Creative economy in regional areas: possibilities, pitfalls and on-going issues

Chris Gibson
Senior Lecturer
Geography Program
University of New South Wales
cgibson@unsw.edu.au

Bio:
Chris Gibson is an economic geographer at the University of New South Wales. He has published widely on the creative industries, urban development and popular culture, particularly in the Australian context. His books include *Sound Tracks: Popular Music, Identity and Place* (Routledge, 2003) and *Deadly Sounds, Deadly Places: Contemporary Aboriginal Music in Australia* (UNSW Press, 2004). His PhD examined the creative industries in rural New South Wales. In the past he has worked on Aboriginal employment in the music industry, and regional development issues in the Northern Territory. He is currently working on a collaborative research project with the National University of Singapore, which examines creative economies in the Asia-Pacific region.

Abstract:
Creativity has become an important policy consideration in the context of regional economic development. In the wake of popular books such as Richard Florida's *The Rise of the Creative Class* (2002) and Charles Landry's *The Creative City* (2001), cities and regions across the world have sought to re-think economic development policy with creative industries and workers in mind. However, empirical studies have demonstrated that major metropolises continue to dominate as centres for creative production, and have been more successful at harnessing creativity in economic development strategies than smaller or geographically scattered places. What might such observations mean for the arts and creative industries in rural or remote places? Are the creative industries important away from big cities, such as in Australia's tropical north? How might local circumstances mitigate the effectiveness of creative city strategies away from major urban centres? Are there ways of overcoming problems of distance and 'critical mass'? This paper raises some important considerations in light of these questions, with particular attention drawn to the (post)colonial context of creative industry employment and development in the Northern Territory.

Introduction

Cultural activities are of growing significance to urban and regional economies (Landry, 2000; Scott, 2000). The 'creative economy' defines this intersection across a broad spectrum of endeavours including music, film, television, drama, art, design, and media. These activities have assumed some importance in urban policy and city planning singly or collectively as key sectors for often interconnected initiatives in economic development, urban regeneration, place-making, urban design, and social planning (Stevenson 2003). The 'cultural turn' in city planning looms as an important dimension in considerations of future urban change. This paper seeks to reflect on existing knowledge on this in the context of developing policies for creativity and the creative economy in smaller cities, non-metropolitan and remote locations. I will begin with a quick skim across current knowledge of the 'creative economy', before discussing ramifications of 'creative economy' discourse in smaller cities and non-metropolitan areas. By way of illustration, in the last section of the paper I'll briefly summarise two research projects I have conducted in regional Australia.

As an economic geographer, I'm interested in thinking through the role that place plays in mediating experiences of creative economy – enabling activities in some instances, mitigating creative production in others. Leading cities, even whole nations, have sought to reorient development goals and agendas away from 'large scale' projects towards place-based, 'smart' strategies that focus on niche industries, innovation in existing industries, and promoting the arts (something previously often cast aside by economic development proponents as a frilly addition to the main game – whatever that might be in a particular locality). This shift comes as the latest in a much longer heritage of arts policy that has sought to view creativity not just in aesthetic, but also economic terms (see Kong 2000; Cunningham 2001; Stevenson 2003; Freestone and Gibson 2004). Even hard-nosed economists have acknowledged the value in a shift away from development strategies centred on macro-scale projects to the arts, creative industries, micro-businesses and innovation (Cultural Ministers Council Statistics Working Group 2001). Compelling comparisons can be now made, with the help of the Australian Bureau of Statistics, between employment multipliers for mining, for instance (with an employment multiplier of 9 jobs on average for every $1million in new investment), and those in music, television and film production (well over 30 jobs per $1million in investment). Such data demonstrate the extent to which creativity, cultural activities and the arts, with their more intensely interlinked networks of workers, micro-businesses and subcontractors, generate more 'fizz for your buck' than larger, single flagship regional development projects such as mines, building construction projects, or large plant facilities for the manufacturing sector. Though the creative economy constitutes only approximately 2 percent of GDP in Australia (equivalent to the housing construction or road transport sectors), and the scale of most activities remains small, multipliers from that 2 percent are very effective. Because it is also promises a reduction in exposure to global variations in single-commodity market prices, and has some potential as a more environmentally sustainable form of growth, promoting creativity and the arts has become a new main game in economic development policy.

