

Sharing arts and culture

**Initial observations from Australia's 2019-2020
Cultural Funding by Government data**

October 2021

A New Approach (ANA)

Introduction

Australia's federal, state, territory and local governments recognise the significance and relevance of arts and culture in the lives of Australians and commit funds to support activities and infrastructure in these areas. The ['Survey of Cultural Funding by Government'](#) collects and presents data about this expenditure across all three levels of government.¹

This *Cultural Funding by Government* dataset provides us with the most complete view available of public expenditure on culture in Australia, across different departments and government entities. This expenditure goes to organisations at all scales, including for our best-known cultural institutions — such as the Australian War Memorial, the Australian Broadcasting Corporation (ABC), and Bangarra Dance Theatre — as well as supporting the nation-wide ecosystem of creative organisations and individuals in remote, regional and metropolitan Australia. Broadly available services such as public libraries and local festivals are included, as well as the funding programs that invest in the development and distribution of new creative work, increase access opportunities for different audiences, and support Australia's international cultural diplomacy efforts.²

The Meeting of Cultural Ministers has recently released the *Cultural Funding by Government* dataset for the 2019-20 financial year — a year that included the first 4 months of a global pandemic that has demanded significant levels of spontaneous support for all Australian industry sectors, and not least the arts, cultural and creative industries. In 2019-20, support from all three levels of government totalled \$11 billion (\$11,582,700,000) including more than \$4 billion (4,322,300,000) of Covid-19 support.

The 2020-21 financial year was even more disrupted for arts, cultural and creative industries than the last, and there has been further support from Australian governments as a result. This expenditure over the last two financial years is obviously welcome. However, as we demonstrate below, the differential per capita spending across the different states and territories makes it clear that a more strategic and coordinated approach to cultural funding would benefit all Australians. ANA believes a [National Arts, Culture and Creativity Plan](#) would catalyse this kind of thinking.

Over the last 14 years responsibility for cultural expenditure has become more evenly split between the levels of government. This short Discussion Paper explores two key points of interest from the new data:

1. Each level of government's contribution to public cultural investment as a proportion of the whole in 2019-20; how it compares to 2017-18 and what happens when Covid-19 measures are excluded from the data.
2. The combined per capita expenditure by local and state and territory governments, broken down by state/territory.³

These headlines are just the beginning of the insights from this new release of data and ANA will be releasing a more detailed analysis in the coming months. In the interim, we hope this short paper provides a useful snapshot of a few key findings that will be of interest to policy makers and people with a stake in the cultural life of Australia.

To be clear: that's all of us.

Expenditure on culture across the three levels of government

The 2019-20 financial year was atypical given the varying impacts of Covid-19 on the Australian economy. The cultural and creative industries, like most other sectors, received additional support in the relevant months of 2020 — April, May and June — and this support is reflected in the *Cultural Funding by Government* data for that financial year.

Looking first at non-Covid-related expenditure on culture in this period: we can see from Figures 1 and 2 that the proportions of expenditure across the 3 levels of government in 2019-20 remained relatively consistent with expenditure in 2017-18, with both federal and state and territory governments marginally increasing their proportion. The vast majority of this spending at all levels of government went to recurrent expenditure on areas like cultural programming and grants, rather than on cultural infrastructure. Even for state and territory governments, who had by far the highest rate of capital expenditure, this was only around a third of the total.⁴

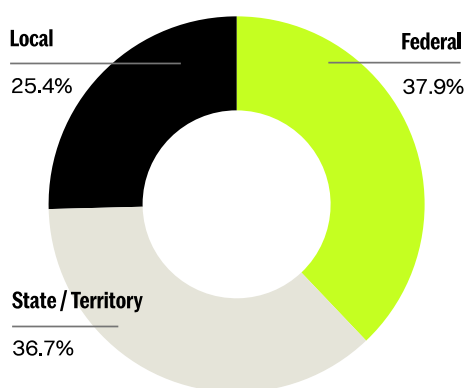


Figure 1: Proportion of expenditure across the 3 levels of government in 2019-20, not including Covid-related support.

