

*Planning for the Future*

Statistical Profile:  
*Total Arts*

## **Total arts – an overall statistical summary of the arts**

In addition to artform profiles, the following section is intended to provide an arts-wide context for the profiles of each artform. It summarises and in some cases builds on the major trends identified in Guldberg.<sup>1</sup> Consolidating the arts into one industry necessarily conceals the rich texture of the constituent industries. But it is expected that the aggregation will reveal strategic issues not evident at the level of each artform, not least because aggregate data are both more reliable and more available. The data in this chapter already allude to some broad strategic issues (for example, that growth in the arts sector has been largely supply-side driven in the 1990s). That said, an analysis of the strategic implications of the data is not attempted here.

### **1 Definitions**

Problems of defining the arts industries are now well established. Some of the inconsistencies in definitions of the arts industries are noted in the accompanying statistical profiles and the accompanying paper on data gaps. The development of frameworks for cultural statistics, initiated by UNESCO and pursued particularly eagerly by statistical agencies in Canada, Australia and New Zealand, has to a degree reduced the ambiguity of definition and supplied a defining framework for all forms of research. Yet these frameworks are still under construction and as such contain internal inconsistencies. And these frameworks define the cultural industries, not the arts industries. Arts industry definition is, then, still largely open. Differences in definitions between research projects can be significant.

The statistical profiles presented here use value chains to assist in delineating each of the arts industries. In reality, industries are positioned in an economic web of linkages that might be more accurately rendered with a value matrix than a value chain. But the complexity of a matrix would mean losing some of the explanatory power obtainable from the simple chain.

A value chain is a simple framework for organising and presenting data on industries. Value chains also identify the essential elements of industries, and as such are useful in aiding industry definition. Value chains have been used in the statistical profiles here to delineate each of the arts industries and to expose inconsistencies in the definition of industries between different artforms. Value chains can also be useful in beginning to understand the effects of change on industries, as is highlighted in the New Media Arts section. A simple generic value chain for the arts industries is set out in Figure 1. This is adapted from the value chain used by the Australian Commission for the Future.<sup>2</sup>

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<sup>1</sup> Hans Hoegh Guldberg, *The Arts Economy 1968-98: Three Decades of Growth in Australia*, Australia Council, 2000.

<sup>2</sup> From the Australian Commission for the Future, *A Framework for Improving Viability in Selected Sectors of the Cultural Industry: A Report to the Department of the Arts, Sport, the Environment and Territories*, 1992

**Figure 1: Value chain for arts industries**

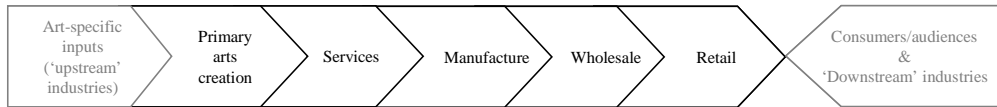
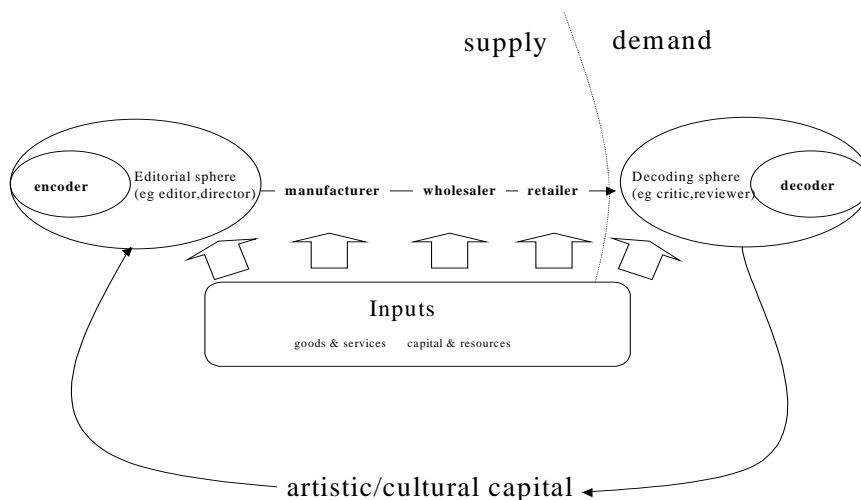


Figure 2 below sets out a broader model that extends the notion of the value chain by (a) positioning the arts industries value chain within the context of cultural communication between artist and audience ('encoder' and 'decoder') and (b) specifying the arts industries' relationship with artistic and cultural capital.<sup>3</sup> Still absent from this broader model are, however, government transfers.