A geography of creative economy

Empirical studies that have been conducted on the geography of cultural industries and of creativity have demonstrated that major metropolitan centres continue to dominate the worlds of creative production, the arts and cultural industries (Scott 2000; Gibson et al 2002; Florida 2002). Large cities have been most successful in harnessing creativity in economic development strategies compared with smaller or geographically scattered places. In Australia, each state and territory is characterised by high degrees of metropolitan primacy; their capital cities far outweigh non-metropolitan areas in terms of employment, investment, and industrial agglomeration. One way to illustrate this is through calculating location quotients for employment across creative sectors, based on census data counts, which, despite their underestimation of total employment and overemphasis on professional activity are the only available source of spatially disaggregated data. Location quotients reflect the difference between the proportion of total employment in a given sector in a set location in comparison to the proportion of total employment of a wider state or national space economy. Thus, a location quotient of 1.5 reflects that a given location has, proportionally, a 50 percent greater share of its employment in the cultural industries, in contrast to the national figure. All capital cities record large, positive location quotients (Table 1). The importance of capital cities within each state's cultural economy can also be illustrated through a 'primacy index', where the proportion of employment in cultural occupations in a capital city is related to the proportion of employment in the balance of the state (Table 1). Applying a primacy index across all states, it is evident that employment in the cultural occupations is dominated by the capital cities, highest in Canberra and Sydney, and lowest in Adelaide and Brisbane.

Sydney is clearly the primary city of creative industry activities across Australia and across sectors, with over 30 percent of all employment, and high rates of business concentration in 'core' creative sectors such as music, publishing, film and television services (Table 2). While in some sectors Sydney has a level of activity proportional to its population (as with libraries, recorded music retailing, video hire outlets), in others Sydney by far dominates as a locational choice for companies. In film and video production, for instance, over half the country's companies are located in Sydney; while the city contains over 40 percent of Australian sound recording studios, with similar shares of other creative arts businesses, linked to art, publishing and recorded media manufacture.

Sydney's dominance of business activity reflects an interaction of international, national and local factors commensurate with its long settlement and global city status (Connell 2000). Low exchange rates have improved the attractiveness of various forms of local film production (including animation, post-production, sound editing), supported by local infrastructures of production (recording suites, film studios etc), a highly skilled local workforce (a reflection of the location of major film, television and design schools), and institutional support for cultural activities (such as tax breaks and 'fast-tracking' planning decisions for the film industry). Sydney is the home for the vast majority of the Australian headquarters of international media organisations, music and entertainment companies, providing the basis for a network of support services, legal firms, marketing and distribution activities.

Underlying factors also include a simple critical mass (demand factors: larger audiences for more experimental arts, more people buying fashion, paying for interior decoration services etc; supply-side factors: more intense communities of creative producers, influencing each other, generating ‘scenes’ in music, art, writing, even photography); connections to finance, property and high-end professional services industries (in parallel to Sassen’s (1991) observation of the global command centres – New York, London, Tokyo); presence of available infrastructures for creative production; better internet and digital connectivity; presence of recording studios, high-end and cheaper, fast printing presses etc; and perhaps most importantly, social factors: the importance of face to face interactions in creative ‘scenes’, desires to live and work in ‘trendy’ or ‘bohemian’ suburbs, and interactions and activities within subcultures that arise in large urban centres.

Policy-makers have sought to make sense of these observations in the context of urban and regional economic development (see for example, Flew et al 2001; Collits 2002). Common recommendations for economic development policy have included the promotion of clusters and nodes in particular high-tech or creative sectors; building (or renovating old buildings into) cultural industry hubs and incubators (with tax breaks, subsidized rents etc); tweaking land use planning mechanisms to create sanctioned cultural districts; and linking creative economy strategies to wider urban regeneration strategies (something that will be a more overt focus of Deborah Stevenson’s talk in this session).

