

Returns on Investment (ROI) in Australian Arts, Culture and Creativity

Policymakers and industry leaders in Australia's cultural and creative industries are exploring effective ways to invest in arts, culture and creativity so Australia can harness the economic, social and cultural benefits of creative engagement.

To Scale: Mapping Financial Inflows in Australian Arts, Culture and Creativity presents a more comprehensive view of the scale of income and investment attracted by Australia's cultural and creative industries, highlights financial options for cultural and creative activity and can inform strategic decision-making.

In particular, the report offers new ways to assess and articulate returns on investment (ROI) across short, medium and long-term time horizons. From this research, A New Approach (ANA) has developed a conceptual ROI framework (see page 2) that we recommend trialling to assess and communicate the individual and cumulative effects of new investment models and partnerships.

We envisage investors and others using this holistic conceptual framework to make decisions about emerging investment partnerships in Australia's contemporary cultural landscape, where effects and value are created and accrued over time. It delineates three 'sites' of measurement, short, medium and long term, and provides examples from our research of the proxies that can be used to measure the change.

For further detail, please refer to pages 49-53 of *To Scale: Mapping Financial Inflows in Australian Arts, Culture and Creativity*.

About A New Approach (ANA)

A New Approach (ANA) is Australia's leading think tank focused on arts and culture. 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 that Australia can be a great place for creators and audiences, wherever they are and wherever they live. ANA is supported by 11 philanthropic partners: The Myer Foundation; Sidney Myer Fund; Tim Fairfax Family Foundation; The Ian Potter Foundation; Neilson Foundation; Minderoo Foundation; Besen Family Foundation; Spinifex Trust; The Keir Foundation; Aranday Foundation; and The Yulgilbar Foundation.

To Scale: Mapping Financial Inflows in Australian Arts, Culture and Creativity (ANA Paper No. 2023-02, August 2023) is the 10th 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.

A New Approach (ANA) produced this report. CEO Kate Fielding provided the overall direction; Director of Research Dr Angela Vivian led authorship; and Researcher Dr Sari Rossi led data analysis. Grace McQuilten, RMIT, Associate Professor; Jayne Lovelock; and Ben Au provided expert advice on early drafts of this report.

MECHANISMS THAT SUPPORT CHANGE

- Multidecadal plan
- Partnership frameworks
- Cross-portfolio approach
- Environmental scanning
- Cross-industry learning and collaboration
- International benchmarking
- Awareness of financial options

SHORT-TERM OUTPUT INVESTING: Operational activities and effects

Output examples

- Imprints of an experience
- Infrastructure
- Non-traditional research outputs

Emerging models & partnerships

- Crisis support measures
- Individual income programs
- Demand-based crowdfunding
- Consumer rebate and voucher programs

Measurements of change

- Timely data on consumer behaviour
- Independent reviews of operational needs

MEDIUM-TERM OUTCOME INVESTING: Cumulative change resulting from outputs

Outcome examples

- Economic contributions
- Social benefits
- Increased productivity
- An enterprise or sector's growth
- Multi-jurisdictional policy drivers

Emerging models & partnerships

- Venture capital and private equity
- Tax incentives
- Equity share scheme

Measurements of change

- ROI and SROI calculations
- Satellite accounts estimates
- Business entries and exits

LONG-TERM IMPACT INVESTING: Cumulative outcomes achieved over time

Impact examples

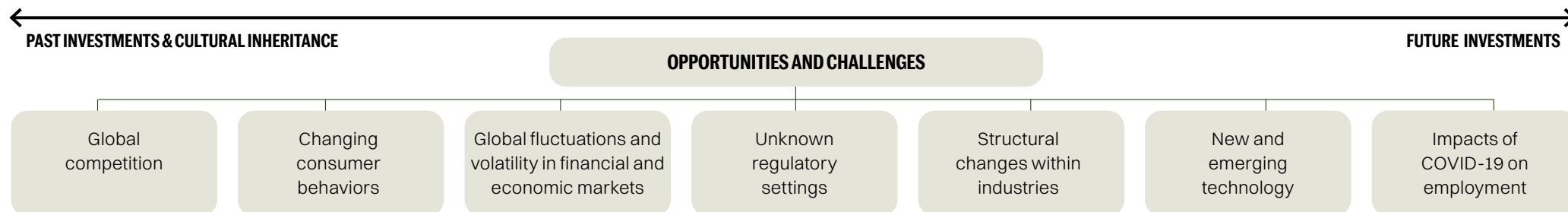
- Sustainable development
- Locally loved, nationally valued and globally influential creativity
- Inter-generational and lifelong participation

Emerging models & partnerships

- The investment of superannuation assets
- Community investment trusts
- Reinvestment of profits

Measurements of change

- Cultural participation and attendance surveys
- Three yearly state of culture reports
- Wellbeing frameworks



More information

For more information about the work of ANA visit www.newapproach.org.au

To request a briefing on this research please contact hello@newapproach.org.au