

**REGIONAL AUSTRALIA INSTITUTE**  
**SUBMISSION TO THE**  
**STANDING COMMITTEE ON COMMUNICATION AND THE ARTS**  
**AUSTRALIA'S CREATIVE AND CULTURAL INDUSTRIES AND INSTITUTIONS**

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**REGIONAL  
AUSTRALIA  
INSTITUTE**

**KNOWLEDGE POLICY PRACTICE**

## ABOUT THE REGIONAL AUSTRALIA INSTITUTE

Independent and informed by both research and ongoing dialogue with the community, the Regional Australia Institute (RAI) develops policy and advocates for change to build a stronger economy and better quality of life in regional Australia – for the benefit of all Australians. The RAI was established with support from the Australian Government.

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## REFERENCE

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## CONTACTS AND FURTHER INFORMATION

Migration Director

**P.** 02 6260 3733

**E.** [info@regionalaustralia.org.au](mailto:info@regionalaustralia.org.au)

Further information can be found at [www.regionalaustralia.org.au](http://www.regionalaustralia.org.au)

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## LIST OF RECOMMENDATIONS

**RECOMMENDATION 1:** Australia's population plan should take into account the impact of the creative industries in attracting people to regional areas. Population and decentralisation policies should have the input of the creative sector.

**RECOMMENDATION 2:** Small regional towns reliant on festivals, arts or Indigenous cultural events should be able to access tailored, place-based support through the COVID-19 recovery.

**RECOMMENDATION 3:** Initiatives and programmes to foster social cohesion, particularly for new migrants or refugees to regional Australia, should support the inclusion of artistic and cultural activities.

**RECOMMENDATION 4:** The impact of the creative industries on disaster recovery and resilience should be recognised in recovery funding and supports.

**RECOMMENDATION 5:** The cultural and creative sector impacts on regional economic growth and can be an important driver of both worker attraction and business growth. Its potential to drive regional growth should be considered in place-based economic planning, and facilities to nurture the formation and growth of creative businesses in regional Australia need to be strengthened.

## INTRODUCTION AND CONTEXT

The Regional Australia Institute (RAI) appreciates this opportunity to contribute to the work of the Standing Committee on Communications and the Arts and its Inquiry into Australia's Creative and Cultural Industries and Institutions.

Since 2011, RAI has been researching topics relevant to the prosperity and success of regional Australia, which is defined by RAI as all areas of Australia outside the capital cities. Regional Australia is home to around 9.45 million people and contributes one-third of total national economic output. Its prosperity and success is critical to the future of the nation.

The cultural and creative economy is, in “normal” years, a huge part of Australia's economic activity. In 2016-17 it was valued at over \$111 billion, almost double the value of agricultural production. It comprises 650,000 designers, makers, producers and performers, as well as almost 200,000 creative people embedded in other parts of the economy.

In regional Australia, the cultural and creative economy plays many vital roles. It creates a lively and thriving environment that is distinctive, and which encourages people to move to an area, to remain living in an area, or to visit an area as a tourist and spend money. The creative industry also has a special role to play in enhancing community connectedness and social cohesion.

At the same time, the cultural and creative sector is a significant employer and plays an important role in the economic growth and economic diversity of regional Australia.

This Submission will cover the role that the creative industries play in:

- Population attraction to regional towns
- Regional tourism
- Social cohesion and connectedness in regional towns
- Employment and economic growth of regional Australia.

## POPULATION ATTRACTION

Many regional communities in Australia are seeking to grow their populations, and to do so in a strategic and sustainable way. Regional communities are seeking to reinvigorate and increase their populations, fill workforce needs and enable economic growth.

At the same time, there is growing evidence that city-dwellers in Australia are re-thinking their lifestyle choices. A recent [report](#) by RAI shows that people are ‘voting with their feet’ and that many are choosing to move to regional Australia.<sup>1</sup> The COVID-19 pandemic has seen a renewed surge in interest in regional

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<sup>1</sup> Bourne, K., Houghton, K., How, G., Achurch, H. and Beaton, R. (2020) *The Big Movers: Understanding Population Mobility in Regional Australia*, Regional Australia Institute, Canberra.

living. The notion of how we work has dramatically changed and location is no longer being seen as a barrier to choosing where to live. Regional areas, open spaces, low-density living are all increasingly attractive lifestyle options.

