



# The Big Picture 3

**Expenditure on Artistic, Cultural and Creative activity  
by governments in Australia in 2007–08 to 2020–21**

**March 2023**

**A New Approach (ANA)**

# Acknowledgements

## About A New Approach (ANA)

A New Approach (ANA) is Australia's leading think tank focused on arts and culture. We believe Australia can become a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential.

Through credible and independent public leadership, ANA helps build an ambitious and innovative policy and investment environment for arts, culture and creativity.

We work to ensure Australia can be a great place for creators and audiences, whoever they are and wherever they live.

ANA acknowledges the cultures of Aboriginal and Torres Strait Islander peoples in Australia and their continuing cultural and creative practices in this land.

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# About This Report

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This report was written by Angela Vivian and Kate Fielding from A New Approach (ANA) and Tim Acker from Tracker Development. The primary research underpinning it was led by Tim Acker.

Expert advice was provided on early drafts of this report by artsACT and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. However, any errors are our own. If you notice any errors, please get in contact at the contact details provided on this page.

ANA thanks all the people who generously reviewed this paper for their time and excellent feedback, including members of ANA's Board and Reference Group.

The opinions in this Insight Report do not necessarily represent the views of ANA's funding partners, the individual members involved in governance or advisory groups, or others who have provided input.

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## The Insight Series

This paper is the ninth in ANA's Insight series. Our Insight Reports provide a deep dive into research and analysis of a particular arts and cultural policy topic or other area of interest.

Find all of our previous work at [www.newapproach.org.au](http://www.newapproach.org.au).

Contact us about this work via [hello@newapproach.org.au](mailto:hello@newapproach.org.au).

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# Executive Summary

One hundred departments (including selected agencies and authorities) across the three levels of government are identified as investing in cultural and creative activities in the 2020–21 cultural funding by governments survey.

This striking figure – which represents four more departments than in 2019–20 – suggests that the three levels of government recognise the diverse roles played by cultural and creative activity across their portfolios and in Australia's economic, social, environmental and cultural vitality. ANA's third report in our Big Picture series of research recommends changes that will make these various departments' investments more transparent and coordinated.

More broadly, this report provides an updated overview of trends in arts and culture expenditure by governments in Australia between the years of 2007–08 and 2020–21. The research draws on a new release of Australia's most comprehensive dataset on this topic, the cultural funding by governments series (CFG). This report also explores the opportunities for change based on the CFG survey of agencies and its administratively collected data as well as cross-country comparisons produced by the Organisation for Economic Co-operation and Development (OECD).<sup>1</sup>

The impacts of the COVID-19 pandemic – on the amount of government expenditure, the operations of the cultural and creative industries, and the ways that governments have collected and reported this expenditure data – are the critical context for this new review of cultural funding by governments. The Findings and Opportunities must be read with this context in mind.

Financial measures to address the impacts of COVID-19 and to stabilise the economy are a significant element of the 2020–21 data, as they were in 2019–20. ANA has found that over the two financial years of the pandemic, eligible businesses, programs and initiatives within the broad cultural and creative industries received \$12.5 billion of this 'targeted' (specifically for cultural activities) and 'wider economy' COVID-19 support funding. It is worth emphasising that the wider economy measures, which were available across most industries, form the lion's share of the \$12.5 billion.

We report on these temporary investments by governments to explore the opportunities within cultural and creative industries to harness the experience and significant expenditure of the last two years for future crisis planning and responses.

To optimise and coordinate financial inflows in arts and culture during a crisis and to support COVID-19 recovery initiatives, we recommend building a shared understanding of the impacts of dynamic public health and economic pressures. This report also recommends piloting a partnership framework (and evaluating its impacts) around cross-portfolio themes such as 'health', 'place' or 'productivity'.

There are also changes to monitor beyond the COVID-19 pandemic in this year's stocktake. This research has found that 'non-COVID-19 expenditure' on arts and culture across Australia's three levels of government decreased to \$7.2 billion in 2020-21: a change that must still be considered in the context of the COVID-19 support, as well as in an environment of ever-increasing fiscal and economic pressures. ANA's findings on this recent drop in investment will be monitored in future releases of ANA's *Big Picture* series.

Trends explored in ANA's two previous *Big Picture* reports reappear. In 2020-21, the growth in non-COVID-19 expenditure on arts and culture by all levels of government continued to lag Australia's population growth.

More broadly, Australia is still spending less as a share of GDP on recreation, culture and religion compared to most of its OECD peers, ranking 23rd of 31 OECD countries in 2020 in this internationally comparable area of government spending.

The report notes that this evidence raises further questions rather than clear answers, including about the global role of governments in stimulating and underpinning arts and culture alongside other sources of direct and indirect investment.

In 2023, the Australian federal government announced *Revive: Australia's Cultural Policy for the next five years* ('Australia's National Cultural Policy'), which contains principles guiding both its actions and investments.<sup>2</sup> That policy document quotes ANA's submission to the national consultation, namely that 'Australia can become a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential.'<sup>3</sup>

In our submission, ANA also recommended a multidecadal plan; an environmental scan; and a partnership framework. This report - Big Picture 3 - builds on those recommendations, outlining the opportunities and implementation pathways for *distributing, preserving and partnering* in the investments announced in the policy and over the next decade. For example, the pathways identified include 'place-based' collaboration, international people-to-people exchange and more granular reporting by governments themselves on both the character and performance of this expenditure.

ANA will continue to harness the insights of this research as Australia's National Cultural Policy is introduced and implemented from 2023. We also hope this research can support the collective efforts to work through the practical implications of the declaration of culture as a 'global public good', alongside the global public goods of health, information, economy, science, digital and peace<sup>4</sup> - a decision adopted in 2022 by 150 UNESCO member states, including Australia.<sup>5</sup>

# **How can Australia become a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential?**



# Key Findings

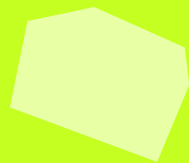
The following findings summarise ANA's analysis of government investment in arts and culture in Australia between 2007-08 and 2020-21, including how the investment has changed over time and how Australia compares with other countries in this area of investment.

## Finding 01.



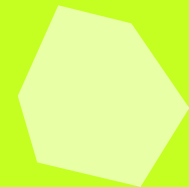
Since the start of the pandemic, governments have directed \$12.5 billion to cultural and creative industries in response to COVID-19, in the form of targeted COVID-19 support and wider economy COVID-19 support. This represents 46% of total government expenditure on cultural and creative industries (both COVID-19 and non-COVID-19 expenditure) in the last two financial years. \$8.1 billion of this was in 2020-21.

## Finding 02.



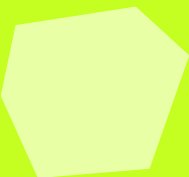
Government spending on recreation, culture and religion in Australia is below that of many of our international peers. In 2020, OECD countries on average spent 1.35% of total GDP for the purposes of recreation, culture and religion; Australia spent 0.98% of its GDP, placing us ahead of other English-speaking countries (the United States and United Kingdom) yet 23rd out of 31 OECD countries. Australia has remained below the OECD average from 2017 to 2020.

## Finding 03.



Non-COVID-19 expenditure on arts and culture across the three levels of government was \$7.2 billion in 2020-21. This is a 1% decrease from 2019-20 when adjusted for inflation, a reduction of \$85.6 million in real terms.

## Finding 04.

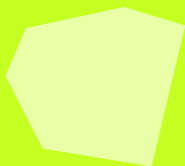


Non-COVID-19 expenditure on arts and culture is not keeping pace with population growth. Australia's population increased by 20% between 2007-08 and 2020-21 to around 26 million, while expenditure on arts and culture over that time increased by 10%. In 2020-21, per capita government expenditure on arts and culture was \$279. For comparison, the figure in 2007-08 was \$307 per person when adjusted for inflation.

# Key Findings

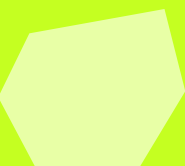
The following findings summarise ANA's analysis of government investment in arts and culture in Australia between 2007-08 and 2020-21, including how the investment has changed over time and how Australia compares with other countries in this area of investment.

## Finding 05.



In 2020-21, the state and territory governments' share of non-COVID-19 expenditure on arts and culture was the highest on record (37%), and the federal government's share was the second lowest on record (38%). The local government share has decreased every year since a peak of over 27% in 2016-17; in 2020-21, it was less than 25%.

## Finding 06.



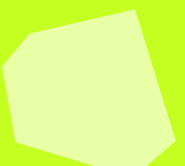
Capital expenditure has slowly but steadily increased as a share of non-COVID-19 expenditure on arts and culture in Australia. Capital expenditure represented 17% of non-COVID-19 expenditure on arts and culture during 2020-21, significantly up from 11% in 2007-08, though slightly down on the 18% recorded in 2017-18.

## Finding 07.



In 2020-21, Museums, Libraries, Archives and Heritage accounted for 38% of government expenditure on arts and culture (including targeted COVID-19 support and excluding local government spending). Arts accounted for 32%; Film, Radio and Television accounted for 30%. The long-term decrease in the share of this expenditure on the Film, Radio and Television category continues. Conversely, the Arts category has increased its share and, in 2020-21, reached its highest level.

## Finding 08.



Since 2007-08, the federal government has typically contributed more than 90% of government expenditure on the Film, Radio and Television category (exclusive of local government). State and territory governments have typically contributed more than 60% of the public investment in both the Arts category and Museums, Archives, Libraries and Heritage category (exclusive of local government).

# Key Opportunities and Implementation Pathways

The following opportunities summarise the key changes that governments can implement to ensure Australia is optimising cross-government, cross-jurisdictional investments in arts and culture.

## Opportunity 01.



**Construct a partnership framework to underpin the Australian National Cultural Policy, elevating collaboration as a competitive advantage; describing existing intergovernmental arrangements and the potential for new agreements and/or accords; and outlining the desired relationships with different agencies, portfolios, industry operators, philanthropic entities and investors that are required for success.**

Implementation Pathway: Pilot and evaluate the impacts of a partnership framework around cross-portfolio themes such as 'health', 'place' or 'productivity'.

## Opportunity 02.



**Include in forward estimates a funding envelope to establish an infrastructure and workforce development pipeline.**

Implementation Pathway: Consult a representative sample of receiving institutions on an investment approach that considers capital and recurrent costs. Use the reconvened intergovernmental meetings between Commonwealth, state, and territory cultural ministers and the Australian Local Government Association to understand impacts on local governments.

## Opportunity 03.



**Devise a multidecadal plan identifying short, medium and longer-term goals and minimum required investment for the pipeline of infrastructure and workforce development.**

Implementation Pathway: To inform the measures in a plan, the bipartisan proposal for a Productivity Commission inquiry 'into the legislative arrangements that govern funding of artistic programs and activities at all levels of government' should proceed. Its report to government should:

- Analyse the cross-sectoral enablers of productivity identified in the most recent five-year productivity inquiry as they specifically apply to arts and culture.
- Identify a cross-portfolio theme for coordinated, temporary government assistance in arts and culture to be less funding-driven and to take advantage of the relative strengths and legal responsibilities of the different levels of government (see Opportunity 1).
- Consider including 'arts and cultural services' in future iterations of the Report on Government Services (see Opportunity 5).
- Examine and quantify the costs and benefits of government assistance in arts and culture, comparing the quantum of this assistance with the 'value added' and social and policy objectives of these activities (e.g. access to diverse cultural and creative experiences).

# Key Opportunities and Implementation Pathways

The following opportunities summarise the key changes that governments can implement to ensure Australia is optimising cross-government, cross-jurisdictional investments in arts and culture.

## Opportunity 04.



**To 'preserve' and 'strengthen' the financing of culture – which UNESCO has declared a global 'public good' – review examples of countries in the OECD with outstanding investment in arts and culture, including from government and other investment sources.**

Implementation Pathway: Support people-to-people exchange and collaborate with civil society organisations at both national and regional levels on this topic.

## Opportunity 05.



**To enhance the transparency of investments under the Australian National Cultural Policy, and noting the cultural funding by more than one hundred government departments and agencies identified in the CFG survey, experiment with deeper granularity of the data collection and reporting instruments (e.g. 'by portfolio' and 'by postcode').**

Implementation Pathway: Review other countries' methods for estimating and reporting on expenditure on arts and culture. Consider performance reporting on 'arts and cultural services' in future releases of the whole-of-government Productivity Commission's annual Report on Government Services (See Opportunity 3).

## Opportunity 06.



**To inform decisions about any future temporary financial measures, and as the COVID-19 financial measures are phased out, conduct a national environmental scan.**

Implementation Pathway: Build and regularly update shared understanding of the different strategies and policies concerning arts and culture across Australian jurisdictions and the impacts of dynamic public health and economic pressures.

# Introduction

## In This Section

**Introducing This Report**

**How to Use This Report**

# Introducing This Report

This report's overview of trends in government expenditure on arts and culture in Australia between 2007-08 and 2020-21 captures investments that underpin a nationwide ecosystem of opportunities for people to create and experience Australia's heritage and culture and that contribute to growing Australia's wealth and prosperity. It examines this expenditure over time and across Australia's three levels of government (federal,<sup>6</sup> state and territory, and local) and situates the expenditure of governments in Australia against international estimates. It also considers data included in the CFG survey regarding recent investment in response to the COVID-19 pandemic in the broader cultural and creative industries.

The long-running CFG survey captures expenditure on cultural and creative organisations, individuals and activities of all scales across remote, regional and metropolitan Australia. Examples of the kinds of institutions and events that may be represented in the multi-year survey data include the [National Museum of Australia](#), [Darwin Aboriginal Arts Fair](#), [Back to Back Theatre](#) and [Highway to Hell](#).<sup>7</sup> Widely available services such as radio, television, public libraries and local festivals are also included, as well as the 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.<sup>8</sup>

The CFG series collects and presents aggregated data about this expenditure and involves a coordinated effort between the relevant federal and state and territory government departments. Reports are prepared by a consultant from the Australian Bureau of Statistics (ABS).<sup>9</sup>

While the CFG series therefore provides Australia with the most complete view of the expenditure on arts and culture in Australia across governments, it is important to note that it does not capture all expenditure,<sup>10</sup> that it has not been conducted every year and that there have been methodology changes in the CFG survey over time. Importantly, the two most recent collections include data about investment in response to COVID-19, using a scope that includes cultural and creative industries more broadly. Nevertheless, it is our most comprehensive tool for assessing Australia's cultural expenditure landscape – a financial 'stocktake'.

This is the third report in ANA's research series on cultural funding by governments. The strongest conclusion from past reports is that Australia's governments recognise the significance and relevance of arts and culture in the lives of Australians, with all three levels of government investing in these activities and infrastructure. ANA's main objective in analysing and visualising these data from various standpoints has been to identify strategic and structural opportunities for change. (Please refer to Box 1, below, for a summary of the Big Picture research series and its purpose.)

Disruptions caused by the COVID-19 pandemic frame the last two years, and the 2020-21 data release reflects these disruptions. Analysing the data about these financial measures and the non-COVID-19 expenditure reported in the CFG series, [Part 1](#) of this report explores the following questions:

**01.**

**How much COVID-19-related support did arts and culture organisations and businesses, and cultural and creative industries more broadly, receive during the last two financial years? How was this support divided across the different levels of government and different categories of cultural and creative experience? How does this compare with non-COVID-19 expenditure on arts and culture?**

**02.**

**Did governments' expenditure on arts and culture match population growth? Did 2020-21 expenditure on arts and culture as a percentage of GDP grow or shrink?**

**03.**

**What was the distribution and how much was spent on capital versus recurrent expenditure across each level of government?**

**05.**

**What changes can be observed over time, both nationally and in each state and territory?**

**04.**

**What is the distribution of expenditure across the three overarching categories: the Arts; Film, Radio and Television; and Galleries, Libraries, Archives and Museums? Which overarching categories do different levels of government focus on?**

In [Part 2](#), we explore the implications of our findings on these questions, unpacking them within the context of announcements about the Australian National Cultural Policy and international developments in cultural policy-making and financing around the world. We have identified pathways for building success in the future of such investments' distribution, preservation and partnerships.

### Box 1: ANA analysis of cultural funding by governments over the years

The first report ANA published drew on the CFG and was called 'The Big Picture: Public Expenditure on Artistic, Cultural and Creative Activity in Australia'.

That report argued that without strategic and coordinated effort across all levels of government, Australia risks deterioration in its cultural fabric and a loss of the benefits it provides.

In February 2022, ANA released The Big Picture 2: Public Expenditure on Artistic, Cultural and Creative Activity in Australia in 2007–08 to 2019–20,<sup>11</sup> building on the initial observations about the CFG and noting an opportunity to use strategic investment to transform and embolden our cultural landscape and to serve and reflect our contemporary public. We called for the development of a National Cultural Plan.

The primary purpose of ANA's *Big Picture* series is to understand the long-term story of cultural funding in Australia, in recognition of the significant debates about financing arts and culture in Australia. The series can be read in conversation with overviews published by the Cultural and Creative Statistics Working Group (and previously, the Meeting of Cultural Ministers). Those overviews compare the change from the previous year and use some different labelling to ANA's reports, including capturing the funding by governments under the broader categories of 'Arts' and 'Heritage'. The 2020–21 overview also reports on the totals values differently to ANA, particularly regarding COVID-19 supports. Appendix 1 provides more information on some of these differences and on ANA's methodology.



# How to Use This Report

We recommend using this report to better understand trends in government expenditure on arts and culture over the last 14 years in Australia, their implications and the opportunities for change and growth.

## Elected Members and Policy Advisers

Use this report to better understand cultural expenditure trends over the last 14 years in Australia. This may assist you in strategic discussions about effective investment, regulation and policy settings for cultural and creative industries and in exploring new policy opportunities with your stakeholders.



## Cultural and Creative Organisations and Individuals

Use this report to better understand which levels of government spend how much on what aspects of arts and culture. This may assist you in preparing advocacy documents and grant applications, as well as in participating in discussions about investment in the cultural and creative economy with your peers and your political representatives.



## Economists and Economic Advisors

Use this report to understand and visualise the trends in expenditure on arts and culture in Australia, adjusted for inflation, over the last 14 years. This may provide new insights into the opportunities for more effective investment, regulation and policy settings for cultural and creative industries.



## Philanthropists and Sponsors of Arts and Culture

Use this report to understand the context around expenditure on arts and culture and policy settings in Australia, which may help inform your investments and donations to arts and cultural organisations. It may assist you in discussions about how to strategically partner with governments in cultural spending.



## Researchers and Educators

Use this report as a resource that collates, analyses and visualises the trends in government expenditure on arts and culture in Australia over the last 14 years. This may provide you with data to add to reports, peer-reviewed research, and presentations, as well as to assist you in identifying productive areas of further inquiry. It may also be valuable as an accessible introduction to this area for students in cultural and creative industries courses.



## Media, Content Creators and Platforms for Creative Content

Use this report to better understand trends in cultural expenditure by governments in Australia. Get in touch with ANA about media opportunities using the contact details on p. 3.



## International Audiences

The international comparisons it contains may be useful in exploring cultural expenditure in different nations. For international readers, this report can also be used as an example of trend analysis of cultural expenditure by governments at national and sub-national levels.



# Part 1: Findings

## In This Section

**1.1 Expenditure on Arts and Culture in the Time of COVID-19, 2019–20 and 2020–21**

**1.2 Expenditure (Including Targeted COVID-19 Support) Across Categories of Cultural and Creative Experience, 2007–08 to 2020–21**

**1.3 Non-COVID-19 Expenditure Over Time**

**1.4 Non-COVID-19 Expenditure by Level of Government**

**1.5 Non-COVID-19 Expenditure by Type (Recurrent or Capital)**

**1.6 Non-COVID-19 Expenditure by Jurisdiction**

**Summary of Findings**

# We know from our research that Australians value arts and culture.

For example, middle Australians<sup>12</sup> of all ages have told us that a world without arts and culture would lack colour, expression and freedom.<sup>13</sup> In addition, research has shown that 'cultural and creative activity'<sup>14</sup> has a role in Australia's prosperity and wealth. This can be measured in various ways, including as its contribution to GDP. In 2019–20 – the most recent year for which relevant data are available – the GDP contribution was 6.2%.<sup>15</sup>

Governments reflect this understanding through their respective expenditure on arts and culture. In Part 1, we look at the big picture of this government expenditure through these questions.

01.

How has this investment changed over time?

02.

Are our investments keeping up with population growth, inflation and our neighbours and peers abroad?

03.

Does more funding go to capital or to recurrent expenditure?

04.

Which types of cultural and creative experiences do the different levels of governments focus on through their expenditure?

05.

And does location impact the extent of assistance from state, territory and local governments?

## 1.1

# Expenditure on Arts and Culture in the Time of COVID-19, 2019–20 and 2020–21

The majority of this report – and the Big Picture series more generally – excludes data on COVID-19 support in its analysis. This ‘non-COVID-19 expenditure’ on arts and culture sheds light on longer-term trends by allowing continuity and comparability with earlier data.

To understand the total assistance delivered by governments, the exceptions to this approach are:

- the analysis in this section (Part 1.1), which reviews expenditure on cultural and creative industries in response to COVID-19 and therefore includes these data.
- [Part 1.2](#), which analyses data across three categories of cultural and creative experience. The CFG data does not show COVID-19 support separately for different types of cultural and creative experiences; only the aggregate non-COVID-19 and COVID-19 figures are provided.

The CFG data reflect policy responses to the pandemic by integrating available information on COVID-19 support from different collection sources (i.e. a survey of 100 agencies and associated administrative data). This support came in two broad categories:

- **Targeted COVID-19 support** was provided by federal and state and territory governments. This funding responded to the particular challenges faced by the cultural and creative industries and was available for eligible organisations and infrastructure, businesses, individuals, support programs and initiatives.<sup>16</sup>
- **Wider economy COVID-19 support** was provided by the federal government for eligible businesses and individuals, including those in the cultural and creative industries. This included JobKeeper payments and the Boosting Cash Flow for Employers program. In 2020–21, states and territories also reported some wider economy support.<sup>17</sup>

It is important to note that these figures capture different sectors and sub-sectors, and different methodologies have been used for their collection. Appendix 1 compares these data inclusions.

