nature of the

SheppARTon Festival and the Mildura-Wentworth Arts Festival, which are both central to the enquiry into festivals, presented in chapter 7 of this thesis.

As such, it is hoped that the reader is well informed in terms of conceptualising the framework and setting of this research. Having presented the relevant background information which intersects with the remainder of this thesis, the following chapter is the first of the empirical chapters, which presents an investigation into various aspects relating to regional creative arts supply.

Chapter Five

Supply of Creative Arts in Regional Victoria

“We really need to grow or develop. ... What we need is a substantial community development project [...] where amongst other activities, creative arts, performing arts, are part of that community development. But, the Council does have an arts policy, but whenever I have had an opportunity I keep saying it's really not an arts policy, it's related to the arts but it's really a mechanism for distributing a small amount of money to arts participants. But, the community really, in my view, -and my view isn't really popular - but in my view, we really need a long-term and sustained effort at community development, awareness of what needs to be put in by local government” (Participant, Shepparton focus group 2).

5.1 - Introduction

The purpose of this chapter is to create a deeper understanding of the current supply of creative arts in regional communities in Victoria, and to suggest ways in which to strengthen the current supply environment. The current chapter analyses two separate data sets. The first, a brief quantitative set of data, gathered from those identified as suppliers of the arts to the target regional communities. The second, a significantly larger and more detailed qualitative data set, is derived from a series of focus group discussions with regional arts professionals. In illustrating the current supply environment, in addition to addressing ways in which to improve on current community and business practices, the three questions to be investigated throughout this chapter are as follows:

- What is the nature of the current environment of the supply of arts and culture in regional Victorian communities?
- What strategies, included in a community development framework, can be implemented to grow and sustain the regional arts sector?
- What are some key features of a best-practice business model for artists and small to medium arts businesses, taking into account specific contextual factors including their location, size, and availability of resources?

This chapter begins with a snapshot of the current operational environment, based on statistics collected from regional arts suppliers. Following this section, focus group data is analysed in order to illustrate key aspects of the current situation with regard to the supply of

regional creative arts. Having detailed the current environment in which the supply of regional creative arts is set, this chapter will highlight a number of strategies for growing and strengthening the supply of creative arts, at both a business and community level. As such, the impetus for the current chapter is to provide a detailed illustration of the supply of regional arts, and to underline areas and strategies for growth in terms of community development through the arts and best-practice from the point of regional arts small and micro-business.

5.2 – Snapshot of Regional Arts Workers

In order to provide a snapshot of the arts labour market and a broad range of aspects associated with the supply of arts and culture in regional Victoria, a quantitative data set was obtained using responses to a brief survey distributed at the focus groups in East Gippsland and Shepparton. The Shepparton Arts Alliance, a community arts organisation, also assisted in distributing the survey instrument to those who were unable to participate in the focus group sessions. Arts workers were asked a range of questions surrounding their:

- Level of income derived from arts labour
- Basis of employment (full-time, casual, volunteer etc.)
- Location of the audience or market for the work being created
- Perceived level of skill in operating an arts-related business
- Perceived level of arts service provision and support for the arts by local government
- Perceived areas for improvement in creative arts within their region.

While the limited number of respondents (a sample size of 37) prohibits drawing any generalisable conclusions regarding the nature of arts labour supply in regional Victoria, the purpose of this data collection and analysis is to provide some context to the pursuant results from the more comprehensive focus group data. Results indicate that:

- Arts workers are more likely to be female (64.9%) and aged 50-59 (37.8%)
- No individuals from the sample population reported being aged 29 or below.
- Only one respondent (2.8%) identified as being Aboriginal or Torres Strait Islander
- A total of 62.9% of the sample reported that less than 10% of their income was derived from arts labour.
- From the sample population, 64% reported their gross arts-related income as being less than \$10,000 per annum, while only 9.6% reported income in excess of \$50,000 per annum.
- Regarding their perceived level of skill and expertise in operating a business 40% felt it was 'limited' (equivalent to 1 on a scale of 1-5 where 1 is the least proficient or experienced)

- A total of 42.9% claimed that arts service provision by local government (including related organisations, committees, or groups) was “good”.
- When asked to describe the arts sector in which they were principally involved, 67.6% of the sample defined their area of work in the arts as being ‘visual arts’. Only 1 respondent (2.8%) claimed being professionally involved in the areas of ‘Film / Video / Television’, or ‘Multimedia’.
- Of those working in the private sector, 46.2% identified as being volunteers, while 42.3% claimed to be business owners or proprietors (including sole proprietors), and 23.1% identified as being employees.
- A significant majority (83.3%) of the sample claimed that the value of their cultural product had increased in the past three years.
- Almost every artist surveyed (97.3%) sells / performs their art in the local region. In addition;
 - A total of 43.2% sell / perform their art in other regional areas of Victoria
 - A total of 32.4% of the sample sell / perform their art in Melbourne
 - A total of 24.3% sell / perform their art interstate
 - A total of 10.8% export their art internationally

From the above results, a number of observations can be made regarding the nature of the arts labour market in regional Victoria. Notably, the low gross and percentage levels of reported arts income shown in the sample lead to the assertion that there are very few artists in these communities who are engaging with the arts on a full-time, professional basis. Or more specifically, the data shows that very few regional arts workers are making a living from their arts labour. This is further evidenced by the high number of volunteers compared to employees present in the sample population. The complete lack of artists in these regional communities below the age of 29 is also notable, and suggests that communities would benefit from retaining younger arts professionals to sustain the arts community in the longer term. Another notable point is the narrow scope of arts practice being carried out by regional arts workers. This is particularly evident insofar as 65% of respondents to this survey are practicing as visual artists, while only 2.8% of respondents are involved in film, television, and multimedia. Finally, while the data shows the most common sales market for regional arts to be the local region, there are a considerable number of artists selling or performing their art in multiple markets, as well as exporting their art beyond the local region.

Thus having given a basic illustration of the supply of creative arts and creative arts labour, the following section is an analysis of a more detailed qualitative data set collected through

focus group discussions conducted with creative arts professionals in East Gippsland and Shepparton.

5.3 - Community Focus Groups

Focus group data, collected in both Shepparton and East Gippsland, is used in this chapter both to describe in detail the current nature of the supply of arts and culture in the target communities and to highlight strategies or potential developments which could bolster the supply of arts and culture in regional Victoria.

In illustrating the current nature of the operational environment, data will be analysed across a range of areas, including:

- Geographical location
- Resources
- Community attitudes towards the arts, and
- Social and demographic characteristics affecting the supply of regional arts

Data is also analysed in this chapter in order to highlight a number of key strategies to bolster and sustain the supply of creative arts in the target communities, from both a community and business perspective. This chapter will describe:

- The relationship between arts and regional tourism in sustaining and developing an arts community
- The public sector-private sector relationship and implications for effective regional arts supply
- The role of arts festivals and events in increasing arts participation and in attracting regional tourism
- Strategies for more effective regional arts marketing
- The need for training and skills-development for artists and regional arts businesses, and
- Arts and culture as a catalyst for retaining regional youth

This data will be used to make several key recommendations regarding best-practice business strategies for regional small arts business and arts micro-business, in addition to recommendations regarding a broader community development model focused on the arts.

5.4 - Current Operational Environment

The analysis of focus group data begins with a discussion regarding the current environment in which the supply of regional arts takes place. In seeking to illustrate the current supply of

the arts in regional Victoria, the following section focuses on challenges and benefits relating to geographical location and remoteness, limitations associated with a lack of resources, pervasive negative community attitudes towards the arts, and issues relating to the socio-demographic characteristics of regional areas.

5.4.1 - Geographical Location

Central to the current discussion regarding the supply of regional creative arts is the analysis of issues related to geographical location. As this section will show, focus group participants highlighted the remoteness of their community as being a barrier to the supply of arts, however a number of arts practitioners in the regional communities view their isolation as being 'empowering', and as a trigger for the creation of unique art. As such, this section of the data analysis is divided into two sections - 'challenges' and 'benefits'.

Challenges

A number of participants feel that the geographical remoteness of their regional community is a limiting factor in terms of the supply of the arts. As one respondent noted:

"I'd say it's geographical distance, and lack of venues would be the two main obstructions that come to my mind" (Participant, East Gippsland FG 2).

Another challenge which focus group participants identified in terms of their regional location was the small size of potential audience members or target sales market which resulted from a low regional population density. Participants repeatedly identified population-density issues as being restrictive in terms of creating an ongoing and sustainable demand which supports local art producers. One view from a focus group participant states:

"And the other problem of course is, on a year-round basis, there isn't the population here to actually support anything like a full-time gallery that was ... actually trying to be a profit making business" (Participant, East Gippsland FG 3).

The following quote highlights the fact that a more steady flow of passing trade has been achieved in other regional areas, whereas other, more isolated regions remain impeded by a lack of visitors or potential arts consumers:

"[Other regional communities] have a lot of galleries, a lot of businesses, that are selling art, but they're selling it to a whole bunch of people who are coming from Melbourne, who are reasonably well-off, who will come and buy, whereas when you're out here, people are not going to do Nowa-Nowa or Bairnsdale for lunch" (Participant, East Gippsland FG 1).

Specifically, participants identified the fact that small towns are spread over a wide geographical area as a challenge, insofar as it is difficult to achieve a 'cluster' of businesses or attractions which would attract visitors:

"I suppose the fact that all the artists are spread out so much and I think Nungurnar [a nearby regional community] has achieved that cluster that attracts a steady flow of traffic. We're just a one-off down a three kilometre, dirt bumpy road, so it's harder ... to entice people to come to Nowa-Nowa" (Participant, East Gippsland FG 1).

In addition to comments regarding the lack of passing consumer trade, the difficulty faced by arts business in terms of bringing performers into the region was identified as a limitation inherently linked to geographical location:

"If you want to bring in performers, you have to spend a lot of money, paying for their travel and accommodation, and also their time. It's a whole day to get here and they have to budget extra time for a performance in a place like ours" (Participant, East Gippsland FG 3).

However, one excerpt from the focus group data highlights the fact that while the regional location of a number of communities presents a challenge in terms of attracting a reasonable number of people to an arts event, people can be induced to overcome the geographical barriers to participation, if an arts event is sufficiently well marketed, and of good quality:

"Yeah - I think that is the problem, because of the distance we don't get enough [visitors] but I think things like the Mallacoota Festival and 'The [Nowa-Nowa] Nudes' [an East Gippsland exhibition] demonstrates that if you market something that is good and gives people a really unique experience, they will come" (Participant, East Gippsland FG 1).

Benefits

While the data revealed some geographical challenges and barriers to the supply of regional arts, a number of focus group participants also view their geographical location as having a number of benefits. Firstly, the direct link between the consumer and the producer, where the more personal nature of the market is seen as an advantage:

"That's one of the positives about regional areas, is that you can meet up with the artist, who has done all that work, whereas Melbourne based you may not get that opportunity to

talk about that piece of work that you're buying" (Participant, East Gippsland FG 1).

Another benefit as perceived by arts suppliers in regional communities is the fact that the remoteness of their location provided unique benefits which would be more difficult in an urban environment:

"I find it a good place to make things because of where I am situated; being a little bit out of town so I can do things that you couldn't do if you were in a built-up area". (Participant, Shepparton FG 2).

"One of the 'pluses' is that it's actually empowering ... due to the isolation" (Participant, East Gippsland, FG 3).

Thus, the data shows that a more isolated regional location can offer artists more opportunities in a creative sense, while from a business perspective, remoteness is generally perceived to be a barrier. Particularly, the low population density of regional communities and the lack of passing trade are regarded as obstacles to creating and sustaining profitable arts businesses in regional communities.

5.4.2- Resources

A lack of resources, and the associated challenges, is a theme which repeatedly emerged in the focus group data. The perceived dearth of capital and human resources, in addition to the lack of infrastructure in East Gippsland, were viewed by participants as being significant obstacles in the way of a more efficient and productive delivery of arts and culture.

Whilst this research presents data drawn from focus group participants regarding this lack of resources, it is difficult to remedy the need for an injection of financial resources, which was articulated by regional artists and arts workers. However the data shows that a significant injection of capital funding would be an enormous benefit to the supply of regional arts, as well as the fact that a lack of resources is a significant limitation regarding the current operational framework of regional arts. In addition to analysing data relating to the need for additional financial resources, this section highlights challenges associated with limited human resources and infrastructure.

Financial Resources

A common theme which emerged from the focus groups was the fact that regional arts supply is limited by a lack of financial resources. This emerged particularly in the East

Gippsland focus groups, where a number of participants spoke about the challenge of operating in the face of very limited funding from government:

“Funding to East Gippsland is the lowest in Victoria. I mean, that needs to be changed” (Participant, East Gippsland FG 2).

“When the seven Shires were amalgamated some years ago, it left East Gippsland Shire in a \$22m hole. And, not only that, council sold probably most of its assets, pared its staff down to an absolute minimum, contracted out most of the functions that it was doing, including the arts, including tourism” (Participant, East Gippsland FG 1).

The fact that the shire faced a considerable debt continued to arise as an issue relating to the ability to supply arts within the region. Several participants maintained the view that local government were unwilling to commit a significant amount of money to local arts, as one individual notes:

“Council is still about \$14m in debt. I mean ... it's not out of there yet, hence when councillors sit around the table, they're aware of that and they tend to be a little less generous when it comes to handing out the dollars and looking at what they'll take on, and that's a limiting factor” (Participant, East Gippsland FG 1).

However, one participant notes that regional arts professionals must avoid focusing upon the perception of disadvantage and financial constraint:

“We have got a bit stuck [thinking] ‘poor old East Gippsland, we're so disadvantaged’. I mean, it's really good to use some of those statistics to, say, get some funding.... But I don't feel disadvantaged. You know... I think we're sort of starting to fall into that kind of way of thinking ... and it's a bit disempowering” (Participant, East Gippsland FG 2).

While some of the issues discussed above are specific to the case of East Gippsland, the data does highlight the fact that limited resources are a significant obstacle to the supply of creative arts. The difference between levels of government arts funding in a regional community as opposed to their metropolitan counterparts was underlined by one participant:

“I mean, in my last budget - I worked for a local government in Melbourne and I worked specifically with young people and my budget was close to a quarter of a million dollars. Here, [Laughing] I say ‘where's my budget?’ ‘You want a budget?’ you know, totally different attitude. ‘Well, how else am I going to get anything done?’ So my first day I was able to, you know, get \$10,000. They said if you ask for any more than that, don't be

greedy [Laughing]" (Participant, East Gippsland FG 1).

Human Resources

A pronounced shortage of human resources in regional areas is similarly viewed as a limitation on the supply of creative arts. Foremost, focus group participants felt that a lack of human resources upon which to draw creates an environment where roles must be filled by individuals who do not necessarily have the requisite skills. This ad hoc situation in regional communities, stemming from a lack of cohesive and well-developed set of skills and experience, is seen in the following data extracts as being a major hindrance to the supply of creative arts:

"[There is] a lack of people with the skills and ability to pass on ... You know, if there aren't people to [up-skill] other people in an area of the arts, so you can end up with real gaps in arts areas and arts skills" (Participant, East Gippsland FG 2).

"That's right. A lot of people don't have the breadth of skills that you see in an urban environment ... sometimes the resources just aren't there and if they are, they might not be the best resource choice" (Participant, East Gippsland FG 2).

One result of this narrow skill-set in regional communities is that many arts workers are forced to adopt positions within the community for which they are not suitably qualified or experienced, or which they are forced to do in addition to being practicing artists. A number of extracts describe the challenges associated with this situation:

"I think what's happened is the skills I have got, which is social worker background, I've applied to here ... in Melbourne they would have got somebody else, altogether" (Participant, East Gippsland FG 2).

"[I] came to Mallacoota really to be an artist, and what's happened basically is that ... I'm stuck with the [Occupational Health and] safety stuff, because there's no one else to do it, and I find that constantly frustrating" (Participant, East Gippsland FG 3).

Respondent 1: "There's a lack ... of people who will take that on".

Respondent 2: "Administrative support –"

Respondent 1: "Yeah ... some of us are doing those roles, but really our [strength] is in other areas" (Participants, East Gippsland FG 3).

"So there's a lot of us like that, a treasurer who wants to be an artist [Laughing]. And you know [name omitted] does heaps and heaps of work, even helping look after the store ... but she'd rather be doing different art work as well creating beautiful large sculptures"

(Participant, East Gippsland FG 3).

In addition to this lack of skills present in the local community, one respondent highlighted the perception that a reliance on key individuals in the community (in this case an arts worker representing a government arts agency) reduces the likelihood of a continued and effective supply of the arts in regional Victoria:

“The withdrawal of the Outreach Support officer - that was really a blow to us ... And I don't think we planned very well for what we would do without that person, either” (Participant, East Gippsland FG 3).

The quote above also highlights the apparent lack of succession planning within regional arts communities. The fact that, in a number of cases, skills and experience are held by a small number of individuals jeopardises the sustainability of regional arts supply. This is attested to by another respondent:

“I think somewhere like Mallacoota, part of their problem was that they had a bit of a change of personnel and then there were problems in that the expertise had gone to some other communities. There were festivals [in Mallacoota] that were going great guns. Two families left town and there's no succession planning” (Participant, East Gippsland FG 1).

A lack of a cohesive and well-developed set of skills, an unsustainable reliance on key individuals who do possess relevant skills, and an absence of succession planning are specific manifestations of a lack of human resources in regional communities. This aspect of the current environment, as the data has shown, places significant limitations on the viability of regional creative arts supply. Interestingly, in terms of human resources, the data from the target communities does not indicate that regional communities are suffering from a shortage of artists, but rather from a shortage of skilled professionals working 'behind the scenes' to support the arts.

Physical Resources

Thirdly, respondents argued that their lack of arts infrastructure made the delivery of arts in their region more difficult. Notably, however, this view was not common during the Shepparton focus groups, as the community recently developed the Eastbank Centre, an arts hub which houses the newly refurbished art gallery in addition to a new concert hall and function centre.

Respondents repeatedly noted the difficulty in supplying arts to their community in light of the lack of exhibition space for visual arts. Again, the data does not demonstrate a lack of professional artists in the communities, but rather that once produced, artists lack the infrastructure to be able to perform or present their art. As the following extracts show:

“A lot of artists in the community just continued to do art work, but still have very big trouble in having any place to exhibit or sell that art work” (Participant, East Gippsland FG 3).

“Permanent exhibition space is a problem; and not having the real contact ... being too far away (Participant, East Gippsland FG 3).

This situation appeared more pronounced in Mallacoota – the most geographically isolated of the communities in which focus groups were conducted. As the following passage shows, artists in Mallacoota are forced either to exhibit their work either in Bairnsdale, or in areas of regional New South Wales:

“To place that in context, the nearest public art space would be in Bairnsdale and then we just recently accessed one up at Bega [NSW], which is still two and-a-half hours drive away” (Participant, Gippsland FG 3).

Moreover, in addition to the identified lack of exhibition space in which to present art, focus group participants maintained that community-run regional arts organisations were also limited by their lack of physical resources. As the following excerpt points out, the lack of infrastructure to house regional arts administrators is seen to exacerbate the already pressing limitations associated with human resources:

“Without the infrastructure, without having an office and somewhere where we can gather and have photocopiers and telephones and different things like that, it’s really hard to continue those activities, and always expecting people to do that administrative work, to keep the office running on a voluntary basis, is a really big ask” (Participant, East Gippsland FG 3).

Focus group respondents highlighted another barrier to regional arts supply, in the form of not being able to access digital technology. The use of the Internet and digital technology is viewed in this study as an important means to sustain the supply of creative arts in regional Victoria, insofar as it provides a life-line to artists and arts businesses in an environment where many resources are not available. However, as the following excerpt shows, many

creative arts communities are currently operating in the absence of such resources, which places significant limitations on the efficacy of the supply of regional arts:

“If there was more support perhaps given to something like the arts council to have a computer with digital technology ... then that could be used as a centre where artists could come in and use that facility, because at the moment, our television centre doesn't have the facilities to cover digital technologies (Participant, East Gippsland FG 3).

Finally the issue regarding the provision of services to other sectors such as sport and recreation at the expense of arts infrastructure was seen as being prohibitive in terms of arts supply:

“Well, we've got a basketball court, we've got tennis courts, we've got a football field, a soccer field, and all this infrastructure that they look after and nowhere for a painter to rest their paint brushes (Participant, East Gippsland FG 3).

The data from East Gippsland participants clearly reflects the burden of not having any physical arts space. There is a clear need for a visible arts space in the shire of East Gippsland, which would benefit the supply of arts in the region by increasing networking of artists, as well as through the sharing of ideas and skills. As one respondent remarks:

“Well if there were a cultural centre then all those talents and all those abilities would be in one place ... where you could share them” (Participant, East Gippsland FG 2).

Thus infrastructure development for regional arts communities is seen through the data as a further limitation placed on the current operating environment. The focus group data demonstrates that a lack of such physical resources reduces the ability of artists to effectively carry out, exhibit or sell their art, thus limiting the sustainability of regional arts businesses as successful commercial ventures. The data also shows that a lack of infrastructure made available to community arts organisations places an added burden on such groups which are already beleaguered by a lack of financial and human resources. This research maintains that the supply side of an arts community would considerably benefit from a physical presence within the community. The Eastbank Centre in Shepparton can thus be seen as a benchmark for other regional communities, as a focal point for the arts in the community, as a destination for tourists, an exhibition and performance space, and a sales outlet for locally produced arts products. This infrastructure development can also be seen as reflecting a commitment to, and investment in, regional creative arts.

5.5 - Community attitudes towards the arts

Another factor specific to the supply of creative arts in regional Victoria which appeared throughout the focus group data was the fact that a proportion of the local community remain unenthusiastic, or even resistant towards engagement with the arts. This section shows that there is a significant volume of data which corresponds to the view that regional Victorians are unsympathetic towards the arts, however some degree of progress has been made with regards to a shift away from these negative views. The current section also highlights extracts from the data which relate to the notion that the arts community is not well integrated into, and often ostracised by the wider community.

5.5.1 – Barriers and Resistance to Participation: Culture vs. Agriculture

The data highlights a number of negative attitudes towards the arts which are thought by participants to be reflective of a general consensus by the majority of the regional population that the arts are elitist, unnecessary, and inconsistent with perceptions of a regional lifestyle. As two participants state:

“[Casting aside the arts is] an easy way to answer things, because it’s just their problem it’s not ours. It’s not part of a lifestyle, you know” (Participant, East Gippsland FG 1).

“In reality, throughout the community, we are a culture where participation in the arts, delivering of the arts ... there is still this view the arts is not what most people do” (Participant, Shepparton FG 2).

In addition, as one participant notes, community attitudes can sometimes translate into perceptions as to the allocation of public resources to the arts. It is seen to be a view held in some communities that as the arts are not part of a conventional rural lifestyle, they should not be funded by local government. Given the aforementioned lack of resources which impede the supply of arts in regional communities, it is clear that such negative public opinion has the potential to further damage the existing supply of regional arts. One participant reflects on this view, stating:

“People don’t believe it’s the shire’s job to fund art, because art’s for a different group of people that don’t exist here, or something” (Participant, East Gippsland FG).

Notably, this perceived resistance to the arts is seen as being a view held by local governments, as well as the wider population:

“One of our councillors ... said, "You'll never catch me inside that art gallery." Now, he's one of one of seven councillors, and that's a big percentage [with] that attitude” (Participant, Shepparton FG 1).

As a result of these views which appear to abound in regional communities, the data shows that, unsurprisingly, as a result, audience numbers at arts performances and attendance at exhibitions are often low. This slump in demand for the arts along with negative community perceptions can be seen as a factor which impedes the vitality of the supply of regional arts and culture. Particularly, as the following extract shows, a perception of the arts as being ‘elitist’ or exclusionary is common within regional populations:

Participant 1: “[People] don't come here, even if it is outside theatrical performances, they don't even come for the culture at all”.

Interviewer: “It is still viewed as quite elitist?”

Participant 1: “It's just something they wouldn't do”.

Participant 2: “I think you've hit the word there”.

Participant 3: “It's elitist, yes, and it's considered an elitist activity. I mean, they probably wouldn't have much idea of what to do if they did go to the art gallery, you know”.

(Shepparton FG 1).

The unsympathetic view of the arts by regional Victorians is clearly summarised by one participant who notes:

“I think you have a significant proportion of the community who are relatively disinterested in the arts in a broad sense. It isn't something that figures in their lives, as far as they can see and they seem to believe they can live quite happily without any engagement whatsoever, and out of that would be a portion who would actually be ‘anti-art’. They regard it as an elitist activity that they almost object to” (Participant, Shepparton FG 2).

In response to this pervasive negative attitude, local government has identified a need to ‘package’ their regional arts and cultural program more effectively, in order to elicit a warmer response from the community. Weaving arts and culture into established community interests is seen by local government as an effective strategy through which to communicate the arts to the community. For example, utilising the community interest in cars, food, or other such traditional aspects of regional identity may be an effective lever to raise interest, and participation in creative arts by transforming it's image as ‘elitist’ or exclusionary. The difficulty in attracting members of the community to take part in the arts was articulated by

one respondent:

“And I have found similar things working in the primary schools doing arts projects where the children haven't been to the gallery. And, I'm sure they would find it very interesting ... but even convincing the art teachers [that] it is worthwhile to bring them can be difficult” (Participant, Shepparton FG 2).

Another participant highlights the view that the broader population of regional communities in Victoria are reluctant to take part in the arts, for example by attending an exhibition opening. This can be seen as yet another manifestation of the pervasive view which suggests that this is a dichotomy between conventional rural life and the arts, which results in local arts space as being a foreign environment to many residents of regional communities.

“I know I've spoken to people who don't frequent galleries, and I have frequently heard them say things like ‘do I have to buy something if I go to an opening’? It is a foreign environment for them, and they think that maybe they should be wealthy to go” (Participant, Shepparton FG 2).

These apparent psychological barriers which engender a reluctance among the broader community to visit the art gallery, or willingly take part in the arts are stressed by another focus group participant:

“I know that several years ago there had been a number of Rotary district conferences here. Several years ago there was one that involved this district and I offered a tour of the gallery. There would [have been] about 1200, a thousand people, and I think four or five took advantage of the tour. It is as if there's a steel shutter or spikes, a barrier between the foyer and the entrance to the gallery” (Participant, Shepparton FG 2).

5.5.2 – The Arts: A Question of Belonging

Several representatives from the sample upheld the view that there was a degree of segregation between regional arts workers and other sectors of the community more broadly, which was viewed as a limitation to regional creative arts supply. When asked if the arts are seen by the wider community as being not well integrated into the regional culture, participants responded:

Participant 1: “I think that's fair”.

Participant 2: “I found that when I first moved here 10 years ago, I felt that there was an

element of that here”.

Participant 3: “There are also people who have lived in Shepparton all their lives and worked in Shepparton and don't really know what's going on anywhere else” (Participants, Shepparton FG 2).

This view is upheld in the three very brief excerpts from the data, which demonstrate the perception of the lack of cohesion between the suppliers of regional arts and the wider regional community:

“People still look upon arts, unfortunately as being ... a bit funny and ‘you are all a bit odd’ (Participant, Shepparton FG 1).

“If you are an artist you are marginalised, they are not part of the club, and a lot of it will be from the community” (Participant, Shepparton FG 1).

“And I still think art suffers from the nineteenth century concept of the artists in the dusty garage producing things”.

...

“There is still that attitude that the artist is away from the world, they're not involved in society” (Participant, Shepparton FG 1).

This perception that the arts community is ostracised, and the view that the arts are not synonymous with rural life can be linked to the fact that the communities under investigation are traditionally agricultural communities, where in a number of cases the arts are a relatively new phenomenon. While it is feasible that in the longer term such public opinion may become more favourable towards the arts, it currently represents a significant barrier to arts suppliers. The view that primary industries such as agriculture still have a more prominent place in regional culture than the arts was voiced by two respondents:

“Shepparton is essentially a blue-collar town, with the service industries to the local dairying, horticulture, and ... grain country; quite different [to the arts]” (Participant, Shepparton FG 2).

“Here, if you don't produce the real thing, if you don't dig, if you don't pick ... you can't survive” (Participant, Shepparton FG 1).

5.5.3 – Raising Awareness: Some Indication of Progress

Thus much of the data with regard to community attitudes towards the arts is overwhelmingly negative. However the following data identifies some degree of progress in

terms of increasing awareness among local regional communities. While interviewees were keenly aware of the pervasive negative sentiments towards the arts in their community, it was felt that a paradigm shift is taking place from within regional communities, as well as in terms of perceptions of regional Victorian life by those outside these communities. In terms of raising awareness in regional areas, one participant highlights the need to 'educate' the community:

"I think it's the education process, to, of the broader community - of taking in those lifestyle changes that have occurred quite quickly in city and larger regional areas, of you know, going around shopping and buying a unique piece of work" (Participant, East Gippsland FG 1).

A participant also noted that in addition to the reluctance on the part of the general population to take part in the arts, local government seemed equally resistant to the idea of supporting the arts. As such, participants note that there is a need for such education to take place amongst government and communities alike:

"Well the people who 'get it', 'get it', but they're in the minority and councils certainly don't 'get it' - so that's where I guess part of the education has to happen" (Participant, East Gippsland FG 1).

While clearly the data reflects an overwhelming view that the arts are either widely disregarded, or viewed negatively by the regional population, the data also shows a few occasions where the public have responded positively, and engaged with the arts. Interestingly, one view suggests that regional arts professionals underestimate the capacity of local audiences in terms of what they will appreciate. The following quotes highlight the perception that regional audiences are more receptive to the arts than conventional wisdom suggests:

"Because I think if you feed someone only this much, you know, they'll only expect that much, whereas if you give them more, they'll grow and learn ...I think there's been some really great things happen in this region, and people are really impressed" (Participant, East Gippsland FG 2).

"We have put, the community has put, challenging things out in front of people and we have successfully shocked people and lived to tell" (Participant, East Gippsland FG 2).

Notably, however, this was not a view shared by other focus group participants. Data

extracted from the focus groups suggests that regional Victorians are less likely than urban residents to cultivate a taste, or even an acceptance of the arts:

“I think there is some attitudinal difference between what people accept here than in Melbourne, so that’s obviously going to impact on the capacity and people’s willingness to pay and engage and all those sorts of things as well” (Participant, East Gippsland FG 2).

Notwithstanding a number of positive extracts, the qualitative data shown in this section shows that there is a pervasive negative view of the arts in regional communities, which clearly reduces the demand for creative arts in regional communities and adversely affects arts suppliers in the region. The perception that the arts should not be funded by local government, that the arts are extraneous to rural life, and that the arts are an elitist activity which is not broadly accessible to the public are all prevalent views which regional artists and regional arts workers feel reflect the outlook of the broader community. Such opinion, which translates into a reluctance to engage with the arts, is an enormous barrier facing those individuals and businesses, as well as local government workers with an interest in fostering a vibrant regional arts community.

5.6– Social and Demographic Characteristics Affecting Supply

From the perspective of artists and small businesses who are trying to sell, exhibit, or perform artistic product, the focus group data shows that some key socio-demographic characteristics of non-metropolitan communities present significant obstacles to their profitability and successful operation. Two particular challenges discussed in this section include the limited disposable income and small size of the sales market. These two factors impact upon the supply of regional creative arts in addition to the aforementioned challenges in the current operational environment such as negative attitudes, isolation and limitations of resources.

5.6.1 – Limited Disposable Income

In addition to the aforementioned challenges associated with local attitudes towards the arts, arts suppliers are seen to be thwarted by the fact that a significant percentage of the local consumer market has a limited disposable income. One comment made by a focus group participant illustrates the fact that the socio-demographic characteristics of regional communities have an impact upon the nature of the market:

“I guess it is stating the obvious to suggest that people need a reasonably significant disposable income before they will commence buying art. There are lots of things they will

need to buy first. It isn't high on the list of their priorities when you're at a base [income]. I think we are in many ways a very poor community; there are a lot of very poor people in the community. As a consequence, attending an art gallery is way outside the range of things you might do with your time, for all that it is free, for all that it is available and accessible. [They will say] 'I have got 25 other things that will fill my day before it does', so it's not a priority for people" (Participant, Shepparton FG 2).

In addition, lower per capita income again emerged as a barrier which was identified in terms of the propensity of arts supply to flourish:

"For me, personally ... I'm located in the poorest town in Victoria, so that's a barrier, if we're talking monetary things" (Participant, East Gippsland FG 1).

5.6.2 - Limited Market Size

Another significant barrier to a more prolific supply of arts in regional communities was the small size and the resultant lack of sales opportunities which characterise the regional arts market. This issue can be seen as being linked to the challenges associated with geographical location and low population densities as described earlier. Regarding the challenges of a regional market compared to a metropolitan environment, one participant noted:

"I think also population base, because ... if you're trying to sell something and there's only ten people here instead of ten thousand - that makes a big difference" (Participant, East Gippsland FG 2).

As the following extract shows, over-exposure was also cited as a barrier to sustainable and profitable supply of arts goods and services in a regional location:

"And another weakness is over exposure. ... You've only got such a small population to be promoting your stuff to, whether that's music, arts, whatever, so there is that sort of over-exposure ... and needing to ... get out and promote it to other areas" (Participant, East Gippsland FG 2).

Thus far the analysis of the focus group data has shown that the supply of creative arts in regional Victoria is limited by a range of factors. These include geographical location and isolation, limited financial and human resources and infrastructure, negative attitudes towards the arts by the local population, segregation of the arts from the wider community, and socio-demographic factors such as low disposable incomes and the small size of the

local market which constrains the sales in, or attendance at arts and culture. Having highlighted and analysed some key aspects of the current operational environment which were identified by focus group participants, the following section identifies and discusses areas for growth in supply from a community perspective.

5.7 – Community Strategies for Growth in Supply

In this section, specific strategies to bolster and sustain the supply side of the regional creative arts market will be discussed, and related to the qualitative data collected. The areas for growth identified in the focus groups, which are discussed in this section include the benefits associated with cultural tourism, revitalising the relationship between government and private-sector arts professionals, emphasising and promoting regional arts festivals, and the retention of regional youth. While the adoption of such strategies may not act as a panacea for the current limitations and challenges facing arts suppliers at the business and community level, it can be assumed that the impact of many of the challenges identified above will be considerably lessened in light of community developments detailed in the following analysis.

5.7.1 - Tourism

The data drawn from the focus groups conducted in East Gippsland and Shepparton show that tourism to and within the target regions is inconsistent and minimal. Moreover, focus group participants note that the broader communities in which they live and work do not recognise the association between creative arts and regional tourism. The following data analysis is divided into two sections. In the first case the link between creative arts and tourism is discussed, while the second section discusses the ability of creative arts to evoke a 'sense of place' within a regional community, which could prompt an increase in inbound tourist traffic.

Regional Arts and Cultural Tourism

When asked to comment on whether the community recognised a link between the arts and other sectors such as tourism, economic benefits or social benefits, one focus group participant highlighted the fact that currently the link between the arts and complementary sectors such as tourism is not readily recognised, and that this link can be further emphasised and developed:

“I think in tourism it definitely does [need to be recognised]. In the outside world, people don't give it much thought. It's not important to them; the arts aren't important” (Participant, Shepparton FG 1).

The following excerpt shows responses from participants which suggest that the community and local government are unable to see the connection between creative arts and increased tourists to the region, in addition to appearing unaware of the link between the arts and social benefits such as community wellbeing:

Participant 1: “No [they] can’t see the link between tourism and economics or tourism and the arts, they can’t see it”.

Participant 2: “Yeah, and there’s definitely not an appreciation of the link between the arts and community cohesion and community cultural development” (Participants, East Gippsland FG 2).

While participants held the view that the association between the arts and other sectors was not readily recognised by the broader community, the data shows that the arts community appear to be aware of such potential benefits associated with linking creative arts with other community sectors to achieve community development aims. Furthermore, the second respondent notes that other regional communities appear more aware of cultural tourism:

Participant 1: “It would be nice if ... those areas approached the arts. Like if [representatives from] tourism and economic development approached the arts. It seems to be the other way around”.

Participant 2: “It happens in other shires. I’m on the Creative Gippsland Board and I’m going to a meeting on Tuesday. All the other five shires in Gippsland approached their arts bodies ... and that’s what Gippsland is all about, cultural tourism” (Participants, East Gippsland, FG 2).

Against the view that the arts and cultural tourism is often overlooked, participants from Shepparton noted that there have been specific examples of public art projects in regional communities which have attracted tourists. The example given by the following Shepparton respondent refers to ‘Mooving art’, an initiative where local artists each painted life-sized, fibreglass replicas of cows.

“I would like to seize on the ‘mooving art’ and say that ... it has been a very successful item of tourism. People come from all over” (Participant, Shepparton FG 2).

The Arts and ‘Sense of Place’

Further to a general awareness of the positive implications of cultural tourism, data from several representatives of the arts community highlighted the potential in capitalising further

on tourism in regional communities, insofar as the arts are useful in terms of emphasising a region's 'sense of place'. As one respondent asserts:

"People tend to come here for holidays, so the advantage for any cultural stuff going on would be that people look for something to do when they're here ... There's not a huge amount to do. ...From my perspective, [it needs to be] put out there that there are these places ... that there is more to do ... People come to an area. They want the feel of the area and in a sense the feel ... is expressed by the artists in the area" (Participant, East Gippsland FG 1).

More specifically, it became apparent from the data that local artists felt that cultural experiences should form part of the regional tourist experience:

"Or people want to round out their holidays more. Yeah, it's great to be able to go to the beach, but it's also very good to be able to, you know, nick down to the gallery and find what I want there. You know, they want the whole picture" (Participant, East Gippsland FG 1).

While participants feel that regional arts markets have the potential to capitalise on existing tourism markets, the following extract shows that tourists may be inclined to treat galleries or other arts businesses as free tourism destinations:

Participant 1: "... They'll talk for hours really, because it's part of their tourist experience..."

Participant 2: "I don't mind a talk, as you might know, but... [Laughing]"

Participant 1: "[Laughing]. You want them to buy, too" (Participants, East Gippsland FG 1).

While many East Gippsland residents highlighted the benefits of arts in emphasising the nature and verve of a region and selling art to the tourist market, one Shepparton participant highlighted that their community was not perceived as a tourism destination. The resultant lack of cultural tourists can be seen as placing significant limitations upon the potential to sell art to visitors to a region – a strategy which could mitigate the limitations associated with the small size of the local market:

"Is one of the things ... that we don't have that sort of connection to a holiday destination?"

...

"I was going to say we don't have the tourist market, but I think a lot of people do come here for conventions and conferences and things like that. Maybe it's not perceived [as a tourist destination]" (Participant, Shepparton FG 2).

Thus the data shows that while local government and other sections of the target

communities were less ready to recognise the benefits between the arts and tourism sectors, regional arts professionals seemed more aware of the opportunity which it represented in terms of tourism and creating a 'sense of place' in a region.

5.7.2 – Festivals and Events

One aim of this research is to demonstrate that key events such as festivals are a very important aspect of regional arts, which, when appropriately designed and delivered, serve to improve both the supply and demand of the arts in regional Victoria. This section presents the data captured during the focus groups relating to the relationship between festivals, particularly in the context of improving the supply of regional arts. In particular, festivals and events can be seen as an effective means to lessen the impacts of many of the challenges discussed in previous sections of this chapter, such as low tourism numbers, negative attitudes towards the arts, limited regional sales market, and division between the arts and the wider community. Thus the following data analysis will demonstrate that festivals and events can be drivers of the arts in a region, and which can help to bolster the local arts suppliers in a number of ways. However in addition to the positive aspects associated with arts events and festivals, this section also highlights a number of challenges associated with festivals, with particular regard to funding and reliance on volunteers.

One notable aspect relating to this data which issues a sharp contrast in terms of supply of the arts is the fact that Shepparton has a large annual arts festival, the SheppARTon festival, while East Gippsland does not presently have a significant event which represents the arts which are being produced and presented in the region.

Benefits

Firstly, following on from the aforementioned challenge faced by regional arts businesses in attracting local populations into galleries and cultural spaces, it is interesting to note that focus group participants felt that organising a festival could be a strategy through which to encourage the local population to take part in the arts, and to remove or reduce barriers to participation among the local regional population:

“I guess what the festival does is do something out of the gallery that hopefully encourages people into the gallery or to a concert or a play - when they realise it's not quite so confronting and scary as they thought it might have been” (Participant, Shepparton FG 2).

“I think another thing with demand is just supporting grassroots community stuff so that people start to have an experience. That's what we found this year. We had a really good

crowd at the ... arts festival and a lot of them were saying, 'oh, I didn't even know this circle existed, and I didn't know I could just wander off and do a workshop', and it was cool. So it's just having more of that opportunity and more people coming - when more people know about it and they will demand more of it" (Participant, East Gippsland FG 2).

This data can be interpreted in the context of Levy-Garboua & Montmarquette's (1996) 'learning by consuming' model whereby demand for arts goods is contingent on past levels of consumption, where if individuals have a positive experience their future demand will be increased. In addition to raising demand for the arts, which will benefit arts producers, presenters and arts workers in regional communities, data also highlights the festival-related benefits for local businesses. It was noted that surveys (such as that used in the festival chapter of this study) which ask festival attendees to report their expenditure at a local event could be used by businesses to identify the source of additional event-related income:

"There's been, some questions [asked, such as] 'what do you estimate you would have spent ... coming to the festival?', and that's been asked at the Bruthen arts and the Bruthen Arts Festival last year as well. So ... that's why those surveys are great, because you can say, 'this is what people 'guesstimated' that they would have spent on that weekend in Bruthen', and so you take that to local businesses and they [recognise that] it sort of does add up with [their] tallies for that weekend and now they know" (Participant, East Gippsland FG 2).

Challenges

While thus far the data reflects the fact that participants recognise the benefits associated with arts festivals, it must be acknowledged that some data highlighted negative perceptions of regional festivals and events. Most evident was the perception that events and festivals are beleaguered by a lack of human resources, and heavy reliance on volunteers. Notably, the excerpts from the data which follow are drawn from the focus group discussion held in Mallacoota, in East Gippsland. Thus, this data is specific to the Mallacoota Festival, which notably is no longer in existence. Whilst the data acknowledges the many positive aspects of the festival, it similarly evidences the fact that there needs to be a broader skill set and a lesser reliance on both funding and volunteer labour for an event of this nature to be sustainable. Regarding the Mallacoota festival, participants state:

"The whole process was not that healthy though in the end. We would just get over one festival and we were driven again to write grants ... for the next year when actually none of us had even had the vision yet for next year, because we just still were recovering from this year. ... There was not enough time even to actually recover and think about what really

good things we'd want to do. We'd have ... to start grant writing again" (Participant, East Gippsland FG 3).

"[I don't] actually believe that that whole festival mentality is sustainable arts practice, because it's just a whole lot of energy to a very sharp point, and then we all fall over (Participant, East Gippsland FG 3)".

Obligations and requirements associated with funding, and the fact that the organisation and implementation of the festival was being borne by a small number of people, were perceived as negative aspects of hosting an event. Particularly, event organisers highlighted being trapped in a 'cycle of obligation' from funding sources:

"I don't think, collectively, we really realised how much we'd gone into this cycle of obligation, that this next festival is going to be bigger and better than the one before and bigger and better although to the audience, it might be fantastic and they love it, but we were killing ourselves" (Participant, East Gippsland FG 3).

"And it's a culture of you've got to do better the next year because if you don't, you're not going to get the funding from those people that give out the money for a performance" (East Gippsland FG 3).

Finally, the question arose in another focus group as to how to make a festival more sustainable – specifically regarding year-round revenue resulting from a short-run event. This question is fundamental in terms of supporting community artists and small arts businesses:

"I guess when you're looking at events, there's also the question of how is that sustainable, apart from burning out your volunteers? You know, how do you get a 52 week a year spin-off from that? How do you make that work for you all the time" (Participant, East Gippsland FG 1).

The issues discussed with regard to the Mallacoota festival mirror some of the notions outlined in Herbert-Cheshire (2000), where reliance on government support can be seen to cultivate a sense of obligation and dependency. Similarly, accounts of individuals 'burning out' are frequently observed on account of the heavy reliance on a few individuals who are unable to eschew the obligations of community development. This latter point is also reflective of the challenges associated with the perceived lack of human resources in regional communities as discussed above.

Thus the data drawn from the focus groups reflects a number of benefits and challenges which relate to festivals and events from a supply point of view. Focus group participants particularly identified benefits in terms of reducing barriers to participation in the arts by members of the local community, and the awareness that additional income to local businesses is identifiable and reportable. However the data also attests to the fact that regional festivals can result in a sense of dependency and obligation, as well as the fact that a reliance on a small number of individuals and volunteers is markedly unsustainable. These limitations can also be linked to the fact that regional arts communities are often characterised by limited financial and human resources.

5.7.3 - Relationship between Public and Private Cultural Agents

Data presented and analysed in this section shows that the current relationship between the arts community and local government is characterised by segregation and a lack of cohesion, which hinders the productive supply of creative arts in regional communities. This section will also demonstrate the view of participants that by reducing segregation between public and private agents, and creating a more cohesive symbiotic relationship, the supply of the arts in regional Victoria will be strengthened, resulting in myriad benefits for communities, and particularly for the suppliers of creative arts in these communities.

This section of the data analysis begins with a very succinct depiction of the current relationship between local government and local arts workers in regional communities, which identifies the breakdown in the public-private relationship leading to a less productive supply relationship:

“I think you've got the top-heavy government funded council run group here and then you've got the community group here. Every once in a while, somebody throws a rope from one bit to the other, but then sometime down the track that rope gets cut and the community guys rely on themselves and they keep running. I admire what they do here and I know even the gallery here has limitations on what they can do and how far they can go. However, it tends to be a bit of 'us and them'. (Participant, Shepparton FG 1).

Current Challenges

The focus group data also produced a number of specific excerpts which cast the relationship between local government and regional creative arts in a negative light. Many of the focus group participants perceive that their respective local governments thwart the supply of the arts in their region:

“I think the barrier is the council, who in a sense haven’t engaged with the arts particularly in this region, and don’t see it as a priority in any sense, and I think they’re missing out tremendously. Obviously I’m from a biased point of view ... but if you look at the growth of any town in any area, you know, like Yarragon or like Daylesford or whatever, it’s on the back of the artists or the crafts people of that area and I don’t think they’ve engaged that. All I can see when I read the paper is industry and fishing ... and that sort of thing” (Participant, East Gippsland FG 1).

“I’m not saying I’m blaming council. They are the ones who stood for election. I mean ... you just need the right people and maybe the right people aren’t necessarily out there” (Participant, East Gippsland FG 1).

Furthermore, the data highlights the perception that the supply of arts is hindered insofar as being a lower priority when compared to other community sectors with which the arts are in direct competition for scarce government funding:

“Oh, we could just put in a great big vote for more money for art instead of recreation, sport” (Participant, East Gippsland, FG 3).

“They’re going to say - ‘no, no, we’re going to give it to the footy clubs and the soccer clubs and the things that gain the political vote” (Participant, East Gippsland FG 3).

Thus a number of negative views regarding the issue of the relationship between government and the arts community are apparent. However, it is important to highlight the fact that there were a number of instances where focus group participants recognised that their local government did acknowledge the importance of regional arts, and were working to develop the arts community.

