



# The Big Picture 4

**Expenditure on Artistic, Cultural  
and Creative activity by governments  
in Australia in 2007–08 to 2021–22**

May 2024

**A New Approach (ANA)**

# Acknowledgements

## About A New Approach (ANA)

A New Approach (ANA) is Australia's leading think tank focused on arts and culture.

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

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

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

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### ANA Partners

ANA is supported by a unique collaboration of 12 philanthropic organisations across the country. This national coalition comprises:



# About this report

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This report was produced by ANA. The overall direction was provided by CEO Kate Fielding; authorship was led by Director of Research Dr Angela Vivian with key contributions from Director of Policy Dr Alan Hui; and data analysis was led by consultant Tim Acker and Researcher Dr Sari Rossi.

ANA thanks all the people who generously reviewed this paper for their time and excellent feedback, including Rebecca Mostyn at Creative Australia, staff at the Office for the Arts and members of ANA's Board. However, any errors are our own. If you notice any errors, please get in contact at the contact details provided below.

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

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## The Insight series

This paper is the 12th 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 areas of interest.

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

# Executive summary

## In this Section

**Key findings**

**Key opportunities**

One hundred and ten agencies (including departments and authorities) across the three levels of government are identified as investing in cultural and creative activities in 2021–22, according to the cultural funding by governments survey. This figure – which represents 10 more departments than in 2020–21 – suggests governments recognise the impacts of cultural and creative activity across their portfolios and on Australia’s economic, social, environmental and cultural vitality.

The **primary purpose** of ANA’s *Big Picture* series is to understand the long-term story of cultural expenditure by governments and identify *strategic* and *structural* opportunities for change. The series provides evidence-based contributions to debates about financing arts and culture in Australia.

## Why this is important

- To empower cultural and creative industries to plan for and invest in their own success.
- To foster awareness that government investment in arts and culture in Australia is part of a wide range of financial inflows that facilitate cultural and creative engagement by people in Australia, with its positive contributions to social cohesion, thriving communities and productivity.
- To provide long-term context for future decisions within governments that support the Australian population’s cultural and creative engagement. This engagement is now being measured by the federal government and Treasury and offers benefits that people of Australia recognise. It is also identified as a cross-curriculum priority for governments in a 2021 bipartisan Parliamentary report and its benefits are well documented in international and Australian evidence.
- To inform national and worldwide efforts to collaborate in financing arts, culture and creativity. These efforts include Australia’s work with other UNESCO members on culture, which 152 countries, including Australia, declared as a ‘global public good’, alongside other global public goods such as health, information, economy, science, digital and peace. This work extends to cultural activities for the Olympics and cultural cooperation through the UNESCO World Forum on Cultural Policies.

This series supports ANA’s broader aim of ensuring creative and cultural engagement for the Australian public and securing Australia’s opportunity to be a cultural powerhouse in the 21st century.

## What we examined

The *Big Picture* series overview of trends in government investment in arts and culture is based on an analysis of Australia's most comprehensive dataset on this topic, the cultural funding by governments (CFG) series.

Specifically, this fourth *Big Picture* report:

- Provides an updated overview of expenditure trends covering the years 2007–08 through 2021–22, based on our analysis of the latest CFG release;
- Explores policy opportunities based on the CFG survey, as well as cross-country comparisons from the Organisation for Economic Co-operation and Development (OECD); and
- Calculates expenditure directed to the cultural and creative industries during the three financial years most impacted by the pandemic in Australia. (See Box 1 below for more information about the different expenditure types and estimates throughout the report.)

## What we concluded

Australia's three levels of government increased investment in arts and culture to \$7.7 billion in 2021–22, up from \$7.4 billion in 2020–21 when adjusted for inflation. This increase took place amid enduring COVID-19 supports for industries, fiscal pressures on governments, rising costs of living and a broadly 'rebounding economy'. The rise indicates that the drop in investment identified in *Big Picture 3* for 2020–21 has not persisted.

Government investment is important revenue for some cultural and creative industries. However, it typically constitutes a smaller proportion of total revenue for these industries compared to revenue from sales and services, including for not-for-profit organisations in the 'advancing culture' subtype, as demonstrated in previous ANA research. Recognising the well-evidenced benefits of cultural and creative engagement, this broader revenue context highlights the importance of a clear-eyed consideration of the roles and capacities of governments, industry, philanthropy and the general public in fostering an effective environment for both public and private investment and income generation. This ensures that Australians can access and benefit from these advantages.

In 2021–22, some trends identified in earlier *Big Picture* reports continued. Per-capita expenditure on arts and culture by all levels of government continued to decline. In 2021, Australia's spending as a share of GDP on 'recreation, culture and religion' remained lower compared to most OECD peers, with Australia ranking 26th out of 33 OECD countries. This ongoing trend raises an unresolved question about the respective roles of governments, industries, philanthropy and other stakeholders in stimulating and supporting arts and culture, both in terms of direct and indirect investment.