Table 1 shows that governments have directed \$15.3 billion in total to organisations and individuals working in the cultural and creative industries during the 2020-21 financial year (the sum of non-COVID-19 and COVID-19-related expenditure).

Specifically:

- \$7.2 billion of non-COVID-19 expenditure;
- \$0.5 billion of targeted COVID-19 support by federal, state and territory governments (e.g. Restart Investment to Sustain and Expand (RISE) Fund, COVID-19 Arts Sustainability Fund, funding to Support Act);<sup>18</sup> and
- \$7.6 billion of wider economy COVID-19 support (e.g. JobKeeper and Boosting Cash Flow for Employers [BCFE]) to eligible businesses and individuals in cultural and creative industries.<sup>19</sup>

**Table 1: Government expenditure on arts and culture (including cultural and creative industries) in 2020-21**

	Non-COVID-19 Expenditure	Targeted COVID-19 Support	Wider Economy COVID-19 Support	TOTAL \$B	TOTAL %	Expenditure Including Targeted COVID-19 Support	Targeted and Wider Economy COVID-19 Support
	(a)	(b)	(c)	(a+b+c)	(a+b+c)	(a+b)	(b+c)
<b>Australian Government</b>	\$2.7	\$0.2	\$7.5	<b>\$10.4</b>	<b>68%</b>	\$3.0	\$7.7
<b>State and Territory Governments</b>	\$2.7	\$0.3	\$0.2	<b>\$3.1</b>	<b>20%</b>	\$3.0	\$0.5
<b>Local Government</b>	\$1.8	-	-	<b>\$1.8</b>	<b>12%</b>	\$1.8	-
<b>TOTALS</b>	\$7.2	\$0.5	\$7.6	<b>\$15.3</b>	<b>100%</b>	\$7.8	\$8.1

**Notes:** All \$ figures in billions. 2020-21 data only.<sup>20</sup>

Table 2 shows that since the start of the pandemic, governments have directed \$12.5 billion to cultural and creative industries in response to COVID-19, which represents 46% of the total expenditure (both COVID-19 and non-COVID-19) described in the CFG survey in the last two financial years.

**Table 2: Government expenditure on arts and culture (including cultural and creative industries) in 2019–20 and 2020–21 (adjusted to June 2021)**

	Non-COVID-19 Expenditure	Targeted COVID-19 Support	Wider Economy COVID-19 Support	TOTAL	Targeted and Wider Economy COVID-19 Support
	(a)	(b)	(c)		(b+c)
<b>2019–20</b>	\$7.3	\$0.1	\$4.2	\$11.6	\$4.3
<b>2020–21</b>	\$7.2	\$0.5	\$7.6	\$15.3	\$8.1
<b>TOTALS \$</b>	\$14.5	\$0.6	\$11.9	\$26.9	\$12.5
<b>TOTALS %</b>	54%	2%	44%	100%	46%

**Notes:** All \$ figures in billions. 2019–20 and 2020–21 data.<sup>21</sup>

## 1.2

# Expenditure (Including Targeted COVID-19 Support) Across Categories of Cultural and Creative Experience, 2007–08 to 2020–21

The CFG includes a breakdown of expenditure on 24 different types of cultural and creative experiences, albeit only at the federal and state and territory levels, as local governments are not required to provide these data. As noted in [Part 1.1](#), this expenditure includes targeted COVID-19 support.<sup>22</sup>

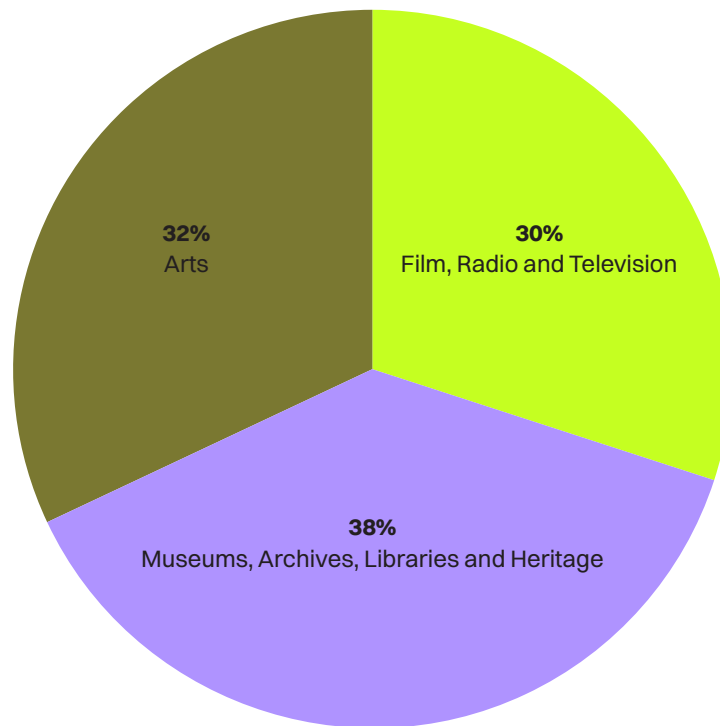
To understand the experiences available to Australians that these investments focus upon and whether there have been any significant changes over time, we have grouped expenditure on these 24 types into three overarching categories (see Table 3).

**Table 3:** Categories of ‘cultural and creative experience’ captured in the CFG

<b>Film, Radio and Television</b>	Radio and Television Services Film and Video Production and Distribution
<b>Museums, Archives, Libraries and Heritage</b>	Art Museums Other Museums and Cultural Heritage Libraries Archives
<b>Arts</b>	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 Interactive Arts Content Arts Education Community Arts and Cultural Development Multi-arts Festivals Arts Administration Other Arts

In 2020-21, the proportion of expenditure across the three overarching categories was 38% to museums, archives, libraries and heritage; 30% to film, radio and television; and 32% to arts, as shown in Figure 1.

**Figure 1:** Expenditure by category of cultural and creative experience, 2020-21



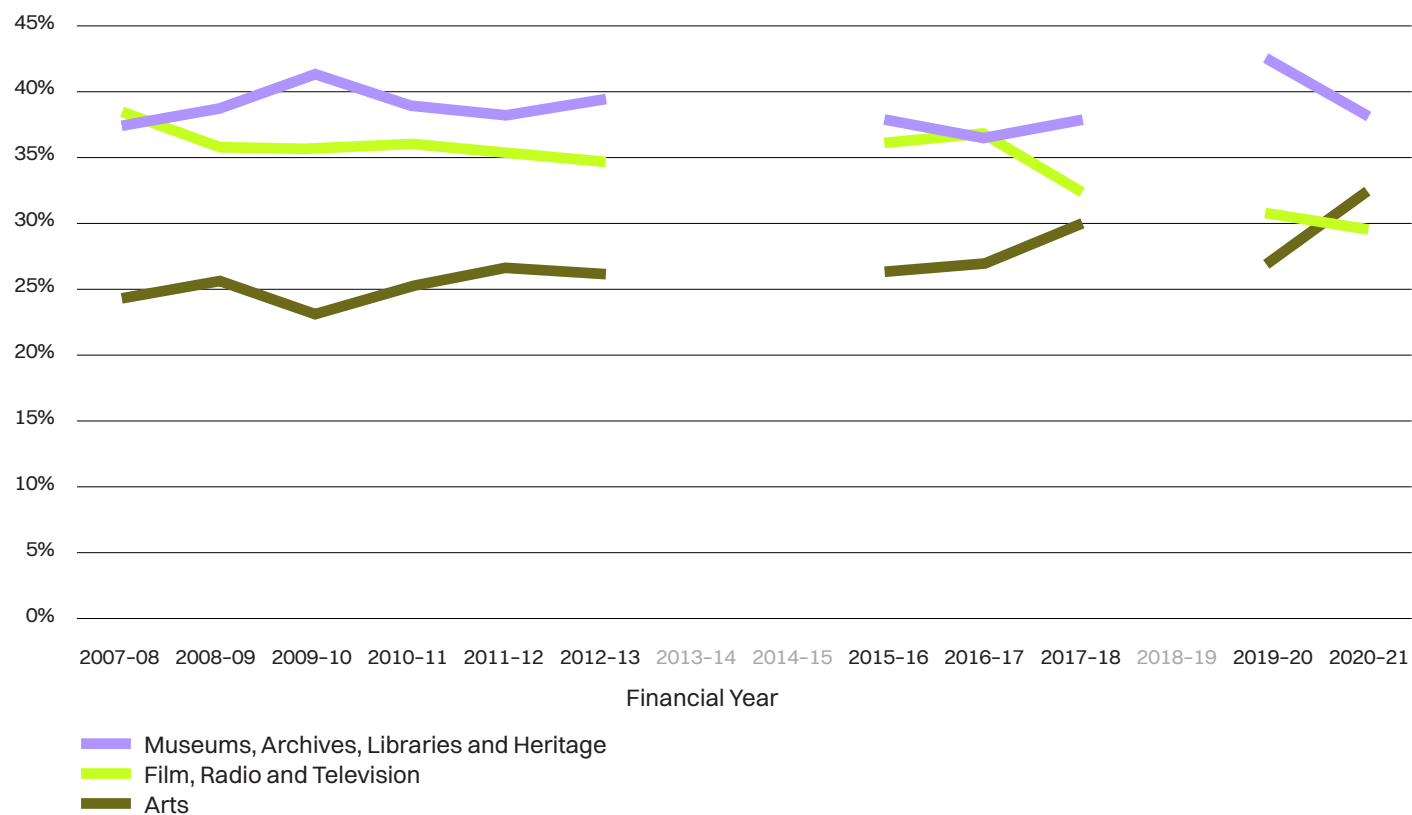
**Notes:** Federal and state and territory governments only. Includes targeted COVID-19 support.

**Museums, Archives, Libraries and Heritage continues to receive the greatest proportion of the arts and culture expenditure of governments.**



Over the 14 years up to 2020-21, the museums, archives, libraries and heritage category has generally received the largest share of expenditure, which, after a spike in 2019-20, has returned to near the long-term average.<sup>23</sup> Arts has seen steady increases over time, with the share in 2020-21 (32%) the highest on record, surpassing the share directed to film, radio and television for the first time. This is largely the result of a long-term decrease in film, radio and television expenditure, which, at 30%, has fallen to its lowest share on record, as seen in Figure 2.

**Figure 2: Expenditure by category of cultural and creative experience, 2007-08 to 2020-21**



**Notes:** 2020-21 includes targeted COVID-19 support.

In 2020-21, the share of expenditure on arts and culture directed to the 'Arts' reached an all-time high, while the share of expenditure on Film, Radio and Television reached a record low.

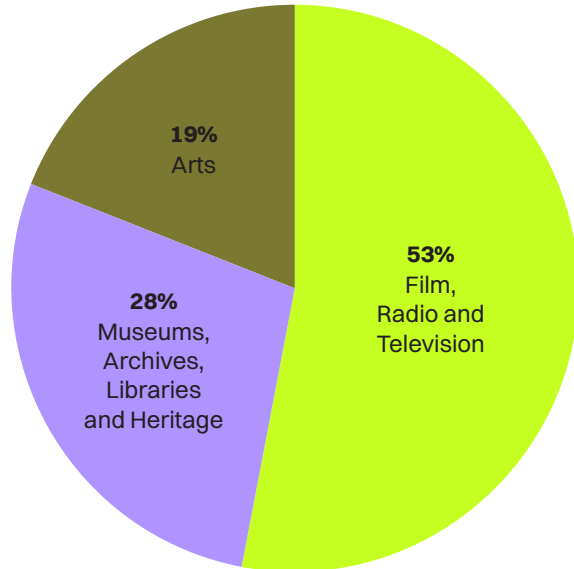
The data also highlight that federal and state and territory governments directed their expenditure to different categories.<sup>24</sup> These two levels of government focus on different areas of arts and culture, as seen in Figures 3 and 4. The federal government has higher film, radio and television expenditure. State and territory governments focus most on museums, archives, libraries and heritage, though only marginally more than arts.

**Federal government expenditure on arts and culture was primarily directed to Film, Radio and Television in 2020-21.**

These proportions show how the federal and state and territory governments split their own cultural budgets among these three categories of cultural and creative experience. We can also look at the total expenditure on arts and culture from federal and state and territory governments split out into these categories to compare where the investment approach of each level of government has been most pronounced since 2007-2008.

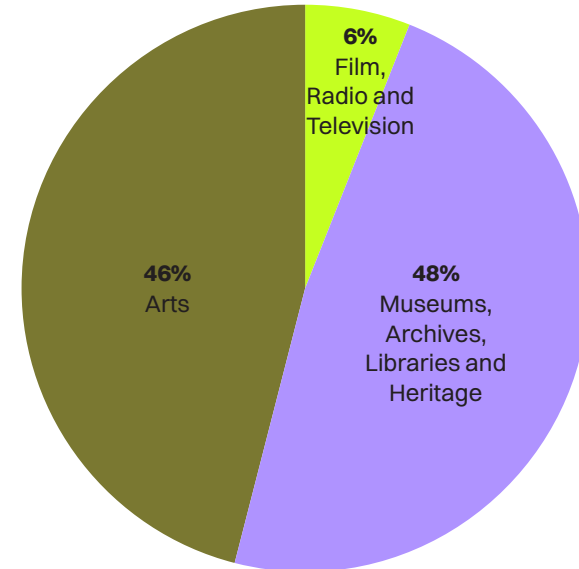
**In 2020-21, state and territory government expenditure on arts and culture was primarily shared between two categories of cultural and creative experience: the Arts category and the Museums, Archives, Libraries and Heritage category.**

**Figure 3: Federal government expenditure by category of cultural and creative experience, 2020-21**



**Notes:** Includes targeted COVID-19 support.

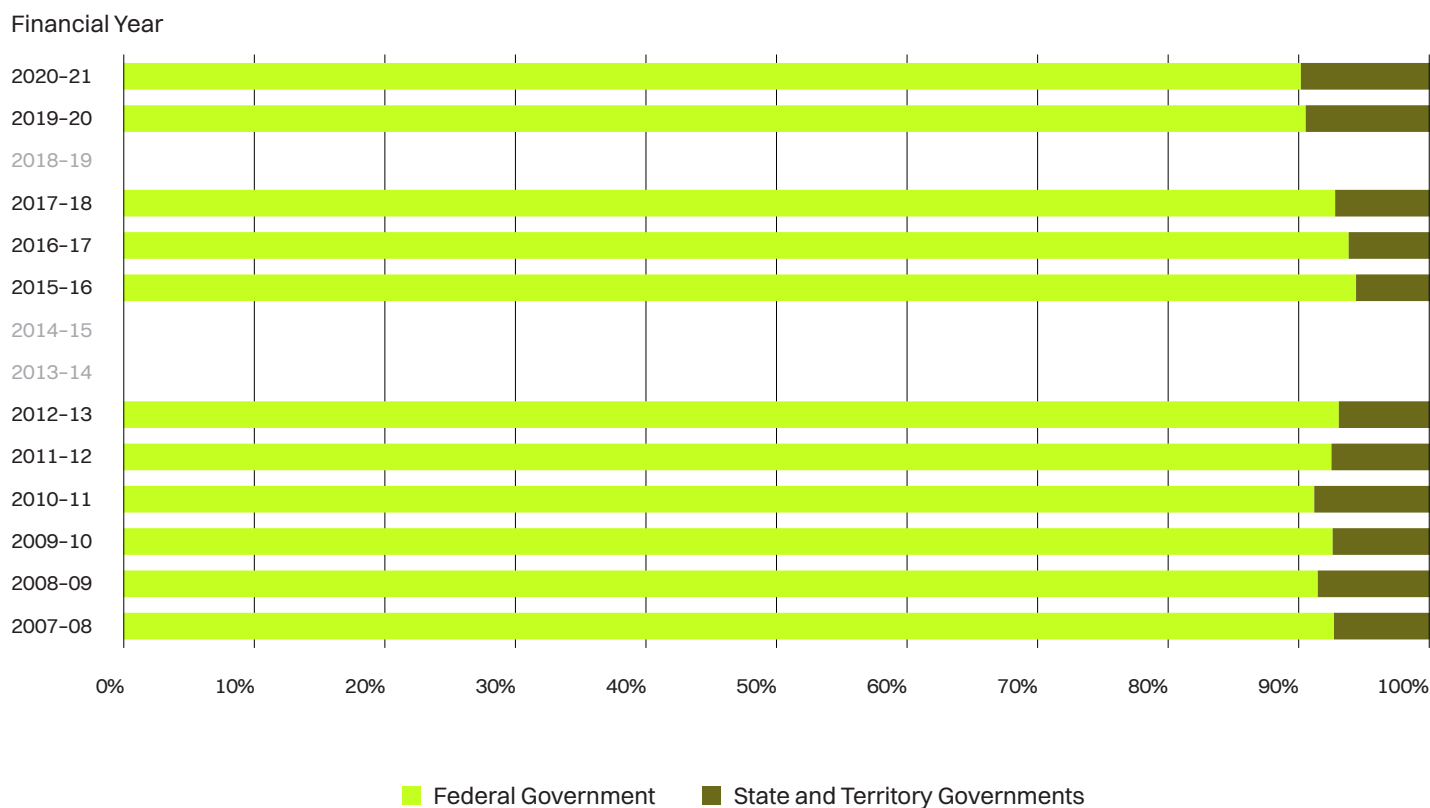
**Figure 4: State and territory government expenditure by category of cultural and creative experience, 2020-21**



**Notes:** Includes targeted COVID-19 support.

Figure 5 shows that, since 2007-08, the federal government has typically contributed over 90% of the public investment in the Film, Radio and Television category. Figures 6 and 7 show that state and territory government investment typically comprises over 60% of all public investment in both the Arts category and Museums, Archives, Libraries and Heritage category (exclusive of local government).

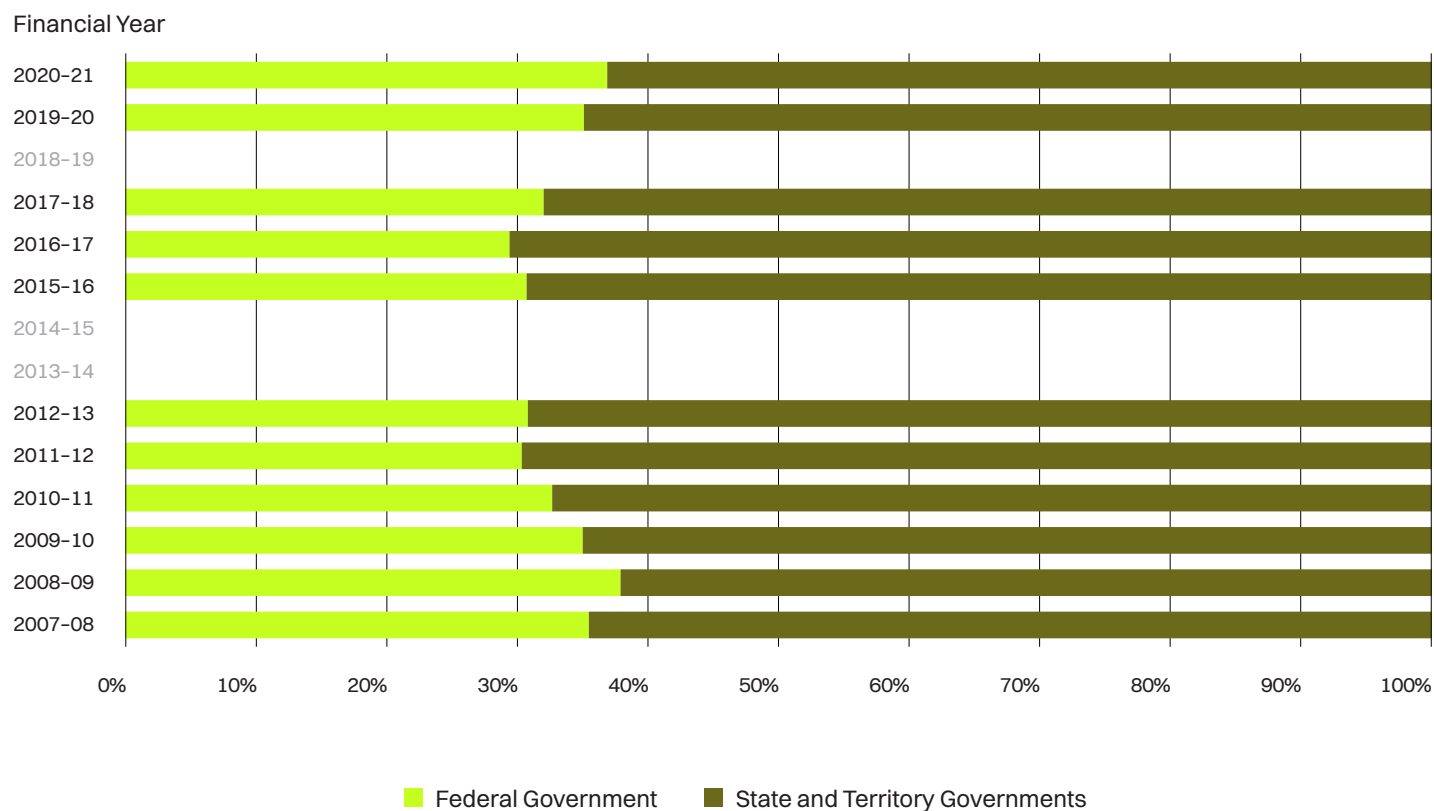
**Figure 5: Expenditure (%) on the Film, Radio and Television category by level of government, 2007-08 to 2020-21**



**Notes:** Federal and state and territory governments data only. 2020-21 shares include targeted COVID-19 support.

Film, Radio and Television receives a larger proportion of its government investment from the federal government.

