



Australian Government

Department of Infrastructure, Transport, Regional Development and Communications

Submission to the House of Representatives Standing Committee on Communications and the Arts

Inquiry into Australia's creative and cultural industries and institutions

October 2020

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About this submission

This submission is made by the Department of Infrastructure, Transport, Regional Development and Communications, through the Office for the Arts.

The submission describes the value of Australia's creative and cultural industries and institutions, with an emphasis on those parts of the sector in which the Australian Government makes substantial investments through the arts portfolio. It also provides information about the broader creative and cultural industries as relevant to the Terms of Reference.

Introduction

The creative and cultural industries contributed \$115.2 billion to the Australian economy in 2017-18, according to estimates published by the Bureau of Communications and Arts Research in 2020.¹ As a share of gross domestic product, cultural and creative activity contributed 6.3 per cent in 2017-18. The arts sector also contributes significantly to other industries, most notably tourism. Creative skills, requiring original thought and innovation, are expected to be more important in the future as economies and industries adapt to change, including through increased automation.²

In addition to the economic contribution of cultural and creative activity, the arts and culture are powerful means for promoting national identity and keeping Australians together, social inclusion, individual empowerment and wellbeing, and as a vehicle to increase community understanding of the experiences of a diverse range of people. Australians increasingly recognise the positive impacts of the arts and creativity. Ninety eight per cent of Australians surveyed by the Australia Council engage with the arts in some way, whether it be through listening to music, reading, engaging online, creatively participating, attending arts in person or engaging with community arts. According to the survey, nearly one in two of Australians believe that the arts build creative skills that will be necessary for the future workforce.³ Creative skills are particularly resistant to the automation of routine or 'non-cognitive' roles and occupations brought about by increasing technological change, and are likely to face relatively higher demand in the future. Creative skills will also be vital to future employment growth, with around one in seven workers currently in the industries projected to grow the fastest over the next five years holding a creative qualification.⁴

The arts sector has experienced severe disruptions resulting from COVID-19. Significant social restrictions were introduced on 14 March 2020 when Australia recorded its 100th case of the virus. In the week commencing 30 March, only 47 per cent of Arts and Recreation Services businesses were operating.⁵

Financial recovery from the impacts of COVID-19 disruptions is likely to be prolonged, and will be variable across the sector.

¹ Bureau of Communications and Arts Research, 2020, [Cultural and creative activity in Australia, 2008-09 to 2017-18](#).

² Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#).

³ Australia Council, 2020, [Creating our future: Results of the National Arts Participation Survey](#).

⁴ Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#).

⁵ Australian Bureau of Statistics, [5676.0.55.003 - Business Indicators, Business Impacts of COVID-19](#), Week Commencing 30 March 2020.

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Through the Arts portfolio, the Australian Government has this year announced almost \$800 million in additional funding towards the arts, on top of core funding of around \$750 million. This funding is for a diverse range of programs and organisations across visual arts, performing arts, literature, national collecting institutions, Indigenous arts and languages, screen and music. Whole-of-economy measures such as JobKeeper are also providing significant support to the arts sector. Ninety per cent of people employed in the cultural and creative sector are in employment arrangements that make them eligible for JobKeeper.⁶

To provide greater certainty for the arts sector, the Australian Health Protection Principal Committee is developing a roadmap for re-opening. A COVID-19 Arts and Health Advisory Committee – co-chaired by the Office for the Arts and Department of Health – has been established to support the development of the roadmap and to provide broader health-informed advice to the creative and cultural industries and institutions as the sector reactivates. The Government has also announced a Creative Economy taskforce, which, along with the Australian Council and the Office for the Arts, will provide Government with advice on the implementation of the support package and the key role of the creative sector in Australia's recovery from COVID-19. The Taskforce members bring a breadth of business, commercial and creative experience, which will guide support for Australia's creative sector as it adapts to and recovers from the impact of COVID-19. Members were appointed based on their depth of skills, experience and background.

⁶ Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors](#).

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Value of Cultural and Creative Industries and Institutions in Australia

\$115.2 billion

overall contribution of creative and cultural activity, equivalent to **6.3% of Australia's GDP** in 2017-18.



645,000

people working in the cultural and creative industries in 2016, equivalent to **6% of Australia's workforce**.



98%

of Australians **engaged with the arts** in some way in 2019



11.5 million

in-person visits to **national collecting institutions** were made in 2019-20



13.4 million

overnight trips were made within Australia that included an 'arts' activity in 2018, generating...



\$16 billion

in **domestic arts tourism** spending



\$750 million

Australian Government investment in the arts portfolio each year



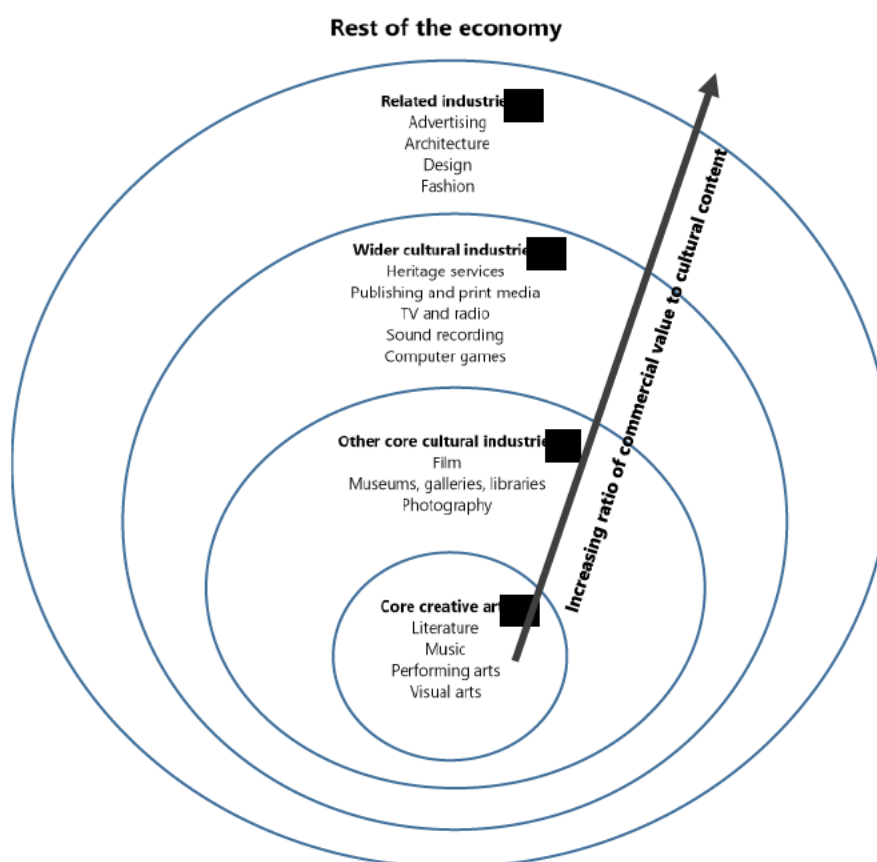
\$700 million

Additional **Australian Government support** for the arts sector, in response to COVID-19

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1. Australia's creative and cultural industries and institutions are diverse

This submission describes the values of Australia's creative and cultural industries and institutions, with an emphasis on those parts of the sector in which the Government makes substantial investments through the Arts portfolio. The areas in which the Government invests are considered by many to be the 'core' creative arts and cultural industries. This concept has been articulated by Professor David Throsby and others in examining the structure of the sector.⁷ However, these core parts of the sector also enable broader cultural and creative production that reaches into the more commercial realms of the economy. The following diagram seeks to illustrate these complex relationships.⁸



The core arts and cultural industries also have benefits and values that flow through to the broader cultural and creative industries, and to other industries within the economy.⁹ The various cultural and creative industries are bound together through two main kinds of connections.

The first is through flows of cultural content, which includes aesthetic ideas and innovations. In many cases, this cultural content is initially produced by the core creative arts, and then flows out

⁷ Throsby D (2008) The concentric circles model of the cultural industries. *Cultural Trends* 17: 147–64.