**Figure 2: Broader model of the arts industries value chain**

Source: *Creative New Zealand (1998)*



It should be noted that using value chains to model the arts industries does not imply that all artistic activity conforms to the chain, nor that all artistic exchange involves specialists across each link. Many visual arts/craft artists, for example, act as both manufacturer and retailer by selling their own art. And their 'retailing' can be done informally (i.e. without the utilisation of a shop, a gallery or a market stall). And there is substantial vertical integration in the 'formal' arts industries, such as the major performing arts companies, which are involved in every aspect of the supply chain from encoding, through manufacture, to retail.

This total arts chapter makes a distinction between the art industries and the cultural industries, even though the boundary between the two is far from clear-cut. The distinction is based partly on conceptual differences between art and culture, partly on the organisational

<sup>3</sup> From Creative New Zealand, *Discussion Paper: The Economic Benefits of Art*, CNZ, 1998.

brief of the Australia Council. No defining framework is attempted here, although this would normally be essential for statistics on such a complex of industries. The aim is for the analysis here and throughout the statistical profiles is to be consistent with an implicit framework, although there are some departures from the framework due to data availability.

## 2 'Snapshot' data

### 2.1 Supply

#### 2.1.1 Employment in the arts

The 1996 census indicates that there were nearly 91,100 people employed in 'arts professions' (defined as in Guldberg, 2000, with the addition of art teachers). A more accurate estimate that combines census data with data from other sources (described later) puts the number of working artists at closer to 103,100.<sup>4</sup>

To estimate *total* employment in the arts in Australia, it is necessary to add to the estimate above the number of people employed in the arts industries in non-artistic occupations (such as accountants and sales people). If the definition of the arts 'industries' is confined to ANZSIC<sup>5</sup> categories 'creative arts, music and theatre production' and 'services to the arts, including performing arts venues', then census data indicates that 11,400 people were employed in these industries in non-arts occupations. Total arts employment is, then, the addition of these two groups, or 114,500 people (1.5 per cent of total employment in 1996).

A broader definition captures data on arts-related industries, such as film, broadcasting and publishing. In 1996 there were 156,700 people employed in cultural occupations and 98,360 in non-cultural occupations in the cultural industries. Total employment in culture was therefore around 255,100 (around 3.3 per cent of total employment).<sup>6</sup>

These are, however, significant underestimates of employment in art and culture. Some occupations are unable to be identified, due to the ABS' classification system. The most important group of professions for which data are missing are art teachers at universities, other tertiary institutions and schools. Estimates of employment in these professions are possible from other sources, but have not yet been published.

Two characteristics of arts employment compound the census underestimation. The first is that arts work is often undertaken as a 'secondary' source of income. Census codes a person's occupation to main job only, defined as the job in which a person receives the greatest part of their income. Since artists' artistic work is often a 'secondary' source of income, artists are often recorded in other occupations in the ABS' standard collections.<sup>7</sup> The Australia Council/Throsby et al research surveys on artists' employment are not affected by this bias. Data indicates that there were around 40,000 practising artists in Australia in 1993. This compares to around 28,000 artists recorded in the census (using a comparable list of artist occupations from Guldberg). A rough comparison suggests that census data is representative of around 70 per cent of all practising artists in Australia.

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<sup>4</sup> David Throsby considers the definition and identification of cultural workers in his forthcoming paper 'Defining the artistic workforce: the Australian experience', in 'Poetics', vol. 28, 2001.

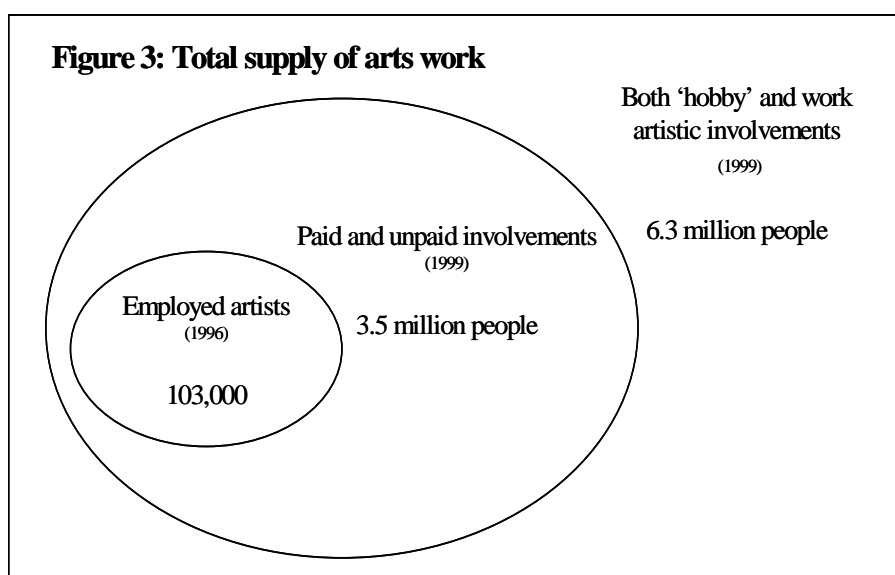
<sup>5</sup> This is an internationally standard methodology. ANZSIC stands for Australia and New Zealand Standard Industrial Classification.