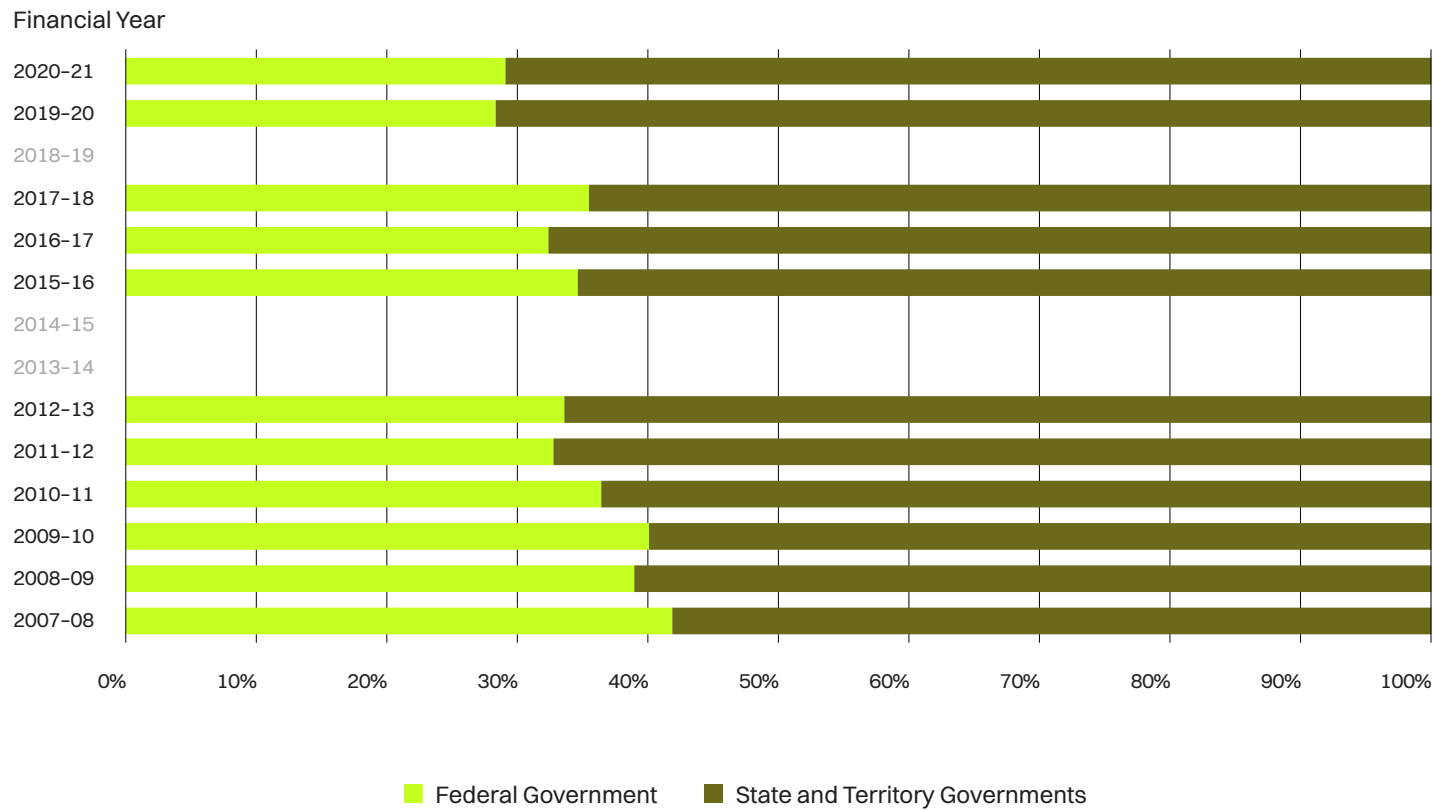
**Figure 6: Expenditure (%) on the Museums, Archives, Libraries and Heritage category by level of government, 2007-08 to 2020-21**



**Notes:** Federal and state and territory governments data only. 2020-21 shares include targeted COVID-19 support.

Museums, Archives, Libraries and Heritage receives a larger proportion of its government investment from state and territory governments.

**Figure 7: Expenditure (%) on the Arts category by level of government, 2007-08 to 2020-21**



**Notes:** Federal and state and territory governments data only. 2020-21 shares include targeted COVID-19 support.

The Arts receives a larger proportion of its government investment from state and territory governments.

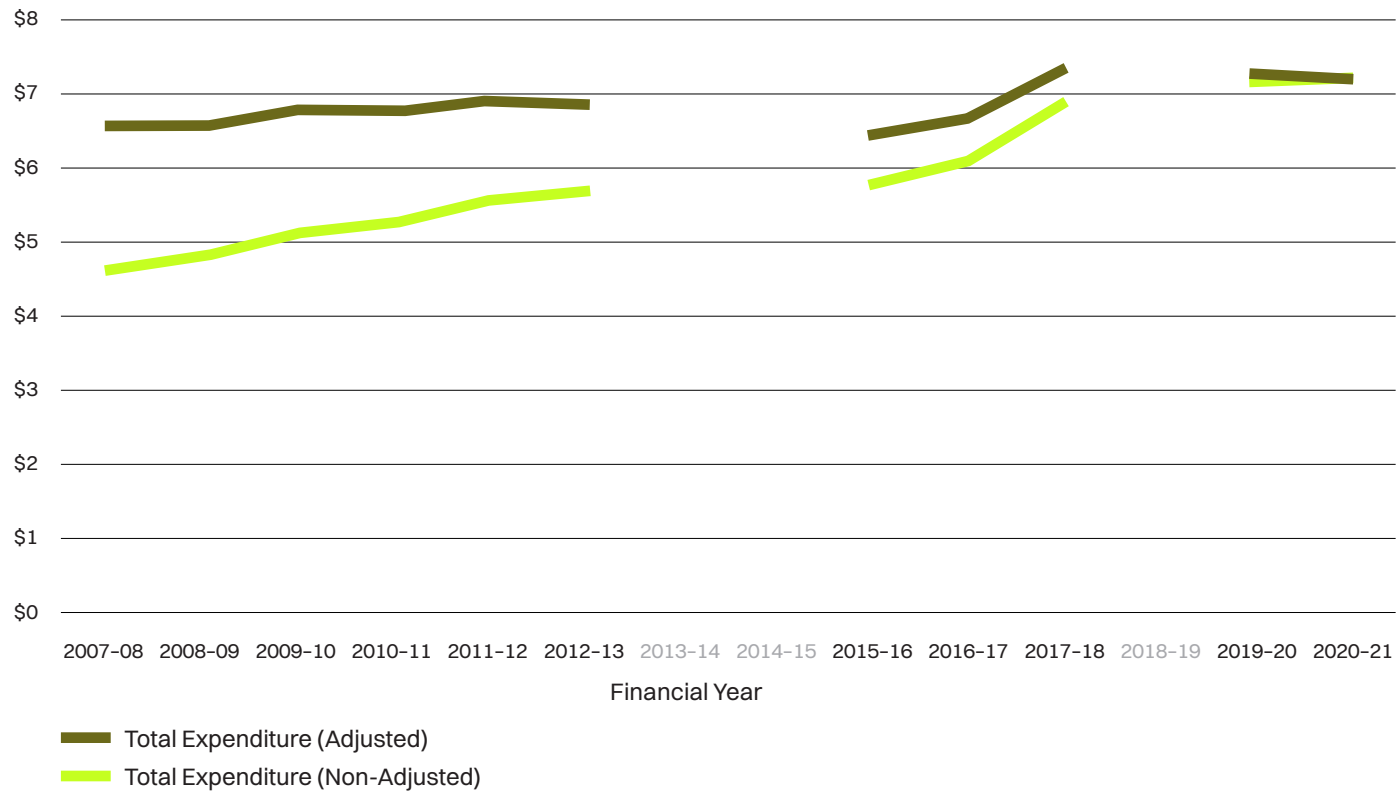
## 1.3

# Non-COVID-19 Expenditure Over Time

Our *Big Picture* reports show changes over time in government expenditure on arts and culture. This allows us to compare 14 years of data. Each year's results are provided in actual amounts (i.e. the 'raw' dollar amounts) recorded in that year. However, over time, costs increase, and buying power decreases. To account for this inflation, adjustments can be made to the raw figures of previous years of data to enable comparisons over time.<sup>25</sup>

The expenditure on arts and culture across all three levels of government in 2020-21 was \$7.2 billion. As shown in Figure 8, this is a 1% decrease from 2019-20 when adjusted for inflation, representing approximately \$85.6 million in real terms.

**Figure 8: Non-COVID-19 expenditure (\$ billions) on arts and culture in Australia, adjusted and non-adjusted, 2007-08 to 2020-21**



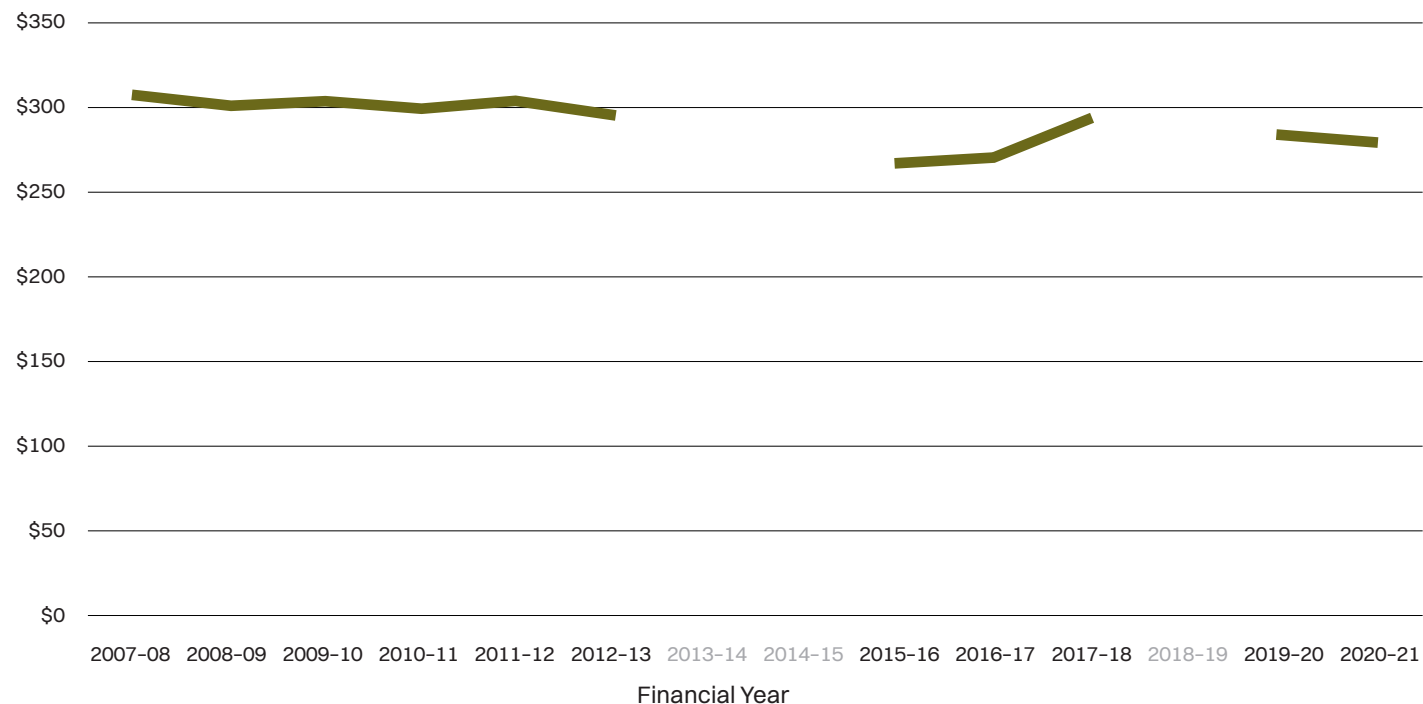
**Notes:** Adjusted to June 2021, wage price index (WPI). All levels of government.

Real expenditure by the three levels of government decreased in 2020-21.

Government expenditure on arts and culture is not keeping pace with population growth. Australia's population increased by 20% between 2007-08 and 2020-21 to around 26 million, while the expenditure over that time increased by 10%.

As Figure 9 shows, population growth is not matched by growth in government expenditure on arts and culture, exemplified by a real decrease in per capita expenditure on arts and culture by 9% over the 14 years of data. In 2020-21, per capita expenditure of the three levels of government was \$279 per person, the third lowest level recorded. In 2007-08, it was \$307 per person.

**Figure 9: Non-COVID-19 expenditure per capita on arts and culture in Australia, 2007-08 to 2020-21**



**Notes:** Adjusted to June 2021, WPI. All levels of government.

Expenditure on arts and culture is not keeping pace with population growth.



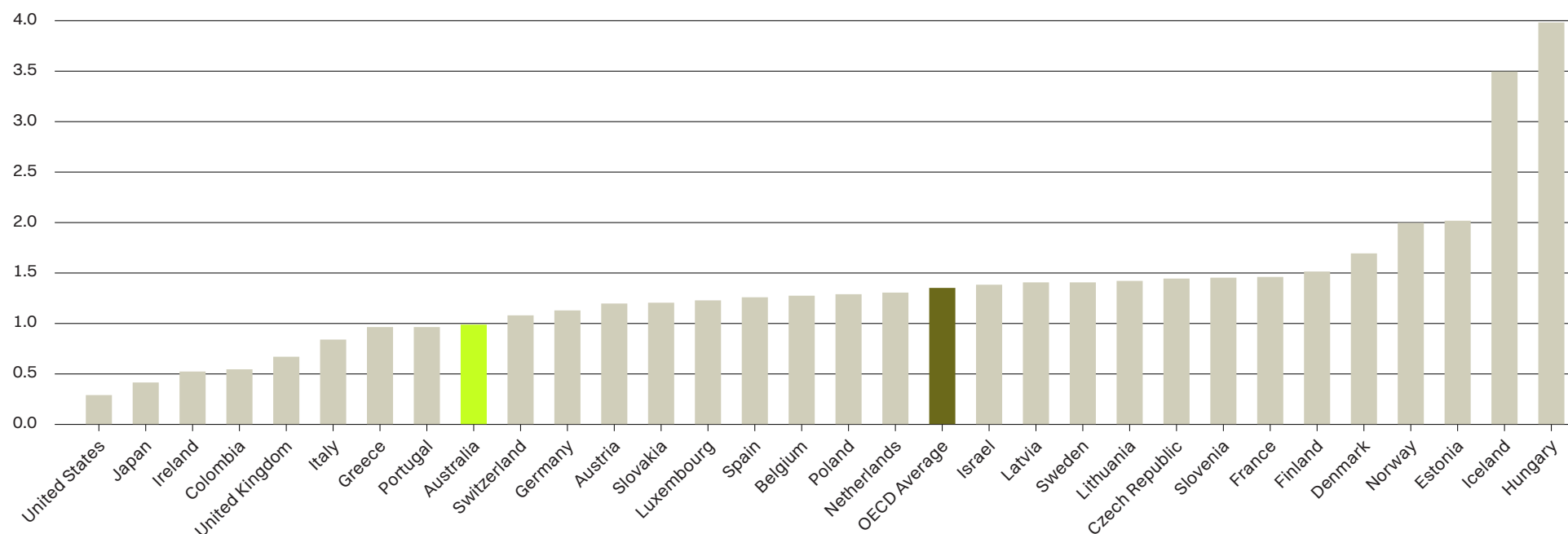
To crosscheck this trend, we compared Australia's government spending with the government spending of other countries.

The OECD reports on the expenditures of its members (including Australia) against the indicator of 'recreation, culture and religion'. While the scope of the OECD data is broader than the scope of the CFG survey and uses different data collection methods, it nonetheless provides an indication of how Australia compares to its international peers through an internationally agreed standard.<sup>26</sup>

In 2020, the most recent year for which data were available, Australia ranked 23rd out of the 31 countries, as shown in Figure 10. Other English-speaking countries (the United States and the United Kingdom) spent less than Australia against this OECD indicator.

Australia ranked 23rd out of 31 OECD countries for its expenditure on 'recreation, culture and religion'.

Figure 10: Government spending (% of GDP) on 'recreation, culture and religion', 2020



Notes: 2020 or most recent year of available data. Data sourced from OECD, General government spending (indicator) (2023), accessed January 26, 2023, <https://doi.org/10.1787/a31cbf4d-en>.

Between 2017 and 2020, average government expenditure on recreation, culture and religion across OECD member states was a little over 1% of GDP. Over the same four years, Australia's governments averaged less than 1%, as seen in Figure 11. These results indicate that Australia is not keeping up with its OECD peers in this comparable area of expenditure.

**Figure 11: Government spending (% of GDP) on 'recreation, culture and religion', 2017-2020**



**Notes:** ANA analysis of data sourced from OECD, General government spending (indicator) (2023), accessed January 26, 2023, <https://doi.org/10.1787/a31cbf4d-en>.

Australian expenditure on 'recreation, culture and religion' has fared poorly against this OECD standard of government spending since at least 2017.

## 1.4

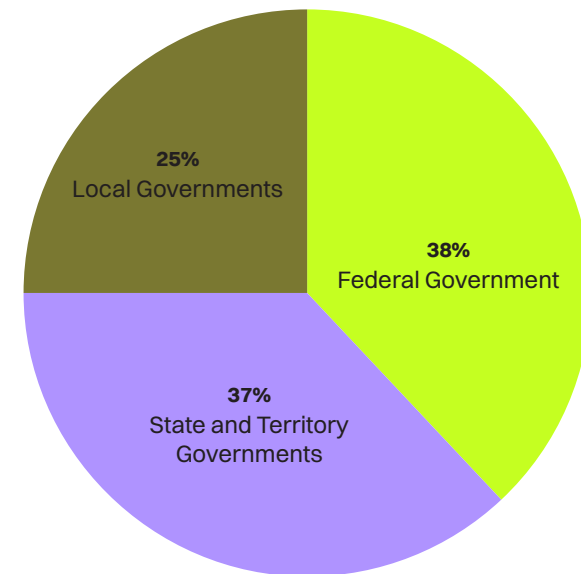
# Non-COVID-19 Expenditure by Level of Government

In this section, we analyse whether non-COVID-19 expenditure on culture is growing, shrinking or staying the same at each level of government.

All three levels of government invest in arts and culture, with the federal government and the state and territory governments each contributing slightly over one third and local governments contributing around one quarter to the investment, as seen in Figure 12. This is similar to the proportions contributed to expenditure on arts and culture in 2019-20.

All three levels of government invested in arts and culture in 2020-21.

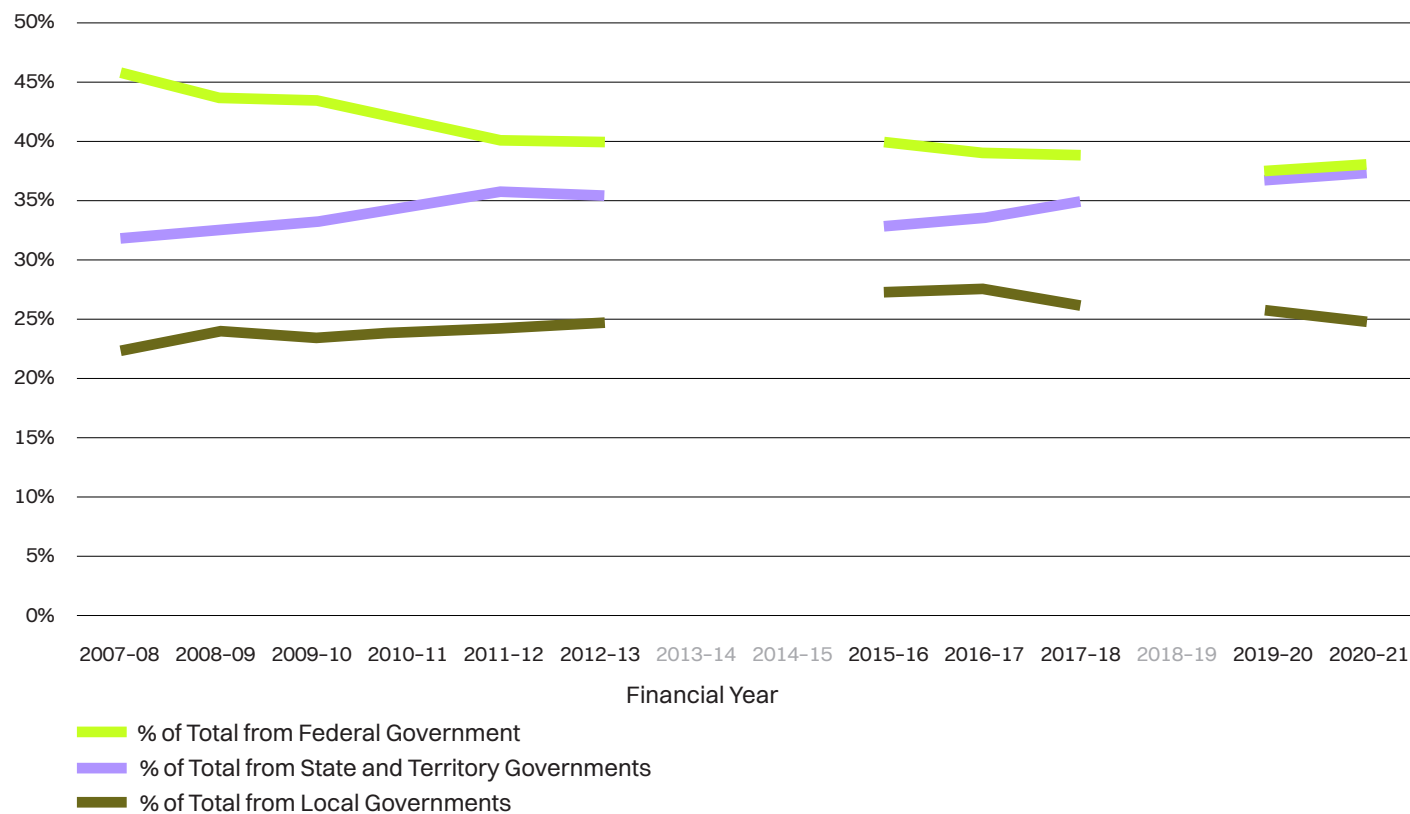
Figure 12: Share of non-COVID-19 expenditure on arts and culture by level of government, 2020-21



As seen in Figure 13, the share of federal government investment has decreased since 2007-08. In that year, federal government expenditure comprised 46% of total government expenditure on arts and culture. In 2020-21, it was 38%, a fall of eight percentage points over the years, but one percent increase from 2019-20.

