To Scale:

Mapping Financial Inflows in Australian Arts, Culture and Creativity

Technical Appendix and Background Research

A New Approach (ANA)

August 2023

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Part 1

Methodology and Limitations

This section outlines our methodological approach:

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For interested readers, this section also shares several tables with additional details supporting the estimates contained in the main report:

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1.1 Research design and analysis

For the analysis in this research, we adopt a pre-structured approach involving an OECD taxonomy of sources of funding of the cultural and creative industries (the OECD uses the term 'cultural and creative sectors' [CCS]).

The European Union's European Agenda for Culture[1] initially developed the taxonomy, which conceptually maps various relevant sources of investment for the cultural and creative industries with a specific focus on CCI companies' sources of finance.

The qualitative work in our research – in particular, the analysis of expectations and methodologies for calculating ROI – unfolds over time and in response to questions and themes emerging through collection and analysis of quantitative data.

For the quantitative aspects of this research, data were collected from 8 November 2022 to 15 March 2023 from a range of sources. We analyse the most recently available data for each source. In some cases, this is the 2019–2020 financial year; in some cases, it is the 2020–2021 financial year; and in other cases, the most recently reported data is for the 2021–2022 financial year. A comparison year, the 2017–2018 financial year, is provided for each financial year.

All figures are adjusted for inflation to the 2021–22 financial year. The consumer price index measurement is selected because most inflows are related to sales and services. Inflation percentages for the relevant financial years are sourced using the Reserve Bank of Australia (RBA) inflation calculator.[2]

To analyse the total income of the cultural and creative industries, the boundaries of the cultural and creative activity satellite accounts are used. These satellite accounts use Australian and New Zealand Standard Industrial Classifications (ANZSIC)[3] at the class level (4-digit level) to identify the cultural and creative industries.[4]

Whereas the definition of cultural and creative activity is at the 4-digit level, the available data[5] is, for the most part, at the 2-digit level. This presents a limitation, with the source data not being granular enough to accurately define financial inflows. To mitigate this limitation, both a high and a low estimate are developed.

For the most part, the ABS Australian Industry dataset is used by division level (1-digit level) and by subdivision level (2-digit level). Through the process of cross-referencing industries by class level (4-digit level), defined in the cultural and creative activity satellite accounts, the following eight division-level industries are identified as relevant:

1. Manufacturing
2. Wholesale trade
3. Retail trade
4. Information Media and Telecommunications
5. Rental and Hiring Services (except Real Estate)
6. Professional, Scientific and Technical Services
7. Education and Training in Australia
8. Arts and Recreation Services

For one of the divisions, manufacturing, ABS provides a data cube with detailed data at the class level (4-digit level). However, ABS provides less information for the 4-digit manufacturing data cube compared to the 1-digit and 2-digit manufacturing data cube. For example, sales and services income and Industry value added are included, but government operational income, interest income and other income figures are not provided at this level. To mitigate this issue, percentages are developed that triangulate the relevant class-level data in relation to the subdivision level data. This process provides adequate estimates of the manufacturing industry.

Next, high estimates are calculated by counting how many 4-digit industries are included in each industry division (1-digit level) and subdivision (2-digit level). A similar count is conducted to determine how many class-level (4-digit) sub-industries are relevant to the in-scope industries of the creative and cultural activities satellite accounts.

Results from these two counts are used to calculate a percentage for each relevant industry at the subdivision (2-digit) level. High estimates are first arrived at by using the percentage to obtain an apportioned amount. The high estimates assume that all 4-digit industry codes have the same value and generate equal income.

This process of conducting the counts reveals that seven of the industries at the subdivision (2-digit) level are 100% related to cultural and creative activities. These seven industries are

- **16** Printing (including the Reproduction of Recorded Media)
- **55** Motion Picture and Sound Recording Activities
- **56** Broadcasting (except Internet)
- **57** Internet Publishing and Broadcasting
- **70** Computer System Design and Related Services
- **89** Heritage Activities
- **90** Creative and Performing Arts Activities

In addition to these, the manufacturing division provides enough data at the class level (4-digit level) to reasonably estimate the creative and cultural activity portion.

To arrive at lower estimates, the percentages for the remaining seven industry subdivisions are conservatively adjusted. The industries included within each subdivision are evaluated to arrive at these estimates.

Throughout this report, the lower estimates are used. It is, however, assumed that the actual amounts sit between the lower and the higher estimates. **Table 1** provides details of the total and the counts relevant to cultural and creative industries for each ANZSIC level along with the high and low percentages used to calculate estimates for the total cultural and creative activity industry inflows.

These percentage estimates are used across all income types: sales and services income, government operating income, government COVID-19-related income, interest income and other income.

Table 1. Establishing high and low estimate percentages for cultural and creative portion of Australian Industry datasets.

Division level	Subdivision (2-digit level)	Total count at 3-digit level	Total relevant at 3-digit level	Total count at class level (4-digit)	Total relevant at class level (4-digit)	Higher %	Lower %
Manufacturing	**13** Textile, Leather, Clothing and Footwear Manufacturing	5	1	11	2	41.75%	41.75%
	16 Printing (including the Reproduction of Recorded Media)	2	2	3	3	100%	
	25 Furniture and Other Manufacturing	2	1	7	1	9.75%	9.75%
Wholesale Trade	**37** Other Goods Wholesaling	3	2	10	3	30.00%	6%
Retail Trade	**42** Other Store-Based Retailing	7	2	24	5	20.83%	5%
Information Media and Telecommunications	**54** Publishing (except Internet and Music Publishing)	2	2	6	5	83.33%	60%
	55 Motion Picture and Sound Recording Activities	2	2	6	6	100.00%	
	56 Broadcasting (except Internet)	2	2	3	3	100.00%	
	57 Internet Publishing and Broadcasting	1	1	1	1	100.00%	
	60 Library and Other Information Services	2	1	2	1	50.00%	30%

Division level	Subdivision (2-digit level)	Total count at 3-digit level	Total relevant at 3-digit level	Total count at class level (4-digit)	Total relevant at class level (4-digit)	Higher %	Lower %
Rental and Hiring Services (except Real Estate)	**66** Rental and Hiring Services (except Real Estate)	4	1	7	1	14.29%	3%
Professional, Scientific and Technical Services	**69** Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	8	3	15	4	26.67%	5%
	70 Computer System Design and Related Services	1	1	1	1		100.00%
Education and Training in Australia	**82** Adult, Community and Other Education	2	1	4	1	25.00%	5%
Arts and Recreation Services	**89** Heritage Activities	2	2	3	3		100.00%
	90 Creative and Performing Arts Activities	1	1	3	3		100.00%
Total count		**46**	**25**	**106**	**43**		

Table 2. Cultural and creative domains in relation to industry subdivisions.

Domains of the cultural and creative satellite accounts	Relates to the following ANZSIC subdivisions (2-digit level)
1. Museums	**89** Heritage Activities
2. Environmental heritage	**89** Heritage Activities
3. Libraries and archives	**60** Library and Other Information Services
4. Literature and print media	**16** Printing (including the Reproduction of Recorded Media)
	37 Other Goods Wholesaling
	42 Other Store-Based Retailing
	54 Publishing (except Internet and Music Publishing)
5. Performing arts	**90** Creative and Performing Arts Activities
6. Design	**69** Professional, Scientific and Technical Services (Except Computer System Design and Related Services)
	70 Computer System Design and Related Services
7. Broadcasting, electronic or digital media, and film	**54** Publishing (except Internet and Music Publishing)
	55 Motion Picture and Sound Recording Activities
	56 Broadcasting (except Internet)
	57 Internet Publishing and Broadcasting
	66 Rental and Hiring Services (except Real Estate)
8. Music composition and publishing	**55** Motion Picture and Sound Recording Activities
9. Visual arts and crafts	**13** Textile, Leather, Clothing and Footwear Manufacturing
	37 Other Goods Wholesaling
	42 Other Store-Based Retailing
	69 Professional, Scientific and Technical Services (Except Computer System Design and Related Services)
10. Fashion	**13** Textile, Leather, Clothing and Footwear Manufacturing
	37 Other Goods Wholesaling
	42 Other Store-Based Retailing
11. Other culture goods manufacturing and sales	**16** Printing (including the Reproduction of Recorded Media)
	37 Other Goods Wholesaling
	42 Other Store-Based Retailing
	66 Rental and Hiring Services (except Real Estate)
12. Supporting activities	**69** Professional, Scientific and Technical Services (Except Computer System Design and Related Services)
	82 Adult, Community and Other Education

For analysing the not-for-profit perspective, the Australian Charities reports[6] published by the Australian Charities and Not-for-profits Commission (ACNC) are used. Details are obtained from the reports regarding the types of income and the characteristics of arts and culture not-for-profits. In the 2018 report, arts and culture is included within the subtype 'Culture and Recreation'.

In the 2020 report, the subtype called 'Advancing Culture' is analysed. Not-for-profit organisations extend beyond the category of culture. To elaborate, organisations that include arts and culture in their programming exist in the following subtypes: health promotion charities (n = 9), reporting group (n = 38), environment (n = 15), social welfare (n = 83), other (n = 247), public benevolent institutions (n = 75), education (n = 295) and religion (n = 185).

Additionally, a substantial number of the charities with the arts and culture classification have no subtype (n = 837) or multiple subtypes (n = 1338). This is because organisations can report up to ten programs, and each program requires a classification. There is no clear way to identify all relevant organisations. Therefore, only those organisations included in the dominant subtype 'advancing culture' are included in this analysis.

For calculations of copyright income, figures are extracted from financial statements of five collecting societies. Collecting societies do not collect all copyright financial flows. This report captures only copyright income that five of the collecting societies operating under the code of conduct publish.

For the tax expenditure calculations, annual estimates are based on The Australian Government the Treasury (The Treasury) data, which are reported by the Treasury on a revenue forgone basis.[7]

In instances where a reported figure also relates to other industries, the cultural and creative industries part is apportioned. Several of the included listed tax concessions have not been given monetary estimations, so these are marked as N/A. However, each of the tax concessions listed, including those listed as N/A, contributes to the total indirect government support. The estimates of three tax concessions (income tax exemption for prescribed entities, refunds on franking credits and fringe benefits tax concessions) are listed as N/A in the Treasury statements and are instead based on estimates published by the Productivity Commission. These are similarly apportioned to estimate the CCI-relevant amount.

1.2 Consultations and literature search

Because of the range of concepts captured in the report, it adopted a broad approach to consulting on its scope and contents. This included sharing early drafts with academia; government; investment experts; and, as always in ANA research, the experts on our Board and Reference group.