⁸ Adapted from Throsby *ibid*.

⁹ For reference, see Bureau of Communications and Arts Research, 2020, [Cultural and creative activity in Australia, 2008-09 to 2017-18](#).

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to the other cultural and creative industries. For example, an aesthetic movement in the visual arts can flow into other art forms (literature, theatre, dance and music) and then into other industries such as film, graphic design, industrial design, architecture and advertising.

Second, there are important interconnections between the people employed and practising in these industries. Many people working in these industries share important aspects of their educations and possess closely related skills. In some cases, people move back-and-forth between various industries (for example, between theatre, broadcasting and film). People across these industries share common networks and communities, and many are linked by shared senses of identity and professional association.

The creative and cultural industries include a range of different entity and employment types. For example, individual artists such as writers might operate as sole traders or as employees of publishing businesses, or both, depending on how they structure their career. A visual artist might have a career that encompasses selling works through a commercial gallery, teaching at a university or TAFE, and working as a tour guide at a government-funded art gallery. The creative and cultural sector comprises both government-subsidised businesses like Australia's major orchestras, and non-subsidised businesses that work in a more commercial field like musical theatre, or large scale contemporary music events.

Australia's creative and cultural industries and institutions are diverse, in terms of art forms, types of businesses and organisations, and in terms of how they engage with audiences and consumers. The sector also varies greatly across Australia, from the major cities to very remote communities on the mainland and its islands. This diversity means that the sector has broad reach and high value for the economy, and for the Australian public.

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2. Value of the creative and cultural industries and institutions

Economic value of the creative and cultural industries and institutions

Cultural and creative economic activity

The cultural and creative sectors contributed \$115.2 billion to the Australian economy in 2017–18, according to updated estimates published by the Bureau of Communications and Arts Research (BCAR) in 2020.¹⁰ As a share of gross domestic product (GDP), cultural and creative activity contributed 6.3 per cent in 2017–18. The value of cultural and creative activity is the sum of the gross value added (GVA) of the cultural and creative industries, net taxes on those industries, and the income received from creative and cultural workers in other industries.

Over a 10-year period, cultural and creative activity grew from \$86.0 billion in 2008–09 to \$115.2 billion in 2017–18.¹¹ While cultural and creative activity has grown in absolute terms, the increase has been slower than the pace of the Australian economy overall. As a share of GDP, cultural and creative activity declined by 0.6 percentage points, from 6.9 per cent in 2008–09 to 6.3 per cent in 2017–18. During this period, a main driver of Australia's economic growth has been the mining sector, which falls almost entirely outside cultural and creative activity. At the same time, some cultural and creative industries—such as printing and clothing manufacturing—have faced increased global competition and have needed to adjust to the transition towards digital content and automation.

While some parts of cultural and creative activity are shrinking as a share of GDP, other activities are outpacing the overall economy. Cultural and creative activity within professional, scientific and technical services, and education and training has increased its share within the economy over the period. These activities use highly skilled labour which will be increasingly important to Australia's economic growth.¹² There is potential in a range of industries for creative skills to make a greater contribution to innovation, especially in digital markets, to grow the creative economy and support the Australian economy overall.

Examining the breakdown of cultural activity and creative activity—cultural activity grew from \$51.4 billion in 2008–09 to \$65.3 billion in 2017–18 while its share of GDP declined from 4.1 per cent to 3.6 per cent over this period. Creative activity increased from \$75.2 billion in 2008–09 to \$102.7 billion in 2017–18 while its share of GDP declined from 6.0 per cent to 5.6 per cent over this period (Table 1).

¹⁰ Bureau of Communications and Arts Research, 2020, [Cultural and creative activity in Australia, 2008–09 to 2017–18](#).

¹¹ Bureau of Communications and Arts Research, 2020, [Cultural and creative activity in Australia, 2008–09 to 2017–18](#).

¹² Bureau of Communications and Arts Research, 2018, [Cultural and creative activity in Australia, 2008–09 to 2016–17](#). Also supported by the findings of Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#), pages 14, 19.

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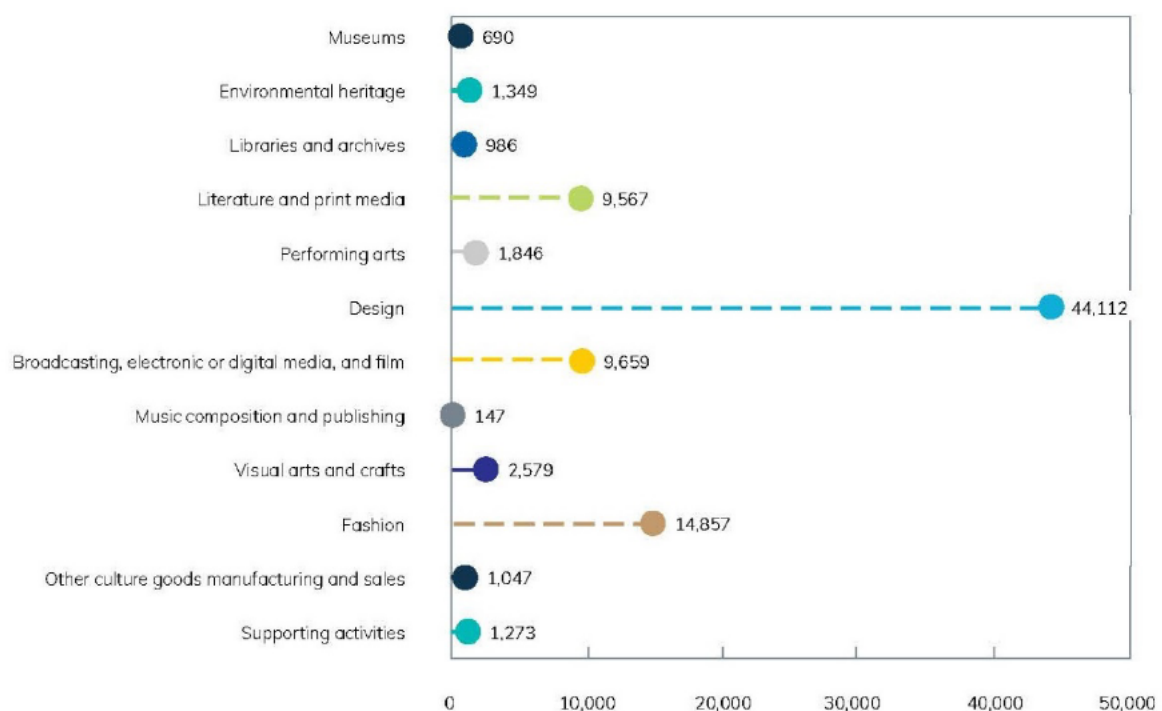
Table 1. Gross domestic product of cultural and creative activity

Gross Domestic Product—National Accounts Basis (\$m) (a)	2008–09	2017–18
Cultural activity	51,395	65,283
As a proportion of GDP (%)	4.1	3.6
Creative activity	75,210	102,653
As a proportion of GDP (%)	6.0	5.6
Total for cultural and creative activity (b)	85,956	115,185
As a proportion of GDP (%)	6.9	6.3

Source: ABS cat. 5204, 5209; BCAR calculations. (a) (b) Activity considered both cultural *and* creative activity is counted only once in the total.