As access to remote working improves and physical infrastructure better connects towns with regional centres and metropolitan areas, people can afford to be choosier about where they settle. This is especially so as demand for skilled and professional workers increases across much of regional Australia. Regional areas can find themselves in competition with one another as they seek to improve their liveability and be more attractive to prospective residents.

The RAI has undertaken research into the concept of “liveability” and examined the way that people think about liveability when they make decisions to move to, from, or to stay in regional communities.<sup>2</sup>

One way to understand the role that liveability plays in a location decision is to understand this decision as a two-step process:

- First: people make a decision to **move to regional Australia**. This means that they will consider whether they can be employed and pursue a career in regional areas. Having a job, whether moving to an area for one or finding one whilst already living in an area is important. To pursue employment and career opportunities in a regional area, a specific standard of infrastructure services must be already present, including access to water, good roads, and digital connectivity. Generally, the presence of these things in a regional area acts as a ‘hard gate’ in peoples’ decision making and is sufficient for most people to seriously entertain the idea to move to or their capacity to remain in regional Australia.
- Second: once the decision to move *per se* is made, people move onto the next stage of their decision making. Having identified broad areas that are suitable for relocation, people decide where in regional Australia they would like to live. They decide specifically on the location in which they want to live, identifying which regional town they will call home.

It is in this second part of the decision-making process that a “liveability” assessment is made. The RAI’s research shows that “amenity”, or the natural, physical and cultural attributes of a place, is one of the key factors and that “cultural vibrancy” increasingly features in people’s assessments of a particular town’s amenity and attractiveness. Being able to access and participate in cultural activities was shown to be important.

In general terms therefore, the RAI’s research has found that in a regional labour market where many regions are struggling to attract and retain skilled trades and professional workers, it is often the assessment of cultural vibrancy that takes a worker to one place rather than another.

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<sup>2</sup> Bourne, K. (2019). *Understanding Regional Liveability: Briefing Note*. Canberra, The Regional Australia Institute.

Arts and cultural events also attract visitors who otherwise may not have knowledge of a region or community and who may become new residents or may “spread the word” about a community’s unique attractions.

The creative industries are therefore an important factor in attracting new population to a regional community, particularly skilled or professional workers. They are a key factor in a “liveability assessment” undertaken by a person deciding to move to or within regional Australia. Supporting and strengthening the creative industry in regional areas is important when considering rebalancing Australia’s population and encouraging more people to live and work in the regions.

**RECOMMENDATION 1:** Australia’s population plan should take into account the impact of the creative industries in attracting people to regional areas. Population and decentralisation policies should have the input of the creative sector.

## REGIONAL TOURISM

Arts and culture are important reasons why many people visit regional Australia, for example, for music festivals, art trails or for indigenous cultural experiences.

Regional tourism has been hard hit in 2020 by bushfires, drought and the COVID-19 pandemic, and are only now starting to recover. The RAI has examined Australia’s tourism recovery and found that recovery is widely variable, with some places roaring back to life while others are still struggling to survive. While areas with natural attractions such as coast and beaches look set to recover strongly, smaller places which have relied on arts and culture may need additional support, particularly while borders to international tourists remain shut.

For example, only 1% of domestic overnight visitors in Australia visit Indigenous cultural activities and sites, compared to 11% of international visitors. This important part of Australia’s culture is therefore at risk while international borders are closed.

Similarly, towns which rely significantly on annual festivals will suffer, as festivals are put on hold during the pandemic.

Australia does not want to lose these unique cultural attractions. Particular supports may need to be devised and put in place as part of the COVID recovery.

**RECOMMENDATION 2:** Small regional towns reliant on festivals, arts or Indigenous cultural events should be able to access tailored, place-based support through the COVID-19 recovery.