All advisors were invited to provide comments and be named (or not) in the acknowledgements section of the report.

The key sources informing this research, its scope and its concepts, were retrieved throughout the project, including

- Publicly available research reports and reviews (e.g. by ABS; international organisations, the Productivity Commission)
- Media pieces (e.g. articles, opinion pieces, interviews)
- Internet sites (e.g. government information websites; financial blogs)

ANA has evaluated these sources for their rigour and relevance. These sources helped us conceptualise key concepts, provided insights into empirical issues, and were used as examples and data to respond to the research questions.

Peer-reviewed articles in scholarly journals were not heavily relied upon, but they were not specifically excluded either.

1.3 Limitations

The research and data collection are not exhaustive, but they have achieved the objective of offering a baseline figure of inflows.

ANA is grateful to all those who published the data that have contributed to the compilation of this report. The data are drawn from several sources. Although ANA has undertaken all reasonable measures to ensure the data's accuracy and appropriateness for inclusion and analysis (e.g. classification, processing, coverage and timing adjustments; cross-checking externally where possible), we cannot accept responsibility for inaccuracies and omissions.

For transparency and for users of the research, the footnotes in the analysis of the findings reveal several limitations of the research, including the fact that it was not possible to reliably estimate the Australian or cultural and creative portions of the inflows (e.g. research and development taxes) or that some data were missing (e.g. lost revenue from copyright).

The report also identifies several overlaps in the data where these have reduced the direct comparability of different investment sources. For example, we assume an overlap of giving data and philanthropic tax expenditure data. There has been some degree of assumption making for the portion of tax data that relates only to cultural giving. This is because the percentages for income tax rates vary and because not all cash donations are to deductible gift recipients (DGRs).

Another noteworthy limitation of this research is that it does not explore or assess the impacts (costs, benefits and risks) of the options and approaches outlined in the opportunity statements.

1.4 Additional details on datasets and estimates

Table 3. Estimated cultural and creative portion of relevant industries by subdivision (2-digit level), 2020–21 (adjusted to 2021–22).

$million	Textile, leather, clothing and footwear manufacturing	Printing (including the reproduction of recorded media)	Furniture and other manufacturing	Other goods wholesaling	Other store-based retailing	Publishing (except internet and music publishing)	Motion picture and sound recording activities	Broadcasting (except internet)	Internet publishing and broadcasting	Library and other information services	Rental and hiring services (except real estate)	Professional, scientific and technical services (except computer system design and related services)	Computer system design and related services	Adult, community and other education (private)	Heritage activities	Creative and performing arts activities	Total
Sales and services income	$3,039	$7,075	$844	$5,287	$10,784	$9,781	$6,877	$8,213	$3,302	$50	$893	$10,477	$67,429	$453	$749	$3,199	$138,452
Govern-ment funding for operating costs	$3	$4	$1	$3	$6	$2	$126	$84	$2	$3	$1	$41	$83	$3	$97	$406	$865
Govern-ment COVID-19 support payments	$105	$452	$42	$48	$177	$90	$498	$134	$47	$0	$22	$455	$1,953	$55	$182	$555	$4,816
Interest income	$3	$5		$3	$7		$8	$4		$0	$10	$81	$140	$1	$4	$37	$304
Other income	$22	$52		$35	$156		$852	$130		$3	$36	$2,210	$396	$14	$212	$343	$4,460
Total	**$3,172**	**$7,589**	**$886**	**$5,376**	**$11,129**	**$9,873**	**$8,362**	**$8,564**	**$3,351**	**$56**	**$962**	**$13,265**	**$70,000**	**$526**	**$1,244**	**$4,539**	**$148,896**

Table 4. Estimated cultural and creative portion of relevant industries by subdivision (2-digit level), 2017–18 (adjusted to 2021–22).

$million	Textile, leather, clothing and footwear manufacturing	Printing (including the reproduction of recorded media)	Furniture and other manufacturing	Other goods wholesaling	Other store-based retailing	Publishing (except internet and music publishing)	Motion picture and sound recording activities	Broadcasting (except internet)	Internet publishing and broadcasting	Library and other information services	Rental and hiring services (except real estate)	Professional, scientific and technical services (except computer system design and related services)	Computer system design and related services	Adult, community and other education (private)	Heritage activities	Creative and performing arts activities	Total
Sales and services income	$3,478	$8,410	$783	$4,945	$9,424	$6,155	$8,714	$10,463	$2,352	$63	$847	$9,589	$58,370	$357	$848	$4,515	$129,313
Government funding for operating costs	$14	$1	$1	$12	$4	$0	$86	$86	$1	$2	$2	$104	$115	$47		$353	$829
Interest income	$4	$13	$1	$7	$9		$15				$9	$226	$285	$2		$17	$588
Other income	$66	$39	$4	$70	$24		$182	-$138		$8	$35	$2,207	$614	$75		$259	$3,446
Total	**$3,621**	**$8,465**	**$802**	**$5,036**	**$9,461**	**$6,155**	**$9,000**	**$10,409**	**$2,353**	**$74**	**$893**	**$12,166**	**$59,400**	**$481**	**$848**	**$5,149**	**$134,175**

Table 5. Comparison of inclusions in datasets

Cultural and creative industries included based on ANZSIC industry class (4-digit level) code and name	Arts and culture portion inclusions, NFP
1351 - Clothing Manufacturing 1352 - Footwear Manufacturing 1611 - Printing 1612 - Printing Support Services 1620 - Reproduction of Recorded Media 2591 - Jewellery and Silverware Manufacturing 3712 - Clothing and Footwear Wholesaling 3732 - Jewellery and Watch Wholesaling 3735 - Book and Magazine Wholesaling 4242 - Entertainment Media Retailing 4244 - Newspaper and Book Retailing 4251 - Clothing Retailing 4252 - Footwear Retailing 4253 - Watch and Jewellery Retailing 5411 - Newspaper Publishing 5412 - Magazine and Other Periodical Publishing 5413 - Book Publishing 5419 - Other Publishing (except Software, Music and Internet) 5420 - Software Publishing 5511 - Motion Picture and Video Production 5512 - Motion Picture and Video Distribution 5513 - Motion Picture Exhibition 5514 - Post-production Services and Other Motion Picture and Video Activities 5521 - Music Publishing 5522 - Music and Other Sound Recording Activities 5610 - Radio Broadcasting 5621 - Free-to-Air Television Broadcasting 5622 - Cable and Other Subscription Broadcasting 5700 - Internet Publishing and Broadcasting 6010 - Libraries and Archives 6632 - Video and Other Electronic Media Rental and Hiring 6921 - Architectural Services 6924 - Other Specialised Design Services 6940 - Advertising Services 6991 - Professional Photographic Services 7000 - Computer System Design and Related Services 8212 - Arts Education 8910 - Museum Operation 9001 - Performing Arts Operation 9002 - Creative Artists, Musicians, Writers and Performers 9003 - Performing Arts Venue Operation	Of the 46,455 charities reported by the Australian Charities and Not-for-profits Commission (ACNC) in 2019–20, 4,984 (11% of the total) are classified as providing arts and culture-related programs.[8] Of these, 1,348 (3% of the total) belong to the subtype 'advancing culture'. Charities registered with the ACNC can report up to 10 programs, and for each program, a classification needs to be nominated. The 4,984 charities that are classified as providing arts and culture-related programs reflect the quantity of charities that have nominated one or more of their programs as programs related to arts and culture. Most of these charities are not solely arts and culture charities, however, and belong to a variety of subtypes. The subtypes are health promotion charities (n = 9), reporting group (n = 38), environment (n = 15), social welfare (n = 83), other (n=247), public benevolent institutions (n = 75), education (n = 295) and religion (n = 185). Additionally, a substantial number of charities with an arts and culture classification have no subtype (n = 837) or multiple sub-types (n = 1338). The subtype refers to the charitable purpose that entities' activities and objects align with. Twelve subtypes are defined in the Charities Act 2013, and there are two additional subtypes, public benevolent institutions and health promotion charity. The culture subtype is for advancing culture and 'includes the purposes of promoting or fostering culture, and caring for, preserving and protecting Australian heritage (but is not limited to this)'.[9]

Sales and services inclusion, industry	Sales and services inclusion, NFP
▪ Includes goods whether produced or not by the business (including goods produced for the business on a commission basis). ▪ Includes export sales, sales or transfers to related businesses or to overseas branches of the business, progress payments relating to long term contracts if they are billed in the period, delivery charges not separately invoiced or itemised to customers, sales of goods produced by the business from crude materials purchased, and income from 'specific' rates (e.g. water, sewerage, irrigation and drainage rates). ▪ Excludes excise and duties received on behalf of the government (e.g. the petroleum production excise duty), sales of assets, natural resource royalties income, interest income, and delivery charges separately invoiced or itemised to customers. ▪ Exports are valued free on board, i.e. export freight charges are excluded. This item is included in sales and service income and is not separately published except for Mining. Income from services (including royalties) ▪ Includes income from services provided to businesses, households and governments. ▪ Includes income from consulting services, income received from transporting goods not owned or sold by this business/organisation, repair, maintenance and service income and fees, contract, subcontract and commission income, management fees/charges from related and unrelated businesses, installation charges, delivery charges separately invoiced or itemised to customers and royalties from intellectual property (e.g. patents and copyrights) and natural resource royalties income. ▪ Also includes income from the provision of transport services and fee for service income. ▪ Includes government funding to reduce the expenses of the final consumer (i.e. households) where paid directly from government to the business providing the service. This type of funding is classified as sales and service income. Examples include the Child Care Subsidy, Medicare Benefits payments, a number of aged care subsidies and supplements and National Disability Insurance Scheme (NDIS) payments. ▪ Excludes interest income, and delivery charges not separately invoiced to customers. This item is included in sales and service income, and is not separately published except for Mining. Rent, leasing and hiring income ▪ Derived from the ownership of land, dwellings, buildings and other structures, motor vehicles, plant, machinery and other equipment. ▪ Excludes royalties from mineral leases, income from finance leases and payments received under hire purchase arrangements. ▪ This item is included in sales and service income, and is not separately published except for Mining. These are valued net of discounts given and exclusive of goods and services tax (GST). Extraordinary items are also excluded.	▪ Fees for provision of services ▪ Sale of goods
Interest income inclusions, Industry Includes interest received from deposits in banks and non-bank financial institutions, loans, advances, finance leases and earnings on discounted bills. Excludes capital payments received.	**Investment income inclusions, NFP** ▪ Interest earned on investments, dividends

Government income inclusion, Industry ANA has drawn on our previous research on cultural funding by government (CFG) for these report figures. Our best explanation of the reasons for the inclusion and exclusion of these data – including the types of funding captured through the survey and through the collation of administrative data – can be found in the methodology section on page 68 ('Comparison of Inclusions and Scope of Data on Government Expenditure on Arts and Culture').[10] The raw data underpins ANA's analysis of CFG. The CFG series collects and presents aggregated data about this expenditure and requires a coordinated effort between the relevant federal and state and territory government departments. A consultant from the Australian Bureau of Statistics prepares the reports. [11]	**Government income inclusion, NFP** ▪ Grants from government
Other income inclusions, Industry Income from sources not separately itemised in the industry performance table (table 4) in the division, subdivision, Mining and Auxiliary finance and insurance services data cubes, including: ▪ dividend income ▪ donations ▪ net profit or loss on share trading, asset sales, variations in exchange rates or resulting from the revaluation of assets in accordance with the Australian International Financial Reporting Standards (AIFRS). ▪ Also includes funding from government for specific capital items.[12]	**Other income inclusions, NFP** ▪ Royalties and license fees ▪ Inflows from fundraising activities or sponsorship ▪ Grants from foundations, private or any other sources
	Donation income inclusion, NFP ▪ Donations, tithes, bequests or legacies

Part 2

Background Research — Financial Instruments and Channels

To explore the key question of 'What are the channels and instruments used (to finance the cultural and creative industries)?' ANA has mapped and quantified several known financial inflows.