Cultural and creative activity can also be analysed by groups of related industries, known as 'domains'. The GVA contribution of each of the twelve cultural and/or creative domains in 2017–18 was as follows:

Figure 1. Cultural and creative industries, gross value added (GVA) by domain, 2017–18

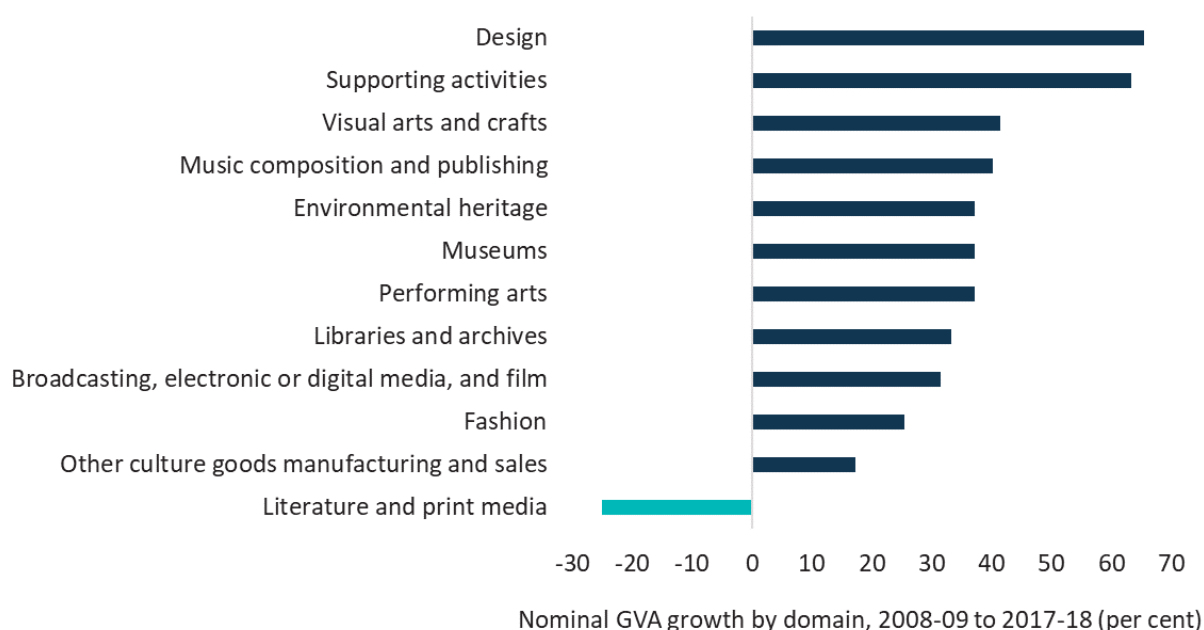


Source: ABS cat. 5204, 5209; BCAR calculations.

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The four largest domains of cultural and creative activity were design;¹³ fashion; broadcasting, electronic or digital media, and film; and literature and print media. In total, these domains contributed more than two-thirds (68 per cent) of cultural and creative activity in 2017–18. The remaining activity was from the eight other domains of cultural and creative activity, income received from cultural and creative workers in other industries, and net taxes on products. Eleven of the twelve domains experienced growth in absolute terms from 2008–09 to 2017–18 (Figure 2). Design had the strongest growth during this period (66 per cent) while the only domain to decline in absolute terms was literature and print media (-25 per cent), which has faced significant commercial pressure from a push towards digital content in a competitive global context.

Figure 2. Nominal growth in gross value added by domain, 2008-09 to 2017-18



Source: ABS cat. 5204, 5209; BCAR calculations.

The creative and cultural sector also provides goods and services to a range of other sectors to enable their operation. Prior to COVID-19, Heritage, Creative and Performing Arts provided more than \$700 million of inputs used by the education sector (primary, secondary and vocational and tertiary education services).¹⁴

¹³ Design consists of architectural services, advertising services, computer systems and related services and other specialised design services.

¹⁴ Australian Bureau of Statistics, 2020, [Australian National Accounts: Input-Output Tables, 2017–18](#) (cat. 5209.0.55). Table 02. Input by industry and final use category and imports by product group. Retrieved 9 October 2020.

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Spotlight on... Contemporary music

Australian musicians support a key cultural export industry. The estimated annual value of Australian music exports is \$195 million, generated by artists, music publishers and record labels.¹⁵

Sounds Australia is a partnership between the Australian Government, APRA AMCOS, the Australia Council, Australian Recording Industry Association (ARIA) and PPCA, to provide a strategic platform to assist the Australian music industry in accessing international business markets.

Sounds Australia has become a globally recognised brand, producing quality showcasing events around the globe featuring all Australian line ups, with some of the world's most influential bookers, buyers, agents and promoters in attendance. As a direct result of Sounds Australia's programs, the number of Australian artists showcasing at international events grew from 49 per year in 2009 to 263 in 2014 – a 437 per cent increase in just six years. Artists who played their first international showcase with Sounds Australia include A.B. ORIGINAL, Alison Wonderland, Angie McMahon, Courtney Barnett, Dean Lewis, DMA'S, Flume, Gang Of Youths, Hermitude, Julia Jacklin, Kate Miller-Heidke, Mallrat, Methyl Ethel, Nick Murphy (aka Chet Faker), Peking Duk, RUFUS DU SOL, San Cisco, Sheppard, Stella Donnelly, The Jezabels, The Preatures, Tkay Maidza and Vance Joy.

Under the Government's \$30.9 million Australian Music Industry Package, Sounds Australia was provided funding of \$1.5 million (over four years from 2019-20) to support activities that assist the Australian music industry capitalise on international markets, including in Asia, and to promote Australian music overseas.

Employment

Based on 2016 Census of Population and Housing data, 645,000 people (6 per cent of the workforce) were employed in the cultural and creative industries in 2016.¹⁶ Around 97 per cent, or around 626,000, of these workers are employed in the private sector.¹⁷

Of these workers, around 350,000 or 56 per cent are full-time workers. Another 144,000 or 23 per cent are owner managers, and 109,000 or 17 per cent, are casuals. Of those in casual employment arrangements, around 66,000 have a tenure 12 months or longer, and around 42,000 have a tenure of 12 months or less (equivalent to 7 per cent of the total). The remaining 23,000, or 4 per cent, are short-term employees on a fixed contract or 'other' status (including missing employment status).¹⁸

¹⁵ University of Newcastle and Monash University, in partnership with the Australia Council, Sounds Australia and APRA AMCOS, 2019, [Born Global: Australian Music Exports](#).

¹⁶ Department of Infrastructure, Transport, Regional Development, and Communications (2019) [Cultural Funding by Government, Australia, 2018–19](#).

¹⁷ Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors](#).

¹⁸ Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors](#).

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Spotlight on... Screen production

There is a boom in the demand for new screen production around the world, as more services offering original content come online and consumers are spending more than ever before on all forms of screen content. The Government's Location Incentive program helps keep Australia competitive in attracting a share of this international market to benefit local jobs and skills development.

The Location Incentive is key to the Government's objectives of creating jobs, boosting business activity, and providing training and skills for Australians. The additional \$400 million announced for the program in July will help Australia capitalise on a growing demand to produce films and television series in Australia, attracting an estimated \$3 billion in foreign expenditure and creating 8,000 new employment opportunities for Australians each year. As well as direct employment for highly-skilled cast and crew, screen productions stimulate jobs in areas including hospitality, security, transport, construction, design, and hair and make-up.

As at 30 September 2020, 13 productions have been announced as receiving total funding of \$142.5 million under the Location Incentive. Together these productions will generate spending of around \$1.14 billion, support the employment of over 9,500 Australian cast and crew, and engage more than 11,000 Australian businesses.

Creative skills

New technologies are having widespread effects on the future of work. As these continue, creative skills, requiring original thought and innovation, making them particularly resistant to automation, are likely to face relatively higher demand in the future.¹⁹

Around a million workers, 9.5 per cent of those employed in Australia in 2016, held a 'creative' qualification as their highest level of qualification.²⁰ These creative skills will be vital to future employment growth. Based on BCAR analysis published in 2019, around one in seven workers currently in the industries projected to grow the fastest over the next five years holds a creative qualification.²¹

Creative skills are not only used in creative occupations. They are skills that contribute to different parts of value chains in a range of different industries. For example: design skills contribute to human-centred design in interfaces of ICT goods and services; sales and marketing contribute to helping consumers find products they want to buy; and ICT skills contribute to a range of existing and emerging digital services.²² This demonstrates the high value of creative skills for digital services and indicates the potential for creative skills to contribute to innovations in a range of industries.