## COMMUNITY CONNECTEDNESS

The ability to participate in artistic and cultural activities positively impacts on community connectedness and inclusion. For example, the RAI's work on locally-led migration strategies has shown that community events such as art classes can bring people together, providing an opportunity for new residents to feel connected and develop a sense of belonging to a community.<sup>3</sup> Cultural festivals and events have become an opportunity for migrants in regional Australia to showcase their food, their handicrafts and their talent, and have also contributed to acceptance of newcomers and the opportunity to come together as a community. Some regional towns are now widely known for their lively celebrations of "Harmony Day" or of Persian New Year, for example.

Strong community connectedness in regional Australia is socially important in many ways. It can foster community resilience in the face of external shocks or disasters as well as strengthen well-being and mental health.

According to Creative Recovery Network, "a growing body of evidence indicates that, particularly in times of community distress, the arts can provide great benefits to personal and community wellbeing, such as increased community cohesiveness, confidence and resilience, improved physical and mental health, reduced feelings of isolation, new personal and creative skills, strengthened connections to place, and a sense of shared optimism."<sup>4</sup>

In its pre-budget submission the Australian Major Performing Arts Group identified in relation to bushfire recovery that: "The arts, with its deep engagement in the human experience, can make a significant contribution to how communities process unparalleled natural disasters, helping to understand their 'story' and to rebuild a sense of place and shared resilience. In the longer term, the arts also have the potential to support economic recovery through stimulating creativity and new ideas as well as tourism initiatives."<sup>5</sup>

### RECOMMENDATION 3:

Initiatives and programmes to foster social cohesion, particularly for new migrants or refugees to regional Australia, should support the inclusion of artistic and cultural activities.

**RECOMMENDATION 4:** The impact of the creative industries on disaster recovery and resilience should be recognised in recovery funding and supports.

## EMPLOYMENT AND ECONOMIC GROWTH

Creativity has been recognised as an important generator of innovation, entrepreneurship, growth and places of preferred abode. The creative industries are significant employers in regional economies as well as important drivers for economic growth in regional Australia.

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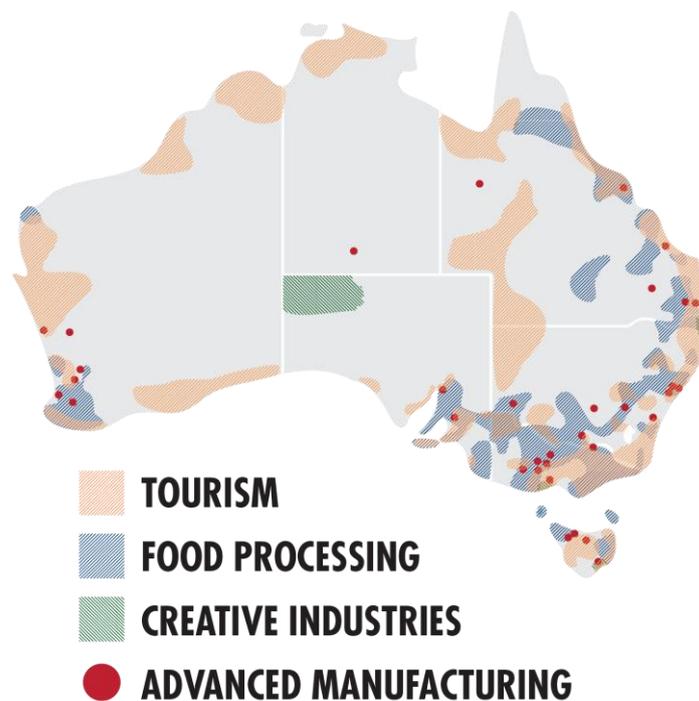
<sup>3</sup> See Regional Australia Institute, *Steps to Settlement Success A Toolkit for Rural and Regional Australia*.

<sup>4</sup> See <https://creativerecovery.net.au/resources/>

<sup>5</sup> See [https://treasury.gov.au/sites/default/files/2020-09/115786\\_AUSTRALIAN\\_MAJOR\\_PERFORMING\\_ARTS\\_GROUP.pdf](https://treasury.gov.au/sites/default/files/2020-09/115786_AUSTRALIAN_MAJOR_PERFORMING_ARTS_GROUP.pdf)

The RAI has undertaken research into the role of the creative industries in regional growth prospects, included the report, *Regional Growth Prospects: Strategic Investment in Food Processing, Tourism, Advanced Manufacturing and Creative Industries*. It divides creative industries into two groups of occupations: the first is *cultural production*, which involves creating type occupations such as musicians, photographers, dancers, artists, writers and the second is *creative services* which are more business oriented creative occupations such as graphic designers, architects and web developers.