This section describes, in detail, the nine types of inflows identified, which we broadly categorise as 'public finance' and 'private finance'. These nine types are

1. Direct government expenditures
2. Indirect government expenditures (including tax concessions and incentives and lending rights schemes)
3. Consumers and other businesses (i.e. goods and services) expenditures
4. Copyright revenue
5. Crowdfunding revenue
6. Philanthropy
7. Self-finance
8. Equity finance
9. Debt finance

For interested readers, this section also shares additional details supporting the estimates contained in the main report. These include specific estimates for indirect expenditures of governments and philanthropic giving. These are contained in the following table and figures:

Table 6. Types of tax concessions relevant to the cultural and creative industries (adjusted to 2021–22).

Figure 1. Film industry tax concessions 2007–21 ($mil, adjusted $2021–22).

Figure 2. Types of giving and comparison of amounts reported in *Giving Attitude 1* (2017–18) and *Giving Attitude 2* (2020–21) reports ($mil, adjusted to 2021–22).

Figure 3. Total 'advancing culture' philanthropic giving in relation to tax deduction portion, for 2017–18 and 2020–21.

2.1 Public finance

The OECD report describes public financial support for culture as being in the form of 'direct support through granting certain activities without the need for reimbursement, indirect expenditures through tax reliefs, leveraging private finance, for instance through public loan guarantees, or matching funds to promote a synergy between public subsidies and private investments'.[13]

The OECD report[14] emphasises that a key feature of most public support is that it is 'without the need for any form of reimbursement'.

Although the terms and estimates of 'public finance' explored in this research refer to both direct and indirect measures of government, the subsections that follow consider the scope and scale of these measures.

In this section, we explore two types of public finance:

1. Direct expenditures such as organisation allocations (e.g. to the Australian Broadcasting Company) and competitive grants
2. Indirect expenditures such as tax concessions, lending right schemes and other initiatives

2.1.1 Direct expenditures of governments

ANA estimates that $16 billion (adjusted to 2021–22) of government expenditure was allocated to organisations and individuals working in the cultural and creative industries in 2020–21. This estimate represents the sum of non-COVID-19 and COVID-19-related expenditure.

This estimate was based on our analysis of the survey data of 100 departments. The survey was undertaken by consultants from the ABS on behalf of the Cultural and Creative Statistics Working Group. The three categories of direct expenditure in ANA's analysis of cultural funding by governments (CFG) data are as follows:

1. Non-COVID-19 expenditure (e.g. recurrent and capital expenditure types across arts and heritage[15])
2. Targeted COVID-19 support by federal, state and territory governments (e.g. Restart Investment to Sustain and Expand Fund, COVID-19 Arts Sustainability Fund)[16]
3. Wider economy COVID-19 support (e.g. JobKeeper and Boosting Cash Flow for Employers) to eligible businesses and individuals in the cultural and creative industries.[17]

In comparison, governments allocated $7.5 billion (adjusted to 2021–22) in total to arts and culture in the 2017–18 financial year, a year that pre-dates the impacts and supports for the COVID-19 pandemic and that uses a narrower scope (capturing 'cultural funding' only, rather than the broader 'cultural and creative industries' scope applied in 2020–21).

The long-running CFG survey captures expenditure on cultural and creative organisations, individuals and activities of all scales across remote, regional and metropolitan Australia. Widely available services such as radio, television, public libraries and local festivals are also included, as are programs that invest in the development and distribution of new creative work, that increase access opportunities for different audiences and that support Australia's international cultural diplomacy efforts.

2.1.2 Indirect expenditures of governments

This section considers the following schemes of indirect government expenditure in some detail:

1. Federal government tax concessions (sector-specific and non-sector-specific concessions most relevant to arts and culture)
2. Lending rights schemes[18]
3. State, territory and local government incentive initiatives

Tax concessions

Seven types of federal level tax concessions emerge as relevant to cultural and creative industries. They include sector-specific concessions as well as concessions targeted towards broader policy objectives (e.g. research and development, support for small and medium enterprises [SMEs] and innovation).

The identified concessions are as follows:

1. Film industry tax concessions
2. Digital games offset
3. Income averaging
4. Non-commercial losses exception rules
5. Research and development tax concessions
6. Venture capital tax concessions
7. Tax concessions for not-for-profits

Tax concessions[19] are administered through the tax system and have been formally part of government spending programs since 1981.[20] On a 'revenue forgone' basis, tax concessions accessed by the cultural and creative industries totalled more than $370 million in the 2020–21 financial year. In comparison, the total for the 2017–18 financial year was $337 million.

This change over time indicates an overall increase of just under 10% across the comparison years. **Table 6** provides a breakdown of the tax concessions. Each tax concession is categorised according to whether it is viewed as the most relevant at the industry, not-for-profit or individual level.

Table 6. Types of tax concessions relevant to the cultural and creative industries (adjusted to 2021–22).[21]

$million	Relevant tax concessions	2017–2018		2020–2021	
		CCI portion	Reported total	CCI portion	Reported total
Industry level	Film industry concessions	$63	$63	$61	$61
	Digital games tax offset	N/A	N/A	N/A	N/A
Not-for-profit entities	Income tax exemption for prescribed entities	$27	$915	$29	$1,000
	Charities and non-profit bodies (GST exemption)	N/A	N/A	N/A	N/A
	Philanthropy – refund of franking credits for certain income-tax-exempt philanthropic entities	$27	$915	$29	$1,000
	Fringe benefits tax concessions	$125	$4,300	$136	$4,700
	Philanthropy – deduction for gifts to deductible gift recipients*	$31	$1,777	$69	$2,037
	Philanthropy – deduction for gifts to private ancillary funds*	$39	$421	$32	$272
	Exemption for testamentary gifts to deductible gift recipients*	N/A	N/A	N/A	N/A
	Exemption for the disposal of assets under the Cultural Gifts program*	N/A	N/A	N/A	N/A
Individual level	Income averaging for authors, inventors, performing artists, production associates and sportspersons	$24	$38	$13	$21
	Non-commercial losses exception rules for primary producers and artists	$3	$11	$1	$5
	Income exemption of certain Prime Minister's prizes	N/A	N/A	N/A	N/A
	Estimated total (CCI)	$337		$370	

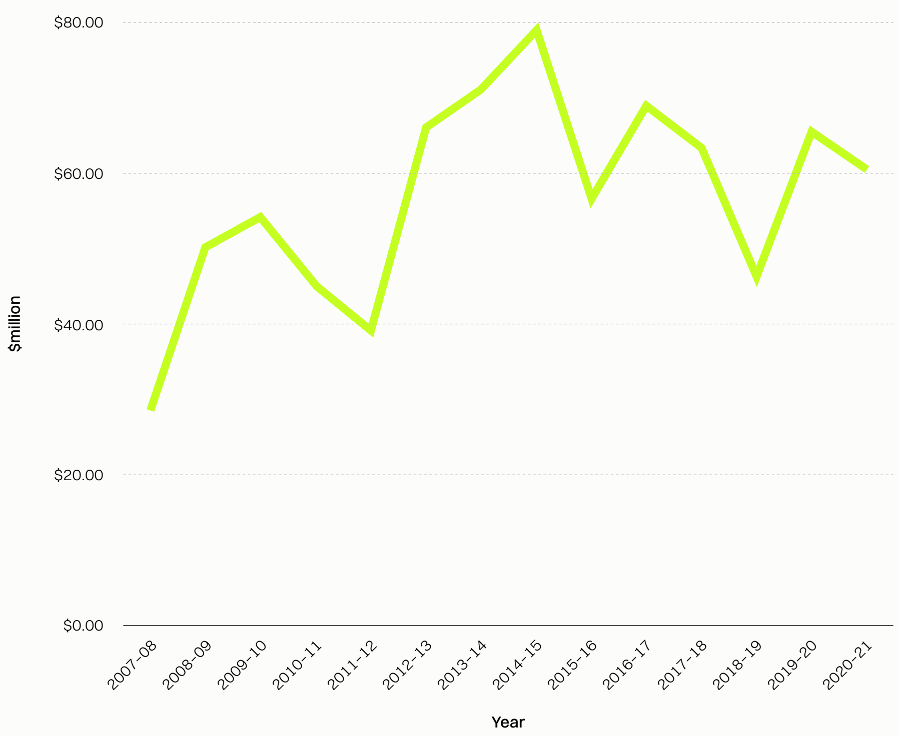
Notes: *These tax concessions provide benefits to not-for-profit entities, but they also provide a tax incentive for donors.

1. Film industry tax concessions

A type of tax concession that ANA has found to have a high level of relevance are the estimates reported by Treasury as ‘film industry concessions’.

Figure 1 shows the value of film industry concessions from 2007 to 2021 (adjusted to 2021–22). In 2007–08, the amount in forgone tax revenue was $29 million. The peak amount was $79 million in 2014–15 and $61 million in 2020–21.

Figure 1. Film industry tax concessions 2007–21 (adjusted to $2021–22).



Notes: The following types of offsets are included: (1) location offset, (2) producer offset and (3) post, digital and visual effects offset.