¹⁹ Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#)

²⁰ Creative qualifications here are largely considered as creative arts including communication and media studies, information technology, architecture and building, and management and commerce qualifications.

²¹ Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#).

²² Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#).

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The share of employees with creative qualifications by industry was highest in information media and telecommunications (28 per cent), rental, hiring and real estate services (25 per cent), and professional, scientific and technical services (21 per cent).

Between 2011 and 2016, growth in the number of those employed in creative occupations was double that of those employed elsewhere in the economy.²³ Creative employment grew by an average of 2.2 per cent per annum, nearly twice that of the Australian workforce. Based on Australian Government forecasts of employment growth over the next five years, the BCAR found that creative skills are an important part of enabling future jobs growth. Of the 13 high-growth industries, growing around double that of the average expected across the entire economy (based on 2018 forecasts), 14.6 per cent of their workforce hold a creative qualification, compared with around 9.5 per cent overall.²⁴

Spotlight on... Rewarding Australian writers

The Prime Minister's Literary Awards celebrate the contribution of Australian literature and history to the nation's cultural and intellectual life. The Awards play an important role in supporting a national appreciation of Australian literature and history and provide acknowledgment and recognition to authors and illustrators who have published the best works of Australian literature each year.

Luke Davies won the inaugural Prime Minister's Literary Awards poetry prize in 2012 for *Interferon Psalms*. Mr Davies, also a novelist and screenwriter, known for his book and film adaptation *Candy*, had been struggling to support himself as a writer up to that point. Mr Davies has often attributed winning the \$80,000 prize as the moment his life started looking up after years of just keeping his 'nostrils above water'. The Award money and recognition allowed Mr Davies to remain focussed on writing and the following year he wrote the screenplay *Lion* which led to his Hollywood career taking off in 2014.

Tourism

The arts and cultural sector is an important contributor to the tourism sector and is one of the main reasons for tourist visits in Australia, after beaches and other natural wonders.²⁵

The economic benefits are reciprocal, and both arts and tourism are mutually reliant. Australia Council research has shown that domestic arts tourism spending in 2018 was \$16 billion²⁶ and in 2017 international arts tourism spending was \$17 billion.²⁷

²³ Cunningham, S. & McCutcheon, M. (2018) [The Creative Economy in Australia](#).

²⁴ Bureau of Communications and Arts Research, 2019, [Creative skills for the future economy](#).

²⁵ Australia Council, 2020, [Domestic Arts Tourism: Connecting the Country](#), page 15.

²⁶ Australia Council, 2020, [Domestic Arts Tourism: Connecting the Country](#).

²⁷ Australia Council, 2018, [International Arts Tourism: Connecting Cultures](#).

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Creative and cultural industries make important contributions to tourism businesses. Broadcasting services provided more than \$2 billion of inputs to the tourism and hospitality sector in 2017-18 (including retail trade, transport, accommodation and food services).²⁸

Tourism also supports the arts. The Arts and Recreation Services industry is the second most reliant industry on tourism after Accommodation and Food Services, with over 16 per cent of Arts and Recreation Services gross value added being derived from tourism.²⁹

Aboriginal and Torres Strait Islander cultural activities contribute to Australia's broader economy, particularly in relation to tourism. Australia's Indigenous tourism has an estimated value of \$5.8 billion annually, catering to 910,000 international visitors and 688,000 overnight domestic trips in 2016.³⁰ Research suggests that expenditure on shopping comprises almost a third of total tourist spend,³¹ with souvenir and artwork purchases forming a significant component of this. Tourism Australia reports that, for the year ending March 2017, 808,307 international visitors engaged in an Indigenous art or cultural experience, and 236,763 purchased Indigenous art, craft or products.

Domestic arts and cultural tourists are high value tourists. They are more likely to travel further, stay longer and spend more when travelling than domestic tourists overall. In 2018, Australians took 12.3 million daytrips within Australia that included an arts activity and Australians took 13.4 million overnight trips within Australia that included an arts activity.³² The overall number of art daytrips has been increasing since 2009. In 2018, arts activities attracted more than double the number of daytrips compared with organised sport events, and were more popular than markets, heritage sites, wineries, wildlife parks, zoos and aquariums, amusement parks and casinos.³³

Domestic arts tourists support metropolitan and regional economies. In 2018, 53 per cent of overnight arts trips included an overnight arts stopover in a metropolitan area, and 47 per cent included an overnight arts stopover in a regional area. As such, there are strong interdependencies between the cultural and creative economy, tourism, hospitality and regional economies.

²⁸ Australian Bureau of Statistics [Australian National Accounts: Input-Output Tables](#). Retrieved 9 October 2020.

²⁹ Australian Bureau of Statistics 2019 5249.0 [Australian National Accounts: Tourism Satellite Account, 2018-19](#).

³⁰ Tourism Research Australia, [International Visitor Survey 2016](#) and [National Visitor Survey 2016](#).

³¹ Griffith University, 2011 [Souvenirs: What and Why We Buy](#), *Journal of Travel Research*.

³² Australia Council, 2020, [Domestic Arts Tourism: Connecting the Country](#).

³³ Australia Council, 2020, [Domestic Arts Tourism: Connecting the Country](#), page 10.

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Spotlight on... Indigenous arts and tourism

Australia Council research shows that almost 830,000 international tourists – or 24 per cent – engaged with Indigenous arts while in Australia in 2017. This was an increase of 41 per cent since 2013. Where international visitors travelled outside Australia's cities, the proportion of people who engaged with Indigenous arts was higher, at 36 per cent.³⁴

Indigenous arts, craft and cultural displays are the most popular art form for international tourists. They are also popular for domestic tourists. Domestic travellers on overnight trips that include Indigenous arts, crafts and cultural displays spend more on their trip than the average spend on any other arts activity (\$1,558 per trip compared with \$1,068).³⁵

The industry is adapting in response to COVID-19. In 2020, the Darwin Aboriginal Art Fair was held online, generating more than \$2 million for participants.³⁶

To support this industry, each year, the Government invests around \$21 million towards the operations of over 80 Indigenous-owned art centres, as well as a number of service organisations, art fairs and regional hubs that provided professional opportunities for over 8,000 Aboriginal and Torres Strait Islander artists and around 500 Indigenous arts workers.

Social and national value of creative and cultural industries and institutions

As described above, the creative and cultural industries and institutions have strong economic and employment value, and they benefit many parts of industry through inter-dependence and the transfer of skills.

There is also social and national value that the Government seeks to foster through investment on the core arts and culture sector. These emanate from the public's participation in, and access to, a diversity of cultural activities, as well as the capacity of the arts and culture to foster social cohesion, and support individual wellbeing and mental health.

Participation in arts and culture

In Australia, participation in arts and culture is almost universal. This participation builds our sense of national identity as a diverse and creative country, recognised internationally for its arts and culture.

Australian Bureau of Statistics data show that in 2017–18, 82.4 per cent of Australian adults, and 94.3 per cent of children (aged 5–14), attended a cultural venue or event (such as a cinema, gallery, museum, library or performing arts event) at least once, and 53.7 per cent of adults and 56.7 per cent of children attended at least one performing arts event.³⁷

³⁴ Australia Council, 2018, [International Arts Tourism: Connecting Cultures](#).

³⁵ Australia Council, 2020, [Domestic Arts Tourism: Connecting the Country](#).

³⁶ See: <https://daaf.com.au/>

³⁷ Australian Bureau of Statistics, [Attendance at Selected Cultural Venues and Events, Australia 2017–18](#) (cat. 4114.0).

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These figures from the Australian Bureau of Statistics showing widespread engagement with the arts and culture are supported by the Australia Council's 2019 National Arts Participation Survey, which found that 98 per cent of Australians engaged with the arts and culture in some way – such as listening to music, reading for pleasure, or attending cultural venues or events. In addition, 45 per cent participated directly in artistic activities, including visual arts and crafts, music, creative writing, dance and theatre.