<sup>6</sup> All data from Guldberg, op.cit.

<sup>7</sup> Casey et al *Culture as Commodity?*, 1996, find that 11 per cent of people employed in culture in the UK did so in their second job.

The second characteristic is that arts work is often undertaken without pay and/or 'informally' (i.e. outside the institutional frameworks that form the basis of surveys like the census and that of Australia Council/Throsby et al). The ABS' *Work in Selected Culture/Leisure Activities* survey is an attempt to account for 'work' in a broader sense, defined as 'involvement'. The survey suggests that traditional survey methods overlook a significant level of 'supply-side' activity. Data indicates that 3.5 million people undertook paid or unpaid work in cultural activities in 1999 (this does not include involvements for individual or family benefit or attendance at events). This converts into a participation rate of 26 per cent. The survey indicates that 1.8 million people were involved in both a work and hobby capacity, that 1.3 million people received some form of payment for their work, and that 2.2 million received no payment. Almost half of involvements were 13 weeks or less in duration and were for less than 10 hours a week. Although data on aggregated *arts* involvements is not available from source publications, the arts make up the majority of cultural involvements.

The survey also indicates that a further 2.8 million people (20 per cent participation rate) were involved in cultural activities as a 'hobby' only. Figure 3 summarises employment and involvement estimates.



### 2.1.2 Organisations

It is impossible to measure with any great accuracy the economic size of the arts industries, let alone quantify the broader socio-economic impact of the arts on Australian life and the Australian economy. Standard definitions used by the ABS put the arts industries at less than 2.5 per cent of GDP. There is, of course, no measure to indicate whether this is large or small, nor any comparison industry that might put the size of the art industries into perspective<sup>8</sup>.

The types of organisations that make up the arts industries are too diverse to characterise. They range from large performing arts companies, to artist co-operatives, to individual artists. The gross product of various industry sectors is provided in Guldberg<sup>9</sup>.

<sup>8</sup> This statistic, from ABS/DOCA *Cultural Trends in Australia* (1997; 34), is based on the cultural industries, which includes large industry sectors that may be considered broader than the arts, such as publishing and printing and broadcasting.

<sup>9</sup> Op. cit.

## 2.2 Demand

Almost 83 per cent of the adult Australian population is involved in some form of cultural activity - almost double the number involved in sport.<sup>10</sup>

There is no accurate estimate of the value of demand for art. The ABS's Household Expenditure Survey does, however, indicate that expenditure on cultural products is equivalent to 4.3 per cent of total expenditure on goods and services.<sup>11</sup> Average household spending on arts, entertainment and related recreation is about \$26 per week.<sup>12</sup> Women are more active consumers than men. Most surveys show that higher levels of education are associated with higher participation in and support of the arts. People from non-English speaking countries generally have below average-participation rates for attendance at opera and musical theatre, theatre and other performing arts.<sup>13</sup>

In 1999, attendance rates for artistic venues varied between 9 per cent of the population (dance) and 25 per cent of the population (popular music concert).<sup>14</sup> Art galleries were second behind pop music with a 21 per cent attendance rate. These rates compare with 67 per cent for cinema, 34 per cent for botanic gardens and 38 per cent for libraries.

Attendance data suggests that nearly 80 per cent of Australians did *not* go to a theatrical performance in 1999; 90 per cent did *not* go to a classical music concert.

Research into attitudes and behaviours to specific artforms reveals similarities in arts-consumer segmentation<sup>15</sup>. Arts consumption is often found to be related to 'lifestyle' factors and to be 'path dependent' (i.e. dependent on exposure at a young age). Identifiable and sometimes significant sections of the Australian population are uninterested in the arts and express little inclination to become arts consumers.

The most recent of the Australia Council funded studies, *Australians and the Arts*, reinforces the broad segmentation of the population found in previous surveys. Price, lack of information, local availability and a sense of intimidation were factors holding people back from feeling more positive about the arts. Respondents were positive about a more inclusive arts sector and a broader definition of what constitutes the arts. Data indicates that current demand for the arts is expandable. The majority of respondents agreed with the need to learn more about the arts, which they see as a prerequisite to feeling more inclined toward the arts, and the majority of respondents expressed the desire to own a really good piece of art.

## 3 Trend data

### 3.1 Supply

Due to issues of definition and measurement, data can be used far more reliably to indicate trends than to provide 'snapshots' of the arts industries. The trend data here indicates that the arts is a growth industry.

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<sup>10</sup> *The Arts: Some Australian Data* (5th ed), Australia Council, p.30.

<sup>11</sup> *Cultural Trends in Australia: A Statistical Overview 1997* p18-21. Refer also to p.30 *The Arts: Some Australian Data*.