2. Digital games tax offset (DGTO)

DGTO is intended to provide eligible game developers a 30% refundable tax offset for qualifying Australian development expenditure.[22]

DGTO is also included in the 2021 Tax Benchmarks and Variations Statements with future estimates listed as $3 million (2023–24) and $6 million (2024–25). For this reason, it is not included in the total estimate in this research.

3. Income averaging

For income averaging, the Treasury estimated $21 million as revenue forgone for the 2020–21 financial year and $38 million for the 2017–18 financial year. The estimated cultural and creative industries' portions of these amounts was $13 million (2020–21) and $24 million (2017–18).

4. Non-commercial losses exception rules

Typically, a taxpayer is not entitled to claim a loss from non-commercial business activities as a deduction against assessable income generated from other sources. The non-commercial losses exception rules provide an exception for two distinct types of taxpayers: (1) primary producers[23] and (2) artists carrying on a professional arts business. This exception allows these types of taxpayers to apply losses against other assessable income only if the assessable income is less than $40,000.[24]

The Treasury estimated a total of $5 million for the non-commercial loss provision in the 2020–2021 financial year and $11 million revenue forgone for the 2017–18 financial year. The estimated cultural and creative industries' portions of these amounts were $1 million (2020–21) and $3 million (2017–18).

5. Tax concessions for not-for-profits

The types of tax concessions available for not-for-profits can be thought of in two ways.

First, there are concessions that alleviate tax liabilities of organisations. These include the 'income tax exemption for prescribed entities' and the 'charities and non-profit bodies (GST exemption)' and a range of fringe benefit tax concessions.

The second type of tax concession involves donations (including gifts) to cultural organisations registered as DGRs. Whereas the cultural organisation benefits by receiving donations as a form of income or cultural gift, from a tax standpoint, the donor receives the tax incentive.

Four types of tax concessions are relevant from a donation perspective: (1) philanthropy deduction to DGR, (2) philanthropy deduction gifts to Public Ancillary Funds, (3) exemption for testamentary gifts to DGRs and (4) exemption for the disposal of assets under the Cultural Gifts program.

Although the ATO defines most income received from prizes and grants such as fellowships as ordinary 'assessable' income, consultations for this report identified exceptions. For example, as listed in Table 2, certain Prime Minister's prizes are not included as ordinary income. Similarly, the Sidney Myer Creative Fellowships are deemed in Class Ruling 2015/76[25] to not form a part of the recipient's assessable income. This means that individuals receiving these specific awards are not liable to pay tax on the derived income.

The inflows generated by concessions relating to philanthropic donations are further considered in the discussion of inflows from philanthropy.

6. Research and development tax concessions

There are two types of research and development tax concessions available in Australia. The first is a refundable tax offset, and the second is a non-refundable tax offset.

Eligible businesses with an aggregated turnover less than $20 million can access the 43.5% refundable offset, whereas eligible businesses with an aggregated turnover of $20 million can access the 38.5% non-refundable tax offset.[26] The Productivity Commission reports that the research and development refundable tax offset totalled $2,119 million in 2020–21, whereas the non-refundable tax offset totalled $570 million in 2020–21.[27]

A research and development portion relating to creative and cultural entities is not included in the aggregate tax concession estimates because a reliable estimate for the portion of relevant businesses claiming either research and development offset has not yet been established.

7. Venture capital tax concessions

Several venture-capital-related tax concessions have existed in Australia since 2002 to encourage investment for start-ups pursuing innovation and productivity growth. Specifically, the Venture Capital Limited Partnerships, Early Stage Venture Capital Limited Partnership and Australian Venture Capital Fund of Funds are programs that include tax concessions and vehicles for investing entities to engage specifically in the angel and seed stages.[28] Reliable estimates are, however, not provided by the Treasury for venture-capital-related tax concessions.

Further details are provided in the section on private investment about broader venture capital investments.

Lending rights schemes

Lending rights are support schemes the federal government operates to financially compensate Australian book publishers and literary creators[29] when their work is used in public and educational libraries. Compensation is provided because of the loss of income from the free multiple use of books.

For the 2021–22 financial year, $10 million for public lending rights was paid to 6,695 creators and publishers, and $13 million was paid to 10,813 creators and publishes for educational lending rights[30] – a total of $23 million.

In 2017–2018, $11 million was paid to 7,309 creators and publishers for public lending rights, and $13 million was paid to 9,986 creators and publishers for educational lending rights[31] – a total of $24 million (adjusted to 2021–22). These amounts indicate a decrease of just under 7% between the comparison years when adjusted for inflation.

State, territory and local government initiatives

Australian state and territory governments provide various incentives and schemes to promote specific types of arts and cultural production.[32]

Many of these incentives and schemes are direct government expenditures. However, ANA has also identified an additional set of indirect expenditures, where incentives focus on the screen industry, the games industry or both.

One example of an incentive available for both is the post, digital and visual effects (PDV) incentives, which are offered at both the state and territory level as well as at the federal level. The variable PDV percentages provided by different locations subsequently increase the tax offset percentage available for eligible entities.[33][34]

Regarding the game industry, several initiatives exist at the state and territory level for encouraging investment:

- The NSW Digital Games Rebate
- The SA Video Game Development Rebate
- The Victorian Production Fund – Games
- The Screen Queensland Digital Games Incentive[35]

Additional initiatives at the state and territory level include

- In Victoria, the recent Dining and Entertainment rebate program provided consumers with a 25% rebate on select dining and entertainment purchases.[36]
- In Western Australia, the LotteryWest initiative is a government-owned and government-operated lottery that provides annual grants and statutory allocations for arts and cultural purposes.[37]
- Additionally, in Western Australia, the Percent for Art Scheme funds public art. The scheme was initiated in 1989 and collects up to 1% from new construction work budgets that exceed $2 million.[38]

The Screen Attraction Program offered by the City of Gold Coast is the only known screen and games incentive available at the local level in Australia.

2.2 Private finance

This research refers to private finance as financing that the government does not explicitly provide.[39]

In this section, we explore two groups of private finance:

1. Measurable types of private finance, including sales/goods and services income, copyright income and philanthropic giving.
2. Less easily measurable types of finance for cultural and creative industries, such as crowdfunding, self-financing, equity financing and debt financing.

2.2.1 Consumption

Consumption refers to the sale or provision of goods or services to either consumers or other businesses (in Australia and overseas).

Household expenditure and trade revenue data are mentioned in the OECD report but are not specifically listed as sources of finance in the typology. Evidence of these inflows, presented below, suggests that both Australians and non-residents are contributing to financial inflows to the cultural and creative industries.

Australian households spent $45.6 billion on media and entertainment in 2021.[40] The amount that households spend that is inclusive of all cultural and creative activities is expected to be much higher. Considering these figures, households are a substantial source of revenue flow to the cultural and creative industries. However, the expenditure is on both Australian and 'rest of world' content.[41]

Non-residents[42] are also consumers of Australian cultural and creative goods and services through export trade, international cultural tourism and foreign businesses' expenditure on projects.[43] Although comprehensive data are limited, we provide an example of each of these below.

United Nations Conference on Trade and Development estimates that revenue from **export trade** in Australia was $1.7 billion for all creative goods for the 2021 calendar year.[44] UNCTAD has also published experimental data on creative services, which ANA was not able to extract for Australia only.

ANA has not identified specific data on inflows to cultural and creative industries generated by **international tourist expenditure** *alone*. Typically, research on international traveller spending has focused on expenditure in regions and cities and on the number of attendees at cultural and heritage sites. For example, researchers in 2017 obtained data from Tourism Research Australia that showed that more than eight million international tourists visited Australia in 2017 and three-and-a-half million (43%) engaged with the arts while here.[45] The research also found that international arts tourists spent $18.6 billion in 2017 (adjusted), making up 60% of the $28.4 billion spent in Australia by all international tourists.[46] This expenditure was not on arts experiences alone. As ANA has noted, many of the most popular cultural and creative activities with international tourists (museums and galleries, attending festivals, fairs and cultural events) are free or inexpensive to attend.[47]

An example of **foreign businesses' expenditure** is found in the screen industry. Screen Australia tallied 65 foreign projects in 2020–21,[48] entailing investment of $812 million (adjusted to 2020–21). The report notes that this is 27% down on the previous year's record spend but 35% above the five-year average ($576 million).[49]

2.2.2 Copyright

The OECD report outlines four types of intellectual protections of potential relevance: patents, trademarks, industrial design rights and copyright. Although this is not specified within the funding typology, the report also notes that 'copyrights are the most important form of IP protection for [cultural and creative sectors]'.[50]

Collecting societies representing various artforms exist in Australia and act as licensing intermediaries between rights holders and copyright users. These collecting societies perform functions such as collecting copyright fees, administering licences and distributing royalties to the copyright rights holders.[51]

The reported revenue copyright fee collection by collecting societies was estimated at $849 million for the financial year 2021–22.[52] In comparison, revenue for the financial year 2017–18[53] was estimated at $732 million. This indicates a growth of just under 16% when adjusted to 2021–22 across four years.

APRA-AMCOS collected the lion's share of both estimates for songwriters, composers and music publishers and affiliated societies. In the 2017–18 financial year, APRA-AMCOS collected 57% of the total estimated copyright revenue. In 2021–22, that proportion increased to 73%.