Local, state and territory governments have increased their share of total investment. State and territory government expenditure as a proportion of total government expenditure on arts and culture has grown by 17% over the 14-year period. The local government share is a more variable story: increasing consistently for the first 10 years to reach 28% of total funding in 2016-17 but, thereafter, decreasing to 25%, the lowest proportion since 2012-13.

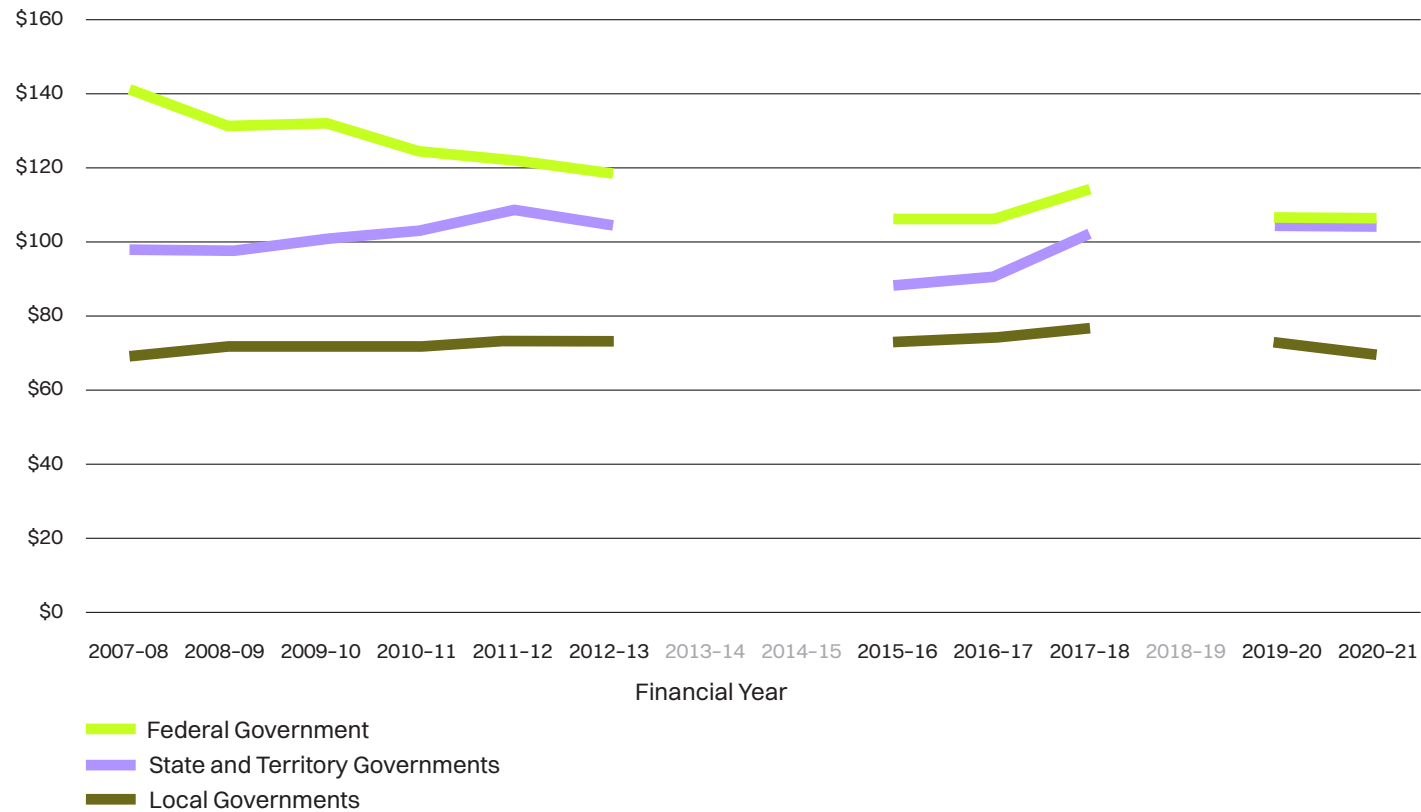
**Figure 13: Share of non-COVID-19 expenditure on arts and culture by level of government, 2007-08 to 2020-21**



The federal government and state and territory governments now contribute very similar shares of expenditure on arts and culture.

Figure 14 shows the changes over time in per capita expenditure on arts and culture by each level of government since 2007–08. In 2020–21, federal per capita expenditure was at its second lowest level, at \$106; state and territory per capita expenditure was at its fourth highest level, at \$104. Local government's \$69 per person in 2020–21 is the second lowest level on record.

**Figure 14:** Per capita non-COVID-19 expenditure on arts and culture by level of government, 2007–08 to 2020–21



**Notes:** Adjusted to June 2021, WPI.

On a per capita basis, local governments' share of government expenditure on arts and culture has decreased to its lowest proportion since 2012–13.

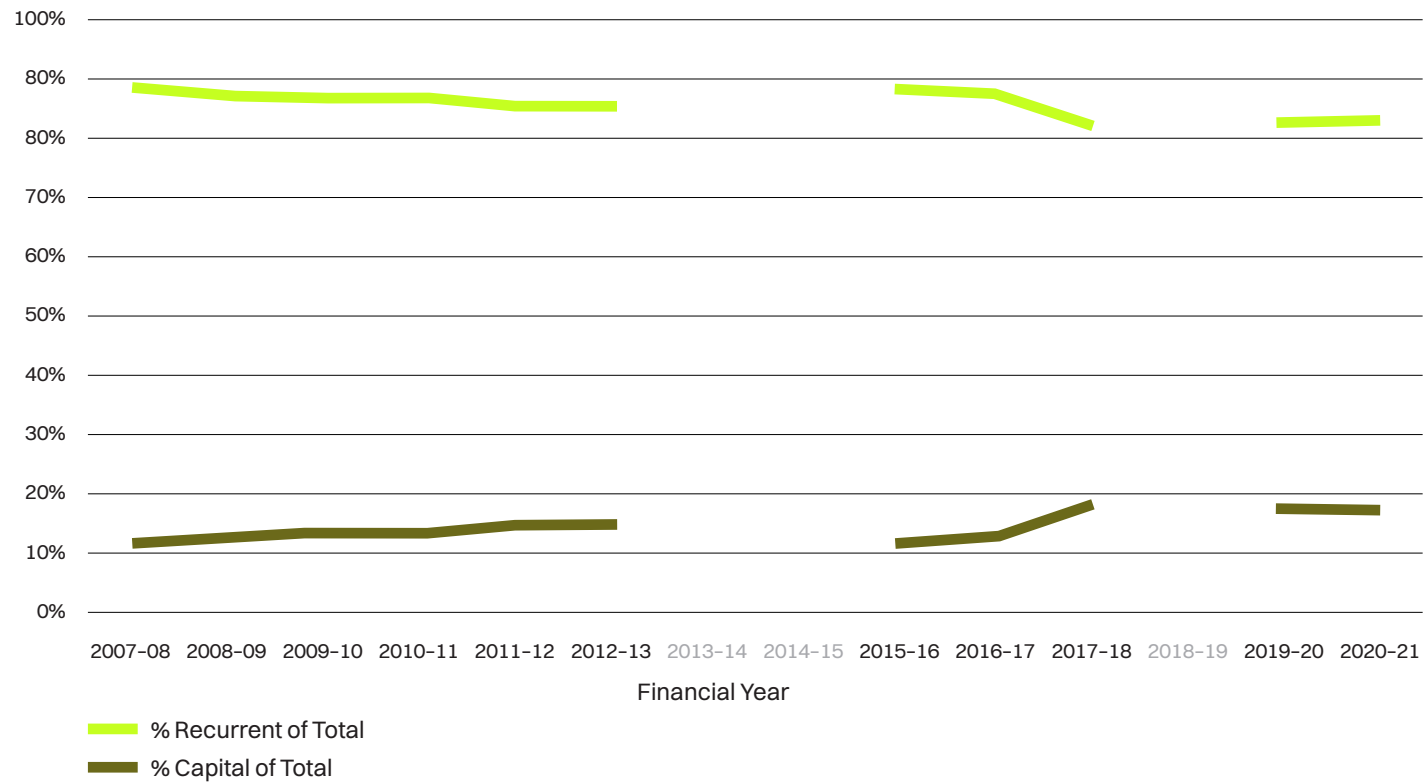
1.5

## **Non-COVID-19 Expenditure by Type (Recurrent or Capital)**

Government expenditure on arts and culture is made up of 'recurrent expenditure', which includes activities such as the running of organisations and programs, and 'capital expenditure', which encompasses funding for activities such as building cultural facilities.<sup>27</sup>

Figure 15 shows how the share of recurrent versus capital expenditure has changed between 2007-08 and 2020-21. Recurrent expenditure dominates, averaging almost 90% of total expenditure over the 14 years to 2020-21. However, the share of capital expenditure is slowly but steadily increasing, rising from 11% of total government expenditure on arts and culture in 2007-08 to 17% in 2020-21.

**Figure 15: Share of non-COVID-19 expenditure on arts and culture by expenditure type, 2007-08 to 2020-21**

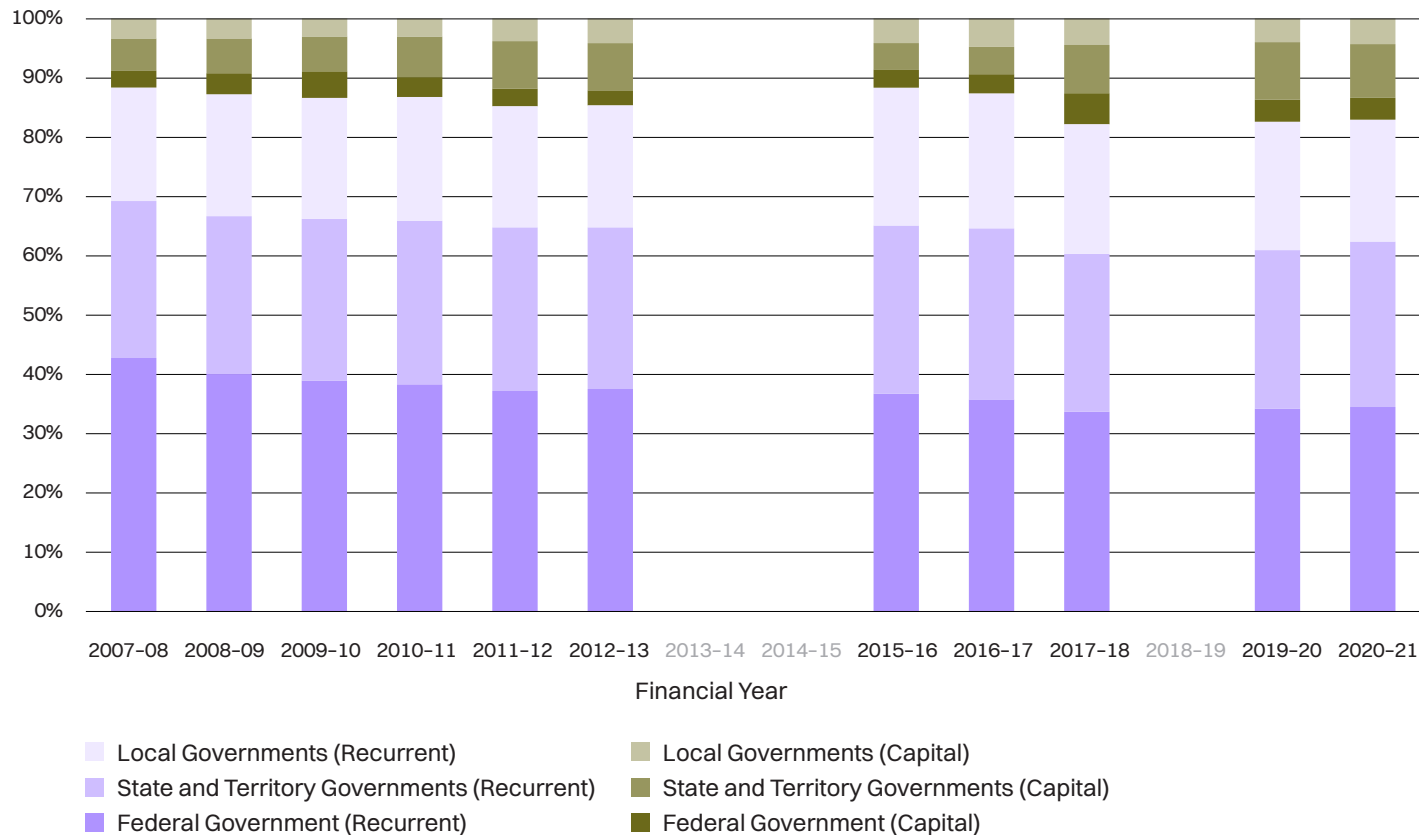


Capital expenditure has slowly but steadily increased as a proportion of government expenditure on arts and culture.

Figure 16 shows that the share of the federal government's recurrent expenditure on arts and culture decreased from 43% in 2007-08 to 35% in 2020-21. In the same period, the share of state and territory capital expenditure had the most significant increase, from 5% of the total government expenditure on arts and culture in 2007-08 to 9% in 2020-21. As a share, capital expenditure by state and territory governments is generally between two and three times the federal government's capital expenditure. All other proportions have remained relatively stable over the 14-year period.

It is important to note that Figure 16 refers to the proportions each level of government contributes to total expenditure on arts and culture, not to the amounts.

**Figure 16: Share of non-COVID-19 expenditure on arts and culture by level of government and expenditure type, 2007-08 to 2020-21**

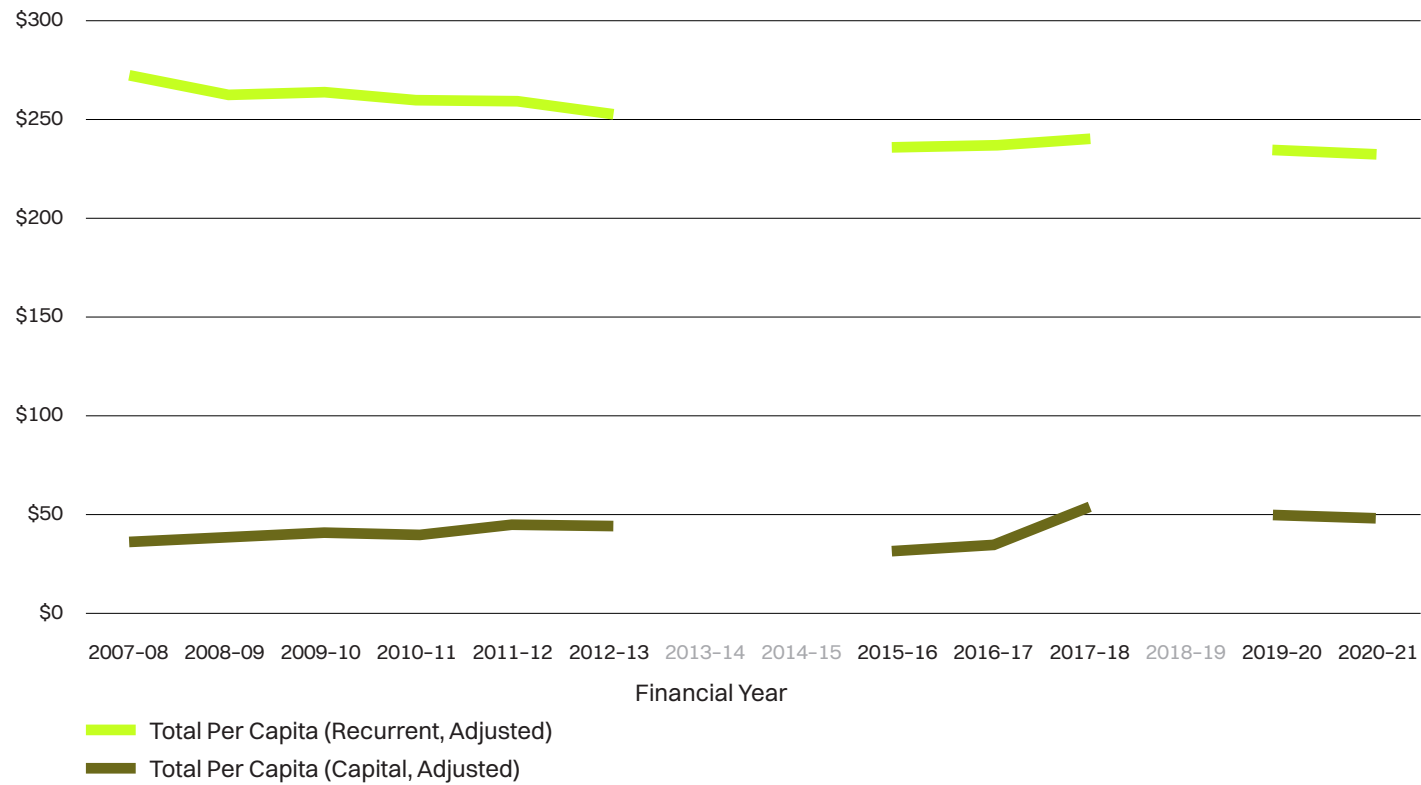


Shares of recurrent and capital expenditure on arts and culture have remained relatively stable across all levels of government.



There has been a steady decrease in per capita recurrent spending from \$272 in 2007-08 to \$232 in 2020-21, the lowest level recorded. Over the same period, per capita capital expenditure increased from \$35 to \$47, as shown in Figure 17.

**Figure 17: Per capita non-COVID-19 expenditure on arts and culture by expenditure type, 2007-08 to 2020-21**

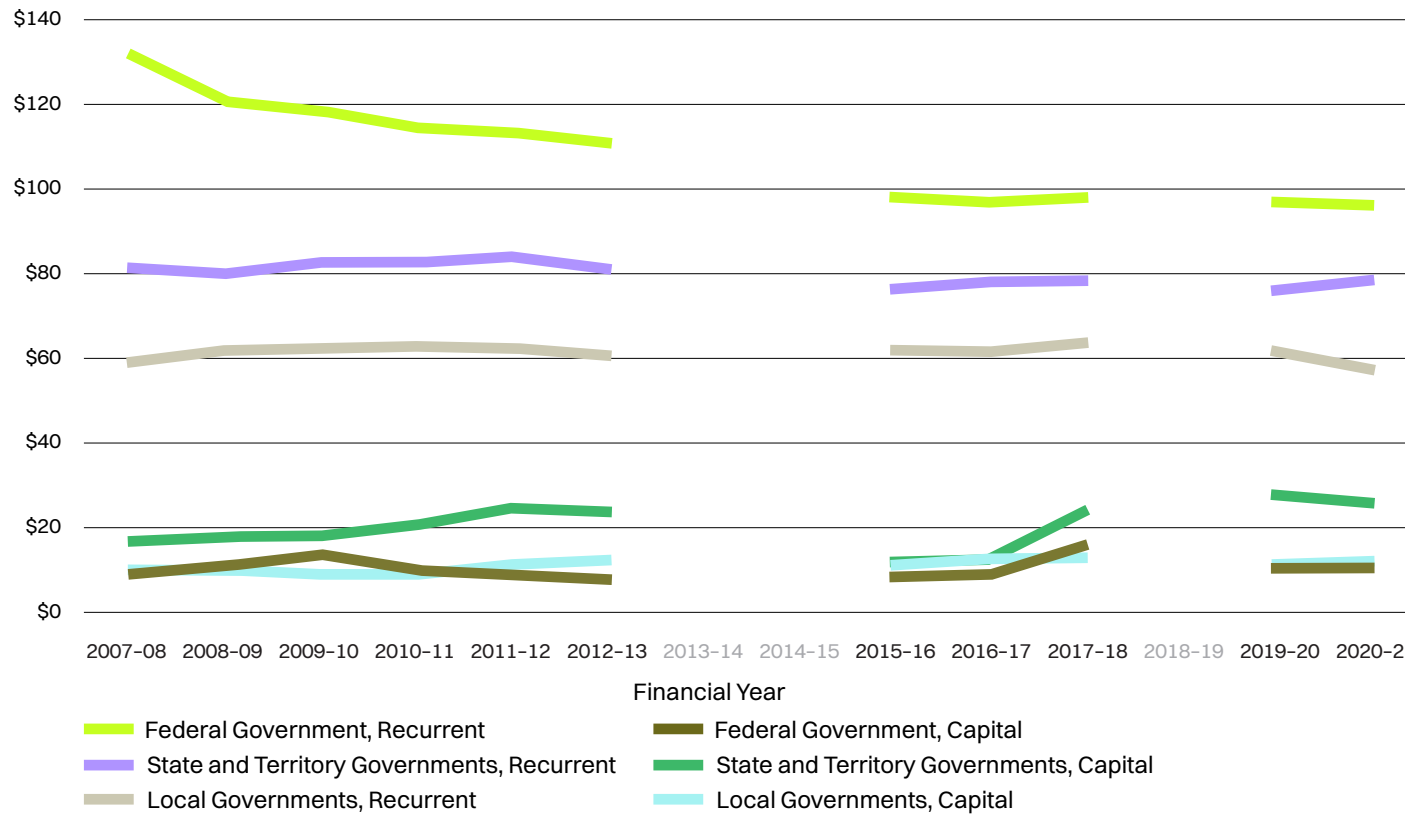


**Notes:** Adjusted to June 2021, WPI.

Per capita recurrent expenditure is decreasing across the three levels of government.

Figure 18 further analyses recurrent and capital expenditure, comparing the per capita changes across the three levels of government. There is a sustained decrease in recurrent funding by the federal government and a more recent decrease in recurrent funding by local government. Of the six criteria compared in this analysis, only two criteria recorded (modest) increases in the last two financial years: recurrent expenditure by state and territory governments (a 2% increase) and capital expenditure by local governments (from \$11 per person to \$12 in 2020-21).

