

22 January 2020

Australian Government – The Treasury  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

**Re: 2020-21 Pre Budget Submission from State Chamber and Industry bodies for Arts and Creative Industries**

Thank you for the opportunity to provide a pre-budget submission for the 2020-21 Federal Government Budget. This document is a collaborative effort by a collective of State Chamber and Industry bodies.

The arts and creative industries are central to Australia’s identity, economy and wellbeing. Our submission highlights just a few of the areas in which our sector is already making significant impact, whilst also offering possible solutions to current challenges preventing our sector from reaching its full potential.

Diversity is one of the great strengths of the arts and creative industries in Australia, which stretch across art forms, backgrounds, ages, and geography. Recognising this breadth, representatives from each of our State Chamber Industry bodies (listed below and introduced in further detail later in this document) present this submission jointly, offering our collective support in finding outcomes that benefit our entire sector. Nothing in this submission is intended to override other submissions made or policy positions held by each of these organisations individually, nor the work currently undertaken by other national organisations.

Table 1 presents a summary of the Challenges and Proposals as outlined in this submission.

**Table 1: Summary**

<b>Area</b>	<b>Proposal</b>	<b>Timeframe</b>	<b>Outcome</b>
Innovation	\$15million per annum investment in current programs that target our innovative small-medium organisations and individual artists.	Immediate (from 2020-21)	The contribution of small companies and individual artists to an innovative nation is secured.
Economy	Increase total investment in arts and culture to 1.11% of GDP by 2030.	Long-term (to 2030)	Australia is internationally competitive as a producer of creative output.

We look forward to continuing this important work with you, and welcome the opportunity to discuss it further.

Yours sincerely,

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**The Childers Group,  
ACT**

Adrian Burnett  
**Sydney Arts Management  
Advisory Group (SAMAG),  
New South Wales**

Jane Tonkin  
**Northern Territory Arts and  
Cultural Network**

Katherine Hoepper  
**Queensland Chamber of Arts  
and Culture**

Julianne Pierce  
**Arts Industry Council of  
South Australia**

Marion Potts  
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Simone Schinkel and Joe  
Toohey  
**Arts Industry Council Victoria**

Shelagh Magadza  
**Chamber of Arts and Culture  
Western Australia**

## **ENDORSEMENT**

The authors of this report sought advice from, and gained the endorsement of, the recommendations within this submission from the following organisations, noting that each are making their own submissions:

- The National Association for the Visual Arts
- Regional Arts Australia
- Australian Major Performing Arts Group
- Theatre Network Australia

## **VALUING THE ARTS**

The Australia Council for the Arts *Connecting Australians* report showed us that Australians deeply value the arts. Annually:

- 98% of Australians engage with the arts.
- Half creatively participate.
- More than 14 million Australians attend arts events in person.
- 17 million Australians acknowledge the significant positive impacts of the arts (86% of the population aged 15 years and over) including:
  - their sense of wellbeing and happiness (60%)
  - their ability to express themselves (69%)
  - their ability to think creatively and develop new ideas (67%).
- Three in four Australians believe the arts are an important way to get a different perspective on a topic or issue (73%).<sup>1</sup>

The recently released *Transformative: Impacts of Culture and Creativity*, produced by independent think tank A New Approach (ANA), offers further insight. The report outlines in detail the deep impact of the arts across society and place; the economy; innovation; health and wellbeing; education and learning; international engagement; and, of course, culture.<sup>2</sup>

We also know that the arts contribute to Australia's economic strength:

- Household expenditure reached AUD\$25.5 billion in 2015-16 on cultural goods and services.
- Australia's creative and cultural activity is a significant component of our national economy, contributing more than \$111.7 billion, or a 6.4 per cent share of Australia's Gross Domestic Product (GDP) in 2016-17.<sup>3</sup>
- More than half a million Australians work in the creative economy, which employed 593,830 people in 2016, representing about 5.5 per cent of the national workforce.