But what might such observations mean for smaller or geographically scattered places? Are these policy mechanisms possible, appropriate or effective?

Creativity in non-metropolitan regions

Evidence of the pervasiveness of creative economy discourse is presented by the extent to which a range of smaller towns and non-metropolitan locations are seeking to embrace and employ this thinking in the development of cultural and/or economic development plans: from Parkes in western New South Wales, and Tamworth, Australia’s country music capital (who have both used festivals as the basis of cultural tourism strategies), to the far north coast of New South Wales, where demographic transitions, the emergence of lifestyle migration to the region, coupled with cultural tourism, has led regional development promoters to seek more formalized arts and cultural industry strategies focused on the production and distribution of music and film. In the context of remote Aboriginal communities, such thinking has been around for well over a decade – in a sense prefiguring the explosive growth in creative economy discourse post-2000 – in ATSIC cultural industry and tourism strategies (ATSIC 1997a, 1997b), support for art and music production via CDEP schemes, and comprehensive studies of the art and music industries and employment patterns observed within them (Wright 1999; Wright and Morphy 2000; Gibson and Connell 2004).

Intentions to promote creative production in this part of Australia juxtapose the thrust of much research on the geography of cultural industries, which focuses on agglomerations or clusters of activity in districts of major western cities. It would seek to incubate cultural production in some of the most remote parts of the world, and in circumstances of extreme socio-economic disadvantage. How might a successful structure of cultural production in smaller cities, or scattered, distant places, emerge? Would it be vastly different from the conventional urban clusters? How might recent technological and political changes provide opportunities for more dispersed or decentralized activities?

A pessimistic reading of the geography of creative production might suggest that there is an inevitable momentum behind metropolitan concentration and agglomeration that cannot be effectively unwound. As Sydney and Melbourne surge ahead in their own connectivity to global networks in the finance, property and entertainment industries, so too will they continue to attract creative producers, and consolidate their leading position. It's a variant on Gunnar Myrdal's classic (1957) theory of cumulative causation that suggested that interregional inequality was produced by virtuous cycles of growth in key centres, generated at the expense of peripheral regions, afflicted instead by viscous circles of decline. There is, it must be acknowledged, some element of truth in this – it is, for instance, very difficult for workers in the creative industries in smaller cities or non-metropolitan locations to generate large enough audiences for performances, sell enough paintings or CDs, or get enough customers for interior decoration, in order to make a viable income. Creativity becomes a part-time consideration, because it can't pay the bills, and other sources of income are needed. But an overly part-time status of creativity, when added up across a town or city, can work against a place generating enough professional creative producers to translate into a viable and innovative 'scene'. In a place like Darwin, where smaller relative size and geographical distance coincide with high property prices and rents, the situation becomes even more difficult.

However, what we're finding, in at least some non-metropolitan regions where studies have been conducted, is that the world of creative production is more complicated than the image of a simple 'city-country divide'. Examples of popular music on the NSW Far North Coast, and Aboriginal art and music production in the Northern Territory, demonstrate that cumulative causation in the creative industries, though a major factor that must be confronted, is neither universal nor impossible to negotiate.

The NSW Far North Coast is a region transformed by tourism and migration; among older agricultural towns such as Grafton and Kyogle, is now a matrix of small, mostly coastal, lifestyle locations, from Evans Head to Byron Bay. New residents want and bring with them urban luxuries, services and entertainment, the same things demanded by newer types of tourists (from beachside holidays to cultural tourism), and enjoyed by older populations. The establishment of Southern Cross University provided a regional hub for infrastructures (recording studios), a ready-made audience for creative producers, and brought with it better telecommunications infrastructure (though many in Lismore and surrounds would still, rightly, argue that digital connectivity is substandard). Research in the late 1990s demonstrated that 'creative' industries in the region have generated approximately 3500 jobs, or 4.1 percent of the local workforce, with many more in related activities (such as advertising; Gibson 2000; 2002; Henkel 2000). While this total may seem small, in relative terms it remains double that of the proportion of Australia's total workforce employed in the cultural industries (Gibson, Murphy and Freestone 2002). Table 3 provides an overview of estimates on the approximately A$30 million generated per annum by different activities within the local music industry including: artists' earnings from live performances and CD sales; the turnover of the music retail sector; staff wages at live venues, recording studios and PA hire companies; and monies associated with particular institutions and popular artists.