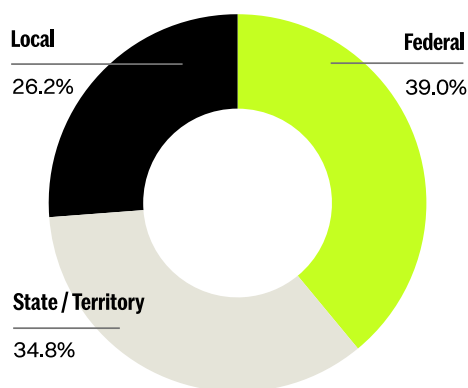


Figure 2: Proportion of total expenditure across the 3 levels of government in 2017-18

But to examine only the non-Covid-related government expenditure on culture in 2019-20 fails to capture the extraordinary circumstances Australia has been facing and how the various governments have responded. As has been well documented, the Covid-19 lockdowns and restrictions necessitated additional financial support for the arts, cultural and creative industries. This was particularly true in arts and cultural industries that were disproportionately affected by the impacts of the pandemic, due to those industries' need to physically gather and travel for their main sources of revenue.⁵ At the federal level, between April and June of 2020, these payments⁶ included more than \$3 billion in Jobkeeper payments, more than \$1 billion from the program 'Boosting Cash Flow for Employers', and more than \$38 million in Arts Portfolio Grants, coming to a total of more than \$4 billion.⁷ It should be noted, of course, that Jobkeeper and the cash flow boosts were not programs specific to the arts, cultural and creative industries. Many state and territory governments also put in place specific programs to support arts and cultural organisations and individuals.⁸

When these Covid-specific initiatives are included in the cultural funding, the proportion contributed by each level of government is altered considerably, with the federal government contributing 60.7% of cultural funding in 2019-20.

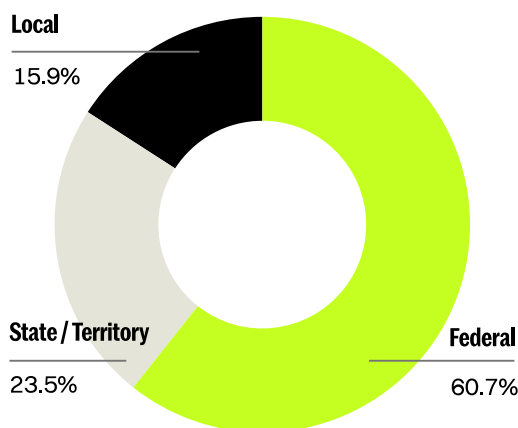


Figure 3: Proportion of total expenditure across the 3 levels of government in 2019-20, including Covid-19 support where data is available.

Similarly, in terms of per capita expenditure at the federal level, Covid-related expenditure has nearly tripled arts and heritage spending to \$275 per person over the course of the financial year, compared to \$108 per person in 2018-19.⁹ However, when Covid-19 support is excluded, expenditure on arts and heritage per person has remained consistent with previous federal spending at \$108 per person in both years.

While there has been an extraordinary increase in cultural funding by the federal government in the 2019-20 year, it's worth noting that this is, unsurprisingly, linked to specific Covid-related measures. Public cultural expenditure remains a three-way partnership between the levels of government.

Per capita expenditure across states and territories

The new release also provides insight into the variation in cultural expenditure between different states and territories. While there is debate about the most appropriate metrics, by combining the per capita data for both local and state/territory governments, we can see a high degree of variation in cultural expenditure per capita between the different jurisdictions, as shown in Figure 4.¹⁰ This data shows us that where you live significantly impacts on the extent of financial support for cultural experiences from local, state and territory governments.