**Figure 18: Per capita non-COVID-19 expenditure on arts and culture by level of government and expenditure type, 2007-08 to 2020-21**



**Notes:** Adjusted to June 2021, WPI.

There has been a sustained decrease in per capita recurrent expenditure by the federal government.

## 1.6

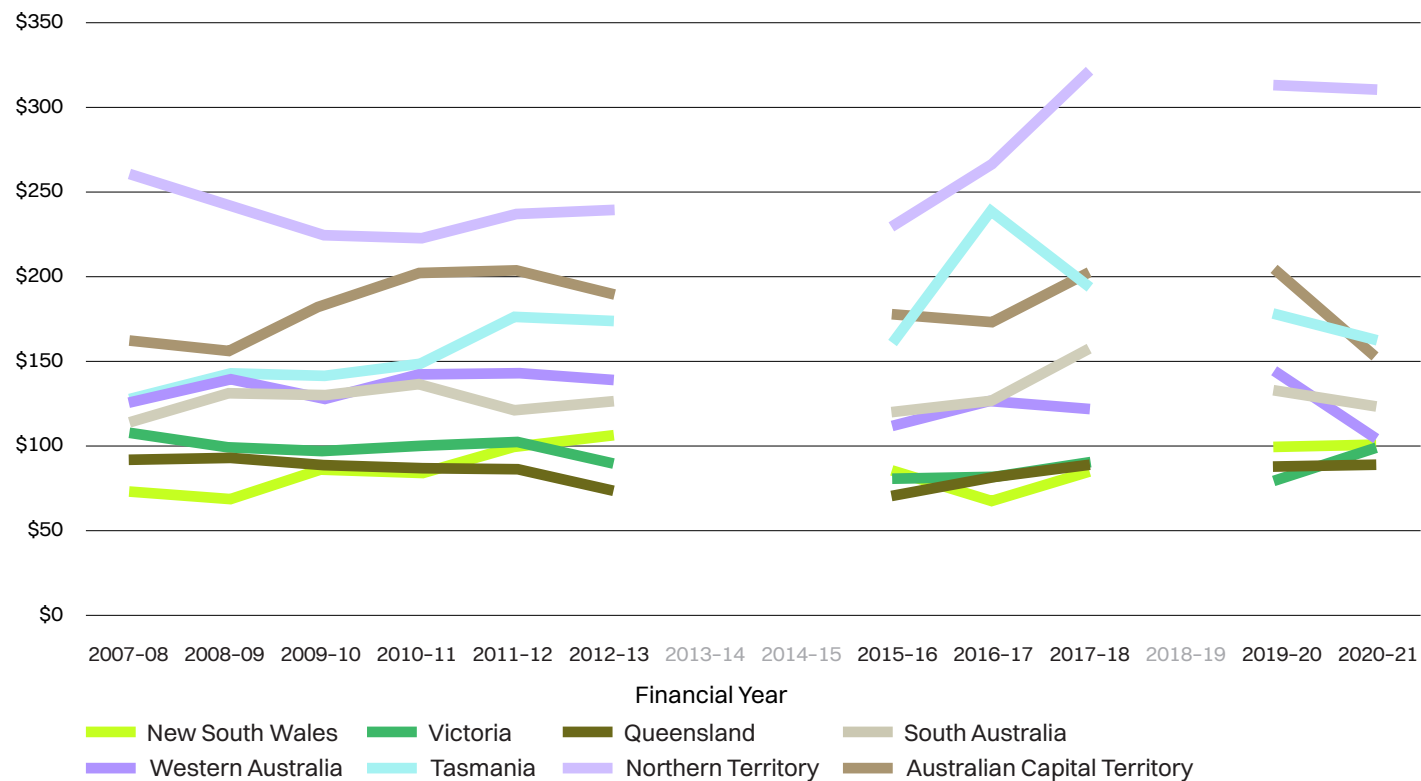
# Non-COVID-19 Expenditure by Jurisdiction

The CFG dataset provides insight into the expenditure on arts and culture by Australia's eight states and territories.<sup>28</sup> Figure 19 presents the combined expenditure by state and territory governments on a per capita basis and highlights the significant variation between jurisdictions.

The most populous states - New South Wales (NSW), Victoria and Queensland - all increased their per capita expenditure: particularly Victoria, where expenditure jumped 22% to \$98. Western Australia (WA), Tasmania and the Australian Capital Territory (ACT) all recorded decreases; WA, notably, recorded a 26% fall in per capita expenditure over the last two financial years. The Northern Territory (NT) saw minimal change, but expenditure on a per capita basis remains between two and three times higher than any other jurisdiction.

Such fluctuations in expenditure are to be expected. Some of this variance is due to one-off allocations for particular organisations and projects and the effects of capital projects potentially extending over several years. For example, in 2020-21, the decrease in WA may be explained by completion of the WA Museum Boola Bardip, as well as by a funding model change and extraordinary grants for 2019-20 in that state's libraries.<sup>29</sup> The ACT and Tasmania have also previously noted terminating measures with long-term effects on their per capita expenditure.

**Figure 19: Per capita non-COVID-19 expenditure on arts and culture by jurisdiction, 2007-08 to 2020-21**



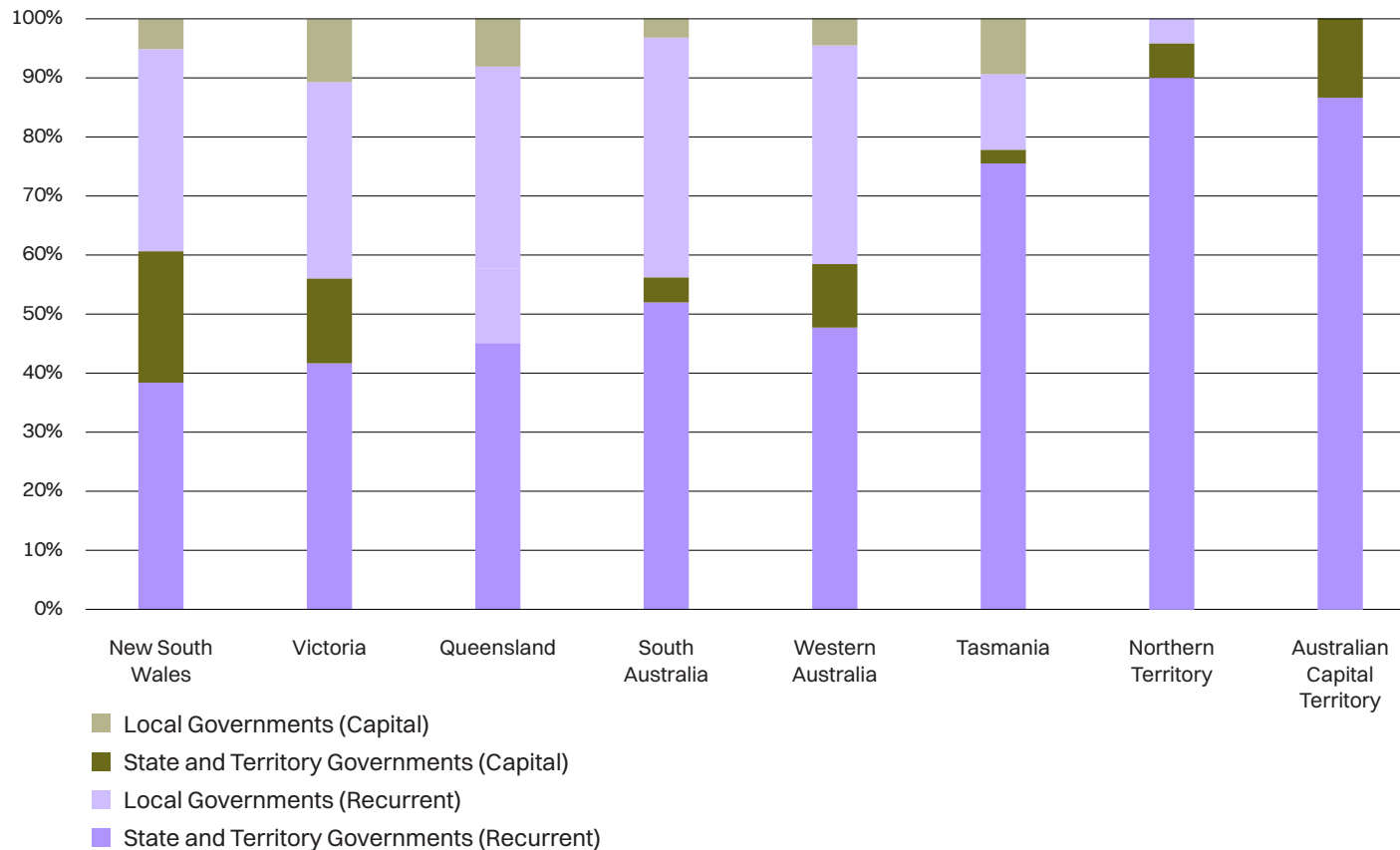
**Notes:** Adjusted to June 2021, WPI.

Among state and territory governments, the NT consistently leads per capita expenditure on arts and culture.

The CFG dataset includes local government data by jurisdiction, which allows us to look at variations among jurisdictions (noting that the following analysis does not include federal expenditure).

The way local and state and territory governments in different jurisdictions contribute to expenditure on arts and culture varies significantly, as seen in Figure 20.<sup>30</sup> In all jurisdictions, the state or territory government contributed the larger proportion of the expenditure on arts and culture; however, there is significant variation among them. For example, in 2020–21, around one-fifth of Tasmania's expenditure came from local governments,<sup>31</sup> while only 4% of government expenditure came from local governments in the NT. In contrast, all other local governments contributed a significantly higher proportion, about 40%.

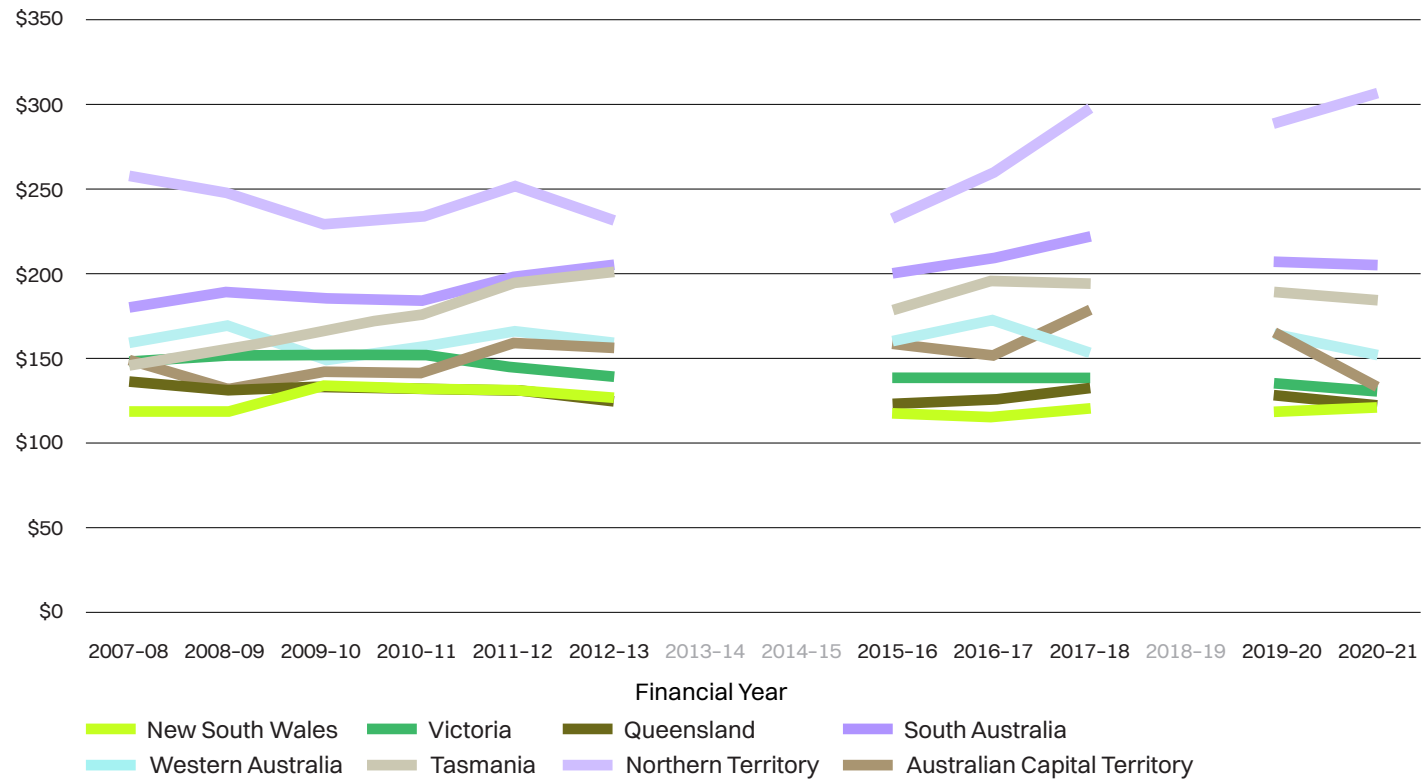
**Figure 20: Share of non-COVID-19 expenditure on arts and culture by jurisdiction, level of government and expenditure type, 2020-21**



In 2020–21, the contributions of state and territory and local governments towards recurrent and capital expenditure on arts and culture varied in each Australian jurisdiction.

Figures 21 and 22 show the amount of per capita recurrent and capital funding by state, territory and local governments. Separately analysing capital expenditure helps us understand the variations created by the commissioning of larger, one-off capital expenditure projects in each jurisdiction, as seen, for example, in Tasmania in 2016-17.

**Figure 21: Per capita recurrent non-COVID-19 expenditure on arts and culture by jurisdiction, 2007-08 to 2020-21**

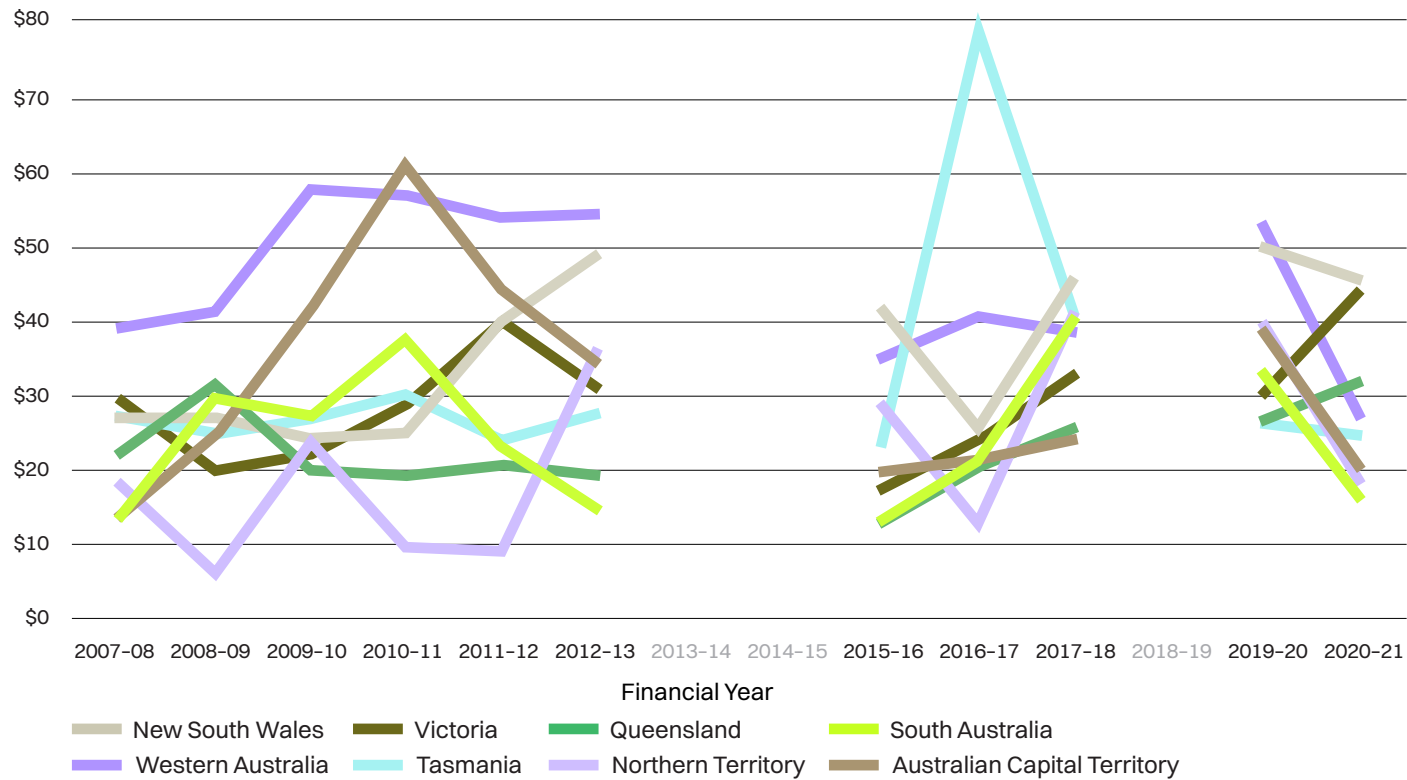


**Notes:** Adjusted to June 2021, WPI. Recurrent expenditure data only.

Per capita recurrent expenditure on arts and culture varies across jurisdictions but is relatively steady as populations grow.

Per capita expenditure on capital activities possibly reflects the wider economic volatility of 2020-21, with six of the eight states and territories recording decreases compared to 2019-20. Victoria, as one of the two jurisdictions to see increased expenditure, saw a 44% jump from 2019-20, to \$44 per person. However, as shown in Figure 22, per capita capital expenditure has always shown significant variation from year to year and among jurisdictions.

**Figure 22: Per capita capital non-COVID-19 expenditure on arts and culture by jurisdiction, 2007-08 to 2020-21**



**Notes:** Adjusted to June 2021, WPI. Capital expenditure only.

In per capita capital expenditure on arts and culture, each jurisdiction has experienced peaks and troughs.

# Key Findings

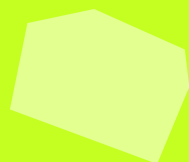
The following findings summarise ANA's analysis of government investment in arts and culture in Australia between 2007-08 and 2020-21, including how the investment has changed over time and how Australia compares with other countries in this area of investment.

## Finding 01.



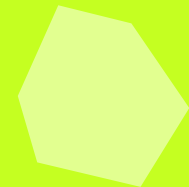
Since the start of the pandemic, governments have directed \$12.5 billion to cultural and creative industries in response to COVID-19, in the form of targeted COVID-19 support and wider economy COVID-19 support. This represents 46% of total government expenditure on cultural and creative industries (both COVID-19 and non-COVID-19 expenditure) in the last two financial years. \$8.1 billion of this was in 2020-21.

## Finding 02.



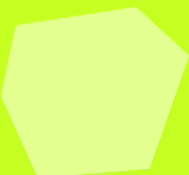
Government spending on recreation, culture and religion in Australia is below that of many of our international peers. In 2020, OECD countries on average spent 1.35% of total GDP for the purposes of recreation, culture and religion; Australia spent 0.98% of its GDP, placing us ahead of other English-speaking countries (the United States and United Kingdom) yet 23rd out of 31 OECD countries. Australia has remained below the OECD average from 2017 to 2020.

## Finding 03.



Non-COVID-19 expenditure on arts and culture across the three levels of government was \$7.2 billion in 2020-21. This is a 1% decrease from 2019-20 when adjusted for inflation, a reduction of \$85.6 million in real terms.

## Finding 04.



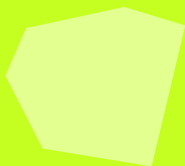
Non-COVID-19 expenditure on arts and culture is not keeping pace with population growth. Australia's population increased by 20% between 2007-08 and 2020-21 to around 26 million, while expenditure on arts and culture over that time increased by 10%. In 2020-21, per capita government expenditure on arts and culture was \$279. For comparison, the figure in 2007-08 was \$307 per person when adjusted for inflation.



# Key Findings

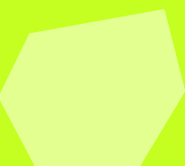
The following findings summarise ANA's analysis of government investment in arts and culture in Australia between 2007-08 and 2020-21, including how the investment has changed over time and how Australia compares with other countries in this area of investment.

## Finding 05.



In 2020-21, the state and territory governments' share of non-COVID-19 expenditure on arts and culture was the highest on record (37%), and the federal government's share was the second lowest on record (38%). The local government share has decreased every year since a peak of over 27% in 2016-17; in 2020-21, it was less than 25%.

## Finding 06.



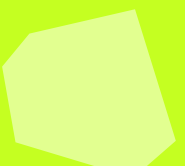
Capital expenditure has slowly but steadily increased as a share of non-COVID-19 expenditure on arts and culture in Australia. Capital expenditure represented 17% of non-COVID-19 expenditure on arts and culture during 2020-21, significantly up from 11% in 2007-08, though slightly down on the 18% recorded in 2017-18.

## Finding 07.



In 2020-21, Museums, Libraries, Archives and Heritage accounted for 38% of government expenditure on arts and culture (including targeted COVID-19 support and excluding local government spending). Arts accounted for 32%; Film, Radio and Television accounted for 30%. The long-term decrease in the share of this expenditure on the Film, Radio and Television category continues. Conversely, the Arts category has increased its share and, in 2020-21, reached its highest level.

## Finding 08.



Since 2007-08, the federal government has typically contributed more than 90% of government expenditure on the Film, Radio and Television category (exclusive of local government). State and territory governments have typically contributed more than 60% of the public investment in both the Arts category and Museums, Archives, Libraries and Heritage category (exclusive of local government).

