

A New Approach (ANA)

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Committee Secretary
House of Representatives Standing Committee on Regional Development, Infrastructure and Transport
Parliament House
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Inquiry into Local Government Funding and Fiscal Sustainability

A New Approach (ANA) welcomes the opportunity to make a submission to the Standing Committee's Inquiry into Local Government Funding and Fiscal Sustainability.

Direct funding from all three levels of government is a crucial source of revenue for Australia's cultural and creative industries. All levels of government in Australia invest across a diverse range of arts and cultural activities that contribute to the cultural life of the nation. The most recent Cultural Funding by Government (CFG) data shows that investment in arts and culture by all three levels of government increased to \$8.6 billion in 2023-24, up from \$8.3 billion in 2021-22 (when adjusted for inflation). In 2023-24, local governments represented 25% of total cultural funding.

All levels of Australian governments can act now to make the most of this cultural investment by pursuing **opportunities for stronger collaboration, enabling the arts and culture system and producing better data for confident decision-making.**

About ANA

ANA is Australia's national arts and culture think tank. Our work shapes and informs the views and actions of public policy decision-makers and key opinion leaders. ANA's ambition is for Australia's place as a cultural powerhouse to be secure, with an arts, culture and creativity system that delivers for all Australians by 2035. The scale of the opportunity of arts and culture is immense - it is a core driver of flourishing people, cohesive communities, resilient economies, productive nations and connected regions

In our role as a philanthropically funded, independent think tank, ANA is ready to provide further information about the response in this submission and would welcome the opportunity to discuss. We confirm that this submission can be made public.

Warm regards,



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Cultural Funding by Government

The long-running Cultural Funding by Government (CFG) survey provides a complete view of expenditure on arts and culture across governments. It captures expenditure on cultural and creative individuals, organisations and activities of all scales in remote, regional and metropolitan Australia. The 2023-24 CFG identifies 127 agencies (including departments and authorities) across federal, state and territory and local government as investing in cultural and creative activities.¹ This is 17 more agencies than in 2021-22.²

The CFG is a coordinated effort between federal, and state and territory government departments, with CFG reports prepared by a consultant from the ABS.³

Data from the 2023-24 CFG survey shows that **local governments contributed \$2.2 billion to arts and culture investment.**⁴ This equates to 25% of all government cultural investment. The local government share of all government cultural investment increased by 1% since 2021-22, reversing a trend of steady decline since the share of local government investment peaked at over 27% in 2016-17.⁵

Please note that further ANA analysis of the 2023-24 CFG data will be published later in 2026.

Cultural expenditure in context - analysing Australia's government funding

Examining cultural funding as a share of total government expenses can help quantify and compare government involvement across sectors and over time.

The ABS Government Finance Statistics presents the most comprehensive information on the revenue, expenses, cash flows, and assets and liabilities of Australia's public sector. According to these statistics, Australian expenses in 2023-24 at the three levels of government were \$960 billion.

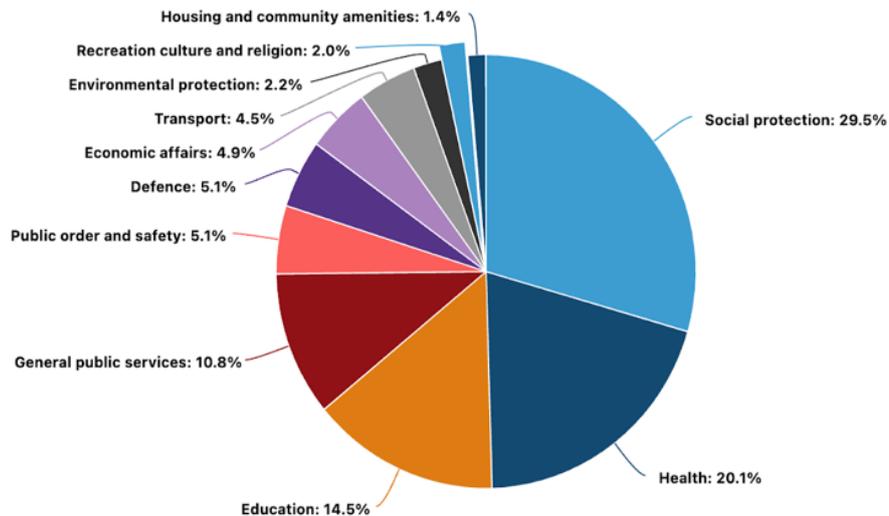
Total government spending on arts and culture - at \$8.6 billion in 2023-24 - represents 0.9% of this total government spending.⁶