“I think ... there is recognition [from] Shire that the arts are important I don’t think it comes from on high from council particularly, though. ... I’m just talking personally within our town again, how they see it and how it could develop. I think they do see arts as being something very relevant to our town and [how it] could be, not the saviour, but certainly how it could move into the future” (Participant, East Gippsland FG 1).

More specifically, one participant noted that government was aware of the benefits brought to a regional community through hosting an arts festival:

“But I think the shire has recognised [the value of the arts]. Say when the Mallacoota

[festival was running] - they recognised it was a good festival, had been going for 25 years or something and it was worth supporting because it just brought so much to that community” (Participant, East Gippsland FG 1).

Creating Stronger Public-Private Relationships

A lack of cohesion and synergy between local government and the private sector arts community is a central barrier which can inhibit the supply of creative arts in regional communities. The data demonstrates that the current relationship between the public and private arts sector is unproductive, in addition to an awareness that increased collaboration and partnership between the two groups would mitigate much of the “us and them” mentality which hampers the supply of creative arts in regional Victoria. One participant states, with regard to the reluctance of local government to engage with the arts community:

“Everybody in the Shire knows all of us, and they do look sometimes and they say, ‘Oh, no, here they come again’ but this is who they should be going to - the art community. They should be looking at all of our options and say how can we do something ... to make it look dynamic and inviting and energetic and they’re not (Participant, East Gippsland FG 2)”.

Furthermore, two participants remark as to the nature of the division between local government arts administration and community artists and arts workers:

“I would say there is the ‘goldfish art’ and the grass-roots art. When you look at the situation and you find the ... organised, supported ... galleries there, and it expresses specific taste - and you have the community artists who are struggling, really ... You have the official one and the grass-roots one” (Participant, Shepparton FG 1).

“So there is that disconnection between what is official and what is on offer ... not to mention the local artist. There's segregation” (Participant, Shepparton FG 1).

Data is also prevalent from the focus groups in terms of perceived benefits of strengthening the public-private relationship. Notably, focus group participants appear aware of the potential benefits of local government’s engagement with the arts community:

“If shire or council engaged more with the art community, the benefits - I mean, you can just look at what ‘The Nudes’ have done for Nowa-Nowa and you know the building of the sculpture trail and the money we’ve recently got through Vic Roads” (Participant, East Gippsland FG 1).

Encouragingly, data reveals that strategies are beginning to develop in order to create partnerships which link regional creative arts supply with other sectors of the community. This is seen as a considerable development in terms of improving the supply of regional creative arts, and as the following quote demonstrates, fostering partnerships can have specific advantages with regard to making financial resources more available to the arts community:

“But what we’re working on at the moment is a strategy - and one of the big points in that is making partnerships. And I know that’s a real cliché, ‘making partnerships’, but it’s true as you were saying before, they’ve now got an economic development board and they’ve set up a tourism board. Now, we [the arts community] will be crossing through all those and hopefully the tourism board and the business associations can throw some money into the bucket for arts or a festival or whatever” (Participant, East Gippsland FG 2).

The following extract further acknowledges the perceived benefits associated with building stronger relationships between the private sector arts community and local government, and reiterates the view that this relationship is beginning to build:

“There definitely is a lot of strength in the community arts. ... Certainly it would be strengthened by stronger partnerships with government. ... Having said that, I mean, some of the festivals have been supported by funding from State Government bodies for a long time. Mallacoota was supported for 25 years by State, and a little bit by local governments as well, but not much to speak of ... It definitely would be strengthened with increased partnership and support from local government and we’re starting to see that” (Participant, East Gippsland FG 2).

Finally, the data demonstrates a view that the relationship between local government and private sector arts professionals must be symbiotic in nature. Specifically, in terms of working towards arts funding within a community, one participant notes that a shared approach towards capitalising on opportunities is required:

“If you apply for funding, say from the regional arts fund, that funding will only be successful if there is a broad community project and a broad community basis for the application. So you need to have a strong arts community in order to put up an application to develop your arts community. If local government applies to the regional arts fund for something to try to develop or create something within the community, it will tend not to get funded because there's a feeling that the local government has its own funding sources and its own responsibility. If there is in fact no arts community in a community, there's no means to get funding to create an arts community in the community. That's a very, very difficult hump to

get over” (Participant, Shepparton FG 2).

Independent and Arts Specific Bodies

One opinion which emerged from the focus group data was that a more effective means by which to strengthen the supply of creative arts was to empower community groups which have an arm’s-length relationship with local government. Similarly, focus group participants spoke of the benefits of working with local government appointed groups or individuals who carry out a specific arts advisory role. Such initiatives are seen as being advantageous in terms of the delivery of arts and culture, as it is seen to mitigate the difficulties associated with traditional views of government bureaucracy:

“We have a unique representation - we’ve got somebody from the shire as well as myself from an independent arts body, and if we don’t take it on ourselves, through the independent arts body, it doesn’t happen with them [local government], because the shire ... it’s a bogged down infrastructure” (Participant, East Gippsland FG 2).

Participants also recognised the value of other arts bodies such as arts advisory boards, appointed by, and reporting to local council. While the data reflects a broad perception that local regional councils are often unsympathetic towards the arts, discussion of specific arts advisory boards appears more positive:

“And I think there is a vibrant arts community and council have appointed an arts advisory board in the last year, which is in my mind doing an excellent job - I don’t think the results are going to happen within a year or so, but hopefully down the line, you know” (Participant, East Gippsland FG 1).

However, one final quote demonstrates that the value of such organisations as effective mechanisms in supporting local creative arts can be contentious:

“Respondent 1: One of their bits is saying that they will take the advice of this board. I mean, they haven’t given the board any power.

Respondent 2: But they have said they will take on the advice of that board and that is a pretty big step” (Participant, East Gippsland FG 2).

5.7.4 - Economic and Social Benefits Associated with the Arts

The focus group data highlights a number of excerpts which emphasise both the economic and social benefits of the arts to regional communities. The notion that the arts community need to report the economic value of regional creative arts in order to convince local

government of their contribution to the community is emphasised by one participant, who states:

“So I can say [to council], okay, if we ...support this event for \$10,000 or whatever, then this is ... the economic impact for the rest of the region and so, you know, they can't argue with figures (Participant, East Gippsland FG 1)”.

Participants recognised that the contemporary regional arts environment stresses the economic impact of creative arts, which operates in addition to the social and cultural aspects of the arts. However, as participants observe, the economic benefits and the social or cultural benefits often operate in opposition to each other:

“We are operating in an environment where the economic values are more important than the social values, and you will find most government departments, the head of departments is an economist, rather than someone trained in health or welfare or transport or education or whatever. That has been the mood since about 1974” (Participant, Shepparton FG 2).

“We could go to the shire with numbers and dollars and figures and go: “this is what it actually does.” You know, this is your economic impact, blah, blah, blah, blah, blah. This is the language you want to hear. You don't want to hear about how the community is healthier and you know we all feel better about living where we live, because we practice in art” (Participant, East Gippsland FG 3).

Subsequently, the data reflects a difference of opinion amongst the suppliers of creative arts in regional communities as to whether such a change in focus towards the economic benefits associated with the arts has been a positive one or not. The following extract highlights the benefits associated with measuring the economic impact of the arts in regional communities, as well as asserting that the economic benefits are inherently linked to social renewal and community development:

“In this shire, the arts program is in the services department and is therefore connected to things like community health, aged, children's services, family services ... they will allow it to be sustained when somebody is able to go to the economic hard-noses, and say “despite all those touchy, feely benefits, there is also an economic benefit, and the economic benefit is measurable and we can report it and we can demonstrate what happens in a community that doesn't have it”, so there is strong statistical evidence to show that in major urban renewal projects overseas in the UK and the United States, that spending on the arts has gone hand in hand with economic renewal and social renewal” (Participant, Shepparton FG 2).

Conversely, focus group participants argued that despite the value of economic impact in convincing local government to support arts projects in regional communities, the focus should be brought back to the “touchy, feely”, or social and cultural benefits:

“The cultural side of these towns and what volunteers have done within these towns ... gives people a reason to live there, and you know, heightens the way they feel about themselves But I think it needs council to recognise how important that is, not only to the communities but to the greater regions” (Participant, East Gippsland FG 1).

Thus this section of the data analysis concludes that, while there is some recognition that local government has started to recognise the benefits of the arts to a community, in particular the economic benefits, there is a perception from the arts community that the relationship between ‘grass-roots’ arts professionals and local government is not functioning at an optimal level. However, it is important to note that there is some evidence which suggests that the relationship between local government and regional arts professionals is beginning to show signs of positive development. This research asserts that the supply of regional arts would benefit significantly through strengthening this relationship and fostering growth. One way in which this relationship may develop further is through the mechanism of arts bodies with an arms-length relationship to local government within communities, or council appointed bodies with arts-specific mandates and responsibilities.

5.7.5 - Retention of Youth

The retention of younger regional residents is one of great importance to communities, who currently face the challenge of the “exodus of ‘regional youth’” (Gabriel 2000, p.1). This section intends to demonstrate that encouraging participation in the arts is one way to retain younger members of regional communities, which would have positive community and economic benefits. The issue of retaining youth has been selected for analysis as it is viewed as the foremost way in which arts communities can become sustainable in the longer-term.

The current situation with regard to regional youth is seen to be one whereby younger residents are lured away from regional communities in favour of larger cities. As one focus group participant notes, a lack of employment opportunities in regional communities is a significant catalyst which prompts youth migration towards metropolitan areas:

“We were talking about succession planning before, I mean, because there’s limited

employment in a place like Mallacoota most of the kids have to leave to go to [university] and then they head off and don't come back. And yet if they do come back, there isn't actually anything for them to do" (Participant, East Gippsland FG 3).

One succinct, albeit blunt, observation from a focus group participant neatly summarises the need to emphasise the arts in regional communities, as well as highlighting the urgency of the current situation:

"They go to Melbourne or they die, and once they go to Melbourne, they've gone to Melbourne, and they usually don't come back" (Participant, Shepparton FG 1).

The decline of regional youth populations can be slowed by placing an emphasis on creative arts, not only from an audience point of view, but as a means to empower regional youth. As one participant notes:

"But there needs to be more here if they don't want to go to Melbourne and that's what the real gap is. ...Yeah, that's a huge thing. The rural decline thing is a huge issue in East Gippsland but ... empowering young people to kind of do it themselves, I think is the biggest thing, that's a real gap. Like there's a few young people that are really interested, but they do need support to be empowered to go and ... run a youth festival" (Participant, East Gippsland FG 2).

This was stressed by another participant, who perceives that the provision of training opportunities in the arts sector is a means to retain regional youth:

"That's when you're starting to build your [skills] base. That's when you're getting you know, local people interested in the arts - and if their kids can train in theatre, you know, lighting, all those technical parts, too (Participant, East Gippsland FG 2).

Indeed, the current lack of training and education opportunities in regional areas is seen as a barrier to the long-term viability of regional areas, insofar as younger members of the population so often migrate to metropolitan areas. As participants observe, there is a need to provide more training opportunities:

"We only recently have developed any sort of university or tertiary presence, and that presence at the moment is relatively small as against Ballarat University or Bendigo University through La Trobe [university]. As a consequence there isn't that chunk of young people in the community who are often the drivers of [cultural] activity" (Participant, Shepparton FG 2)

“But what happens to those kids? If they're really good, they'll get a place in an art college in Melbourne. They're off to Melbourne and that's the end of them. They don't even come back” (Participant, Shepparton FG 1).

In addition to establishing a tertiary education presence in order to encourage younger people to remain, or even migrate to their community, arts and culture has been the focus of community strategies to retain the youth population. Mentorship programs in the arts within the local communities were identified as one means through which to retain youth, and nurture the interest of young members of the population:

“I've got a seventeen year-old son who wants to be a director. There's no way he's ready to leave home ... And so I talked to [name omitted] and others about, you know, having mentoring opportunities, so he can stay here and learn from the locals, which is great ...” (Participant, East Gippsland FG 2).

“The mentoring program works, which is why [name omitted] and I were talking about it. It does work; it does work, because they're finding [role] models that they didn't know existed” (Participant, East Gippsland FG 2).

“We've got a lot of really talented people here who could be passing on some of their skills and even starting up initiatives for employment creation with youth, but I don't think that's really been developed as far as it could (Participant, East Gippsland FG 3).

Similarly, in Shepparton, the community actively promotes a cultural program in local schools. This is seen to have had positive results, and in addition to bolstering youth arts participation has led to a ‘transference of behaviour’ from children to their parents in terms of appreciation for, and participation in the arts. However, from an audience development perspective, the 18-35 year old market is regarded by interviewees as being disaffected and resistant to traditional marketing tools. As such, as per the discussion above regarding reducing barriers to participation, coupling a cultural event with some other social activity has been noted as one method to overcome the difficulty in attracting the younger market to performing arts events.

In East Gippsland a considerable youth advocacy program was also identified. Youth ‘CAAB’, or ‘Community Action and Alliance Building’, is an initiative which aims to create sustainable opportunities for young people in East Gippsland, by fostering community partnerships, and nurturing a youth presence within the community. The ‘CRAYV’ (Creating

Real Actions with Youth Visions) committee, an initiative of Youth Community Action and Alliance Building, has had a significant arts focus including a digital arts tour of the region, and the construction of a youth website.

The data shows an overwhelming need to retain youth populations, which is central to the long-term viability of regional communities. This research asserts that the retention of youth through involvement in the arts could have a broad range of benefits including community vitality, reducing aging populations of rural areas, and promoting employment in sectors other than primary industry, in addition to supporting the long term sustainability of regional arts communities. While extracts from the focus group data reflect a broad awareness of the need to retain younger residents, statistical information from focus group participants demonstrates that there are no younger artists practicing in the areas under investigation. From the point of view of community development, arts-based strategies to retain youth populations can be seen as immediately important. From the focus group data it has been demonstrated that skills development in the arts, and the fostering of mentorship programs are ways in which to promote youth retention in regional communities.

5.8 - Community Development Framework

The data analysis above has highlighted a number of issues and recommendations from which the basis of a regional community development model through the arts could be developed. Focus group data analysed in this chapter has demonstrated the potential for the arts to introduce or further cultural tourism in a region, and has demonstrated that the arts can be an integral means to espouse and manifest the 'sense of place' of a region. Moreover is the view of this research that the arts can play a significant role in engendering tourism to regions not typically perceived as holiday or tourist destinations.

Secondly, and relating to regional tourism, community arts events such as festivals are regarded as heralding benefits for arts practitioners, local arts businesses and the community as a whole. Focus group data demonstrates that arts festivals can be used to increase participation in the arts by making local residents more aware of the cultural program which is on offer in their community, and by reducing psychological barriers to arts participation. Moreover, in addition to generating a wider interest in the arts among local residents, regional communities could benefit through an increase in cultural tourism from attendees outside the region as a result of a local festival or event. Similarly, a festival or event would raise the profile of a regional community by emphasising its vibrancy and creativity, and could have tangible benefits in terms of acting as a driver for cultural tourism. However the data from the Mallacoota festival demonstrates that a sustainable festival

model must be developed, which does not rely solely on a small number of volunteers or organisers. Moreover, it is important that local arts professionals and local council work in conjunction with each other in developing such events, in order to improve the cohesion between local arts practitioners and local government.

Thirdly, this research argues that the relationship between regional arts workers and local government plays a pivotal role in the community development framework. The data discussed in this chapter highlights the need to foster a more cohesive public-private relationship. The current situation is seen to be characterised by an 'us and them' relationship in terms of the allocation of resources, as well as the perception that arts programs run by council are distanced from 'grass-roots' arts practitioners. Creating a more productive, open, reciprocal and progressive bilateral relationship between these two groups is central to community development through the arts, bolstering the supply of creative arts in regional communities. The focus group data highlights that one way in which to develop a more workable public-private relationship is through specifically appointed arts bodies, or bodies with an arms-length relationship to local government.

The final aspect through which the arts can be applied as a tool for regional community development is through a focus on the retention of regional youth. The data analysed in this chapter highlights the fact that regional populations are losing a significant proportion of their youth to metropolitan areas, largely on account of the limited options in terms of employment, education and training (Kirstein and Bandranaike 2004). This chapter upholds the view that regional communities must endeavour to promote and market the arts to younger residents. Particularly, training of younger residents in the arts is viewed as an important community development measure, which would considerably benefit the long-term viability of regional arts. Moreover, added interest in the arts by younger residents, and the development of an arts community would lead to a more vibrant sense of place and more dynamic communities, which would lessen the likelihood that youth populations would migrate to capital cities.

This section has thus demonstrated a number of key areas for growth at the community level, and has demonstrated several ways in which the arts can be applied to achieve intersecting community development aims in regional Victoria. The following section addresses the supply of creative arts from a business perspective.

5.9 – Characteristics of Regional Arts Small and Micro-Businesses

Having discussed pertinent aspects regarding the supply of the arts at a community or

regional level, the focus of the current section is on describing and discussing key characteristics of the supply of regional arts at the small and micro-business level. The purpose of this section is to outline aspects of current regional arts business practice, and make key recommendations towards outlining a best practice business model for regional small arts business and micro-business. Data will be drawn from the focus groups and analysed in order to demonstrate ways in which businesses currently operate, as well as highlighting areas for improvement. While this section is focused upon describing creative arts supply and areas for growth from a business perspective, arts businesses are clearly still affected and influenced by the characteristics of the operational environment described above.

Concerning current business operations, key themes which emerge include the dichotomy between art and traditional business principles and practices, the reliance on volunteers and the difficulty in marketing of artists and arts businesses. Regarding areas and strategies for growth at the business level, this section will highlight opportunities for new venture creation, and asserts that professional regional arts workers would benefit from business training, exporting regionally produced art into new markets, embracing the Internet as a business tool, and producing art which is accessible to the local population.

From the quantitative data collected from focus group participants, it has been shown that artists and arts business proprietors in regional Victoria are more likely to be female, aged 30 or older, be principally involved in the visual arts, be selling or presenting their art in multiple markets, and have limited knowledge or experience in operating a business. In addition, practicing artists and business proprietors are unlikely to be of Aboriginal or Torres Strait Islander background, and are likely to be earning less than \$10,000 per annum from their arts-labour. The notion that regional arts professionals are also generating low revenue resulting from arts labour is also demonstrated in the qualitative data. The following quote from the focus group data echoes the weak version of Throsby's (1994b) 'work-preference model' where financial necessity causes regional artists to separate their time between art and other endeavours:

"You are trying to make a living and making a living not from your art at all so your art gets squeezed out. [name omitted] certainly expresses that view by the time she's done projects and done things that put food on the table, she's squeezed for the amount of time she can contribute to art" (Participant, Shepparton FG 2).

Thus, based on the sample, a number of broad characteristics are discernable. It is the

purpose of the focus group data analysis to gain a deeper understanding of the way in which arts businesses operate in regional Victoria, from which point a number of conclusions can be made regarding strategies to create a more prolific arts supply environment from a business perspective.

5.9.1 – Is it Business or is it Art?

The first business-oriented issue to be discussed surrounds the notion that many arts professionals are still resistant to the idea of operating in a traditional business sense. This is an issue which is explored in Gursoy et. al. (2004), who (among others) assert that arts professionals can be resistant to the notion of adopting a traditional business approach to their work, as they fear that the community involvement and control over the arts will be repealed if a business-logic and approach develops. Focus group data highlights two cases where this view is upheld:

“I don’t necessarily agree with you, though. I don’t necessarily agree that art should be looked at as a business, totally. I think it needs to be almost within the same boat as the community health centre. I think people’s soul and minds are as important and the engaging of expression is as important as, you know, your physical well-being” (Participant, East Gippsland FG 1).

“And once again, using ‘The Nudes’ as an example, where our objective isn’t to make money. It’s not a business opportunity, it’s to put something on for the community and support the artists in the area” (Participant, East Gippsland FG 1).

Moreover, the data also shows a disparity between profit-making businesses and the perception of regional communities as places where goods and services have been traditionally given away. While not specific to creative arts, as one participant notes, this can be a limitation to business operation in regional communities:

“Unfortunately, in a community like this, so much is given away for free ... but at the same time there is a limit of how much you can give away for free, as we all know and because generally you have to charge for things and then people aren’t used to having to pay” (Participant, East Gippsland FG 2).

While the opinion that arts businesses should not operate in a similar fashion to other businesses with regard to extrinsic financial motivations is pervasive, the data also demonstrates that this reluctance to adhere to principles of business is a limiting factor from a sustainable supply point of view. The need to create a balance between profitability and

maintaining the intrinsic sense of creating art was described by two participants, using regional festivals as a model:

“If there was a [strategic] model for the festivals and ...events [that] would be fantastic ... ‘Oh, strategic planning’, ‘oh, a marketing needs analysis’. You just don’t hear those things much. It’s just ‘let’s run an event and all have a good time and get burnt out’. Whereas, [it would be better] if you did a bit more of that sort of planning ... and saw it as a bit of a business ... keeping the balance between [operating as a business and] being an arts and cultural event” (Participant, East Gippsland FG 2).

“And I think it’s a real deficit with festival organising, that it’s not seen as a business and in some ways that’s good, because it’s not. A lot of the festivals aren’t run as an opportunity for making money, but certainly if they come out with a bit of surplus, which means that next year is easier and they can employ a coordinator for the first time, I mean, [we need to adhere to] these business principles. I think there’s a huge, huge gap, because it’s all volunteers” (Participant, East Gippsland FG 2).

In addition to the business ethos of regional artists, festival organisers or arts business proprietors, the data also highlighted that many artists do not have the skills, or inclination to operate a business in addition to the creation of their artwork:

“But they are more concentrated on producing the art rather than have to worry about running the day to day running of the business” (Participant, Shepparton FG 1).

“There are two specialist animals: one is the producer of the art and the other is the person who is selling it” (Participant, Shepparton FG 1).

While the data asserts that there is a pronounced difference between ‘art’ and ‘business’, one participant felt that making a living through art did not have to come at the expense of creative freedom. The following excerpt shows that artists and local businesses could benefit from integrating the commercialisation of their art into their business model, which can operate concurrently with the creation of art as an intrinsically satisfying aesthetic product:

“There are two sides, very much. You look at something. At the moment I’ve got something with a brochure in mind, with a view to selling that brochure to a couple of organisations. That’s commercial – ... You create a picture with that view in mind. On the other hand if you see something that is rather unique or something that just catches your eye, you take it for you. So there [are] very definitely diametrically different ... approaches” (Participant,

Shepparton FG 1).

5.9.2 – Reliance on Volunteers

As per the discussion regarding community development through the arts, the issue of reliance on volunteers is analysed here in the context of regional arts business models. In this case, with regard to the business principles of arts supply, several participants highlighted the fact that paying volunteers would upset the status quo:

Participant 1: I don't know that that dynamic is ever going to change. If you paid volunteers to do what volunteers do -

Participant 2: And I think it's wrong to. I think it's important that it's [run by volunteers] because just getting paid for something creates angst within the community. You know, 'why are you paid'?

Participant 3: We prefer not to be paid. No one in our group gets paid (Participants, East Gippsland FG 1).

However, while some participants felt that paying volunteers would be an unfavourable solution, the data also shows that many artists and arts workers are aware of the reliance on volunteers in their business operations; many identifying this as a hindrance:

"And we are stymied because we are a volunteer group and I mean, I need to earn a living as well, so I can't put in - I mean I would love to put in 30 to 40 hours a week on the Arts Alliance but I don't have 30 or 40 hours a week available" ... "We really rely on volunteers" (Participant, Shepparton FG 1)

"Somebody has to hold up their hand and say yes, I'll do something, and it gets quite onerous at times. ... But I mean, these are the things that keep small communities going, small cells inside the community, but it's all volunteers ... very few things are paid. Nobody has got the money to pay for it" (Participant, Shepparton FG 1).

The significant reliance of volunteers is an issue which limits a sustainable and profitable supply of regional arts labour. While it is a challenging issue to resolve if it is seen as being linked to a lack of financial resources - if regional arts supply is to become economically more robust, it is also important to diminish the view that arts workers prefer not to be paid for their services. As proffered in (Herbert-Cheshire 2000) the entrepreneurial spirit should be fostered, replacing the 'victim-rescuer' relationship so often found among artists and arts businesses reliant on government funding.

5.9.3 – Marketing of the Arts in Regional Victoria

The data reflects a need to focus on increased marketing of the arts in order to capitalise on tourism and increase local arts participation. Moreover, this research emphasises the need to include the use of the Internet and related resources as part of a marketing strategy for regional small and micro-business in the arts sector.

The perception that regional artists and arts businesses would benefit from increased marketing was articulated by a number of participants. In the following excerpt, it is believed that marketing of the arts should be the responsibility of local government:

“But in every community [increased marketing] would be a huge advantage. That’s something that maybe also the council or shire could offer ... someone who ... enjoys ... producing the brochures and the articles and the constant keeping it in people’s mind [things are] happening” (Participant, East Gippsland FG 1).

Another participant held the view that it was the responsibility of community groups such as Arts Network East Gippsland (ANEG) to promote and market local arts among the wider community:

“I imagine that’s ANEG’s call to promote the arts or find ways of promoting the arts in the region [and] across the region” (Participant, East Gippsland FG 1).

In addition, the data shows that marketing of regional creative arts is made more difficult on account of the fact that the requisite skills are not present in the community. This limitation placed on the supply of regional creative arts is clearly linked to the issue of human resources within the local community as discussed earlier:

“I think marketing expertise too is an issue that is - you don’t have access to people who have got a broader marketing expertise and if there is one in the community, you don’t necessarily know who that is” (Participant, East Gippsland FG 2).

Difficulty in Utilising Mainstream Media

Thus the data has outlined the need for more effective marketing of the arts, and suggested that a lack of human resources equates to a lack of marketing expertise in the community. In addition, several extracts from the data highlight the fact that one of the major weaknesses in terms of marketing is that regional artists and arts businesses often encountered barriers

to market themselves in traditional, mainstream media and advertising:

“I’d really like to see better media about regional events. That’s my big bugbear ... Fairfax [John Fairfax Holdings – Media Group] never run anything that I send them about ‘The Nudes’” (Participant, East Gippsland FG 1).

“I just think regions need to unite across the State and say ‘we have content that you should want and we shouldn’t have to beg for coverage’. You should actually be saying what’s happening out there this week and [adopt a] state-wide marketing approach” (Participant, East Gippsland FG 1).

“As an economic rationalist who’s been in marketing for a long time, I think the sad reality is that for those networks across the State, unless they actually can put their hand in their pocket and come up with advertising dollars that says we’ll do this amount of advertising and we want you to give us some [advertising] space, it’s always an uphill battle It’s very hard to push some of those good news stories” (Participant, East Gippsland FG 1).

“I still think metropolitan media needs to be convinced that people come to the country to see our culture and people are happy to read about it (Participant, East Gippsland FG 1).

“And there’s no reason why the ‘Good Weekend’ [a section of ‘The Age’ newspaper] and the Sunday magazines and all those sort of things shouldn’t be giving more space for places to go across the state, you know. There’s also a readership out here ... I just think there’s a bit of marketing to be done in a clever, fun way, that says we’re not all hicks, with crappy CWA [Country Womens’ Association] exhibitions” (Participant, East Gippsland FG 1).

As mainstream media appear reluctant to publicise content relating to regional arts. there is a need amongst the suppliers of arts in regional communities to find a more effective marketing strategy for their arts, The following section highlights the benefits in terms of using the Internet as a marketing device for regional artists and arts businesses.

Based on the statistical and qualitative data collected from arts professionals in East Gippsland and Greater Shepparton, a number of business characteristics have become apparent. Arts businesses can generally be regarded as being reliant on volunteers, inexperienced and having little experience running a business, often facing difficulty with regard to marketing and promoting themselves, and being driven by factors other than financial reward in operating their business.

5.10 – Strategies for Business Growth

This section draws from examples in the data in order to make recommendations for business growth among regional Victorian small arts businesses and micro-businesses. Specifically, this section addresses opportunities for new venture creation in the regional Victorian arts market, in addition to devising best-practice business recommendations.

5.10.1 - Regional Arts Market Opportunities

In addition to identifying areas for growth in regional arts business models, it is possible to highlight areas which have been identified as business opportunities. The two gaps in the arts supply market in regional Victoria appear from the data to be privately run exhibition or performance space, and the need for roles such as agents to assist existing artists and arts businesses in selling their art.

Arts Agents and Support Roles

One interesting point to emerge from the data was the need specified by the arts community, for agents and service roles to support local artists. This can be seen as being linked again to the notion that the regional arts community is often limited by a lack of skill in effectively marketing and selling their art. Regarding the notion that regional communities could benefit from having arts agents and similar professionals, one participant noted:

“[In another, more remote community, artists] said to me, ‘You’ll have to speak to my agent, because we have agents’ and there are people up there, independent people like ourselves who work in the industry who set themselves up as agents, to help artists find venues and outlets. And so it made me [think that that is] something that I might be able to take on for people and help out with” (Participant, East Gippsland FG 2).

Another participant reiterated this perceived need for individuals or businesses to mediate between artists and others in the market:

Respondent: “But also there is not an agent in the town, there is not a commission agent in the town. Now, this is someone I looked for that can promote me in various forms and know where to go, so that's also important and this is one of the things I see”.

Interviewer: “Okay, so do you think there is a need for somebody to facilitate between the galleries and the producers and the presenters of the art”?

Respondent: “I don’t think there is any question” (Participant, Shepparton FG 1).

Thus, there is an identified need for support roles for regional arts professionals, which would help to streamline business functioning in the context of regional arts. However, due

to the overwhelming number of practicing artists who earn less than \$10,000 per annum from their arts labour, the profitability of such positions is contingent upon increasing artists' incomes, through, for example, sourcing new markets or audiences for the export of regional art beyond the immediate region.

Increased Sales Outlets

Other opportunities for new business development were seen in the data, specifically in terms of providing areas in which to present or exhibit regional arts:

"I think one of the things you notice about Shepparton is that there aren't private art galleries in the actual shopping centre and people have tried that in the past and maybe didn't receive the support. ... As far as the visual arts go there's the gallery, which is fantastic in its support of locals, but there are no [private] art galleries" (Participant, Shepparton FG 2).

Interviewer: Do you think there is any need there or a capacity for new businesses?

Respondent: Always. (Shepparton FG 1).

5.10.2 - More Optimal Business Structure and Entrepreneurial Approach

Notwithstanding the obvious and significant need for more business support and the challenges associated with the regional environment, the data demonstrates that a number of regional arts practitioners are successfully running their own small businesses. While not sufficient to provide a benchmark in terms of a best-practice model, the data gives an insight into ways in which regional artists successfully operate:

Participant 1: "So then you see someone like [name omitted] who is successful because he is able to make that leap and essentially have a gallery which sells his own work".

Participant 2: "That's right, which is great, and there are a few people like that around" (Participants, Shepparton FG 2 - Paragraph 14).

"If you look at [name omitted]'s business in Rushworth, which is not in Greater Shepparton but close, there she has her gallery. She lives at the back of the gallery. She supports herself through taking on projects, chasing grants, as well as working as an artist to create works to sell through the gallery and through other outlets" (Participant, Shepparton FG 2 - Paragraph 52).

The data suggests that entrepreneurial artists who run their own private galleries in addition to creating their own art are performing well from a business point of view. This can be seen as a way of operating and structuring more successfully in light of other points made

throughout the data analysis, such as the divide between council-run arts and grass-roots art, and the limitations associated with sales outlets in regional locations. The two cases presented above also reflect an entrepreneurial ethos which has translated into business success. While still dependent to some degree on government funding, such businesses seem to have rejected the notion of the 'victim-rescuer' relationship between artist and government (Herbert-Cheshire 2000), opting rather to develop their own sales outlets in light of the challenges of limited market size and physical infrastructure such as gallery space. This chapter argues that local community arts professionals who are not interested or not sufficiently skilled to run a small business are not operating in a best-practice capacity. While not a specific method relating to business operations, a more entrepreneurial and professional approach to business is seen as underpinning a best-practice model.

5.10.3 - Exporting Regional Art to Other Markets

In response to the small size of the regional arts market, and the resultant lack of sales opportunities, arts suppliers were seen to be required to sell or perform their product in other regions, such as Melbourne, to increase their potential sales market and mitigate these negative effects. The perceived lack of local, regional outlets for arts sales is identified by one participant:

"Even when you're trying to work as a business you don't have many outlets, unless you're creating your own" (Participant, East Gippsland, FG 3).

One participant offered a more detailed view of ways in which to overcome the size of the regional market and their lack of engagement with the arts, stating:

"I think from a business viewpoint, living this far out from a regional point of view, you need to take into consideration that there's only a small proportion of the target market, as it were, that actually passes your door, and you need to be looking at other ways of getting the product in front of them - Whether that be, as a lot of artists do, and certainly the Nungurnar crew, sending it down to the galleries and so forth, and whether there are mechanisms from a best practice point of view that could facilitate that" (Participant, East Gippsland FG 1).

In terms of creating their own outlets through which to sell their work, the data shows that a number of arts suppliers have resorted to exporting their work to other, more populated areas such as capital cities.

"The majority of their income is through sending their work to major centres" (Participant, East Gippsland FG 1).

“It is within and without [the region], so it goes to Melbourne, Sydney, and Canberra, the galleries there and here as well, but it's not a huge business by any means. If I had to depend on just selling it here, it certainly wouldn't be worthwhile keeping going” (Participant, Shepparton FG 2).

When asked to what extent artists and arts businesses need to export their art into multiple, or larger sales markets in order to be more profitable, one participant noted:

“You have to. And there is also that interesting perception that if you're selling somewhere else, well, your work must be good. If you're only selling it in your own home town, it can't be that great” (Participant, Shepparton FG 2).

It was suggested earlier that the size and socio-demographic characteristics of the local regional arts market, coupled with a pervasive negative opinion towards creative arts, presents specific challenges to arts professionals in regional Victoria. In response to these challenges, one notable and common view which emerged from the data is that it is important for regional artists to export their product into more receptive and larger markets in order to be more profitable.

It must be stated, however, that many arts professionals practicing in regional Victoria do currently export their art beyond the local region. This is attested to in the previous analysis of the quantitative data collected from arts workers, which showed a significant percentage of the sample whose art was sold or performed in other regions of Victoria, in Melbourne, interstate, or even internationally. Thus, while this is not a new finding in the context of regional arts business operations, it is included as a fundamental example of best-practice, and this chapter recommends that those artists who do not currently export their work into other markets should do so where possible.

5.10.4 – Creating ‘Accessible Art’

The focus group data, on a number of occasions, reveals the view that the arts should be made more accessible to their local audience. This can be achieved through creating art that can be appreciated by a wide audience, or by removing barriers to arts participation through combining art with an already existing community activity. The first excerpt notes that specific artists (in this case a prominent visual artist in the region) have made their work “easy to understand”, which has contributed to an increased market share:

Participant 1: “[name omitted] commands a reasonable price for his work”.

Participant 2: “Yes, but very accessible painting though, isn't it? Easy to understand ... it's not especially challenging”.

Participant 1: “No, but it has a market”.

Participant 2: “Absolutely” (Participants, Shepparton FG 2).

This view is reiterated by other participants in the focus groups. Thus the conclusion can be drawn that, in order to increase market share, or audience numbers, artists and arts businesses must as one individual notes “play to the crowd”:

“My experience here is that while it's very, very rewarding at a personal level for a small number of people to bring something that is really challenging, in the long run you can only do it until you disappear down the plughole. In reality you have to play to the crowd, and the crowd will be pretty much singing to the same song when they arrive already. Whether it's the baby boomers still singing '60s songs and want revivals of 'Mamma Mia' [a stage musical] or whether in the arts it's a Leunig exhibition” (Participant, Shepparton FG 2).

Thus, while the data analysis in previous sections underlined the view that regional audiences respond to more challenging art being presented in their community, there is a contrasting opinion which states that the role of artists in regional Victoria is not to push artistic boundaries, but to connect to sentiments or values which reflect that of the regional populus:

“There is no question that if the performance connects to something that people are feeling, you get larger audiences. They like to see something that they kind of already know, so the role of the arts is not to open up new horizons necessarily but to reinforce old prejudices or reinforce attitudes or reinforce positions in the community” (Participant, Shepparton FG 2).

These passages demonstrate that, in the context of artists and arts businesses in regional communities, it is wise to cater to the tastes of their audience. The data shows that demand for the arts will be increased if supply is designed to capture the interests of the community. Thus far it has been asserted that regional arts are likely to be more profitable if they reinforce the values of the community, and if they are easily understood and interpreted by the community. This issue is inherently linked to the discussion of the dichotomy between ‘art for arts sake’ and the arts as a profit-making business. While it can be assumed that artists will have a personal preference for creating intrinsically satisfying art, artists should seek to find a balance between personal satisfaction and the creation of lucrative art. This issue is raised in Ellis (2003), where she states that the ‘dumbing-down’ of art in order to make it accessible can be interpreted in two ways. Using an ‘art tour’ as an example, where

artists invite the public into their personal studio or art space, it can on the one hand be seen as a negative experience – an intrusion with negative effects on personal and creative expression (Ellis 2003). On the other hand, the author states:

“If it is a means to an end – and the end is the improved health of the regional economy and more effective networking between public and private organisations and individuals – then a compromise is no less than a coping strategy that invites a broader audience base” (p49).

In addition to creating art which is interpretable by the local community, the focus group data also shows that the creation of accessible art can be achieved through building an arts program around an activity which is unique to, or popular within the region:

“Yeah, well, there are kids here really interested in surfing and different things ... who have great design skills. I mean, we could be starting up small businesses where it might be printing and creating surf wear out of things like that out of those kind of skills” (Participant, East Gippsland FG 3).

Another example which was offered by East Gippsland participants was to emulate a successful model in Mildura, which is seen to couch its arts program within it's already existing reputation as a 'food and wine' destination. This fits neatly into what Getz (1993) terms a 'targeted benefit'. This is an aspect of an event used to emphasise an aspect of the event or festival program which is unique, rare, or exotic as a marketing tool.

“It needs to be more like Mildura, where it links the food. It links Mozart on the Murray. Things that are there already that are interesting and rich. Every year they have something that celebrates the harvest and so it's not just about the community having fun but it's also about the food” (Participant, East Gippsland FG 2).

The data shows, however, that models which exist in other contexts are not necessarily applicable to the needs of a regional arts business. As one participant observes, a business model must reflect the needs of regional arts businesses, taking into account the unique operational environment discussed above:

“I suppose you can't just take one model and try and make it fit in, you know, 'a - the Australian context' and 'b - the regional context'” (Participant, East Gippsland FG 1).

This notion of 'repackaging' the arts in order to become more accessible, and thus lucrative, is a key aspect of revising arts business operations. In addition to being more profitable for

artists and arts businesses, creating accessible art can also be seen as an advantage in that it may reduce the view of the arts as 'elitist', as described previously.

5.10.5 - The Internet as a Marketing Tool

On account of the aforementioned inability to market themselves through traditional media channels, it is reasonable to assume that the Internet is a very relevant tool for regional arts businesses and artists in terms of marketing their product and widening their sales market. Moreover, given the isolation of regional arts practitioners, increased use of the Internet is regarded as heralding benefits in terms of bridging the geographical isolation of the community in which they work. The following excerpt highlights that the Internet can be an extremely valuable tool for regional arts workers:

“There are definitely barriers to me working here, because of the distance to access venues and things. I have done some work over the Internet illustrating for a web site, so those kind of jobs are great, but you’ve still got to have the context to get that kind of work, so it does involve the networking or finding out how you can sort of, you know, let people know that you’re available to do that kind of work” (Participant, East Gippsland FG 3).

Overall, those who described using the Internet regularly as part of their business felt that it was beneficial:

“I use email a lot. I use websites ... all those sorts of things get a pretty good response” (Participant, East Gippsland FG 1).

However, one excerpt from the data shows that many regional artists and arts professionals face the challenge of not being able to access the Internet:

“Well some pockets within the region, they don’t even get Internet. I mean, there are some communication issues” (Participant, East Gippsland FG 1).

While the issue of business training is discussed in further detail below, the following quote shows that regional arts professionals recognise the value in being able to utilise computer technology as a marketing medium for their work or their business:

“I really think there’s a need for further training, particularly for visual artists, which does apply to other performing artists in helping them to become familiar with digital technology so that they can develop their own promotional tools, whether it be posters or invitations to exhibitions and those kinds of things. I see a need for some training in the use of digital technology”

(Participant, East Gippsland FG 3).

In response to a perceived inability to market themselves through traditional channels, and in order to lessen many of the effects of operating in a regional location, the Internet is regarded in this research a useful business and marketing tool for regional arts professionals.

5.10.6 – Business Training and Skills

The provision of business training is another key area for best-practice. Throughout the data, there was evidence that the supply of regional creative arts was limited to a large extent by the lack of skills present in the community to effectively deliver a regional arts program. Moreover, the data suggests that regional arts professionals would benefit from business training in order to function more effectively. Professional artists and arts businesses in regional communities clearly indicated that they would benefit from having access to relevant resources and being furnished with arts business skills:

“[We need] that sort of generalist role in supporting community with arts endeavours. Like, I know ANEG tries to do a bit ... but there’s just not really a generalist resource role that says let me help tap you into arts resources, arts ideas, arts people, grants and some support for writing a grant” (Participant, East Gippsland FG 2).

Moreover, participants made clear that there were a number of specific areas linked to small business administration wherein a shortage of skills was identified:

Participant 1: “And no one gives you a hand about doing that and you’ve got to hope that your accountant will talk to you without charging you and you know, different situations like that”.

Participant 2: “Yeah, they’re huge responsibilities, public liability and all the other things”.

Participant 1: “Health and safety”.

Participant 2: “Permits” (Participants, East Gippsland FG 3).

While the need for training and skills development is generally acknowledged by arts professionals in the sample, the data shows that in order to be effective, such training must reflect the specific needs of the arts community rather than being too general and thus impractical. A number of respondents highlighted that unfocused, broad business training is often not useful from the point of view of regional arts:

“And that training people for training’s sake, is really - I think everyone’s over that, you

know” (Participant, East Gippsland FG 1).

“I did some business training when I did the ceramics diploma, but I know that it was really very, very basic. It was more involved in writing a good resume, and being able to keep track of where you exhibited and stuff like that. That's what they were more interested in rather than the actual grassroots of it” (Participant, Shepparton FG 1).

Respondent 1: “I think it's more to do with providing training that's very focused on what's needed, so it probably needs to come out of Arts Victoria rather than East Gippsland TAFE or something like that”

Respondent 2: “Art specific rather than generic small business training” (Participant, East Gippsland FG 1).

Moreover, respondents noted that training which is specific to regional communities would be more advantageous:

“There needs to be training, but very specific training and not someone who comes up from Melbourne to tell you about their million dollar event, but someone who has been there, done that, on a regional basis who can walk you through the how and what, you know, so there is I guess you'd call it a bank of skills for someone who is then, having done the understudy, or developed some skills, able to step up” (Participant, East Gippsland FG 1).

On one occasion, the data reveals an example where regional arts professionals have taken advantage of current government programs aimed at new business development. Such programs currently offered by government would be an advantage to artists and arts businesses:

“In terms of trying to develop up the capacity to operate a business, I've done an arts NEIS [New Enterprise Incentive Scheme] program, yeah and so I feel like I've got ... some of that knowledge” (Participant, East Gippsland FG 3).

Finally, while the data acknowledges the need for specific arts business training, one participant held the view that regional artists are time-poor, and it would be too demanding for artists to find the time required to advance their business skills:

“I think like everything else some are and some aren't and I would count myself in the category of not especially skilled at business management, but I know artists who are. Also I think there is the time factor. If you're working very hard to produce your art, it may be very difficult to sit down and do bookwork” (Participant, Shepparton FG 2).

As such, the data identifies an acceptance that professional artists and arts businesses in regional Victoria would clearly benefit from a training program in key areas relating to small business and arts business administration. This is seen as a strategy which could make the supply of arts in non-metropolitan communities more prolific and sustainable. However, it is also clear that such training, in order to be effective, must reflect the specific needs of regional arts professionals.

5.11 - Best-Practice Recommendations

In addition to a community-oriented model of development which centres on regional arts, a number of significant themes have emerged from the focus group data which can be implemented as part of a best-practice business model aimed at bolstering the supply of creative arts in regional Victorian communities. The following section makes recommendations aimed at local artists and businesses, which draws on participants' shared experience, knowledge of existing business strategies (both successful and unsuccessful) and working knowledge of the operating environment. Whilst not an exhaustive list of potential strategies to improve the supply of arts and culture, these recommendations, based on the data generated, are shown to be fundamental ways in which artists and arts businesses can innovate in order to be more profitable and create a more dynamic arts sector in regional communities.

Firstly, underpinning the specific recommendations made in this section, best-practice is propelled by a more professional attitude towards the way in which arts business is carried out. While it has been established in the literature that arts professionals are motivated by factors beyond financial reward (Moussetis & Ernst no date; Paige & Littrell 2002), there is a clear need for regional arts workers to adopt a more entrepreneurial approach towards their business operations and professional endeavours. Significant reliance on volunteers is highlighted as a barrier to best-practice, however given the current lack of resources identified earlier there is no immediate resolution to this issue which can be made in this thesis beyond highlighting the need for regional arts to be more adequately resourced.

Secondly, the data above has demonstrated that a gap in the regional Victorian arts market exists for arts support roles such as agents, as well as an articulated need for private exhibition spaces or outlets in which to sell locally produced art. This chapter notes that the creation of ventures which mediate between the producers and presenters of regional arts and other actors within the market would increase efficiency and profitability in regional arts businesses. This would particularly be the case wherein artists are not sufficiently skilled or

networked to widen their sales market, or to seek new opportunities to present or exhibit their art. Despite the small size of the sector, the introduction of agent-type roles in regional arts would serve to mitigate some of the identified supply barriers experienced by artists, such as a lack of specific marketing or sales skills, the writing of government grant proposals, or sourcing non-local markets for the work of regional artists..

Thirdly, it is asserted that artists will continue to benefit by exporting their goods to other, non-local markets. While this is a more feasible option for some arts practitioners than others, it is the recommendation of this research that artists should expand the location of their sales market in order to generate higher revenues. This could be facilitated by a third-party with contacts in other areas, and is identified as a key facet of a best-practice business model specific to regional arts small and micro-business.

This chapter has also made clear that arts professionals in regional Victoria would benefit by creating accessible art, through associating their artistic product with something already established and popular within the community, or creating art which is 'easily understood' by the community. While there is often a discrepancy between the intrinsic and extrinsic benefits associated with the creation of art, the data demonstrated that artists would be more profitable if they were to create accessible art which is reflective of the values, attitudes and interests already prevalent in the specific regional communities. In addition to improving the profitability of individual artists and arts businesses, the creation of accessible art will be advantageous in terms of reducing the reluctance of the local community in taking part in the arts, and will help artists to nurture a 'sense of place' which could serve as a catalyst for regional cultural tourism.