Equally importantly, the arts afford tangible opportunities to all individuals and communities to participate in and benefit from a creative society. As a multicultural nation, cultural participation is fundamental to our democracy. There is increasing evidence to overwhelmingly demonstrate how crucial arts is to a well-balanced education and in shaping our leaders.<sup>45</sup>

Arts, culture and creativity are key to broadening and strengthening Australia's relationships internationally (particularly in Asia<sup>67</sup>), both formally and informally; and our right to openly express

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<sup>1</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf>

<sup>2</sup> <https://www.humanities.org.au/wp-content/uploads/2019/11/ANA-InsightReportTwo-FullReport.pdf>

<sup>3</sup> <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

<sup>4</sup> <https://research.acer.edu.au/cgi/viewcontent.cgi?article=1020&context=aer>

<sup>5</sup> <https://nitro.edu.au/articles/2019/3/1/issues-challenges-and-needs-for-government-arts-culture-and-education-policy-an-art-education-australia-aea-perspective>

<sup>6</sup> [https://asiasociety.org/sites/default/files/inline-files/AsiaSociety\\_DisruptiveAsiaBook\\_WEB\\_1.pdf](https://asiasociety.org/sites/default/files/inline-files/AsiaSociety_DisruptiveAsiaBook_WEB_1.pdf)

<sup>7</sup> 2017\_foreign\_policy\_white\_paper.pdf

ourselves is increasingly important in the face of cultural and religious intolerance, xenophobia and isolationism. As the current Minister for the Communications, Cyber Safety and the Arts recently pointed out: ours is a “vibrant and critically important arts sector. Australia’s performers and creative artists are world renowned – and make a profound contribution to our national identity.”<sup>8</sup>

With a growing population, there is a great opportunity to utilise this potential to create enhanced social, cultural and economic benefits to Australia.

Notwithstanding the extraordinary current impact of the arts and creative sectors, however, there are some barriers to realising their potential in key focus areas. We have chosen to focus on two in this submission:

- Innovation;
- Economy.

Each of these barriers is addressed below.

We note other reports or contributions may offer further advice, and we do not present this as a comprehensive list. The *Transformative: Impacts of Culture and Creativity* report aforementioned includes a useful summary of ‘Known challenges and proven impacts’ which is also instructive both for this submission and longer-term planning.

### **CHALLENGE AREA #1: INNOVATION**

Notes the *Transformative* report: “Preparing Australia for the future of work in the Fourth Industrial Revolution requires workers to develop skills in creativity.” A creative and innovative workforce will be driven by a strong and diverse arts and creative sector. Currently, the individual artists and small-to-medium organisations that are a vital source of innovation in our sector are inadequately and unequally supported at a national level, with only 39% of funding available to the Australia Council for the Arts accessible by this cohort in 2018-19.<sup>9</sup>

### **Proposal: \$15m per annum for Australia Council Programs that support Individual Artists and Small-to-Medium Organisations**

An investment of \$15million per annum from 2020-21 increases the resources available to the Australia Council to invest in innovation. This is made up of:

#### **\$7million for the Australia Council Four Year Funding Program Initiative**

An increase of \$7million per annum to the four-year funding program would enable the Australia Council for the Arts to continue to invest in an equivalent number of small to medium, four-year funded

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<sup>8</sup> <https://www.paulfletcher.com.au/media-releases/media-release-fletcher-deeply-honoured-to-be-appointed-minister-for-communications>

<sup>9</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/australia-council-annual-report-5dca054eeeafc.pdf>

companies (124) in 2020/2021<sup>10</sup>. Without this investment, there will be a drop of up to 28% in the number of organisations supported through 2021-2024.