Of the amounts reported, particularly by APRA-AMCOS, the exact portion distributed off-shore is unclear. This is because 'much of it is paid in the first instance to the local offices of multinational music publishers. They might represent a mix of local and offshore songwriters and might pay each creator a different share of royalties depending on their deal'.[54] Increasingly, APRA-AMCOS collects royalties from music streaming services (e.g. Spotify) and social media platforms (e.g. Facebook).[55]

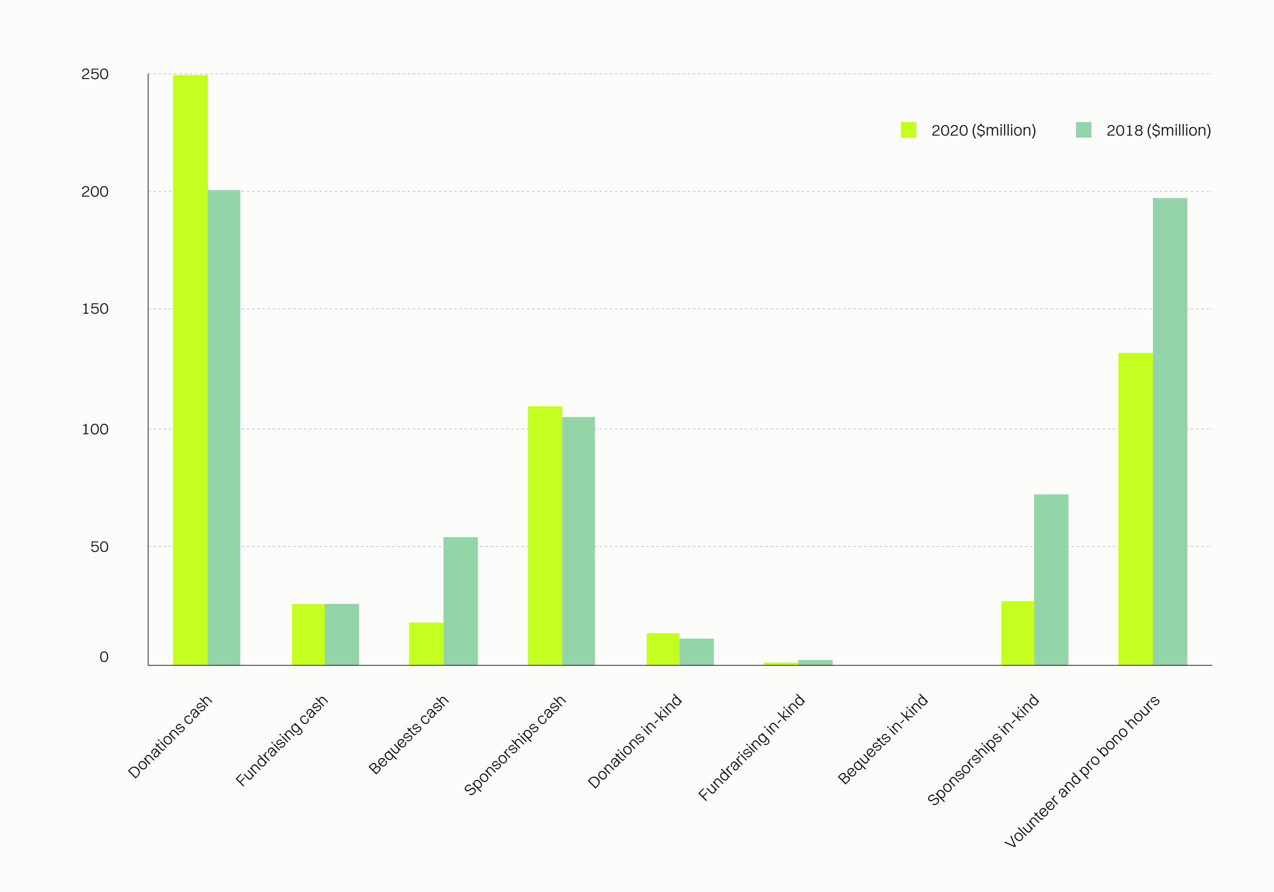
In addition to collecting copyright royalties, the Commonwealth government appoints the Copyright Agency to collect money related to Resale Royalty Rights (RRR). The Resale Royalty Rights stipulate that all visual artworks resold on the secondary market for $1,000 or more be reported and, for the most part, include a 5% royalty payable to the artist. Since being introduced in 2010, the Resale Royalty Rights have generated over $11 million.[56]

2.2.3 Philanthropy

The Australian survey in the *Giving Attitude 2* report has indicated that arts and culture giving totalled $586 million in 2020 (adjusted to 2021–22).[57] This total included cash (donations, fundraising, bequests and sponsorships), in-kind support (donations, fundraising and sponsorships) and time given (volunteer and pro bono hours). In comparison, the *Giving Attitude 1* report has indicated that arts and culture giving totalled $665 million (adjusted) in 2018.

Figure 2 details the amounts for each of the types of giving and compares the 2018 and 2020 findings. Although the total giving amount reported declined between the 2018 and 2020 reports, there was a change in the levels of each type of income between *Giving Attitude 1* to *Giving Attitude 2*. Notably, although *Giving Attitude 2* has reported a smaller total, it has also reported increases to donations (cash and in-kind) and sponsorships (cash). Decreases occurred for bequests (cash) and sponsorships (in-kind) and for volunteer and pro-bono hours worked.

Figure 2. Types of giving and comparison of amounts reported in *Giving Attitude 1* (2017–18) and *Giving Attitude 2* (2020–21) reports (adjusted to 2021–22).



Whereas the *Giving Attitude* reports provide indicative datasets across two points in time for a range of giving types, ANA's analysis of ACNC data informs further understanding of cash donations.

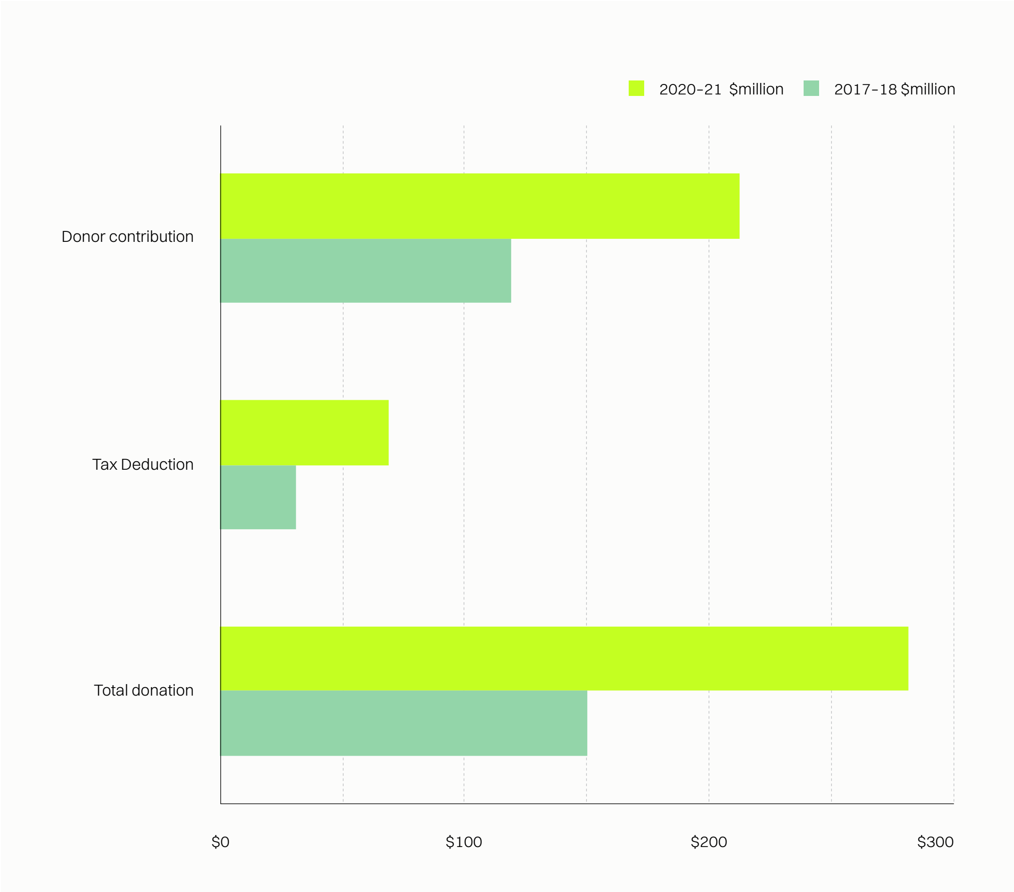
Donation-related income totalled $282 million (adjusted to 2021–22) for 'advancing culture' not-for-profits in the 2019–20 financial year. In contrast, donation-related income in 2017–18 totalled $150 million (adjusted to 2021–22).

Along with providing aggregated breakdowns of subtypes, the ACNC provides indications of the percentage of organisations that have DGR status. This is relevant to consider when evaluating the portion of philanthropic giving that relates to tax concessions the donor may be eligible to receive.

A portion of these amounts relates to donations where the donor has received a tax deduction (the tax deduction portion being understood as indirect public investment). As reported in the public finance section, $69 million in 2020–21 is estimated as the arts and culture relevant portion of the 'Philanthropy deduction to DGR' tax concession. A total of $31 million is estimated for the 2017–18 financial year.

Figure 3 visualises the total amounts of donation-income reported by 'advancing culture' not-for-profits for 2017–18 and 2020–21 in relation to the tax deduction and donor contribution after the former is omitted.

Figure 3. Total 'advancing culture' philanthropic giving in relation to tax deduction portion, for 2017–18 and 2020–21.



Since 2012, Creative Partnerships Australia has operated matched funding programs that provide fundraising skill development to participants and dollar-to-dollar matched funding (up to a cap) for amounts fundraised.[58] In 2021–22, the matched funding programs (in combination) raised $1.5 million in fundraising and received $1.1 million in matched funding from Creative Partnerships Australia.[59]

2.2.4 Crowdfunding

Crowdfunding is 'the practice of funding a project or venture by attracting small amounts of funding or donations directly from multiple investors using social media and internet channels, allowing innovators, entrepreneurs and business owners to use their social networks to raise capital'.[60]

The European Union typology and the OECD provide more details and numerous examples of crowdfunding sources.[61] This is perhaps understandable in the European context, seeing as the first online crowdfunding platform specialising in the cultural sector – ArtistShare – launched in 2001.[62]

In Australia, governments have developed their own crowdfunding platforms. Creative Partnerships Australia manages and the federal government supports the Australian Cultural Fund (ACF). It provides entities (including individual artists and artist groups) the opportunity to benefit from the DGR status of Creative Partnerships Australia to fundraise towards a specific project and provide tax-deductibility to donors. In 2021–22, more than 500 independent artists and arts organisations used the ACF for fundraising. Together, they generated almost $10 million in arts and cultural projects.[63 64]

A partnership of the ACF and Tim Fairfax Family Foundation titled Amplify also provides a vehicle for private ancillary funds to provide multi-year funding to artists and organisations without DGR status through the ACF fundraising platform. The funding is provided via a single gift that acquits their 5% annual distribution requirements.[65]

Several other platforms not aimed at cultural and creative projects specifically are available, including Pozible, Kickstarter and Indiegogo. In 2013–14, Australian arts and culture projects raised nearly $5 million through four major crowdfunding sites.[66] This represented an increase in real terms: specifically, over four times more than in 2011–12.[67]

In 2020, crowdfunding of any type raised revenues of over 12 billion US$ in total – just under $18 billion AUD (in 2023).[68]

2.2.5 Self-finance

Most businesses self-finance at some point, especially at the start-up stage. Typically, debt or equity finance avenues consider the presence and extent of self-financing before deciding to invest. This is a part of the risk evaluation. It determines the extent to which business owners believe in the business enough to risk their own resources.