# Part 2: Implications

## In This Section

**2.1 Distributing Public Investment**

**2.2 Preserving Public Investment**

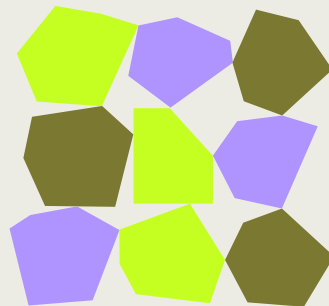
**2.3 Partnering in Public Investments**

**Summary of Key Opportunities and Implementation Pathways**

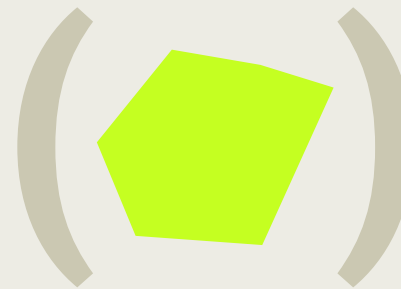
# This report contains many numbers, charts and statistics about trends in government expenditure on arts and culture in Australia and internationally.

## But what should readers take away from these insights?

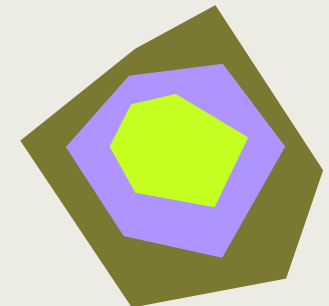
In this section, we explore the findings of Part 1 to identify opportunities and their implementation pathways in three key thematic areas:



The **distribution** of investments across the types of cultural and creative experiences and the types of expenditure (i.e. 'recurrent' or 'capital').



The **preservation** of investments in arts and culture in Australia and internationally.



The **partnerships** for investments across the levels and portfolios of government.

While the COVID-19 pandemic is the critical context for the findings outlined in Part 1, the discussion and opportunities in Part 2 should be read in the context of mounting fiscal pressures on government expenditures and the announcement of Australia's National Cultural Policy. We hope these opportunities can build on and support the introduction and implementation of that policy.

## 2.1

# Distributing Public Investment

This research suggests that successive governments at all three levels place distinct and consistent priority on different types of expenditure – recurrent or capital – as well as different types of cultural experiences. A multidecadal plan and a funding envelope informed by data and refined through consultation should guide decision-making about the future balance of this expenditure.

The Australian National Cultural Policy introduces sector-neutral pillars<sup>32</sup> and principles for federal government investment in arts and culture over the next five years. However, there will continue to be vexed decisions about distributing this investment across and among various cultural and creative experiences, particularly in a tight budgetary environment. This reinforces ANA's call for a national multidecadal plan identifying short, medium and longer-term goals that can encompass sector or jurisdiction-specific objectives requiring collective investment.

To be realistic and effective, the measures developed for a multidecadal plan will need to consider and be transparent about the history of government investment described in this report and the cultural and creative experiences that past investments have prioritised. In particular, [Part 1.2](#) shows that over the 14 years to 2020–21, experiences in the Museums, Archives, Libraries and Heritage category have generally received the largest share of government investment. The Arts category of experience has seen steady increases over time, with the proportion in 2020–21 the highest proportion of the total expenditure on record (32%). The long-term decrease in the share directed to Film, Radio and Television funding is also notable, with 30% in 2020–21.

Future measures will also need to account for factors that have framed and occasionally complicated public debate and decision-making at all levels of government. In addition to a range of new principles stipulated in the Australian National Cultural Policy,<sup>33</sup> the key factors are:

#### **01. The varied responsibilities across jurisdictions for arts and culture.**

In short, Australia's Constitution does not specify these responsibilities. However, it does specify that the federal government holds responsibility for communications, which includes broadcasting (including a range of related regulatory responsibilities). This is a key reason why, for example, the federal government spends more on Film, Radio and Television than the states and territories governments. Outside of constitutional responsibilities and law-making powers in relation to, e.g. copyright, the distribution of responsibility for expenditure on arts and culture in Australia has developed over time. See Appendix 2 for more details.

#### **02. The importance of sustaining diverse opportunities for Australians to express and access arts and culture.**

Not all arts, cultural and creative activities appeal to all people. However, most people feel there is something that they can enjoy and that is both relevant and significant to them. This factor is hard to define at a principle and summary level, but the national culture, a creative environment and freedom of expression are examples of these benefits.<sup>34</sup>

#### **03. The measurable contributions of arts and culture to national prosperity and wealth (and safeguarding it during structural changes).**

Prioritising one cultural activity over time could support a greater measurable return on investment, however defined (e.g. in absolute terms, as a share of GDP, its Gross Value Added, through net taxes, compensation of employees).<sup>35</sup> For example, we know from other government research that 'literature and print media activity and broadcasting, electronic or digital media, and film' experienced declines as a share of GDP and in absolute terms from 2010-11 to 2019-20.<sup>36</sup> Prioritising one cultural or creative experience through this expenditure could also assist in securing its supporting industry in the face of global competition, adjustments to automation or shifts towards digitisation.

The Australian National Cultural Policy is expected to cover actions of the government in the next five years. As a policy document, it does not explicitly bring together state and territory or local governments; it does however set up mechanisms for future collaboration. In this context the call for a whole-of-government plan remains salient. The Productivity Commission<sup>37</sup> is best placed to advise governments on these complex social, policy and economic factors across the levels of government. The proposed Productivity Commission inquiry – a bipartisan recommendation of a 2021 parliamentary inquiry into Australia's creative and cultural industries and institutions – should expand to explicitly support the development of a multidecadal plan across levels of government.<sup>38</sup>

## **Opportunity**

**Devise a multidecadal plan identifying short, medium and longer-term goals and minimum required investment for the pipeline of infrastructure and workforce development.**

## **Implementation Pathway**

To inform the measures in a plan, the bipartisan proposal for a Productivity Commission inquiry 'into the legislative arrangements that govern funding of artistic programs and activities at all levels of government' should proceed. Its report to government should:

- Analyse the cross-sectoral enablers of productivity identified in the most recent five-year productivity inquiry as they specifically apply to arts and culture.
- Identify a cross-portfolio theme for coordinated, temporary government assistance in arts and culture to be less funding-driven and to take advantage of the relative strengths and legal responsibilities of the different levels of government (see Opportunity 1).
- Consider including 'arts and cultural services' in future iterations of the Report on Government Services (see Opportunity 5).
- Examine and quantify the costs and benefits of government assistance in arts and culture, comparing the quantum of this assistance with the 'value added' and social and policy objectives of these activities (e.g. access to diverse cultural and creative experiences).

ANA has previously recommended the development of a funding envelope to support this long-term goal for investment and the delivery of a plan to establish an infrastructure and workforce development pipeline. The research in this report suggests that consultations on this envelope should take place to consider both the ongoing and initial costs of stimulating these cultural and creative goods and services, with a focus on understanding ongoing sustainability. To use the language and data of the CFG, governments will need to balance capital and recurrent expenditure types.

In considering this balance, trends that the consultations should consider are described in [Part 1.5](#). That analysis showed that while capital expenditure remains a smaller component than recurrent expenditure in overall arts and culture spending by governments in Australia, it has grown over the period analysed. From 11% in 2007–08, it has now 'plateaued' since 2017 at around 17% of the total expenditure.

A further consideration in balancing the recurrent and capital expenditure types is the split across levels of government. [Part 1.6](#) showed that the share of the local government contribution to government expenditure on arts and culture decreased again in 2020–21. This finding stood out because it poses a risk to the long-term sustainability of cultural and creative businesses and employment. Anecdotally, when state and territory governments create new cultural infrastructure (such as a new regional gallery or local library), the ongoing, recurrent costs for maintaining that infrastructure – as well as for ensuring that it is programmed with activities that people will want to attend – often falls to local governments. More broadly, this is concerning for the sustainability of this infrastructure and these activities, considering the OECD projection that sub-national<sup>39</sup> cultural finance in 2021 and 2022 will depend on the 'continuation and extent of support provided by higher levels of government'.<sup>40</sup>

With over 500 local councils in Australia, an ongoing and national mechanism is needed to understand these views and needs for arts and culture investments. As a vital starting point for those consultations, it is worth noting that the Australian National Cultural Policy re-establishes intergovernmental meetings between Commonwealth, state and territory cultural ministers and the Australian Local Government Association. ANA recommends, as a priority, that these meetings consider the recurrent and capital balance across governments' expenditure.

## Opportunity

Devise a multidecadal plan identifying short, medium and longer-term goals and minimum required investment for the pipeline of infrastructure and workforce development.

## Implementation Pathway

Consult a representative sample of receiving institutions on an investment approach that considers capital and recurrent costs. Use the reconvened intergovernmental meetings between Commonwealth, state, and territory cultural ministers and the Australian Local Government Association to understand impacts on local governments.

## 2.2

# Preserving Public Investment

This research has shown decreasing per capita expenditure on arts and culture by governments in Australia and continued low rankings in cross-country comparison in this area of spending. When reported alone, these findings raise policy questions, not answers. They also suggest that international knowledge sharing would be a constructive first step towards responding to these trends in Australia and advancing the international agenda of preserving the financing of culture – a UNESCO-declared ‘global public good’.

The OECD has outlined downward trends in its indicators of government expenditure on culture as variously defined across countries, with some sub-regional variations and some countries as the exception. For example, the OECD reports that the global financial crisis (GFC) in 2008 represented ‘a turning point’: despite evidence of slight increases in overall per capita spending on cultural services by OECD countries between 2001 and 2019, the OECD reports ‘a general decline in growth rates of government expenditure [compared to these growth rates] experienced before the GFC’.<sup>41</sup>

This report also highlights three findings positioning government investments in arts and culture in Australia over time against investments overseas, employing commonly used international measurements. First, we found that Australia has remained below the OECD average standard for government spending on culture, recreation and religion as a share of GDP between 2017 and 2020 (the period for which data are available). Second, we found that non-COVID-19 expenditure on various cultural and creative experiences decreased in 2020–21 compared with 2019–20, a change that ANA intends to monitor in future releases of the Big Picture series. Third, we found that our population growth has outpaced our cultural spending.

Taken together, these three findings highlight the impacts of COVID-19 and other economic crises on government spending and certainly raise uneasy questions about the changing role of governments in stimulating the provision of cultural services for a larger and more diverse population. To begin to respond to these questions, it is worth highlighting that the year 2022 involved international negotiations and commitments towards arresting these trends. Representatives of 150 member states of UNESCO adopted a decision to declare culture a 'global public good', alongside the global public goods of health, information, economy, science, digital and peace.<sup>42</sup> The UNESCO declaration urges '[...] the preservation and strengthening of the financing for culture with the medium-term aim of allocating a progressively increasing national budget to meet the emerging needs and opportunities of the culture sector [...]'.<sup>43</sup>

In considering the practical implications of this declaration and international agenda for culture as a global public good, a lever the federal government should explore is deliberate people-to-people exchange and knowledge sharing: an action identified for the next five years under the Australian National Cultural Policy. In the first instance, this could involve reviewing the experiences of countries listed above the OECD average government expenditure on recreation, culture and religion, most of which are in Northern and Central Europe.<sup>44</sup> To understand the government's role in the financial ecosystems for arts and culture, including other investment sources (e.g. private support, self-financing), this should involve reviewing the experiences of other countries listed below that average including the United States and the United Kingdom.

Cross-country comparison on the investment needs and opportunities within arts and culture would be, ANA proposes, a fruitful and data-led priority for a future round of the [Australian Cultural Diplomacy Grants Program](#) or [The Australia Council's International Engagement Fund](#). ANA suggests this work may also be consistent with the federal government's policy intention to continue to promote international arts and cultural engagement and cultural diplomacy priorities.

## Opportunity

To 'preserve' and 'strengthen' the financing of culture – which UNESCO has declared a global 'public good' – review examples of countries in the OECD with outstanding investment in arts and culture, including from government and other investment sources.

## Implementation Pathway

Support people-to-people exchange and collaborate with civil society organisations at both national and regional levels on this topic.



A second practical implication of the UNESCO declaration was the announcement that a World Forum on Cultural Policies will be convened from 2025 onwards. The international discussions and debate at that forum will be informed by a World Report on Cultural Policies.<sup>45</sup> These mechanisms provide vital opportunities for Australia to increase the transparency of governments' investment in culture, alongside the triennial 'State of Culture' report and the associated data improvements announced by federal government in the Australian National Cultural Policy.<sup>46</sup>

Based on ANA's analysis of the CFG through three reports over three years, there are indeed limits to the usefulness and transparency of the current aggregated data collected and reported, including for targeting and supporting future reform. For instance, surveying and reporting on more granular expenditure information – such as by postcode (as will be explained further in [Part 2.3](#)) and by portfolio (e.g. education, health and other agencies) – would support more effective and targeted partnerships between governments and investing entities on the basis of either a theme (e.g. health) or a place (e.g. a specific city or town).

The approach of measuring and reporting government investment by portfolio could follow an international example, with three potential benefits.<sup>47</sup> First, as shown in Figure 23, which is drawn from reporting by France's Ministry of Culture, reporting governments' investment in Australia 'by portfolio' could assist in highlighting the relevance and impact of arts and culture programs for citizens in the walks of life considered in those portfolios (e.g. the justice or defence portfolios). This would reinforce, in turn, the status of arts and culture as a public good: as 'essential to have', not just 'nice to have'. Second, reporting by portfolio may highlight the extent to which the investments align or intersect with different and shared strategic objectives across government. Third, and most simply, this reporting would enhance whole-of-government transparency of government spending, supporting conclusions such as the finding in OECD research (based on this reporting) that 'Overall, the combined public expenditure on culture from other [French] Ministries slightly exceeded that of the [French] Ministry of Culture itself every year since 2017'.<sup>48</sup>

In contrast with the relative granularity of this reporting, in Australia, we know only that one hundred departments (including selected agencies and authorities) were identified as funding arts and culture activities in the 2020–21 CFG survey (four more departments than in 2019–20).<sup>49</sup> While this number of agencies funding activities is striking, ANA can only make a calculated guess that examples of the types of agencies that the expenditure covers are culture departments and/or agencies, as well as others, such as education departments and regional development agencies.

**Figure 23: Cross-portfolio reporting on government expenditure on arts and culture, France, 2021**

Million Euros and %					
	2017	2018	2019	2020	2021
	Executed Credits	Executed Credits	Executed Credits	Initial Finance Bill (LFI)	Draft Finance Bill (PLF)
National Education and Youth	2,571	2,592	2,646	2,625	2,630
Europe and Foreign Affairs	716	756	728	761	765
Higher Education, Research and Innovation	582	598	603	583	591
Defence	62	102	97	102	93
Territorial Cohesion and Local Authorities*	18	19	109	109	109
Economy and Finance	124	115	108	98	90
Agriculture and Food	34	34	34	36	35
Environmental Transition and Support	5	12	16	24	25
Interior	87	6	6	7	9
Public Action and Accounts	9	8	10	10	10
Justice	6	8	9	12	21
Overseas	13	2	3	6	4
Prime Minister's Office	3	3	2	2	5
Sports	3	4	3	3	3
Civil Aviation (Budgetary Annexes)	0.3	0.2	0.4	0.4	0.4
<b>Total (Excluding Ministry of Culture)</b>	<b>4,234</b>	<b>4,259</b>	<b>4,349</b>	<b>4,422</b>	<b>4,390</b>
Reminder: Ministry of Culture	3,511	3,571	3,633	3,658	3,816
<b>All Ministries (Including Ministry of Culture)</b>	<b>7,745</b>	<b>7,831</b>	<b>7,968</b>	<b>8,082</b>	<b>8,206</b>
<b>% of Total Government Expenditure</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>
Please Note: payment credits.					
* Includes, from 2019, the financial assistance accounts to local authorities and their groups not related to the ministry for the interior.					

**Notes:** ANA translation from French of the 'general budget appropriations and annex budgets of other ministries, concerning culture and communication', 2017–2021, reported by France's Ministry of Culture. Source: Ministère de la Culture (Deps-doc).<sup>50</sup>

In a joint submission to the Australian National Cultural Policy consultation,<sup>51</sup> ten parties (including ANA) described cultural data needs and highlighted the opportunity of a further, long-term improvement of managing these data through future whole-of-government or indeed whole-of-economy performance frameworks. The submission notes that this integrated reporting is currently undertaken in some Australian jurisdictions (ACT), Scotland, New Zealand and other nations that have wellbeing frameworks.

Another framework for performance reporting and therefore enhanced transparency to consider is the Report on Government Services (RoGS): 'a repository of information on the equity, efficiency and effectiveness of government services in Australia including justice, education and health services.' Expenditure on services explored in the 2023 RoGS made up 'over 70 per cent of Australian, State and Territory Governments' expenditure',<sup>52</sup> whereas ANA estimates that government spending for the purpose of recreation, culture and religion represents 1.8% of total government spending by all levels of government (including local government expenditure).<sup>53</sup> Currently, RoGS does not separately include performance reporting on these services and expenditure, yet the Productivity Commission Chair notes such reporting on government services 'is critical to understanding value for money for the community [and in the context of] increasing fiscal constraints [...] to know money is being well spent'<sup>54</sup> – a consideration that will also apply to future expenditure decisions on arts and culture.

## Opportunity

To enhance the transparency of investments under the Australian National Cultural Policy, and noting the cultural funding by more than 100 hundred government departments and agencies identified in the CFG survey, experiment with deeper granularity of the data collection and reporting instruments (e.g. 'by portfolio' and 'by postcode').

## Implementation Pathway

Review other countries' methods for estimating and reporting on expenditure on arts and culture. Consider performance reporting on 'arts and cultural services' in future releases of the whole-of-government Productivity Commission's annual Report on Government Services (See Opportunity 5).

## 2.3

# Partnering in Public Investments

This research's estimate of government investment in the broad cultural and creative industries during the COVID-19 pandemic – \$12.5 billion – highlights opportunities for a national partnership framework focused on culture-led place-making, alongside a nationally-coordinated environmental scan to inform decision-making. This section recommends these mechanisms to fast-track COVID-19 recovery across the cultural and non-cultural sectors and to prepare people, places and business for future economic and societal challenges.

The impact of COVID-19 on the cultural and creative industries over 2020–21 was uneven and in part location-dependent.<sup>55</sup> However, three national data points from the period covered in this CFG data release indicate the economic impacts were extensive, with ABS data showing that:

- **In September 2020**, arts and recreation businesses<sup>56</sup> were still the most likely to be operating under modified conditions (86% compared to the average of 64%);
- **In December 2020**, half of arts and recreation businesses were expecting difficulty in meeting their financial commitments over the following three months; and
- **In June 2021**, arts and recreation businesses were the most likely to be expecting difficulty in meeting their financial commitments over the upcoming three months.<sup>57</sup>

The inclusion of estimates of wider economy COVID-19 support alongside the long-term CFG data indicates that governments and the Cultural and Creative Statistics Working Group recognise a more inclusive definition of arts and culture and appreciate that cultural and creative workers exist across the economy. In fact, [Parts 1.1](#) and [1.2](#) show that a constellation of government support underpinned the financial ecosystem of the cultural and creative economy over the last two financial years, with 46% of investment in arts and culture by governments (COVID-19 and non-COVID-19-related expenditure) in direct response to COVID-19.<sup>58</sup>

It is worth recognising that any targeted and 'macroeconomic' expenditure is not without longer-term economic risk. As the Productivity Commission notes,<sup>59</sup> the design of some assistance measures may have implications for resource allocation; and measures intended to provide temporary support do risk outlasting their purpose and inevitably producing long-term costs (e.g. additional tax revenue, debt or forgone government expenditure elsewhere).

It is not within the scope of this research to evaluate the design or effectiveness of the two years of COVID-19 support for arts and culture, and, on this topic, there is no consensus. On one hand, we know from other research and public commentary that not all businesses and workers in Australian arts and culture were eligible to apply for COVID-19 support.<sup>60</sup> The evidence also shows, however, that 'Arts and Recreation Services industry'<sup>61</sup> had the highest proportion of employed persons receiving JobKeeper in 2020 (56.4%).<sup>62</sup> Research by the Australian Government also suggests half of all employees and businesses in cultural and creative industries received JobKeeper payments between April and September 2020 and that, based on employment status, 'up to around 90 per cent of this workforce could have been eligible for JobKeeper, subject to their employer meeting further eligibility criteria'.<sup>63</sup> The divergence of estimates on this issue reflects a multiplicity of definitions and a diversity of businesses falling into and intersecting with the arts and culture 'purpose' of government expenditure.

The estimates of COVID-19 support, the debate about the coverage of these measures in cultural and creative industries and, indeed, the anticipated phasing-out of these measures over the coming years highlight a constructive opportunity for considering policy responses and preparedness for future economic and social challenges. Specifically, these figures and debates highlight the importance of closely scanning the environment in which cultural and creative businesses operate. A document that reflects these national dynamics would help ensure that the social and economic benefits that they stimulate can be maintained in the face of a dynamic economic environment. Such a scan may provide a useful insight for governments on where and when temporary financial measures of government for arts and culture are warranted. This could, for example, support decisions on investing in arts and culture to support broader COVID-19 recovery through place-based partnerships, as outlined next.

## Opportunity

To inform decisions about any future temporary financial measures, and as the COVID-19 financial measures are phased out, conduct a national environmental scan.

## Implementation Pathway

Build and regularly update shared understanding of the different strategies and policies concerning arts and culture across Australian jurisdictions and the impacts of dynamic public health and economic pressures.