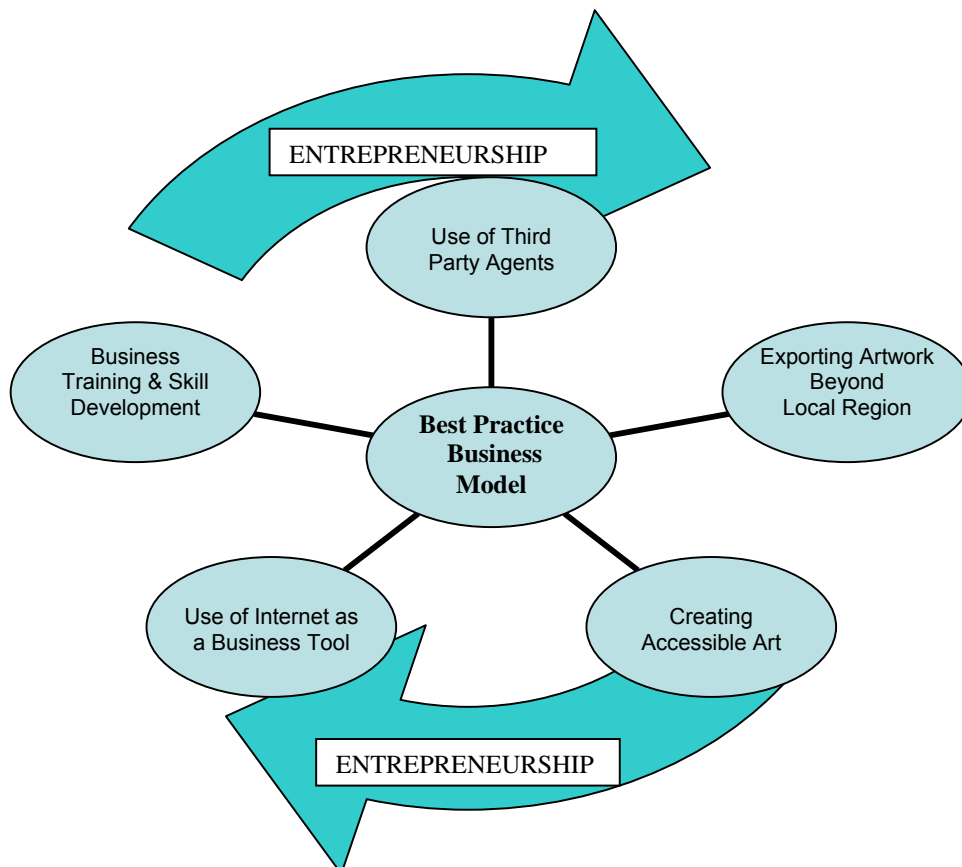
The use of the Internet is also recommended as part of a best-practice business model. It is argued that this would help to broaden the sales market through selling art in an online environment. Moreover, this would improve networking of regional arts professionals, and would provide access to information and resources, which is often made difficult due to the geographical location of regional communities. This research recommends that, where possible, arts workers in non-metropolitan communities should embrace and utilise the Internet as a business tool as a means of strengthening the current supply of regional creative arts. Moreover, the use of the Internet, including the creation of business websites ought to be one focus of a training and skills development program specific to the needs of regional arts workers.

The provision of business training which reflects the complexity and uniqueness of the

regional arts environment is another best-practice recommendation which could strengthen the supply of regional arts. It is the view of this research that, in order to prompt growth in the viability of regional arts businesses. Such training would lessen the gaps in skills, specifically relating to the professional acumen of regional arts workers, enabling the supply of creative arts to function more effectively. Moreover, it is foreseeable that such training could also target those not currently working in the arts, such as regional youth, in order to retain younger residents, and promote the sustainability of regional arts supply in the longer term.

Figure 5 below represents the foundation of a best-practice business model for regional Victorian small arts businesses and micro-businesses. The diagram depicts each of the recommendations made on the basis of the supply-side data collection in regional Victoria. Moreover this diagram demonstrates that the best-practice model is underpinned principles where opportunities are actively sought, sound business practices are employed, and persistence in creating a sustainable business is paramount. The adoption of the five key recommendations which emerged from the data are overlaid on an entrepreneurial foundation.

Figure 5: Foundation of a Best-Practice Model for Regional Arts Small and Micro-Business



5.12 - Conclusion

Using a qualitative set of data coupled with results from a quantitative survey, this chapter has provided an in-depth illustration of the current environment of the supply of creative arts in regional communities. In addition, this chapter has used the results of the qualitative data to make recommendations towards creating and fostering a more sustainable, streamlined, and profitable arts supply environment at both the community small to micro-business level.

In terms of the current nature of supply in regional Victoria, it can be concluded that Victoria faces challenges relating to a small audience and sales market, low resource base, reliance on volunteers, and unsympathetic community attitudes towards the arts. Data also identified the geographical location, or isolation of communities, as being a source of opportunity as well as a limitation from the point of view of the local artists and arts professionals. Regional arts small and micro-business proprietors are seen to be characterised by non-pecuniary motivations and reluctance to adhere to business principles, low incomes, limited skill and experience in operating a business, and are hindered by an inability to market themselves effectively.

Having observed and analysed the current supply environment, this chapter makes three main conclusions and recommendations at the community level, which are as follows:

- Regional communities should, where possible, recognise the value of a key arts festival or event. This research maintains that festivals have the capacity to leverage tourism revenue and reduce barriers to arts participation among the local regional population, in addition to making local residents, visitors, or potential visitors aware of the arts which are currently being created, presented or performed in the region.
- The arts can be beneficial in terms of retaining young populations in regional areas, which would make regional communities more sustainable in the longer term. Promoting involvement in the arts can be a fundamental strategy through which younger regional residents can be encouraged to remain in non-metropolitan areas, which would have many economic and social benefits for regional communities.
- Regional areas would benefit from strengthening and developing the public-private relationship specific to regional arts and culture, where a more productive and inclusive bilateral relationship could translate into the achievement of inter-related community aims, such as tourism and economic development, or community building.

In terms of a best-practice business model, this chapter makes a number of recommendations designed to strengthen and improve the current operations of regional

arts small and micro-businesses, which are as follows:

- Demand exists for both privately operated exhibition space and individuals acting as arts agents or similar support roles within regional communities.
- In response to the perceived shallowness of the local sales market, and in light of the current negative attitudes to the arts, artists and arts businesses benefit through exporting their work to other markets in addition to the local region.
- Regional Victorian small and micro-businesses operating in the arts sector would benefit considerably by creating accessible art, which is either easily understood by the community or linked to something unique to, or currently of interest to the community.
- Regional artists and arts workers would benefit from embracing the Internet as a business tool which could bolster marketing and online networking, as well as reducing barriers to information and resources as a result of their regional location.
- Regional arts small and micro-business proprietors would benefit from specific training and skill development in order to address the current shortage of skills present in regional arts communities and to strengthen the existing supply of regional creative arts.

While it is acknowledged that small and micro-businesses are to a large extent at the mercy of the environment in which they operate (Greenbank 2001), these conclusions broadly reflect that a fundamental aspect of best-practice among regional arts businesses is inherently linked to the adoption of a more professional and entrepreneurial approach to their professional endeavours. Particularly, supply of creative arts in regional Victoria would benefit considerably if the numerous small and micro-businesses currently operating adopted innovative strategic practices (Carland et al. 1984).

Chapter Six

Demand for Creative Arts in Regional Victoria

6.1 - Introduction

From an economic standpoint, demand for arts and culture can be seen as being a particularly challenging issue, and is one which has attracted an ever-growing level of attention from scholars. This chapter aims to complement the existing body of knowledge with respect to demand for creative arts, and to position demand specific to regional Victorian communities within the extant knowledge regarding creative arts demand.

This chapter will depict an economic model of demand for the arts in regional Victorian communities, in addition to highlighting the characteristics, conditions or events which are seen to be related to demand levels. In order to do so, a range of statistical and econometric tests were applied to data collected using a mail-out household survey which was sent to 2,500 households across Mildura, Greater Shepparton, and East Gippsland in Victoria. The regional demand survey discussed in this chapter was designed to collect information which will deliver a broad picture of the demand for creative arts amongst those living in regional Victoria, and was completed by individuals or a representative from households in East Gippsland; Greater Shepparton and Mildura. Specifically, in addition to demographic data, the survey captured data relating to attitudes towards the arts, frequency of participation in the arts, and expenditure on a range of arts goods and services. In addition, through sending the survey instrument to a random selection of households, the survey aimed to collect data from regular arts consumers and arts 'avoiders' alike.

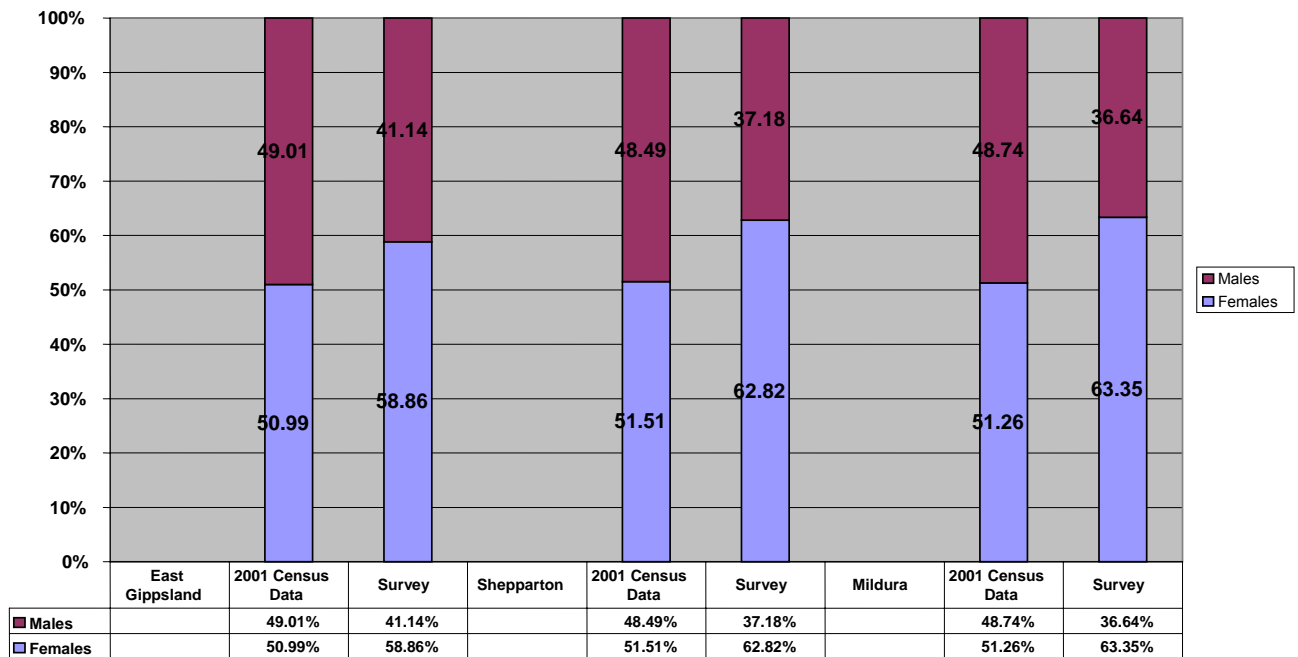
Having tested the demand data for sampling error and presenting a range of frequency tables which give a very broad illustration of general demand patterns for the arts in regional Victorian populations, this chapter will highlight the significant relationships within the data through chi-squared and confidence interval tests, as well as more complex statistical modelling of the ordered response data using an ordered probit. Thus this chapter provides a deeper understanding of the current nature of demand for regional creative arts as measured by attitudes, participation rates and expenditure levels. Results will give an indication of current demand patterns, and will highlight individual characteristics and behaviour which is seen to be related to demand for creative arts.

6.2 - Comparison of Demographic Characteristics

Prior to conducting more sophisticated analysis on the data gathered from the mail-out household survey, it was necessary to divide the data set according to location and compare the key characteristics of the survey data to the 2001 census data (ABS 2002b; ABS 2002c; ABS 2002d). The point of comparison was the 2001 Basic Community Profile of Shepparton, East Gippsland, and Mildura¹⁰, which was used to determine the extent of any sampling error in the demand data, and the extent to which the data is reflective of the wider population of each target region.

In the cases reported below, demographic information was compared across gender, age, Aboriginal or Torres Strait Islander status, place of birth, language spoken at home, employment status, highest education level and income level. This formal comparison of the survey data to the ABS statistics is presented in Figures 6– 13 below.

Figure 6: Demand / ABS Data Gender Comparison

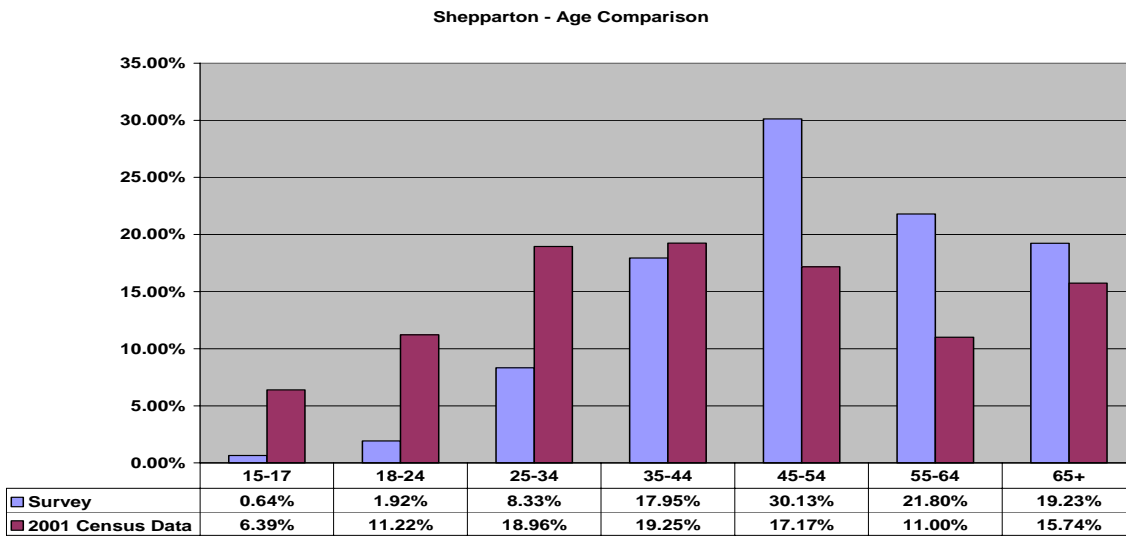
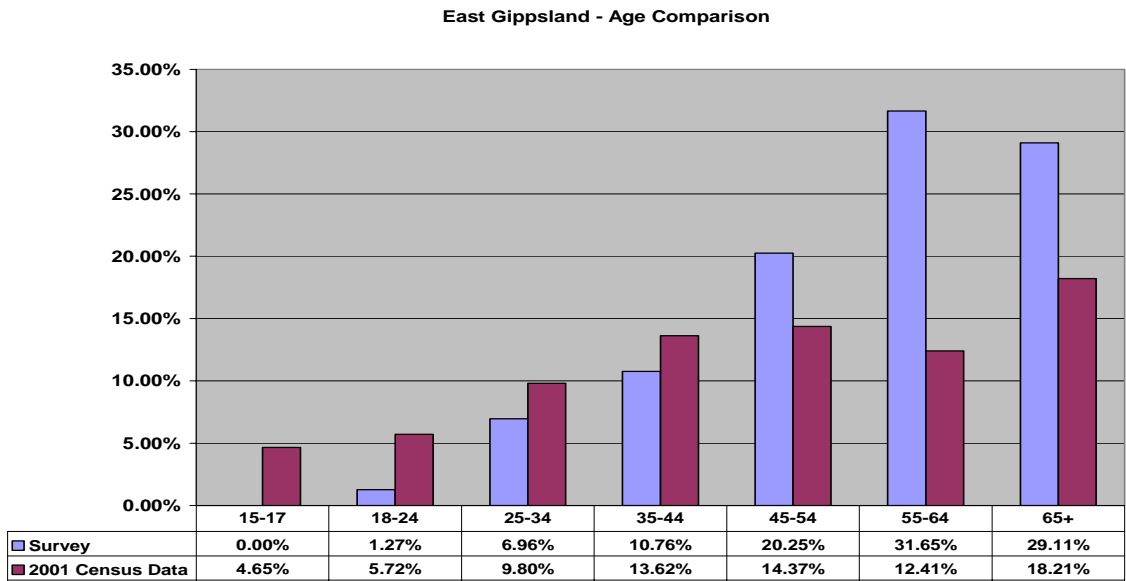


In each of the cases reported above, there is an under-representation of males and an over-representation of females when the survey respondents are compared to the 2001 census data. In the case of East Gippsland the data collected through the survey demonstrates 7.87% discrepancy compared to the 2001 census. This comparative figure in Greater

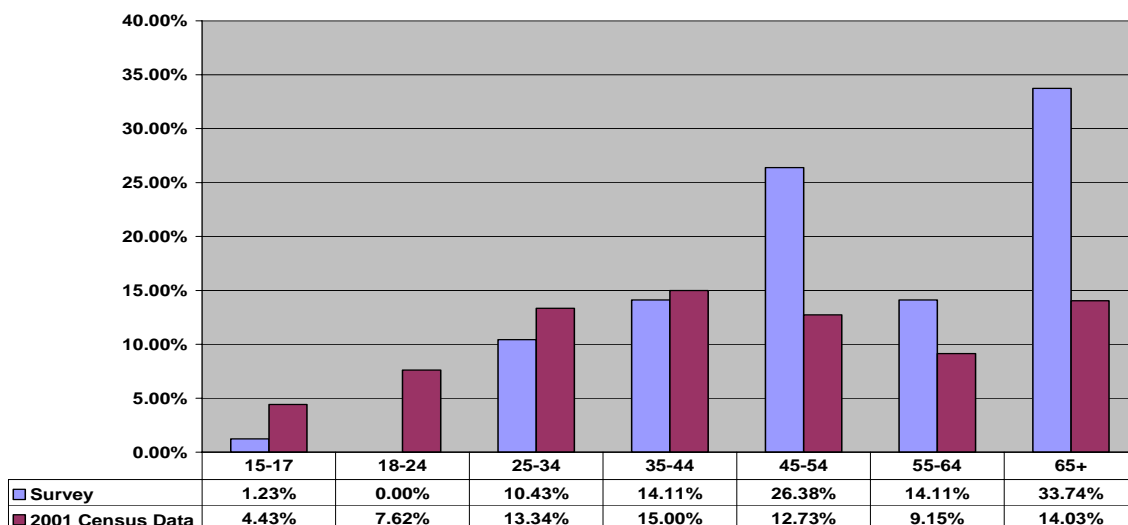
¹⁰ This data refers to the Local Government Area (LGA) of the Shire of East Gippsland, and the Statistical Divisions of Shepparton and Mildura. This differs from the Profiles of the target areas in Chapter 4, where the each of the three relevant National Regional Profiles were analysed at Local Government Area.

Shepparton was 11.31%, while in Mildura it was 12.10%.

Figure 7: Demand / ABS Data Age Comparison



Mildura - Age Comparison

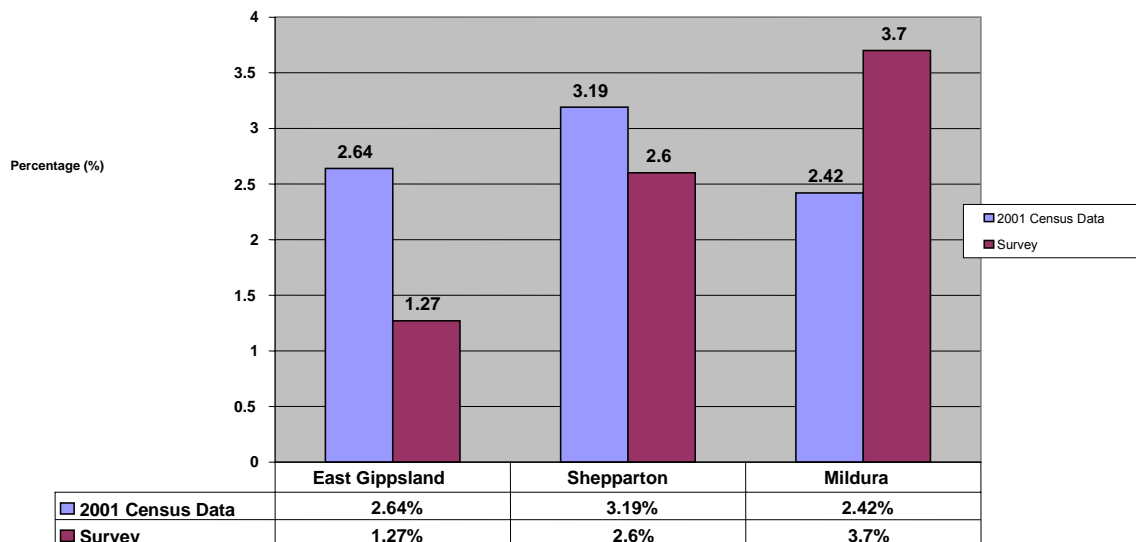


The age bracket tables above demonstrate an under-representation in the survey of regional youth. While younger members of the population in the three target regions are lower on average than other age brackets in the higher end of the spectrum, the youth sampling under-representation must be acknowledged. Observing the lowest age category presented on the survey, there were no respondents in East Gippsland, where the ABS identifies a total of 4.65% of the population between 15-17 years of age. Having said that, of the three regional sites, the sample collected by the survey in East Gippsland is a more accurate representation of the ABS statistics regarding youth population (in this case 18-24). Slightly wider discrepancies are observable in the case of Mildura, where 1.23% of survey respondents identified as being between 15-17 years of age (ABS 4.43%) and 0.00% between 18-24 (ABS 7.62%).

The most significant sampling under-representation in the three sites is observable in Shepparton, where 0.64% of respondents are in the 15-17 age bracket (ABS 6.39%), and 1.92% as opposed to the census figure of 11.22% in the 18-24 age bracket. One explanation for this low response rate amongst young regional residents is the fact that the surveys were sent to the householder in each case, and as such were more likely to be completed by a parent. In response to these lower than expected counts in the younger age brackets; the two lowest categories (15-17 and 18-24) were aggregated to the 25-34 year old age group in order to conduct further statistical analysis. On the other end of the age scale, in each of the three target sites the survey results reflect an over-sampling of older members of the regional communities in which this study took place. This is particularly the case in the 45-54 year old age bracket in Mildura, where the survey shows 26.38% of the

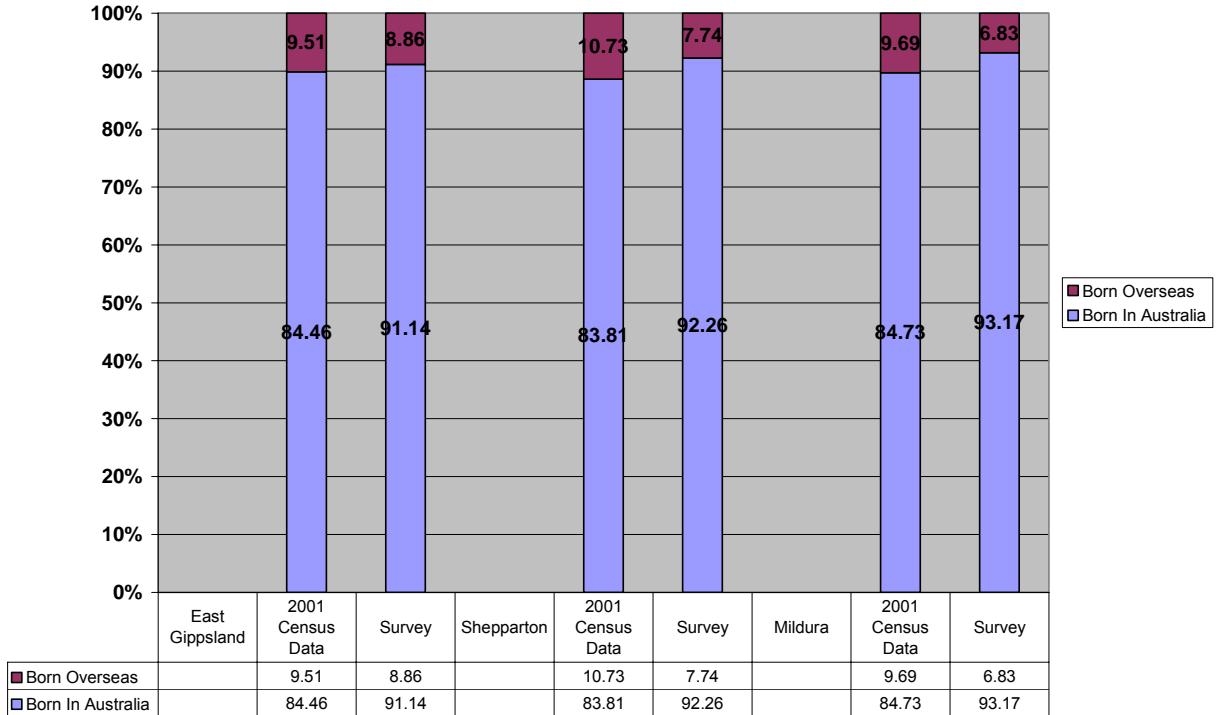
population, whereas the figure from the 2001 census is 12.73% in this age bracket. Similarly, there is an over representation in the survey of those in Shepparton aged between 45-54, where the sample population shows 30.13%, which is in contrast to the ABS figure of 17.17%. Although slightly less pronounced than the other two sites, those aged 45-54 were over represented in East Gippsland (20.25% of sample), where the ABS report a figure of 14.37%. The survey data also demonstrates a higher than expected number of respondents between the age of 55-64 in each of the three sites. A total of 31.65% of the East Gippsland sample appeared in this category (ABS 12.41%), and 21.80% of the Shepparton population (ABS 11.0%), while in Mildura 14.11% of the survey sample population were 55-64, unlike the ABS statistic of 9.15%. In the 65 years old and above category, the survey data again shows a higher than expected count when compared to the census data.

Figure 8: Demand / ABS Data Aboriginal or Torres Strait Islander Status Comparison



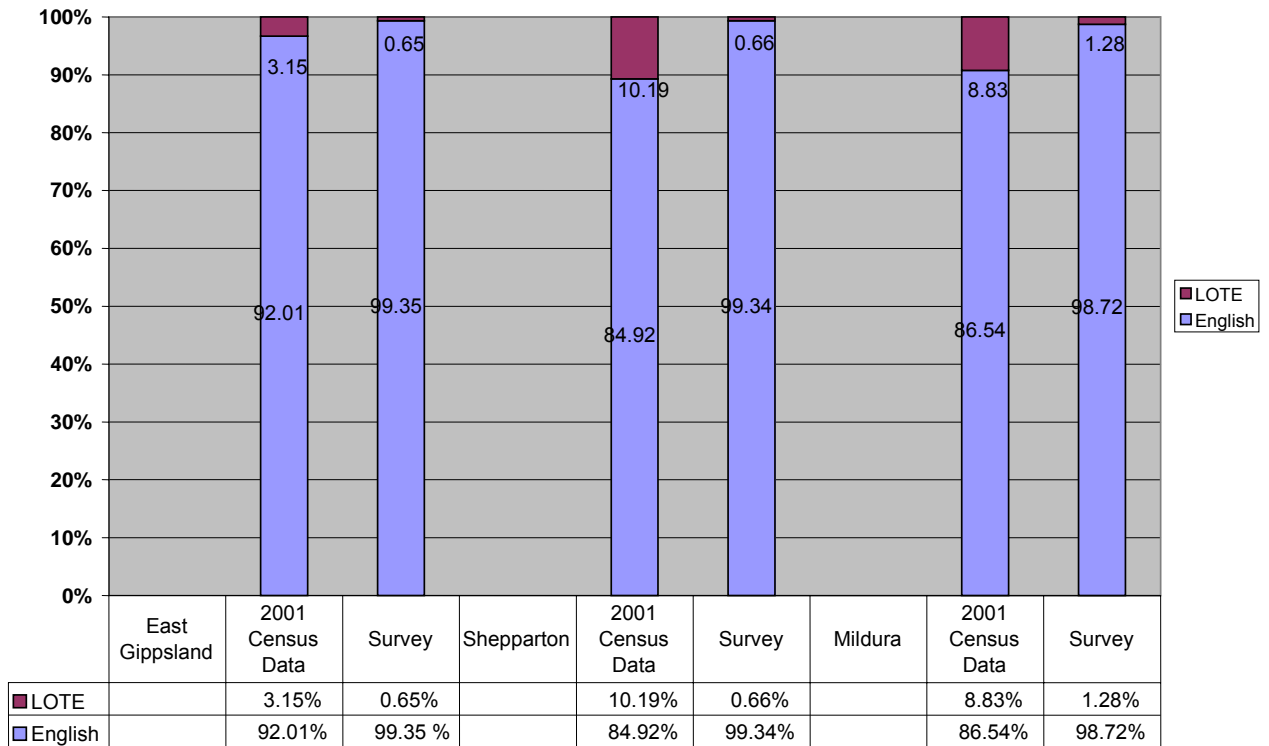
In the data collected from the East Gippsland and Shepparton sites there was a slight under-representation of those who identified as Aboriginal and Torres Strait Islander. However the most significant difference was that of East Gippsland, where there was a 1.37% under-representation of individuals in this demographic group. In the case of Shepparton, the survey data showed a 0.59% lower response rate to the ABS data. Conversely, the Mildura survey data slightly over-represented those who identified as being Aboriginal or Torres Strait Islander by 1.28%. None of these differences appear wide enough to represent a significant sampling representation problem.

Figure 9: Demand / ABS Data Place of Birth Comparison



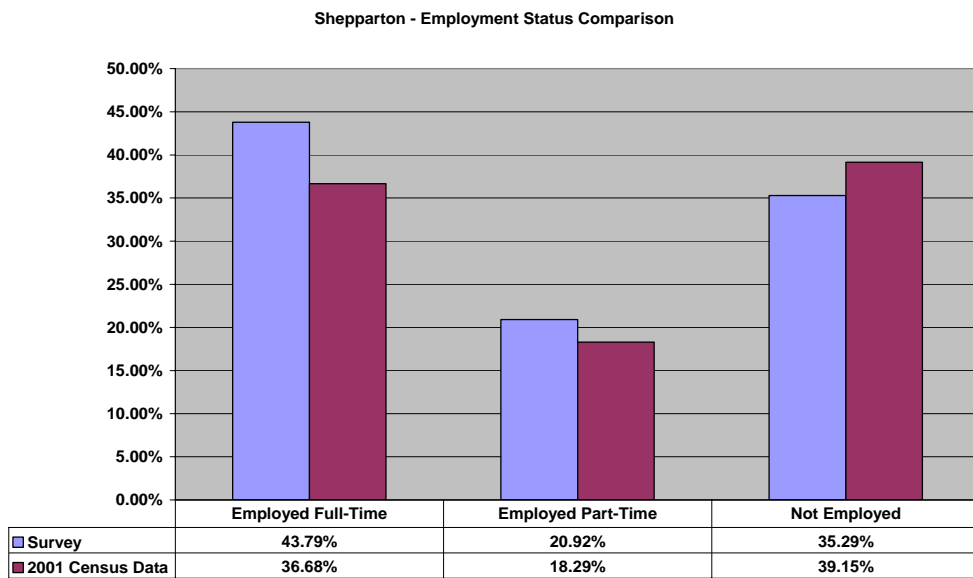
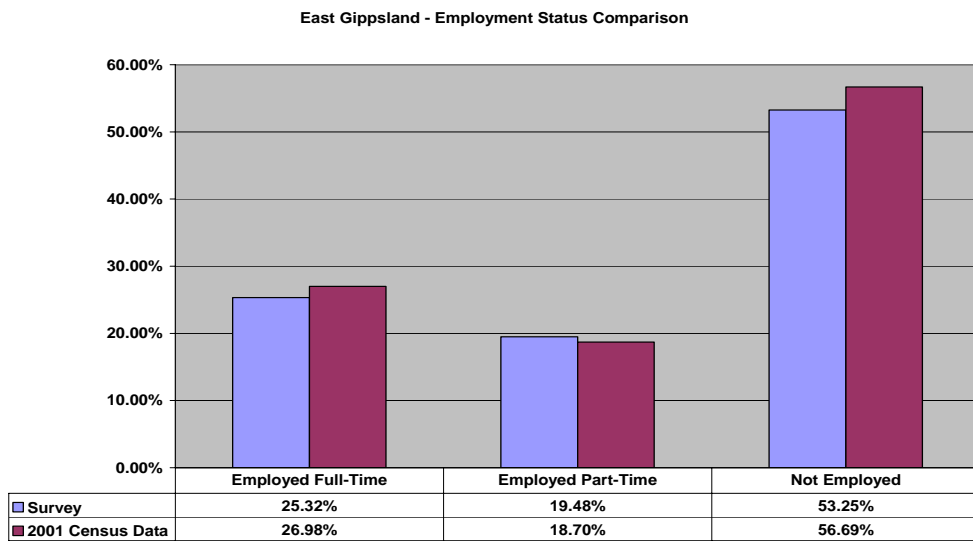
Data collected in each of the three target sites show an over-representation of those born in Australia when compared to the ABS data from 2001. In East Gippsland this difference is 6.68%, in Shepparton 8.45%, and in Mildura 8.44%. There are also smaller discrepancies with regard to those born overseas, where survey data in each site demonstrates a slight under-representation when compared to the ABS census data. In East Gippsland this difference is 0.65%, in Shepparton 2.99% and in Mildura 2.86%.

Figure 10: Demand / ABS Data Language Spoken at Home Comparison

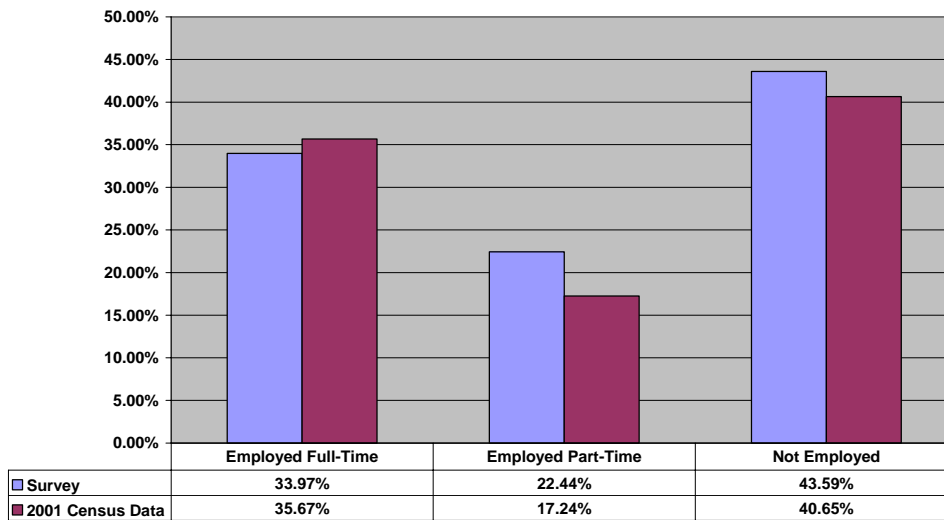


Data collected as part of this study shows an over-representation of those who typically speak English in their households. The number of survey respondents in East Gippsland who reported speaking English at home was 7.34% higher than the census data, in Shepparton the sample was 14.42% higher, and in Mildura 12.18% higher. In addition, those survey respondents who identified as speaking a language other than English (LOTE) at home were under-represented across the three sites. In East Gippsland the difference between survey respondents and the comparative figure drawn from the 2001 census was 2.5%, in Greater Shepparton the difference was a more substantial 9.53%, and finally in Mildura the survey data was 7.55% lower.

Figure 11: Demand / ABS Data Employment Status Comparison



Mildura - Employment Status Comparison

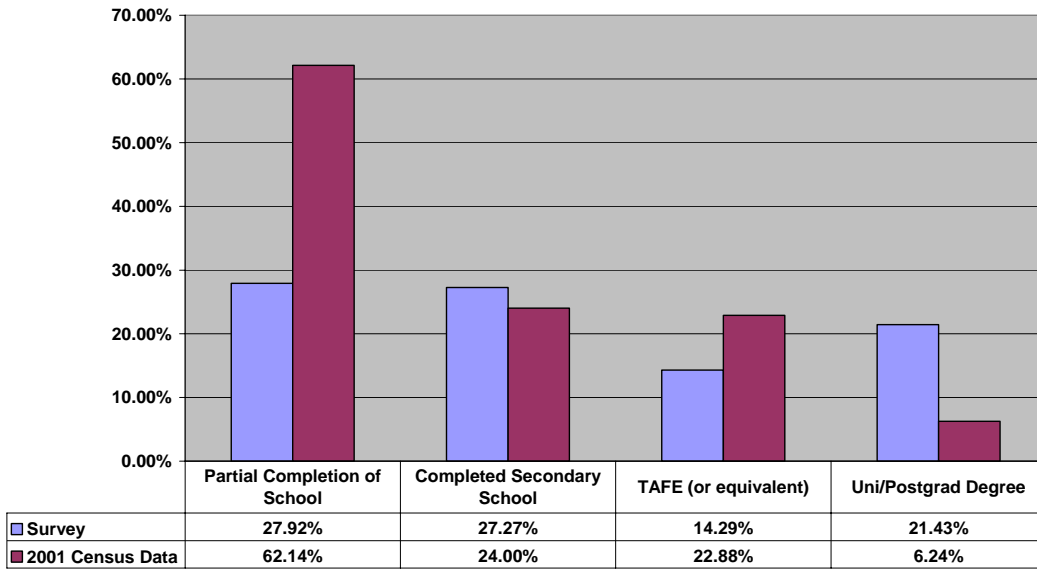


Employment status data does not show a uniform trend in the comparison between ABS data and that collected in the general demand survey. Full-time employees were slightly under-represented in East Gippsland, where survey data shows a total of 25.32%, as opposed to the census data which shows a figure of 26.98%. In Shepparton, full-time employees were over-sampled in the survey, where the figure of 43.79% exceeded the ABS figure of 36.68%. Full-time employee numbers from the survey data in Mildura (33.97%) were slightly lower than the ABS figure of 35.67%. Those employed on a part-time basis exhibited a more consistent pattern, showing an over-representation across all three target communities in the demand survey data. This discrepancy in East Gippsland was 0.78%, in Shepparton 2.63% and in Mildura 5.2%.

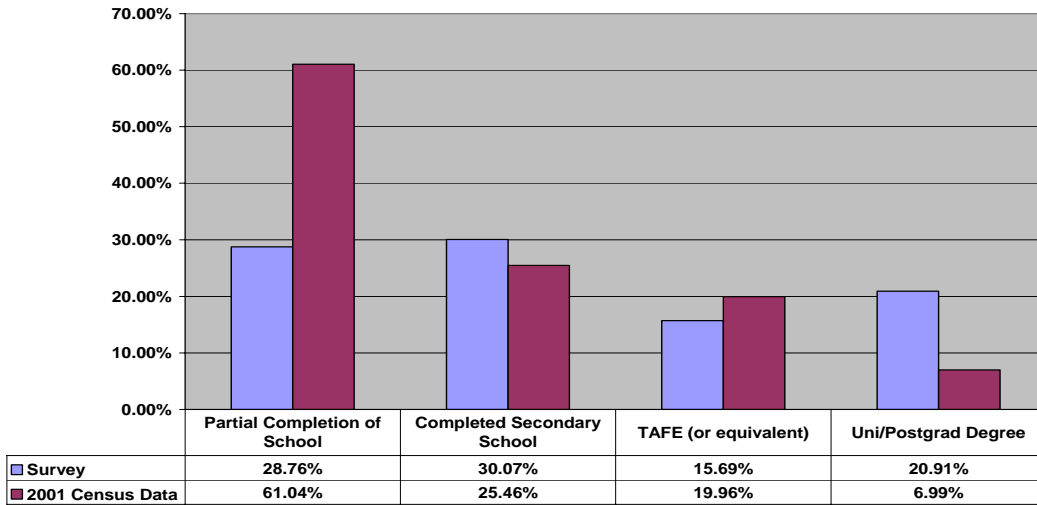
Finally, the data collected as part of the current enquiry showed an under-sampling of those who reported not currently being in the workforce in two of the three sites. In East Gippsland this figure is 3.44% lower than the census recorded percentage of 56.69%, and in the Greater Shepparton region the survey figure is 3.86% lower. However the percentage in the Mildura data of those not currently working is 2.94% higher than the ABS figure.

Figure 12: Demand / ABS Data Highest Education Level Comparison

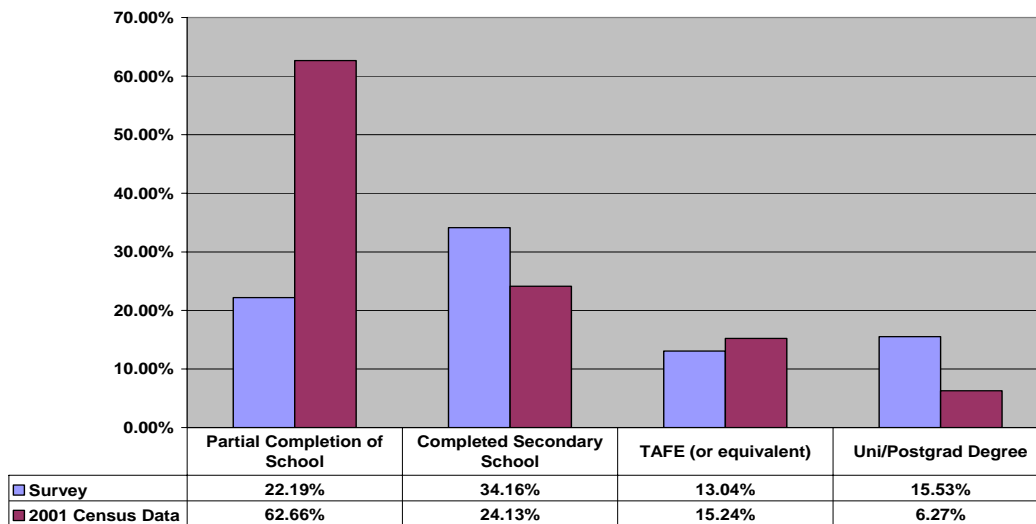
East Gippsland - Highest Education Level Comparison



Shepparton - Highest Educational Level Comparison



Mildura - Highest Educational Level Comparison



The most significant variations between the 2001 census data and the demand survey data are in the 'partial completion of school' category. Across each of the target sites, there is a marked under-representation of individuals who fall into this category from within the survey data set.

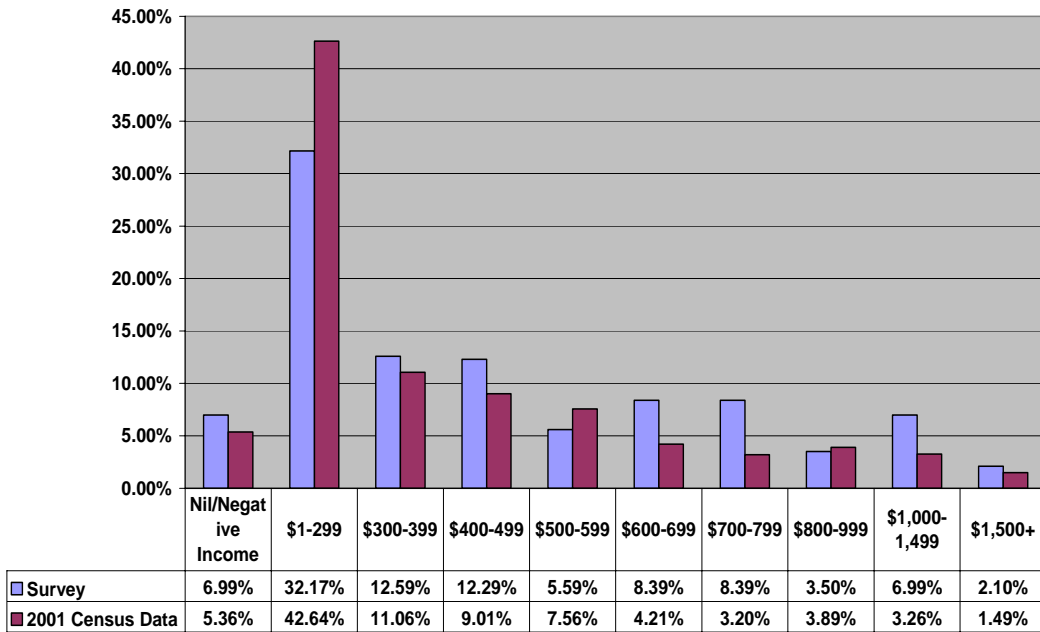
In each site those who reported completion of secondary school as being their highest educational qualification were over-sampled in the survey. In East Gippsland, the survey data in this category is 3.27% higher than the census figure, in Shepparton the difference is 4.61%, and in Mildura the difference is 10.03%.

Those who cited 'TAFE or equivalent' as their highest level of education were under-represented in the survey data when compared to the 2001 census. In East Gippsland the difference between the survey data and the census figure for this category was 8.59%. In the same category the difference in the case of Greater Shepparton was 4.27%, while the Mildura data shows a 2.20% discrepancy.

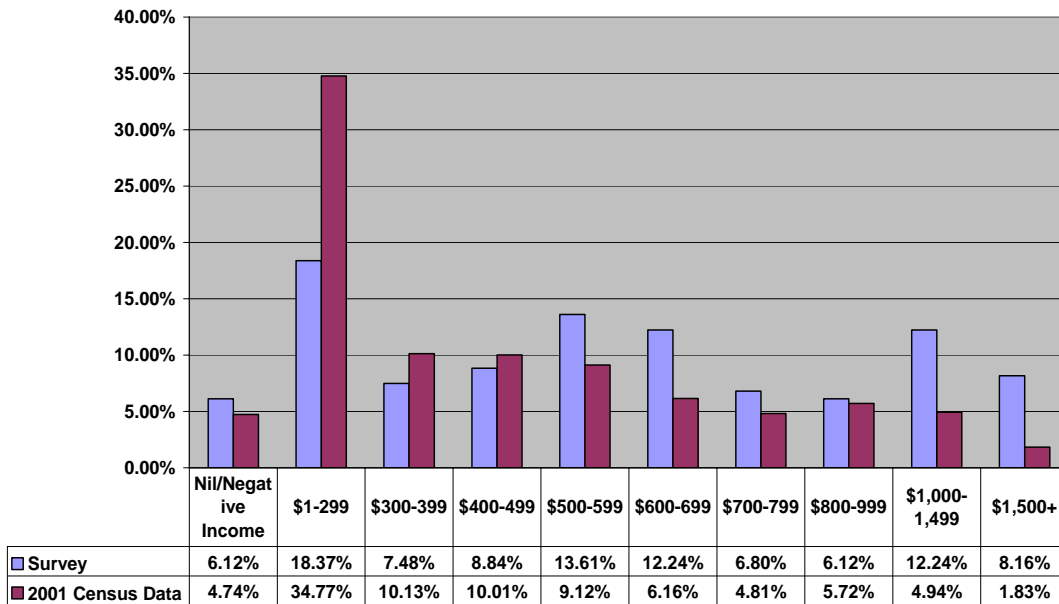
Finally, those who specified university or post-graduate qualification as their highest level of education were higher in the survey data than the 2001 census. This was a 15.19% difference in East Gippsland, 13.92% in the Greater Shepparton region, and 9.26% in Mildura.