Common types of initial self-financing include

- Using personal savings
- Taking out a home equity loan
- Borrowing against investments and securities.[69]

Once the business is earning a profit, self-financing typically evolves into reinvesting the retained earnings back into the business. Retained earnings are the portion of the profit that is not distributed to shareholders.[70]

For individual cultural and creative practitioners (many of whom are classified as self-employed), self-financing can similarly be defined as investing one's own money, resources and time to develop, make and share outputs.

2.2.6 Equity finance

The OECD framework defines equity finance as money exchanged for part-ownership or company shares.[71] For public companies in Australia, this is in the form of selling shares to shareholders in connection to (and following) an initial public offering.

Venture capital investment into Australian start-ups in 2022 totalled $8.7 billion, a growth of 2% from the previous year. Venture capital investment at a global scale experienced a substantial decrease during the same period.[72] In the financial year 2021-2022, venture capital investment reached approximately $9.8–$10 billion.[73]

Further, the Productivity Commission[74] notes that Australia holds a net financial liability position with the rest of the world and is a net importer of debt-based financing and net exporter of equity-based financing.

In the Australian media sector, the Australian Communications and Media Authority (ACMA) notes that there were 69 foreign stakeholders holding company interests of 2.5% or more in 125 Australian media companies as of 30 June 2021 – [75] a significant reduction compared to the 92 stakeholders as of 30 June 2020.[76]

For private Australian companies, equity finance typically involves bringing in angel investors, venture capital firms or private individuals[77] to invest in the various stages of the business. Funding rounds provide opportunities for investment in exchange for equity in the business. Typically, the funding rounds investors engage in include

- Angel (pre-seed)
- Seed
- Series A
- Series B+[78]

The angel and seed rounds are initial amounts of funding provided at the beginning of the start-up journey (at this stage, the funding could even be for developing a hypothetical business). An example of seed funding in Australia identified in this research is 'Book an Artist'. Referred to as 'Airbnb for artists', Book an Artist is an online platform connecting artists with clients. Initially located in Melbourne with a focus on street art, Book an Artist raised $400,000 in seed funding in 2021 and has expanded to a variety of locations in Australia and abroad. Early-stage Australian investment firm Skalata Ventures led the seed funding investment. International investment came from US-based Hustle Fund.[79]

Public initiatives such as venture capital tax concessions exist to encourage investment specifically in the early stages.[80]

In contrast, Series A and Series B+ are funding rounds that occur once the business is established but before it receives an initial public offering.[81]

Australian cultural and creative industry examples of established start-ups with substantial venture capital investment include Canva, LinkTree, Jaxta and Music Health. Emerging examples include Muso, Soundsmith and Serenade. Of these, Canva is referred to as a unicorn start-up (a private startup company with a $1 billion or more valuation).[82] It was valued at $36.9 billion[83] in mid-2022 following a peak valuation of $56 billion in 2021.[84] In 2021, Canva's total revenue was reported as reaching approximately $1.4 billion.[85] Another Australian start-up with unicorn status is Linktree, a social media music-focused start-up with a valuation of $1.7 billion in 2022.[86]

An example of a previously venture-capital-backed cultural and creative industries company that is now a public company is Redbubble, which in the 2022 calendar year earned $91 million in artist's revenue and $483 million in marketplace revenue.

Tech start-ups with a cultural and/or creative focus, such as Metaverse and Web3,[87] are becoming an increasing area of interest for many investors. On a global scale, a McKinsey & Company report indicates that $10 billion was invested into metaverse companies in 2021. In August 2022, this figure was over $120 billion.

Finally, in describing equity finance models, it is worth noting that Australia has three classes of Employee Share Schemes (ESS), which 'involve an employer offering shares, options or other financial products to employees as part of an employee's remuneration package':[88]

- Taxed-upfront schemes
- Tax-deferred schemes
- Schemes focusing on start-ups

A parliamentary inquiry report on ESS in Australia has noted limitations in published information on the uptake of these schemes. However, the inquiry found that 'ESS payments grew to just over $2 billion in 2014–15 accounting for approximately 0.4 per cent of total wages and salaries in Australia', and that ESS usage in Australia remains below that in the US and the UK.

2.2.7 Debt Finance

While equity finance provides an avenue for investors to purchase a share in the company, debt finance refers to borrowing money typically from an external lender, such as a financial institution. Common examples of debt finance include

- Business loans
- Lines of credit
- Overdraft services
- Invoice financing
- Equipment leases
- Asset financing[89]

Other forms of debt finance include store credit from retailers to purchase furniture, equipment and technology. Store credit is provided through a finance company. Often, suppliers will provide trade credit to businesses with a proven relationship, providing a way to delay payment for supplies. Business loans from family and friends are also considered a type of debt finance arrangement.[90]

Beyond just the cultural and creative industries scope of the research, it is worth noting that debt finance is the most popular financial instrument for Australian SME enterprises, with a total of $441.8 billion of outstanding SME lending reported as of April 2021.[91] The Productivity Commission notes an evolving market of lenders other than banks, including neobanks, fintech lenders, finance companies and private credit, peer lenders, e-commerce and payments companies.[92]

Additionally, according to the commission, 'Australian SMEs prefer debt finance: they are three times more likely to apply for debt than equity finance. Every year, about one in six SMEs applies for finance. Most SMEs seeking debt finance apply, successfully, to Australian banks. More than 90 per cent of the outstanding debt owed by SMEs is held by banks'.[93] It is unclear from publicly available data or from this research whether this conclusion holds true within the cultural and creative industries.

Within the cultural and creative industries, several initiatives exist to provide either low- or zero-interest loans. One example is the Arts Business Innovation Fund (ABIF).[94] As part of its business model, the ABIF provides a combined grant with a zero-interest loan to give applicants the opportunity to use debt financing. One requirement of the ABIF is that organisations also self-finance. An underlying concept of its business model is as follows: 'A key characteristic of a resilient organisation is the diversity of sources of funding and financing to which it has access'.[95]

Interesting examples of debt finance are available in the screen sector and in the context of the Australian Producer Offset scheme. Because the Australian Producer Offset is not paid until the project is complete, producers are expected to 'cashflow it' until payment is made. According to a survey about the implementation of this offset, cashflow providers will lend between 85% and 90% of the anticipated offset value.[96] The survey identifies key sources of this cashflow finance as follows: commercial banks, several state film agencies, the Australian Government's Export Finance and Insurance Corporation and specialist funds set up to lend against the offset (as well as provide other cashflow finance), such as Fulcrum in Australia/New Zealand and Aver in Canada.

Endnotes

1 “Towards More Efficient Financial Ecosystems: Innovative Instruments to Facilitate Access to Finance for the Cultural and Creative Sectors (CCS): Good Practice Report.” Luxembourg: Publications Office, 2016. https://data.europa.eu/doi/10.2766/59318.

2 Reserve Bank of Australia, “Inflation Calculator,” October 30, 2015, https://www.rba.gov.au/calculator/.

3 The complete list of ANZSIC codes can be found at the following link: https://www.abs.gov.au/ausstats/abs@.nsf/0/20C5B5A4F46DF95BCA25711F00146D75?opendocument.

4 Department of Infrastructure, Transport, Regional Development and Communications. “Cultural and Creative Activity Satellite Accounts Methodology Refresh—Consultation Paper,” Bureau of Communications, Arts and Regional Research, February 2023, https://www.infrastructure.gov.au/sites/default/files/documents/cultural-and-creative-activity-satellite-accounts-methodology-refresh-consultation-paper-february2023_0.pdf.

5 The Australian Industry datasets published by ABS provide “annual estimates of key economic and financial performance of industries in Australia, including income, expenses, profit and capital expenditure.” Australian Bureau of Statistics, “Australian Industry, 2022, https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/2020-21.

6 ACNC, “Australian Charities Report – 8th Edition Data,” accessed June 27, 2023, https://www.acnc.gov.au/australian-charities-report-8th-edition-data. ACNC, “Australian Charities Report 2018,” 2020, https://www.acnc.gov.au/tools/reports/australian-charities-report-2018.

7 Since the early 1980s, the Treasury has published an annual statement called the Tax Expenditures and Insights Statement. From 2019 to 2022, the statement was named the Tax Benchmarks and Variation Statement. Before 2019, the statement was called the Tax Expenditures Statement.

8 Charities registered with the Australian Charities and Not-for-profits Commission can report up to 10 programs. For each program, a classification needs to be nominated. The 4,984 charities that are classified as providing arts and culture-related programs reflect the quantity of charities that have nominated one or more of their programs as being related to arts and culture. Most of these charities are not solely arts and culture charities, however, and belong to a variety of subtypes. The subtypes include HPC (n = 9), reporting group (n = 38), environment (n = 15), social welfare (n = 83), other (n = 247), PBI (n = 75), education (n = 295) and religion (n = 185). Additionally, a substantial number of the charities with an arts and culture classification have no subtype (n = 837) or have multiple subtypes (n = 1338).

9 Australian Charities and Not-for-profits Commission, “Charity Subtypes,” accessed May 2, 2023, https://www.acnc.gov.au/for-charities/start-charity/you-start-charity/charity-subtypes.

10 Vivian, Angela, and Kate Fielding. “Lifelong: Perceptions of Arts and Culture among Baby Boomer Middle Australians’. Insight Report No. 2022-02.” Canberra: A New Approach (ANA). Accessed January 19, 2023. https://newapproach.org.au/wp-content/uploads/2022/09/Lifelong_-Perceptions-of-Arts-and-Culture-among-Baby-Boomer-Middle-Australians-1.pdf.

11 Department of Infrastructure, Transport, Regional Development, Communications and the Arts, “Government Cultural Funding and Participation | Office for the Arts,” accessed May 2, 2023, https://www.arts.gov.au/cultural-data-online/government-cultural-funding-and-participation.

12 Funding from government for specific capital items includes capital grants and low-interest or interest-free loans given to businesses to encourage expenditure on specific equipment (e.g. environmental protection equipment).

13 OECD. *The Culture Fix: Creative People, Places and Industries*. Local Economic and Employment Development (LEED). OECD, 2022. https://doi.org/10.1787/991bb520-en. 233.

14 OECD, 234.

15 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.

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

16 Although expenditure is reported at an aggregate 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 are available at https://www.arts.gov.au/covid-19-update.

17 Note that the data referenced for JobKeeper and Boosting Cash Flow for Employers payments are based on the ANZSIC codes. This list is different to, and broader than, the Arts and Heritage categories used in the non-COVID-19-related cultural funding by governments data.