There is not enough time to explore the complexities and contradictions of this case study here, but what can be gleaned from it in the context of this conference, is the importance in thinking beyond urban and rural spaces as bounded, separate entities. Migration, tourism, new technologies are all platforms through which more complex and less geographically bounded networks have been forged. Networks and flows of people, information and creative production are equally, if not more important for non-metropolitan locations: a means of getting beyond the problem of there not being enough of a local market for cultural production.

Another relevant research project I have been involved in was an ARC-funded project examining Aboriginal participation in the Australian popular music industry (see Gibson and Connell 2004). This included interviews in 2000 and 2001 in the Northern Territory with Aboriginal musicians, venue owners, record label managers and promoters. This case study presents a more complicated story again – Aboriginal participation in the popular music industry is not only mitigated by geographical remoteness and scattered communities without their own critical masses, but also more extreme levels of socio-economic disadvantage, and various extents of dispossession from traditional country and lifestyles. Such extensive disadvantage, alongside alienation from traditional land and the impacts of paternalist assimilation policies during the twentieth century, has produced a very different context for thinking through the promotion of the cultural industries.

Cultural industry participation has been promoted as an avenue for employment, Indigenous self-determination and independence from welfare reliance, particularly for remote Indigenous communities with dispersed, small populations and little access to formal economic flows. Cultural industries have also been popular with policy-makers because the texts that are produced – music releases, films, television programs, books, art – are themselves capable of communicating Indigenous cultural expressions, and are thus crucial to the agenda of Aboriginal self-determination that gained pace in the 1970s and 1980s in Australia, as official federal policies of self-determination encouraged Aboriginal groups to maintain culture, including traditional languages and tribal law. This mix of economic and expressive elements made cultural industries obvious targets of Aboriginal economic and social development programs.

The most significant manifestation of the policy shift towards self-determination and the promotion of Indigenous cultural expressions, has been the rise of a network of both urban and remote Indigenous broadcasting agencies, funded in part through the Federal Government's Broadcasting for Remote Aboriginal Communities Scheme (BRACS), and the activities of specific agencies such as the Central Australian Aboriginal Media Association (CAAMA), established in Alice Springs in the Northern Territory in 1980 as a radio broadcaster, and subsequently branching out into music recording and distribution, video recording and television broadcasting (through Imparja Television).

CAAMA gave both new legitimacy and high quality production facilities to Aboriginal musicians and groups. It has released a vast amount of cassettes and compact discs by remote community bands, mostly from the Northern Territory. At the same time, the growth of Aboriginal radio stations and programs in remote areas, and in major cities and towns, meant that performers had new means to communicate with their own people, and access to new, wider Aboriginal and non-Aboriginal audiences. These services, established with an explicit mandate to broadcast Indigenous music, have been crucial to the expansion and viability of Indigenous music in Australia. This is particularly so given the persistent reluctance of most commercially-orientated radio stations to broadcast the work of Indigenous musicians not aligned with major record companies.

Other factors behind the growth of an indigenous popular music sector included the rise of a pan-Indigenous audience for Australian Aboriginal music; increasing social networks between remote communities opened up by the greater availability of motorized transport; the new regional activities of land councils, tribal organizations and community associations; changing technology, in particular the advent of cheaply recorded and distributed audio cassettes that could be played on battery-operated portable equipment (in environments where vinyl records could simply melt), and interest from metropolitan record companies, festival promoters and arts bureaucracies.