<sup>12</sup> *The Arts: Some Australian Data*, p4. Australians spend about \$9,000 million on the arts, entertainment and related recreation each year.

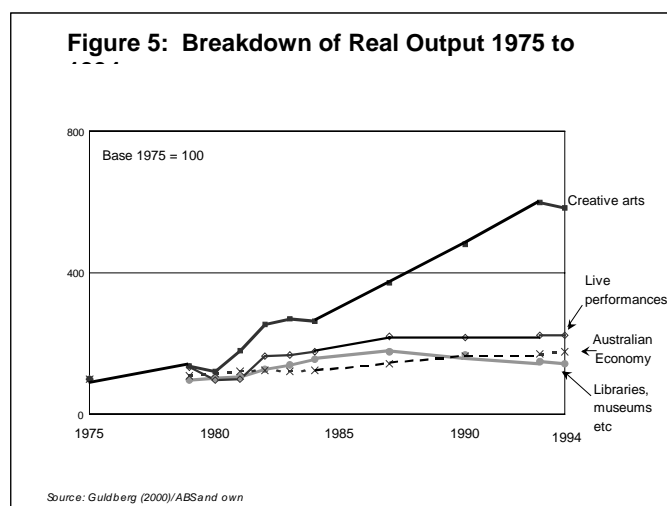
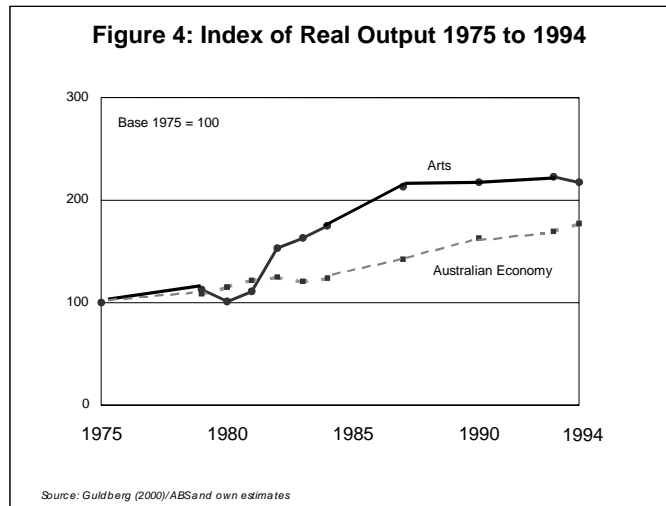
<sup>13</sup> ABS, *Overseas-Born Persons and the Arts*, 1996. *Australians and the Arts*, Australia Council, 2000, point out a variety of analytical problems with interpreting data on people from non-English speaking background (Comment 48).

<sup>14</sup> ABS Attendance series.

<sup>15</sup> See Australia Council publications: *To Sell Art, Know Your Market*, 1997; *Books - Who's Reading Them Now?* 1995; and *Selling the Performing Arts*, 1999.

### 3.1.1 Organisations/industry

Between 1975 and 1994, for example, the value of output of the 'Creative Arts' industry increased by 10 per cent and the 'Live Performances' industry by 7 per cent, both more than twice the rate of growth in output for the whole Australian economy over the same period (3 per cent).<sup>16</sup> The total number of arts organisations grew by 400per cent from 1971 to 1991.<sup>17</sup>



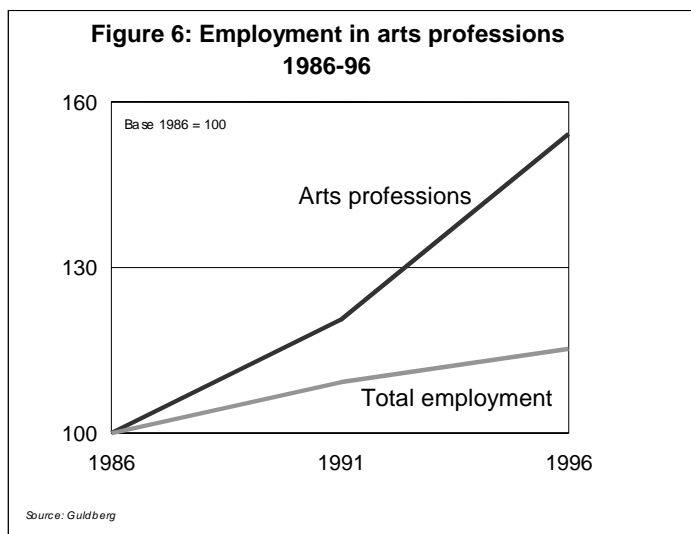
### 3.1.2 Employment

The higher-than-average growth of the arts industries is confirmed in measures of artistic employment (Figure 6). From 1986 to 1996, employment in the arts professions (defined as in