18 "Australian Lending Right Schemes (ELR/PLR) | Office for the Arts," accessed May 2, 2023, https://www.arts.gov.au/funding-and-support/australian-lending-right-schemes-elrplr.

19 The descriptions of the typology by both the European Union and the OECD use the term 'tax incentives' only (rather than concessions). In Australia and in many jurisdictions, however, the term 'tax concessions' is used alongside the formal term 'tax expenditures'. This refers to 'revenue forgone', or revenue that could have been collected by the tax office but was not because of a variation available for a specific group of taxpayers. Variations, for example, include deductions, offsets, concessions, and exemptions.

20 Kerrie Sadiq, "The implementation of social and economic policy through the tax regime: A review of Australia's tax expenditures program," *Australian Tax Forum 23*, no. 4 (2008): 339-358.

21 Most of the reported estimates in Table 6 are sourced from the 2017–18 and 2020–21 Tax Benchmarks and Variations Statements published by the Treasury. In instances where a reported figure also relates to other industries, the cultural and creative industries part has been apportioned. Several of the listed tax concessions included have not been given monetary estimations, so these are marked as N/A. It is relevant to note, however, that each of the tax concessions listed, including those listed as N/A, contribute to the total indirect government support. The estimates of three tax concessions (income tax exemption for prescribed entities, refunds on franking credits, and fringe benefits tax concessions) are not quantified by the Treasury. The estimates listed in Table 2 have been published by the Productivity Commission in the Review of Philanthropy Call for Submissions report. https://www.pc.gov.au/inquiries/current/philanthropy/call-for-submissions/philanthropy-call-for-submissions.pdf.

22 The Hon Tony Burke MP Media Releases, "Digital Games Tax Offset to Level up Australian Industry," Department of Infrastructure, Transport, Regional Development, Communications and the Arts, accessed June 22, 2023, https://minister.infrastructure.gov.au/burke/media-release/digital-games-tax-offset-level-australian-industry.

23 The Australian Tax Office (ATO) defines primary producers as those who operate a business focused on plant or animal cultivation, fishing or pearling or tree farming or felling. "Primary Production Activities," Australian Taxation Office, accessed May 2, 2023, https://www.ato.gov.au/business/primary-producers/primary-production-activities/.

24 Assessable income in this definition excludes net capital gains.

25 CR 2015/76, https://www.ato.gov.au/law/view/ment?src=hs&pit=99991231235958&arc=false&start=1&pageSize=10&total=2&num=1&docid=CLR%2FCR201576%2FNAT%2FATO%2F00001&dc=false&stype=find&tm=and-basic-Sidney%20Myer%20fellowships.

26 Australia Taxation Office, "Refundable and Non-Refundable Offsets," accessed May 2, 2023, https://www.ato.gov.au/Business/Research-and-development-tax-incentive/In-detail/Refundable-and-non-refundable-offsets/. Australian Taxation Office, "Transition from the R&D Tax Concession to the R&D Tax Incentive," May 2, 2023, https://www.ato.gov.au/Business/Research-and-development-tax-concession/In-detail/Transition-a-R-D-tax-concession-to-incentive/.

27 Productivity Commission, 2022. "Trade and Assistance Review 2020-21: Australian Government Budgetary Assistance, Ranked by Expenditure in 2020-21, 2015-16 to 2020-21," 20 July 2023, https://www.pc.gov.au/ongoing/trade-assistance/2020-21.

These amounts vary from those reported by the Treasury, which may be attributable to differences in timing and/or the methodology used for the estimates. Additionally, the Treasury reports an 'exemption' to the refundable tax offset figures, whereas the Productivity Commission reports the refundable tax offset amounts.

28 "Venture Capital Tax Concessions Review," 2022. https://treasury.gov.au/sites/default/files/2022-10/p2022-328982.pdf. 5.

29 The lending rights are governed by the *Public Lending Right Act 1985*. 'Australian book publishers or creators' are described as authors, illustrators, editors, translators and compilers. Department of Infrastructure, Transport, Regional Development, Communications and the Arts, "Australian Lending Right Schemes (ELR/PLR) | Office for the Arts," accessed May 2, 2023, https://www.arts.gov.au/funding-and-support/australian-lending-right-schemes-elrplr.

30 Department of Infrastructure, Transport, Regional Development, Communications and the Arts, "Public Lending Right Committee—Annual Report 2021–22," 2022, https://www.arts.gov.au/sites/default/files/documents/public-lending-right-committee-annual-report2021-22-october2022_0_0.pdf.

31 Department of Communications and the Arts, “Public Lending Right Committee Annual Report 2017–18,” 2018, https://parlinfo.aph.gov.au/parlInfo/download/publications/tabledpapers/ae93286e-cd8d-41c0-b6eb-58d6e7a7b90e/upload_pdf/public-lending-right-committee-annual-report-2017-18.f;fileType=application%2Fpdf#search=%22publications/tabledpapers/ae93286e-cd8d-41c0-b6eb-58d6e7a7b90e%22.

32 Some of these are tax related and lower the state or territory tax liability (e.g. Queensland’s State Payroll Tax Rebate). These types of incentives are technically a form of tax expenditure where the tax is considered to be ‘revenue forgone’ from the government perspective. Some incentives are offered in connection to existing federal incentives (e.g. the post, digital and visual effect [PDV] offset). Other incentives are direct expenditure from the government perspective. These are incentives or rebates that do not affect the amount of state or territory (or federal) tax that the eligible entity is liable for.

33 In New South Wales (NSW), eligible entities potentially receive a 40% PDV rebate when spending $0.5 million or more. Of this, 10% is specific to the NSW state location and 30% is applicable at the federal level. The PDV in Queensland (QLD) consists of 15% at the state level when spending $0.25 million or more. The highest PDV percentage offered at the state level is in Western Australia (WA), where a 20% rebate is offered on the first $0.5 million spend. This is followed by a 10% rebate on productions that spend more than $0.5 million. Ausfilm, “Australian Screen Incentives Factsheet,” January 2023, https://www.ausfilm.com.au/wp-content/uploads/2022/10/Incentives-Factsheet-Jan_16-2023.pdf#:~:text=NSW%20DIGITAL%20GAMES%20REBATE%20The,combined%20with%20Australian%20Government%20incentives.

34 In addition to the PDV incentives, there are several other screen industry incentives. For example, in Tasmania, the Screen Tasmania Production Incentives provide a one-off investment incentive for animations, feature films, television dramas, documentaries and factual screen productions. In WA, additional initiatives exist such as the WA Production Attraction Incentive and the WA Regional Screen Fund. “Production Investment | Screen Tasmania,” accessed May 2, 2023, https://www.stategrowth.tas.gov.au/screen/funding/production_investment_grants.

35 Screen Queensland, “Digital Games Incentive,” accessed May 2, 2023, https://screenqueensland.com.au/games/digital-games-incentive/. VicScreen, “Digital Games,” accessed May 2, 2023, https://vicscreen.vic.gov.au/funding/games/. South Australian Film Corporation, “Games,” accessed May 2, 2023, https://www.safilm.com.au/games/#VGDRebate.

36 Department of Jobs Skills Industry and Regions, “Dinner and a Show – Statewide Dining and Entertainment Rebate Program Goes Live,” Victoria, accessed May 2, 2023, https://djsir.vic.gov.au/about-us/news/dinner-and-a-show-statewide-dining-and-entertainment-rebate-program-goes-live.

37 Lotterywest, “Lotterywest Annual Report 2021-22,” October 2022, https://www.parliament.wa.gov.au/publications/tabledpapers.nsf/displaypaper/4111559a804b243a340b25e9482588df001d36a6/$file/tp+1559+(2022)+lotterywest+ar2022_refine_v25.pdf.

38 Government of Western Australia, “Percent for Art Scheme,” accessed May 2, 2023, https://www.wa.gov.au/organisation/department-of-finance/percent-art-scheme.

39 Several overlaps between public and private financing do, however, exist in Australia’s financial flows, for example, tax incentives to encourage philanthropic donations or government incentives to increase venture capital investment and rebates to encourage screen production and game development in specific locations. In these examples, government incentives may affect levels of investment into parts and locations of the creative and cultural industries. We also note that a portion of copyright income (e.g. licensing for educational purposes) is derived from government sources.

40 This estimate draws on the reported revenue for the entertainment and recreation industry, which includes the following markets: consumer books, consumer magazines, filmed entertainment, free-to-air television, interactive games and esports, internet access, internet advertising, news media, out-of-home, radio, subscription television. PwC, "PwC's Entertainment & Media Outlook 2022," accessed May 22, 2023, https://www.pwc.com.au/entertainment-and-media/2022/australian-outlook-2022-report.pdf.

41 The ABS Household Expenditure Survey was removed from the ABS survey program.

42 ABS notes that the concept of residency is vital for international trade statistics – including for international trade in services. "Residency is not based on location, nationality or legal status (e.g. citizenship). Instead, residency is defined by 'the centre of predominant economic interest' of an organisation or individual." Australian Bureau of Statistics, "Principles of International Trade in Services Statistics," December 9, 2021, https://www.abs.gov.au/statistics/detailed-methodology-information/concepts-sources-methods/international-trade-services-concepts-sources-and-methods/dec-2021/principles-international-trade-services-statistics.

43 The United Nations World Tourism Organization (UNWTO) defines cultural tourism as "a type of tourism activity in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/products in a tourism destination. These attractions/products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions." UNWTO, "Glossary of Tourism Terms," accessed June 14, 2023, https://www.unwto.org/glossary-tourism-terms.

44 The source of these data is the UNCTAD secretariat calculations, based on UN DESA Statistics Division, UN COMTRADE. The title of this collection is *Values and Shares of Creative Goods Exports, Annual*. A summary description of what is included can be found at https://unctadstat.unctad.org/wds/TableViewer/summary.aspx

45 Australia Council for the Arts, "International Arts Tourism: Connecting Cultures," 2018, https://doi.org/10.18111/9789284418978, 6.

46 Australia Council for the Arts. "International Arts Tourism," 8.

47 J J.L. Trembath and K. Fielding, 2020, 'Australia's Cultural and Creative Economy: A 21st Century Guide," 7. A New Approach and the Australian Academy of the Humanities, October 2020. https://newapproach.org.au/wp-content/uploads/2021/08/5-ANA-InsightReportFive-FullReport.pdf. 97.