Figure 13: Demand / ABS Data - Individual Weekly Income Comparison

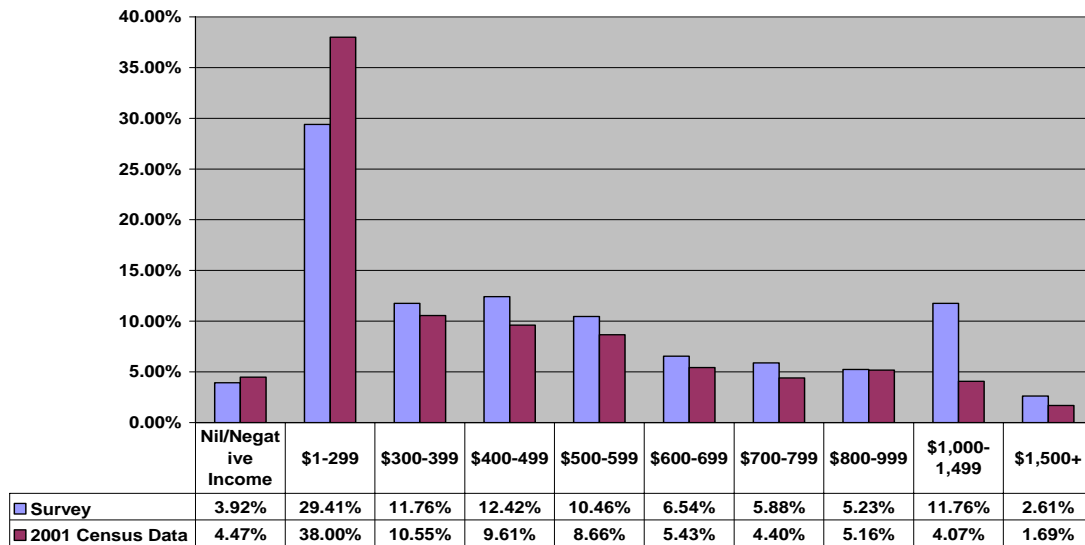
East Gippsland - Income Levels Comparison



Shepparton - Income Levels Comparison



Mildura - Income Levels Comparison



In terms of a comparison of weekly individual income levels there is an under-representation in the survey data of those who fit into the \$1-299 per week bracket. East Gippsland survey respondents were 10.47% lower than the 2001 census figure, Greater Shepparton respondents were 16.4% below the comparative figure, and finally Mildura survey respondents who fit into this category were 8.59% lower than the census figure of 38.00%.

While there are a number of cases where the survey data and the census data do not exactly match, the only other reported weekly income bracket in which notable differences were observable was the category \$1,000-1,499. In East Gippsland, Greater Shepparton and Mildura the survey respondents who identified as being in this bracket exceeded the figure recorded in the census data. The variations were 3.73%, 7.3% and 7.69% respectively.

The figures presented above indicate that the demographic data collected through the survey shows differences to the 2001 Census data. The dearth of respondents from younger respondents is particularly notable, and should be acknowledged as it is likely to affect the results of the subsequent analysis. Moreover, it is important to acknowledge that the responses to the demand survey are subject to non-response bias, insofar as it is reasonable to assume that those who completed the survey are likely to be more interested in the arts, whereas those who view the arts less favourably are likely not to respond. This is regarded as an inevitable occurrence in survey data of this nature, and the sampling error is seen to be lessened insofar as the sample size was quite large (Albright, Winston and Zappe 2003).

Notwithstanding these limitations, and the differences between the sample data and the Census data noted above, the data is seen to be sufficiently representative to be used to investigate demand for the arts in East Gippsland, Greater Shepparton, and Mildura in the subsequent analysis. Moreover, insofar as it has been argued that this cross-section of target communities used in this research are sufficiently reflective of Victoria as a whole, the results presented in this chapter can also be used as the foundation for a state-wide, Victorian model as to the nature of regional demand for creative arts and culture.

6.3 - Data Analysis and Results

The following sections detail the statistical modelling carried out on the demand data, and the results which were generated from both the bivariate and multivariate approaches. The analysis begins with a series of frequency distribution tables drawn from the data set, in order to frame the analysis, and give an idea of demand characteristics which are discernable prior to any testing and modelling of the data. Secondly, chi-squared tests were conducted in order to observe whether any statistically significant relationships were discernable within demographic characteristics, and between participant characteristics and regional arts attitudes, participation and expenditure. In order to provide a more detailed analysis of the regional expenditure data, a number of measures of central tendency and dispersion were calculated. In addition, confidence interval tests were conducted to underline significant difference across demographic variables. Finally, an ordered probit model was used to analyse attitudinal, expenditure and frequency of participation data in order to further crystallise the understanding of demand for creative arts in regional Victoria described in this chapter.

6.3.1 – Regional Victorian Arts Attitudes, Participation and Expenditure

The following tables represent the frequencies of responses to the aforementioned series of questions which relate to perceptions and opinions of the arts, frequency of participation in a range of cultural activities, and typical expenditure on a range of creative arts goods and services. The responses gathered from residents of each target region are presented in aggregate form in order to give a broad illustration of common attitudes, expenditure patterns, and participation in various artistic goods and services, prior to the more detailed statistical modelling of the data set.

In the first instance, respondents were asked to respond 'agree', 'neutral', or 'disagree' to both positive and negative questions relating to their attitudes towards various aspects of creative arts in their region. The frequencies of responses are reported in Table 3 below.

Table 3: Percentage Frequency Distribution – Attitudes towards the Arts

	AGREE (%)	NEUTRAL (%)	DISAGREE (%)
Attending arts events (e.g. theatre) is a good way to socialise with people in the community	65.9	25.6	4.7
The arts are an important way of exploring and showing off our unique regional identity	68.7	22.4	4.1
Going to arts events is a waste of money	5.9	18.9	69.3
The arts are only for the elite	7.7	17.7	68.5
The arts should be more of a priority for local government and the community (e.g. funding)	40.0	37.6	16.9
More arts in our region would increase tourism	52.2	32.7	10.2
It is important for young people in our region to get involved in the arts	72.6	19.3	4.3
Arts and culture aren't an important part of living in rural or regional Victoria	13.2	20.3	61.6

While the potential effects of non-response bias are not overlooked, the table above evidences a strong positive response towards regional arts and culture amongst respondents. Clear majorities exist in support of the notion that arts events are a good means through which to socialise with members of their community (65.9%); that the arts are a way in which to show off the unique identity of their region (68.7%); and that it is important for younger members of the community to become involved in the arts (72.6%). Similarly, the majority of respondents disagreed with a number of assertions in the survey. A strongly negative response was elicited relating to the notion that the arts are a 'waste of money' (69.3%); that the arts are 'only for the elite' (68.5%); and that arts and culture are not an important part of life in rural or regional Victoria (61.6%). A slightly weaker, yet still positive response appears in conjunction with the remark that creative arts would result in increased regional tourism (52.2%). The notion that arts and culture should be more of a priority for local government and the community is also upheld, with only 16.9% disagreeing with the statement, opposed to 40.0% agreeing. In terms of the frequency table above, which identifies responses across a three-point scale according to attitudes towards the arts, it can be stated that the attitudes reported by households in regional Victorian communities represent strong demand characteristics for creative arts.

This differs from the opinion of the focus group participants in the previous chapter, who felt that regional Victorians had negative attitudes regarding creative arts, as well as that in

Saatchi and Saatchi (2000), which states that regional Australians are less likely than city-dwelling Australians to value the arts.

The next aspect of the data analysis was related to the typical frequency of participation in various aspects of arts and culture by regional Victorians. Table 4 below represents an analysis of percentage frequencies, in this case which correspond to how often regional Victorians participate in a range of creative arts activities.

Table 4: Percentage Frequency Distribution - Participation in the Arts

ARTFORM	NEVER (%)	ONCE A YEAR OR LESS (%)	EVERY SO OFTEN (%)	ONCE A MONTH OR MORE (%)
Art Gallery	17.9	37.4	33.7	4.3
Theatre Performance	18.5	32.9	37.4	2.8
Classical Music Performance	49.8	22.8	15.2	0.8
Popular Music Performance	23.8	26.4	37.4	2.0
Ballet / Opera	59.8	17.3	9.8	1.0
Cinema	9.6	16.7	48.6	17.5
Dance Performance	36.4	28.0	22.2	1.8
Craft Fair / Exhibition	12.2	21.5	47.6	11.2
Other	0.4	0.8	1.0	1.6

Cinema attendance was the category in which the most frequent responses were recorded. A total of 17.5% of respondents indicated attending the cinema once a month or more. Similarly a large proportion of respondents (47.6%) reported attending craft fairs or exhibitions 'every so often'. On the other end of the scale, classical music concerts (49.8%), ballet or opera (59.8%) and dance performances (36.4%) were seen as being the least frequently attended.

The expenditure brackets provided to survey respondents with regard to their monthly creative arts expenditure were as follows: '\$0', '\$1-10', '\$11-20', '\$21-30, and '\$31+' The upper categories, '\$31-50', '\$51-75', '\$76-100' and '\$100+' (which appear on the survey in Appendix 2) were all aggregated to reduce the likelihood of having too few responses

across categories in the subsequent data analysis. Table 5 below represents the frequency distribution of typical monthly expenditure in a range of cultural goods by the regional sample population.

Table 5: Percentage Frequency Distribution - Typical Monthly Creative arts expenditure

	\$0 (%)	\$1-10 (%)	\$11-20 (%)	\$21-30 (%)	\$31+ (%)
Books	23.2	28.3	17.1	9.6	8.5
Magazines	19.3	43.3	17.3	6.5	3.0
Cinema Admission	28.9	27.8	19.9	9.1	3.0
Video / DVD Hire	42.9	20.1	13.4	4.7	3.0
Admission to Theatre / ballet / opera / dance	54.5	11.4	7.5	5.9	4.8
Gallery Admission	60.0	16.7	4.9	0.8	0.2
CDs / Tapes / Records	30.3	22.2	17.7	10.0	4.0
Classical Music Performances	66.7	9.3	2.6	1.6	1.8
Popular Music Performances	49.4	17.1	9.3	3.5	3.8
Paintings / Sculpture / craft etc (take home)	48.6	12.8	10.8	6.3	5.6
Other	1.2	0.4	0.6	0.2	1.8

Expenditure on books had the highest reported expenditure with 8.5% of respondents reporting expenditure of more than \$31+ per month. Book expenditure demonstrated a similarly high frequency of respondents in the \$21-30 bracket (9.6%). Other variables with higher frequencies in the \$21-30 band were cinema admission (9.1%) and expenditure on CDs, tapes or records (10.0%). Respondents reported nil expenditure most commonly in gallery admission (60.0%), classical music performances (66.7%) and admission to theatre, ballet, opera or dance (54.5%).

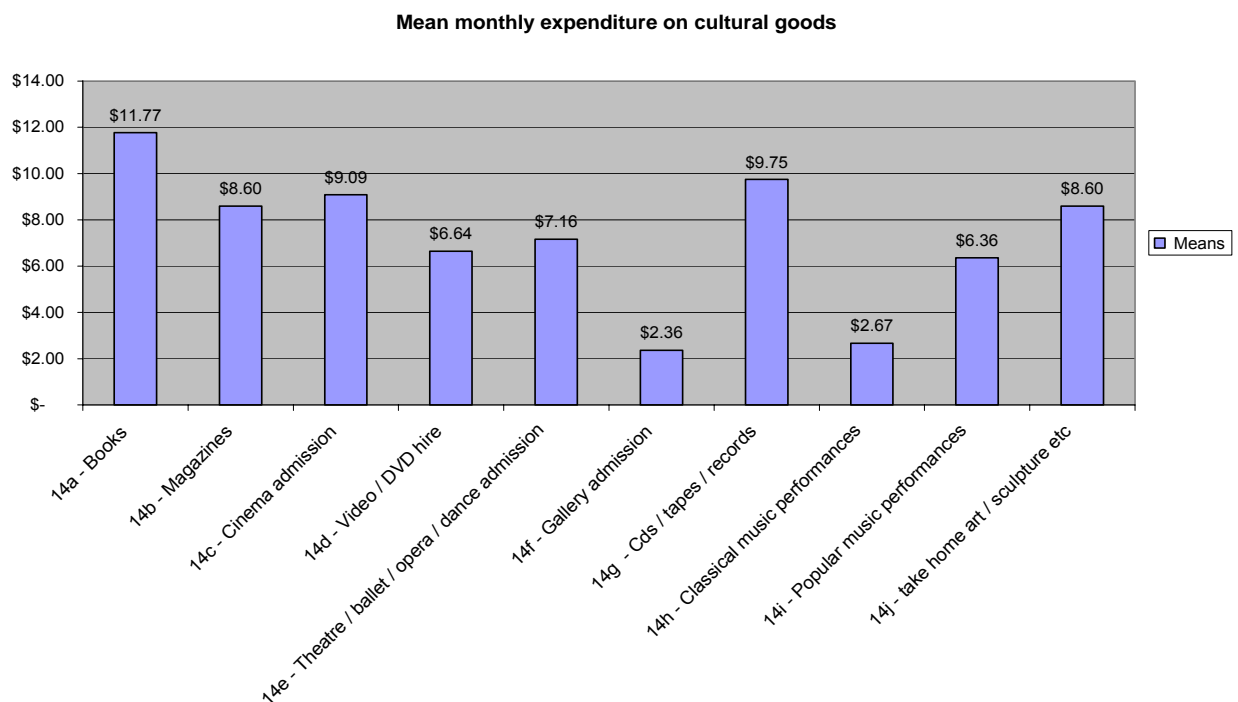
6.3.2 - Mean Monthly Expenditure on Cultural Goods and Services

Before proceeding with the statistical and econometric analysis of the survey data according to demographic characteristics, it is necessary to report the mean monthly expenditure on cultural goods and services as reported by residents from each of the designated regional Victorian communities. Figure 10 represents the mean monthly expenditure by regional Victorian respondents on each of the categories in the survey. In the figure below, and for the subsequent analysis of expenditure data, these categories are as follows:

- Books
- Magazines
- Cinema admission
- Admission to performing arts (theatre, ballet, opera, and dance)
- Video or DVD hire
- Gallery admission
- Compact discs, cassette tapes or records
- Classical music performances
- Popular music performances; and
- 'Take-home' art purchases (paintings, craft, sculpture etc).

Notably, the 'other' expenditure category has been discounted on account of the fact that response rates and expenditure levels were especially erratic, thus eliminating the possibility to identify consistent trends in the data. Figure 14 below demonstrates that mean monthly expenditure on books (\$11.77), followed by compact discs, taped and records (\$9.75) were the highest reported expenditure categories. On the other end of the scale, gallery admission (\$2.36) and classical music performances (\$2.67) were the categories with the lowest reported expenditure.

Figure 14: Demand Data - Mean monthly expenditure on cultural goods



6.3.3 - Chi-squared Analysis

A significant volume of the demand data analysis centres on determining whether statistically significant relationships exist in a comparison of demographic characteristics within the sample and their attitudes towards, expenditure on, and frequency of participation in creative arts. In each case the demographic data was formally compared to responses in attitudinal, frequency, and expenditure questions by way of chi-squared tests using SPSS software.

As a result of such a large number of demographic comparisons which resulted in low cell counts, some of the response fields in the age and income variables required aggregation. Specifically, the lowest two individual weekly income brackets 'nil / negative income' and 'less than \$100' were aggregated. The categories '\$700-799' and '\$800-899' were similarly aggregated, while at the highest end of the income scale, '\$1,000-1,499' and '\$1,500 or more' were aggregated. In terms of the age variable, due to lower than expected volumes of respondents in the lower age brackets, the age groupings: '15-17'; '18-24'; and '25-34' were aggregated. In the majority of cases, this aggregation helped to remove the cell count problem in subsequent chi-squared analysis of these demographic variables.

Moreover, three of the demographic variables presented in the first series of chi-squared tests above were disregarded on account of the fact that there were too few respondents to conduct any further statistical analysis. These variables were:

- Aboriginal or Torres Strait Islander background
- Languages other than English spoken at home
- Country of Birth if other than Australia.

Thus, with the aggregation of income and age categories, as well as the removal of the three variables above, the subsequent analysis of the demand survey data which involved demographic comparisons dealt solely with the following responses to demographic questions presented in the survey:

- Gender - Male; Female
- Age (aggregated) -15-34; 34-44; 45-54; 55-64; 65+
- Employment Status - Full-Time; Part-time or casual; Not working
- Highest Educational Level - Partial completion of school; Completion of secondary school; TAFE qualification or equivalent; University degree or postgraduate qualification; 'other'.

- Personal weekly income (gross) - <\$100; \$100-299; \$300-399; \$400-499; \$500-599; \$600-699; \$700-999; \$1,000 or more
- Expenditure on arts-related goods and services (last three years) - Increased; Stayed the same; Decreased
- Arts Festival Attendance (last two years) - Yes; No

6.3.4 - Chi Squared Results: Attitudes Towards the Arts

The first set of chi-squared results relate to the formal statistical comparisons conducted between the categorical or demographic data gathered from survey participants and the eight attitudinal questions, or statements, presented in the survey. Those comparisons which yielded a statistically significant chi-squared p-value (below 0.05) have been highlighted in order to demonstrate where demographic characteristics produce a significant effect on attitudes towards creative arts.

Table 6: Chi-squared Results of Attitudinal and Demographic Variables – Demand Data

	Gender	Age	Employ Status	Edu Level	Income	Increase/ Decrease	Festival
a) Good way to Socialise	11.078 (0.004)	3.866 (0.869)	2.858 (0.582)	12.012 (0.151)	13.967 (0.452)	16.720 (0.002)	26.013 (0.000)
b) Show off Regional Identity	33.622 (0.000)	9.322 (0.316)	3.446 (0.486)	6.596 (0.581)	11.937 (0.611)	27.764 (0.000)	16.477 (0.000)
c) Waste of Money	13.457 (0.001)	11.717 (0.164)	5.708 (0.222)	26.763 (0.001)	21.854 (0.082)	29.796 (0.000)	35.039 (0.000)
d) Only for The Elite	2.161 (0.339)	7.126 (0.523)	1.791 (0.774)	28.054 (0.000)	26.881 (0.020)	15.835 (0.003)	34.685 (0.000)
e) Should be higher priority	16.735 (0.000)	39.776 (0.000)	11.804 (0.019)	9.068 (0.337)	24.104 (0.045)	22.611 (0.000)	21.353 (0.000)
f) Increase Tourism	5.668 (0.059)	17.736 (0.023)	3.130 (0.536)	7.434 (0.491)	17.331 (0.239)	18.248 (0.001)	15.955 (0.000)
g) Important Involve Youth	10.975 (0.004)	13.074 (0.109)	3.094 (0.542)	11.255 (0.188)	15.080 (0.373)	21.470 (0.000)	28.154 (0.000)
h) Not part of Regional Culture	13.093 (0.001)	7.189 (0.516)	3.252 (0.517)	20.981 (0.007)	15.337 (0.356)	21.569 (0.000)	33.884 (0.000)

The table above evidences a strong effect on attitudes towards the arts according to gender, changes in creative arts expenditure (the variable ‘increase / decrease’), and festival attendance. In the discussion which follows, results are analysed by each attitudinal

question, adding detail to the results in the table above. A number of respondents included written comments to supplement their responses to the attitudinal statements. As such, in addition to the explanation of the significant results in the table above, a selection of comments is included in each case.

The first statement, 'attending arts events is a good way to socialise with people in the community', generated a number of statistically significant comparisons. Gender (0.004) was shown to be a statistically significant variable, explained by the fact that females are more likely to agree with the statement (66.4%). In addition, change in creative arts expenditure (0.002) was significant due to those with decreased levels of expenditure being more likely to disagree with the statement (42.9%). Finally, festival attendance (0.000) was significant, where those who had attended a festival were considerably more likely to agree with the statement (59.8%), and those who had not were more likely to disagree (68.2%).

In addition to the quantitative results, a number of comments were made by respondents which relate to the position of regional arts as a means to socialise with other members of the local community:

- "The presence of a strong arts [culture] always make[s] a community a more liveable place" (region 3)
- "I believe arts ... promote the essential verve that ties me to this community, such as ... church choirs and down to school plays" (region 3)
- "Arts promotion would encourage more people to become involved in local activities, which reduces isolation and perhaps depression – this would assist mental well-being and reduce expenses for our community" (region 2)
- "We had an arts festival in (town in region 2) for 3-4 years and most of the community were involved, which had a cementing effect on the community, especially the young people" (region 2)

The second attitudinal statement in the questionnaire, 'the arts are an important way of exploring and showing off our unique regional identity', produced statistically significant comparisons to the categorical data in the same variables as the former question. Gender was strongly significant (0.000) again relating to the high number of females who agreed with the statement (69.6%). The change in creative arts expenditure variable was also significant (0.000), where a higher proportion of respondents who reported lower expenditure levels were more likely to disagree. Attendance at a festival similarly demonstrated a significant comparison (0.000) where non-attendees were more likely to disagree with the statement (73.7%).

Two excerpts from respondent comments in the survey further highlight attitudes regarding the arts emphasising the local regional identity:

- “This whole area is a living landscape” (region 2)
- “I think [benefiting the local economy] would require a huge increase in funding ... A considerable amount of current funding is, possibly correctly, spent on bringing items / acts *into* the community” (region 1).

The third such question in the survey asked individuals to respond to the statement ‘going to arts events is a waste of money’. As was the case in the former two attitudinal questions, gender was significant (0.001), with results showing a higher instance (65.4%) of disagreement with the statement among women. Changed levels of cultural consumption (0.000) was also significant, with those with decreased levels of expenditure being more likely to agree (39.3%), while festival attendance (0.000) was significant with those who had not attended a festival being more likely to agree (79.3%). In addition, responses to this question in the survey also demonstrated an effect in terms of education level (0.001), with respondents who reported ‘partial completion of school’ as their highest qualification being more likely to agree with the statement.

Two quotes made by survey respondents highlight a range of views regarding the perception of regional arts and its cost, both for communities and individuals:

- “Artwork in [region 1] is constantly vandalised, costing more money in repairs” (region 1)
- “Lack of money prohibit[s] my buying music, books etc. so I use the local library” (region 2)

Regarding the statement ‘the arts are only for the elite’, four significant results are observable. Highest attained level of education (0.000) is significant with those respondents with ‘partial completion of school’ as their highest qualification, being more likely to agree (46.8%). Festival attendance (0.000) was also significant, with results showing non-attendees to be more likely to agree (81.6%). The income level variable (0.020) generated a significant result, with a considerable number of individuals who agreed with this statement earning \$500-\$599 per week (25%). The variable delineating changes to cultural consumption (0.003) was shown to be significant, where a high percentage of respondents whose expenditure had remained the same (67.9%) reported a neutral response to the statement.

A number of comments were made by respondents, showing a range of opinion in terms of whether the arts were seen by the local community as being ‘elitist’:

- “The arts seem to frown on blue collar and primary industries that make up the workforce of regional Australia. They only benefit the haughty, who have never worked in the industries (region 3).
- “My girls have had every opportunity to get involved with the arts, music etc” (region 1).
- “Cost a heap of money for a select few” (region 2).
- “All people are able to appreciate and participate in the arts” (region 3)
- [community effects of the arts include] “increasing the gulf between the ‘haves’ and the ‘have-nots’ – cost of attending events – encouraging elitism” (region 1).

The next attitudinal statement in the regional demand questionnaire was ‘the arts should be more of a priority for local government and the community’. Gender was strongly significant (0.000) on account of the high percentage of females who agreed with the statement (71.4%), as was the variable highlighting changes in cultural consumption (0.000), resulting from the high percentage (70.9%) of people with unchanged expenditure reporting a neutral response to the statement. Festival attendance was significant (0.000) with high rates of disagreement from non-attendees (66.7%) and high agreement rates from attendees (63.1%) Age levels of respondents (0.000) also generated a strongly significant result with high rates of agreement among older respondents (32.1% aged 55-64 and 29.6% aged 65 and older). In addition, employment status (0.019) was significant, with results reflecting a higher percentage of agreement (50.3%) from those respondents who were not working at the time the survey took place. The final significant variable in this case was the income levels of respondents (0.045), wherein respondents earning \$100-\$299 per week were more likely to agree. Notably, the only categorical variable deemed not to be statistically significant in this case was the highest attained educational level of participants.

Comments from two respondents give an indication of the views in the case-study communities regarding the position of the arts and their importance to the community, with an emphasis on funding:

- “We need to prove that we will use funding properly” (region 1).
- “We need better facilities to house these performances” (region 1).

On the question of whether ‘more arts in our region would increase tourism’, three variables produced significant results. Firstly, whether levels of consumption in the arts had altered in the past three years (0.001) was significant, where those with unchanged levels of expenditure were more likely to disagree (65.3%) or report a neutral response (67.7%) Festival attendance (0.000) was also significant, with results showing non-attendees to be more likely to disagree with the statement (72.0%). Thirdly, the age of those who took part in

the study was significant (0.023), where those aged 65 and older were more likely to disagree (34.0%).

Positive and negative opinion was also seen in the comments made by survey respondents regarding the ability of the arts to attract tourists to a region:

- “In the period I have lived in this area I have seen a definite increase in tourism and visitors, as well as an increase in people living here permanently” (region 2)
- Arts and tourism aren’t the only solution to small towns with failing industry (region 2).
- “More musical theatre brings people to the area” (region 3).

The question which was posed in the survey asked respondents to respond to the statement “it is important for young people in our region to get involved in the arts” produced three significant results. A significant gender result is identified (0.004) as a result of the majority of the sample who agreed were female (64.7%), while 61.9% of males disagreed with the statement. The variable highlighting change in cultural consumption was also significant (0.000) on account of the high neutral response (70.0%) and agreement (59.3%) from those who reported unchanged levels of expenditure, while those who reported decreased expenditure levels (45.0%) were more likely to disagree. Finally, whether an arts festival had been attended in the last two years was statistically significant (0.000), with those non-attendees more likely to disagree.

A number of comments made by regional residents add to the quantitative results above regarding the perceived benefits of arts involvement by regional youth:

- “Rural young people would benefit greatly from more cultural experiences” (region 2).
- “Give youth something to focus on. Benefits are: increased community awareness; sense of achievement and increased self-worth and self-esteem” (region 3).
- “Not sure [the arts] help youth unless specifically targeted – here through the ... festival there is a strong youth component in theatre but less so in galleries and traditional arts (region 3).
- “Gives country kids opportunities they might not have had (region 3).
- “Younger people are more interested in city life – also all major universities require going to the city” (region 3).
- “Arts ... are an important way for young people to be recognised and valued in their local community. This leads to a greater sense of connectedness, they are more likely to stay in their local community, and the community [is] more likely to support them (region 1).
- “If we could encourage more young people to stay [in the region], or other rural areas it would save the country towns from dying out – e.g. a lot of young people go to the city to study, love the city and its culture – and stay there! (region 1).

- [the arts benefit the local economy by] “maintaining population, especially young people in regional areas” region 1).

In the final attitudinal question in the survey, respondents were asked to respond: agree; neutral; or disagree to the statement “the arts aren’t an important part of living in rural or regional Victoria”. Of the categorical variables compared to responses to this statement; a number were again statistically significant. Gender, again, produced a significant result (0.001) with females being more likely to disagree (66.3%). Education level (0.007) was also significant, where results show that those reporting partial completion of school as their highest qualification being more likely to report a neutral response (41.2%) or agree with the statement (34.4%). The variable measuring whether cultural consumption has fluctuated was again significant (0.000), where respondents with unchanged levels of expenditure were more likely to give a neutral response (71.6%) or disagree (59.5%). Finally, attendance at a festival (0.000) was significant, with non-attendees seen to be far more likely to agree (68.8%), while conversely, attendees were seen to be far more likely to disagree (61.4%).

The three comments below add some depth to the results above. However, the comments made by respondents appear to be overwhelmingly in support of the view that the arts are incompatible with a regional lifestyle:

- [Arts would benefit the community by] “promoting the industries that are here; the ones that employ the most” (region 3).
- “A number of [art forms and products] do not cater for country folk” (region1)
- “I don’t think that [arts benefiting the economy] is as relevant in regional areas as much as in Melbourne or other major cities. There ... is emphasis on other industries in the regional areas I believe are more relevant to a wider range of people (region 1).

Thus, the strongest trends which can be seen as emergent from the attitudinal data are that gender, recent change in overall creative arts expenditure, and attendance at a festival, are all characteristics which influence the attitudes of regional Victorians towards the arts. In terms of profiling respondents according to these three variables, it can be stated that those with negative attitudes towards the arts are more likely not to have attended an arts and cultural festival in the past two years, be male, and have decreased levels of creative arts expenditure. Those with positive attitudes towards the arts are more likely to be female, have experienced increased levels of creative arts expenditure over the past three years, and attended a festival in the past two years.

6.3.5 - Chi-squared Results: Frequency of Participation in the Arts

In addition to the attitudinal results presented above, similar chi-squared tests were run in order to compare demographic characteristics and frequency of participation in the arts. The breadth and number of artforms which were included in the survey instrument was such that an adequate representation of the cultural experiences available within East Gippsland, Greater Shepparton, and Mildura was provided. As such, visual arts (gallery) performing arts (theatre, ballet, opera and dance performances), musical performances (both classical and popular), as well as cinema and community events (in this case a craft fair) were all included in the survey. Moreover, the artforms included on the survey were sufficiently broad, and not specific to the target regions, so as to indicate the broader demand patterns in regional Victoria as a whole.

In each of the following cases, the responses tested the demographic variables according to whether individuals reported attendance 'never'; 'once a year or less'; 'every so often'; or 'once per month or more', regarding their participation in nine arts and cultural events. The survey contained one 'other' category, which for the purpose of the following analysis is not included in the discussion, as all but one of the chi-squared tests resulted in 100% of the cells exhibiting a cell count problem. As this would have undermined the validity of the asymptotic approximation of the chi-squared statistic, it was removed completely from the analysis. Moreover, in this instance, due to a shortage of respondents in the category 'once a week or more', this upper group was aggregated with the 'once a month' category, in order to prevent a cell count problem in the analysis. The results of the chi-squared analysis, which sought to determine whether any demographic or categorical characteristic presented in the data by respondents had an effect on their frequency of participation in the arts, are presented in Table 7 below. Following the table, a brief discussion of the results in each variable is presented.

Table 7: Chi-squared Results of Participation and Demographic Variables – Demand Survey

	Gender	Age	Employ Status	Edu Level	Income	Increase/ Decrease	Festival
a) Art Gallery	9.783 (0.021)	23.361 (0.025)	4.882 (0.559)	27.389 (0.007)	17.951 (0.652)	22.472 (0.001)	64.273 (0.000)
b) Theatre Performance	19.502 (0.000)	26.149 (0.010)	9.488 (0.148)	25.647 (0.012)	35.833 (0.023)	42.983 (0.000)	68.159 (0.000)
c) Classical Music Performance	10.202 (0.017)	29.558 (0.003)	8.484 (0.205)	23.113 (0.027)	18.365 (0.626)	20.749 (0.002)	39.545 (0.000)
d) Popular Music Performance	6.629 (0.085)	55.840 (0.000)	36.307 (0.000)	15.466 (0.217)	27.599 (0.152)	33.799 (0.000)	42.469 (0.000)
e) Ballet / Opera	15.392 (0.002)	20.036 (0.066)	9.020 (0.172)	26.292 (0.010)	18.998 (0.585)	24.775 (0.000)	32.381 (0.000)
f) Cinema	0.814 (0.846)	36.346 (0.000)	28.857 (0.000)	22.114 (0.036)	27.889 (0.143)	30.073 (0.000)	26.869 (0.000)
g) Dance Performance	41.043 (0.000)	14.324 (0.281)	12.934 (0.044)	13.227 (0.353)	25.533 (0.225)	35.102 (0.000)	40.468 (0.000)
h) Craft Fair / Exhibition	26.910 (0.000)	8.354 (0.757)	11.526 (0.073)	14.829 (0.251)	29.880 (0.094)	17.684 (0.007)	38.403 (0.000)

The table above shows a considerable number of statistically significant results from the comparison of demographic characteristics and frequency of engagement in the arts. Of all of the demographic groups presented in the table above, a cursory glance suggests that the gender of respondents, whether their creative arts expenditure has fluctuated in the past three years, and whether they had attended an arts or cultural festival in the past two years are the most significant in terms of their effect on frequency of engagement in the arts. The age and highest level of education reported by respondents can also be regarded as affecting, to a slightly lesser degree, attendance at arts and cultural events.

The gender of respondents produced a statistically significant chi-squared result when tested against attendance at an art gallery (0.021), theatre performance (0.000), classical music performance (0.017), ballet or opera (0.002), dance performance (0.000), and craft fair or exhibition (0.000). In each case, male respondents are more likely to be in the lower (i.e. less frequent) end of the scale, whereas female respondents are consistently more likely to attend these aforementioned events more frequently. This is consistent with existent knowledge regarding the gender composition of audiences in Melbourne (Arts Victoria 2002).

The second categorical variable which had a notable effect on creative arts expenditure in the sample population was whether individuals had experienced increased, decreased, or static creative arts expenditure over the past three years (the variable 'Increase / Decrease'). As can be seen in the Table 7 above, this variable generated a statistically significant effect when compared to each of the eight creative arts expenditure categories included in the chi-squared analysis. In every case, when compared to those whose expenditure had decreased or stayed the same, those who reported increased creative arts expenditure over the preceding period had the lowest percentage frequencies in the 'never' category, in addition to having the highest recorded percentages in the category 'once a month or more'. The fact that those whose expenditure has increased are the most frequent cultural participants evidences the argument that demand for the arts is indeed linked to the process of taste formation and exposure to culture over time as described by (Levy-Garboua & Montmarquette 1996).

Whilst those with elevated levels of creative arts expenditure are more likely to experience the arts more frequently, it must be pointed out that this is not a linear process, as those with decreased levels of expenditure are not participating less frequently than those with stable levels of expenditure in every case. To take one of several examples, while those with decreased levels of expenditure are less likely to attend a classical music concert 'once a month or more', they are also less likely never to attend (58.0%) compared to those with unchanged expenditure levels (60.6%).

Whether or not individuals had attended an arts or cultural festival in the past two years had a similarly strong effect on the creative arts expenditure of the regional Victorian survey participants, with statistically significant p-values across each of the eight expenditure categories. In every one of these cases, those participants who had attended a festival participated more frequently in the eight arts categories presented above. In contrast, those respondents who had not attended an arts or cultural festival in the past two years were more likely to participate in the arts less frequently.

Thus a number of trends are observable from the regional household survey data with respect to participation in the arts, and typical frequency patterns therein. Gender, the variable relating to changed levels of creative arts expenditure, and whether participants reported festival attendance over the last two years were all categorical variables which had a significant effect on the frequency of participation by regional Victorians in the majority of the above creative arts events, exhibitions or performances. Other variables which

repeatedly arose as impacting on regional participation in regional arts events and performances were age and education level. Thus it can be said that, in terms of participation in the arts as a measure of demand, three demographic determinants of more frequent participation are most discernable. Of those living in the three target communities in regional Victoria, females, those whose creative arts expenditure increased over the past three years, and those who have recently attended a festival are demonstrably more frequent consumers of the arts in regional Victoria.

6.3.6 - Chi-squared Results: Expenditure on Creative Arts

In order to determine statistically significant differences between demographic characteristics and expenditure levels on creative arts goods and services, chi-squared analysis of the data was conducted a third time. For this analysis the upper expenditure boundary remains at thirty dollars per month, which reduced the rate of having too few responses in the upper brackets in each case, which would again have affected the validity of the asymptotic approximation of the chi-squared statistic. Again the survey provided a deliberately broad range of goods directly relating to goods and services in order to facilitate a more complete understanding of the nature of demand for the arts in the three target regions. The chi-squared tests which were conducted in order to determine and highlight the presence of demographic trends relating to creative arts expenditure examined levels of expenditure on:

- Books
- Magazines
- Cinema admission
- Video or DVD hire
- Admission to theatre, ballet, opera or dance performances
- Admission to an art gallery
- Compact discs, tapes, or records
- Classical music performances
- Popular music performances
- Paintings, sculpture, craft etc. (Any 'take-home to own' cultural goods)

Again, for the purposes of this analysis of expenditure, the category 'other' was removed on account of issues relating to the number of responses. Table 8 below shows the results of the chi-squared test on expenditure, and highlights in bold the demographic characteristics which produce a statistically significant result below a 0.05 level. The results indicate that a number of demographic variables have significant effects on expenditure. Of these, the variables relating to whether survey respondents had attended a festival in the previous two

years, age, and whether respondents reported increased, decreased, or unchanged arts expenditure over the last three years generated the most significant comparisons.

Table 8: Chi-squared Results of Expenditure and Demographic Variables – Demand Survey

	Gender	Age	Employ Status	Edu Level	Income	Increase/ Decrease	Festival
a) Books	5.043 (0.283)	29.131 (0.023)	16.958 (0.031)	55.668 (0.000)	34.022 (0.200)	24.856 (0.002)	21.308 (0.000)
b) Magazines	0.472 (0.976)	15.861 (0.463)	6.311 (0.612)	13.440 (0.640)	27.436 (0.495)	16.859 (0.032)	7.748 (0.101)
c) Cinema Admission	4.346 (0.361)	33.741 (0.006)	19.770 (0.011)	21.759 (0.151)	37.805 (0.102)	31.070 (0.000)	18.620 (0.001)
d) Video / DVD Hire	5.601 (0.231)	84.720 (0.000)	37.067 (0.000)	22.966 (0.115)	54.975 (0.002)	11.503 (0.175)	11.437 (0.022)
e) Admission to Theatre, Ballet, Opera or Dance	8.534 (0.074)	16.351 (0.429)	11.594 (0.170)	29.114 (0.023)	27.841 (0.473)	60.629 (0.000)	51.996 (0.000)
f) Gallery Admission	5.188 (0.269)	22.203 (0.134)	10.309 (0.244)	16.379 (0.427)	23.826 (0.691)	35.481 (0.000)	35.872 (0.000)
g) CDs / Tapes / Records	1.265 (0.867)	27.565 (0.036)	19.823 (0.011)	19.488 (0.244)	43.224 (0.033)	12.382 (0.135)	7.553 (0.109)
h) Classical Music Performances	1.667 (0.797)	32.286 (0.009)	12.808 (0.119)	31.997 (0.010)	33.504 (0.218)	20.607 (0.008)	21.837 (0.000)
i) Popular Music Performances	3.078 (0.545)	32.147 (0.010)	15.825 (0.045)	14.617 (0.553)	32.895 (0.240)	31.309 (0.000)	24.133 (0.000)
j) Paintings, Sculpture, craft etc. (Take Home)	18.899 (0.001)	18.106 (0.318)	3.602 (0.891)	13.663 (0.624)	33.326 (0.224)	66.214 (0.000)	31.203 (0.000)

The results presented in the above table again demonstrate a strongly significant effect from a number of demographic variables. The highest level of education attained by survey respondents and employment status generated a number of statistically significant chi-squared results. Notably, whilst gender was a significant determinant of other measures of regional arts demand, in the case of expenditure it was the category which resulted in the fewest significant comparisons, having a statistically significant effect on expenditure in paintings, sculpture and other 'take-home' arts goods only. Interestingly, in a majority of cases income levels of respondents did not affect levels of creative arts expenditure.

Festival attendance generated seven significant expenditure results from the nine tests conducted. In the majority of cases, those who had not attended a festival in the past two

years were in the majority in terms of zero expenditure, whereas those who have attended a festival generally represented the bulk of respondents in the non-zero expenditure brackets. However, whilst statistically significant results were still generated, expenditure on magazines and popular music performances demonstrated exceptions to this trend. In the case of magazines, festival non-attendees (61.5%) represented a larger share than attendees (38.5%) in the highest expenditure bracket. Popular music expenditure shows that those who did not attend a festival (55.6%) represented a greater share of those in the \$31+ per month expenditure than those who attended a festival (44.4%). In addition, expenditure on video and DVD hire of \$21-\$30 per month was the same (50% in both cases) among those who had attended a festival and those who had not.

Regarding age effects on expenditure, the chi-squared results show a general trend which suggests that those in the uppermost age bracket (65 years or older) are more likely to have zero creative arts expenditure. While there are some exceptions, it can be stated that on the other end of the scale, those in the bracket aged 45-54 generally spend the most. Classical music expenditure was the only statistically significant category in which those aged 65 and above were not the highest percentage age group in the zero expenditure brackets. Consistent with expectation, this category demonstrated a considerable age swing towards older respondents in terms of higher expenditure levels.

The other demographic category which produced a strong number of statistically significant results from the chi-squared tests was whether the creative arts expenditure of individuals had fluctuated over the past three years. In every significant case apart from classical music expenditure, those who reported a decline in their creative arts expenditure over the past three years had a higher rate of zero expenditure than those who noted an increased level of expenditure. However in the outlying case (classical music performances) the difference was only 1.9% between the two groups (15.9% -17.8%). Notably, in each of the cases, in excess of 60% of total expenditure was reported by those whose creative arts expenditure had remained constant over the past three years. However between those whose expenditure had recently increased or decreased, the data shows that those whose creative arts expenditure had increased over the past three years were more likely to currently spend more than those whose expenditure had decreased. This is true of every significant comparison except in the case of art gallery expenditure, where in the expenditure category \$21-\$30 per month expenditure was only reported by those who had stable or decreased creative arts expenditure levels (where 50% of respondents belonged to each of these two groups).

A number of conclusions can be drawn in terms of discernable trends emergent from data at this level. Specifically, based on results from the chi-squared analysis presented above, changes in creative arts expenditure had a significant effect on a number of categories, with those whose expenditure had increased generally spending more per month on creative arts than those whose expenditure had decreased. However it must also be concluded that in each significant expenditure category, the majority of the expenditure was recorded by those whose expenditure had remained constant over the past three years. Secondly, the variable asking whether participants recently attended a festival was found to have a significant effect on an individual's level of expenditure on cultural goods and services, where attendees were more likely to outspend non-attendees in the majority of cases.

While attitudes towards the arts and frequency of participation showed a strong effect of participant gender in the majority of cases, it is important to note that this effect was considerably less apparent in the expenditure data, reflecting a statistically significant effect on expenditure levels in take-home creative arts goods only. Another strong demographic effect on the above regional expenditure data can be seen regarding participants' age levels, which produced significant chi-squared results below a 0.05 level in every expenditure category other than magazines, admission to live performing arts (theatre, ballet, opera and dance) and 'take-home' creative arts goods. In this case those aged 65 and over were more likely to report zero expenditure, whereas those aged 45-54 represented the highest percentages in non-zero expenditure brackets.

Employment status had an effect on book expenditure, as well as cinema admission, DVD or video hire, and popular music performance expenditure. The highest educational level attained by participants was also found to have a significant effect on book expenditure, admission to theatre, performing arts and classical music performances. Notably, results generated from the chi-squared testing demonstrate that income had only a very slight effect on expenditure levels by regional Victorians in the arts, with statistically significant results produced only in DVD and video hire and expenditure on compact discs, tapes and records. Thus it can be concluded that income levels are the second weakest determinant of creative arts expenditure in the regional communities surveyed, with gender demonstrating a slightly lesser effect on expenditure in the arts.

The chi-squared analysis of creative arts attitudes, participation rates and expenditure levels has shown a strong effect in terms of whether individuals had recently attended an arts or cultural festival, and whether individuals reported changes in creative arts expenditure in the preceding three years. Moreover, this statistical modelling of demand data shows a strong

gender effect in terms of attitudes to the arts and participation in the arts. Whilst other demographic trends have also produced significant results it is these three variables which have demonstrated repeated statistically significant effects on the demand data. These results can be seen as bolstering the extant knowledge relating to specific characteristics of arts audiences or consumers of cultural goods and services. Moreover, the finding that both festival attendance and recent increases in creative arts expenditure increase levels of demand gives some support to the theory of 'learning by consuming' amongst regional Victorians, whereby current perceptions and consumption of the arts and culture are contingent upon past experiences (Pollak 1970; Stigler and Becker 1977; Becker and Murphy 1988; Throsby 1994a; Levy-Garboua and Montmarquette 1996).

6.3.7 - Grouped Data Analysis

In order to gain a deeper understanding of the nature of arts expenditure by regional Victorians, grouped data modelling of monthly expenditure on various creative arts goods was carried out. In the following section, mean monthly expenditure is determined from the sample regional population, which has shown a strong demand trend for a large number of cultural goods during the initial analysis. In this section, data was grouped according to various demographic characteristics, and mean expenditure levels; standard deviation; and variance in each group were calculated in each expenditure category. In addition, confidence interval tests were conducted at the 95% level to show any significant relationships between expenditure and demographic variables.

In the first instance, approximation of the mean expenditure based on the frequency in each expenditure bracket (f_i) multiplied by the midpoint (m_i) was calculated as:

$$\bar{X} = \frac{\sum_{i=1}^k f_i m_i}{n}$$

An approximation of the variance was calculated as:

$$s^2 = \frac{1}{n-1} \left[\sum_{i=1}^k f_i m_i^2 - n\bar{X}^2 \right]$$

The normal approximation is used to calculate the confidence interval of the lower 95% and upper 95% boundaries of expenditure in each demographic group, as follows:

$$\bar{X} \pm Z_{\alpha/2} \frac{\sigma}{n}$$

(Groebner, Shannon, Fry, & Smith 2005)

For each of the eleven expenditure categories stated in the demand survey the results are presented in individual tables below. In Tables 9-15, the mean expenditure, variance, standard deviation and lower and upper bounds of the 95% confidence intervals of the significant variables are presented.

In the following cases, each table represents the expenditure variables as detailed in the survey. In each case the group, or groups, (if a number are closely related) which recorded the highest and lowest mean expenditure levels are detailed. Moreover, where significant differences between demographic groups in the various categories are observed through non-overlapping confidence intervals as a result of confidence interval testing, these are similarly reported. The body of this chapter reports only those figures where significant differences were discernable – where the lower and upper 95% confidence intervals are not overlapping. A complete set of tables is presented as Appendix 3 to this thesis.

Table 9: Significant Comparative Expenditure on Books

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Attended Festival	13.69	189.95	13.78	11.85	15.54
Not Attended Festival	9.19	158.33	12.58	7.47	10.90

Table 9 shows that the sole observable significant difference from the confidence intervals (i.e. where non-overlapping confidence intervals are apparent) in the case of book expenditure was between those who reported having attended an arts and cultural festival and those who had not. The highest mean recorded by a demographic group on books were those individuals who reported having a university or postgraduate qualification as their highest educational level. This group spent on average \$19.97 per month. The next highest mean expenditure came from higher income earners (\$1,000 or more per week) at \$17.30 per month. Those with the lowest mean expenditure on books were within the weekly income bracket \$300-399. This group spent \$7.74 per month on books.

The highest mean expenditure on magazines was recorded by those in the income category \$500-599 per week, at \$12.33 per month. The lowest expenditure in this category was an average of \$6.61 per month, recorded by those who felt their creative arts expenditure had

increased over the last three years. Those aged 65 years and older also recorded low average expenditure in this category at \$6.62 per month. Those individuals who reported stable creative arts expenditure over the past three years were very close to being significantly different from those with fluctuating expenditure (i.e. increased or decreased levels). As such no demographic group appeared different in terms of magazine expenditure, based on the 95% confidence intervals.