Positive impacts of the arts across society were acknowledged by 84 percent of those surveyed – with respondents reporting that they saw the arts as important for child development, general happiness and wellbeing, improving understanding of other people and cultures, and building creative skills that will be necessary for the future workforce.³⁸ Earlier this year, the arts policy think tank A New Approach conducted focus group interviews with 'Middle Australians'.³⁹ Participants in these interviews unanimously expressed strong beliefs about the importance and positive value of arts and culture. Participants reported seeing art and culture as important for building community, defining identity, stimulating creativity, improving mental health and enriching children's education.⁴⁰

Engagement with Australia's national cultural institutions

Since 2014–15, the Government has collected data on key performance indicators for Australia's national cultural institutions. The national cultural institutions consist of eight national collecting institutions – Australian National Maritime Museum, Bundanon Trust, Museum of Australian Democracy at Old Parliament House, National Film and Sound Archive of Australia, National Gallery of Australia, National Portrait Gallery of Australia, National Library of Australia, and National Museum of Australia – and four national arts development institutions – Australia Council, Australian Film, Television and Radio School, Creative Partnerships Australia, and Screen Australia.⁴¹

In 2019–20 there were 11.5 million in-person visits to the national collecting institutions (an increase of 21 per cent since 2014–15), and 47.4 million website visits (an increase of 26 per cent since 2014–15). There were also 21.1 million attendances at Australia Council supported arts activities in Australia, and 115.8 million views of Screen Australia supported productions.⁴²

Telling Australian stories on screen

Australian audiences continue to value having access to content created by and for Australians. Cultural value is not easily measured in numbers or dollars, but screen content can regularly contribute to national pride, social cohesion and points of connection. For example, lines from classic films and television series like *The Castle*, *Muriel's Wedding* and *Kath & Kim* have become

³⁸ Australia Council for the Arts, 2020, [Creating Our Future: Results of the 2019 National Arts Participation Survey](#).

³⁹ Defined as swing voters, aged 35–60, with household incomes of \$70,000–150,000, mostly suburban, mostly full-time workers with children.

⁴⁰ A New Approach, 2020, [A View From Middle Australia: Perceptions of arts, culture and creativity. Insight Report 3](#). Australian Academy of the Humanities.

⁴¹ The national cultural institutions are all part of the Arts portfolio except for the Museum of Australian Democracy at Old Parliament House, responsibility for which transferred to the Prime Minister and Cabinet portfolio on 1 September 2019. All data on the impact of the national cultural institutions is from the infographics published at <https://www.arts.gov.au/what-we-do/museums-libraries-and-galleries/impact-our-national-cultural-institutions>.

⁴² Data collected by the Department of Infrastructure, Transport, Regional Development and Communications.

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part of Australia's national dialogue.⁴³ In addition, there is a minor bias towards favouring Australian content when making viewing decisions, helping to maximise the cultural value of such productions, and highlighting the importance of self-recognition on screen.⁴⁴

Screen production has helped Aboriginal and Torres Strait Islander communities influence audiences here and abroad. The availability of productions like *Redfern Now*, which showed strong ratings in both Indigenous and non-Indigenous communities, provides anecdotal evidence that this and other productions are helping to build a greater understanding of Indigenous Australia.⁴⁵

Forty four per cent of respondents to a Deloitte Access Economics survey about the cultural value of Australian content said Australian film and TV are a key part of Australian cultural identity.⁴⁶

Building community cohesion and supporting inclusion

Arts and culture are powerful tools for promoting social inclusion, individual empowerment and wellbeing, and as vehicles to increase community understanding of the experiences of a diverse range of people.

Community cohesion

Encounters with the arts are 'quintessentially social events'⁴⁷ that bring people into contact, both with those who share similar interests and values, and with those whose are different. Contact through shared experiences has the potential to reduce prejudice and engender tolerance and respect for differences. For example, research from the United States found that those who participate in the arts – both actively, by creating art, and passively – were more tolerant than those who do not.⁴⁸

Evidence shows that 'by having the opportunity to express and discover common concerns, neighbourhood residents identified collectively shared experiences and enhanced collectively felt sentiments of solidarity'.⁴⁹ Furthermore, arts projects provide a space in which diverse perspectives on community conflicts or problems are expressed and potentially resolved.^{50 51 52 53} The results of the Australia Council's latest National Arts Participation Survey show an increasing proportion of

⁴³ Screen Australia, 2016, [Screen Currency: valuing our screen industry](#).

⁴⁴ Olsberg SPI, 2016, [Measuring the cultural value of Australia's screen sector](#).

⁴⁵ Olsberg SPI, 2016, [Measuring the cultural value of Australia's screen sector](#).

⁴⁶ Screen Australia, 2016, [What are our stories worth? Measuring the economic and cultural value of Australia's screen sector](#).

⁴⁷ Jeannotte, M. S., 2005, [Just showing up: social and cultural capital in everyday life](#).

⁴⁸ Leroux, K., and Bernadska, A., 2014, 'Impact of the Arts on Individual Contributions to US Civil Society', *Journal of Civil Society*, 10(2).

⁴⁹ Lowe, S., 2000, 'Creating community: art for community development', *Journal of Contemporary Ethnography*, vol. 29, no. 3.

⁵⁰ Hawkes, J., 2001, The fourth pillar of sustainability: culture's essential role in public planning, Cultural development Network in association with Common Ground Publishing.

⁵¹ Barraket, J., 2003, 'Facilitating rural community sustainability? Local organizational networks and the governance of place', presented at Australian Social Policy Conference, Social Policy Research Centre, University of New South Wales, Sydney, 9–11 July.

⁵² Lowe, S., 2000, 'Creating community: art for community development', *Journal of Contemporary Ethnography*, vol. 29, no.3, pp.357–85.

⁵³ Krensky, B., 2001, 'Going on beyond zebra: A middle school and community-based arts organization collaborate for change', *Education and Urban Society*, vol.33, no.4, pp.427–44.

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Australians feel that the arts enable us to connect with others (53 per cent, up 15 percentage points from 38 per cent in 2016), understand perspectives that are different from our own (71 per cent, up from 60 per cent in 2016), and that the arts affect our understanding of other people and cultures (60 per cent, up from 52 per cent in 2016). Connection with others is one of the main drivers of arts attendance and one in three Australians are motivated to attend the arts to understand other perspectives and cultures (33 per cent).⁵⁴

Regular involvement in arts events can build social solidarity and community cohesion through the creation of community symbols (e.g. murals and other outdoor art objects) and can reinforce community identity and pride.⁵⁵ In addition, organising arts events involves a wide range of individuals in a community and leads to the development of both a sense of collective value and skills in leadership and organisation. These skills arise from the need to raise funds, organise facilities, manage arts organisations and community arts projects, and to communicate/advertise and persuade. These events can also help create linkages across different socio-economic groups, developing inter-group cooperation and communal cohesion.⁵⁶

The capacity for artistic engagement to facilitate cohesive communities is based in the principles of adult transformative learning, whereby individuals critically examine their own perspectives, revise them, and ultimately act on their revised perspective.⁵⁷ While other collaborative activities, including sport and community group projects, also have the capacity to support community cohesion through these same theories of social relations, the arts is uniquely placed to encourage and enhance mind-set and behaviour change as it stimulates the creative insight required for transformative learning that leads to the development of new ways of thinking and acting. The distinctive role of the arts is further supported by the capacity for artistic engagement to facilitate empathic connection through the engagement of an individual's imagination and emotions. This is considered a necessary stimulus for experiencing empathy with those who have different points of view.⁵⁸

Aboriginal and Torres Strait Islander languages, arts and wellbeing

Aboriginal and Torres Strait Islander cultures are diverse and dynamic. They are essential to the wellbeing and identity of Aboriginal and Torres Strait Islander people, as well as being a vital part of Australia's identity. Culture plays an integral role in sustaining and strengthening Indigenous communities and provides opportunities for Aboriginal and Torres Strait Islander people to gain employment, develop professional skills and participate in the nation's economy.