### **\$8million for the Australia Council Project Funding Initiative**

This initiative is one of the principle tools through which the national arts funding body can encourage individual artists and small organisations – not supported through other means – to try new ideas. Alongside the Four-Year program investment, \$8million per annum to the grants program would increase the investment in individual artists and small-to-medium organisations above 40% of the total Australia Council funding mix<sup>11</sup>, ensuring these contributors to innovation are better represented at a national level.

### **Timeframe**

Immediate (from 2020-21). With the current round Four-Year funding initiative due for renewal in 2020-21, now is the ideal time for this investment.

### **Outcomes**

The Australia Council mechanism for investment in these initiatives provides a tested, rigorous, competitive national process that priorities new thinking. In parallel with the National Performing Arts Partnership Framework, these two streams provide the government with a direct, cost effective and fiscally responsible means to boosting innovation through the small to medium and independent arts sector – the grass roots of our national cultural ecosystem. The exciting vision of *Creativity Connects Us*, the new five year strategy for the Australia Council, for creative enterprise to be “entrenched across society, industry and government as the fuel that ignites our social, cultural and economic success,<sup>12</sup>” is achievable when small business and individual artists are able to play their role.

### **CHALLENGE AREA #2: CREATIVE TRADE DEFICIT**

The *Transformative* report notes that Australia has one of the biggest creative trade deficits in the world, importing \$8 for every \$1 of creative goods we export. If we are to capture the full potential of our creative industries, we must ensure our investment in them is competitive on a global scale over the long term.

The federal government now contributes 39.0 per cent of cultural expenditure, down from 45.7 per cent (as a proportion of the total government investment – across all 3 levels of government). Cultural expenditure is also not matching population growth. Per capita public expenditure on culture has dropped by 4.9 per cent over the decade 2007–08 to 2017–18.<sup>13</sup>

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<sup>10</sup> <https://www.tna.org.au/wp-content/uploads/2019/10/TNA-FYFO-Modelling-2021-2024.pdf>

<sup>11</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/australia-council-annual-repor-5dca054eeeafc.pdf>

<sup>12</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/australia-council-corporate-pl-5d68738684ece.pdf>

<sup>13</sup> <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

### **Proposal: Investment in Arts and Culture to reach 1.11% of GDP**

To keep-up with our international competitors, investment will be required to grow from the current 0.7% of GDP to the OECD average of 1.11% over the next 10 years. This has been informed by the *A New Approach* Report which recommended ‘designing and implementing of mechanisms that will deliver remedial measures and positive incentives to boost cultural expenditure as a percentage of GDP to the OECD average within the next decade’.<sup>14</sup>

### **Timeframe**

Long-term (2030). This goal requires coordinated support over the next ten years.

### **Outcomes**

Cultural and creative industries are increasingly acknowledged as important components and drivers of growth in the modern, knowledge-based economy<sup>15</sup> and in bringing us closer together as a confident and outward-looking society<sup>16</sup>. We acknowledge that the arts reach across portfolios and spheres of government and that there is a need for strategies that recognise the multidimensional investment and impacts.

We highlight that this investment must be directed strategically, and thus set this as a long term goal. Becoming more competitive as an international producer of creative output can increase international cultural spend; provide more jobs; support more stories; and reach more communities with the right policy settings, and we offer our advice and support in working with the Federal Government towards this goal.

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<sup>14</sup> <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

<sup>15</sup> <file:///Users/simoneschinkel/Downloads/measuring-the-economic-value-of-cultural-and-creative-industries-statistics-working-group-of-the-meeting-of-cultural-ministers.pdf>

<sup>16</sup> <https://www.australiacouncil.gov.au/news/media-centre/media-releases/connecting-australians-the-national-arts-participation-survey/>

## **ABOUT THE AUTHOR ORGANISATIONS**

**The Childers Group** advocates for the arts in the ACT and Region. Our advocacy is based on the principles of independence, information, connection, objectivity, ongoing development, valuing the arts and pride in Australia's national capital city and the region that surrounds it. The Childers Group is committed to the long-term viability and vitality of the arts. A key part of our role is advocating support for the arts to governments at all levels, and engaging with the private sector, educators, the media and the broader community about the value of the arts. [childersgroup.com.au](http://childersgroup.com.au)