Table 10: Significant Comparative Expenditure on Cinema Admission

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Creative arts expenditure Increased	13.70	149.43	12.22	11.23	16.17
Creative arts expenditure Same	8.69	119.16	10.92	7.39	9.99
Creative arts expenditure Decreased	6.59	89.35	9.45	4.31	8.87

As Table 10 shows, regarding cinema admission expenditure those older respondents (65 years and older) again showed the lowest mean expenditure at \$5.36 per month. Those who reported increased expenditure on the arts in the preceding three years exhibited the highest mean monthly expenditure at \$13.70. In addition, this same demographic group were significantly different from those whose creative arts expenditure had decreased or remained the same when confidence tests were conducted on the expenditure data. The lower 95% boundary for this group began at \$11.23, with the limit of the upper boundary at \$16.17, and as such did not overlap with the levels reported by the other two groups. Table 11 below presents the expenditure results for Video or DVD hire among residents of the three target communities.

Table 11: Significant Comparative Expenditure on Video or DVD Hire

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Age 15-34	8.35	120.18	10.96	5.22	11.49
Age 35-44	12.80	178.37	13.36	9.58	16.03
Age 45-54	8.06	147.6	12.15	5.81	10.31
Age 55-64	4.65	63.39	7.96	3.08	6.21
Age 65+	1.52	14.43	3.80	0.73	2.31
Work Full-Time	9.92	170.19	13.05	7.81	12.02
Work Part-Time	7.53	124.80	11.17	5.27	9.78
Not Working	3.35	38.37	6.19	2.40	4.31

Table 11 indicates that while those individuals who earn \$100-299 per week and those not

working demonstrated low mean expenditure on video and DVD hire, it was again those aged 65 years and older who spend the least on average for this variable, at \$1.52 per month. Those aged 35-44 spent the most on average (\$12.80), with those earning \$500-599 per week very close behind at \$12.76 per month. Confidence interval testing showed non-overlapping values among those aged 65+ compared to other ages within the sample, where the lower 95% boundary was \$0.73, and the upper boundary was \$2.31. The only other category where non-overlapping expenditure levels were apparent was in the case of survey respondents who reported not currently being in the workforce (lower 95% = \$2.40, upper 95% = \$4.31).

Table 12: Significant Comparative Expenditure on Theatre, Ballet, Opera or Dance

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Creative arts expenditure Increased	17.56	606.39	24.62	12.44	22.67
Creative arts expenditure Same	4.73	99.68	9.98	3.50	5.95
Creative arts expenditure Decreased	3.16	142.90	11.95	0.16	6.16
Attended Festival	9.83	266.74	16.33	7.60	12.06
Not Attended Festival	4.38	205.83	14.35	2.40	6.36

Table 12 above shows that the lowest mean monthly spending in performing arts was reported by those whose creative arts expenditure has fallen over the past three years. There is a marked difference between this group of individuals who, on average, spend \$3.16 per month, and those who reported increased creative arts expenditure over the last three years. This group recorded mean monthly expenditure of \$17.56. The variable asking whether general creative arts expenditure had changed over the preceding three years revealed non-overlapping levels by those who reported increased creative arts expenditure. In this case, confidence intervals run from \$12.44-\$22.67, a considerably higher range when compared to the other two groups (those with decreased expenditure and those with stable levels of expenditure). Similarly, those participants who reported having attended an arts and cultural festival in the past two years demonstrated a statistically significant difference to those who had not attended a festival. In the first case, confidence intervals run from a lower 95% boundary of \$7.60 up to \$12.06, whereas those who did not attend a festival demonstrate confidence intervals running from \$2.40 up to \$6.36.

Table 13: Significant Comparative Expenditure on Gallery Admission

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Attended Festival	3.59	62.17	7.88	2.50	4.68
Not Attended Festival	1.03	10.38	3.22	0.58	1.47

Regarding expenditure on gallery admission, Table 13 above shows that an amount of \$0.85 per month was the lowest mean monthly expenditure on gallery admission. This amount was reported by those aged between 15 and 34. An amount of \$4.63 per month was the highest recorded mean among those whose creative arts expenditure has grown over the past 3 years. Those who had not attended an arts or cultural festival in the past two years recorded confidence intervals running from \$0.58-\$1.47. This group is statistically significantly different to those who had attended a festival, where confidence intervals ran from a lower boundary of \$2.50 up to an upper 95% level of \$4.68.

Table 14: Significant Comparative Expenditure on CDs, Tapes or Records

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Age 15-34	11.07	179.17	13.39	7.32	14.82
Age 35-44	11.33	121.62	11.03	8.63	14.03
Age 45-54	10.91	175.43	13.24	8.43	13.38
Age 55-64	10.94	194.40	13.94	8.18	13.70
Age 65+	5.22	71.38	8.45	3.49	6.94
Partial Completion of School	9.00	97.46	9.87	7.20	10.80
Completion of Secondary School	9.04	164.59	12.83	6.80	11.27
TAFE or Equivalent	12.20	192.12	13.86	8.63	15.77
University / Postgraduate degree	11.79	217.56	14.75	8.63	14.94
Other	5.00	27.27	5.22	2.87	7.13
Creative arts expenditure Increased	13.62	240.91	15.52	10.40	16.85
Creative arts expenditure Same	9.10	133.56	11.56	7.68	10.53
Creative arts expenditure Decreased	9.74	95.67	9.78	5.52	10.35

Table 14 suggests that those respondents who reported 'other' as their highest educational qualification reported the lowest mean monthly expenditure on CDs, tapes and records at \$5.00. This group was closely followed by those aged 65 and above, whose spending averaged \$5.22 per month. Those on the higher end of the spectrum in terms of spending in this category were again those whose creative arts expenditure has risen over the last three years, spending \$13.62 per month, and those who earn between \$700-999. This latter group

of individuals reported spending an average of \$13.19 per month on these goods. It is not known, however, whether individuals were reporting expenditure on pre-recorded audio products or other materials such as blank CDs or tapes. Confidence interval calculation demonstrated three demographic variables across which statistically significant differences were noted. Firstly, those aged 65+ underspent compared to each of the other age groups, where confidence intervals ran from \$3.49-\$6.94. Secondly, 95% confidence interval tests among those respondents who reported 'other' as their highest educational level did not overlap with any other group within this variable. The lower 95% boundary shown by these individuals was \$2.87, up to a higher boundary of \$7.13. Finally those who reported having decreased creative arts expenditure over the past three years were seen as being statistically significantly different to those with increased expenditure, with confidence intervals running from \$5.52-\$10.35.

Those aged between 15-34 spent an average of \$0.32 per month on classical music performances. This was the lowest recorded expenditure across the demographic groups. An amount of \$5.06 per month was the highest mean expenditure figure, again recorded by those whose expenditure on arts and culture had increased over the last three years. Those aged 55-64 closely followed this group, spending on average \$5.00 per month. No statistically significant differences were discernable within demographic groups when confidence intervals were calculated at the 95% level.

The highest mean monthly expenditure on popular music performances by a considerable margin was \$13.47. This was reported by those with increased creative arts expenditure over the preceding three year period. An amount of \$2.27 per month was the lowest mean expenditure level, reported by those in the highest age bracket (65 and above). As was the case in terms of classical musical performance expenditure, a comparison between demographic groups on popular music performance revealed no statistically significant differences when confidence interval tests were calculated. Table 15 below presents the comparative expenditure results of the final expenditure category, 'take-home-to-own artworks such as paintings, sculpture or craft products.

Table 15: Significant Comparative Expenditure on Paintings, Sculpture, or craft (Take home)

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
Creative arts expenditure Increased	20.60	670.55	25.89	15.19	26.01
Creative arts expenditure Same	5.20	93.88	9.69	4.02	6.38
Creative arts expenditure Decreased	6.78	324.58	18.02	2.18	11.38

The highest mean level of expenditure as reflected in Table 15 above was by those with increased spending on creative arts over the last three years. The mean expenditure for take-home creative arts goods among this group was \$20.60. An amount of \$4.26 per month was the lowest reported expenditure level by those with gross personal incomes of \$0-100 per week. With regard to the 95% confidence interval testing on the expenditure levels within demographic groups, those individuals who reported elevated levels of creative arts expenditure over the last three years were seen as being significantly different from the other two groups in this variable; those whose expenditure on the arts had decreased over the past three years (lower 95% = \$2.18 – upper 95% = \$11.38), and those whose expenditure had remained the same (lower 95% = \$4.02 – upper 95% = \$6.38). In the case of individuals with increased levels of arts expenditure, confidence intervals run from \$15.19 - \$26.01, far exceeding the expenditure levels of the other two groups.

While the chi-squared analysis of the expenditure data gave an insight into which demographic variables produced statistically significant effects, the purpose of this level of analysis was to analyse in further detail the expenditure behaviour of individuals within these categorical variables. In particular, the 95% confidence intervals determined statistically significant relationships in the expenditure data which deepened the present understanding of demand for the arts in regional Victoria. On account of the disparity of significant results in terms of significantly different levels of expenditure within each category, it is difficult to draw any general conclusions. Rather, the tables presented above serve to give a deeper, more disaggregated view of creative arts expenditure in regional Victorian communities, particularly showing where various demographic groups spend significantly more or less than others. The following section conducts further chi-squared analysis of the demand data in order to determine whether the region in which survey participants live has any significant effect on creative arts attitudes, participation or expenditure.

6.3.8 - Chi-squared Analysis of Regional Effects

Thus far, data collected from the three target regions has been treated as a single unit of analysis. The final aspect of the chi-squared analysis separates the data into three groups, according to target region, in order to ascertain whether the data showed any inter-regional effects with regard to demand patterns. The following series of tables represents the chi-squared analysis of attitudes towards the arts, participation in the arts, and expenditure on the aforementioned range of goods and services within the arts.

Unlike the other two regions under analysis, the East Gippsland region does not have a regular poly-arts festival of a similar size and scope of the Mildura-Wentworth Arts Festival or the SheppARTon Festival. As the conclusion has been drawn that individual attendance at a festival is a factor influencing demand for the arts in terms of attitude, participation and expenditure, this level of analysis will test the hypothesis that in the absence of a festival, demand for the arts will be lower in East Gippsland in a number of cases. Table 16 below shows the results of the chi-squared analysis of attitudes towards the arts by region, which show a significant result in the case of the statement 'the arts should be more of a priority for local government and the community'.

Table 16: Attitudes towards the Arts by Region – Chi-squared Results

	Chi-squared Values
a) Good way to Socialise	0.919 (0.922)
b) Show off Regional Identity	7.010 (0.135)
c) Waste of Money	5.181(0.269)
d) Only for The Elite	2.397(0.663)
e) Should be higher priority	12.582 (0.014)
f) Increase Tourism	2.739 (0.602)
g) Important Involve Youth	2.228 (0.694)
h) Not part of Regional Culture	1.926 (0.749)

The p-values from the asymptotic approximation of the chi-squared statistic are presented in each of the above cases in parentheses. Regarding regional differences in terms of attitudes towards the arts, the only statistically significant relationship is in the case of whether respondents felt that 'the arts should be more of a priority for local government and the community'. In this case 50.34% of survey respondents from the East Gippsland shire agreed with the statement; compared to 40.67% in Greater Shepparton, and 35.06% in Mildura, accounting for the statistically significant p-value of 0.014. Thus there is evidence from the attitudinal demand survey data that residents in the East Gippsland Shire feel that

the arts should be made a higher priority in their region by both the community and local government.

Table 17 below determines whether inter-regional differences were apparent regarding frequency of participation in the arts. Results from the table below indicate that attendance at an art gallery significantly differs by region.

Table 17: Frequency of Participation in the Arts by Region

	Chi-squared Values
a) Art Gallery	14.496 (0.025)
b) Theatre Performance	10.009 (0.124)
c) Classical Music Performance	4.941 (0.551)
d) Popular Music Performance	7.739 (0.258)
e) Ballet / Opera	3.314 (0.769)
f) Cinema	7.530 (0.275)
g) Dance Performance	7.242 (0.299)
h) Craft Fair / Exhibition	11.291 (0.080)

Table 17 shows that attendance at an art gallery was significant when compared to the region in which participants usually live, generating a p-value of 0.025. This appears to be a result of more frequent attendance at an art gallery by those who live in the East Gippsland region. A total of 8.72% of East Gippsland respondents attend a gallery once a month or more, compared to 1.39% in Greater Shepparton and 3.90% in Mildura. As an aside, it is worthy of note that the significant infrastructure development in Shepparton's cultural precinct included a refurbishment of the Shepparton Art gallery (now located within the Eastbank Centre). In spite of this, Shepparton residents show the least number of individuals who report frequent gallery visitation. On the other end of the scale, 13.42% of East Gippsland residents reported never attending an art gallery. In Shepparton, 23.6% reported never attending a gallery, while in Mildura the figure was 20.8%. Thus, based on the one significant regional relationship noted above, the conclusion can be drawn that East Gippsland residents are more frequent attendees of art galleries than the other two sites.

Table 18 below presents the results of chi-squared analysis which sought to determine whether inter-regional differences existed in terms of expenditure levels on creative arts. The table shows that expenditure on books, cinema admission, video and DVD hire and gallery admission all show statistically significant regional results.

Table 18: Expenditure on Arts and Culture by Region

	Chi-squared Values
a) Books	18.593 (0.017)
b) Magazines	8.773 (0.362)
c) Cinema Admission	31.596 (0.000)
d) Video / DVD Hire	27.008 (0.001)
e) Admission to Theatre, Ballet, Opera or Dance	12.584 (0.127)
f) Gallery Admission	15.818 (0.045)
g) CDs / Tapes / Records	5.685 (0.682)
h) Classical Music Performances	8.075 (0.426)
i) Popular Music Performances	8.826 (0.357)
j) Paintings, Sculpture, craft etc. (Take Home)	9.261 (0.321)

As the table above demonstrates, statistically significant chi-squared results are apparent when regions are formally compared to levels of creative arts expenditure. In the first instance, book expenditure was regionally significant, arguably due to a high number of Greater Shepparton respondents spending \$21-30 per month. Secondly, in the case of expenditure on cinema admission, 39.7% of East Gippsland respondents reported nil monthly expenditure, compared to 25.85% in Mildura and 31.47% in Greater Shepparton. This strongly significant regional chi-squared value represents much lower demand for cinema in the East Gippsland Shire. Thirdly, regarding monthly expenditure on video and DVD hire, a total of 58.5% of respondents from East Gippsland reported nil expenditure on video or DVD hire per month, compared to 36.9% in Greater Shepparton and 57.0% in Mildura. Thus the significant result is likely to be related to this considerably lower figure from Shepparton respondents. The fourth and final significant result, regarding gallery admission expenditure shows that those in East Gippsland were considerably less likely to spend nothing on gallery admission (53.2% compared to 77.4% in Mildura and 75% in Shepparton). While results may be obfuscated by the fact that in many cases gallery admission is free of charge, these results are in line with the earlier finding that respondents from East Gippsland reported more frequent gallery attendance.

According to the chi-squared results, expenditure levels in the arts do not appear to exhibit a uniform trend with regard to region. Whilst there are more significant statistical results, the only emergent trend appears to be a reiteration of the fact that there is higher demand in regional arts gallery visitation, as per the attendance results. With regard to testing the hypothesis that the absence of a significant regional East Gippsland arts festival will lower other facets of arts demand, the results actually indicate that demand is increased in other

areas of creative arts. This was particularly noticeable in the case of art gallery attendance and expenditure in the East Gippsland region. Thus it can be stated that the absence of a festival does not impede demand for the arts, but rather, other cultural activities are engaged as substitutes for this cultural experience. In addition, the lack of a festival may contribute to the significance among East Gippsland respondents that creative arts should be more of a priority issue for the local community and its leaders.

6.4- Multivariate Demand Model – Ordered Probit

Thus far in the analysis of the demand data collected from residents of regional Victorian residents, a broad picture of the demand for arts and culture has been determined based on basic frequency results, grouped data modelling (including confidence interval tests) and chi-squared tests on a number of key demand indicators. Results of statistical testing have demonstrated that female respondents, those who have attended an arts festival in the past two years, and those whose expenditure on the arts has increased in the past three years are more likely to have higher demand for arts and culture than other demographic groups.

In order to further determine which demographic characteristics of regional Victorian residents influenced their levels of demand for the arts, an ordered probit model was used to analyse attitudes towards the arts, frequency of participation in and typical monthly expenditure on the arts. These three categories can be seen to broadly illustrate individual levels of demand for the arts, while this analysis of the data reflects a more sophisticated model for analysing creative arts demand patterns in regional Victorian communities.

The use of an ordered probit model is considered more appropriate than linear regression models when responses are ordinal, rather than numerical (Daykin & Moffatt 2002). One reason for this is that ordinal data should be interpreted differently as the difference between each response category is likely to be more significant than can be interpreted using a multinomial logit or probit model (Greene 2000) or a linear regression model (Daykin & Moffatt 2002). To take an example from the current data set, the difference between participation in the arts 'every so often' and 'once a month or more' is more significant than is implied in a linear model interpretation, which would only demonstrate a variation of one unit (a movement from '3' to '4', for example). Thus an ordered probit model is thought to be more appropriate in terms of interpreting these results more carefully and comprehensively.

6.4.1 - Specification of the Model

The ordered probit model used to determine the effects of demographic characteristics on attitudes, expenditure and the frequency of participation in the arts had the following

determinants:

- Gender
- Income
- Festival Attendance

In addition, a number of dummy variables were established to test the effects of age, employment status, highest level of education, and place of residence on demand for the arts:

- Aged 35-44
- Aged 45-54
- Aged 55-64
- Aged 65+
- Work Full Time
- Work Casual / Part-time
- Partial Completion of School
- TAFE
- University Degree
- Postgraduate Degree
- Greater Shepparton
- East Gippsland

Each of the questions relating to attitude, frequency of participation, and expenditure in the arts were run using this model, and the parameter estimates and p-values reported in each case. In addition, the estimated marginal effects are also reported for each ordered response category. In the case of the data on attitudes towards the arts, data was coded into three response categories as follows: (1) = Agree; (2) = Neutral; (3) = Disagree. Secondly, in the case of the data describing how often survey respondents take part in the arts, responses were coded into the following categories: (0) = Never; (1) = Once a year or less; (2) = Every so often; and (3) = Once a month or more. Finally, regarding how much money respondents typically spend per month on the arts, responses in each category were coded into the following categories: (0) = \$0 per month; (1) = \$1-\$10 per month; (2) = \$11-\$20 per month; (3) = \$21-\$30 per month; and (4) = \$31 or more per month.

As results from the ordered probit included parameter estimates and p-values as well as the marginal effects in each case, a significant volume of data was generated. Rather than presenting such a large number of tables, the following section analyses the results from a selection of variables in each case, in order to identify whether any demographic characteristics generate significant results in terms of attitude, frequency of participation, or

expenditure in the arts. In each case, a sample of the results is presented which demonstrate the significant trends in the data.

6.4.2 -Ordered Probit Results

In the first instance, results from three attitudinal questions are analysed. Table 19 below reports the parameter estimates and associated p-values in column 2, and the marginal effects and associated p-values in columns 3-5. The first table gives the results for attitudinal responses to the statement 'attending arts events is a good way to socialise with people in the community'. Where significant p-values below 0.05 resulted, these are shown in bold.

Table 19: Ordered Probit Results – Survey Question 10(a)

Variable	Probit Results	Marginal Effects:		
		'Agree'	'Neutral'	'Disagree'
Gender	-0.577 (0.000)	0.203 (0.000)	-0.158 (0.000)	-0.045 (0.003)
Income	-0.049 (0.227)	0.017 (0.227)	-0.014 (0.228)	-0.003 (0.238)
Aged 35-44	-0.285 (0.260)	0.093 (0.227)	-0.077 (0.240)	-0.016 (0.189)
Aged 45-54	-0.418 (0.065)	0.136 (0.048)	-0.112 (0.054)	-0.024 (0.047)
Aged 55-64	-0.378 (0.109)	0.123 (0.085)	-0.101 (0.094)	-0.022 (0.075)
Aged 65+	-0.483 (0.067)	0.153 (0.042)	-0.127 (0.049)	-0.026 (0.036)
Work full-time	0.196 (0.393)	-0.069 (0.398)	0.054 (0.394)	0.014 (0.425)
Work casual-p/t	-0.007 (0.974)	0.002 (0.974)	-0.002 (0.974)	-0.000 (0.973)
Festival (y/n)	-0.615 (0.000)	0.213 (0.000)	-0.168 (0.000)	-0.046 (0.001)
Partial school	0.301 (0.078)	-0.108 (0.086)	0.084 (0.079)	0.024 (0.137)
TAFE	0.356 (0.091)	-0.130 (0.105)	0.099 (0.088)	0.031 (0.183)
Uni degree	0.109 (0.596)	-0.038 (0.602)	0.030 (0.598)	0.008 (0.619)
Postgraduate	0.250 (0.373)	-0.091 (0.392)	0.070 (0.370)	0.021 (0.462)
Gr. Shepparton	0.150 (0.350)	-0.053 (0.355)	0.042 (0.352)	0.011 (0.379)
East Gippsland	0.152 (0.362)	-0.053 (0.368)	0.042 (0.364)	0.011 (0.393)

The ordered probit results in the first case show that gender and festival attendance are significant, and the variables 'aged 45-54'; 'aged 65+'; and 'partial completion of school' are all close to being significant. In the three estimations of marginal effects, female respondents, those aged 65 and older, and those who attended a festival are significantly more likely to agree with the statement, and less likely to give a neutral response or

disagree. Respondents aged 45-54 are significantly more likely to agree, and less likely to disagree. Interestingly, the same coefficients resulted in the majority of cases between Greater Shepparton and East Gippsland, with the exception of the parameter estimates in column 2, where the difference is only very slight. Similar corresponding p-values are also observable between the two sites. The second set of results being presented in Table 20 relates to the attitudinal statement 'going to arts events is a waste of money'. Again, following the table the significant results are discussed.

Table 20: Ordered Probit Results – Survey Question 10(c)

Variable	Probit Results	Marginal Effects:		
		'Agree'	'Neutral'	'Disagree'
Gender	0.488 (0.002)	-0.045 (0.010)	-0.102 (0.003)	0.148 (0.003)
Income	-0.011 (0.800)	0.001 (0.800)	0.002 (0.800)	-0.003 (0.800)
Aged 35-44	-0.002 (0.995)	0.000 (0.995)	0.000 (0.995)	-0.000 (0.995)
Aged 45-54	0.284 (0.247)	-0.021 (0.207)	-0.057 (0.230)	0.079 (0.219)
Aged 55-64	0.579 (0.034)	-0.038 (0.014)	-0.110 (0.017)	0.148 (0.013)
Aged 65+	0.129 (0.648)	-0.010 (0.627)	-0.026 (0.642)	0.037 (0.637)
Work full-time	0.075 (0.765)	-0.006 (0.761)	-0.016 (0.764)	0.022 (0.763)
Work casual-p/t	0.101 (0.650)	-0.008 (0.634)	-0.021 (0.646)	0.029 (0.642)
Festival (y/n)	0.614 (0.000)	-0.056 (0.001)	-0.127 (0.000)	0.182 (0.000)
Partial school	-0.320 (0.066)	0.031 (0.115)	0.068 (0.072)	-0.099 (0.080)
TAFE	0.082 (0.725)	-0.007 (0.711)	-0.017 (0.722)	0.023 (0.719)
Uni degree	0.346 (0.140)	-0.024 (0.089)	-0.068 (0.115)	0.093 (0.102)
Postgraduate	-0.030 (0.919)	0.003 (0.921)	0.006 (0.920)	-0.009 (0.920)
Gr. Shepparton	-0.077 (0.645)	0.007 (0.653)	0.016 (0.646)	-0.023 (0.648)
East Gippsland	0.224 (0.215)	-0.018 (0.193)	-0.046 (0.207)	0.064 (0.199)

Table 20 shows that the p-values of gender, festival attendance, and the variable 'aged 55-64' are significant in the probit estimation. The marginal effects results show that females, those who had attended a festival, and those aged 55-64 were significantly more likely to disagree with the statement, and significantly less likely to agree or give a neutral response.

The final attitudinal results to be analysed relate to the survey statement: 'the arts should be more of a priority for local government and the community'. Table 21 below presents these results, including parameter estimates, marginal effects, and p-values in each case.

Table 21: Ordered Probit Results – Survey Question 10(e)

Variable	Probit Results	Marginal Effects: 'Agree'	Marginal Effects: 'Neutral'	Marginal Effects: 'Disagree'
Gender	-0.448 (0.001)	0.171 (0.001)	-0.065 (0.001)	-0.106 (0.001)
Income	0.051 (0.151)	-0.020 (0.151)	0.008 (0.161)	0.011 (0.152)
Aged 35-44	0.119 (0.598)	-0.046 (0.594)	0.018 (0.561)	0.028 (0.614)
Aged 45-54	-0.390 (0.055)	0.153 (0.055)	-0.073 (0.091)	-0.080 (0.036)
Aged 55-64	-0.718 (0.001)	0.280 (0.001)	-0.149 (0.005)	-0.132 (0.000)
Aged 65+	-0.470 (0.047)	0.185 (0.046)	-0.093 (0.086)	-0.092 (0.021)
Work full-time	-0.027 (0.896)	0.010 (0.896)	-0.004 (0.897)	-0.006 (0.896)
Work casual-p/t	-0.022 (0.903)	0.009 (0.903)	-0.004 (0.904)	-0.005 (0.902)
Festival (y/n)	-0.610 (0.000)	0.232 (0.000)	-0.090 (0.000)	-0.142 (0.000)
Partial school	0.318 (0.039)	-0.121 (0.033)	0.043 (0.017)	0.077 (0.055)
TAFE	0.240 (0.200)	-0.091 (0.186)	0.032 (0.106)	0.059 (0.237)
Uni degree	0.080 (0.657)	-0.031 (0.655)	0.012 (0.641)	0.018 (0.665)
Postgraduate	0.109 (0.661)	-0.042 (0.657)	0.016 (0.622)	0.026 (0.676)
Gr. Shepparton	-0.345 (0.015)	0.135 (0.015)	-0.062 (0.029)	-0.073 (0.011)
East Gippsland	-0.399 (0.008)	0.156 (0.008)	-0.073 (0.020)	-0.083 (0.005)

As was the case in the previous set of results, Table 21 shows significant results from the

probit estimation for the variables 'gender', 'festival attendance', and 'aged 55-64'. In addition, those aged 65 and older, those with partial school completion as their highest educational level, and the two regional dummies 'Greater Shepparton' and 'East Gippsland' show significant p-values. Females, those who had attended a festival, those aged 55-64, and respondents from both regions are significantly more likely to agree with the statement, and significantly less likely to give a neutral response or disagree. Similarly, those aged 65 and older are significantly more likely to agree, and less likely to disagree, although the effects of a neutral response are not significant. Those respondents whose highest qualification is partial school completion are significantly less likely to agree, and more likely to be 'neutral'. The results also show these respondents to be close to being significantly more likely to disagree.

Results from the selected sample of attitudinal demand responses lead to the conclusion that age, gender, and festival attendance are all variables which lead to significant attitudinal results in the ordered probit model and when the marginal effects in each response category were estimated. The results show significantly positive attitudes towards the arts by females and festival attendees, while the general pattern appears to be that middle aged and older respondents ('45-54', '55-64' and '65+') view creative arts more positively.

Having shown a selection of attitudinal results from the ordered response model, the following section outlines the results of three ordered probit tests and the corresponding marginal effects relating to frequency of participation in the arts. Table 22 below reports the results of frequency of visitation to an art gallery. The parameter estimates and their associated p-values (in parentheses) in column two, while the marginal effects and their associated p-values are then reported in columns 3-6 for each of the four ordered response categories. Where the coefficient estimate or marginal effect is significant below the 0.05 level the results are presented in bold.

Table 22: Ordered Probit Results – Frequency of Art Gallery Visitation

Variable	Probit Results	Marginal Effects: 'Never'	Marginal Effects: '1x year or less'	Marginal Effects: 'Every so Often'	Marginal Effects: '1x Month or More'
Gender	0.363 (0.005)	-0.088 (0.007)	-0.048 (0.006)	0.116 (0.005)	0.019 (0.013)
Income	-0.376 (0.273)	0.009 (0.274)	0.006 (0.281)	-0.012 (0.274)	-0.002 (0.287)
Aged 35-44	0.355 (0.116)	-0.072 (0.071)	-0.066 (0.188)	0.113 (0.104)	0.026 (0.220)
Aged 45-54	0.522 (0.010)	-0.107 (0.004)	-0.095 (0.030)	0.164 (0.007)	0.038 (0.058)
Aged 55-64	0.715 (0.001)	-0.137 (0.000)	-0.141 (0.006)	0.217 (0.000)	0.060 (0.026)
Aged 65+	0.794 (0.001)	-0.144 (0.000)	-0.163 (0.005)	0.235 (0.000)	0.073 (0.031)
Work full-time	0.087 (0.659)	-0.020 (0.655)	-0.013 (0.668)	0.028 (0.659)	0.005 (0.668)
Work casual-p/t	-0.234 (0.173)	0.058 (0.201)	0.029 (0.104)	-0.075 (0.169)	-0.012 (0.144)
Festival (y/n)	0.826 (0.000)	-0.198 (0.000)	-0.106 (0.000)	0.256 (0.000)	0.048 (0.000)
Partial school	-0.524 (0.001)	0.137 (0.002)	0.052 (0.000)	-0.165 (0.000)	-0.024 (0.003)
TAFE	-0.039 (0.830)	0.009 (0.832)	0.006 (0.824)	-0.013 (0.830)	-0.002 (0.825)
Uni degree	0.128 (0.453)	-0.029 (0.435)	-0.020 (0.488)	0.041 (0.451)	0.008 (0.489)
Postgraduate	-0.120 (0.608)	0.029 (0.625)	0.015 (0.548)	-0.039 (0.606)	-0.006 (0.572)
Gr. Shepparton	-0.101 (0.468)	0.024 (0.476)	0.014 (0.452)	-0.033 (0.468)	-0.006 (0.460)
East Gippsland	0.256 (0.074)	-0.057 (0.062)	-0.042 (0.109)	0.083 (0.073)	-0.016 (0.121)

As presented in the table above, gender, the variable measuring festival attendance, those aged 45-54, 55-64 and 65 or older, in addition to those who reported partial completion of school as being their highest level of education all show statistically significant results in the

probit estimation. The marginal effects demonstrate that females, those who had attended a festival in the past two years, those aged 55-64 and 65 or older were all significantly less likely to attend a gallery 'never' or 'once a year or less, and more likely to attend 'every so often' or 'once a month or more'. The results demonstrate a similar effect among those respondents aged 45-54, however the results in the category 'once a month or more' (0.058), although close to being significant, were above the 0.05 level. In contrast, the significant results among those with a partial school qualification show that this group is significantly more likely to either never attend an art gallery, or attend 'once a year or less'. The negative coefficients and significant values also show this group to be significantly less likely to attend 'every so often' or 'once a month or more'. Table 23 below shows results for attendance rates at a theatre performance.

Table 23: Ordered Probit Results – Frequency of Attendance at a Theatre Performance

Variable	Probit Results	Marginal Effects: 'Never'	Marginal Effects: '1x year or less'	Marginal Effects: 'Every so Often'	Marginal Effects: '1x Month or More'
Gender	0.687 (0.000)	-0.169 (0.000)	-0.093 (0.000)	0.241 (0.000)	0.020 (0.006)
Income	0.117 (0.736)	-0.003 (0.737)	-0.002 (0.737)	0.004 (0.736)	0.000 (0.738)
Aged 35-44	0.675 (0.765)	-0.015 (0.759)	-0.012 (0.774)	0.024 (0.765)	0.002 (0.777)
Aged 45-54	0.433 (0.033)	-0.089 (0.019)	-0.082 (0.059)	0.154 (0.028)	0.017 (0.123)
Aged 55-64	0.649 (0.003)	-0.123 (0.000)	-0.132 (0.009)	0.223 (0.001)	0.032 (0.064)
Aged 65+	0.661 (0.005)	-0.123 (0.001)	-0.137 (0.016)	0.225 (0.002)	0.034 (0.086)
Work full-time	0.170 (0.396)	-0.038 (0.385)	-0.029 (0.414)	0.061 (0.394)	0.006 (0.433)
Work casual-p/t	0.262 (0.881)	-0.006 (0.880)	-0.004 (0.883)	0.009 (0.881)	0.001 (0.883)
Festival (y/n)	0.797 (0.000)	-0.188 (0.000)	-0.115 (0.000)	0.278 (0.000)	0.026 (0.003)
Partial school	-0.481 (0.002)	0.123 (0.004)	0.060 (0.000)	-0.171 (0.001)	-0.012 (0.016)
TAFE	-0.013 (0.943)	0.003 (0.943)	0.002 (0.942)	-0.005 (0.943)	-0.000 (0.942)
Uni degree	0.013 (0.941)	-0.003 (0.941)	-0.002 (0.941)	0.005 (0.941)	0.000 (0.941)
Postgraduate	-0.535 (0.035)	0.152 (0.074)	0.040 (0.001)	-0.185 (0.021)	-0.010 (0.020)
Gr. Shepparton	0.133 (0.341)	-0.030 (0.331)	-0.023 (0.362)	0.048 (0.341)	0.004 (0.383)
East Gippsland	-0.233 (0.112)	0.056 (0.129)	0.035 (0.089)	-0.084 (0.110)	-0.007 (0.127)

Probit results for attendance at a theatre performance show gender and festival attendance to be significant with females and festival attendees significantly more likely to attend in the two most frequent categories 'once a month or more' and 'every so often', while being

significantly less likely to never attend, or to attend 'once a year or less'. The variable 'partial school' is significant, and shows that conversely, those who reported their highest qualification to be partial completion of school are more likely to never attend, or attend 'once a year or less', while being less likely to attend 'every so often' or 'once a month or more'. 'Aged 55-64' and '65+' are significant variables, with respondents in this group shown as being significantly more likely to attend the theatre 'every so often'. These same two groups show negatively significant results in the two least frequent categories, indicating that respondents in these age brackets are less likely to never attend the theatre, or attend 'once a year or less'. Similar results are observable from those respondents aged 45-54 who also demonstrated significant results from the probit estimations, although in this case the marginal effects for the category 'once a year or less' (0.059), although close to being significant, were not below 0.05. Finally, the variable 'postgraduate' was significant, with respondents who reported a postgraduate qualification as their highest level of education significantly more likely to attend 'once a year or less', and significantly less likely to attend 'every so often' or 'once a month or more'.

The final results selected to demonstrate trends in the data influencing attendance or participation behaviour in the arts relates to ballet and opera performances.

Table 24: Ordered Probit Results - Frequency of Attendance at Ballet / Opera

Variable	Probit Results	Marginal Effects: 'Never'	Marginal Effects: '1x year or less'	Marginal Effects: 'Every so Often'	Marginal Effects: '1x Month or More'
Gender	0.622 (0.000)	-0.207 (0.000)	0.116 (0.000)	0.082 (0.000)	0.009 (0.060)
Income	-0.042 (0.305)	0.015 (0.305)	-0.008 (0.308)	-0.006 (0.309)	-0.001 (0.351)
Aged 35-44	0.048 (0.864)	-0.017 (0.866)	0.009 (0.864)	0.007 (0.867)	0.001 (0.870)
Aged 45-54	0.236 (0.330)	-0.084 (0.340)	0.044 (0.321)	0.035 (0.361)	0.004 (0.427)
Aged 55-64	0.571 (0.023)	-0.210 (0.028)	0.101 (0.013)	0.095 (0.053)	0.014 (0.188)
Aged 65+	0.815 (0.003)	-0.305 (0.004)	0.130 (0.000)	0.150 (0.016)	0.026 (0.156)
Work full-time	0.020 (0.935)	-0.007 (0.935)	0.004 (0.934)	0.003 (0.935)	0.000 (0.935)
Work casual-p/t	-0.105 (0.601)	0.036 (0.595)	-0.020 (0.602)	-0.014 (0.588)	-0.002 (0.586)
Festival (y/n)	0.614 (0.000)	-0.208 (0.000)	0.114 (0.000)	0.085 (0.000)	0.010 (0.057)
Partial school	-0.521 (0.005)	0.168 (0.002)	-0.098 (0.005)	-0.064 (0.002)	-0.006 (0.077)
TAFE	-0.110 (0.606)	0.037 (0.597)	-0.021 (0.607)	-0.015 (0.588)	-0.002 (0.581)
Uni degree	0.120 (0.527)	-0.042 (0.534)	0.023 (0.524)	0.018 (0.545)	0.002 (0.578)
Postgraduate	-0.242 (0.420)	0.079 (0.386)	-0.046 (0.416)	-0.030 (0.351)	-0.003 (0.338)
Gr. Shepparton	0.036 (0.825)	-0.013 (0.826)	0.007 (0.825)	0.005 (0.826)	0.001 (0.829)
East Gippsland	-0.266 (0.137)	0.090 (0.124)	-0.051 (0.139)	-0.035 (0.121)	-0.004 (0.190)

As Table 24 above shows, none of the demographic variables generated significant values in every case. This can be explained by no group being significantly more likely to report attendance at ballet or opera performances once per month or more. The results again

demonstrate significant values in the variables 'festival', 'aged 65+' and 'gender', with marginal effects indicating that festival attendees, those aged 65 and older, and females are more likely to attend ballet or opera 'every so often' or 'once a year or less' and are significantly less likely to never attend. The variable 'partial school' is again significant, and respondents who hold this as their highest qualification appear significantly more likely never to attend, as well as being significantly less likely to attend 'once a year or less' or 'every so often'. The variable 'aged 55-64' is significant in the probit estimation, with marginal effects results reporting a significant likelihood that respondents in this age bracket will attend the ballet 'once a year or less', while being significantly less likely to never attend.

From the selected results presented in terms of frequency of attendance, a number of demographic variables appear consistently significant. The ordered probit estimations of attendance and participation in a range of arts events and practices shows the gender, age, and highest educational level of respondents, in addition to whether they have attended a festival in the past two years as being consistently significant. The most outstanding marginal effects indicate that females and festival attendees are more likely to attend or participate in the arts, while those who completed partial school are consistently likely to never or seldom attend. With the exception of the significant results among respondents with postgraduate qualifications who demonstrate infrequent attendance at the theatre, these attendance results are consistent with the findings in the literature regarding the composition of arts audiences, and particularly audiences at theatre, ballet and opera (referred to as 'high arts') (Baumol & Bowen 1966; Kurabayashi & Ito, 1992; Prieto-Rodriguez & Fernandez-Blanco 2000; Towse 1994; Arts Victoria 2002).

The following results describe the demographic variables which produce significant results in typical monthly expenditure in the arts. The first table in this series, Table 25, shows the results of the ordered probit on book expenditure, including the marginal effects for each of the expenditure groupings.

Table 25: Ordered Probit Results – Monthly Expenditure Levels on Books

Variable	Probit Results	Marginal Effects: '\$0/month'	Marginal Effects: '\$1-\$10/month'	Marginal Effects: '\$11-\$20/month'	Marginal Effects: '\$21-\$30/month'	Marginal Effects: '\$31+/month'
Gender	0.313 (0.015)	-0.099 (0.017)	-0.018 (0.039)	0.040 (0.023)	0.035 (0.019)	0.043 (0.016)
Income	0.075 (0.028)	-0.023 (0.028)	-0.005 (0.068)	0.009 (0.037)	0.009 (0.038)	0.011 (0.032)
Aged 35-44	0.391 (0.076)	-0.110 (0.046)	-0.043 (0.194)	0.041 (0.029)	0.045 (0.081)	0.067 (0.135)
Aged 45-54	0.436 (0.026)	-0.126 (0.016)	-0.043 (0.098)	0.048 (0.014)	0.050 (0.032)	0.071 (0.055)
Aged 55-64	0.665 (0.001)	-0.180 (0.000)	-0.079 (0.024)	0.062 (0.000)	0.075 (0.002)	0.121 (0.011)
Aged 65+	0.233 (0.315)	-0.069 (0.287)	-0.022 (0.423)	0.027 (0.271)	0.027 (0.322)	0.037 (0.363)
Work full-time	-0.447 (0.821)	0.014 (0.822)	0.003 (0.816)	-0.006 (0.822)	-0.005 (0.821)	-0.006 (0.819)
Work casual-p/t	-0.127 (0.458)	0.040 (0.468)	0.007 (0.385)	-0.016 (0.473)	-0.014 (0.455)	-0.017 (0.438)
Festival (y/n)	0.295 (0.012)	-0.092 (0.013)	-0.019 (0.040)	0.037 (0.018)	0.033 (0.016)	0.042 (0.015)
Partial school	-0.253 (0.091)	0.082 (0.102)	0.013 (0.065)	-0.033 (0.111)	-0.028 (0.089)	-0.033 (0.073)
TAFE	0.137 (0.442)	-0.041 (0.425)	-0.012 (0.521)	0.016 (0.416)	0.016 (0.449)	0.021 (0.474)
Uni degree	0.522 (0.002)	-0.144 (0.000)	-0.059 (0.031)	0.052 (0.000)	0.060 (0.004)	0.091 (0.011)
Postgraduate	0.037 (0.886)	-0.011 (0.884)	-0.003 (0.893)	0.005 (0.884)	0.004 (0.886)	0.005 (0.888)
Gr. Shepparton	0.162 (0.239)	-0.050 (0.230)	-0.013 (0.304)	0.020 (0.233)	0.018 (0.247)	0.024 (0.257)
East Gippsland	0.259 (0.076)	-0.078 (0.066)	-0.022 (0.154)	0.031 (0.068)	0.030 (0.085)	0.039 (0.101)

Firstly, the variables 'gender', 'aged 55-64', 'festival', and 'university degree' were all significant. Marginal effects results demonstrate that females, festival attendees, those aged 55-64 and those who have a university degree as their highest qualification are significantly less likely to spend either \$0 per month or \$1-\$10 per month on books, while being

significantly more likely to spend \$11-\$20, \$21-\$30, or \$31 or more per month in this category. Income was also significant, and it can be assumed that those with higher income levels are more likely to spend \$11-\$20, \$21-\$30, or \$30 per month, and less likely to spend \$0 per month. Those aged 45-54 were seen to be significantly less likely to report zero expenditure, but significantly more likely to spend \$11-\$20 and \$21-\$30 per month on books. Although not significant in the probit estimation, those aged 35-44 were more likely to spend \$11-\$20 per month in this category. The following set of results presented in Table 26 shows the ordered probit results of reported monthly expenditure on admission to theatre, ballet, opera or dance performances.

Table 26: Ordered Probit Results – Monthly Expenditure Levels on Theatre, Opera, Ballet or Dance

Variable	Probit Results	Marginal Effects: '\$0/month'	Marginal Effects: '\$1-\$10/month'	Marginal Effects: '\$11-\$20/month'	Marginal Effects: '\$21-\$30/month'	Marginal Effects: '\$31+/month'
Gender	0.540 (0.000)	-0.195 (0.000)	0.053 (0.002)	0.053 (0.001)	0.046 (0.001)	0.042 (0.002)
Income	-0.003 (0.931)	0.001 (0.931)	-0.000 (0.931)	-0.000 (0.931)	-0.000 (0.931)	-0.000 (0.931)
Aged 35-44	0.051 (0.849)	-0.019 (0.850)	0.005 (0.846)	0.005 (0.850)	0.004 (0.851)	0.004 (0.854)
Aged 45-54	0.365 (0.123)	-0.139 (0.128)	0.032 (0.090)	0.037 (0.124)	0.035 (0.152)	0.035 (0.194)
Aged 55-64	0.442 (0.076)	-0.169 (0.080)	0.036 (0.037)	0.044 (0.074)	0.043 (0.108)	0.045 (0.156)
Aged 65+	0.838 (0.002)	-0.322 (0.002)	0.051 (0.000)	0.078 (0.001)	0.085 (0.008)	0.108 (0.038)
Work full-time	0.359 (0.129)	-0.135 (0.131)	0.033 (0.111)	0.036 (0.130)	0.033 (0.152)	0.032 (0.179)
Work casual-p/t	-0.062 (0.761)	0.023 (0.759)	-0.006 (0.765)	-0.006 (0.761)	-0.005 (0.758)	-0.005 (0.754)
Festival (y/n)	0.712 (0.000)	-0.258 (0.000)	0.067 (0.000)	0.070 (0.000)	0.062 (0.000)	0.060 (0.000)
Partial school	-0.119 (0.506)	0.044 (0.500)	-0.012 (0.518)	-0.012 (0.505)	-0.010 (0.497)	-0.009 (0.487)
TAFE	0.119 (0.571)	-0.045 (0.576)	0.011 (0.551)	0.012 (0.572)	0.011 (0.585)	0.011 (0.600)
Uni degree	0.240 (0.201)	-0.091 (0.209)	0.022 (0.169)	0.024 (0.207)	0.023 (0.233)	0.022 (0.263)
Postgraduate	0.314 (0.265)	-0.012 (0.277)	0.025 (0.155)	0.032 (0.253)	0.031 (0.311)	0.033 (0.373)
Gr. Shepparton	0.234 (0.139)	-0.088 (0.143)	0.022 (0.130)	0.024 (0.148)	0.022 (0.165)	0.021 (0.176)
East Gippsland	0.002 (0.989)	-0.001 (0.989)	0.000 (0.989)	0.000 (0.989)	0.000 (0.989)	0.000 (0.989)

Table 26 shows that in the case of expenditure on theatre, ballet, opera or dance among regional Victorian respondents, the variables 'gender', '65+' and 'festival' were all significant in both the probit, as well as each of the marginal effects. Females, those aged 65 and

older, and those who had attended a festival were significantly less likely to report zero expenditure, and significantly more likely to report spending in each of the other categories. Those aged 55-64, although the variable was not significant in the probit estimation, were significantly more likely to spend \$1-\$10 per month in this category. The following table, Table 27, presents the final results of the ordered probit estimation. This table shows the results of monthly expenditure on painting, sculpture or craft, referred to as the 'take-home to own' arts.