Australian Indigenous visual art is internationally recognised and sought after for its quality, innovation and cultural richness. The Indigenous Visual Arts Industry Support (IVAIS) program is integral to this sector, investing approximately \$21 million per annum towards the operations of over 80 Indigenous-owned art centres, as well as a number of service organisations, art fairs and regional hubs that provided professional opportunities for over 8,000 Aboriginal and Torres Strait Islander artists and around 500 Indigenous arts workers.

⁵⁴ Australia Council of the Arts, 2020, [Creating our future: Results of the National Arts Participation Survey](#).

⁵⁵ National Economic and Social Forum Report 35, 2007, The Arts, Cultural Inclusion and Community Cohesion.

⁵⁶ National Economic and Social Forum Report 35, 2007, The Arts, Cultural Inclusion and Community Cohesion.

⁵⁷ Journal of Transformative Education, 2016, 'The Restorative and Transformative Power of the Arts in Conflict Resolution'.

⁵⁸ Journal of Transformative Education, 2016, 'The Restorative and Transformative Power of the Arts in Conflict Resolution'.

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The IVAIS program cultivates a professional, viable and ethical Indigenous visual arts industry that features strong participation and provides economic opportunities for Aboriginal and Torres Strait Islander people, as well as the continued production, exhibition, critique, purchase and collection of Indigenous visual art.

Aboriginal and Torres Strait Islander art centres are often at the heart of community life and can be central to the social and economic wellbeing of regional and remote communities. As Indigenous-owned and governed enterprises, art centres are responsive to local needs, and communities and local leaders are directly involved in decision making. While their primary purpose is visual art production and marketing, they also play a vital role in enhancing social cohesion, promoting respect for traditional knowledge, ensuring the transmission of culture, and providing leadership and economic opportunities for Aboriginal and Torres Strait Islander people.

There is a wealth of academic evidence supporting the integral role languages and arts play in fostering Aboriginal and Torres Strait Islander people's cultural identity and wellbeing, and nurturing, strong and sustainable communities. Some key activities are building the evidence around these connections. One is the inclusion of a specific language target within the National Agreement on Closing the Gap. This is strong acknowledgement of the core importance of language to achieving social and economic outcomes for Aboriginal and Torres Strait Islander people. Another element is the National Indigenous Languages Report. The Report was a collaboration between the Australian Government (Office for the Arts), the Australian Institute of Aboriginal and Torres Strait Islander Studies and the Australian National University. In addition to describing the current state of Indigenous languages in Australia, the Report also identifies the cultural, social and economic benefits of speaking Aboriginal and Torres Strait Islander languages. It also identifies opportunities for improving services and programs through more inclusive use of language, and more extensive and consistent data collection on language use across Australia.⁵⁹

The Australian Government Department of Health's 2017 *My Life My Lead* report considered the social and cultural determinants of Indigenous health. The report identified seven priority areas across four themes: strong connections to culture and family are vital for good health and wellbeing; the best results are achieved through genuine partnerships with communities; the impacts of trauma on poor health outcomes cannot be ignored; and systemic racism and a lack of cultural capability, cultural safety and cultural security remain barriers to health system access.⁶⁰

A 2011 literature review of the triangularity between language, culture, educational engagement and community cultural health and wellbeing published a range of findings in respect of Indigenous health and wellbeing. These included the tangible interconnection between spiritual health and wellbeing, and a broader sense of individual and community cultural health and wellbeing, in addition to the relationship between Indigenous language competency and reduced rates of Indigenous youth suicide and self-harm.⁶¹ This is particularly important, given that Australian Bureau of Statistics reported in 2017 that intentional self-harm ranked as the fifth leading cause of death for the Aboriginal and Torres Strait Islander population, while it is ranked

⁵⁹ Department of Infrastructure, Transport, Regional Development and Communications, Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian National University, 2020, [National Indigenous Languages Report](#).

⁶⁰ Department of Health, 2017, [My Life My Lead](#).

⁶¹ Dr Shayne William, 2011, [The importance of teaching and learning Aboriginal languages and cultures](#).

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13th for the Non-Indigenous population.⁶² Intentional self-harm was the leading cause of death for Aboriginal and Torres Strait Islander persons between 15 and 34 years of age, with an age-specific death rate over three times that of Non-Indigenous Australians.⁶³

Social inclusion and mental health

Creative and cultural activities can be strong tools for promoting social inclusion and reducing social isolation. In the Australian Bureau of Statistics' 2014 General Social Survey, people with a mental health condition who had attended a cultural event reported an average overall life satisfaction score of 6.7 out of 10, while people with a mental health condition who had not attended a cultural event had an average score of 5.7 out of 10.⁶⁴

A substantial body of evidence indicates that people with high levels of arts participation experience significantly better mental wellbeing than those with medium, low or no participation.⁶⁵ For children and young people, participating in arts activities can have a positive effect on self-confidence, self-esteem, relationship building and a sense of belonging – all of which are associated with resilience and mental wellbeing.⁶⁶ For older people who may be susceptible to isolation and loneliness, arts participation provides important opportunities for social contact.⁶⁷

Music, in particular, has been shown to have strong effects on the brain. For example, singing as part of a group can increase inter-personal bonding, soothing music can aid recovery from open heart surgery, and listening to music can assist those with nervous system or neurodegenerative diseases, or other conditions such as anxiety.⁶⁸ These values have a significant role to play to ensure the wellbeing and health of Australian communities.

⁶² Australian Bureau of Statistics, 2017, 3303.0 [Causes of Death, Australia](#).

⁶³ Australian Bureau of Statistics, 2017, 3303.0 [Causes of Death, Australia](#).

⁶⁴ Australian Bureau of Statistics, 2015, 4159.0 [General Social Survey: Summary Results, Australia, 2014](#).

⁶⁵ Davies, C., Knuiman, M., and Rosenberg, M., 2016, 'The art of being mentally healthy: a study to quantify the relationship between recreational arts engagement and mental well-being in the general population,' [BMC Public Health](#), 16.

⁶⁶ Zarobe, L., and Bungay, H., 2017, '[The role of arts activities in developing resilience and mental wellbeing in children and young people: a rapid review of the literature](#)', Perspectives in Public Health, 137.

⁶⁷ All-Party Parliamentary Group on Arts, Health and Wellbeing Inquiry (UK), 2017, [Creative Health: The Arts for Health and Wellbeing](#), 126.

⁶⁸ Bradman, G., '[Music + your brain = fireworks](#)' (subscriber content), Limelight, 12 April 2019.

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3. Cooperation between Australian governments

The Australian Government, state and territory governments, and many local governments invest in Australia's creative and cultural industries and institutions.

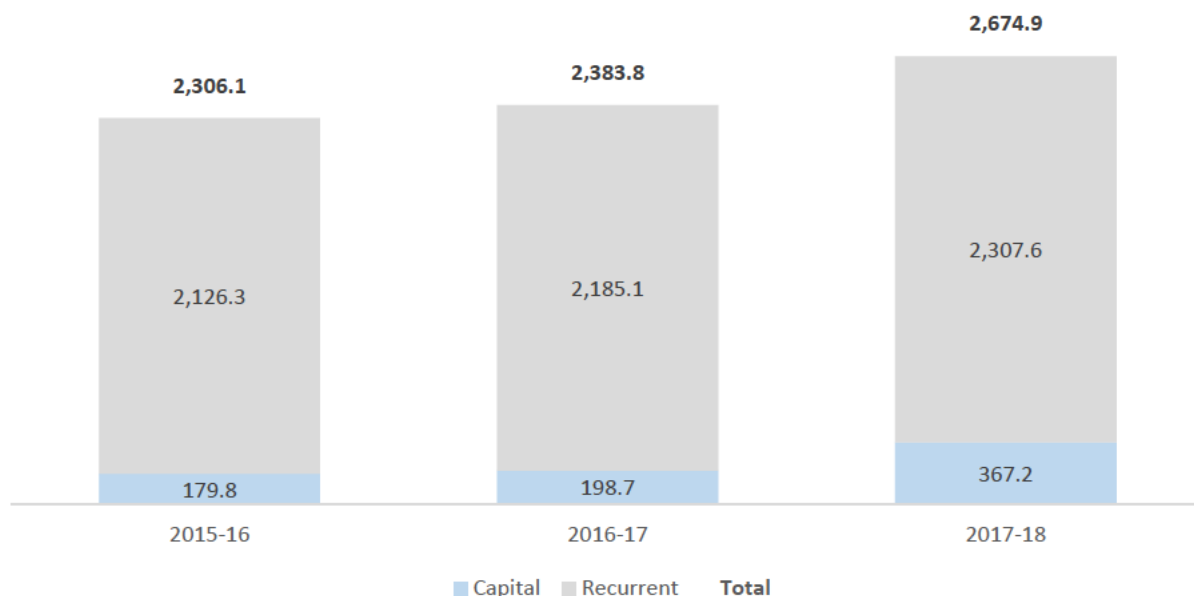
Cultural funding by government

Australian Government

The Australian Government invests in arts and culture through a broad range of portfolios in addition to the Art portfolio – including Infrastructure, Industry, Foreign Affairs, Education, and Health. Information about cultural funding by government (as presented below) is collected by the Australian Bureau of Statistics under a memorandum of understanding with the Office for the Arts.⁶⁹