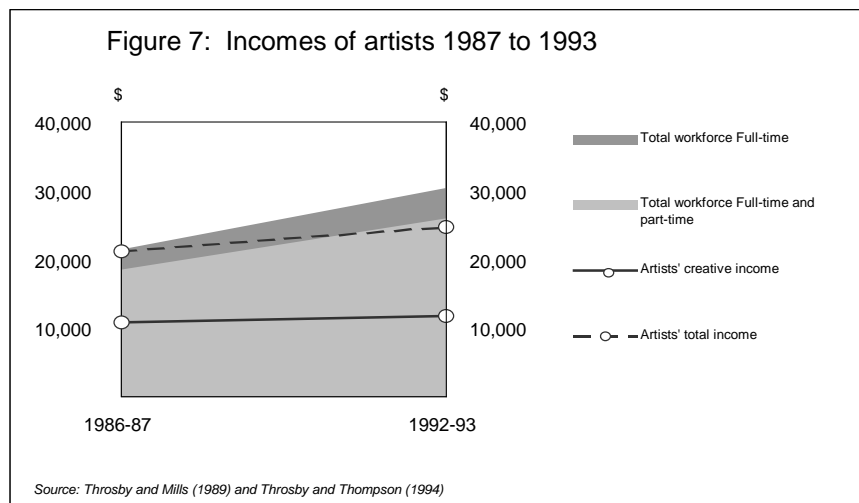
<sup>16</sup> Data are from Guldberg op.cit. and are based on ABS input-output data.

<sup>17</sup> *Artburst* the summary 1992 p. 6

Guldberg) increased on average 4.4 per cent per annum compared to under 2 per cent per annum for total employment.<sup>18</sup> Broader measures of employment support census data that the supply of artistic labour increased through the 1990s.



Income data in Guldberg is inconclusive as no account is made for hours worked. Data from the Australia Council/Throsby et al surveys of artists, however, indicate that artists' incomes declined relative to total incomes over the period 1987 to 1993. There is some indication that this trend may have continued into the late 1990s.<sup>19</sup>

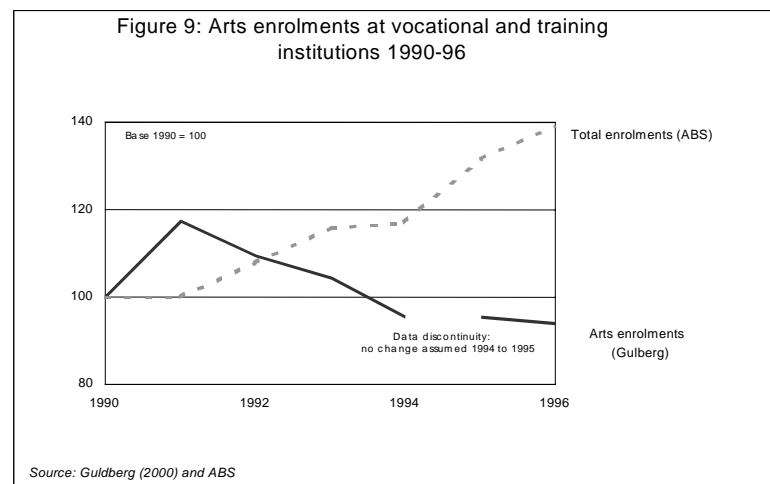
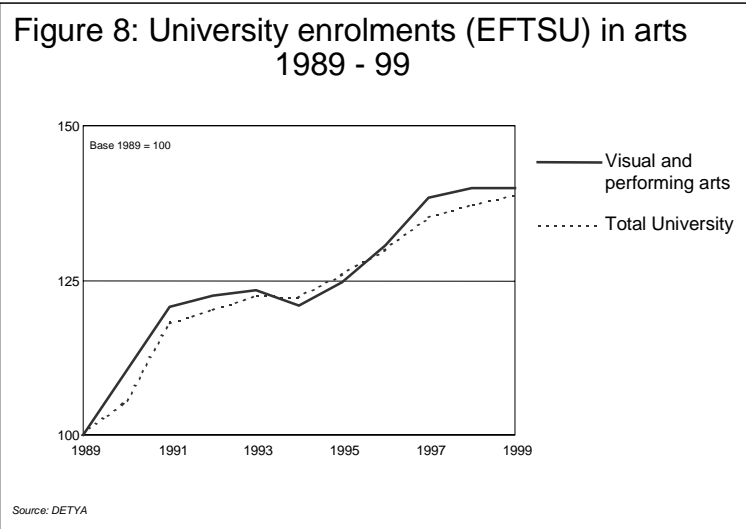