Table 27: Ordered Probit – Monthly Expenditure on Painting, Sculpture, or Craft (Take home)

Variable	Probit Results	Marginal Effects: '\$0/month'	Marginal Effects: '\$1-\$10/month'	Marginal Effects: '\$11-\$20/month'	Marginal Effects: '\$21-\$30/month'	Marginal Effects: '\$31+/month'
Gender	0.683 (0.000)	-0.257 (0.000)	0.054 (0.000)	0.082 (0.000)	0.060 (0.000)	0.061 (0.000)
Income	0.642 (0.098)	-0.025 (0.097)	0.005 (0.116)	0.008 (0.106)	0.006 (0.110)	0.006 (0.110)
Aged 35-44	0.345 (0.157)	-0.136 (0.158)	0.020 (0.058)	0.042 (0.143)	0.035 (0.193)	0.039 (0.240)
Aged 45-54	0.016 (0.942)	-0.006 (0.942)	0.001 (0.941)	0.002 (0.942)	0.002 (0.942)	0.002 (0.942)
Aged 55-64	0.199 (0.391)	-0.078 (0.394)	0.014 (0.340)	0.025 (0.388)	0.019 (0.412)	0.020 (0.434)
Aged 65+	0.219 (0.396)	-0.086 (0.399)	0.015 (0.325)	0.027 (0.388)	0.021 (0.420)	0.023 (0.448)
Work full-time	-0.094 (0.674)	0.036 (0.673)	-0.007 (0.680)	-0.012 (0.674)	-0.009 (0.672)	-0.009 (0.669)
Work casual-p/t	-0.186 (0.326)	0.071 (0.318)	-0.015 (0.362)	-0.023 (0.327)	-0.017 (0.312)	-0.016 (0.293)
Festival (y/n)	0.652 (0.000)	-0.248 (0.000)	0.049 (0.000)	0.079 (0.000)	0.059 (0.000)	0.061 (0.000)
Partial school	-0.178 (0.297)	0.068 (0.290)	-0.015 (0.330)	-0.022 (0.301)	-0.016 (0.288)	-0.016 (0.269)
TAFE	-0.061 (0.760)	0.024 (0.758)	-0.005 (0.768)	-0.008 (0.760)	-0.006 (0.756)	-0.006 (0.750)
Uni degree	-0.138 (0.452)	0.053 (0.446)	-0.011 (0.478)	-0.017 (0.454)	-0.012 (0.441)	-0.012 (0.425)
Postgraduate	-0.412 (0.181)	0.150 (0.143)	-0.039 (0.246)	-0.050 (0.160)	-0.033 (0.113)	-0.028 (0.067)
Gr. Shepparton	-0.012 (0.939)	0.005 (0.939)	-0.001 (0.939)	-0.001 (0.939)	-0.001 (0.939)	-0.001 (0.939)
East Gippsland	0.326 (0.047)	-0.128 (0.047)	0.022 (0.034)	0.040 (0.049)	0.032 (0.068)	0.034 (0.084)

In the table above, the variables 'gender', 'festival' and 'East Gippsland' are all significant in the probit estimation. The marginal effects results show that females and festival attendees are significantly less likely to report zero expenditure in this category, while being significantly more likely to spend \$1-\$10, \$11-\$20, \$21-\$30, and \$31 or more per month.

East Gippsland survey respondents are likewise shown to be significantly less likely to spend nothing per month in this category, and significantly more likely to spend \$1-\$10 and \$11-\$20 per month.

With the exception of the consistently significant gender and festival variables, the expenditure results appear to demonstrate far less continuous results between categories. Book expenditure results show income levels, age, and university degrees to be significant determinants of expenditure, while in addition to gender and festival attendance, age was significant in the case of admission costs at theatre, ballet, opera and dance performances. Finally, unlike any of the previous categories, in addition to gender and festival results, inter-regional differences are significant in the final category of expenditure on paintings, sculpture and craft, where East Gippsland respondents showed higher demand levels.

6.5 - Conclusion

Based on data collected from residents of Greater Shepparton, Mildura and East Gippsland, this chapter has given a detailed illustration of a range of aspects relating to demand for the arts in regional Victoria. Specifically, this chapter has focused upon three measures of demand for the arts: attitudes, participation rates, and expenditure levels, and has used a range of statistical and econometric tests to show demographic trends which affect demand.

As this chapter has demonstrated, prior to the statistical testing of the regional demand data, frequency distribution tables exhibited a strong level of demand for the arts in regional communities. The positive attitudes of the sample population towards the arts challenge the view held by arts professionals in the previous chapter that the communities are unsympathetic towards the arts and view them negatively. Moreover this is also contrasts with the view in Saatchi and Saatchi's (2000) report which states that regional Australians are less likely to value the arts than those in cities. Participants in the sample also exhibited higher than expected mean monthly expenditure patterns on a broad range of cultural goods according to the relevant ABS data. Analysis of mean expenditure data shows the highest mean expenditure to be on books and home music formats (CDs, tapes and records), while the lowest is on gallery admission and classical music performances. Attendance frequency data reveals that regional Victorians are most likely to never attend opera or ballet performances, and are most likely to attend the cinema, or a craft fair or exhibition most often.

The most significant results which emerged from the chi-squared analysis of the categorical data and demand indicators is that females, individuals who have attended an arts festival in

the past two years, and those whose creative arts expenditure has increased over the past three years are those with the highest level of demand for the arts. Moreover this chapter has shown that those aged 65 are more likely in the majority of cases to have zero expenditure in the arts, as opposed to those aged between 45 and 54 who spend significantly more.

Overall the results of the ordered probit analysis revealed that in the case of attitudes and participation rates, females, festival attendees, and older respondents are more likely to have the highest demand for the arts, while at the other end of the spectrum those whose highest academic qualification is partial school completion have significantly lower levels of demand. The results also demonstrate that expenditure levels are less consistent across category, with the exception of festival attendees and female respondents, who remain the highest consumers. Moreover results show that while festival attendance is seen as a significant determinant of arts demand, this chapter has also shown that the lack of a significant annual arts festival does not diminish community demand, but prompts increases in demand for other arts activities in the community. The high level of demand from festival attendees and those with increased expenditure over the past three years upholds the 'learning by consuming' model whereby present engagement, enjoyment, and consumption in the arts is contingent on past experience (Levy-Garboua and Montmarquette 1996).

As such, this chapter has provided a comprehensive economic model of demand for the arts in regional Victorian communities, using a range of statistical and econometric analysis techniques. It has been demonstrated that residents of regional Victorian communities have generally high levels of demand for the arts, and that individual levels of demand are contingent on a range of demographic characteristics. In creating knowledge regarding demand patterns for the arts among regional Victorians, this chapter has also identified aspects such as festival attendance, increased past creative arts expenditure and demographics such as age and gender to be determinants of demand for the arts. As such this chapter has also highlighted circumstances, events and characteristics, which cultivate higher levels of demand for the arts in regional Victoria.

Chapter Seven

Regional Victorian Arts Festivals

7.1 – Introduction

The two preceding empirical chapters have indicated that festivals herald a number of benefits in terms of enhancing the current nature of supply and demand of regional creative arts. In order to examine more closely the nature and benefits of key aspects relating to arts festivals, this chapter focuses exclusively on analysing two data sets collected at two regional festivals, the SheppARTon festival in the Greater Shepparton region, and the Mildura-Wentworth Arts Festival, held in the rural city of Mildura and the surrounding region. The purpose of this chapter is to analyse in detail the relationships and trends within individual expenditure data which underlies the economic benefits and impacts of festivals (Burgan and Mules 1992). In this chapter, individual expenditure data from the two sets of festival data is comprehensively modelled, using a range of statistical tests to comment on key aspects of festival-related expenditure at varying levels of aggregation and disaggregation. Moreover, a regression model comprised of four different econometric specifications is estimated for data collected at the two case-study festivals, which delineates a more comprehensive means of measuring and analysing festival data. As shown in the analysis, this more detailed framework for modelling expenditure data is particularly relevant to regional arts festivals, where a significant proportion of the audience is local to the region. This chapter also analyses the demographic profile and individual expenditure levels of a sample of arts festival attendees at the two regional festivals at which data was collected.

Following a description and chi-squared analysis of the demographic characteristics of the two sample populations, this chapter will analyse the relationship between demographic variables and festival expenditure using one-way ANOVA across the two data sets. Following this analysis, summaries of festival expenditure and estimations of the expenditure which can be attributed directly to festival attendance will be analysed. Finally, this chapter will describe the four different techniques for the estimation of an econometric model fitted to the data in order to identify effects across a range of expenditure categories. Specifically, this chapter will conclude with an analysis of expenditure data using a Tobit, a binary probit, and two specifications of ordinary least squares regression, with different assumptions regarding zero expenditure observations.

Empirically, by highlighting different ways in which to model individual festival-related expenditure data, this chapter builds on the work of Jackson et. al. (2005), who discussed the benefits of using Input-Output estimations to determine the economic impacts of regional Victorian festivals. In terms of the broader framework in which this analysis takes place, the current study is propelled by two key underlying notions. Firstly, that regional festivals have the capacity to be a key mechanism in increasing demand in, and improving the supply of creative arts in regional communities; and secondly, that positive economic benefits from an arts festival to the host community should be emphasised in the context of the current operational environment of regional communities, where environmental and social factors highlight a need for a paradigm shift towards the arts as a means to create more vibrant and economically viable communities (Getz 1997).

7.2 – Data Analysis and Results

As described earlier, the questionnaire administered at the two regional arts festivals formed part of the *Encore!* Event Evaluation Kit. A copy of the survey instrument is presented as Appendix 4 to this thesis. The first element of this questionnaire was designed to collect basic demographic information from event attendees. As such, the following section provides a detailed summary of the gender, age, income, local place of residence, household structure, and highest attained level of education from the Mildura and Shepparton sample populations. This descriptive data shown in the following section informs the more sophisticated modelling which follows, and gives an insight into the typical demographic profile of attendees at both case study festivals.

7.2.1 - Frequencies & Percentage Values of Demographic Variables: 2005

SheppARTon Festival

Tables 28-33 detail the demographic characteristics of the sample population of 207 from the SheppARTon Festival. Following each table is a brief discussion of the notable trends in the data.

Table 28: Gender Distribution – SheppARTon Festival

	Frequency (#)	Percent
Female	136	66.0
Male	70	34.0
Total	206	100.0

Table 28 shows that, as reflected in the survey sample, females are considerably more likely than males to attend the SheppARTon festival in 2005.

Table 29: Age Distribution – SheppARTon Festival

	Frequency (#)	Percent
15-17	9	4.3
18-24	13	6.3
25-34	30	14.5
35-44	40	19.3
45-54	40	19.3
55-64	33	15.9
65 or more	42	20.3
Total	207	100.0

While Table 29 above highlights the slightly higher volume of attendees who reported being aged 65 years or older, there is a fairly even distribution of respondents across the age groups with the exception of the two lowest groups. As such, the table demonstrates that those aged 15-17 years of age are the least likely to attend the festival, closely followed by those aged 18-24.

Table 30: Income Distribution – SheppARTon Festival

	Frequency (#)	Percent
Less than \$16,000	21	11.9
\$16,000-\$25,999	8	4.5
\$26,000-\$36,399	23	13.0
\$36,400-\$51,999	30	16.9
\$52,000-\$77,999	29	16.4
\$78,000-\$103,999	39	22.0
\$104,000-\$129,999	14	7.9
\$130,000 or more	13	7.3
Total	177	100.0

As shown in Table 30 above, the typical gross individual income range of the sample population is \$78,000-\$103,999. The data shows a particularly even distribution of respondents whose income levels are between \$36,400-77,999 per annum, with an even distribution in the middle of the income spectrum.

Table 31: Geographical Origin - SheppARTon Festival Sample

	Frequency (#)	Percent
Greater Shepparton	150	72.5
Melbourne	23	11.1
Victoria Other Than Greater Shepparton	27	13.0
Australia Other Than Victoria	7	3.4
Total	207	100.0

Table 31 shows that respondents who were local to Greater Shepparton were much more prevalent than any other group in the sample. In the case of this festival, attendees were very unlikely to travel from interstate to attend the festival, while visitors from Melbourne, or other regional Victorian locations outside of the Greater Shepparton region represented a similar proportion of the sample population.

Table 32: Household Structure - SheppARTon Festival Sample

	Frequency (#)	Percent
Live Alone	34	17.1
Live With Flat / Housemates	11	5.5
Live With Parents	16	8.0
Couple Living With Children	73	36.7
Couple Living Without Children	65	32.7
Total	199	100.0

In terms of household structure, couples living with children were most common, as Table 32 demonstrates. This group was closely followed by couples living without children. Attendees living with flatmates or housemates were least represented in the sample, closely followed by those who live with their parents.

Table 33: Highest Education Level - SheppARTon Festival Sample

	Frequency (#)	Percent
High School or Equivalent	61	29.8
College / Technical Qualification	42	20.5
University Degree	54	26.3
Postgraduate Degree	38	18.5
Other	10	4.9
Total	205	100.0

As table 33 reflects, high school or equivalent qualifications were the most often identified by attendees comprising the Greater Shepparton sample population, closely followed by University qualifications. Table 33 also shows a reasonably even distribution of respondents across the education spectrum, with the exception of those whose qualification did not match one of the given categories ('other').

Based on the information tabulated above, the most pertinent observations which can be made regarding the demographic structure of the SheppARTon Festival sample are as follows:

- A total of 72.5% of surveyed patrons were local to the Greater Shepparton region
- The majority of respondents (66%) were female
- Couples (with or without children) outweigh attendances from other groups in terms of attendee household structure.
- With the exception of the 'other' category, the SheppARTon festival sample reflects a reasonably even distribution of educational levels. Patrons were most likely to hold a high school qualification (29.8%), closely followed by a university qualification (26.3%).
- Those attending the festival are most likely to be middle to high income earners (\$78K-104K – 22%), however there is a fairly even distribution of income levels amongst respondents between A\$26,000 and A\$104,000

7.2.2 - Frequencies & Percentage Values of Demographic Variables: 2006 Mildura Wentworth Arts Festival

In tables 34-39 below, the demographic structure of the sample population from the 2006 Mildura-Wentworth Arts Festival is presented. In the same fashion as the description of the Shepparton data, the tables below illustrate the distribution of gender, age, income, usual place of residence, household structure and highest level of education of survey respondents.

Table 34: Gender Distribution – MAAF Sample

	Frequency (#)	Percent
Female	121	65.8
Male	63	34.2
Total	184	100

As Table 34 shows, females are seen as being more prevalent in the MAAF attendee sample than males. Moreover, the gender distribution is remarkably similar between the two case study sites.

Table 35: Age Distribution – MAAF Sample

	Frequency (#)	Percent
15-17	44	23.8
18-24	61	33.0
25-34	36	19.5
35-44	19	10.3
45-54	8	4.3
55-64	10	5.4
65 or more	7	3.8
Total	185	100

A higher concentration of younger respondents is evident from the information in Table 35 above. This is arguably linked to the fact that a significant volume of the Mildura-Wentworth Festival Data was collected at a popular music festival which attracted a large youth-oriented crowd. Those in the more senior age brackets were considerably less likely to be represented in the sample. Particularly, the 65 years and above category was least common in the sample.

Table 36: Income Distribution – MAAF Sample

	Frequency (#)	Percent
Less than \$16,000	27	15.6
\$16,000-\$25,999	20	11.6
\$26,000-\$36,399	21	12.1
\$36,400-\$51,999	31	17.9
\$52,000-\$77,999	34	19.7
\$78,000-\$103,999	20	11.6
\$104,000-\$129,999	4	2.3
\$130,000 or more	16	9.2
Total	173	100

The data presented in Table 36 above shows an even distribution of income levels in each of the prescribed brackets, with the exception of the highest two brackets. Gross individual incomes ranging from \$52,000-\$77,999 per annum were most frequent, whereas the least commonly identified income level was \$104,000-\$129,000 per annum.

Table 37: Geographical Origin of MAAF Sample

	Frequency (#)	Percent
Mildura	168	91.3
Melbourne	2	1.1
Victoria Other Than Mildura	8	4.3
Australia Other Than Victoria	6	3.3
Total	184	100.0

A very significant majority of the sample were local to the Mildura region, as shown in Table 37 above. While the distance between Melbourne and Mildura may explain the low response rates among those who typically live in Melbourne, the table demonstrates a very high instance of local event attendees.

Table 38: Household Structure of MAAF Sample

	Frequency (#)	Percent
Live Alone	22	12.0
Live With Flat / Housemates	31	16.9
Live With Parents	60	32.8
Couple Living With Children	22	12.0
Couple Living Without Children	32	17.5
Single Parent ¹¹	16	8.7
Total	183	100

Table 38 reflects a high percentage of festival event attendees who lived with their parents at the time the survey took place. This may be explained by the young audience at one of the events at which data was collected during the Mildura-Wentworth Arts Festival. The above table shows a reasonably even distribution amongst those living with flatmates or housemates, and couples living with or without children. Those who were identified as single parents were the least likely to attend the festival, closely followed by those who live alone.

¹¹ The option to identify as a single parent was not part of the original *Encore!* survey instrument used in the data collection in Shepparton. In the subsequent data collection at the Mildura-Wentworth Arts Festival, this option was included in response to several complaints by Shepparton survey participants.

Table 39: Highest Education Level of MWAFF Sample

	Frequency (#)	Percent
High School or Equivalent	90	49.5
College / Technical Qualification	29	15.9
University Degree	41	22.5
Postgraduate Degree	12	6.6
Other	10	5.5
Total	182	100

With regard to the highest level of education attained by respondents, Table 39 shows that 'high school or equivalent' qualifications made up a significantly large percentage of the sample. Those whose highest level of qualification fell in the 'other' category were the least likely to form part of the sample, closely followed by those with a post-graduate qualification.

Thus the demographic data collected at the Mildura-Wentworth Arts Festival also identifies a number of trends which warrant description. Based on the data presented above:

- The majority of respondents (65.4%) were again female.
- Unlike the SheppARTon festival, respondents were concentrated around the lower end of the age scale, with festival attendees being more likely to be aged 18-24 years of age (33%).
- Income levels were reasonably evenly distributed, with most respondents being in the middle income categories of \$52,000-\$77,999 (19.7%) and \$36,400-\$51,999 (17.9%). Mildura attendees were least likely to have annual income within the bracket \$104,000-\$129,999 (2.3%).
- Mildura residents made up 91.3% of the sample and were thus considerably more likely than any other group in this category to attend the festival.
- Attendees from the sample were more likely to be living with their parents (32.8%), while high school qualifications (49.5%) were the most frequent in the sample. This is consistent with the age distribution identified above, where younger survey respondents were common.

Thus the frequency results resulting from initial testing of the festival data have highlighted a number of points regarding the sample population in each of the case study data sets. In the case of the SheppARTon festival, it can be seen that audience members are more likely to be female, native to the host region, in a relationship, have high school qualifications, and be middle to high income earners. In the case of the Mildura-Wentworth Arts festival, the data sample reflects a higher instance of young attendees with high school qualifications,

who are predominately female, local to the host region, and middle to high income earners. It is important to acknowledge the impact of the higher density of younger respondents in the Mildura sample, which seems to affect distribution within other variables, such as education level and household structure. Specifically, the high proportion of younger respondents can be seen to account for the high volume of respondents who reported high school qualifications as their highest level of education (49.5%), in addition to the high volume of respondents who reported living with their parents (32.8%). It should be acknowledged that this could introduce bias into the data and results.

As Getz (1993) observes, there is little which can be concluded regarding festival and event attendee characteristics, beyond the assumption that females generally prefer arts events, while males are more likely to attend sports events. At this stage the analysis of attendee demographic data is used to demonstrate the typical characteristics of regional festival attendees, and to bolster the subsequent data analysis. The following section describes the chi-squared analysis of the demographic data, in order to determine the significant relationships therein.

7.2.3 - Chi-squared Testing of Demographic Data: Festivals Sample

Having profiled the sample population according to the demographic variables, a formal statistical comparison was conducted in order to compare responses across each of these categories. Specifically, chi-squared contingency table tests are calculated, which compare the frequencies reported in each category, to the expected frequencies if there were no differences across groups. If the p-value (in parentheses) generated by this statistical comparison is a figure less than 0.05, the relationship is regarded as being significant. These results are reported in Table 40, and the significant values are shown in bold.

In order to lessen the likelihood of a cell count problem which would impact on the validity of the asymptotic approximation of the chi-squared statistic, a number of demographic categories were aggregated. Income categories were aggregated into three brackets - low (less than \$16,000-\$36,399); medium (\$36,400-\$77,999); and high (\$78,000-\$130,000 or more). In addition, the variable 'region', or typical place of residence, was aggregated into local / non-local to the host region, while in terms of education level, the 'other' category was added to the high-school qualification category. In the age variable, the categories 15-17 and 18-24 were aggregated due to low respondent numbers in these categories in the Shepparton sample. Finally, the household structure variable was aggregated as follows: Live alone; Live with parents, flatmates or housemates; Couple with children; Couple without children.

Table 40: SheppARTon Festival Sample - Chi-squared Analysis of Demographic Data

	Gender	Age	Region	Income	Education	Household
Gender	X					
Age	4.855 (0.434)	X				
Region	3.428 (0.064)	3.666 (0.598)	X			
Income	2.728 (0.256)	16.317 (0.091)	0.708 (0.702)	X		
Education	6.964 (0.073)	21.270 (0.128)	10.777 (0.013)	35.764 (0.000)	X	
Household	0.882 (0.830)	198.915 (0.000)	1.727 (0.631)	29.103 (0.000)	13.407 (0.145)	X

As table 40 above shows, in a number of cases, comparison of the categorical variables demonstrated statistically significant differences across categories. Those from outside the Greater Shepparton region have higher education levels than those local to the region (0.013) while income levels are likely to increase when education levels increase (0.000), The data shows that age affects household structure (0.000). Younger respondents lived in most cases with other adults (parents or housemates), while older attendees were more likely to be living as a couple (with or without children). Household structure and reported income levels (0.000) were significant showing couples (with and without children) as being more likely to be higher income earners, whereas those living on their own were most likely to have lower incomes.

In addition, a number of comparisons across demographic groups were close to being statistically significant below the 0.05 level. Comparison of region and gender (0.064) showed a large percentage of female respondents being local to the region; income levels and age (0.091) showed those in the middle age brackets 35-64 to comprise the majority of middle to high income earners; and education levels compared to gender (0.073), which showed that a higher proportion of females surveyed had a high-school or 'other' qualification.

In terms of using this data to create a demographic profile of those attending the SheppARTon festival in 2005, it is possible to draw a number of conclusions in terms of variation across groups. Firstly, the data suggests that both gender and education levels

vary according to the usual place of residence of the festival attendees, although gender is not significant below a 0.05 level. Secondly, the data shows that both income levels and household structure vary across age groupings. Finally, age, education levels and household structure vary across income brackets. Table 41 below shows the results from the same set of chi-squared tests conducted on the Mildura sample. Again, the p-values regarded as significant below a 0.05 level are presented in bold.

Table 41: MAAF Sample - Chi-squared Analysis of Demographic Data

	Gender	Age	Region	Income	Education	Household Structure
Gender	X					
Age	9.439 (0.093)	X				
Region	1.506 (0.220)	3.177 (0.673)	X			
Income	0.159 (0.924)	12.349 (0.262)	2.322 (0.313)	X		
Education	3.451 (0.327)	25.189 (0.047)	11.529 (0.009)	4.979 (0.547)	X	
Household Structure	3.443 (0.328)	109.854 (0.000)	4.172 (0.243)	11.368 (0.078)	15.677 (0.074)	X

As Table 41 above illustrates, there are three demographic inter-relationships levels in the MAAF sample which produced statistically significant p-values from the asymptotic approximation of the chi-squared statistic. A comparison of age and education generated a statistically significant p-value of 0.047. This is likely to be related to the concentration of respondents 15-17 years of age who identified having achieved a high school or 'other' qualification, while at the other end of the spectrum, only 7.32% of the sample reported having a post-graduate qualification. Secondly, the strongly significant comparison of the age and household structure of festival attendees can be explained by the high percentage (54.49%) of respondents in the sample who reported living with their parents. Living with parents was by far the most common household structure in the Mildura sample. Finally, the statistical comparison of the education levels of respondents and their typical place of residence (the variable 'region') generated a statistically significant result (0.009). This result is explained by the high number of respondents who live in the Mildura region, as well as the aforementioned high number of respondents whose highest education level was the completion of high school or 'other'.

Having demonstrated the significant interrelationships between the demographic data variables, the following section of the analysis formally compares these variables to individual expenditure data, in order to determine whether demographic characteristics have an effect on levels of individual festival-related expenditure.

7.2.4 - Relationship between Demographics and Expenditure – ANOVA

As the expenditure module of the survey was largely applicable only to visitors to the host region, the large percentage of festival attendees who live locally resulted in a significant number of non-respondents and zero-expenditure observations in relation to expenditure questions. In response to this, two estimations of one-way ANOVA were conducted on the two festival data sets, with alternate assumptions regarding the non-respondents. In the first instance, the missing data was counted with a value of zero. This analysis makes the assumption that those who did not report expenditure in the survey had, in fact, zero expenditure on the nominated categories. Subsequently, the missing data was treated as missing, thus disregarding those who did not respond, analysing only the results with recorded expenditure which had a value greater than zero. In each field the F-statistic and its associated significance level (in parentheses) are reported. In addition, the mean expenditure level for each category within demographic groups is given. The results of these tests are presented in tables 42 and 43 respectively. The results show that while some similar significant comparisons are generated across the two estimations, a lesser number are observed when only the positive observations are counted.

Table 42: SheppARTon Festival Sample ANOVA – Including Zero Observations

	Accom	Food & Beverage	Festival Tickets	Other Ent	Transport	Personal Services	Other Expend
Gender	0.126 (0.723)	0.885 (0.348)	1.332 (0.250)	0.701 (0.403)	2.561 (0.111)	0.099 (0.753)	3.149 (0.077)
Female (n=136)	\$16.80	\$30.34	\$29.86	\$1.54	\$3.82	\$1.80	\$7.44
Male (n=70)	\$21.99	\$46.50	\$44.77	\$3.43	\$7.50	\$2.36	\$16.00
Age	1.346 (0.246)	0.917 (0.471)	2.594 (0.027)	0.954 (0.447)	0.595 (0.704)	1.102 (0.361)	0.724 (0.606)
15-24 (n=22)	\$10.18	\$8.36	\$4.36	\$1.82	\$4.77	\$0.00	\$3.64
25-34 (n=30)	\$0.00	\$20.17	\$8.50	\$1.67	\$3.00	\$1.33	\$5.33
35-44 (n=40)	\$7.38	\$53.00	\$42.13	\$6.75	\$4.88	\$5.63	\$16.25
45-54 (n=40)	\$37.75	\$57.68	\$34.58	\$1.25	\$3.13	\$2.50	\$12.00
55-64 (n=33)	\$0.76	\$20.76	\$26.09	\$1.21	\$5.45	\$0.45	\$6.73
65+ (n=42)	\$42.14	\$35.24	\$69.40	\$0.00	\$8.33	\$0.71	\$12.86
Region	20.787 (0.000)	10.982 (0.001)	0.196 (0.659)	0.601 (0.439)	25.185 (0.000)	0.762 (0.384)	15.441 (0.000)
Local (n=150)	\$0.00	\$19.51	\$33.09	\$1.67	\$1.87	\$1.53	\$4.95
Non-Local (n=57)	\$67.09	\$78.16	\$39.14	\$3.51	\$13.42	\$3.16	\$24.39
Income	1.085 (0.340)	5.296 (0.006)	8.654 (0.000)	0.541 (0.583)	0.977 (0.379)	1.773 (0.173)	4.045 (0.019)
Low (n=52)	\$2.77	\$11.33	\$5.92	\$0.96	\$2.98	\$0.19	\$2.88
Medium (n=59)	\$24.49	\$24.49	\$30.68	\$2.20	\$6.69	\$1.69	\$8.81
High (n=66)	\$30.83	\$79.12	\$73.68	\$4.09	\$6.89	\$4.55	\$20.30
Education	0.176 (0.912)	0.445 (0.721)	0.409 (0.747)	0.424 (0.736)	1.082 (0.358)	0.099 (0.960)	0.252 (0.860)
HS / Other (n=71)	\$23.27	\$45.34	\$33.13	\$3.24	\$5.00	\$2.18	\$7.92
College / Tech (n=42)	\$13.74	\$20.24	\$35.64	\$3.33	\$1.90	\$2.38	\$9.52
University (n=54)	\$12.87	\$39.02	\$28.00	\$1.11	\$4.81	\$2.13	\$12.22
Postgraduate (n=38)	\$23.68	\$30.13	\$48.26	\$0.53	\$8.16	\$1.05	\$12.63
Household Structure	1.616 (0.187)	1.170 (0.322)	5.598 (0.001)	0.928 (0.428)	0.915 (0.435)	0.864 (0.461)	1.973 (0.119)
Live Alone (n=34)	\$7.21	\$18.38	\$6.32	\$1.76	\$5.59	\$0.29	\$1.47
Live w/ Others (n=27)	\$2.74	\$10.89	\$2.44	\$1.85	\$2.04	\$0.00	\$2.96
Couple w/ Child (n=73)	\$11.16	\$39.89	\$34.63	\$4.52	\$4.25	\$3.56	\$14.11
Couple no Child (n=65)	\$41.38	\$53.85	\$67.48	\$0.15	\$7.54	\$2.15	\$14.95

In the first ANOVA test on the Shepparton data sample, which treated all zero-observations as having a zero value, a number of statistically significant cross-category relationships with p-values below a 0.05 level were observed. Firstly the relationship between the age of the sample and individual expenditure on festival tickets was significant, with a value of 0.027. This can be explained by the fact that individuals in the sample aged 65 years and older spent considerably more on festival tickets than other age groups, closely followed by middle aged respondents (35-54 years of age), while those in the youngest age bracket spent considerably less. The origin of festival attendees (the variable 'region') can be seen to produce significant p-values when statistically compared with expenditure on food and beverages (0.001); transport expenditure (0.000), accommodation expenditure (0.000) and 'other expenditure' (0.000). In each case those from outside the region reported higher mean expenditure than those from within the region.

The income levels reported by festival patrons generated a statistically significant relationship when compared to expenditure on food & beverage (0.006) and festival tickets (0.000) and 'other' expenditure (0.019). In each of these cases, lower income earners spent the least, followed by middle income earners, with the mean expenditure levels of high income earners being the highest. Finally, those who reported living as a couple without children spent more on festival tickets (0.001) than those living within other household structures. The data also shows that gender and education do not have a significant effect on any expenditure categories at the festival.

Thus the first analysis of variance test conducted on the SheppARTon Festival data demonstrates that the income and region reported by survey respondents has a significant effect on their levels of expenditure. Moreover, the household structure and age of individuals is seen to impact on expenditure on festival tickets. In Table 43 below, the one-way ANOVA test is run again on the Shepparton data sample, this time ignoring the instances wherein respondents did not specify expenditure on festival-related goods and services identified in the survey, or where respondents reported zero-expenditure.

Table 43: SheppARTon Festival Sample ANOVA – Positive Observations

	Accom	Food & Beverage	Festival Tickets	Other Ent	Transport	Personal Services	Other Expend
Gender	0.832 (0.378)	0.001 (0.981)	0.535 (0.467)	1.795 (0.217)	2.518 (0.124)	0.569 (0.479)	0.643 (0.429)
Female (n=136)	\$326.43	\$128.94	\$101.53	\$30.00	\$28.89	\$61.25	\$63.25
Male (n=70)	\$192.38	\$130.20	\$125.36	\$80.00	\$43.75	\$41.25	\$80.00
Age	1.538 (0.264)	0.633 (0.676)	1.458 (0.217)	0.648 (0.652)	0.606 (0.696)	5.548 (0.095)	1.015 (0.431)
15-24 (n=22)	\$74.67	\$30.67	\$19.20	\$20.00	\$21.00	N/A	\$40.00
25-34 (n=30)	N/A	\$86.43	\$36.43	\$16.67	\$30.00	\$40.00	\$53.33
35-44 (n=40)	\$98.33	\$141.33	\$129.62	\$90.00	\$32.50	\$75.00	\$72.22
45-54 (n=40)	\$377.50	\$164.79	\$125.73	\$50.00	\$31.25	\$100.00	\$120.00
55-64 (n=33)	\$25.00	\$97.86	\$95.67	\$40.00	\$45.00	\$15.00	\$44.40
65+ (n=42)	\$442.50	\$185.00	\$145.75	N/A	\$43.75	\$15.00	\$77.14
Region	X¹²	0.181 (0.672)	2.286 (0.136)	2.254 (0.172)	4.454 (0.044)	0.249 (0.636)	0.068 (0.796)
Local (n=150)	N/A	\$117.04	\$130.63	\$83.33	\$23.33	\$46.00	\$67.45
Non-Local (n=57)	\$254.93	\$139.22	\$82.63	\$28.57	\$42.50	\$60.00	\$73.16
Income	1.039 (0.386)	3.217 (0.048)	3.985 (0.024)	1.521 (0.283)	1.395 (0.266)	1.984 (0.232)	1.722 (0.199)
Low (n=52)	\$48.00	\$39.27	\$30.80	\$25.00	\$22.14	\$10.00	\$30.00
Medium (n=59)	\$289.00	\$120.42	\$106.47	\$26.00	\$43.89	\$100.00	\$86.67
High (n=66)	\$339.17	\$193.41	\$156.87	\$90.00	\$35.00	\$50.00	\$78.82
Education	1.348 (0.309)	1.474 (0.232)	0.128 (0.943)	1.920 (0.228)	1.885 (0.158)	0.507 (0.698)	1.525 (0.232)
HS / Other (n=71)	\$413.00	\$214.60	\$112.00	\$115.00	\$39.44	\$77.50	\$80.29
College / Tech (n=42)	\$115.40	\$70.83	\$115.15	\$46.67	\$20.00	\$33.33	\$50.00
University (n=54)	\$173.75	\$123.94	\$94.50	\$15.00	\$26.00	\$57.50	\$110.00
Postgraduate (n=38)	\$450.00	\$95.42	\$122.27	\$20.00	\$51.67	\$40.00	\$60.00
Household Structure	4.727 (0.024)	1.859 (0.148)	2.694 (0.054)	0.390 (0.764)	0.703 (0.559)	0.881 (0.470)	0.752 (0.531)
Live Alone (n=34)	\$81.67	\$69.44	\$35.83	\$30.00	\$38.00	\$10.00	\$25.00
Live w/ Others (n=27)	\$37.00	\$49.00	\$16.50	\$25.00	\$18.33	N/A	\$40.00
Couple w/ Child (n=73)	\$163.00	\$116.48	\$97.23	\$66.00	\$31.00	\$52.00	\$73.57
Couple no Child (n=65)	\$538.00	\$218.75	\$151.24	\$10.00	\$40.83	\$70.00	\$81.00

¹² The absence of positive accommodation expenditure by attendees local to the Shepparton region prevented a statistical comparison between region and accommodation expenditure.

Compared to the first ANOVA test, a lesser number of statistically significant relationships between demographic characteristics of festival attendees and individual levels of expenditure are observed when only observations greater than zero are counted. Firstly, the variable 'region', which determines whether or not respondents are local to the host region is significant when compared to expenditure on transport during the festival (0.044). Results indicate that those who typically live outside the region reported higher transport expenditure than those who are local to the Greater Shepparton region. Secondly, the variable denoting the income of SheppARTon Festival attendees produced a statistically significant relationship when compared to expenditure on food & beverages (0.048) and festival tickets (0.024). In both of these statistical comparisons, mean expenditure levels were highest among those who were grouped into the high income category. These comparisons were all significant in the first ANOVA test. Finally, the household structure of the sample was significant when compared to expenditure on accommodation (0.024), where couples without children considerably outspent any other group.

The difference in results from the two ANOVA analyses of expenditure data illustrates the importance in modelling the 'missing' data in terms of what assumptions are made about how it is recorded. While the a number of similar significant results are observable across the two ANOVA estimations, the significant relationship between income and 'other expenditure' is no longer significant once the zero-data is removed from the analysis. Similarly, region is not significant in the second estimation when compared to food and beverage expenditure, accommodation expenditure, and 'other' expenditure. In addition, different significant results are observable in the case of household structure, where in the first case couples without children spent more on festival tickets, while in the second case this same group spent more on accommodation. Finally, the significant relationship between age and festival tickets resulting from the first ANOVA test again is not significant in the second example. Notably, no significant results were observable by expenditure according to gender and education levels in either of the estimations.

Having identified a number of demographic effects on individual event-related expenditure at the 2005 SheppARTon festival, the following analysis presents the results of the same two ANOVA tests on the Mildura sample. In the same fashion as the SheppARTon Festival analysis of variance, the first table, Table 44, shows the statistical comparison of demographics on expenditure at the Mildura-Wentworth Arts Festival where zero expenditure is analysed in addition to the non-zero observations. Following these results, Table 45 focuses on only the positive expenditure data.

Table 44: MWAf Sample ANOVA – Including Zero Observations

	Accom	Food & Beverage	Festival Tickets	Other Ent	Transport	Personal Services	Other Expend
Gender	1.201 (0.275)	0.146 (0.703)	0.536 (0.465)	0.122 (0.727)	1.268 (0.262)	0.519 (0.472)	0.747 (0.389)
Female (n=121)	\$97.61	\$78.60	\$37.14	\$35.28	\$43.06	\$42.18	\$39.42
Male (n=63)	\$41.59	\$63.02	\$19.73	\$25.22	\$13.65	\$72.54	\$16.51
Age	1.163 (0.329)	0.487 (0.785)	0.216 (0.955)	0.514 (0.766)	0.304 (0.910)	0.418 (0.836)	1.553 (0.176)
15-24 (n=105)	\$66.71	\$86.48	\$38.84	\$49.60	\$38.00	\$77.28	\$35.62
25-34 (n=36)	\$192.39	\$64.72	\$17.36	\$12.50	\$48.75	\$33.33	\$38.06
35-44 (n=19)	\$26.32	\$106.32	\$34.69	\$10.53	\$17.11	\$18.95	\$36.84
45-54 (n=8)	\$125.00	\$6.56	\$40.63	\$87.50	\$0.00	\$18.75	\$250.00
55-64 (n=10)	\$0.00	\$0.00	\$9.00	\$0.00	\$0.00	\$0.00	\$0.00
65+ (n=7)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Region	1.212 (0.272)	1.591 (0.209)	0.035 (0.852)	0.089 (0.766)	0.172 (0.679)	0.110 (0.740)	3.967 (0.048)
Local (n=168)	\$75.45	\$65.77	\$32.05	\$34.34	\$31.40	\$55.44	\$32.38
Non-Local (n=16)	\$172.19	\$152.03	\$24.56	\$49.31	\$49.69	\$31.88	\$148.13
Income	1.766 (0.174)	1.978 (0.142)	0.700 (0.498)	0.783 (0.459)	1.156 (0.317)	0.450 (0.638)	0.025 (0.975)
Low (n=68)	\$144.78	\$87.06	\$48.11	\$53.38	\$58.68	\$79.78	\$48.97
Medium (n=65)	\$33.17	\$30.04	\$18.35	\$34.29	\$13.69	\$49.23	\$44.15
High (n=40)	\$78.25	\$134.75	\$21.70	\$4.98	\$28.50	\$28.98	\$38.75
Education	0.879 (0.453)	0.183 (0.908)	0.299 (0.826)	0.380 (0.767)	0.075 (0.973)	1.618 (0.187)	1.483 (0.221)
HS / Other (n=100)	\$48.30	\$69.00	\$37.92	\$41.08	\$31.80	\$39.65	\$40.20
College / Tech (n=29)	\$141.03	\$94.83	\$20.03	\$41.38	\$42.76	\$36.55	\$33.45
University (n=41)	\$123.32	\$60.98	\$17.68	\$10.49	\$34.63	\$15.83	\$18.78
Postgraduate (n=12)	\$121.25	\$111.04	\$53.29	\$68.33	\$15.83	\$179.17	\$170.83
Household Structure	0.742 (0.529)	0.396 (0.756)	0.354 (0.786)	0.145 (0.932)	0.574 (0.633)	0.959 (0.414)	0.802 (0.494)
Live Alone (n=22)	\$124.32	\$100.11	\$14.95	\$35.45	\$30.91	\$23.18	\$109.09
Live w/Others (n=91)	\$115.51	\$76.81	\$43.64	\$43.84	\$50.71	\$91.20	\$43.19
Couple no Child (n=32)	\$22.73	\$115.91	\$37.89	\$13.14	\$20.45	\$36.36	\$50.00
Couple w/ Child (n=22)	\$37.03	\$36.69	\$15.55	\$43.75	\$6.25	\$3.59	\$8.75

As Table 44 above shows, the only case where statistically significant results were generated through a comparison of demographic variables and individual expenditure is the case of 'region' and 'other' expenditure, where a value of 0.048 resulted. The data shows this relationship to be the only one significant below a 0.05 level. In this comparison, those individuals who are non-local, or visitors to the host region are seen to outspend local festival attendees. The following table, Table 45, presents the results of the ANOVA test on Mildura festival data where the zero-expenditure data is not included in the estimation. While again only one significant relationship is apparent, this differs from the results of the MWAF data which counted the zero-expenditure and missing data.

Table 45: MWAf Sample ANOVA – Positive Observations

	Accom	Food & Beverage	Festival Tickets	Other Ent	Transport	Personal Services	Other Expend
Gender	0.209 (0.651)	0.082 (0.775)	0.348 (0.558)	0.001 (0.980)	0.767 (0.386)	1.352 (0.254)	0.436 (0.514)
Female (n=121)	\$513.52	\$243.85	\$102.14	\$203.29	\$157.88	\$232.00	\$216.82
Male (n=63)	\$374.29	\$283.57	\$62.16	\$198.63	\$66.15	\$507.78	\$115.56
Age	2.335 (0.082)	0.258 (0.903)	0.157 (0.959)	0.612 (0.613)	0.339 (0.714)	0.174 (0.913)	6.889 (0.001)
15-24 (n=105)	\$333.57	\$275.15	\$107.32	\$236.73	\$137.59	\$352.78	\$170.00
25-34 (n=36)	\$1154.33	\$211.82	\$44.65	\$75.00	\$175.50	\$240.00	\$274.00
35-44 (n=19)	\$250.00	\$288.57	\$82.39	\$200.00	\$46.43	\$120.00	\$175.00
45-54 (n=8)	\$1000.00	\$26.25	\$81.25	\$700.00	N/A	150.00	\$2000.00
55-64 (n=10)	\$0.00	\$0.00	\$90.00	N/A	N/A	N/A	N/A
65+ (n=7)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Region	0.034 (0.854)	0.143 (0.707)	0.343 (0.560)	0.293 (0.593)	0.099 (0.754)	0.410 (0.527)	2.363 (0.135)
Local (n=168)	\$487.54	\$240.22	\$96.15	\$240.38	\$138.82	\$332.64	\$194.29
Non-Local (n=16)	\$551.00	\$304.06	\$43.67	\$131.50	\$99.38	\$127.50	\$592.50
Income	1.251 (0.302)	2.883 (0.066)	1.127 (0.331)	0.857 (0.436)	2.440 (0.099)	0.623 (0.543)	0.066 (0.936)
Low (n=68)	\$703.21	\$394.67	\$148.71	\$302.50	\$285.00	\$417.31	\$277.50
Medium (n=65)	\$239.56	\$88.75	\$47.71	\$222.90	\$49.44	\$355.56	\$260.91
High (n=40)	\$447.14	\$359.33	\$54.25	\$28.43	\$87.69	\$128.78	\$193.75
Education	0.202 (0.894)	0.653 (0.585)	0.686 (0.564)	0.903 (0.453)	0.682 (0.568)	1.591 (0.215)	1.187 (0.333)
HS / Other (n=100)	\$439.09	\$345.00	\$140.44	\$342.33	\$227.14	\$360.45	\$287.14
College / Tech (n=29)	\$681.67	\$275.00	\$58.10	\$300.00	\$124.00	\$151.43	\$138.57
University (n=41)	\$505.60	\$156.25	\$38.16	\$43.00	\$101.43	\$64.90	\$96.25
Postgraduate (n=12)	\$363.75	\$166.56	\$79.94	\$205.00	\$27.14	\$716.67	\$683.33
Household Structure	0.858 (0.475)	0.899 (0.449)	0.351 (0.789)	0.085 (0.968)	0.454 (0.716)	0.716 (0.551)	1.130 (0.354)
Live Alone (n=22)	\$547.00	\$244.72	\$47.00	\$260.00	\$113.33	\$170.00	\$600.00
Live w/Others (n=91)	\$656.94	\$268.85	\$120.33	\$234.65	\$184.60	\$414.95	\$231.18
Couple no Child (n=32)	\$166.67	\$510.00	\$92.61	\$96.33	\$90.00	\$400.00	\$366.67
Couple w/ Child (n=22)	\$197.50	\$115.45	\$41.47	\$233.33	\$28.57	\$19.17	\$40.00

In the second ANOVA test which discounted the expenditure fields where expenditure was not reported, or where zero-expenditure was reported, again only one comparison created a statistically significant result. These results are presented in Table 45 above. While age and accommodation expenditure (0.082), income and food and beverage expenditure (0.066), as well as income and transport expenditure (0.099) were close to being significant, the only value below 0.05 was generated by the relationship between the age of respondents and 'other' expenditure (0.001). The results show a significantly higher level of mean expenditure in the 'other expenditure' category by those aged 45-54.

The two ANOVA tests conducted on the Shepparton and Mildura arts festival data sets, with different assumptions regarding the zero-expenditure, or expenditure not reported by attendees, produced different results between the two sites. The first analysis of variance test on the Shepparton sample resulted in nine statistically significant results, whereas the second test which ignored the zero expenditure resulted in only four significant results. Furthermore, results from both samples demonstrate that significant results are noticeable from entirely different comparisons of categorical variables and expenditure levels depending on whether the zero and missing observations are included in the analysis. In the case of the Mildura data, the results in each case demonstrate only one significant relationship between demographic factors and expenditure levels. In the first case, which counted the zero observations, the relationship between region and 'other expenditure' was significant. In the second example, which did not count the zero observations, the relationship between age and 'other expenditure' generated a significant result.

Thus, this section of the chapter concludes that region, income levels, and household structure are seen in the Shepparton sample as influencing expenditure levels, while in the Mildura sample, the region of residence and age of respondents are seen as demographic factors which produce significant results in the expenditure data. In both cases it is noted that education levels and gender of respondents are not significant in any case. It is also concluded that a more cautious approach must be taken in modelling expenditure data from regional arts festivals, so as not to overstate the significance of results. This is particularly relevant to regional arts festivals, where a significant percentage of the audience is likely to be local to the host region.

7.2.4.1 – Robustness to Non-Normality

The analysis to date using ANOVA techniques has proceeded based on the assumption that the festival expenditure data follows a normal distribution. The purpose of the present sub-

section is to explore the validity of this assumption, and consider an alternative, and more robust, testing procedure where departures from normality are found. In order to test the normality of the festival expenditure data, Kolmogorov-Smirnov tests were run on the expenditure data from both the SheppARTon Festival and the Mildura-Wentworth Arts Festival. On account of the limited amount of data on 'other expenditure', this variable was omitted from the analysis.

In addition, summary statistics for the third movement (Skewness) and fourth movement (Kurtosis) are also presented for each expenditure category. Table 46 below presents the results of the normality testing on the SheppARTon Festival data, and includes both the zero and non-zero data (as shown in the first column). The values in parentheses represent the asymptotic significance level (or p-value) of the Kolmogorov-Smirnov tests.