This report also includes findings to help understand how governments distributed expenditure to respond to COVID-19 impacts. In 2021–22, COVID-19 vaccinations were rolled out to the general population, new variants emerged and international borders opened. Consequently, 'COVID-19 expenditure' decreased in 2021–22 compared to the two previous financial years. Over the three financial years of the pandemic covered in this data (2019–20, 2020–21 and 2021–22), eligible businesses, programs and initiatives within the cultural and creative industries received \$13.6 billion of this 'targeted' (specifically for cultural activities) and 'wider economy' COVID-19 financial support. Of this, only \$1.0 billion, or 7%, was allocated in 2021–22, notably less than the \$4.5 billion in 2019–20 and \$8.1 billion in 2020–21. However, the impacts of COVID-19 remain part of the context for cultural expenditure by governments and are addressed in this report's Findings and Opportunities. This report highlights COVID-19's continuing impact on the quantum of government expenditure, the operations of the cultural and creative industries and the ways that governments have collected and reported this expenditure data.

## What we recommended

The five opportunities outlined in this 2024 report draw on the evidence and analysis by ANA of available data, as well as a broader ambition for more effective collaboration and coordination, improved transparency through reporting and effective investment that secures cultural and creative opportunities in Australia.

The report's Opportunities and ambition take into account Australia's context of fiscal restraint and acknowledge cost-of-living pressures. Given the close focus in this report on cultural expenditure by governments, the opportunities outlined identify ways governments can leverage the investments they already make and the data about investments they already produce.

## Box 1 – Explaining this Insight Report’s different terms, definitional scopes and expenditure types to understand cultural funding by government

To understand Australia’s government expenditure in arts and culture, ANA’s *Big Picture* series analyses a range of expenditure types and datasets. They each have different definitional scopes in their activities, in the levels of government reporting them, in the treatment by ANA and in their releasing authority.

Three of the four main types of expenditure are from the Australian *Cultural Funding by Governments*:

1. **‘Non-COVID-19 expenditure’** refers to the amount of recurrent and capital expenditure reported by all levels of government for activities, facilities and services in heritage and arts. The more tightly focused activities definition used in this survey was agreed upon between governments.
2. **‘Targeted COVID-19 support’** refers to the amount of expenditure reported by all levels of government in direct response to COVID-19 for cultural and creative organisations and infrastructure, businesses, individuals, support programs and initiatives. It uses the same activities definition as non-COVID-19 expenditure.
3. **‘Wider economy COVID-19 support’** refers to amounts of expenditure reported through the CFG during COVID-19 on a wider scope of creative and cultural industries, in line with the broader definition used within the federal government’s cultural and creative satellite accounts. It includes items such as the federal government’s support for the wider economy through *JobKeeper* and *Boosting Cash Flow for Employers*, as well as some states and territories’ COVID-19 supports.

The fourth type is from the OECD’s *National Accounts of OECD Countries*:

4. **‘Government spending on recreation, culture and religion’** refers to the expenditure that countries compile for the OECD. It is important to acknowledge that while this category of expenditure is internationally comparable, it captures a much wider range of activities than the CFG survey.

Where possible, ANA uses the term ‘investment’ to refer to government spending in the Big Picture series for two evidence-based reasons. First, the OECD notes that financing of cultural and creative sectors ‘should not be considered a cost but rather an investment, with the role of public, private and philanthropic financing continuing to evolve’. Likewise, ANA’s focus groups with Baby Boomer middle Australians indicated that arts and culture should, in their opinion, be supported on the basis that it presents an investment in the community.

The use of these terms throughout the Insight Report and in our analysis is based on ANA’s best understanding of the publicly available information, with more information available in the Appendix. For the most accurate and detailed information about inclusions and exclusions in the CFG expenditure, please refer to the CFG methodology, which is discussed in the Appendix. To better understand inclusions and exclusions in the OECD expenditure type, see endnote 44.

# Key findings

The following findings summarise ANA's analysis of government investment in arts and culture in Australia between 2007-08 and 2021-22, including how the investment has changed over time and how Australia compares with other countries in this area of investment.