Yet, the conditions of production, performance and distribution for Aboriginal musicians are still cut across by geography and social issues. Racism, gender relations of production and employment, lack of company support and inadequate promotion (Dunbar-Hall and Gibson 2004), are exacerbated by distance. Access to industry contacts and opportunities is a function of proximity – of being 'in the right place at the right time' – as well as talent. That many Aboriginal musicians come from, and sing about what non-Aboriginal people would perceive to be 'remote' places, limits opportunities for those seeking success in the mainstream, because the music industry (and especially venues) remains highly concentrated in Sydney and Melbourne.

Aboriginal musicians have responded to these challenges in a number of ways. Many Aboriginal groups have resolved to only play at Aboriginal festivals, where the cultural agendas of survival and revival are prioritized. The economics of music performance now also favor festivals. Rather than following extensive metropolitan and rural touring networks, having to negotiate racism from non-Aboriginal venue managers and trying to earn an income through numerous smaller (and poorly paid) pub gigs, bands can resist 'saturating' their audiences with performances, and pick up higher returns in the long run by performing occasionally at festivals (also reducing on-going travel and accommodation costs). For many in this situation, music has simply ceased being a full-time occupation, but may become a longer, if intermittent pursuit, as with Warumpi Band and Coloured Stone, who have had musical careers lasting over 20 years. This itinerancy of income generation, ironically, may indeed prove to be an important benefit from the creative industries for indigenous cultural producers, enabling those who chose to do so, to interact with western, metropolitan centred cultural industries when and where they deem appropriate. Musicians preferred to be more careful and selective about performing and recording, rather than having to endlessly 'flog their art' around the capital city circuit, accepting the terms and conditions of this industry, and the negative social consequences of being away from country and family for extended periods.

Conclusion

What is there to learn about creative production and innovation in regional, rural, remote areas, or smaller cities beyond the global command centres?

The odds are stacked against places seeking to generate thriving cultural hubs, centres of innovation in the creative industries beyond major metropolitan areas. But those unhelpful odds can be negotiated. The case studies alluded to here suggest the importance of inter-regional networks to lever opportunities, to seek wider markets, to break down the perception of a 'city-country divide' and to open-up access to more sympathetic gatekeepers in the key industries. The context of Aboriginal popular music production also suggests the importance of strategically targeted government injections – particularly in infrastructures of production and broadcasting. Though some of these agencies may struggle to generate profits on an on-going basis, their role as incubators and nodes in scattered networks of cultural producers is vital, and certainly allows the sort of finer-grained, intensely networked creative economies to emerge that are favoured by commentators and policy-makers in other places.

More broadly, even cursory comparison between these two cases demonstrates the importance of accepting that the intentions behind, and benefits from, creativity and cultural industry development may mean things in different contexts, even within regions. What is seen as underemployment and instability of income in one context may mean flexibility in another – the same observable trend is both problem and possibility, depending on the perspective. In the Northern Territory, such thinking offers much potential in the context of desires for a genuinely post-colonial indigenous economy, where communities and individual creative producers interact with wider markets and earn incomes, on terms that they play a role in establishing. But wider issues, limitations and drawbacks of promoting creativity remain pertinent. An on-going challenge is one for policy-makers themselves: to acknowledge these limitations, and continue to think through new ways around them.

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Table 1. Location quotients, metropolitan primacy, employment in cultural industry sectors, capital city and balance of state, 1996

Location	No. employed in cultural industries	% employment in cultural industries	Location quotient	Metropolitan primacy
Sydney	44,150	2.64%	1.40	1.86
Bal NSW	12,516	1.42%	0.75	
Melbourne	28,911	2.08%	1.10	1.63
Bal VIC	6,284	1.27%	0.68	
Brisbane	11,435	1.72%	0.91	1.14
Bal QLD	11,456	1.51%	0.80	
Perth	9,566	1.73%	0.92	1.88
Bal WA	1,920	0.92%	0.48	
Adelaide	7,559	1.73%	0.92	1.61
Bal SA	1,682	1.08%	0.57	
ACT	3,894	2.61%	1.38	n/a
Hobart	1,636	2.08%	1.10	1.18
Bal TAS	1,817	1.75%	0.93	
Darwin	779	1.91%	1.01	1.6
Bal NT	502	1.19%	0.63	
Other Territories	6	0.38%	0.20	n/a
Total Australia	144,113	1.89%	1.00	-

Source: ABS (1996), custom cross-tabulation based on ANZSIC codes.