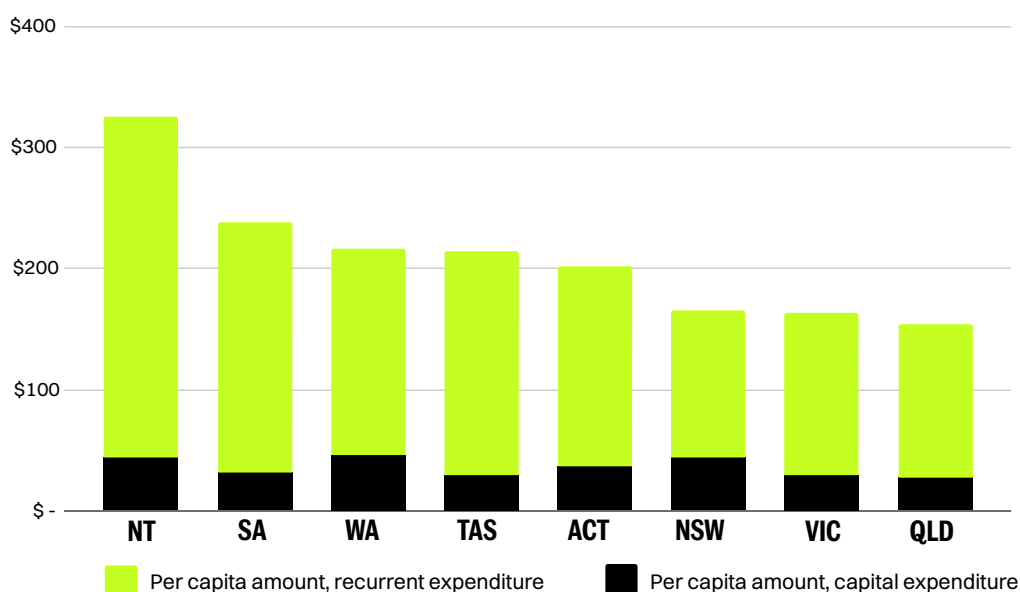


Figure 4: Reported state/territory and local government cultural expenditure, per capita in each state/territory, in 2019-20, showing the proportion allocated to capital and recurrent expenditure.¹¹

There are many reasons for the variance between different states and territories, not least of those being that 'different administrative arrangements and responsibilities exist in each of the states and territories and this influences the distribution of cultural funding to the various Arts and Heritage categories', as the Meeting of Cultural Ministers have made clear,¹² as well as there being potential economies of scale for jurisdictions with larger populations.

Some of these differences may also be attributable to variance in the proportion directed to capital expenditure — as capital works are often a large, one-off allocation — or whether these capital works sit with state and territory or local governments. The variations between the jurisdictions can be seen in Figure 5.

These figures do make a strong case for taking a strategic approach to cultural funding that incorporates all three levels of government. As ANA have previously advocated, this would be a key advantage of a [National Arts, Culture and Creativity Plan](#). Clearer policy direction will ensure the expected public value outcomes of cultural expenditure are better measured and communicated across all three levels of government, facilitating a coordinated and considered approach that identifies non-partisan principles, clarifies responsibilities, and ultimately grows and better utilises arts and cultural investment.