In total, across all its portfolios, the Australian Government invested an estimated \$2.7 billion in arts and culture in 2017–18. This was an increase of 16 per cent in total cultural expenditure since 2015–16. Of this \$2.7 billion, 86 per cent was recurrent expenditure, and 14 per cent was capital expenditure. The trends in Australian Government funding since 2015–16 are given in Figure 3 below.

Figure 3. Australian Government cultural expenditure (\$m), capital and recurrent funding, 2015-16 to 2017-18



⁶⁹ All data on cultural expenditure in this section is from the Australian Bureau of Statistics survey Cultural Funding by Government (latest release is based on 2017-18 data), the results of which are available at <https://www.arts.gov.au/mcm/cultural-data-online/government-cultural-funding-and-participation>.

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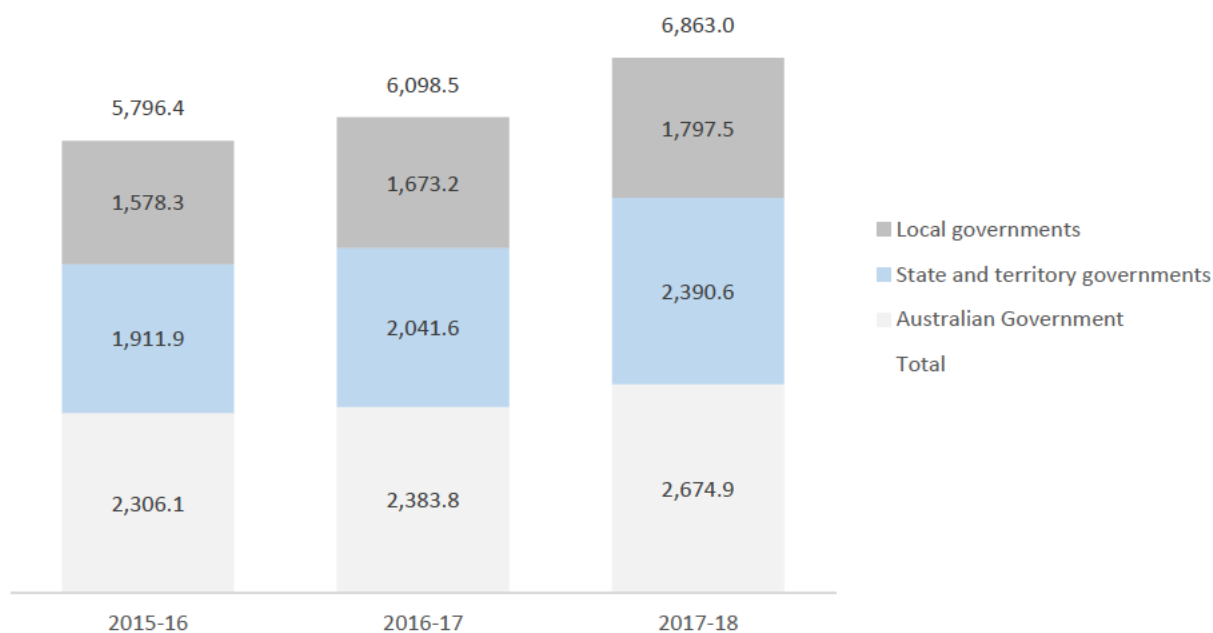
The five categories with the highest expenditure funded by the Australian Government in 2017–18 were:

1. *Radio and television services*—\$1,418.5 million
2. *Other museums and cultural heritage*—\$290.3 million
3. *Archives*—\$122.1 million
4. *Film and video production and distribution*—\$110.9 million
5. *Libraries*—\$110.8 million

All governments

All levels of government make significant investments in arts and culture. In 2017–18, state and territory governments invested an estimated \$2.4 billion, and local governments an estimated \$1.8 billion. This brought the combined investment in arts and culture across all three tiers of government to \$6.9 billion in that financial year. The trends since 2015–16 are given in Figure 4 below.

Figure 4. Cultural expenditure (\$m) by level of government, 2015–16 to 2017–18



The five categories with the highest expenditure funded by state and territory governments in 2017–18 were:

1. *Other museums and cultural heritage*—\$565.8 million
2. *Libraries*—\$460.7 million
3. *Performing arts venues*—\$355.9 million
4. *Art museums*—\$216.4 million
5. *Arts education*—\$118.5 million.

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4. The impact of COVID-19 disruptions on the sector

Employment

Impacts on overall employment

During April, May and early June, restrictions to slow the spread of COVID-19 had a profound impact on the labour market. Between March and May, employment fell by 872,000 people.⁷⁰ It rose by 446,000 people between May and September as restrictions eased. The large drops in employment in April and May did not translate into similar-sized increases in the number of unemployed people because around 665,000 people left the labour force, resulting in the participation rate falling from 65.9 per cent in March 2020 to 62.7 per cent in May before recovering to 64.8 per cent in September 2020. With the falls in employment, the unemployment rate rose from 5.2 per cent in March 2020 to a high of 7.5 per cent in July 2020, recovering slightly to 6.9 per cent in September 2020.⁷¹

Impacts on the Arts and Recreation Services industry

Data on recent employment outcomes during the COVID-19 pandemic are not available at a sufficiently granular level to understand its full impact on the cultural and creative sectors because reporting from the Australian Bureau of Statistics on this issue is done on a different basis to the cultural and creative sector as defined for the purpose of the Government's sector analysis.⁷² However, labour market data from the Australian Bureau of Statistics does show that the pandemic has negatively affected employment in the Arts and Recreation Services industry—an industry division that represents part of the cultural and creative sector.⁷³ The average hours worked per employed person in the Arts and Recreation Services industry decreased by 21 per cent between the March quarter and June quarter 2020, compared with a 5 per cent decrease for the all industry average. The numbers of filled jobs within the Arts and Recreation Services industry experienced the largest decline in jobs across all industry divisions (-19 per cent) between the March quarter and June quarter 2020.⁷⁴ This was greater than the all industry average of 6 per cent decline over the period.

Changes in cultural and creative sector employment using payroll data

Payroll information published by the Australian Bureau of Statistics provides an indication of the magnitude of employment changes for some parts of the cultural and creative sectors for those in particular employment arrangements.⁷⁵ Figure 5 shows employment based on single-touch payroll data for selected industry subdivisions of the cultural and creative sectors against the employment

⁷⁰ Australian Bureau of Statistics, 2020, [Labour Force, Australia](#), September 2020.

⁷¹ Australian Bureau of Statistics, 2020, [Labour Force, Australia](#), September 2020.

⁷² For an explanation of the classifications used to define the cultural and creative sectors for the purpose of economic activity or employment, refer to Bureau of Communications and Arts Research, 2020, [Cultural and creative activity in Australia, 2008-09 to 2017-18](#) and Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors](#).