The report shows that both cultural production and creative services are heavily skewed to metropolitan areas, and regional Australia accounts for only 19 per cent of Australia’s creative industries jobs. Over a third of regional Local Government Areas (LGAs) had no primary employment in creative industries (35 per cent) and only four LGAs have a specialisation in the industry. These regions are Byron New South Wales, Anangu Pitjantjatjara South Australia, Hobart Tasmania and Surf Coast Victoria. This highlights the bias of creative industries presence in metropolitan economies and the uniqueness of these four regions which are bucking the trend.



Map 1: The regions which specialise in the food processing, tourism, advanced manufacturing and creative industries<sup>6</sup>

Three of these four regions are operating in larger regional economies, where Byron and Surf Coast have strong economic ties to the nearby cities of Brisbane and Melbourne and Hobart is large itself and has benefits afforded to it because it is the state’s capital city. The research findings showed a positive relationship between city size and creative employment. For our regional cities, our research has showing that a bigger cultural and creative sector is linked to faster population growth and greater economic diversity.

<sup>6</sup> Achurch H. (2019) *Regional Growth Prospects: Strategic Investment in Food Processing, Tourism, Advanced Manufacturing and Creative Industries*. Canberra, The Regional Australia Institute

The fourth region, Anangu Pitjantjatjara, is completely different. The region is remote, has a small workforce (a total of 569 jobs) and is not reliant on the economies of large nearby places. The number of people working as creative producers in the region means they are a significant part of the local economy and are of particular importance because there are limited other industries for job creation: it is a thin market. There are other small, remote communities that are in a similar position, where their specialisation score is almost above average. These include the Northern Territory's East Arnhem and MacDonnell (Alice Springs). Together, these three regions also have a high proportion of Indigenous artists, who are starting to tap into the growing demand, domestically and internationally for Indigenous Australian art. This means that creative industries are important for communities with limited other job prospects, and in communities tapping into the growing demand for Indigenous Australian art.

RAI research has highlighted the places in regional Australia where creative industries are not necessarily large in scale, but which are vital contributors to local economies which are otherwise not diverse. These small places are particularly vulnerable to border closures due to COVID-19, with a high proportion of their small number of jobs reliant on visitors.

However, the creative industries are growing nationally and in regional Australia. There were 95,660 creative industries jobs in regional Australia in 2016 which was an increase by 21 per cent from 2011 to 2016.

The industry is a critical catalyst for growth in businesses in other industries too, and is one of the important components of the set of business-to-business services known as Knowledge Intensive Business Services. These comprise the services businesses buy from other businesses in order to prosper and grow, such as design, marketing, packaging, legal, accounting and human resources services. The presence of these businesses is much lower in regional Australia than in metropolitan Australia, which makes it harder for regional businesses to access these services and to grow. Facilities to nurture the formation and growth of these businesses in regional Australia need to be strengthened. The outcome is both creation of new knowledge industry jobs in regions, and better growth prospects for the other businesses buying these services in regional Australia.

#### **RECOMMENDATION 5:**

The cultural and creative sector impacts on regional economic growth and can be an important driver of both worker attraction and business growth. Its potential to drive regional growth should be considered in place-based economic planning, and facilities to nurture the formation and growth of creative businesses in regional Australia need to be strengthened.

## **CONCLUSION**

The creative and cultural industries are vital to the growth, prosperity and uniqueness of regional Australia, yet are largely still skewed to metropolitan areas. Their role and impact need to be more widely recognised as important to a range of policy areas, including the economy, population and settlement patterns, disaster recovery and resilience, social cohesion and well-being.

The Regional Australia Institute is pleased to see this Inquiry into Creative Industries and Institutions as important to regional Australia, particularly in these challenging times where smaller places have been hard hit. We stand ready to assist with providing more information or advice on regional issues.