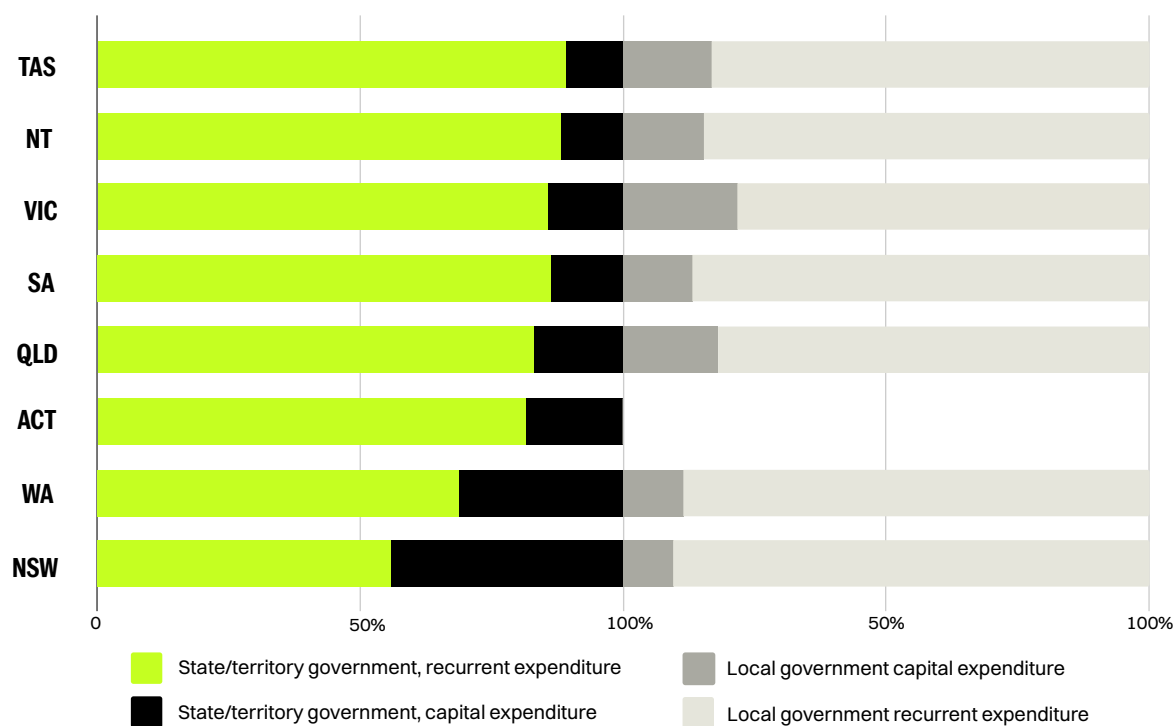


Figure 5: Reported state/territory and local government cultural expenditure, in 2019-20, showing the proportion allocated to capital and recurrent expenditure.¹³

Summary

The effects of Covid-19 on Australia's arts and cultural industries, institutions and individuals are far from over, and as the end of 2021 looms, these industries are still bearing much of the weight of these disruptions. At the time of writing (in October 2021), our nation is again facing both the excitement and the challenges of safely reopening. While most states and territories as well as the federal government have released roadmaps, these plans make clear that we have a way to go before arts and cultural events and venues will be back to operating at full capacity.

As the headline findings in this Discussion Paper show, the enormous disruption being experienced by arts and cultural organisations and individuals during the Covid-19 pandemic is translating to significant change in cultural funding by government. So this provokes a critical question: what now?

In early 2021, ANA released '[Imagining 2030: Preparing for a National Arts, Culture and Creativity Plan](#)'. Later in 2021, we will release 'Twenty-first century priorities for Australian arts and culture policy: What's new, what's endured, what's next?'. This is a companion think piece to 'Imagining 2030' that explores the emerging trends and foundational principles that should inform ambitions and bold policy setting for Australia's cultural landscape.

A clear picture is emerging, both of what Australia has done in terms of arts and cultural policy and funding in the past, and what we could and should do in the future, sitting upon a firm understanding of what we are doing as a nation right now. A strategic, intentional approach to cultural funding would benefit all Australians.

ANA will continue advocating for a [National Arts, Culture and Creativity Plan](#) in the belief that it would provide clearer policy direction. A NACC Plan would ensure the expected public value outcomes of cultural expenditure are better measured and communicated and help us to imagine a future where Australia's arts and cultural policy settings reflect the priorities of the 21st century.

Endnotes

¹ In 2019, ANA produced the first 'Big Picture' report, establishing a baseline understanding of the quantum and trends in expenditure on culture by all levels of government over the previous decade. That Big Picture report showed that although government spending on arts and culture has grown over that period (and particularly spending by local governments), overall expenditure hasn't matched population growth, and we have fallen behind our OECD peers.

² The Cultural Funding by Government dataset includes expenditure in the following categories: Art museums; Other museums and cultural heritage; Libraries; Archives; Literature and writing; Music; Theatre; Dance; Music theatre and opera; Circus and physical theatre; Comedy; Other performing arts; Performing arts venues; Cross-art form; Visual arts and crafts; Design; Radio and television services; Film and video production and distribution; Interactive arts content; Arts education; Community arts and cultural development; Multi-arts festivals; Arts administration; Other arts. The category 'Other museums and cultural heritage' covers the acquisition, collection management, conservation and exhibition of heritage objects. This category includes Indigenous cultural heritage and keeping places, historic houses, historic museums, war memorials and National Trust organisations.