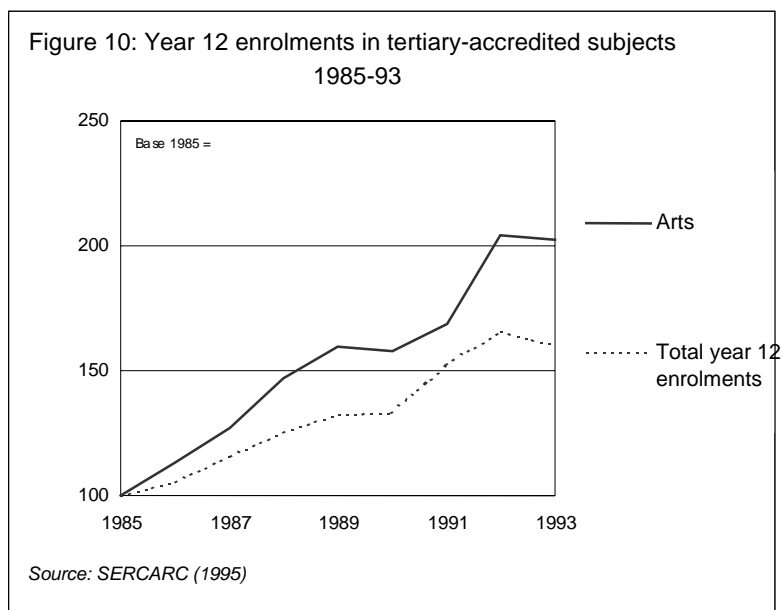
<sup>18</sup> Further data: the census indicates that the cultural workforce grew 20 per cent from 1991 to 1996 compared to 7.4 per cent for total employment (Guldberg,). The arts employment growth rate over the 21 years 1971 to 1992 was 5.7 per cent compared to 2.0 per cent for the total labour force (*Artburst*, p 4).

<sup>19</sup> Data from Guldberg suggest that the median income of arts professions declined in real terms by 0.7 per cent between 1986 and 1996, while median income in the total workforce declined by 0.4 per cent. Again, no account is made for changes in the number of hours worked, so the comparison is inconclusive.

### 3.1.3 Education

Education data indicates that university visual and performing arts enrolments increased at a similar rate to total enrolments over the ten years to 1999 (Figure 8). Data also indicates that arts enrolments at other tertiary institutions declined from 1990 to 1996 (Figure 9). The data should be read with extreme caution: over the late 1980s and early 1990s a number of creative arts schools were merged into universities under the Unified National System (UNS); and there was a significant discontinuity in data on vocational enrolments between 1994 and 1995 (see explanation in Guldberg). Figure 10 indicates that between 1985 and 1993 enrolments in tertiary-accredited Year 12 arts courses grew more than total enrolments.

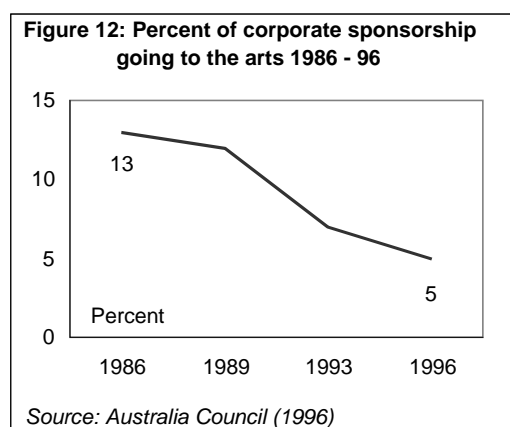
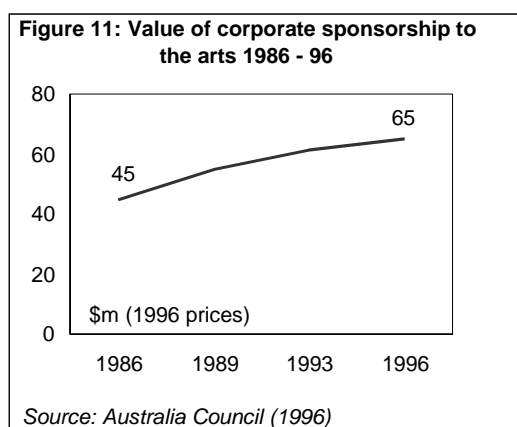




### 3.1.4 Corporate support

In 1996 corporate support<sup>20</sup> was about \$69 million, \$4.2 million of which was the direct purchase of artworks. Data on corporate acquisition of artworks is significantly influenced by an art investment ‘bubble’ that occurred in the late 1980s. (see Visual Arts/Craft section). For this reason, arts sponsorship data presented here is ex-acquisitions.

Figure 11 indicates that the value of corporate sponsorship increased in real terms in the decade to 1996 (from \$45m to \$65m). The increase was, however, not as large as for corporate sponsorship as a whole, with the result that the proportion of corporate sponsorship going to the arts declined from 13 per cent to 5 per cent (figure 12).