48 Screen Australia defines foreign productions as those under foreign creative control but originated and developed by non-Australians. These include foreign projects with an Australian production company operating in a service capacity. A test of creative control and key roles is applied for projects with Australian elements. Screen Australia, 5.

49 "Screen Australia Drama Report Production of Feature Films, TV and VOD Drama in Australia in 2021/22," 2022, https://www.screenaustralia.gov.au/getmedia/3a8f3011-211c-4f93-bd41-3b4767585dec/SA-DramaReport.pdf. 6.

50 OECD, 169.

51 Relevant legislation to consider in relation to copyright includes the *Copyright Act 1968* and the *Competition and Consumer Act 2010*. Considering that one of the main collecting societies, Copyright Agency, additionally collects revenue from the Resale Royalty Rights, the *Resale Royalty Right for Visual Artists Act 2009* is also relevant legislation to consider.

52 These estimates are based on reported collected revenue from rendering services such as collecting royalties and licence fees. The estimates are from the financial reports of five collecting societies mandated by the Code of Conduct: Copyright Agency, Screenrights, APRA-AMCOS, Phonographic Performance Company of Australia (PPCA), and Australian Screen Directors Authorship Collecting Society (ASDACS). For Screenrights and APRA-AMCOS, the amounts include international revenue. Six of the declared collecting societies developed a Code of Conduct for Copyright Collecting Societies in 2002. The Code of Conduct aims to "facilitate efficient and fair outcomes for members and licensees." The following six collecting societies are bound to the Code of Conduct: Copyright Agency, APRA AMCOS, ASDACS, Australian Writers Guild Authorship Collecting Society, PPCA, and Screenrights. Of these, five provide publicly available financial reports that indicate annual revenue and distribution of funds to rightsholders. https://www.copyrightcodeofconduct.org.au/code.

53 For one of the collecting societies, ASDACS, the calendar 2018 year is included instead of the financial year 2017–2018.

54 As of 30 June 2022, APRA had 115,326 [2021: 111,383] Australian and New Zealand members who are composers, authors and publishers. Of these, 111,929 [2021: 108,145] are local writer members and 567 [2021: 527] are local publisher members. In addition, APRA has 2,823 [2021: 2,676] overseas resident writer members and seven [2021: 7] overseas resident publisher members. Most Australian and New Zealand composers and publishers of music are members. As of 30 June 2022, AMCOS has 27,039 [2021: 24,177] Australian and New Zealand members, of whom 25,909 [2021: 23,132] are writers and 508 [2021: 495] are publishers. Further, AMCOS has 617 [2021: 545] overseas resident writer members and five [2021: 5] overseas resident publisher members. As of 30 June 2022, APRA AMCOS has 1,808 [2021: 1,781] Aboriginal and Torres Strait Islander members, representing an increase of 1.52% [2021: 4.52%] during the Review Period. The Hon K E Lindgren AM KC, "Report of Review of Copyright Collecting Societies' Compliance with Their Code of Conduct," November 30, 2022, https://assets.apraamcos.com.au/images/PDFs/About/Code-Reviewer-Compliance-Report-2022.pdf.

55 Michael Bailey, "APRA AMCOS Pays Songwriters Record $362m as Digital Revenue Eclipses Broadcast," Australian Financial Review, October 16, 2018, https://www.afr.com/companies/media-and-marketing/apra-amcos-pays-songwriters-record-362m-as-digital-revenue-eclipses-broadcast-20181016-h16pmy.

56 "Resale Royalty Scheme," Copyright Agency, 20 July 2023, https://www.copyright.com.au/about-copyright/resale-royalty-scheme/#:~:text=The%20Copyright%20Agency%20has%20been,is%20payable%20on%20certain%20resales.

57 This estimate includes $291 million ($322 million adjusted) private sector investment in the 2019 calendar year and $249 million ($265 million adjusted) in the 2019–20 financial year.

58 Not-for-profit entities and cultural organisations can apply for the Plus1 program; individual artists and artist groups can apply for the MATCH Lab program.

59 Creative Partnerships Australia, "Annual Report 2021-22," accessed June 6, 2023, https://creativepartnerships.gov.au/wp-content/uploads/2022/11/CPA-Annual-Report-2021-22_Online.pdf.

60 European Union, 42.

61 The European Union typology distinguishes between peer-to-peer lending, equity crowdfunding, rewards-based crowdfunding, donation-based crowdfunding, profit sharing/revenue sharing, debt-securities crowdfunding, and hybrid models. European Union, 42.

62 Christian Handke and Carolina Dalla Chiesa, "The Art of Crowdfunding Arts and Innovation: The Cultural Economic Perspective," *Journal of Cultural Economics* 46, no. 2 (2022): 249–84. https://doi.org/10.1007/s10824-022-09444-9.

63 Creative Partnerships Australia, "Annual Report 2021-22," accessed June 6, 2023, https://creativepartnerships.gov.au/wp-content/uploads/2022/11/CPA-Annual-Report-2021-22_Online.pdf.

64 Australian Cultural Fund (ACF) also runs a crowdfunding match-funding initiative called Boost. The program offers dollar-for-dollar matched funding of up to $5,000 for projects that are developed, produced or toured within Australia that raise funds through the ACF platform.

65 Creative Partnerships Australia, "Amplify," Australian Cultural Fund, accessed June 6, 2023, https://australianculturalfund.org.au/amplify/.

66 Australia Council for the Arts, "Arts Nation: An Overview of Australian Arts Technical Appendix 2015 Edition," 2015, https://australiacouncil.gov.au/wp-content/uploads/2021/07/arts-nation-technical-appendix-563826ded9862.pdf.

67 One of the distinguishing features of these platforms, when compared with the ACF, is that they do not provide a DGR incentive for donors.

68 Cited in Handke and Chiesa, Footnote 1.

69 Christa Baxter, "6 Ways to Self-Finance Your Business." Business.org, April 28, 2022, https://www.business.org/finance/loans/ways-to-self-finance-your-business/. "Self-Financing Your Startup," Entrepreneur, September 22, 2010, https://www.entrepreneur.com/starting-a-business/self-financing-your-startup/217376.

70 CFI Team, "Retained Earnings," Corporate Finance Institute, accessed May 2, 2023, https://corporatefinanceinstitute.com/resources/accounting/retained-earnings-guide/.

71 OECD, 230.

72 KPMG, Australian VC investment hits new high in 2022, January 31, 2023, https://kpmg.com/au/en/home/media/press-releases/2023/01/australian-vc-investment-hits-new-high-in-2022.html

73 A report by Cut Through Venture indicates that $4.8 billion of investment occurred in the first half of 2022, with $3.6 billion of this amount relating to the first quarter of 2022. In the 2021 calendar year, $10 billion was invested. Cut Through Venture, Australian Startup Funding, 2022, https://drive.google.com/file/d/1hHV2r-mHiRKSSnbaFSVEPufKa6FGEtv4/view

74 Productivity Commission, "Trade and Assistance Review 2020-21. Annual Report Series," August 2022, https://www.pc.gov.au/ongoing/trade-assistance/2020-21/trade-assistance-review-2020-21.pdf.

75 ACMA also maintains a publicly available Register of Foreign Owners of Media Assets containing information about the interests foreign stakeholders have in Australian media assets. These include commercial television and radio broadcasting licences and companies that publish newspapers associated with commercial broadcasting licence areas. This research has not explored the register or relied upon information within it because of the register's disclaimer, including the risks of reliance on the information and the need for professional advice before doing so.

76 Commonwealth of Australia (Australian Communications and Media Authority), "Foreign Stakeholder Interests in Australian Media Companies in 2020–21 Report to the Minister for Communications," 2022, https://www.infrastructure.gov.au/sites/default/files/documents/foma-report-to-minister-2020-21.pdf, 15.

77 Equity Financing, 20 July 2023, https://www.australianinvestmentnetwork.com/equity-financing.

78 Cut Through Venture, Australian Startup Funding, 2022, https://drive.google.com/file/d/1hHV2r-mHiRKSSnbaFSVEPufKa6FGEtv4/view

79 Stephanie Palmer-Derrien, "The Startup Funding Round: Tech Preventing Heart Failure, the Airbnb of Street Art, and Digital 'Twins' for Infrastructure," Smart Company, April 22, 2021, https://www.smartcompany.com.au/startupsmart/venture-capital/startup-funding-round-neara-archistar-book-an-artist/. Book An Artist, "Book An Artist | Graffiti and Mural Artists for Hire," accessed May 2, 2023, https://bookanartist.co/.

80 An overlap with equity finance and public finance can be found in government initiatives designed to encourage venture capital investment specifically for the early stages. The Australian government provides support for investment with tax concessions and direct support measures that encourage innovation. These programs have existed for 15–20 years, and recent growth of the venture capital sector prompted a review in 2021 of the continued suitability of the programs. The review, called the "Venture Capital Tax Concessions Review" found that the programs/investment vehicles continue to be well received and appear to be fit for purpose. As discussed in the tax concessions section, there are several targeted programs that include tax concessions for venture capital investment. These are Venture Capital Limited Partnerships, Early Stage Venture Capital Limited Partnership, and Australian Venture Capital Fund of Funds. In 2018, the federal government amended the *Venture Capital Act 2002* and *Income Tax Assessment Act 1997* to clarify that developing technology or providing services that facilitate finance, insurance and making investments (e.g. software platforms, apps) is not an ineligible investee activity. "Venture Capital Tax Concessions Review."

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84 ANA conversion to AUD from $US40 billion. Australian Financial Review, "Canva's Valuation Rises Again."

85 Michael Bailey, "Canva Catapults to $55b Value," Financial Review, September 15, 2021, https://www.afr.com/technology/canva-may-be-australia-s-most-valuable-private-company-20210915-p58rxk

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88 "Owning a Share of Your Work: Tax Treatment of Employee Share Schemes," Commonwealth of Australia, August 2021, https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/024468/toc_pdf/OwningaShareofYourWorkTaxTreatmentofEmployeeShareSchemes.pdf;fileType=application%2Fpdf.

89 "Choose Your Funding Type," Business.gov.au, accessed May 2, 2023, https://business.gov.au/finance/funding/choose-your-funding.

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91 Productivity Commission, "Small Business Access to Finance: The Evolving Lending Market," September 2021, https://www.pc.gov.au/research/completed/business-finance/business-finance.pdf, 2.

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96 Screen Australia, “Getting Down to Business: The Producer Offset Five Years On,” 2012, https://www.screenaustralia.gov.au/getmedia/14380132-5665-4504-83c9-799b5b0cba4e/Getting-down-to-business.pdf?ext=.pdf. 11.

A New Approach (ANA)