The financial response to COVID-19 highlighted an opportunity for future partnership between levels of government and portfolios around culture-led regeneration of a place and development in the face of crises such as pandemics and environmental disaster. Indeed, there is increasing evidence of and support for the 'place-making' benefits of government investment in arts in culture in the United Kingdom, with economic geographers showing the causal benefits of:

- 'creative industries activity becoming increasingly clustered in a small number of cities, albeit with diffusion within these clusters';
- '[positive effects] of creative jobs on surrounding local service employment';
- 'creative business services employees' local spending and amenity visitor spending'; and
- 'spillovers to other tradable activities consistent with [evidence of] supply innovation and productivity spillovers'.<sup>64</sup>

As noted in a report of the United Kingdom's recent Commission on Culture and Local Government, 'The cultural sector has a significant role to play in growing local economies and supporting an inclusive recovery from COVID-19 pandemic, in particular in relation to supporting high street and culture-led recovery of town centres'.<sup>65</sup> A place-based focus in the investment partnership of governments would also reflect the Productivity Commission's interim suggestion as part of its five-year productivity inquiry: 'National Agreements and other arrangements for coordination between the Australian, state and territory governments may be better configured to take advantage of the relative strengths of the different levels of government and be less funding-driven'.<sup>66</sup>

The question remains, however: which places should these partnerships focus upon? Part 1.6 showed that location continues to impact the extent of financial support that is accessible for cultural experiences from local and state and territory governments. For example, the NT remains between two and three times higher than any other jurisdiction in per capita total expenditure. In addition, place-based regeneration partnerships between organisations and individuals are already emerging in some Australian cities,<sup>67</sup> with work underway on the role and measurement of culture in these projects.

To target place-based partnerships between levels of government and with other investing entities (e.g. philanthropy) where they are most needed and currently missing, the CFG will need to be more granular than it currently is, for example, to encompass postcodes (see Part 2.2). Additionally, the types of funds and arrangements that might be captured in the CFG could be identified, including formal co-investments (e.g. the National Performing Arts Partnership Framework) and partnerships with philanthropic foundations, corporations and individual donors on cultural initiatives (e.g. co-funding major cultural infrastructure). It remains difficult to describe the scope of these partnerships – broadly or in a temporary response to COVID-19 – or to assess the effectiveness of governments 'joining forces'. This is partly because of the aggregate character of the CFG and partly because of the absence of a framework to shape intentional partnerships and reporting.

These observations from analysing the CFG reinforce the importance of producing a partnership framework and data as a further area of improvement in the transparency of government investment.

## Opportunity

**Construct a partnership framework to underpin the Australian National Cultural Policy, elevating collaboration as a competitive advantage; describing existing intergovernmental arrangements and the potential for new agreements and/or accords; and outlining the desired relationships with different agencies, portfolios, industry operators, philanthropic entities and investors that are required for success.**

## Implementation Pathway

**Pilot and evaluate the impacts of a partnership framework around cross-portfolio themes such as 'health', 'place' or 'productivity'.**

# Key Opportunities and Implementation Pathways

The following opportunities summarise the key changes that governments can implement to ensure Australia is optimising cross-government, cross-jurisdictional investments in arts and culture.

## Opportunity 01.



**Construct a partnership framework to underpin the Australian National Cultural Policy, elevating collaboration as a competitive advantage; describing existing intergovernmental arrangements and the potential for new agreements and/or accords; and outlining the desired relationships with different agencies, portfolios, industry operators, philanthropic entities and investors that are required for success.**

Implementation Pathway: Pilot and evaluate the impacts of a partnership framework around cross-portfolio themes such as 'health', 'place' or 'productivity'.

## Opportunity 02.



**Include in forward estimates a funding envelope to establish an infrastructure and workforce development pipeline.**

Implementation Pathway: Consult a representative sample of receiving institutions on an investment approach that considers capital and recurrent costs. Use the reconvened intergovernmental meetings between Commonwealth, state, and territory cultural ministers and the Australian Local Government Association to understand impacts on local governments.

## Opportunity 03.



**Devise a multidecadal plan identifying short, medium and longer-term goals and minimum required investment for the pipeline of infrastructure and workforce development.**

Implementation Pathway: To inform the measures in a plan, the bipartisan proposal for a Productivity Commission inquiry 'into the legislative arrangements that govern funding of artistic programs and activities at all levels of government' should proceed. Its report to government should:

- Analyse the cross-sectoral enablers of productivity identified in the most recent five-year productivity inquiry as they specifically apply to arts and culture.
- Identify a cross-portfolio theme for coordinated, temporary government assistance in arts and culture to be less funding-driven and to take advantage of the relative strengths and legal responsibilities of the different levels of government (see Opportunity 1).
- Consider including 'arts and cultural services' in future iterations of the Report on Government Services (see Opportunity 5).
- Examine and quantify the costs and benefits of government assistance in arts and culture, comparing the quantum of this assistance with the 'value added' and social and policy objectives of these activities (e.g. access to diverse cultural and creative experiences).

# Key Opportunities and Implementation Pathways

The following opportunities summarise the key changes that governments can implement to ensure Australia is optimising cross-government, cross-jurisdictional investments in arts and culture.

## Opportunity 04.



**To 'preserve' and 'strengthen' the financing of culture – which UNESCO has declared a global 'public good' – review examples of countries in the OECD with outstanding investment in arts and culture, including from government and other investment sources.**

Implementation Pathway: Support people-to-people exchange and collaborate with civil society organisations at both national and regional levels on this topic.

## Opportunity 05.



**To enhance the transparency of investments under the Australian National Cultural Policy, and noting the cultural funding by more than one hundred government departments and agencies identified in the CFG survey, experiment with deeper granularity of the data collection and reporting instruments (e.g. 'by portfolio' and 'by postcode').**

Implementation Pathway: Review other countries' methods for estimating and reporting on expenditure on arts and culture. Consider performance reporting on 'arts and cultural services' in future releases of the whole-of-government Productivity Commission's annual Report on Government Services (See Opportunity 3).

## Opportunity 06.



**To inform decisions about any future temporary financial measures, and as the COVID-19 financial measures are phased out, conduct a national environmental scan.**

Implementation Pathway: Build and regularly update shared understanding of the different strategies and policies concerning arts and culture across Australian jurisdictions and the impacts of dynamic public health and economic pressures.

# Appendices and Notes

## In This Section

**Appendix 1 Research Design and Methods**

**Appendix 2 How is Responsibility for Cultural Funding Distributed Among the Three Levels of Government and Why?**

**Endnotes**



## Appendix 1

# Research Design and Methods

## Cultural Funding by Governments Data Collection – Federal and State and Territory Governments

Data collection for the survey of CFG has been completed by consultants from the ABS on behalf of the now-disbanded MCM since the 2015–16 financial year. Previous collections were conducted by the ABS under the *Census and Statistics Act 1905*. It captures the expenditure for organisations at all scales and across 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; and 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, historical houses, historical museums, war memorials and national trust organisations.

While the CFG series is considered the most complete dataset available, it does not cover all expenditure on arts and culture by the government. Several specific programs may not be captured (e.g. the Australian Screen Production Incentive is not included). Additionally, expenditure on infrastructure that has a significant cultural component, such as regional museums, may be identified as expenditure on tourism rather than culture. It includes both recurrent and capital expenditure and breaks down expenditure both by total and per capita amounts.

The CFG data collection occurs at both the federal and state and territory levels via an electronic survey from relevant government departments who self-report on the cultural expenditure that has occurred in their jurisdiction over the financial year. These figures are then collated and analysed.

The ABS advised in the earlier iterations of data collection that, while the survey instrument asks for GST-exclusive figures, it cannot guarantee that the data returned is GST exclusive.

No data is available for the 2013–14, 2014–15 and 2018–19 periods. No data was collected for this series by either ABS or Meeting of Cultural Ministers Officials Statistics Working Group during these years.

## CFG Data Collection – Local Governments

See the below extract from the CFG dataset's 'explanatory notes' tab on how data was collected for local governments.

Local government expenditure estimates were obtained from state and territory Local Government Grants Commission data, or equivalent. The data was sourced as a customised extract from ABS Government Finance Statistics, Annual, 2020–21.

Data was based on the Classification of the Functions of Government – Australia (COFOG-A), which groups operating expenses and expenditure by government function or purpose. From 2017–18, COFOG-A replaces the ABS Government Purpose Classification (GPC). Local government data reported in this publication are comparable across the three time references. *Data was totalled for each state and territory using the following four highlighted categories:*

### 08 Recreation, Culture and Religion

- 0811 - Recreational and sporting services
- *0821 - Film production services*
- *0829 - Cultural services nec*
- *0831 - Broadcasting services*
- *0832 - Publishing services*
- 0841 - Religious and other community services
- 0851 - Research and development - recreation, culture and religion nec
- 0891 - Community centre and halls
- 0899 - Recreation, culture and religion nec

The ABS quality assures the data primarily at the two digit Government Purpose Classification level or higher. Purpose expenditure data at the three or four digit level remain largely as reported by councils to the relevant Grants Commission.

Note the local government data was not 100% comparable with data from other levels of government as they included funding for zoos and botanic gardens, which was excluded from Australian Government and State and territory level data.

# Notes About the Collection of Data Related to COVID-19

The 'explanatory notes' for the CFG's 2020-21 dataset provide substantial information and caveats for COVID-19-related support. The following is worth noting:

## Impacts of COVID-19:

The COVID-19 pandemic had a substantial impact on the cultural and creative sector in Australia during the 2019-20 and 2020-21 collection cycles.

Australian Government and state and territory governments provided targeted COVID support funding for cultural and creative organisations and infrastructure, businesses, individuals, support programs and initiatives. This data was captured for the 2019-20 and 2020-21 collections.

COVID support data was captured for April, May and June 2020 for the 2019-2020 collection. Data for 2020-21 covers the full financial year. Caution is required when comparing the two financial years.

Data for 2019-20 have been revised for both Australian Government and State and territory government.

In 2019-20, additional and targeted funding was allocated in direct response to the impact of COVID-19. This expenditure was reported against Total Recurrent and Total Heritage and Arts value of expenditure 'only' and not broken down by category for the Australian Government, South Australia, Tasmania, and Australian Capital Territory governments. Data included for Victorian Government was reported against categories and totals. All data is comparable for Total Recurrent and Total Heritage and Arts figures.

In 2019-20, additional and targeted COVID support funding was only able to be reported for Victoria, South Australia, Tasmania, and Australian Capital Territory governments. Queensland Government also reallocated and brought forward COVID support funding.

In 2020-21, targeted funding allocated in direct response to the impact of COVID-19 was reported against Total Recurrent and Total value of expenditure and broken down by category. Data for 2019-20 and 2020-21 are comparable at the Total Recurrent and Total Heritage and Arts figures.

Caution should be taken when comparing the targeted COVID support funding between states and territories for the cultural and creative sectors, as the impact of COVID and the response to this impact was different for respective states and territories.

Additional expenditure has been identified from the Australian Government for the wider economy JobKeeper and Boosting Cash Flow for Employers payments and appear separately from the survey collection data. The data reference the payment year and are based on the ANZSIC codes identified in Explanatory Notes-Appendix A as creative and cultural industries. Data for 2019-20 and 2020-21 have been footnoted in the relevant tables for reference.

It may also be useful to consider the following differences in the types of support allocated.

Expenditure of governments in response to COVID-19 is identified in the 2020-21 CFG release as of two types:

- 01. targeted** COVID-19 support
- 02. wider** economy COVID-19 support

Importantly, these different streams of expenditure are different in scope. The data on **targeted** COVID-19 support use the same inclusions as the non-COVID-19 expenditure on arts and culture.<sup>68</sup> The **wider** economy COVID-19 support is based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes for creative and cultural industries.<sup>69</sup> ANA has summarised these inclusions below.

## Comparison of Inclusions and Scope of Data on Government Expenditure on Arts and Culture

Scope of both the non-COVID-19 expenditure on arts and culture and the targeted COVID-19 support in the CFG financial tables	Scope of wider economy COVID-19 support in the CFG financial tables	
<ul style="list-style-type: none"> <li>- Art Museums</li> <li>- Other Museums and Cultural Heritage</li> <li>- Libraries</li> <li>- Archives</li> <li>- Literature and Writing</li> <li>- Music</li> <li>- Theatre</li> <li>- Dance</li> <li>- Music Theatre and Opera</li> <li>- Circus and Physical Theatre</li> <li>- Comedy</li> <li>- Other Performing Arts</li> <li>- Performing Arts Venues</li> <li>- Cross-art Form</li> <li>- Visual Arts and Crafts</li> <li>- Design</li> <li>- Radio and Television Services</li> <li>- Film and Video Production and Distribution</li> <li>- Interactive Arts Content</li> <li>- Arts Education</li> <li>- Community Arts and Cultural Development</li> <li>- Multi-arts Festivals</li> <li>- Arts Administration</li> <li>- Other Arts</li> </ul>	<ul style="list-style-type: none"> <li>- Clothing Manufacturing</li> <li>- Footwear Manufacturing</li> <li>- Printing</li> <li>- Printing Support Services</li> <li>- Reproduction of Recorded Media</li> <li>- Jewellery and Silverware Manufacturing</li> <li>- Clothing and Footwear Wholesaling</li> <li>- Jewellery and Watch Wholesaling</li> <li>- Book and Magazine Wholesaling</li> <li>- Entertainment Media Retailing</li> <li>- Newspaper and Book Retailing</li> <li>- Clothing Retailing</li> <li>- Footwear Retailing</li> <li>- Watch and Jewellery Retailing</li> <li>- Newspaper Publishing</li> <li>- Magazine and Other Periodical Publishing</li> <li>- Book Publishing</li> <li>- Other Publishing (except Software, Music and Internet)</li> <li>- Software Publishing</li> <li>- Motion Picture and Video Production</li> <li>- Motion Picture and Video Distribution</li> <li>- Motion Picture Exhibition</li> <li>- Post-production Services and Other Motion Picture and Video Activities</li> <li>- Music Publishing</li> </ul>	<ul style="list-style-type: none"> <li>- Music and Other Sound Recording Activities</li> <li>- Radio Broadcasting</li> <li>- Free-to-Air Television Broadcasting</li> <li>- Cable and Other Subscription Broadcasting</li> <li>- Internet Publishing and Broadcasting</li> <li>- Libraries and Archives</li> <li>- Video and Other Electronic Media Rental and Hiring</li> <li>- Architectural Services</li> <li>- Other Specialised Design Services</li> <li>- Advertising Services</li> <li>- Professional Photographic Services</li> <li>- Computer System Design and Related Services</li> <li>- Arts Education</li> <li>- Museum Operation</li> <li>- Performing Arts Operation</li> <li>- Creative Artists, Musicians, Writers and Performers</li> <li>- Performing Arts Venue Operation</li> </ul>

# Notes on ANA's 'The Big Picture in 2020–21'

All figures given in the report are in Australian dollars.

The key datasets used in this report are:

- ABS 4183.0 cultural funding by government for arts and cultural expenditure data up to 2012–13.
- Cultural funding by government (for 2015–16, 2016–17, 2017–18 and 2020–21 data), prepared by the ABS on behalf of the Meeting of Cultural Ministers Statistical Working Group.
- ABS 3101.0 Australian demographic statistics for population (June quarter of each year).
- ABS 6345.0 Wage Price Index, using the hourly rates of pay reported in the public and private arts and recreation services category (June quarter of each year).

Government expenditure is often indexed using a variety of Wage Cost Indices (WCI) rather than the Wage Price Index (WPI). The WCIs used vary across departments, programs and levels of government, and the details are not released in a collected format. Within this report, we have used the ABS's published WPI series – ABS 6345.0 – as a proxy for WCI. We note that this methodology may create slight variations in the figures across different programs and levels of government.

For several of the years considered in this insight report, the CFG series included environmental heritage. We excluded this from the federal and state and territory government figures, but it was not possible to exclude this category from the local government figures. Because of this, several of the figures in this report (in particular, the per capita figures) differ from those published in the CFG series.

There was some difficulty comparing data due to category changes and inconsistencies.

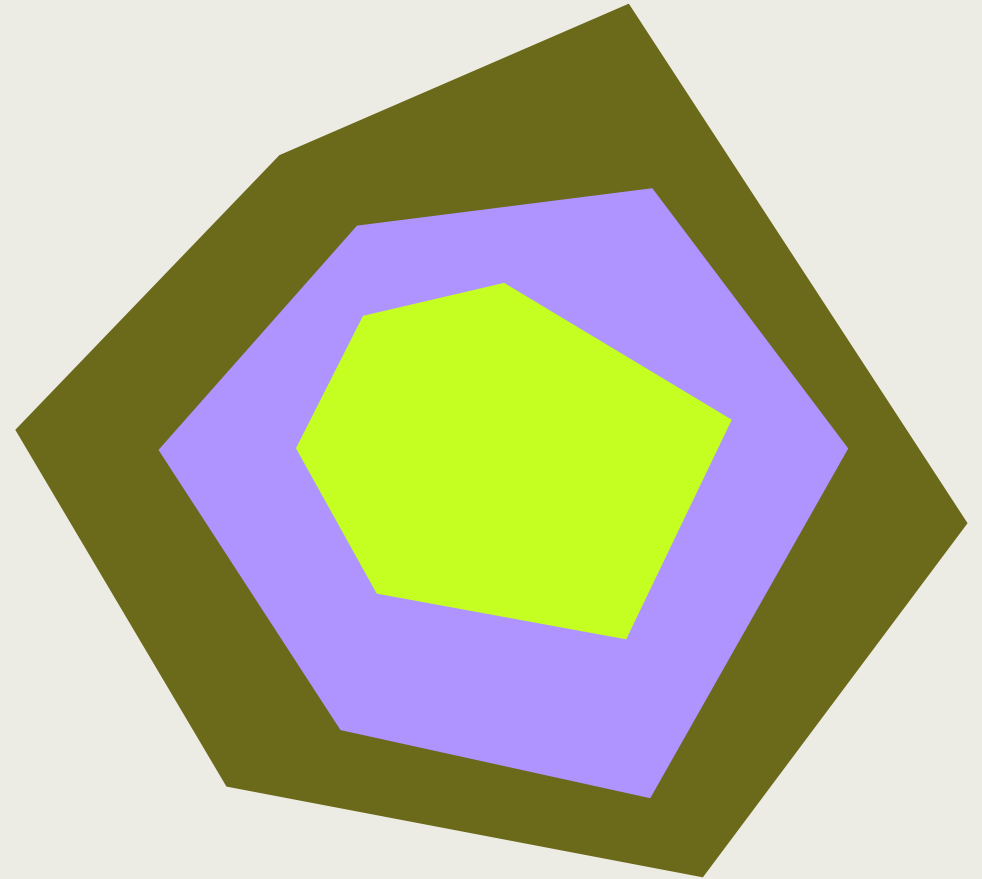
Several releases include corrections to data from the previous years. The updated figures were used.

Minor variations between the per capita figures presented in this document and the CFG survey report are attributable to each analysis using population data from different points in the year. The CFG survey uses December 2020 population figures from the September 2021 release; this document uses June quarter population figures.

This piece reports descriptive statistics only, and therefore the use of the word 'significant' throughout the report does not refer to statistical significance – we are not testing any hypotheses. For an accessible overview of statistical significance, see this post from the Harvard Business Review blog: '[A refresher on statistical significance.](#)'

## Appendix 2

# How is Responsibility for Cultural Funding Distributed Among the Three Levels of Government and Why?



When we hear about the responsibilities of the three levels of government, it is easy to assume that these are neatly laid out somewhere – a clear, documented overview of who should take care of what, and why it is the most logical way to distribute the various tasks that constitute the running of our nation. The reality, however, is that (in many cases) this distribution has evolved quite organically, especially when it comes to responsibility for expenditure on arts and culture.

Australia's constitution does not specify responsibilities for arts and culture. However, it does specify that the federal government holds constitutional responsibility for communications, which includes broadcasting (including a range of related regulatory responsibilities). This is a key reason why the federal government spends more on Film, Radio and Television than the states and territories or local governments do.

We have seen throughout this report that the federal government spends slightly more than the combined expenditure of state and territory governments and much more (at least in the 2020–21 period) than combined local government spending. Commentators have pointed out that, although cultural activities are shared between government levels, 'the assumption of the power to levy income and, in recent years, the introduction of a Goods and Services Tax, have both meant that the financial weight lies with the Commonwealth Government'.<sup>70</sup>

Outside of constitutional responsibilities, the distribution of responsibility for arts and culture expenditure in Australia has developed in quite an ad hoc manner. The states have been investing in their own state and regional galleries, for example, since the late 1800s – before federation – and this continues today.<sup>71</sup> The first federal program for funding arts and culture was in 1908: the Commonwealth Literary Fund was established to give financial assistance to impoverished writers. However, it was not really until the 1940s, after the British government established federal models for funding the arts, that Australia's federal government began systematically considering cultural funding, beyond their constitutional requirements, to be part of their remit.<sup>72</sup>

Local government expenditure on arts and culture started growing in the 1970s as enthusiasm for community arts grew<sup>73</sup> and as the Whitlam government significantly increased Commonwealth grants to local governments, although these were still administered by the states. The exception to this 1970s era emergence was local government library expenditure, as this came much earlier. By the 1960s, responsibility for libraries' ongoing costs was already divided evenly between state and territory and local governments.

The parliamentary inquiry into cultural and creative industries considered these issues, and its final report included a bipartisan recommendation that "the Commonwealth Government direct the Productivity Commission to inquire into the legislative arrangements which govern funding of artistic programs and activities at all levels of government. The Productivity Commission should consider barriers and opportunities for artistic programs to be established at the different levels of government".<sup>74</sup>

# Endnotes

- <sup>1</sup> Australia's Department of Foreign Affairs and Trade described the OECD as follows on its website: 'The Organisation for Economic Co-operation and Development (OECD) produces independent analysis and statistics to promote policies to improve economic and social wellbeing across the globe. Australia has been an active member since 1971.' Australian Government Department of Foreign Affairs and Trade, 'International Organisations - The OECD', accessed February 7, 2023, <https://www.dfat.gov.au/trade/organisations/oecd>.
- <sup>2</sup> Commonwealth of Australia, *Revive: A Place for Every Story, a Story for Every Place - Australia's Cultural Policy for the next Five Years* (Canberra: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2023), <https://www.arts.gov.au/sites/default/files/documents/national-culturalpolicy-8february2023.pdf>.
- <sup>3</sup> Quoted in Commonwealth of Australia, *Revive*, 81.
- <sup>4</sup> UNESCO has defined global public goods as follows: 'Global public goods are those marked by non-rivalry of consumption and non-exclusion. Moreover, their benefits are near-universal in terms of geographical coverage, people (benefitting all) and generations (present and future).' UNESCO, *Reshaping Policies for Creativity: Addressing Culture as a Global Public Good* (Paris: UNESCO, 2022), 29, <https://unesdoc.unesco.org/ark:/48223/pf0000380474>.
- <sup>5</sup> UNESCO, *UNESCO World Conference on Cultural Policies and Sustainable Development - MONDIACULT 2022 - Final Declaration* (Mexico City: UNESCO, 2022), [https://www.unesco.org/sites/default/files/medias/fichiers/2022/09/6.MONDIACULT\\_EN\\_DRAFT%20FINAL%20DECLARATION\\_FINAL\\_1.pdf](https://www.unesco.org/sites/default/files/medias/fichiers/2022/09/6.MONDIACULT_EN_DRAFT%20FINAL%20DECLARATION_FINAL_1.pdf).
- <sup>6</sup> In this report, ANA refers to the central government of Australia as the 'federal government', instead of a commonly adopted form of 'Australian Government'. This term is standard in international comparisons, including in research of such organisations as the OECD.
- <sup>7</sup> These institutions and events are listed as examples only; it is not possible to confirm they are captured due to the aggregate nature of the CFG.
- <sup>8</sup> The CFG 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.
- <sup>9</sup> In 2020-21 the overview is published under the purview of the Culture and Creative Statistics Working Group and can be found [here](#). Box 1 contains ANA's summary of the 2020-21 national overview.