### 3.1.5 Government funding

Government sources provide about \$3,500 million each year in Australia for broadly defined culture/leisure activities. The Commonwealth provides 36 per cent of this funding, the States/Territories 43 per cent and local government 22 per cent.<sup>21</sup>

<sup>20</sup> This includes sponsorship, donations, support in kind and purchase of artworks. Refer also to the ABS survey *Business Sponsorship of Art and Cultural Activities 1996-97*.

<sup>21</sup> ABS quoted in CMC's *Cultural Funding in Australia 1997-98*

Figure 13 shows that government funding of the arts increased in real terms between 1989 and 1997 (from \$390m to \$536m). The increase is similar to the increase in total cultural funding. Funding to art galleries and performing arts venues make up a large proportion of total arts funding. Removing these funding categories from the data shows that ‘core’ arts funding has not grown as much as total cultural funding (varying between \$194m and \$228m over the period).

Total arts funding was equivalent to \$24 per head of population in 1991-92. In 1996-97 it was \$29 per head. This data is calculated from Guldberg, so is expressed in real terms. The implication is that arts funding per head of population increased in real terms between 1992 and 1997. Core arts funding per capita decreased in real terms over the same period from \$13 to \$12 per head of population.

In 1996-97, Australia Council funding represented 22 per cent of all government core arts funding. This is a decline from the 29 per cent in 1988-89<sup>22</sup>. Australia Council funding to the ‘core’ arts declined by 14 per cent in real terms from 1988-89 to 1996-97, while total government funding to the core arts increased in real terms by 11 per cent. Over the same period real funding of the Australia Council increased by 2 per cent.

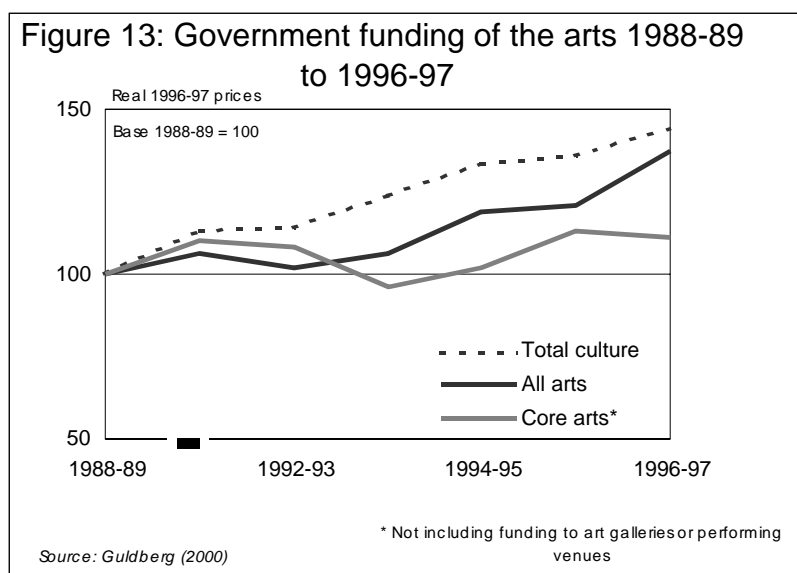


Figure 14 places government expenditure on recreation and culture into the context of total government expenditure. The indices show that expenditure on recreation and culture increased by less than total government expenditure between 1989 and 1997. Growth in expenditure on recreation and culture was similar to that for defence and general public services, but less than for education, health and social security and welfare. The data are from different sources than in Figure 13 above and are not expressed in real terms.

<sup>22</sup> 1997-98 data not used due to a significant classification change in the data relating to the reallocation of orchestras from Federal broadcasting to Federal cultural funding.