Table 46: Test for Normality – Kolmogorov-Smirnov Test - SheppARTon Festival

Expenditure Category	Skewness	Kurtosis	K-S Test
Accommodation (inc. zeros)	6.96	50.90	7.22 (0.000)
Accommodation (non-zero)	1.43	0.53	1.08 (0.194)
Meals (inc. zeros)	6.44	53.22	5.46 (0.000)
Meals (non-zero)	3.67	16.79	2.00 (0.001)
Festival Tickets (inc. zeros)	3.16	9.51	4.98 (0.000)
Festival Tickets (non-zero)	1.37	0.56	2.20 (0.000)
Other Entertainment (inc. zeros)	11.12	139.64	7.31 (0.000)
Other Entertainment (non-zero)	2.78	8.18	1.15 (0.140)
Transport (inc. zeros)	4.11	19.43	6.93 (0.000)
Transport (non-zero)	1.55	2.15	1.21 (0.108)
Personal Services (inc. zeros)	6.91	49.86	7.58 (0.000)
Personal Services (non-zero)	0.35	-1.55	0.510 (0.957)

From the table above it is evident that significant skewness and kurtosis exists in the cases where zero expenditure is counted. The strong positive skewness in each of these cases, the most extreme being 11.12 (Other entertainment – including zeros), is related to the high pile-up of responses at zero, with other positive expenditure causing a tail to the right. The most significant Kurtosis in the cases where zero-data is counted is again in the 'other expenditure' category (139.64). Where the zero data is removed from the analysis, the festival expenditure data appears more symmetrical and normally distributed around the mean, as reflected in the skewness and kurtosis results, with the exception of expenditure on meals. The Kolmogorov-Smirnov tests show all each of the tests run on expenditure data

including zeros to be statistically significant, while the variables representing meal expenditure and festival ticket expenditure produced statistically significant results when only the positive observations were counted.

The following table presents the results of Kolmogorov-Smirnov tests run on the MWAF expenditure data, in addition to the skewness and kurtosis of each expenditure variable. As with the previous table, table 47 below includes both the zero and non-zero data from the MWAF sample.

Table 47: Test for Normality – Kolmogorov-Smirnov Test – MWAF

Expenditure Category	Skewness	Kurtosis	K-S Test
Accommodation (inc. zeros)	4.82	23.55	6.67 (0.000)
Accommodation (non-zero)	1.43	0.69	1.44 (0.032)
Meals (inc. zeros)	5.72	36.44	5.31 (0.000)
Meals (non-zero)	3.01	9.25	2.21 (0.000)
Festival Tickets (inc. zeros)	11.93	153.20	5.70 (0.000)
Festival Tickets (non-zero)	7.38	57.14	3.13 (0.000)
Other Entertainment (inc. zeros)	7.73	68.34	6.19 (0.000)
Other Entertainment (non-zero)	2.94	9.52	1.92 (0.001)
Transport (inc. zeros)	9.45	104.78	5.75 (0.000)
Transport (non-zero)	4.82	26.91	2.48 (0.000)
Personal Services (inc. zeros)	6.48	43.40	6.32 (0.000)
Personal Services (non-zero)	2.37	4.57	1.82 (0.003)

As per the SheppARTon Festival data set, the expenditure data which includes the zero observations produced highly positively skewed and kurtotic results, from the pile-up of zeros and the right tail. Expenditure on festival tickets was the least evenly distributed, resulting in skewness of 11.93 and kurtosis of 153.20. When Kolmogorov-Smirnov tests were run on the expenditure data from the MWAF sample, every variable produced significant results. The movements for the data which included zero observations were higher than those which counted only zero observations.

Given the findings of non-normality from the Kolmogorov-Smirnov test statistics, it is important to explore whether the ANOVA results (obtained on the assumption of normality) hold in the presence of non-normality. The extent of significant differences in expenditure across socio-demographic categories is explored using the Kruskal-Wallis tests.

The following tables present the results of the Kruskal-Wallis tests which were run on both festival data sets, in order to test for the robustness to non-normality. As per the Kolmogorov-Smirnov testing, the data relating to 'other' expenditure was omitted. Testing for robustness to non-normality was considered an appropriate measure to undertake to explore the sensitivity of the results. The Kruskal-Wallis test is known to be robust to non-normality and focuses on the median, rather than the mean, as a measure of central tendency.

The table below presents the results of the Kruskal-Wallis tests which were run on the expenditure data at the SheppARTon Festival.

Table 48: Kruskal-Wallis Test – SheppARTon Festival

Expenditure Category	Gender	Age	Region	Education Level	Household Structure	Income
Accommodation (inc. zeros)	2.51 (0.113)	5.38 (0.372)	42.27 (0.000)	1.67 (0.644)	0.13 (0.989)	0.61 (0.736)
Accommodation (non-zero)	1.35 (0.246)	8.57 (0.073)	N/A	1.97 (0.579)	9.12 (0.028)	4.46 (0.108)
Meals (inc. zeros)	3.59 (0.058)	6.48 (0.262)	32.58 (0.000)	2.48 (0.480)	2.80 (0.424)	8.03 (0.018)
Meals (non-zero)	0.16 (0.686)	8.08 (0.152)	0.45 (0.502)	3.36 (0.340)	4.80 (0.187)	12.75 (0.002)
Festival Tickets (inc. zeros)	1.30 (0.254)	10.03 (0.074)	7.98 (0.005)	1.11 (0.774)	15.25 (0.002)	13.67 (0.001)
Festival Tickets (non-zero)	1.20 (0.274)	9.07 (0.106)	0.39 (0.531)	0.609 (0.894)	9.19 (0.027)	7.46 (0.024)
Other Entertainment (inc. zeros)	0.07 (0.794)	5.86 (0.321)	9.29 (0.002)	2.19 (0.533)	2.61 (0.456)	1.27 (0.531)
Other Entertainment (non-zero)	0.12 (0.728)	5.18 (0.270)	0.66 (0.416)	7.22 (0.065)	2.43 (0.487)	1.98 (0.371)
Transport (inc. zeros)	0.83 (0.361)	2.86 (0.721)	20.10 (0.000)	1.94 (0.584)	1.26 (0.740)	1.06 (0.588)
Transport (non-zero)	3.14 (0.076)	2.78 (0.734)	4.40 (0.036)	6.47 (0.091)	2.57 (0.462)	2.47 (0.290)
Personal Services (inc. zeros)	0.90 (0.343)	2.74 (0.741)	0.42 (0.516)	1.49 (0.686)	2.91 (0.407)	5.08 (0.079)
Personal Services (non-zero)	1.03 (0.309)	6.13 (0.190)	0.09 (0.764)	1.79 (0.618)	2.63 (0.269)	3.59 (0.166)

As table 48 above shows, the variable 'region' produced the largest number of statistically significant results. In the case of expenditure data which included zero observations, the variables accommodation (0.000), meals (0.000), festival tickets (0.005), other entertainment (0.002), and transport (0.000) all produced significant results. Other significant results included a comparison of region and non-zero transport expenditure (0.036), household structure and non-zero accommodation expenditure (0.028), household structure and festival ticket expenditure, both including zero expenditure (0.002) and disregarding zero expenditure (0.027), and a comparison of the variable 'income' and expenditure on meals including zero observations (0.018), meal expenditure excluding zero observations (0.002), expenditure on festival tickets including zero observations (0.001), and festival ticket expenditure excluding zero observations (0.024).

The ANOVA comparison of age and festival ticket expenditure (including zero observations) produced a significant result (0.027), which was not significant in the Kruskal-Wallis test (0.074). Conversely, the Kruskal-Wallis comparison of festival ticket expenditure (including zero observations) and region produced a significant result (0.005), which was not significant in the ANOVA results (0.659). Kruskal-Wallis tests produced a significant result between expenditure on 'other entertainment' (including zero observations) and region (0.002), which was not significant in the ANOVA analysis (0.439). The comparison of non-zero expenditure on festival tickets and household structure produced a significant result in the Kruskal-Wallis tests (0.027), whereas this comparison was not seen to be significant in the ANOVA analysis (0.054). All other significant variables were the same in the ANOVA analysis and the Kruskal-Wallis tests.

Table 49 below presents the results of the Kruskal-Wallis tests run on the expenditure data in the MAAF sample.

Table 49: Kruskal-Wallis Test – MAAF

Expenditure Category	Gender	Age	Region	Education Level	Household Structure	Income
Accommodation (inc. zeros)	0.73 (0.392)	4.17 (0.525)	1.22 (0.269)	3.68 (0.298)	2.12 (0.548)	3.19 (0.203)
Accommodation (non-zero)	0.16 (0.687)	8.52 (0.074)	0.01 (0.912)	0.33 (0.954)	2.01 (0.571)	2.72 (0.257)
Meals (inc. zeros)	1.15 (0.283)	7.26 (0.202)	4.46 (0.035)	10.23 (0.017)	0.981 (0.806)	2.33 (0.313)
Meals (non-zero)	0.17 (0.684)	5.53 (0.237)	0.32 (0.572)	1.80 (0.615)	3.06 (0.383)	6.62 (0.036)
Festival Tickets (inc. zeros)	0.63 (0.429)	8.94 (0.112)	2.63 (0.105)	10.51 (0.015)	1.69 (0.638)	0.62 (0.733)
Festival Tickets (non-zero)	0.66 (0.417)	9.37 (0.053)	0.621 (0.431)	5.02 (0.170)	7.37 (0.061)	0.32 (0.851)
Other Entertainment (inc. zeros)	0.26 (0.614)	3.85 (0.571)	5.24 (0.022)	8.22 (0.042)	0.25 (0.969)	0.41 (0.814)
Other Entertainment (non-zero)	0.71 (0.400)	2.99 (0.393)	0.43 (0.511)	1.64 (0.651)	1.15 (0.764)	2.73 (0.255)
Transport (inc. zeros)	0.93 (0.335)	8.56 (0.128)	7.59 (0.006)	13.27 (0.004)	1.22 (0.748)	1.68 (0.431)
Transport (non-zero)	1.14 (0.286)	1.55 (0.462)	0.36 (0.550)	1.44 (0.696)	1.60 (0.659)	5.84 (0.054)
Personal Services (inc. zeros)	0.14 (0.707)	2.54 (0.771)	0.93 (0.334)	2.10 (0.552)	1.78 (0.619)	1.66 (0.437)
Personal Services (non-zero)	0.26 (0.608)	1.69 (0.639)	0.14 (0.705)	1.45 (0.694)	6.19 (0.103)	1.42 (0.493)

The table above shows that a comparison of the variable 'region' and meal expenditure including zeros (0.035), other entertainment expenditure including zeros (0.022), expenditure on transport including zeros (0.006) all produced statistically significant results. The variable 'education level' also produced significant results in the following expenditure categories which include zero observations: meals (0.017), festival tickets (0.015), other entertainment (0.042), and transport. Income and non-zero expenditure on meals (0.036) also produced a significant result in the Kruskal-Wallis tests.

While the Kruskal-Wallis results demonstrate a significant result in the comparison of expenditure on meals (including zero) and region (0.035) and education level (0.017),

ANOVA results did not produce significant results (with the ANOVA value for region estimated as 0.209 and education level 0.908). Similarly, Kruskal-Wallis tests showed significant results when festival ticket expenditure (including zeros) was compared to education level (0.015). This relationship was not significant in the ANOVA analysis (0.826). Expenditure on 'other entertainment' (including zeros) produced significant results in the Kruskal-Wallis tests when compared to region (0.022) and education level (0.042). These comparisons in the ANOVA did not demonstrate significant results, where region produced a value of 0.766, and education level 0.767. In the analysis of expenditure on transport (including zeros), the variables region (0.006) and education level (0.004) produced significant results, while these relationships were not significant in the ANOVA analysis, with region producing a value of 0.679 and education producing a value of 0.973 when compared to transport expenditure (including zeros).

Non-zero expenditure on meals at the festival produced significant Kruskal-Wallis results when compared to the income levels of respondents (0.036). This comparison was not significant in the ANOVA results (0.066).

7.2.5 - Festival Expenditure Summaries

The following section provides a thorough, more disaggregated analysis of individual expenditure data at both regional festivals. Firstly, this section analyses minimum and maximum levels of expenditure, mean expenditure, and the standard deviation made by individuals in each of the nominated expenditure categories. Furthermore, an expenditure summary of the combined festival data sets, including a statistical testing of the difference in expenditure across the two regions is shown.

Table 50 below provides a summary of the expenditure made by festival attendees at the SheppARTon Festival, using the expenditure categories present in the survey instrument. This includes the mean expenditure and standard deviation in each case, as well as an estimated total.

Table 50: Expenditure Summary – SheppARTon Festival

Expenditure Category	Mean Spend (\$)	Std. Deviation
Accommodation	18.47	99.01
Food & Beverage	35.66	116.47
Festival Tickets	34.76	87.72
Other Entertainment	2.17	15.25
Transport	5.05	15.64
Personal Services	1.98	11.95
Other Expenditure	10.30	32.89
TOTAL EXPENDITURE	108.39	273.39

A number of remarks can be made based on the above SheppARTon Festival summary. Firstly, as shown in Table 50 above, highest levels of mean festival expenditure was on food and beverages at \$35.66, closely followed by festival tickets at \$34.76, while the lowest levels of mean expenditure were in the field of personal services, wherein average expenditure was \$1.98. The results from the Shepparton data suggest that each attendee spent \$108.93 on goods and services related to their festival attendance.

Table 51 below identifies the mean expenditure and standard deviation in each case, relating to the Mildura-Wentworth Arts Festival data. In addition a total mean expenditure and standard deviation estimate is presented.

Table 51: Expenditure Summary – MAAF

Expenditure Category	Mean Spend (\$)	Std. Deviation
Accommodation	83.41	335.23
Food & Beverage	72.88	261.12
Festival Tickets	31.24	152.50
Other Entertainment	35.45	190.86
Transport	32.81	167.77
Personal Services	53.10	270.13
Other Expenditure	42.22	223.33
TOTAL EXPENDITURE	351.11	1,296.06

Table 51 above suggests that the highest mean expenditure in the sample was again on accommodation at \$83.41, while the lowest reported mean expenditure was \$31.24 on festival tickets. The Mildura sample shows mean average expenditure relating to the festival to be \$351.11. Across the two sites, Mildura festival attendees spent considerably more,

reflected in a comparison of the two mean total expenditure columns. Moreover, food and beverage expenditure was consistently high across the two sites, being the highest expenditure category in Shepparton, and the second highest in Mildura. While transport expenditure, 'other' expenditure during the festival, and personal services expenditure were the lowest expenditure categories in the Shepparton data, the MWAF data shows the lowest levels of expenditure to be on festival tickets and transport.

Having shown the expenditure patterns across the SheppARTon Festival and Mildura-Wentworth Arts Festival data, the two individual data sets were combined, and the minimum, maximum and mean expenditure were recalculated, in addition to the standard deviation as a total expenditure summary across the two sites. Moreover in Table 52 F-test coefficients for each expenditure category are estimated in order to test whether statistically significant differences between the two sites are apparent.

Table 52: Expenditure Summary – Total Sample

Expenditure Category	Mean Spend (\$)	Std. Deviation	f test - difference
Accommodation	49.20	243.11	7.078 (0.008)
Food & Beverage	53.22	198.95	3.441 (0.064)
Festival Tickets	33.10	122.48	0.081 (0.777)
Other Entertainment	17.88	132.45	6.249 (0.013)
Transport	18.15	116.48	5.615 (0.019)
Personal Services	26.11	187.26	7.399 (0.007)
Other Expenditure	25.36	155.87	4.128 (0.042)
TOTAL EXPENDITURE	222.94	919.01	

The combined regional sample shows mean expenditure to be \$222.94 per attendee. In addition, the two data sets, once combined, show the highest level of mean expenditure to be on food and beverages, totalling \$53.22, and the lowest to be on 'other' entertainment in the host region not directly related to the festival, at \$17.88. The F-test statistics demonstrate a significant difference between Mildura and Shepparton in each expenditure

category except festival tickets and food and beverages. These results reflect higher levels of mean expenditure in the Mildura sample in every category with the exception of festival tickets, in addition to the more elevated levels of maximum expenditure from MWAF attendees (\$2,000.00 in each category). The F-statistic on food and beverage expenditure is close to being significant (0.064).

7.2.6 - 'In-scope' Expenditure

One aspect of the questionnaire and the *Encore!* Event Evaluation Kit involved an estimation of the level of direct 'in-scope expenditure'. The term 'in-scope' expenditure is used to describe visitor expenditure in the host region which is directly attributable to the festival, and which would have been lost to the community had the festival not taken place. Analysing the data in this way facilitates an estimation of the in-scope expenditure within the region during the festival period, including the secondary, indirect or imbued economic benefits to the local region (Getz 1997). Moreover, identifying the source of event expenditure is regarded as an important technique in the application of I-O models (Gazel and Schwer 1997). The survey which was included with the *Encore!* Event Evaluation Kit facilitated this level of analysis, as respondents were asked to identify whether they would have been attending the host region irrespective of the event, or whether the festival prompted an additional visit, or an extended stay in the region.

Firstly, the level of expenditure made by attendees who would not have been travelling to the host region at any time in the year in which they attended the festival (2005 in the case of Shepparton, 2006 in the case of Mildura) is estimated. Secondly, the data identifies the level of expenditure made by those in the sample population who would have ordinarily travelled to the host region in the year they were surveyed, and who made an additional visit to the region to attend the festival. Finally, the data estimates the expenditure levels of those individuals who were staying in host region during the time of the festival, and who had extended their stay in order to attend the festival.

Table 53: Festival Related Expenditure - SheppARTon Festival

Expenditure Category	Event Only (\$)	Additional Visit (\$)	Extended Visit (\$)	TOTAL (\$)
Accommodation	1,339	950	175	2,464
Food & Beverage	1,325	3,271	170	4,766
Festival Tickets	5,749	4,795	430	10,974
'Other' Entertainment	110	260	10	380
Transport	260	515	190	965
Personal Services	80	130	0	210
'Other'	420	752	150	1,322
TOTAL	9,283	10,673	1,125	21,081

As Table 53 above shows, a total of \$21,081 was reported by respondents from the SheppARTon festival whose visit to the Greater Shepparton region was linked to the festival. Of the expenditure categories identified in the survey, expenditure on festival tickets, followed by food and beverage expenditure and accommodation expenditure were the areas in which festival related spending was the highest. Moreover, reported expenditure by those survey respondents who extended their visit is seen to be considerably lower than those who visited Greater Shepparton exclusively to attend festival events, and those who made an additional visit to the Greater Shepparton region to attend festival events.

Table 54 below shows the results of the same analysis which was conducted on the MAAF 2006 festival data, again isolating the expenditure made by event attendees who would not otherwise have come to the host region, who made an additional visit in order to attend the festival, or who extended their stay in the region to attend the festival.

Table 54: Festival related expenditure – MAAF

Expenditure Category	Event Only (\$)	Additional Visit (\$)	Extended Visit (\$)	TOTAL
Accommodation	855	3,000	100	3,955
Food & Beverage	3,920	1,623	130	5,673
Festival Tickets	1,104	946	114	2,164
'Other' Entertainment	849	2,530	0	3,379
Transport	470	515	40	1,025
Personal Services	2,705	2,590	10	5,305
'Other'	910	2,660	20	3,590
TOTAL	10,813	13,864	414	25,091

Similarly to the Greater Shepparton data, the data drawn from the Mildura-Wentworth Arts Festival shows distinctly higher levels of expenditure made by those who had travelled to the Mildura region specifically to attend festival events when compared to those who had extended their visit to do so. While the total expenditure of visitors in the MAAF festival sample (\$25,091) is close to the figure which resulted from the SheppARTon Festival sample, it is interesting to note that the total expenditure figure is more evenly distributed among the expenditure categories. While expenditure on food and beverages during their visit to the host region remained high in the Mildura sample, personal services expenditure, the lowest across the Shepparton sample, was the second highest expenditure category.

It is notable that the total expenditure made by visitors at the Mildura-Wentworth Arts Festival exceeded that at the SheppARTon Festival, particularly given that higher percentages of respondents were local to the Mildura region. This remark is based on the assumption that non-local event attendees will spend more than local attendees given the necessary costs of, for example, accommodation and travel expenditure. On account of the fact the 8.7% of non-local MAAF attendees outspent the 27.5% of non-local SheppARTon Festival attendees, it can be concluded that respondents from the Mildura sample spent considerably more than their Shepparton counterparts. Based on the in-scope expenditure data it can also be concluded that festivals of this nature can make a significant economic contribution to the local host community.

Thus far, this chapter has analysed in detail a number of facets relating to individual expenditure on a range of goods and services at two regional Victorian arts festivals. In the further analysis of the expenditure data which follows, an econometric model is fitted to the

data collected from both the SheppARTon Festival and the Mildura-Wentworth Arts festival.

7.3 - Regression Analysis

In addition to the univariate chi-squared tests and one-way analysis of variance, an econometric model was also fitted to the data with the aim of modelling the individual expenditure levels across the set of expenditure categories which have been described in the previous analysis. The following section describes in detail the modelling framework, before moving into a discussion of the regression results.

7.3.1- Specification of the Regression Model

Specifically, the modelling framework which was applied to the two sets of individual arts festival expenditure data included four distinct methods of determining relationships in the data. In the first instance, the model applied two variants of an ordinary least squares (OLS) regression in order to determine the effects that various demographic factors and fluctuations in spending within various categories will have on spending patterns within another broad area of expenditure. The generic form of such a linear regression model which tests a dependent variable against one or more independent variables appears as:

$$\begin{aligned} y &= f(x_1, x_2, \dots, x_k) + \varepsilon \\ &= x_1\beta_1 + x_2\beta_2 + \dots + x_k\beta_k + \varepsilon \end{aligned}$$

(Greene 2003)

While the first Ordinary Least Squares model counts each response, including the large volume of zero responses which are likely to have arisen on account of the high percentage of local festival attendees, the second estimation disregards each instance where zero expenditure was reported in the data, counting only the positive expenditure. As such two assumptions are made regarding the motivation for reporting zero expenditure on a specified category relating to the festival. The two possibilities which were tested were (a) that nil expenditure was reported by a respondent because there was no expenditure to report, or (b) that nil expenditure was reported due to the fact that it was thought to be irrelevant due to the fact that the respondent was a resident of the local Mildura or Shepparton regions.

A complication in a standard regression analysis of this data is the censoring from the zero expenditure observations in the data set. This can create sample selection problems along the lines indicated in Heckman (1979). Thus, in addition to the OLS regression models, two models that deal with the censoring feature were also applied to the data set. In the first

instance a Tobit model was run on the sample population, which retained the data which reported zero-spending, but deals with the pile up of zero observations, where:

$$y_i^* = x_i' \beta + \varepsilon_i$$

$$y_i = 0 \text{ if } y_i^* \leq 0$$

$$y_i = y_i^* \text{ if } y_i^* > 0$$

(Greene 2003)

Finally the data was re-coded as being positive or zero expenditure, and a binary probit model was estimated in order to calculate the probability of positive (non-zero) expenditure in the given categories, where:

$$\gamma_1^* = x_1' \beta_1 + \varepsilon_1, \quad y_1 = 1 \text{ if } \gamma_1^* > 0, 0 \text{ otherwise}$$

$$\gamma_2^* = x_2' \beta_2 + \varepsilon_2, \quad y_2 = 1 \text{ if } \gamma_2^* > 0, 0 \text{ otherwise}$$

(Greene 2003)

In each of the tests specified in this model, a number of dummy variables were created. These were as follows:

- D45PLUS (Aged 45 or over =1 / other = 0)
- DALONE (Live Alone =1 / other = 0)
- DHIGH (High income earners \$78,000-\$130,000 + pa / other = 0)
- DMED (Medium income earners \$36,400 to \$ 77,999 pa = 1 / other = 0)
- DMILDURA (Mildura Attendee = 1 / other [i.e. Shepparton Attendee] = 0)
- DOUTREGION (Usually live outside host region = 1 / other [i.e. local] = 0)
- DPOSTSCHOOL (Post high-school qualification = 1 / other = 0)

Notably, the dummy variable 'DMILDURA' was created to identify whether the festival attended by the respondent was a significant factor in terms of festival expenditure. This was undertaken to test for significant differences in the levels of expenditure between the two sites. The two data sets have been thus been pooled in the following analysis, giving a total of 392 respondents in the larger, two-site sample.

The results of the regression modelling are reported in tables 51-58. The tables report parameter estimates, in addition to p-values in parentheses. At conventional significance

levels p-values less than 0.05 are deemed to show a statistically significant effect from that model on the particular expenditure category. As with the previous analysis, the expenditure categories which are tested as dependent variables in the following analysis are as follows:.

- Accommodation expenditure
- Food and beverage expenditure
- Expenditure on festival tickets
- Expenditure on 'other entertainment'
- Transport expenditure
- Expenditure on 'personal services'
- Any other expenditure related to the festival not elsewhere reported
- Total expenditure
- Total expenditure less expenditure on dependent variable

7.3.2 – Regression Results

The following section reports the results of the four specifications of the econometric model. Firstly, results are shown for each of the expenditure categories specified in the survey instrument. Following each table is a brief discussion of the more notable results for each case. Following this analysis, a summary of the significant variables across expenditure categories and econometric models is provided, which discusses further the expenditure categories and specifications of the model which demonstrated statistically significant values. The third and final segment of the discussion relating to the regression analysis focuses on the different results generated in each expenditure category for total expenditure less 'other expenditure'. This variable was consistently significant across expenditure categories and the four variations of the regression model, and the presentation of these results is designed to demonstrate the divergent results produced when the model makes different assumptions regarding the zero expenditure observations. In each case the significant p-values are presented in bold.

Table 55: Regression Model Data - Accommodation Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	6.461 (0.603)	368.206 (0.050)	-40.572 (0.847)	-0.148 (0.610)
DALONE	-1.380 (0.960)	-227.082 (0.266)	71.033 (0.754)	0.171 (0.573)
DHIGH	-34.701 (0.273)	133.915 (0.636)	-153.350 (0.456)	-0.497 (0.105)
DMED	-38.770 (0.086)	-209.604 (0.288)	-229.586 (0.238)	-0.299 (0.266)
DMILDURA	46.742 (0.008)	713.889 (0.071)	510.681 (0.023)	0.297 (0.323)
DOUTREGION	46.252 (0.083)	196.778 (0.663)	903.263 (0.000)	1.190 (0.000)
DPOSTSCHOOL	39.690 (0.116)	182.985 (0.434)	268.271 (0.145)	0.300 (0.249)
TOTAL-ACCOM	0.205 (0.000)	0.148 (0.000)	0.434 (0.000)	0.001 (0.000)

As shown in Table 55 above, a number of the dummy variables show statistically significant results when formally compared to attendee expenditure on accommodation. Notably, the total other expenditure variable, which calculated total expenditure less expenditure on accommodation, generated strongly significant (all 0.000) and positive values across each of the specifications of the model. In the case of the first ordinary least squares specification, which counted the zero and non-zero expenditure data, the Mildura variable shows positive and statistically significant results. In addition, older festival attendees showed positively significant results in the second model specification which disregarded zero expenditure. Finally, the first of the Tobit estimations shows statistically significant values regarding the accommodation expenditure of Mildura festival attendees (0.023) and those attendees who typically live outside of the host region (0.000).

Table 56: Regression Model Data – Food and Beverage Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	-15.450 (0.273)	-31.128 (0.568)	-90.246 (0.073)	-0.360 (0.052)
DALONE	22.885 (0.459)	58.688 (0.519)	79.829 (0.187)	0.338 (0.132)
DHIGH	71.297 (0.023)	203.538 (0.030)	210.061 (0.000)	0.452 (0.022)
DMED	-2.455 (0.821)	3.805 (0.928)	27.912 (0.585)	0.103 (0.583)
DMILDURA	6.563 (0.678)	41.679 (0.533)	20.497 (0.676)	-0.033 (0.855)
DOUTREGION	41.250 (0.119)	43.291 (0.474)	208.591 (0.000)	0.837 (0.000)
DPOSTSCHOOL	-21.428 (0.259)	-124.055 (0.114)	-10.885 (0.809)	0.209 (0.218)
TOTAL- FOOD/BEV	0.176 (0.000)	0.164 (0.000)	0.238 (0.000)	0.002 (0.000)

Expenditure on food and beverages, the second variable to which the regression model was fit, shows a number of statistically significant results, as presented in Table 56. Firstly, it can be seen that festival attendees with high incomes generated significant values below 0.05 in each of the specifications of the regression model. In each case the coefficients were positive. Similarly, total other expenditure generated strongly significant values (all 0.000) and low, positive coefficients in each of the four specifications. The only other dummy variable which prompted significant results was those who typically live outside the region, where the Tobit and probit estimations both showed values of 0.000.

Table 57: Regression Model Data – Festival Ticket Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	21.220 (0.031)	44.559 (0.087)	43.775 (0.092)	0.156 (0.345)
DALONE	-27.765 (0.006)	-46.968 (0.143)	-82.192 (0.022)	-0.383 (0.088)
DHIGH	25.999 (0.053)	37.179 (0.258)	78.842 (0.005)	0.387 (0.034)
DMED	8.959 (0.279)	13.959 (0.587)	34.789 (0.196)	0.209 (0.220)
DMILDURA	-23.956 (0.018)	-77.044 (0.012)	-16.413 (0.536)	0.148 (0.375)
DOUTREGION	-16.012 (0.237)	-42.068 (0.068)	33.491 (0.226)	0.428 (0.019)
DPOSTSCHOOL	-7.927 (0.402)	-28.752 (0.298)	8.358 (0.731)	0.199 (0.200)
TOTAL- FESTIVAL TIX	0.104 (0.004)	0.107 (0.007)	0.135 (0.000)	0.001 (0.000)

Table 57 demonstrates that festival ticket expenditure generated a large number of significant results across the four estimations of the model. Total expenditure less festival ticket expenditure generated significant values in each case. In the first OLS estimation, those aged 45 and above demonstrated significantly positive results, while negatively positive results were produced by those who live alone (0.006) and those attending Mildura-Wentworth Arts Festival (0.018). In the second OLS estimation, Mildura attendees again showed significantly negative results (0.012). Tobit estimates show a significant p-value and negative coefficient (0.022) from those festival patrons living alone, and a significantly positive result from high income earners (0.005). Finally, the probit specification on festival ticket expenditure shows significant p-values and positive coefficients among high income earners (0.034) and those from outside the festival host region (0.019). The high number of significant results relating to festival ticket expenditure could be used to comment on price elasticity of demand for creative arts.

Table 58: Regression Model Data – ‘Other Entertainment’ Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	-4.511 (0.454)	53.361 (0.826)	-282.499 (0.020)	-1.044 (0.006)
DALONE	-3.076 (0.780)	-3.061 (0.986)	42.362 (0.688)	0.096 (0.771)
DHIGH	-25.088 (0.078)	-203.367 (0.197)	-109.080 (0.283)	-0.232 (0.465)
DMED	2.701 (0.833)	4.297 (0.976)	98.815 (0.234)	0.343 (0.189)
DMILDURA	-0.033 (0.997)	20.294 (0.880)	70.643 (0.409)	0.116 (0.663)
DOUTREGION	-16.766 (0.140)	8.084 (0.956)	204.420 (0.024)	0.712 (0.007)
DPOSTSCHOOL	-2.484 (0.841)	-127.633 (0.354)	62.666 (0.441)	0.302 (0.241)
TOTAL- OTHER ENT	0.119 (0.000)	0.128 (0.000)	0.222 (0.000)	0.001 (0.000)

The four-part regression model which analysed individual expenditure in the ‘other entertainment’ category shows that those aged 45 years and older resulted in statistically significant values those in the Tobit and probit specifications. Table 58 also demonstrates that the same two specifications of the model showed significant results and positive coefficients among those who live outside the region in which the festival was presented. Total expenditure less expenditure on ‘other entertainment’ was a significant variable across each of the four specifications of the model.

Table 59: Regression Model Data – Transport Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	-10.150 (0.097)	-19.818 (0.284)	-56.988 (0.020)	-0.450 (0.034)
DALONE	-0.179 (0.985)	31.280 (0.331)	16.794 (0.549)	0.187 (0.464)
DHIGH	-16.330 (0.043)	-15.899 (0.708)	15.009 (0.539)	0.362 (0.100)
DMED	-8.028 (0.229)	2.025 (0.951)	11.816 (0.610)	0.245 (0.235)
DMILDURA	-6.765 (0.331)	-39.263 (0.059)	1.918 (0.933)	0.167 (0.404)
DOUTREGION	-10.274 (0.297)	7.591 (0.681)	56.598 (0.013)	0.673 (0.001)
DPOSTSCHOOL	1.611 (0.801)	25.113 (0.466)	20.348 (0.328)	0.166 (0.372)
TOTAL- TRANSPORT	0.128 (0.000)	0.148 (0.000)	0.161 (0.000)	0.001 (0.000)

In Table 59 above, significant (0.000) and positive values are apparent across the four model specifications in the case of total expenditure less transport expenditure. The Tobit and probit also generated significant results and negative coefficients in transport expenditure by those aged 45 years and older, and from those living outside the region. In addition the standard OLS regression which counts all observations irrespective of their value generates a significant value of 0.043 and a coefficient of -16.330 in the case of high income earners.

Table 60: Regression Model Data – Personal Services Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	-16.869 (0.336)	-267.958 (0.523)	-186.531 (0.287)	-0.461 (0.183)
DALONE	-15.033 (0.498)	-25.594 (0.964)	-53.189 (0.807)	0.059 (0.895)
DHIGH	-24.821 (0.201)	-181.351 (0.524)	114.167 (0.477)	0.099 (0.768)
DMED	4.346 (0.807)	343.740 (0.275)	6.455 (0.968)	-0.113 (0.732)
DMILDURA	4.251 (0.806)	-140.665 (0.730)	184.805 (0.248)	0.084 (0.788)
DOUTREGION	-34.357 (0.084)	-208.473 (0.681)	2.841 (0.987)	-0.376 (0.317)
DPOSTSCHOOL	-5.120 (0.751)	-81.779 (0.749)	37.005 (0.789)	0.227 (0.432)
TOTAL- PERS. SERV.	0.150 (0.000)	0.134 (0.014)	0.346 (0.000)	0.002 (0.000)

The only dummy variable which produced significant results in the field of personal services expenditure was total expenditure less expenditure on 'personal services'. These results are presented in Table 60 above. Total expenditure less that on personal services shows significant results across both OLS specifications, the Tobit, and the probit specifications.

Table 61: Regression Model Data - Other Festival-Related Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	16.635 (0.359)	126.772 (0.337)	26.136 (0.652)	-0.126 (0.572)
DALONE	26.019 (0.337)	192.960 (0.352)	20.437 (0.780)	-0.243 (0.440)
DHIGH	8.952 (0.363)	115.202 (0.173)	106.368 (0.083)	0.272 (0.253)
DMED	19.134 (0.233)	155.539 (0.163)	78.082 (0.187)	0.082 (0.724)
DMILDURA	11.320 (0.582)	90.804 (0.516)	32.432 (0.588)	-0.217 (0.348)
DOUTREGION	20.290 (0.418)	26.526 (0.713)	204.862 (0.000)	0.749 (0.001)
DPOSTSCHOOL	-5.752 (0.495)	-16.212 (0.789)	10.380 (0.845)	0.018 (0.931)
TOTAL- OTHER	0.148 (0.000)	0.159 (0.000)	0.237 (0.000)	0.001 (0.000)

Table 61 shows that those attendees who live outside the festival host region demonstrated significant and positive results across the Tobit and probit model specifications. Total expenditure less expenditure in the 'other' category shows significant and positive results in each of the four specifications, wherein values of 0.000 were produced.

Table 62: Regression Model Data - Total Festival-Related Expenditure

	OLS	OLS >0	TOBIT	PROBIT
D45PLUS	-16.344 (0.882)	119.927 (0.662)	-33.135 (0.888)	-0.047 (0.769)
DALONE	-1.383 (0.992)	-0.163 (1.000)	-143.401 (0.632)	-0.122 (0.555)
DHIGH	43.685 (0.720)	23.920 (0.934)	394.321 (0.117)	0.403 (0.021)
DMED	-96.907 (0.386)	-314.938 (0.265)	-119.466 (0.617)	0.024 (0.882)
DMILDURA	281.559 (0.010)	825.321 (0.005)	554.175 (0.018)	0.125 (0.427)
DOUTREGION	211.230 (0.090)	201.168 (0.439)	1034.634 (0.000)	1.011 (0.000)
DPOSTSCHOOL	-25.364 (0.803)	-294.187 (0.251)	99.575 (0.643)	0.189 (0.194)

The final variable to be tested in the modelling framework was total expenditure, the results of which appear in Table 62 above. In this case, high income earners showed significant total expenditure when the probit specification was applied, while the dummy variable established to distinguish Mildura attendees from Shepparton attendees was significant in the OLS model which tested all non-zero expenditure and in the case of the Tobit specification. The Tobit also produced a strongly significant result in total expenditure by non-local festival attendees (0.000) in addition to a very high positive coefficient of 1034.634. Finally, the group who reported typically living outside the region in which the festival was presented also demonstrated a strongly significant result (0.000) in the probit specification of the model. Clearly, there was no dummy which denotes total other expenditure, as the variable being tested is total expenditure.

7.3.3 – Summary of Significant Results

Having discussed the results of the individual expenditure categories across the four specifications of the model, this section summarises the results presented in the tables above, demonstrating the significant patterns in the individual expenditure data, in addition to commenting on the different results which emerge from the different model specifications. Table 63 presents a summary of the regression results, highlighting the variables across each expenditure category which produced significant results, in addition to identifying whether the coefficients are positive or negative in each case.

Table 63: Summary of Significant Variables across Expenditure Categories and Econometric Models

	OLS (all observations)	OLS (non-zero observations)	Tobit	Probit
Accommodation	Mildura (+) Total Other (+)	Total Other (+)	Mildura (+) Out Region (+) Total Other(+)	Out Region (+) Total Other (+)
Food & Beverage	High inc (+) Total Other (+)	High inc (+) Total Other (+)	High inc (+) Out Region (+) Total Other (+)	High inc (+) Out Region (+) Total Other (+)
Festival Tickets	Age 45+ (+) Alone (-) Mildura (-) Total Other (+)	Mildura (-) Total Other (+)	Alone (-) High inc (+) Total Other (+)	Out Region (+) Total Other (+)
Other Entertainment	Total Other (+)	Total Other (+)	Age 45+ (-) Out Region (+) Total Other (+)	Age 45+ (-) Out Region (+) Total Other (+)
Transport	High inc (+) Total Other (+)	Total Other (+)	Age 45+ (-) Out Region (+) Total Other (+)	Age 45+ (-) Out Region (+) Total Other (+)
Personal Services	Total Other (+)	Total Other (+)	Total Other (+)	Total Other (+)
Other	Total Other (+)	Total Other (+)	Total Other (+)	Out Region (+) Total Other (+)
Total	Mildura (+)	Mildura (+)	Mildura (+) Out Region (+)	High inc (+) Out Region (+)

As the preceding discussion of each of the estimations of the regression model indicate, and as shown in Table 63 above, the most consistently significant variable is total other expenditure, or the total level of expenditure less expenditure on the variable being tested. In the above table this is displayed as 'Total Other'. This is not festival expenditure reported in the 'other expenditure' category. Total expenditure less the expenditure being tested generates significantly positive results across every expenditure category and econometric model in the regression. The expenditure category which produced the greatest number of

statistically significant variables was that on festival tickets, which shows six variables to be significant across the four specifications of the model. The significance of the particular variables, however, is model specific to some extent. In terms of the four econometric models, the Tobit specification produces the greatest number of significant variables.

The regression data suggests only limited evidence of an effect of Mildura respondents spending more than their Shepparton counterparts once the total expenditure level is allowed for in the modelling. This result is interesting when compared to the expenditure summaries presented earlier in Tables 50 and 51, where the expenditure summary tables suggest considerably higher levels of expenditure in the Mildura sample across most categories. While the higher total expenditure levels in the Mildura sample are reflected in both OLS regression specifications and the Tobit estimation of the model, there are otherwise very few occasions where the Mildura sample shows positively significant results (with the exception of accommodation expenditure in the standard OLS model and the Tobit specification). The lower levels of expenditure on festival tickets in the Mildura data are apparent in the second of the OLS specifications which counts only the non-zero data. The above table also appears to show higher levels of expenditure by those who typically live outside the host region (the variable 'out region') in the Tobit or probit specifications in every expenditure category with the exception of personal services expenditure across both specifications, and festival ticket expenditure in case of the Tobit estimation of the model.

Regarding the remaining demographic variables, expenditure on food and beverages is demonstrably higher amongst those with higher incomes in each specification of the model. In addition, higher income earners spend more on transport in the first OLS regression and more in total in the probit specification. The model reflects that those who live alone spend less on festival tickets in the standard regression and the Tobit estimation. Finally, those aged 45 and older are shown in the ordinary least squares estimation which counted all observations to spend more on festival tickets, while spending less on transport and other entertainment in the Tobit and probit specifications of the model.

Thus the model shows total other expenditure to be the most consistently significant variable in the model, while festival ticket expenditure produced the highest number of significant variables across the four estimations of the model. Interestingly, in the majority of cases a dummy to separate Mildura and Shepparton attendees was not necessary. However, the demographic variable which produced the highest number of significant comparisons was the dummy 'out region', which showed 12 occasions wherein the typical place of residence of festival attendees, and whether they were local or non-local to the host region, was

significant.

7.3.4 – ‘Total Other’ Expenditure Results

As ‘total other’ expenditure in each category produced statistically significant results across each of the specifications of the model, it is revisited in this section of the analysis in order to demonstrate the fluctuation in results which takes place on account of differing treatment of the zero-expenditure observations.

Table 64 below highlights in greater detail the results of ‘total other’ expenditure in each category and in each specification of the regression model. However while the results in each field remain significant below a 0.05 level in each field, the table also shows the different point estimates of the coefficients in each expenditure category across the two regression and Tobit estimations of the model.

Table 64: Estimated Coefficients of Total Other Expenditure Variables across Expenditure Categories and Expenditure Models

	Regression (all observations)	Regression (non-zero observations)	Tobit
Accommodation	0.205 (0.000)	0.148 (0.000)	0.434 (0.000)
Food & Beverage	0.176 (0.000)	0.164 (0.000)	0.238 (0.000)
Festival Tickets	0.104 (0.004)	0.107 (0.007)	0.135 (0.000)
Other Entertainment	0.119 (0.000)	0.128 (0.000)	0.222 (0.000)
Transport	0.128 (0.000)	0.148 (0.000)	0.161 (0.000)
Personal Services	0.150 (0.000)	0.134 (0.014)	0.346 (0.000)
Other	0.148 (0.000)	0.159 (0.000)	0.237 (0.000)

Table 64 shows that the highest estimated coefficients across the model are for the Tobit specifications, which range from 0.135 in festival ticket expenditure to 0.434 for accommodation expenditure. Between the Tobit and the standard OLS regression, wide distances between the coefficients are shown regarding accommodation expenditure (0.205

vs. 0.438) and personal services expenditure (0.150 vs. 0.346). Moreover, while the ranges are much smaller, the table above demonstrates differences in the estimated coefficients from expenditure variables between the two OLS specifications. While the first OLS regression generates coefficients which range from 0.104 for festival tickets to 0.205 for accommodation, the second OLS, which ignored expenditure which was missing or reported to be zero, the coefficients range from 0.107 for festival tickets to 0.164 for food and beverage expenditure. These results evidence the different impacts which result from different treatment of zero expenditure observations in the data.

7.4 - Conclusion

Using the SheppARTon Festival 2005 and the Mildura-Wentworth Arts Festival 2006 as case studies, this chapter has given insight into key aspects relating to festival expenditure and the economic benefits of a local regional arts festival. In addition, this chapter has demonstrated that the audience of the two festivals are, broadly speaking, more likely to be female, local to the host region, and be middle income earners with a high-school qualification as their highest educational level.

The detailed analysis of individual expenditure levels has demonstrated that regional arts festivals contribute significantly to the local host community, and it can be seen that festival related expenditure by non-local event attendees can benefit businesses in the host-region. The economic impact of festivals is particularly highlighted in the in-scope expenditure analysis, which demonstrates the revenue which would be lost to communities in the absence of a festival.

This chapter has demonstrated how a more comprehensive econometric model can be used to measure and analyse individual festival-related expenditure. While the *Encore!* Event Evaluation Kit remains a workable and user-friendly means to estimate the economic impacts of a regional arts festival, the model presented in this chapter builds on the work of Jackson et al. (2005), particularly with regard to modelling the missing and zero-expenditure data reported by local event attendees. This is likely to be of value to regional event organisers, where a significant percentage of attendees are likely to be local to the host region.

In addition to these broader conclusions, a number of more specific concluding remarks can be made with regard to the specific ANOVA and econometric analysis: conducted in this chapter:

- ANOVA results show the region of residence, income levels and household structure to have a significant effect on expenditure levels in the Shepparton sample. Region of residence and the age of respondents generate significant mean expenditure results from the Mildura sample.
- Education levels and gender do not appear to significantly influence levels of individual expenditure, either in the ANOVA or econometric estimations.
- Despite differences in the expenditure summaries between sites, the dummy separating the Mildura and Shepparton data in the econometric model was not significant in a number of cases after controlling for the total expenditure levels.
- No demographic variables were consistently significant in the econometric analysis, with place of residence being the most significant in 12 of 40 estimations.
- Festival ticket expenditure generated the greatest number of significant variables in the econometric model.
- Total other expenditure was significant in every case across every specification of the model. However, estimated regression coefficients are different across the four different specifications of the model, where OLS coefficients are lower than the Tobit specification.

The current research and the results generated in this chapter are particularly relevant in light of the fact that regional Australia is undergoing a process of change (Woodhouse 2005, Mangion and McNabb 2005), wherein traditional industries are declining in importance and creative industries, as with many other knowledge-based industries are becoming more prevalent (Gray and Lawrence 2001). Thus in addition to furthering empirical knowledge regarding economic impacts of regional festivals and their management as described by Jackson et al. (2005), such a deeper understanding of the impacts of regional events, and the ability to more accurately estimate their economic impacts are likely to be valuable tools to regional communities.

Chapter Eight

Conclusion

8.1 – Introduction

This research has provided a thorough analysis of the current nature of the supply and demand of creative arts in regional Victoria. In addition, it has been seen that a number of areas and characteristics have been proffered which can bolster and strengthen regional creative arts, and which can lead to more prolific arts supply and demand.

The analysis presented in the preceding chapters surrounding regional arts supply, demand and festivals in Victoria has led to a number of conclusions which relate to the research questions underpinning this study. The purpose of this concluding chapter is to reiterate and summarise the main conclusions drawn from this research. Moreover, this chapter will note the practical implications of this study to regional arts practice and the implications for government policy, in addition to noting areas for future investigation relating to this research.

8.2 – Supply Conclusions

Analysis of arts supply data has shown the regional Victorian arts environment to be characterised by a small market, a prohibitive lack of resources, an over-reliance on volunteers, and pervasive negative community opinion. From a business perspective, obstacles to a more fertile and profitable supply side are hindered by non-pecuniary business motivations and eschewing of business principles, difficulty in capitalising on marketing opportunities, and limited business knowledge and skill. Moreover, regional Victorian arts professionals generate low incomes from arts labour, and are shown to be generally middle aged and more likely to be engaged in visual arts practice.

In response to many of these challenges, this research has made key recommendations aimed at improving regional arts supply at the community and business level. Central to the development of a community development strategy through the arts are the many and varied benefits of an arts festival, engaging the arts as one means to retain younger members of regional populations, and the need to foster a more productive, communicative and symbiotic relationship between the public and private arms of regional arts communities, which could encourage the development of vibrant, creative regional communities. In addition, a more cohesive relationship between local government and the

arts could benefit communities by helping to achieve tourism and economic development aims.