<sup>10</sup> While the CFG series is considered the most complete dataset available, it is expenditure-based and therefore it does not capture the full details of government investment and support for the arts and heritage sectors. For example, in addition to direct investment, the Australian Government supports the sector through several indirect measures, including the Australian Screen Production Incentive and the Cultural Gifts Program; however, these are outside of the scope of the CFG survey, as these initiatives are not counted towards expenditure. Other jurisdictions also have indirect initiatives and incentives. Prior to the 2015–16 financial year, the survey was collected under the Census and Statistics Act 1905. This Act gives the Australian Statistician the authority to conduct statistical collections and, when necessary, direct a person to provide statistical information. Since the 2015–16 period, the CFG survey became a Meeting of Cultural Ministers collection and no longer has this authority. Consequently, the ABS stated, 'While the survey methodology is similar to past collections, time series comparisons should be made with appropriate caution, due to category changes.'

<sup>11</sup> The CFG survey was not conducted in 2018–19.

<sup>12</sup> ANA defines 'middle Australians' as people who are from low- and middle-income households, living in outer suburban or regional locations, and politically unaligned (i.e. they have changed their vote to a different major party more than once and at both state and federal elections).

<sup>13</sup> Angela Vivian and Kate Fielding, *Lifelong: Perceptions of Arts and Culture among Baby Boomer Middle Australians: Insight Report no. 2022-02* (Canberra: A New Approach, 2022), [https://newapproach.org.au/wp-content/uploads/2022/09/Lifelong\\_-\\_Perceptions-of-Arts-and-Culture-among-Baby-Boomer-Middle-Australians-1.pdf](https://newapproach.org.au/wp-content/uploads/2022/09/Lifelong_-_Perceptions-of-Arts-and-Culture-among-Baby-Boomer-Middle-Australians-1.pdf).

<sup>14</sup> In this instance, the definition of cultural and creative activity is the same as that given in the ABS 2014 publication *Cultural and Creative Activity Satellite Accounts, 2008–09* and refers to 'activities that involve human creativity as a major input', broadly described as activities 'connected with the arts, media, heritage, design, fashion, and information technology.' Bureau of Communications, Arts and Regional Research (BCARR), *FAQ: Cultural and Creative Activity in Australia, 2010–11 to 2019–20* (Canberra: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2022), 1, <https://www.infrastructure.gov.au/sites/default/files/documents/bcarr-faq-cultural-and-creative-activity-in-australia-2010-11-to-2019-20-overview-october2022.pdf>.

<sup>15</sup> More information about this estimate can be found in BCARR, *Cultural and creative activity in Australia 2010–11 to 2019–20: Visual summary* (Canberra: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2022), <https://www.infrastructure.gov.au/sites/default/files/documents/bcarr-visual-summary-cultural-and-creative-activity-in-australia-2010-11-to-2019-20-october2022.pdf>.

<sup>16</sup> As noted in footnote c of the CFG financial tables, in 2019–20, this expenditure includes \$38.4m targeted COVID-19 support funding for cultural and creative organisations and infrastructure, businesses, individuals, support programs and initiatives. This value is reported in total figures only and was revised for the 2020–21 release.

<sup>17</sup> The Victorian Government reported an additional \$177.0m of wider economy COVID-19 support for eligible businesses in cultural and creative industries. The ACT reported \$1.3m, and Tasmania reported \$0.2m in COVID-19 expenditure that was 'unable to be categorised'. For the purposes of this report and research, ANA has included this latter expenditure as wider economy COVID-19 support.

<sup>18</sup> Although expenditure is reported at an aggregated level, and therefore funding cannot be precisely attributed to specific programs or levels of government, examples of the Australian Government's targeted COVID-19 support is available at <https://www.arts.gov.au/covid-19-update>.

<sup>19</sup> Note the data referenced for JobKeeper and Boosting Cash Flow for Employers payments are based on the ANZSIC codes, which are based on Australian Bureau of Statistics, *Australian National Accounts: Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09* (Canberra: ABS, 2014), <https://shorturl.at/tHS17>. This list is different to, and broader than, the Arts and Heritage categories used in the non-COVID-19-related CFG data. Appendix 1 summarises the differences.

<sup>20</sup> Note rounding has been applied to the listed figures. All monetary values, unless otherwise indicated, are shown in Australian dollars. Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Where used, the term 'billion' means 'thousand million' in line with Australian standards.

<sup>21</sup> Note rounding has been applied to the listed figures. Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.

<sup>22</sup> The treatment of targeted COVID-19 expenditure in the analysis of expenditure in this section is based on our best understanding of the publicly available information. However, some caution is needed when comparing 2020–21 data with earlier years. This is because, unlike the raw data analysed in most of this report (e.g. expenditure on capital and recurrent activities by levels of government), the 2020–21 CFG data do not separate out COVID-19 expenditure from non-COVID-19 expenditure for specific activities. In addition, the revisions to the state and territory governments data from 2019–20 create uncertainty of whether the COVID-19 support is included across activities or just in totals. As this report analyses the proportions of funding for different categories and by different levels of government over time – not the amount of funding – ANA believes that the overall trends observed remain valid. Details of the inclusion or exclusions can be found in footnotes (c), (d), (e) and (f) of Table 2 of the 2020–21 CFG financial tables.

<sup>23</sup> This spike most likely reflects the allocations for the substantial capital upgrades underway at the Australian War Memorial.

<sup>24</sup> These different focuses partially reflect the different levels of governments' areas of responsibility. For a brief overview of the responsibilities of the three levels of government for different arts and cultural areas, see Appendix 2: How is responsibility distributed among the three levels of government – and why?

<sup>25</sup> Adjustments for inflation use the ABS 6345.0 wage price index and the hourly rates of pay reported in the public and private arts and recreation services category (June quarter of each year). Figures adjusted in this way are sometimes referred to as 'real', while non-adjusted figures are sometimes referred to as 'raw' or 'nominal'.

<sup>26</sup> The scope of the OECD data is significantly broader than the scope of the CFG survey. It includes recreational and sporting services; cultural services; broadcasting and publishing services; religious and other community services; R&D recreation, culture and religion; and recreation culture and religion not elsewhere classified. The OECD table only includes member nations from which data are available; notably, data are not available for Canada and New Zealand. Data collection methods vary between the CFG survey and the National Accounts data, which are used by the OECD in its calculations.

<sup>27</sup> The CFG survey uses the following definitions of recurrent and capital expenditure:

– Recurrent: expenditure of governmental funds on programs, specialist areas and special projects, including operational costs, wages and salaries, goods and services, current grants and transfer payments, specific purpose grants and subsidies. Includes non-capital grants or payments to individuals, groups, organisations or other entities.

- Capital: expenditure of government funds on the creation of fixed assets (e.g. buildings, additions, renovations or restorations), land, buildings and intangible assets, including expenditure on second-hand fixed assets, land acquisitions and capital grants for capital works on projects. Includes capital grants or payments to individuals, groups, organisations or other entities. Excludes loans. *Cultural Funding by Government, Australia Methodology, 2012-13 Financial Year* (Australian Bureau of Statistics, 2014). <https://www.abs.gov.au/methodologies/cultural-funding-government-australia-methodology/2012-13>

<sup>28</sup> It is important to note that the local government data is not 100% comparable to data from other levels of government, as they include funding for zoos and botanic gardens; these are excluded from the federal and state and territory data.

<sup>29</sup> *Cultural and Creative Statistics Working Group, Cultural Funding by Government—2020-21—Western Australian Government* (ABS, 2022), <https://www.arts.gov.au/sites/default/files/documents/cultural-funding-by-government-2020-21-western-australia.pdf>.

<sup>30</sup> Note the ACT does not have a local government structure, as the ACT Government fills both a state and local government role. Hence, all expenditure in that jurisdiction is attributed to the territory government.

<sup>31</sup> Note that the Tasmanian Government funds public libraries, while, in other states, libraries are predominantly funded by local governments. See MCM Statistics Working Group, *Cultural Funding by Government 2015-16 Report* (Australia: Commonwealth of Australia), 25, <https://www.arts.gov.au/sites/default/files/documents/cultural-funding-by-government-report-2015-16.pdf>.

<sup>32</sup> The National Cultural Policy is structured around five interconnected pillars: First Nations First, A Place for Every Story, Centrality of the Artist, Strong Cultural Infrastructure and Engaging the Audience.

<sup>33</sup> The policy states that 'ten principles sit across the pillars to guide the [federal] government's actions and investments over the next five years.' Commonwealth of Australia, *Revive*, 19.

<sup>34</sup> PWC, 'The Economic Contribution of Australia's Copyright Industries - 2006-2018', June 2020, Appendix A, [https://www.wipo.int/export/sites/www/copyright/en/performance/pdf/pwc\\_report\\_2020\\_australia.pdf](https://www.wipo.int/export/sites/www/copyright/en/performance/pdf/pwc_report_2020_australia.pdf).

<sup>35</sup> One of the ways that the Productivity Commission examines government assistance across industries is by quantifying the 'effective rate of assistance', which it states is 'a longstanding measure of the assistance provided to a particular sector or industry. It reflects the extent to which net government assistance discriminates in favour of a sector or industry — better enabling it to attract economic resources relative to others.' Productivity Commission, *Trade and Assistance Review 2020-21* (Canberra: Commonwealth of Australia, 2022), 8, <https://www.pc.gov.au/ongoing/trade-assistance/2020-21/trade-assistance-review-2020-21.pdf>.

<sup>36</sup> BCARR, *Cultural and Creative Activity in Australia 2010-11 to 2019-20* (Canberra: Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2022), 3.

<sup>37</sup> The Productivity Commission is the Australian government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its outcome is 'well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.' 'Treasury Portfolio', Australian Government Department of the Treasury, accessed February 7, 2023, <https://treasury.gov.au/the-department/about-treasury/our-portfolio>.

<sup>38</sup> Recommendation 2 of the inquiry includes: 'that the Commonwealth Government direct the Productivity Commission to inquire into the legislative arrangements which govern funding of artistic programs and activities at all levels of government. The Productivity Commission should consider barriers and opportunities for artistic programs to be established at the different levels of government.' Commonwealth of Australia, *Sculpting a National Cultural Plan* (Canberra: Parliament of Australia, 2021), 'List of Recommendations', [https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Communications/Arts/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Arts/Report).

<sup>39</sup> 'Subnational' here refers to the combination of state and local government expenditure.

<sup>40</sup> OECD Local Economic and Employment Development (LEED), *The Culture Fix: Creative People, Places and Industries* (Paris: OECD Publishing, 2022), 223, <https://doi.org/10.1787/991bb520-en>.

<sup>41</sup> OECD LEED, *The Culture Fix*, 219.

<sup>42</sup> According to UNESCO's summary of research, culture encompasses all the characteristics of a global public good because '[...] creativity is an inexhaustible source, participated in by societies and individuals around the world, and today's creativity is tomorrow's heritage. Culture is not just about institutions or economy, but also individual and collective imagination.' UNESCO, *Reshaping Policies for Creativity*, 29.

<sup>43</sup> UNESCO, *MONDIACULT 2022*, 4.

<sup>44</sup> According to ANA's analysis, the countries where governments spent more on recreation, culture and religion than the OECD average in 2020 are: Israel, Latvia, Sweden, Lithuania, Czech Republic, Slovenia, France, Finland, Denmark, Norway, Estonia, Iceland, Hungary.

<sup>45</sup> 'MONDIACULT 2022: States adopt historic Declaration for Culture', [Unesco.org](https://www.unesco.org/en/articles/mondiacult-2022-states-adopt-historic-declaration-culture), last updated October 7, 2022, <https://www.unesco.org/en/articles/mondiacult-2022-states-adopt-historic-declaration-culture>.

<sup>46</sup> The Australian National Cultural Policy states: 'To measure the success of the National Cultural Policy and to see the ambitions of the sector grow, the Government will publish a report on the state of culture in Australia every three years. The report will be based on a survey of Australians' attitudes and experiences with arts and culture, including Australian content, across a range of formats, including screen, music, performing arts, visual arts, design and literature. The survey will also include questions to better understand Australians' attitudes and awareness of issues relating to ethical sourcing, production and consumption of content, including content created by First Nations peoples.' Commonwealth of Australia, *Revive*, 71.

<sup>47</sup> Reviewing countries' approaches to reporting on government expenditure on arts and culture is beyond the scope of the research. However, France's approach to annual reporting is a useful example of areas of potential improvement. Based on our translation of the most recent report, the French government adjusts for inflation when showing changes in expenditure, describes the indirect government supports (e.g. tax) and integrates these data on government expenditure with available data on private support for culture.

<sup>48</sup> OECD LEED, *The Culture Fix*, 234.

<sup>49</sup> Previous ANA research has found that the community supports the claims that arts and culture strengthen communities, positively influence Australian health and may help in treating mental health conditions. See Vivian and Fielding, *Lifelong*, 26.

<sup>50</sup> *Chiffres clés, statistiques de la culture et de la communication 2021* (Paris: Ministère de la Culture [Deps-doc], 2021), 24, <https://www.culture.gouv.fr/Thematiques/Etudes-et-statistiques/Publications/Collections-d-ouvrages/Chiffres-cles-statistiques-de-la-culture-et-de-la-communication-2012-2022/Chiffres-cles-2021>.

- <sup>51</sup> Australia Council for the Arts, 'The New National Cultural Policy: Cultural data needs' (Sydney: Australia Council for the Arts, 2022), <https://australiacouncil.gov.au/about-us/publications-and-submissions/>.
- <sup>52</sup> Productivity Commission, 'Report on Government Services – Media', released January 24, 2023, <https://www.pc.gov.au/ongoing/report-on-government-services#media>.
- <sup>53</sup> It is worth noting that this figure represents government spending for this purpose as a share of total government expenditure. In contrast, the OECD figures provided earlier in this report represent the government spending a share of GDP, an indicator used by the OECD to enable cross-country comparisons. Like the OECD data, it is not possible to provide more granular information on how that spending is allocated across the category of recreation culture and religion. In addition, it is worth noting that for ANA's calculation of this estimate, the numerator and denominator come from different sources of data, and while similar, they use different methodologies to collect. The estimate draws on the financial data reported by the ABS, 'Table 4. Total All Levels of Government, General Government Expenses by Purpose [Data Set]' (Government Finance Statistics, 2020–21), accessed February 14, 2023.
- <sup>54</sup> Productivity Commission, 'Report on Government Services – Media'.
- <sup>55</sup> For a more detailed description of the impacts of COVID-19 in Australia, see the report of the Australia Council for the Arts, *Impacts of COVID-19 on the Cultural and Creative Industries* (Canberra: Australia Council for the Arts, 2022), <https://australiacouncil.gov.au/advocacy-and-research/impacts-of-covid-19/>.
- <sup>56</sup> The ABS's classification of the 'arts and recreation' businesses and services is diverse and extends beyond the cultural and creative industries. For example, this activity includes heritage activities, creative and performing arts activities, sports and recreation activities and gambling activities.
- <sup>57</sup> ABS statistics as cited in Australia Council for the Arts, *Impacts of COVID-19*, 6–8.
- <sup>58</sup> A roundup of the federal government's COVID-19 supports, including in arts and recreation, can be found in the Productivity Commission's two most recent Trade and Assistance Reviews. See Productivity Commission, 'Trade and Assistance Review', Productivity Commission, June 27, 2014, <https://www.pc.gov.au/ongoing/trade-assistance>.
- <sup>59</sup> Productivity Commission, *Trade and Assistance Review 2020–21*, 65.
- <sup>60</sup> Jenny Lye, Joe Hirschberg, Grace McQuilten, Chloë Powell, Kate MacNeill and Marnie Bardham, 'The Impact of COVID-19 on the Australian Visual Arts and Craft Sector - Discussion Paper', Visual Arts Work research project (November 2022), [https://www.visualartswork.net.au/uploads/1/3/9/3/139379831/lye\\_et\\_al\\_november\\_2022\\_impact\\_of\\_covid-19\\_on\\_the\\_australian\\_visual\\_arts\\_and\\_craft\\_sector.pdf](https://www.visualartswork.net.au/uploads/1/3/9/3/139379831/lye_et_al_november_2022_impact_of_covid-19_on_the_australian_visual_arts_and_craft_sector.pdf).
- <sup>61</sup> It is worth noting, however, that the 'Arts and Recreation Services' division employed in that Household, Income and Labour Dynamics in Australia (HILDA) analysis includes the firms and employers falling into the sub-categories of 'sports and recreation activities' as well as 'gambling activities'. This division excludes units that are involved in the production and distribution of motion pictures, videos, television programs or television and video commercials. More information is available at <https://www.abs.gov.au/statistics/classifications/australian-and-new-zealand-standard-industrial-classification-anzsic/2006-revision-2-0/detailed-classification/r>
- <sup>62</sup> See Table 4.7 ('Proportion of employed persons who received JobKeeper in 2020 [%]'), a cross-industry comparison of JobKeeper receipt using data from the HILDA survey, a nationally representative longitudinal study of Australian households funded by the Australian Government Department of Social Services and managed by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. Roger Wilkins, Esperanza Vera-Toscano, Ferdi Botha, Mark Wooden, and Trong-Anh Trinh, 'The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 20', *Melbourne Institute: Applied Economic & Social Research* (2022), 88, [https://melbourneinstitute.unimelb.edu.au/\\_data/assets/pdf\\_file/0011/4382057/HILDA\\_Statistical\\_Report\\_2022.pdf](https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0011/4382057/HILDA_Statistical_Report_2022.pdf).
- <sup>63</sup> More information about this research and its caveats can be found at Commonwealth of Australia, 'Government Payments to the Cultural and Creative Sectors' (Canberra: Department of Infrastructure, Transport, Regional Development and Communication, 2021), 3, [https://www.infrastructure.gov.au/sites/default/files/documents/government-payments-to-cultural-and-creative-sectors--september2021\\_0.pdf](https://www.infrastructure.gov.au/sites/default/files/documents/government-payments-to-cultural-and-creative-sectors--september2021_0.pdf).
- <sup>64</sup> Diana Gutierrez-Posada, Tasos Kitsos, Max Nathan, and Massimiliano Nuccio, 'Creative Clusters and Creative Multipliers: Evidence from UK Cities', *Economic Geography* (2022), 1–24, <https://doi.org/10.1080/00130095.2022.2094237>.
- <sup>65</sup> Local Government Association, 'Section Two: Why Invest in Local Culture?' (2022), <https://www.local.gov.uk/topics/culture-tourism-leisure-and-sport/cornerstones-culture/section-two-why-invest-local-culture>.
- <sup>66</sup> Productivity Commission, *5-Year Productivity Inquiry: Innovation for the 98%, Interim Report* (Canberra: Commonwealth of Australia, 2022), 57, <https://www.pc.gov.au/inquiries/current/productivity/interim3-innovation/productivity-interim3-innovation.pdf>.
- <sup>67</sup> See e.g. Regen Melbourne, 'Reimagining and Remaking Melbourne, Together', Regen Melbourne, 2022, <https://www.regen.melbourne>; Regen Sydney, 'Envisioning a regenerative future for Sydney', Regen Sydney, 2021, <https://www.regen.sydney/>.
- <sup>68</sup> See tabs Definitions - Arts and Definitions - Heritage in Cultural Funding by Government 2020–21.
- <sup>69</sup> List extracted from 'Cultural Funding by Government 2020–21 Explanatory Notes (Appendix A)', which notes that this is based on Appendix 1 Industry Coverage and Classification, ABS Australian National Accounts: Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09 [https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/EF5E2547EC51F5AACA257C78000C1B53/\\$File/52710\\_2008-09.pdf](https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/EF5E2547EC51F5AACA257C78000C1B53/$File/52710_2008-09.pdf)
- <sup>70</sup> Margaret Seares and John Gardiner-Garden, *Cultural Policies in Australia* (Canberra: Australia Council for the Arts, IFACCA, 2010), 41, [https://webarchive.nla.gov.au/awa/20170317214233/http://www.irca.net.au/sites/default/files/public/documents/PDF/Seares\\_2011\\_Cultural\\_policies\\_in\\_Australia.pdf](https://webarchive.nla.gov.au/awa/20170317214233/http://www.irca.net.au/sites/default/files/public/documents/PDF/Seares_2011_Cultural_policies_in_Australia.pdf).
- <sup>71</sup> David Throsby, *Public Funding of the Arts in Australia - 1900 to 2000, Year Book Australia* (Canberra: ABS, 2001), <https://www.abs.gov.au/Ausstats/abs@.nsf/0/ed192b5a87e90dbeca2569de0025c1a6?OpenDocument>
- <sup>72</sup> Throsby, *Public Funding of the Arts in Australia*.
- <sup>73</sup> Throsby, *Public Funding of the Arts in Australia*.
- <sup>74</sup> Commonwealth of Australia, *Sculpting a National Cultural Plan*.



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