³ It should be noted that per capita expenditure does not imply that each individual received equal access to participation in arts and culture during this period; it's merely an economic measure used to compare government spending to population size. In the case of government expenditure on arts and culture, it's also important to note that this expenditure was on a wide range of activities. So while it was necessary to support creators who had lost or reduced their livelihoods because of Covid-19 restrictions so that they would still exist by the time Australia was ready to fully reopen, it's important to realise that the pivot to digital engagement across so many arts and cultural organisations also required government support in many cases. Per capita cultural expenditure in 2019-20, therefore, was for the benefit of Australians in the future, as we start to rebuild as a nation, but was also for the benefit of Australians in 2019-20, so that they had greater access to arts and cultural experiences from their homes and in Covid-safe environments.

⁴ According to the Meeting of Cultural Ministers, recurrent spending on culture includes spending on: cultural programs, specialist areas and special projects, operational costs, wages and salaries, goods and services, current grants and transfer payments, specific purpose grants, and subsidies. See: Meeting of Cultural Ministers Statistics Working Group (MCM-SWG). 2018. "Cultural Funding by Government 2016-17 Report." Australia: Department of Communications and the Arts. <https://www.communications.gov.au/documents/cultural-funding-government-2016-17>.

⁵ Bureau of Communication, Arts and Regional Research. 2021. "Government Payments to the Cultural and Creative Sectors." Canberra: Australian Government. https://www.infrastructure.gov.au/sites/default/files/documents/government-payments-to-cultural-and-creative-sectors--september2021_0.pdf.

⁶ These figures show nominal value, which means they are measured in terms of the actual prices that existed at the time of reporting, and have not been adjusted for inflation.

⁷ The exact figure was rounded in the data to \$4,272,100,000.

⁸ At the state and territory level, the figures related to Covid-related support are more complex. As the Explanatory Notes for the Cultural Funding by Government data point out, some state and territory governments were unable to identify the 'creative and cultural only' Covid-19 support funding for the 2019-20 financial year. This suggests that 3 state or territory governments — New South Wales, Western Australia and Northern Territory - may have recorded higher expenditure on culture in 2019-20 if Covid-related support had been included in the data collection for that jurisdiction. On the other hand, Queensland, which has included Covid-related support in their data collection, have pointed out that this is not new spending; it has been brought forward from later years' Arts budgets to provide support during this period of heightened need.

⁹ Note that these figures have not been adjusted for inflation.

¹⁰ Noting again that a) these figures must be adjusted for inflation before they should be compared with previous years' data, and b) not all states and territories reported their culture-specific Covid-19 support payments during data collection.

¹¹ Note: The New South Wales, Western Australian and Northern Territory governments were unable to separate out their Covid-related expenditure on cultural and creative industries from the rest of their Covid-related industry support. Therefore, Covid-related support is not included in this analysis, with the exception of Queensland, who did report Covid support for cultural and creative industries, but were unable to separate that support from the rest of their cultural expenditure.

¹² Meeting of Cultural Ministers Statistics Working Group (MCM-SWG). 2018. "Cultural Funding by Government 2016-17 Report." Australia: Department of Communications and the Arts. <https://www.communications.gov.au/documents/cultural-funding-government-2016-17>.

¹³ Note: The Australian Capital Territory (ACT) does not have a local government structure as the ACT Government fills both a state and local government role. The New South Wales, Western Australian and Northern Territory governments were unable to separate out their Covid-related expenditure on cultural and creative industries from the rest of their Covid-related industry support. Therefore, Covid-related support is not included in this analysis, with the exception of Queensland, who did report Covid support for cultural and creative industries, but were unable to separate that support from the rest of their cultural expenditure.

Acknowledgements

About A New Approach (ANA)

Australians from every walk of life participate in and benefit from arts, culture and creativity. Australia's leading arts and culture think tank, A New Approach (ANA) makes this evident through independent research and analysis. Established in 2018, ANA's work informs debate, shifts beliefs, and inspires better public policy. We leverage our unique independence and expertise to generate the evidence-led insights that underpin our contemporary, pragmatic and non-partisan advice.

ANA acknowledges that it meets, works and travels on the lands of First Nations peoples. We pay our respects to Elders past and present, and to all First Nations peoples.

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