Table 2. Business locations, cultural industries: Sydney v Australia, 1998

	Business Location Counts by Local Government Areas		
Cultural Industry	Sydney	Australia	Sydney (%)
Newspaper Printing or Publishing	211	1016	20.8
Other Periodical Publishing	250	602	41.5
Book and Other Publishing	166	480	34.6
Recorded Media Manufacturing and Publishing	82	209	39.2
Book and Magazine Wholesaling	155	496	31.3
Recorded Music Retailing	255	912	28.0
Film and Video Production	1397	2762	50.6
Film and Video Distribution	59	163	36.2
Motion Picture Exhibition	92	476	19.3
Radio Services	70	370	18.9
Television Services	107	372	28.8
Libraries	173	1108	15.6
Museums	62	437	14.2
Zoological and Botanic Gardens	15	110	13.6
Music and Theatre	413	1102	37.5
Creative Arts	443	1137	39.0
Sound Recording Studios	99	240	41.3
Performing Arts Venues	47	158	29.7
Services to the Arts n.e.c.	347	810	42.8
Video Hire Outlets	406	2163	18.8
Photographic Studios	630	1921	32.8
Total Cultural Industries	5479	17044	32.2

Source: ABS (1998), custom cross-tabulation

Table 3. Economic activities in the North Coast music industry (1999 estimates)*

Activity	Value (A$)
Earnings from live performances (artist)	5,884,720
Earnings from CD sales (artist)	107,160
Retail sales	12,900,000**
Grinspoon, Diana Ah Naid, Troy Cassar-Daley, CD sales figures	2,050,000***
Staff wages at live venues	7,065,000
Miscellaneous wages (sound engineers, PA hire companies)	2,065,000
NORPA (turnover)	500,000
Total	30,571,880

* It was not possible to provide a comprehensive total of the economic activity of the North Coast music industry. For example, total turnover of live venues and recording studios could not be compiled; nor earnings for major tours by acts such as Grinspoon and Troy Cassar-Daley. These figures were calculated by breaking down the sector into various activities. Calculating the value of live performances (as total earnings by all performers) involved estimating the total amount of live performances in a year based on monthly surveys during 1999; and then establishing a breakdown of these live performances by categories of artists: local acts, those of similar stature from Sydney; nationally-known bands; and international acts. These were then multiplied by the average earnings for each category (based on returned surveys from venues). Calculating the value of sales of locally-produced music commodities proved a difficult exercise, as few interviewees were able or willing to disclose how many copies of their recordings had sold. The standard production run of a small scale, independently produced CD is 500 copies. While several releases are issued in larger numbers, I have used the more conservative estimate of 300 copies per release as the basis of calculations, multiplied by the average amount of local releases in a year (30) and the average list price for local CDs (A$18.80). Releases by Grinspoon, Troy Cassar-Daley and Diana Ah Naid have been removed from these calculations and treated as separate entities. Calculations for these major artists were based on publicly available sales figures for full length CDs multiplied by recommended retail price. Retail sales of music and musical instruments were calculated based on the amount of retail stores in the region multiplied by the average turnover of A$250,000 per annum. Total wages at live venues was calculated from survey results, based on an average annual income of A$15,000.

** Earnings from sales of local CDs have been subtracted from estimates of total retail sales to avoid double counting

*** These earnings stem from North Coast artists, but a proportion of these are likely to flow back to record company offices based in Sydney