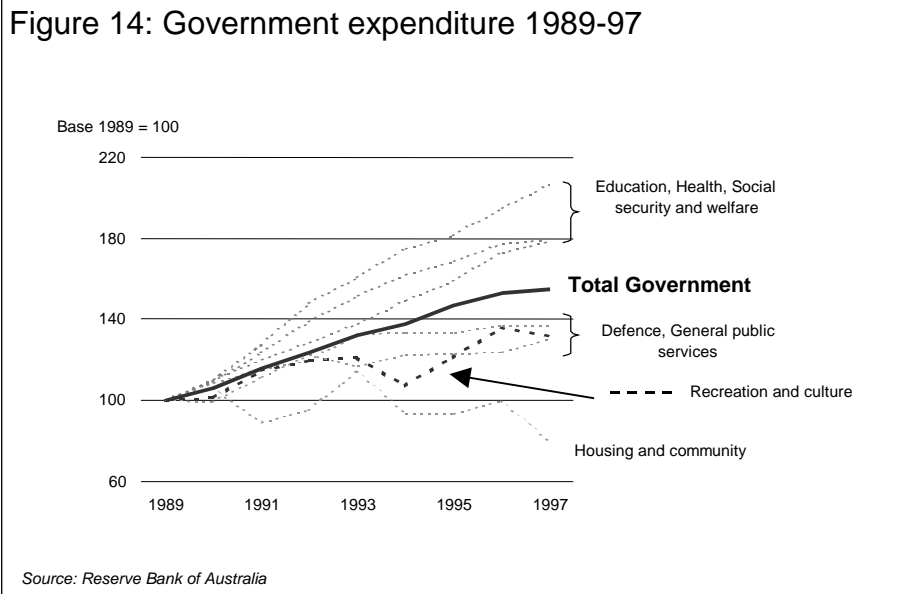
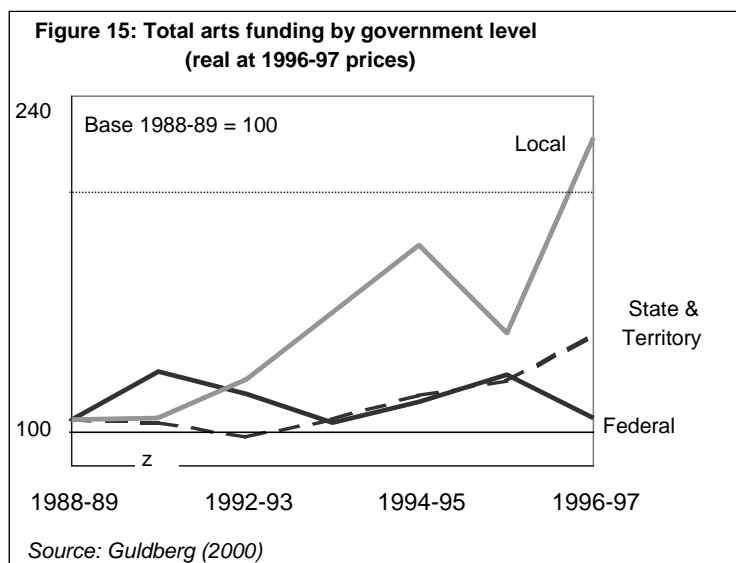


Figure 15 shows real funding of arts by government source. Federal government arts funding was at the same level in 1996-97 as it was in 1988-89. Both Local Government and State and Territory Government arts funding increased over the period. Local government funding more than doubled.



### 3.1.6 Media coverage

Guldberg suggests that media coverage of the arts has grown significantly since the 1970s. For example, space devoted to features and reviews in the *Sydney Morning Herald* increased 10 per cent from 1971 to 1981, 23 per cent from 1981 to 1991 and 72 per cent from 1991 to 1998.<sup>23</sup>

<sup>23</sup> Guldberg, app A5.13

### 3.2 Demand

Australians' spending on arts and entertainment grew by 29 per cent between 1989 and 1994, compared to 20 per cent growth in total expenditure.<sup>24</sup> Price data is not available from published sources, so this growth in expenditure cannot be taken to imply that there was an increase in demand for arts and entertainment commodities over the period. Women are more active consumers than men.

Attendances at arts and cultural events generally grew between 1975 and 1991, although the increase is difficult to quantify.<sup>25</sup> From 1991 to 1999, however, attendances were broadly stable. This means that, through the 1990s, attendance *rates* have declined for most artforms.<sup>26</sup> The implication is that the total arts audience is not keeping pace with population growth, although it may also be that younger people's artistic activity is not being covered in the definition of the arts used in the ABS's attendance survey.

Public attitudes toward the arts are changing. The proportion of people stating that arts facilities (museums, theatres, orchestras) do *not* make the community a better place to live in reduced from 12 per cent to just 4 per cent between 1994 and 1998.<sup>27</sup> But the proportion of people stating that they do *not* believe professional artists help make Australia a full and rich place to live increased from 19 per cent to 27 per cent from 1992 to 1994. And more Australians are holding the opinion that arts organisations should be self-funding. In 1992, nearly one-third (32 per cent) of Australians believed that live theatre, opera and ballet companies and public art galleries should survive on tickets sales alone. By 1998 more Australians held this view: 42 per cent for live theatre; 37 per cent for galleries and 46 per cent for orchestras.<sup>28</sup>

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<sup>24</sup> *The Arts: Some Australian Data* (5th ed), op. cit. The biggest change recorded in the arts spending patterns of Australians over the most recently measured twenty years was for arts and cultural lessons. This spending went up 105 per cent in real terms after adjustments for inflation. Spending on live theatre tickets went up by 44 per cent in the same 20-year period. (ABS quoted in *The Arts: Some Australian Data* p. 16)

<sup>25</sup> Guldborg (1992) *Artburst!*; p 3.

<sup>26</sup> ABS, *Attendance at selected cultural venues*, 1999.

<sup>27</sup> *Public Attitudes to the Arts* series, Australia Council.

<sup>28</sup> *Public Attitudes to the Arts* series.