The ABS also considers government expenses using the Classification of the Functions of Government (COFOG) - an international standard for this data. COFOG helps disaggregate expenditure by the purpose for which the funds are used, including for a category known as 'Recreation, culture and religion', and is used to track changes on an ongoing and annual basis.

As noted by the ABS, all of Australia's COFOG expense categories - other than environmental protection - increased in 2023-24. This includes the category of Recreation, culture and religion. As shown in Figure 1 below, in 2023-24, Recreation, culture and religion ranked as the second-lowest expenditure category by purpose, accounting for just 2% of total government expenses.

Figure 1: Government expenses by purpose, 2023-24

Expenses by purpose, 2023-24



Source: Australian Bureau of Statistics, Insights into Government Finance Statistics, Annual, 2023-24 22/04/2025

However, the picture is more complex when looking at Recreation, culture and religion as a percentage of total expenditure by each level of government. There is substantial variation in the percentage, likely reflecting the different areas of governments' responsibilities:

- For the federal government, expenditure is around 0.7%.
- For state and territory governments, it is between 1-3% of their total spend
- **For local governments it is between 11-26% of their total expenditure**

Governments should work together to make the most of their cultural investment

The data above highlights the need for all levels of government to collaborate to make the most of their investment in Australia's arts, culture and creativity system.

It is time for purposeful policy action on arts and culture that delivers cultural, economic and social returns for all Australians. Australia is in an unprecedented position with cultural policy in place or in development at all levels of government.

However, Australia does not yet have a multi-partisan and multi-government approach.

Governments can act right now to establish a long-term approach to cultural policy that will facilitate enduring cooperation between governments and establish a foundation for collaboration between

governments and establish a foundation for collaboration with industry, philanthropy and business over the next decade.⁷

There are **two practical actions** that governments can pursue to establish the enduring governance infrastructure needed to create an arts, culture and creativity system that delivers for all Australians:

- **A 10-year National Arts and Culture Strategy** with shared outcomes and measurements will allow all Australian governments to align their efforts and use their resources in a way that complements (not replaces) arts and culture policies at national, state and territory and local government levels. Importantly, having a shared goal or vision for Australia's arts and culture system is one of the most powerful levers for system change available to government.⁸
- **A Ministerial Council focused on cultural access and the cultural and creative industries** will provide a powerful intergovernmental forum for resolving priorities and making decisions across all three levels of government. It will provide a consistent forum to support structural reform and maximise cultural investment.

Governments should utilise the full suite of government enabling actions

In fiscally constrained times, it is critical that all levels of government make the most of their power to enable the arts and culture system. There is a broad range of actions that governments can take to strengthen equitable cultural access and foster robust cultural industries that **complement and enhance direct funding**.⁹

These enabling actions can facilitate financial inflows, facilitate operations, and increase engagement opportunities.¹⁰ They include:¹¹

- Fit-for-purpose and streamlined initiatives
- Legislation, regulations and standards
- Measures to develop skills, career pathways and knowledge sharing
- Measures to facilitate co-investment and collaboration
- Non-commercial rates
- Indirect industry assistance
- Accessible information, promotion and marketing
- Special consideration for eligibility and exemptions

When using these actions, governments should:¹²

- Use systems thinking to understand the full suite of powers and associated enabling actions available to them

- Prioritise opportunities where they are uniquely equipped to act and where they have the greatest benefit
- Use everyday settings like schools, homes and online as entry points for generating cultural and creative skills across Australia's population.