In terms of a best-practice business model, designed to invigorate the current operations of regional small arts business and micro-business, this thesis concludes that arts professionals in regional Victoria would benefit from espousing a more entrepreneurial approach to arts business, exporting their artistic product beyond the local region, and creating accessible art which would engage audiences. It was also found that key gaps in the market exist in the form of privately operated arts space and individuals acting as arts agents or similar support roles within regional communities. This thesis also concludes that artists should make greater use of the Internet as a business tool, and that business training and skills development for arts workers would make regional arts supply more streamlined and effective.

8.3 – Demand Conclusions

Using attitudes, participation rates, and expenditure levels as a gauge, and contrary to the views of many regional arts practitioners, and the Saatchi and Saatchi (2000) report, this thesis concludes that levels of arts demand is currently strong among residents of East Gippsland, Mildura, and Greater Shepparton. Data has shown that the highest expenditure category in the arts is on books and physical music formats (CDs, tapes and records) while gallery admission and classical music performances represent the lowest expenditure. Regarding attendance, the data shows regional Victorians to be most likely never to attend theatre or ballet performances, and visit the cinema most often. Demographically, those aged 65 are more likely to spend nothing on arts and culture, while those aged 45-54 are the highest spenders; however the ordered probit tests on expenditure data showed largely inconsistent results with regard to significant demographic groups. Ordered probit analysis of demand data shows that the attitudes are more positive, and participation rates more frequent among females, festival attendees, and older members of the community, whereas those who cited partial school completion as their highest qualification exhibit far lower arts demand. One other significant conclusion is that while festival attendance is seen to trigger higher demand for the arts, the lack of such a festival does not negatively impact on demand. Rather, demand for other available arts is seen to increase. As such, the observation in this thesis that the absence of a festival does not impact on demand appears to shed some light on the literature surrounding substitution between arts as seen in Baumol and Bowen (1966) Withers (1980) and Gapinski (1986) Levy- Garboua and Montmarquette (1996). This thesis notes that arts consumers in areas of regional Victoria appear to substitute other existing arts goods for festivals where festivals are not presented in the local

region.

This thesis has also determined that Victorian communities have high levels of demand for the arts, and that a range of demographic and behavioural factors can be seen to impact on individual demand levels. In addition to constructing an economic model for regional arts demand, the circumstances, events and characteristics which are seen to foster higher demand have been shown. It has been established that attendance at a festival, increased expenditure in the arts in the last three years, and demographic attributes such as age and gender are the characteristics and events which foster demand for creative arts in regional Victoria. The finding that those with increased cultural expenditure and festival attendance is seen to uphold the findings of Throsby (1994a) and Levy-Garboua and Montmarquette (1996) regarding taste formation in the arts, insofar as past behaviour with regard to the arts is seen as directly relating to current participation, engagement and tastes.

8.4 – Festivals Conclusions

Results from the analysis of data collected at two recent regional festivals has lead to a number of conclusions regarding the economic impacts of such events, as well as resulting in a more rigorous means of estimating the effects of individual expenditure data in the specific regional context.

This research concludes that festival-related spending is considerable, with a range of stakeholders and businesses enjoying the benefits of festival-related expenditure, particularly by non-local event attendees. Thus despite not applying a multiplier to the expenditure in the sample, this thesis concludes that regional arts festivals benefit local regional economies. It is also concluded that demographic characteristics are not significant determinants of expenditure at a festival. In addition, based on the results of econometric testing of event attendee expenditure, this research concludes that festivals can be drivers of cultural tourism in regional areas. Thus, where possible, regional festivals should be presented in regional Victoria. This is particularly important in areas which are not typically identified as traditional tourism destinations. This thesis has also shown that festivals are an important means of promoting the arts which are being produced in a region. It is concluded that festivals can thus benefit arts suppliers in regional locations, as well as extending current audiences who were formerly resistant to the arts, or unaware they were available. Coupled with the economic benefits to communities as a result of inbound tourism and increased spending in a region, it can be concluded that festivals have positive implications for communities, as well as the supply and demand of creative arts in regional Victoria.

In addition to demonstrating the economic benefits of regional festivals, this research has illustrated a deeper understanding of the nature of event expenditure. Notably, this includes a more rigorous means of analysing the impacts of regional event expenditure, particularly in light of the high numbers of local event attendees at regional arts festivals. A regression model including two variations of an OLS regression, a Tobit, and a probit, which tests the effects of demographic characteristics on individual expenditure is seen to be a more comprehensive means of investigating the economic impacts of festivals. This is particularly significant with regard to regional festivals, insofar as established methods of economic impact analysis do not facilitate the separation of local and non-local expenditure. As a considerable number of regional festival attendees are seen to be local to the region, the analysis described in this thesis is seen to be a more comprehensive means of economic impact evaluation. As such it is concluded that in order to arrive at more accurate and well considered estimates of the economic impact of regional festivals, analysis must take into account the zero expenditure of local event attendees.

8.5 - Limitations of the Study

Before continuing with the practical manifestations of the conclusions described above, it is important to acknowledge the possible limitations of the confidence or validity of the research.

This research made a deliberate effort to select data collection sites which are sufficiently divergent to represent a breadth of regional arts activity, and the associated challenges, opportunities and unique factors which are seen to characterise regional arts. Moreover, the recommendations and conclusions, where possible have been deliberately broad so as to be applicable and useful to other regional areas. While this research has been designed to reflect the supply and demand of regional communities across Victoria, every region is not assumed to be identical, and this thesis acknowledges that there are a vast number of factors relating to population, resources, government and location, which could impact on the relevance of one or more of the lines of argument present in the thesis. As such, this research, while making a significant contribution to knowledge regarding the supply and demand of regional arts, is not assumed to be a fix-all solution, nor are the recommendations or conclusions going to be appropriate for every community in the state. However it is hoped that this thesis is useful as a basis for further analysis, and which has useful, practical and tangible benefits for communities throughout regional Victoria.

Another limitation relates to the participants in the East Gippsland and Shepparton focus groups, and specifically the intertwining of local government representatives and

representatives of the private sector arts community in the sample. Whilst opinion from a broad range of stakeholders in the target communities was integral to the research design, it is possible that this may have created an environment wherein negative comments may not have been articulated. This is regarded as a limitation of the current enquiry insofar as one of the tacit goals of the research is to improve upon the creative arts environment, wherein constructive criticism could prove to be an asset to the discussion (Kitzinger 1995).

Thirdly, quantitative data gathered from regional arts professionals demonstrates the prevalence of visual artists in the target regions. As such, many of the recommendations made through the supply-side data reflect the needs of this group. Whilst a number of recommendations have been made which reflect the arts sector as a whole, it is reasonable to assume that the focus group data may have been biased towards visual artists, thus impacting upon the representativeness of the sample. Finally, this thesis focuses upon artists and arts businesses already present in regional Victoria. As such, another limitation of this study (as well as an area for future research) is that it does not highlight strategies to attract arts professionals to a regional area.

It should be reiterated that the non-response bias in the demand survey, and the fact that discrepancies between the demand sample and the 2001 Census data (most notably among younger respondents) is seen as a limitation to the study as it could introduce bias into the results. Finally, the higher density of younger respondents to the Mildura-Wentworth Arts Festival survey, and the impacts on related demographic characteristics such as income, education level and household structure is seen as introducing bias into the data.

8.6 – Implications

It is worthy of note that this research has a practical, or 'real-world' focus, and could be a useful resource in the context of shaping and informing relevant government policy in the future. One example of an area where this is the case is with regard to the provision of business training and skills development for regional artists. This is thought to be one area which would invigorate the supply of creative arts in regional Victoria. It is envisaged that a small funding boost or the redirection of existing funding for such a purpose would prompt a manifest increase in the viability and profitability of many regional arts small and micro-businesses. As such, this is felt to be advantageous for arts professionals, but also for government, as it is reasonable to assume that the current need for government support for arts professionals would be diminished if artists and arts businesses were more lucrative endeavours.

Government support for arts festivals is also regarded as being an implication which would have pronounced benefits for the community. A regional festival which is well structured and administered, adequately resourced and culturally rich is seen by this research as being inherently linked to additional numbers of tourists travelling to the host region. As described in detail throughout this research, increased visitation has a number of benefits, and festivals can be used as an integral facet of regional revitalisation strategies. Such benefits are likely to be particularly pronounced in regional areas not typically identified as tourism or holiday destinations.

The recommendation made in the supply chapter with regard to the advantage of arms-length government arts organisations and specific arts panels and authorities attached to local government may also have implications for policy. If such structures are not currently in place, local government in regional areas would benefit from adopting such structures and approaches to directing and administering regional arts. This will also benefit arts communities through creating a more sustainable and workable model the relationship between public and private arts professionals.

The last aspect of government policy which is seen to intersect with this research relates to the issue of Internet use by regional small and micro-business. Given the low levels of 'e-business' adoption by smaller organisations in Australia (Wilkins and Turner 2004), coupled with the limitations of conducting a business in a regional area, this research recommends that government should endeavour to promote Internet use as a business strategy in regional areas. This has considerable potential to mitigate many of the business limitations associated with distance, connectivity, resources, and local market size.

In addition to government policy, this project has highlighted areas which could be valuable to a number of members of regional arts communities, including artists, arts businesses, and festival organisers. Specifically, application of a number of the recommendations made in this thesis with regard to the analysis of regional festivals, community development through the arts, and best-practice recommendations for regional arts professionals will fundamentally improve the current nature of regional creative arts in Victoria.

8.7 – Further Research

Throughout this thesis, a number of very interesting research issues have been traversed, around which future research can be based. Firstly, an investigation into creative arts in other regions of Victoria or in other states of Australia could demonstrate whether the recommendations and conclusions are workable in a practical, community setting.

Moreover, further research into regional Victorian creative arts would also point to whether the cross-section of communities presented in this thesis is a representative model of regional Victoria as a whole.

One specific line of enquiry could be an analysis of demand levels for the arts in a regional community before and after a festival. A longitudinal or similar study of the relationship between festivals and demand patterns would promote a deeper understanding of triggers which prompt increased arts demand.

Moreover, this research has touched on the issue of using creative arts as a means of encouraging young residents of regional areas to remain in such communities. While some scholars such as Conrad (2005) have used the arts in rural education research, the notion of fostering an interest in potential regional arts professionals as a means to retaining them in the community, and sustaining the arts in the longer term, has not been adequately addressed in the Australian literature.

Finally, further investigation into strategies to promote innovation among regional small and micro-business would be an advantage. This thesis has suggested that small and micro-businesses in the regional Victorian arts sector are largely not functioning in an innovative or entrepreneurial capacity, and has suggested areas for growth specific to the supply of regional arts. However, it has not been focused upon developing strategies to prompt entrepreneurship or innovation among arts businesses. Such research would be extremely valuable in the context of arts supply.

8.8 – Conclusion

This research has provided an account of the current supply and demand of creative arts in regional Victoria, and the unique factors relating to the environment in which the arts operate. In addition to illustrating the current nature of the supply and demand of creative arts in regional Victoria issues which relate to supply and demand, a number of key recommendations have been made which are regarded as characteristics and conditions which could create a more prolific regional arts environment.

This chapter has reiterated and summarised the main conclusions drawn from the empirical analysis relating to regional arts supply and demand and the impacts of festivals. Moreover, the relevance of this study to government policy as well as practical implications of this study have been discussed, and the implications for further scholarly enquiry have been evaluated.

This thesis has thus narrowed the knowledge gap regarding the supply and demand of creative arts within the specific context of regional Victorian communities. It has comprehensively illustrated the current nature of supply and demand, in addition to deepening knowledge regarding the economic impacts of regional arts festivals. Moreover, this thesis has evaluated and presented the conditions and characteristics which foster stronger supply and demand, thus making recommendations to improve on this environment in the future.

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APPENDICES:

Appendix 1 - Supply Survey Instrument

Below is a copy of the supply survey, which was distributed at the East Gippsland and Shepparton focus groups, and distributed through the Shepparton Arts Alliance. This survey was used to collect the quantitative data set used in chapter five of the thesis.

RMIT University © 2005

Survey of Arts Practitioners in Rural and Regional Victoria



This Survey has been designed for practitioners and arts & cultural workers in rural and regional Victoria. The results will help to measure and give insight into the supply of arts, culture and related services within your community. The survey forms part of a PhD research program conducted at RMIT University in Melbourne, in conjunction with Arts Victoria. It will take around 5 minutes to complete, and the information provided will be entirely anonymous. Any enquiries can be directed to tristan.masters@rmit.edu.au or (03) 9925 1325.

When completed, please return this survey via email or to the following address:

Tristan Masters
Research Development Unit
RMIT University
Level 3, 255 Bourke St.
Melbourne VIC, 3001

q1. Are you:

- | | |
|--------|---|
| Female | 1 |
| Male | 2 |

q2. What is your age?

- | | |
|---|-----------|
| 1 | <20 years |
| 2 | 20-29 |
| 3 | 30-39 |
| 4 | 40-49 |
| 5 | 50-59 |
| 6 | 60+ |

q3. Where do you usually live?

Postcode

--	--	--	--

q4. Do you identify as an Indigenous Australian or Torres Strait Islander?

- | | |
|---|-----|
| 1 | Yes |
| 2 | No |

q9c. How many people are currently employed by your business / organisation? (NOT including volunteers)

.....

q10. What level of GROSS income do you derive from arts-related activities in a typical year?

- 1 A\$ < 1000
- 2 A\$ 1000 - 10,000
- 3 A\$ 10,000 - 25,000
- 4 A\$ 25,000 - 50,000
- 5 A\$ 50,000 - 75,000
- 6 A\$ 75,000 - 100,000
- 7 A\$ 100,000 +

q11. Please identify the audience / consumer location for your artistic productions or products. (You may choose more than one)

- 1 "The region"
- 2 Other regions of Victoria
- 3 Melbourne
- 4 Outside of the state
- 5 Overseas

q12. Has your artistic product INCREASED in value in the last 3 YEARS?

- 1 Yes
- 2 No

q13. Do you receive any of the following support from council or local government arts groups?



- 1 Direct Financial Support
- 2 In-kind support (e.g. use of resources)
- 3 Other (please specify)

q14. How do you rate the services provided in your region by Local Government arts organisations, groups or committees?

- 1 Very poor
- 2 Poor
- 3 Neutral
- 4 Good
- 5 Excellent

Appendix 2: Demand Survey Instrument

Below is a copy of the survey instrument which was mailed to a random sample of households in the Mildura, Shepparton, and East Gippsland regions. This survey was used to collect the data analysed in chapter six of the thesis.

RMIT University © 2005		Office Use Only	
Regional Arts Demand Survey		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
			
ARTS VICTORIA			
<hr/>			
Dear Participant,			
<p>This survey forms part of a PhD research project at RMIT in Melbourne, and is designed to help better understand the arts audience within your community. It will take around ten (10) minutes to complete. Once completed, please return your survey using the white 'reply paid' envelope provided (no stamp required).</p>			
<p>The survey is four (4) pages long, and is divided into three (3) sections: Demographic questions; Attitudes towards the Arts; and Participation in the Arts. Please ensure you complete all of the questions which apply to you. Your responses are anonymous and will be reproduced only in aggregated form which will prevent you from being identified.</p>			
<p>In order to thank you for your participation, we are offering a prize of one (1) \$200 Coles-Myer gift certificate, which is redeemable at a number of locations. To enter the draw, please remove and complete the attached slip which can be found on the final page of this survey. (NB your results will remain anonymous).</p>			
<p>Any queries can be directed to Tristan Masters on (03) 9925 1325 or tristan.masters@rmit.edu.au Thank you for your participation.</p>			
<hr/>			
Section 1: Demographic Questions			
q1. Are you:			
1 <input type="checkbox"/> Female			
2 <input type="checkbox"/> Male			
q2. Which of the following represents your age?			
1 <input type="checkbox"/> 15-17 4 <input type="checkbox"/> 35-44 7 <input type="checkbox"/> 65+			
2 <input type="checkbox"/> 18-24 5 <input type="checkbox"/> 45-54			
3 <input type="checkbox"/> 25-34 6 <input type="checkbox"/> 55-64			
q3. What is the postcode of your usual place of residence?			
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			
q4. Do you identify as an Indigenous Australian or Torres Strait Islander?			
1 <input type="checkbox"/> Yes			
2 <input type="checkbox"/> No			
q5a. In which country were you born?			
<i>Please Specify</i> _____			
q5b. If born overseas, how many years have you lived in Australia?			
<i>Please Specify</i> _____			
Page: 1/4			

q11. Creative arts and the economy

Do you believe the arts could / do benefit your local ECONOMY in the following ways?
(Please tick all that apply)

- | | |
|--|--|
| 1 <input type="checkbox"/> By creating more jobs | 5 <input type="checkbox"/> Arts encourages spending in other areas (e.g. restaurants, taxis, bars etc) |
| 2 <input type="checkbox"/> Not having to rely only on traditional industries | 6 <input type="checkbox"/> No benefit |
| 3 <input type="checkbox"/> More tourists would visit and spend money here | |
| 4 <input type="checkbox"/> More young people would live and work here | |

Other: (Please Give Details) _____

q12. Creative arts and the community

Do you believe the arts could / do benefit your local COMMUNITY in the following ways?
(Please tick all that apply)

- | | |
|--|---|
| 1 <input type="checkbox"/> By making it a more vibrant place to live | 5 <input type="checkbox"/> By creating opportunities to socialise with other members of the community |
| 2 <input type="checkbox"/> By giving young people more to do | 6 <input type="checkbox"/> By making people who don't live here more aware of our community |
| 3 <input type="checkbox"/> By bringing to life our regional identity | 7 <input type="checkbox"/> No benefit |
| 4 <input type="checkbox"/> By helping to reduce social problems | |

Other: (Please Give Details) _____

Section 3: Participation in the Arts

q13. Below is a list of creative arts activities. Please specify how often you take part.
(Please tick one box for each statement)

	NEVER	ONCE A YEAR	EVERY SO	ONCE A MONTH	ONCE A WEEK
		OR LESS	OFTEN		OR MORE
a) Art Gallery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Theatre Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Classical Music Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Popular Music Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Ballet / Opera	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Cinema	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Dance Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Craft Fair/Exhibition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Other- <i>Please specify</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

q14. In an AVERAGE MONTH, what would you usually spend on the following items?
(Please tick one box for each category)

	\$0	1-\$10	11-\$20	21-\$30	31-\$50	51-\$75	76-\$100	\$100+
a) Books	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Cinema admission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Video / DVD hire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Admission to theatre/ ballet/opera/dance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Gallery admission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) CDs/tapes/Records	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Classical Music performances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Popular Music performances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Paintings/sculpture/ craft etc. (take-home)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k) Other - <i>Please Specify</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

q15. In the last 3 years, has your expenditure on arts-related goods & services:

- 1 Increased 2 Stayed the Same 3 Decreased

q16. Please indicate the reasons you chose NOT to take part in the arts?

(Tick all that apply)

- 1 Lack of Time 4 Not Interested 7 Costs too much
 2 Live too far from venues 5 Family commitments 8 That which I like isn't
 (Eg young children) represented in the region
 3 Feel uncomfortable 6 Not enough advertising 9 Other (*Please Specify*)

q17a. Have you attended an arts / cultural festival in the last two years?

- 1 Yes
 2 No (*Finish*)

q17b. If Yes, please indicate which festival you attended:

THANK YOU FOR YOUR PARTICIPATION



To enter the draw for a \$200 Coles – Myer gift certificate, please enter your details, detach & return this slip with your completed survey. (Winner will be notified by telephone)

First Name: _____ Contact telephone number: _____

Appendix 3: Grouped Data Tables.

The following tables relate to the grouped analysis of expenditure data as discussed in the body of the chapter. Whilst the significant 95% confidence intervals have been highlighted, these tables give a more thorough account of the different expenditure levels of demographic groups in a number of arts and cultural categories.

Table 65: Total Reported Expenditure on Books

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	11.77	193.20	13.90	10.45	13.09
Female	11.49	161.46	12.71	9.94	13.05
Male	12.22	244.49	15.64	9.85	14.58
Age 15-34	8.72	168.78	12.99	5.09	12.36
Age 35-44	11.91	181.30	13.46	8.62	15.21
Age 45-54	12.20	173.93	13.19	9.80	14.60
Age 55-64	15.42	266.76	16.33	12.24	18.61
Age 65+	8.82	140.94	11.87	6.43	11.20
\$Nil - <\$100 p/w	8.75	109.11	10.45	5.34	12.16
\$100-\$299 p/w	9.38	155.40	12.47	6.71	12.04
\$300-\$399 p/w	7.74	79.52	8.92	5.04	10.43
\$400-\$499 p/w	9.84	167.13	12.93	6.19	13.50
\$500-\$599 p/w	12.44	171.87	13.11	8.52	16.36
\$600-\$699 p/w	11.76	162.80	12.76	7.65	15.87
\$700-\$999 p/w	16.57	311.74	17.66	11.72	21.41
\$1,000 + p/w	17.30	315.06	17.75	12.84	21.75
Work Full-Time	14.37	256.68	16.02	11.82	16.93
Work Part-Time	10.26	124.15	11.14	8.04	12.48
Not Working	11.33	152.53	12.35	9.60	13.06
Partial Completion of School	8.17	153.54	12.39	5.91	10.44
Completion of Secondary School	9.32	116.77	10.81	7.46	11.19
TAFE or Equivalent	11.56	135.45	11.64	8.64	14.48
University / Postgraduate degree	19.97	317.03	17.81	16.25	23.69
Other	13.00	204.17	14.29	7.40	18.60
Creative arts expenditure increased	17.26	300.01	17.32	13.76	20.76
Creative arts expenditure Same	10.35	141.50	11.90	8.90	11.80
Creative arts expenditure Decreased	10.81	208.81	14.45	7.29	14.32
Attended Festival	13.69	189.95	13.78	11.85	15.54
Not Attended Festival	9.19	158.33	12.58	7.47	10.90

Table 66: Reported Expenditure on Magazines

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	8.60	92.26	9.61	7.70	9.50
Female	8.49	94.29	9.71	7.31	9.66
Male	8.78	90.93	9.54	7.37	10.19
Age 15-34	9.50	83.23	9.12	6.90	12.06
Age 35-44	11.14	165.03	12.85	8.04	14.24
Age 45-54	8.93	91.31	9.56	7.20	10.66
Age 55-64	8.16	82.84	9.10	6.40	9.91
Age 65+	6.62	56.49	7.52	5.18	8.06
\$Nil - <\$100 p/w	9.05	65.05	8.07	6.46	11.65
\$100-\$299 p/w	6.85	68.54	8.28	5.07	8.62
\$300-\$399 p/w	8.64	103.91	10.19	5.62	11.65
\$400-\$499 p/w	7.96	74.91	8.66	5.54	10.38
\$500-\$599 p/w	12.33	153.89	12.41	8.66	16.00
\$600-\$699 p/w	10.96	147.24	12.13	7.15	14.77
\$700-\$999 p/w	11.75	180.67	13.44	8.13	15.36
\$1,000 + p/w	8.33	66.13	8.13	6.33	10.34
Work Full-Time	9.53	102.90	10.14	7.94	11.13
Work Part-Time	8.57	95.89	9.79	6.61	10.53
Not Working	7.87	85.05	9.22	6.50	9.24
Partial Completion of School	7.98	62.42	7.90	6.56	9.40
Completion of Secondary School	8.84	98.32	9.92	7.18	10.51
TAFE or Equivalent	8.84	98.32	9.92	7.18	10.51
University / Postgraduate degree	10.30	140.81	11.87	7.25	13.36
Other	8.68	108.24	10.40	6.54	10.82
Creative arts expenditure increased	6.61	46.40	6.81	4.08	9.13
Creative arts expenditure Same	11.40	160.93	12.69	8.82	13.98
Creative arts expenditure Decreased	7.95	67.36	8.21	6.97	8.93
Attended Festival	8.31	91.50	9.57	6.04	10.58
Not Attended Festival	9.64	102.25	10.11	8.28	10.99

Table 67: Reported Expenditure on Cinema Admission

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	9.09	119.63	10.94	8.06	10.12
Female	9.51	127.45	11.29	8.13	10.89
Male	8.58	108.89	10.43	7.05	10.11
Age 15-34	10.60	236.44	15.38	6.15	15.04
Age 35-44	12.15	118.73	10.90	9.50	14.80
Age 45-54	10.30	112.73	10.62	8.37	12.23
Age 55-64	8.98	107.66	10.38	6.99	10.96
Age 65+	5.36	71.29	8.44	3.74	6.98
\$Nil - <\$100 p/w	9.34	243.68	15.61	4.09	14.59
\$100-\$299 p/w	7.44	90.44	9.51	5.43	9.45
\$300-\$399 p/w	7.84	81.86	9.05	5.17	10.51
\$400-\$499 p/w	8.67	129.97	11.40	5.48	11.87
\$500-\$599 p/w	12.33	153.89	12.41	8.66	16.00
\$600-\$699 p/w	11.25	201.9426	14.21	6.73	15.77
\$700-\$999 p/w	9.02	73.02	8.55	6.67	11.36
\$1,000 + p/w	10.00	90.48	9.51	7.67	12.33
Work Full-Time	11.18	130.82	11.44	9.35	13.00
Work Part-Time	10.08	153.18	12.38	7.61	12.54
Not Working	6.96	87.92	9.38	5.58	8.34
Partial Completion of School	8.42	92.09	9.60	6.68	10.16
Completion of Secondary School	8.17	133.53	11.56	6.24	10.10
TAFE or Equivalent	12.38	161.97	12.73	9.21	15.55
University / Postgraduate degree	10.31	121.52	11.02	8.01	12.62
Other	5.63	44.16	6.65	2.97	8.28
Creative arts expenditure increased	13.70	149.43	12.22	11.23	16.17
Creative arts expenditure Same	8.69	119.16	10.92	7.39	9.99
Creative arts expenditure Decreased	6.59	89.35	9.45	4.31	8.87
Attended Festival	9.75	102.02	10.10	8.43	11.08
Not Attended Festival	7.97	129.94	11.40	6.42	9.52

Table 68: Reported Expenditure on Video or DVD Hire

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	6.64	112.97	10.63	5.62	7.67
Female	6.38	95.02	9.75	5.16	7.61
Male	7.09	139.77	11.82	5.31	8.87
Age 15-34	8.35	120.18	10.96	5.22	11.49
Age 35-44	12.80	178.37	13.36	9.58	16.03
Age 45-54	8.06	147.6	12.15	5.81	10.31
Age 55-64	4.65	63.39	7.96	3.08	6.21
Age 65+	1.52	14.43	3.80	0.73	2.31
\$Nil - <\$100 p/w	4.85	41.64	6.45	2.68	7.02
\$100-\$299 p/w	3.05	35.63	5.97	1.72	4.39
\$300-\$399 p/w	7.27	142.50	11.94	3.70	10.84
\$400-\$499 p/w	5.33	98.18	9.91	2.44	8.23
\$500-\$599 p/w	12.76	199.60	14.13	8.32	17.19
\$600-\$699 p/w	10.86	223.74	14.96	6.10	15.61
\$700-\$999 p/w	7.76	94.86	9.74	5.03	10.48
\$1,000 + p/w	7.15	118.43	10.88	4.48	9.81
Work Full-Time	9.92	170.19	13.05	7.81	12.02
Work Part-Time	7.53	124.80	11.17	5.27	9.78
Not Working	3.35	38.37	6.19	2.40	4.31
Partial Completion of School	6.08	125.53	11.20	4.00	8.17
Completion of Secondary School	5.56	83.55	9.14	3.96	7.16
TAFE or Equivalent	9.84	133.30	11.55	6.94	12.73
University / Postgraduate degree	6.25	73.13	8.55	4.46	8.04
Other	10.00	336.88	18.35	2.15	17.85
Creative arts expenditure increased	8.33	102.13	10.11	6.21	10.46
Creative arts expenditure Same	6.51	116.64	10.80	5.19	7.83
Creative arts expenditure Decreased	5.60	121.04	11.00	2.87	8.34
Attended Festival	7.38	114.91	10.72	5.90	8.85
Not Attended Festival	5.70	105.66	10.28	4.30	7.11

Table 69: Reported Expenditure on Theatre, Ballet, Opera or Dance

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	7.16	241.83	15.55	5.66	8.66
Female	8.41	270.96	16.46	6.32	10.49
Male	5.51	199.85	14.14	3.40	7.62
Age 15-34	5.36	160.64	12.67	1.78	8.95
Age 35-44	4.96	173.08	13.16	1.71	8.21
Age 45-54	7.16	231.94	15.23	4.31	10.01
Age 55-64	9.57	371.78	19.28	5.75	13.38
Age 65+	7.05	204.52	14.30	4.18	9.93
\$Nil - <\$100 p/w	4.63	145.50	12.06	0.58	8.69
\$100-\$299 p/w	7.69	196.84	14.03	4.63	10.74
\$300-\$399 p/w	6.00	201.22	14.19	1.60	10.40
\$400-\$499 p/w	6.80	359.92	18.97	1.13	12.47
\$500-\$599 p/w	9.02	320.27	17.90	3.55	14.50
\$600-\$699 p/w	8.65	295.67	17.20	3.26	14.05
\$700-\$999 p/w	6.85	219.08	14.80	2.75	10.95
\$1,000 + p/w	8.10	267.48	16.35	4.06	12.13
Work Full-Time	7.82	269.50	16.42	5.18	10.47
Work Part-Time	6.96	283.77	16.85	3.51	10.40
Not Working	7.12	207.71	14.41	4.91	9.32
Partial Completion of School	5.81	252.78	15.90	2.81	8.81
Completion of Secondary School	5.55	138.20	11.76	3.54	7.57
TAFE or Equivalent	8.32	371.58	19.28	3.36	13.28
University / Postgraduate degree	11.01	319.54	17.88	7.25	14.76
Other	7.50	187.50	13.69	1.78	13.22
Creative arts expenditure increased	17.56	606.39	24.62	12.44	22.67
Creative arts expenditure Same	4.73	99.68	9.98	3.50	5.95
Creative arts expenditure Decreased	3.16	142.90	11.95	0.16	6.16
Attended Festival	9.83	266.74	16.33	7.60	12.06
Not Attended Festival	4.38	205.83	14.35	2.40	6.36

Table 70: Reported Expenditure on Gallery Admission

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	2.36	37.90	6.16	1.76	2.96
Female	2.44	25.16	5.02	1.79	3.08
Male	2.28	56.05	7.49	1.15	3.40
Age 15-34	0.85	3.61	1.90	0.31	1.39
Age 35-44	1.94	21.60	4.65	0.78	3.09
Age 45-54	1.98	22.70	4.76	1.07	2.89
Age 55-64	3.81	96.60	9.83	1.88	5.75
Age 65+	2.31	18.50	4.30	1.42	3.19
\$Nil - <\$100 p/w	1.56	15.22	3.90	0.21	2.91
\$100-\$299 p/w	2.34	22.33	4.73	1.30	3.38
\$300-\$399 p/w	1.67	13.60	3.69	0.51	2.82
\$400-\$499 p/w	2.28	31.90	5.65	0.65	3.91
\$500-\$599 p/w	4.81	210.38	14.50	0.32	9.31
\$600-\$699 p/w	2.37	22.62	4.76	0.86	3.88
\$700-\$999 p/w	2.30	15.52	3.94	1.21	3.39
\$1,000 + p/w	1.89	13.47	3.67	0.96	2.81
Work Full-Time	2.89	72.13	8.49	1.52	4.27
Work Part-Time	1.42	16.06	4.01	0.58	2.26
Not Working	2.53	20.57	4.54	1.83	3.23
Partial Completion of School	1.55	15.48	3.93	0.81	2.28
Completion of Secondary School	1.98	20.87	4.57	1.19	2.77
TAFE or Equivalent	2.77	22.65	4.76	1.52	4.01
University / Postgraduate degree	3.93	112.50	10.61	1.64	6.23
Other	1.19	4.76	2.18	0.26	2.12
Creative arts expenditure increased	4.63	103.67	10.18	2.50	6.76
Creative arts expenditure Same	1.77	16.89	4.11	1.26	2.27
Creative arts expenditure Decreased	1.81	26.05	5.10	0.50	3.12
Attended Festival	3.59	62.17	7.88	2.50	4.68
Not Attended Festival	1.03	10.38	3.22	0.58	1.47

Table 71: Reported Expenditure on CDs, Tapes or Records

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	9.75	152.99	12.37	8.55	10.94
Female	10.35	168.94	13.00	8.71	11.99
Male	9.01	130.99	11.45	7.29	10.72
Age 15-34	11.07	179.17	13.39	7.32	14.82
Age 35-44	11.33	121.62	11.03	8.63	14.03
Age 45-54	10.91	175.43	13.24	8.43	13.38
Age 55-64	10.94	194.40	13.94	8.18	13.70
Age 65+	5.22	71.38	8.45	3.49	6.94
\$Nil - <\$100 p/w	7.71	110.80	10.53	4.23	11.20
\$100-\$299 p/w	6.17	114.92	10.72	3.74	8.59
\$300-\$399 p/w	8.33	99.59	9.98	5.32	11.35
\$400-\$499 p/w	12.55	265.29	16.69	7.94	17.16
\$500-\$599 p/w	13.44	188.68	13.74	9.18	17.69
\$600-\$699 p/w	12.57	202.19	14.22	8.04	17.09
\$700-\$999 p/w	13.19	143.77	11.99	9.90	16.48
\$1,000 + p/w	8.54	123.37	11.11	5.73	11.35
Work Full-Time	12.28	177.70	13.33	10.14	14.42
Work Part-Time	9.12	104.77	10.24	7.02	11.22
Not Working	8.05	153.61	12.39	6.15	9.95
Partial Completion of School	9.00	97.46	9.87	7.20	10.80
Completion of Secondary School	9.04	164.59	12.83	6.80	11.27
TAFE or Equivalent	12.20	192.12	13.86	8.63	15.77
University / Postgraduate degree	11.79	217.56	14.75	8.63	14.94
Other	5.00	27.27	5.22	2.87	7.13
Creative arts expenditure increased	13.62	240.91	15.52	10.40	16.85
Creative arts expenditure Same	9.10	133.56	11.56	7.68	10.53
Creative arts expenditure Decreased	9.74	95.67	9.78	5.52	10.35
Attended Festival	10.46	150.50	12.27	8.77	12.15
Not Attended Festival	8.64	142.35	11.93	7.01	10.27

Table 72: Reported Expenditure on Classical Music Performances

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	2.67	77.59	8.81	1.81	3.53
Female	3.43	148.02	12.17	1.87	5.00
Male	2.01	37.00	6.08	1.09	2.93
Age 15-34	0.32	1.53	1.24	-0.03	0.67
Age 35-44	0.97	14.62	3.82	0.02	1.92
Age 45-54	2.31	63.55	7.97	0.78	3.84
Age 55-64	5.00	200.91	14.17	2.18	7.82
Age 65+	3.66	140.29	11.84	1.25	6.06
\$Nil - <\$100 p/w	3.36	232.70	15.25	-1.70	8.41
\$100-\$299 p/w	2.60	65.11	8.07	0.77	4.43
\$300-\$399 p/w	1.59	40.55	6.37	-0.36	3.53
\$400-\$499 p/w	1.34	21.28	4.61	-0.07	2.75
\$500-\$599 p/w	2.18	32.62	5.71	0.39	3.97
\$600-\$699 p/w	2.05	31.21	5.59	0.30	3.80
\$700-\$999 p/w	4.95	191.27	13.83	1.08	8.82
\$1,000 + p/w	2.08	56.18	7.50	0.19	3.98
Work Full-Time	2.97	98.86	9.94	1.34	4.59
Work Part-Time	1.38	37.61	6.13	0.09	2.67
Not Working	2.98	85.10	9.23	1.55	4.41
Partial Completion of School	2.40	169.94	13.04	-0.09	4.90
Completion of Secondary School	1.41	23.60	4.86	0.56	2.25
TAFE or Equivalent	4.34	196.10	14.00	0.71	7.98
University / Postgraduate degree	4.23	78.61	8.87	2.33	6.12
Other	3.86	85.55	9.25	0.00	7.73
Creative arts expenditure increased	5.06	103.82	10.19	2.90	7.21
Creative arts expenditure Same	2.24	95.19	9.76	1.03	3.45
Creative arts expenditure Decreased	2.34	129.14	11.36	-0.52	5.19
Attended Festival	3.21	60.94	7.81	2.11	4.30
Not Attended Festival	2.41	140.37	11.85	0.78	4.04

Table 73: Reported Expenditure on Popular Music Performances

	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	6.36	181.73	13.48	5.05	7.66
Female	7.09	215.82	14.69	5.21	8.98
Male	5.43	136.66	11.69	3.69	7.18
Age 15-34	6.51	203.12	14.25	2.48	10.54
Age 35-44	8.75	266.87	16.34	4.75	12.75
Age 45-54	8.05	264.95	16.28	5.00	11.09
Age 55-64	6.56	149.16	12.21	4.14	8.97
Age 65+	2.27	25.81	5.08	1.21	3.33
\$Nil - <\$100 p/w	3.33	58.57	7.65	0.83	5.83
\$100-\$299 p/w	5.37	158.51	12.59	2.50	8.24
\$300-\$399 p/w	7.20	112.56	10.61	3.95	10.44
\$400-\$499 p/w	7.44	353.83	18.81	1.95	12.94
\$500-\$599 p/w	9.46	281.57	16.78	4.39	14.54
\$600-\$699 p/w	8.03	270.66	16.45	2.80	13.26
\$700-\$999 p/w	7.03	196.45	14.02	3.07	11.00
\$1,000 + p/w	5.91	125.06	11.18	3.15	8.67
Work Full-Time	8.68	225.80	15.03	6.26	11.10
Work Part-Time	5.88	177.69	13.33	3.14	8.62
Not Working	4.75	148.58	12.19	2.85	6.65
Partial Completion of School	6.88	233.08	15.27	4.00	9.75
Completion of Secondary School	7.27	228.56	15.12	4.66	9.88
TAFE or Equivalent	6.27	123.91	11.13	3.38	9.16
University / Postgraduate degree	5.78	139.74	11.82	3.29	8.28
Other	2.86	21.43	4.63	0.88	4.84
Creative arts expenditure increased	13.47	495.10	22.25	8.74	18.20
Creative arts expenditure Same	4.91	87.47	9.35	3.77	6.06
Creative arts expenditure Decreased	3.21	76.93	8.77	0.99	5.43
Attended Festival	6.92	131.75	11.48	5.33	8.50
Not Attended Festival	5.63	219.56	14.82	3.59	7.67

Table 74: Reported Expenditure on Paintings, Sculpture, or craft (Take home)



	MEAN	VARIANCE	STD. DEV	Lower 95%	Upper 95%
TOTAL	8.60	285.29	16.89	6.97	10.23
Female	10.55	307.48	17.54	8.32	12.78
Male	6.03	247.79	15.74	3.70	8.36
Age 15-34	7.13	256.52	16.02	2.55	11.71
Age 35-44	11.21	377.18	19.42	6.45	15.97
Age 45-54	7.16	191.95	13.85	4.55	9.76
Age 55-64	10.08	344.06	18.55	6.42	13.73
Age 65+	7.77	287.03	16.94	4.34	11.19
\$Nil - <\$100 p/w	4.26	89.59	9.47	1.08	7.45
\$100-\$299 p/w	6.38	94.40	9.72	4.20	8.57
\$300-\$399 p/w	12.74	460.88	21.47	6.17	19.32
\$400-\$499 p/w	12.00	670.34	25.89	4.44	19.56
\$500-\$599 p/w	11.43	368.64	19.20	5.62	17.24
\$600-\$699 p/w	4.61	77.54	8.81	1.81	7.41
\$700-\$999 p/w	10.19	287.22	16.95	5.59	14.80
\$1,000 + p/w	7.13	238.92	15.46	3.25	11.01
Work Full-Time	8.62	288.89	17.00	5.90	11.35
Work Part-Time	9.34	298.17	17.27	5.79	12.89
Not Working	8.40	286.95	16.94	5.80	11.01
Partial Completion of School	7.71	292.47	17.10	4.47	10.95
Completion of Secondary School	7.91	231.55	15.22	5.33	10.50
TAFE or Equivalent	9.11	267.60	16.36	4.82	13.39
University / Postgraduate degree	10.40	364.93	19.10	6.41	14.39
Other	10.11	411.00	20.27	1.64	18.59
Creative arts expenditure increased	20.60	670.55	25.89	15.19	26.01
Creative arts expenditure Same	5.20	93.88	9.69	4.02	6.38
Creative arts expenditure Decreased	6.78	324.58	18.02	2.18	11.38
Attended Festival	11.78	382.39	19.55	9.12	14.44
Not Attended Festival	5.09	155.24	12.46	3.36	6.81

Appendix 4:

Festival Survey Instrument

Below is a copy of the survey instrument which formed part of the *Encore!* Event Evaluation Kit, which was distributed at the SheppARTon Festival in 2005 and the Mildura-Wentworth Arts Festival in 2006.

2006 Mildura-Wentworth Arts Festival Survey

 **ARTS VICTORIA**  Office Use

Hi, I am representing RMIT University in Melbourne. Would you please spend **5 minutes** of your time to complete this questionnaire with me? This questionnaire will help to identify and quantify the benefits of the Mildura-Wentworth Arts Festival to the region. The information you provide will be **completely confidential** and the results of the survey will only be released in aggregate form to prevent identification of respondents.

Question 1 - Please specify your gender

1) Female
 2) Male

Question 2 - In which age bracket do you fall? (If under 15 finish here)

1) 15 to 17 5) 45 to 54
 2) 18 to 24 6) 55 to 64
 3) 25 to 34 7) 65 or more
 4) 35 to 44

Question 3

3a) What is your postcode? _____

3b) What region is this in?

1.) Mildura 4.) Australia other than Victoria
 2.) Melbourne 5.) International
 3.) Victoria other than Mildura

Question 4 - What best represents your highest educational level?

1.) High School or Equivalent 4.) Postgraduate Degree
 2.) College / Technical Qualification 5.) Other
 3.) University Degree

Question 5 - What best represents your household structure?

1.) Live alone 6) Single parent
 2.) Live with flat / housemates
 3.) Live with parents
 4.) Couple living with children
 5.) Couple living without children

Question 6 - What is the gross annual income (incl. pensions and allowances) in your household?

1.) Less than \$16,000 pa 5.) \$52,000 to \$77,999 pa
 2.) \$16,000 to \$25,999 pa 6.) \$78,000 to \$103,999 pa
 3.) \$26,000 to \$36,399 pa 7.) \$104,000 to \$129,999 pa
 4.) \$36,400 to \$51,999 pa 8.) \$130,000 + pa

Question 7

(07a) How many nights do you intend to stay in Mildura during this visit? _____

(07b) How many nights do you intend to stay in Victoria including the nights in Mildura during this visit? _____

Question 8 - What is your estimated expenditure in Mildura during this visit? Please include all spending made by you or likely to be made by you and all members of your family. Remember to include all payments made by cheque, bankcard and credit cards. Include your best estimates if you are unsure of exact amounts.

(08a) **Accommodation?** (Include prepaid)
AU\$ _____

(08b) **Meals, food and drinks** not included in accommodation bill
AU\$ _____

(08c) **Event Tickets?** (Include advance bookings)
AU\$ _____

(08d) **Other Entertainment Costs** (If going to other tourist attractions not connected to Mildura-Wentworth festival eg Museum)
AU\$ _____

(08e) **Transport in Mildura?** (Eg. Taxi fares, petrol, vehicle repairs, car hire)
AU\$ _____

(08f) **Personal services?** (Eg. Hairdressing, laundry, medical)
AU\$ _____

(08g) **Any other expenditure?** (Eg. Films, gifts, books, wine, souvenirs, clothing, toiletries)
AU\$ _____



Question 9. What is your estimated expenditure in Victoria during this visit? (i.e. if your trip to Mildura forms part of a more lengthy stay in the State of Victoria).

(09a) **Accommodation?** (Include prepaid)
AU\$ _____

(09b) **Meals, food and drinks** not included in accommodation bill
AU\$ _____

(09c) **Event Tickets?** (Include advance bookings)
AU\$ _____

(09d) **Other Entertainment Costs** (If going to other tourist attractions not connected to Mildura-Wentworth festival eg Museum)
AU\$ _____

(09e) **Transport in Mildura?** (Eg. Taxi fares, petrol, vehicle repairs, car hire)
AU\$ _____

(09f) **Personal services?** (Eg. Hairdressing, laundry, medical)
AU\$ _____

(09g) **Any other expenditure?** (Eg. Films, gifts, books, wine, souvenirs, clothing, toiletries)
AU\$ _____

Question 10 - How many people does all of this expenditure cover?

(10a) # Adults _____

(10b) # Children _____

Question 11 - Would you have come to Mildura this year had the Mildura festival not been held?

- 1) Yes
- 2) No (Go to Question 15)
- 3) Don't Know (Go to Question 15)

Question 12 - If you were coming to Mildura in any case this year, was your visit an additional visit especially for Mildura festival?

- 1) Yes Go to Question 15
- 2) No

Question 13 - Since you were coming to Mildura in any case at this time of year, did you extend your stay because of the Mildura festival?

- 1) Yes
- 2) No – (Go to Question 15)

Question 14 - How many more nights did you stay? _____

Question 15 - What was the primary reason for your attendance at the event?

- 1) Socialise with friends / family
- 2) Support friends / family involved in event
- 3) Support community organisation / event
- 4) Enjoyment / relaxation
- 5) Accompany partner

Question 16 - How did you first find out about this event?

- 1) TV programs or advertising
- 2) Radio programs or advertising
- 3) Newspaper advertising or articles
- 4) Magazine advertising or articles
- 5) Brochures

Question 17 - With whom did you attend the event?

- 1) Alone
- 2) Partner
- 3) Family group
- 4) Friends / Relatives & children
- 5) Friends / Relatives but not children
- 6) Other

Question 18 - How many people including yourself accompanied you at this event?

- 1) 1
- 2) 2
- 3) 3-5
- 4) More than 5

Question 19 - Prior to this occasion, how many times have you been to the Mildura-Wentworth Arts Festival?

- 1) 0
- 2) 1
- 3) 2
- 4) 3-5
- 5) More than 5

Question 20 - What other activities did you or will you undertake whilst in Mildura?

(There may be more than one)

- 1) Enjoy food and wine
- 2) Experience history and heritage
- 3) Experience art and culture
- 4) Experience nature/outdoors
- 5) Visit friends or relatives

Question 21 - On a scale of 1 to 5, where 1 represents very dissatisfied and 5 represents very satisfied, how satisfied were you with this event? _____

Question 22 - What did you like least about the event?

- 1) Organisation
- 2) Venue
- 3) Amenities
- 4) Catering
- 5) Program

Question 23 - What did you like best about the event?

- 1) Organisation
- 2) Venue
- 3) Amenities (toilets etc)
- 4) Catering
- 5) Program

Question 24 - On a scale of 1 to 5, where 1 represents very unlikely and 5 represents very likely, how likely are you to attend this event next time it is held?

Question 25 - On a scale of 1 to 5, where 1 represents very unlikely and 5 represents very likely, how likely are you to recommend this event to friends and family?

Question 26 - On a scale of 1 to 5, where 1 represents very unlikely and 5 represents very likely, how likely are you to return to the host region? _____

THANK YOU FOR YOUR PARTICIPATION