**The Sydney Arts Management Advisory Group (SAMAG)** offers an annual program of events to share practical, inspiring and innovative ideas to grow an inclusive and resilient arts sector. SAMAG's monthly events are designed as professional development for artists and arts workers and encourage knowledge sharing across the sector. Formed in 1992, SAMAG started as a group of business people who wanted to contribute their skills to support practicing artists by offering practical seminars. SAMAG have evolved over 25 years to serve the arts sector in all its forms and support all those who work in it, from practicing artists to arts managers and Executive leadership. [samag.org](http://samag.org)

**The Northern Territory Arts and Cultural Network** is an informal network that spans the NT and includes representation from urban, regional and remote artists, collectives and organisations. The network has a reach of approximately 320 individuals, who between them, reach much of the arts sector in the Territory and a significant audience reach beyond. The network focuses on sector strengthening advocacy and working groups.

The **Queensland Chamber of Arts and Culture** is an independent voice for the arts and culture in Queensland. Our job is to advocate for the arts and its value in the lives of all Queenslanders. We bring together representatives from across the arts industry and across the state. Our priority is on whole of industry issues. Our aim for culture, arts and creativity to be central to civic life, economic development and political priorities in Queensland. [qcac.com.au](http://qcac.com.au)

The arts are vital for South Australia and **Arts Industry Council of SA** is the independent voice for the arts. AICSA advocates for the arts and initiates events and projects that support the development of arts and culture in the state. The Council receives no operational funding from the government, and derives its support from the industry through member subscriptions, fundraising, sponsorship and in-kind donations. AICSA is managed by a voluntary executive committee and a 1-day per week Executive Officer. [aicsa.net.au](http://aicsa.net.au)

**Tasmania Performs (Performing Lines)** provides value to performing artists across the life-cycle of their career to enhance their professional opportunities through connection to colleagues and audiences within and beyond Tasmania. We deliver strategic change, bringing skills and resources to realise the vision of the artist. Tasmania Performs collaborates with arts companies, producers, presenters, funders and investors to maximise creative and strategic opportunities for Tasmania's most exciting and diverse contemporary artists from nascent stages through to full production. Tasmania Performs is a part of

Performing Lines, the national arts organisation working with artists on a project basis. Together, we develop, produce and tour new Australian performance across the country and across the world. We are present at every level of the Tasmanian performing arts sector. [tasperforms.com](http://tasperforms.com)

**The Arts Industry Council of Victoria (AICV)** is the State's independent voice for the arts. Convened by industry peak bodies, AICV represents individual practitioners and arts organisations ranging from small independent companies to large state cultural institutions. This correlates to approximately 7,000 Victorian creative organisations, artists and artswomen who support and engage with hundreds of thousands of audiences and participants each year. AICV advocates on behalf of our constituency and contribute to public debate by providing leadership and forums for discussion within the sector.

[aicv.org.au](http://aicv.org.au)

**The Chamber of Arts and Culture - Western Australia Inc (the Chamber)** is the state's representative arts body, providing an independent, cohesive voice for the sector in Western Australia. The Chamber was formed in October 2010 following the amalgamation of the WA Arts Federation and the Cultural Chairs group with a high-profile Board of Management made up of key Western Australian business leaders, cultural policy-makers and arts practitioners. The inaugural chairman was Sam Walsh AO and the current Chair is Phil Thick with Gaye McMath as Deputy Chair. The Chamber is a not-for-profit organisation that aims to bring the Western Australia arts sector together to debate, discuss and to act as a collective on the major issues that impact the sector. It has a membership of 250 arts organisations, individuals and businesses across the broad spectrum of the arts, individual members and associate members. [cacwa.org.au](http://cacwa.org.au)