A thriving arts and culture system that delivers for all Australians depends on high-quality data.

The CFG dataset is Australia's most comprehensive dataset on cultural funding by all three levels of government. More can be done to ensure policy, industry and investment leaders have the data they need to make confident decisions.

Governments should:

- **Improve data collection and analysis** to help system stewards understand perspectives, harmonise statistics, connect data, and solve problems, supporting new or improved cross-jurisdictional and cross-portfolio ways of working.
- **Share more granular CFG data**, including greater detail on the government agencies participating in the dataset, and disaggregated data on the distribution of federal investment to other levels of government.
- **Experiment with reporting on the returns of government investment in arts and culture**, such as aligning reporting with the benefits these investments deliver for cultural and creative individuals and organisations, and for communities in Australia. More broadly, it could include articulating policy objectives and aligning different statistical data collections (such as ANZSCO and the Cultural and Creative Satellite Accounts) with evaluation, and, where possible, releasing underlying data for this reporting on a consistent, regular basis.

Pursuing these opportunities will enable confident decisions that leverage arts and culture to address Australia's cultural, social and economic challenges, including declining cohesion, stagnating productivity and the unpredictable risks posed by new technologies.

Endnotes

¹ Cultural Funding by Government 2023-24, Explanatory Notes. Available at:

<https://www.arts.gov.au/cultural-data-online/government-cultural-funding-and-participation/cultural-funding-and-participation-national-overview>

² Angela Vivian, Alan Hui, Kate Fielding, Tim Acker and Sari Rossi. May 2024. "The Big Picture 4: Expenditure on Artistic, Cultural and Creative activity by governments in Australia in 2007-08 to 2021-22". Insight report no. 2024-01. Produced by A New Approach (ANA). Canberra, Australia. Page 18.

³ Overviews are published [here](#) under the purview of the Cultural and Creative Statistics Working Group.

⁴ Cultural Funding by Government - 2023-24: Local government. Available at:

<https://www.arts.gov.au/sites/default/files/documents/cultural-funding-by-government-2023-24-local-government.pdf>

⁵ Angela Vivian, Alan Hui, Kate Fielding, Tim Acker and Sari Rossi. May 2024. "The Big Picture 4: Expenditure on Artistic, Cultural and Creative activity by governments in Australia in 2007-08 to 2021-22". Insight report no. 2024-01. Produced by A New Approach (ANA). Canberra, Australia. Page 9.

⁶ Though similar in purpose, it is important to note different methodologies were used to collect the data supporting this calculation.

⁷ On the critical role of partnerships between these different players in making cultural activity and access possible in Australia, see Angela Vivian, Sari Rossi, and Kate Fielding, "Thriving through Thick and Thin: Partnerships for Our Cultural Life," Insight Report 2024-02 (Canberra: A New Approach, June 2024), <https://newapproach.org.au/publication/thriving-through-thick-andthin-partnerships-for-our-cultural-life/>

⁸ Angela Vivian and Kate Fielding. November 2025. "The arts, culture and creativity system in Australia: How it ticks." Insight Report no. 2025-02. Produced by A New Approach (ANA). Canberra, Australia. Page 19.

⁹ Sari Rossi, Angela Vivian, Kate Fielding. June 2025. "Government, Culture and Creativity: It's about more than just funding." Insight Report no. 2025-01. Produced by A New Approach (ANA). Canberra, Australia.

¹⁰ Sari Rossi, Angela Vivian, Kate Fielding. June 2025. "Government, Culture and Creativity: It's about more than just funding." Insight Report no. 2025-01. Produced by A New Approach (ANA). Canberra, Australia. Page 8.

¹¹ Sari Rossi, Angela Vivian, Kate Fielding. June 2025. "Government, Culture and Creativity: It's about more than just funding." Insight Report no. 2025-01. Produced by A New Approach (ANA). Canberra, Australia. Page 7.

¹² A New Approach. November 2025. "Opportunity to action: enabling Australia's arts and culture system." Policy Action Brief. Produced by A New Approach (ANA). Canberra, Australia. Page 7.