<b>Finding 1</b>	<b>Government investment in arts and culture increased in 2021-22.</b>  One hundred and ten agencies across the three levels of government directed \$7.7 billion into arts and culture in 2021-22. This represents a 4% increase from 2020-21 when adjusted for inflation, totalling \$319.6 million.
<b>Finding 2</b>	<b>Australia ranks 26th out of 33 OECD countries for government investment in 'recreation, culture and religion'.</b>  Government spending on 'recreation, culture and religion' in Australia is below that of many of our international peers on a GDP basis. OECD countries, on average, spent 1.2% of total GDP, while Australia spent 0.9% of its GDP. Australia has remained below the OECD average from 2017 to 2021.
<b>Finding 3</b>	<b>Government investment in arts and culture is not keeping pace with population growth.</b>  Australia's population increased by 22% between 2007-08 and 2021-22 to 26 million, while expenditure on arts and culture increased by 14%. Per capita government expenditure on arts and culture was \$295 in 2021-22. For comparison, the figure in 2007-08 was \$314 per person when adjusted for inflation, which represents the highest expenditure in the last 15 years. The lowest was \$273 per person in 2015-16.
<b>Finding 4</b>	<b>The scale of state and territory governments' annual investment in arts and culture now matches that of the federal government.</b>  State and territory governments' contribution to cultural expenditure remains near record levels, continuing a long-term trend towards parity of contribution. In 2021-22, over 37% of expenditure again came from state and territory governments and over 38% from the federal government. The local government share has decreased every year since a peak of over 27% in 2016-17; in 2021-22, it was 24%.
<b>Finding 5</b>	<b>Capital expenditure consumes an increasing share of government investment in arts and culture.</b>  Capital expenditure (e.g. building additions, renovations, restorations) has slowly but steadily increased as a share of expenditure on arts and culture in Australia. Capital expenditure represented 19% of expenditure on arts and culture during 2021-22. This is the highest on record, up from 11% in 2007-08.



# Key findings

## Finding 6

**Federal and state and territory governments have directed various temporary financial supports to cultural and creative industries during the pandemic.**

Since 2019-20, federal and state and territory governments have directed \$13.6 billion to the broadly defined cultural and creative industries in response to COVID-19, in both targeted COVID-19 support and wider economy COVID-19 support. This represents 38% of total government expenditure in the relevant industries in the last three financial years. \$1.0 billion, or 7% of this total support, was in 2021-22.

## Finding 7

**All levels of government invest across a diverse range of arts and cultural activities that contribute to Australia's cultural life.**

Museums, Libraries, Archives and Heritage accounted for 39% of government expenditure on arts and culture in 2021-22 (including targeted COVID-19 support and excluding local government spending). Arts accounted for 33%; Film, Radio and Television accounted for 28%. The long-term decrease in the share of this expenditure on the Film, Radio and Television category continues. Conversely, the Arts category has increased its share, reaching its highest level in 2021-22.

## Finding 8

**Government investment in defined areas of the arts and cultural industry varies significantly by the level of government, whether federal or state and territory.**

The federal government has typically contributed more than 90% of government expenditure on the Film, Radio and Television category. State and territory governments have typically contributed more than 60% of government investment in the Museums, Archives, Libraries and Heritage category and, since 2019-20, more than 70% into the Arts category. These figures include targeted COVID-19 support and exclude local government spending.

# Key opportunities

As noted earlier, in this 2024 edition of *The Big Picture*, ANA is particularly mindful of the cost-of-living pressure on the Australian public and businesses, as well as the fiscally constrained environment for governments. This year, the Opportunities summarised below take a tight focus on the key initiatives governments can pursue to **better collaborate and coordinate** the investment on one hand and **better report** on the investment on the other. Through more effective and purposeful collaboration, including with industry and philanthropy, these investments can better deliver cultural and creative engagement opportunities for the Australian public.

<b>Opportunity 1</b>	<p>Noting that <i>Australia ranks 26th out of 33 OECD countries for government investment in 'recreation, culture and religion'</i>:</p> <p>For the National Cabinet to elevate the existing meeting of Cultural Ministers to a formalised Ministerial Council reporting annually to the National Cabinet, including a seat for local government.</p>
<b>Opportunity 2</b>	<p>Noting that <i>the scale of state and territory governments' annual investment in arts and culture now matches that of the federal government</i>:</p> <p>For governments at all three levels (ideally through a Cultural Ministers Council) to pursue an intergovernmental plan with long-term outcomes, a commitment to genuine collaboration and clear responsibilities for jurisdictions.</p>
<b>Opportunity 3</b>	<p>Noting that <i>capital expenditure consumes an increasing share of government investment in arts and culture</i>:</p> <p>For federal, state and territory agencies investing in arts and culture to consider how discount rates impact their joint investments in multi-year, capital-intensive projects relevant to arts and culture.</p>
<b>Opportunity 4</b>	<p>Noting that <i>all levels of government invest across a diverse range of arts and cultural activities that contribute to Australia's cultural life</i>:</p> <p>For governments at all levels to experiment with accessible reporting about returns on government investment in arts and culture, from stating policy objectives and aligning different statistical data collections (such as ANZSCO and the Cultural and Creative Satellite Accounts) to evaluation and, where possible, releasing data behind this reporting on a consistent, regular basis.</p>
<b>Opportunity 5</b>	<p>Noting that <i>government investment in arts and culture is not keeping pace with population growth</i>:</p> <p>For the Steering Committee for the Review of Government Services, at its next meeting, to consider arts and culture as a service provision sector for inclusion in the Report on Government Services, providing annual information on equity, efficiency and effectiveness.</p>