⁷³ Australian Bureau of Statistics data on hours worked in cultural and creative industries is not available below the industry division level.

⁷⁴ Australian Bureau of Statistics, 2020, [Labour Account, June quarter 2020](#)

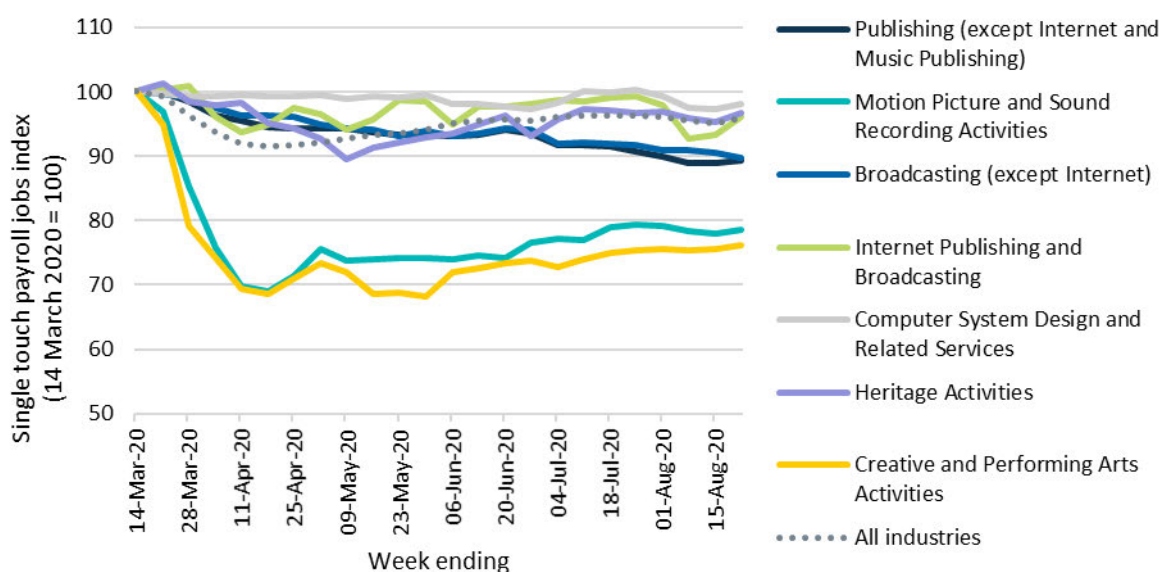
⁷⁵ Australian Bureau of Statistics, 2020, [Weekly Payroll Jobs and Wages in Australia, Week ending 22 August 2020](#), Table 6.

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level of the week ending 14 March 2020 (the 100th reported case of COVID-19 in Australia) and against the employment level for all industries to the week ending 22 August 2020.

The payroll data indicates that some cultural and creative industry subdivisions have maintained similar employment levels to the industry average, such as Computer System Design and Heritage activities. However, other subdivisions have experienced a much greater decline in employment, such as Motion Picture and Sound Recording activities, and Creative and Performing Arts activities.

Figure 5. Single-touch payroll employment for selected subdivisions in the cultural and creative sectors, and for all industries



Source: ABS, 2020, Weekly Payroll Jobs and Wages in Australia, Week ending 22 August 2020. Note that single-touch payroll data does not include information on employees in firms that do not have single-touch payroll enabled, nor does it include self-employed owner-managers of unincorporated entities. To that extent, it represents a proportion, rather than the total employment, for those industries presented.

Changes to full-time and part-time workers in cultural and creative sector employment

While payroll data is useful for examining selected subdivisions in the cultural and creative sector, labour force data can show the effects of COVID-19 on full-time and part-time workers. Publishing, Motion Picture and Sound Recording activities, and Creative and Performing Arts activities have all experienced large declines in employment (17 per cent, 16 per cent and 13 per cent, respectively), with full-time employment falling significantly for the Publishing and Creative and Performing Arts activities subdivisions. At the same time, Broadcasting experienced an increased number of people employed, while Heritage activities has returned to its pre-COVID-19 employment levels.

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Table 2. Employment by full-time and part-time status in the cultural and creative sector

Subdivision	Change in the number of employed persons between February and August 2020		
	Full-time	Part-time	Total
Publishing (except Internet and Music Publishing)	-26%	24%	-17%
Motion Picture and Sound Recording Activities)	-12%	-20%	-16%
Broadcasting (except Internet)	25%	-14%	16%
Computer System Design and Related Services	-1%	29%	-2%
Heritage Activities	7%	-21%	-0%
Creative and Performing Arts Activities	-34%	10%	-13%

Source: [Labour Force, Detailed, Industry, Occupation and Sector, Quarterly, August 2020, Table 06.](#)

*These figures are an original time-series which may be affected by seasonal variations. These data should be interpreted with caution due to small sample sizes and may be subject to volatility.

Business

There were around 170,000 businesses in the cultural and creative sector in June 2019 or 7.2 per cent of all actively trading businesses in Australia. Most businesses in the cultural and creative sectors are classified as small businesses. More than a quarter (27 per cent) of businesses had turnover below \$50,000 per year, as at June 2019. More than two thirds (67.3 per cent) of businesses had turnover between \$50,000 and less than \$2 million. Only 5.6 per cent of firms in cultural and creative sectors reported a turnover of \$2 million or more.⁷⁶

Data on recent business performance during the COVID-19 pandemic are not available at a sufficiently disaggregated level to understand the full impact on the cultural and creative sectors. However, recently published information provides an indication of the impacts on business performance for some parts of the cultural and creative sectors. The Arts and Recreation Services industry division has experienced a significant decline in sales of goods and services, down by 37 per cent between March and June 2020 in volume terms.⁷⁷ The seasonally adjusted estimate for wages and salaries fell by 14 per cent over the same period, well below the 3 per cent fall for the all industry average.⁷⁸ Overall, GVA in the Arts and Recreation Services industry fell significantly, down by 23 per cent between March and June 2020.⁷⁹

Impacts on tourism also affect creative and cultural industries

Restrictions on travel to protect public health have had a detrimental impact on the tourism sector, as well as the arts and cultural sector. The suspension of international and domestic tourism in Australia has had detrimental impacts on the arts and cultural sector. Tourism (accommodation and retail), the arts, and transport are some of the most affected industries, both in terms of their economic output and levels of employment.

⁷⁶ Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors.](#)

⁷⁷ Australian Bureau of Statistics, 2020, [Business indicators](#), June 2020, Table 4.

⁷⁸ Australian Bureau of Statistics, 2020, [Business indicators](#), June 2020, Table 17.

⁷⁹ Australian Bureau of Statistics, 2020, [Australian national accounts](#), June 2020, Table 6.

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Tourism Research Australia data demonstrates the huge economic losses caused by these necessary restrictions.⁸⁰ Data from April saw domestic overnight spend plummet to just \$666 million.⁸¹ This was 91 per cent, or \$7 billion, less than in April 2019. Easing of lockdown measures saw May improve slightly. However, overnight spend fell 82 per cent to \$1.1 billion. This was a loss of \$4.8 billion compared with May 2019.⁸² The Australian Bureau of Statistics has reported that the number of filled jobs in the tourism industry fell by 15.1 per cent in the year ending June 2020 – around 109,000 jobs in total. The proportion of tourism jobs in the economy fell to 4.5 per cent in June 2020, which is the lowest on record.⁸³

Regional areas provide distinctive regional tourism experiences, that attract 43 cents in every tourist dollar spent in Australia.⁸⁴ Regional economies are often less diversified, relying on fewer sectors for income and employment – often tourism, public services (such as health and education), agriculture and resources.

The creative and cultural industries and institutions are not only being affected by the downturn in tourism activity, they will also have a role to play in the recovery of tourism-reliant industries such as food, accommodation and transport.

Audiences for live and digital arts

The Australia Council is working with private firms Patternmakers and WolfBrown to understand changes in the behaviours and sentiments of arts audiences in the wake of the COVID-19 pandemic. As provided on the Australia Council's website, the Audience Outlook Monitor has made a number of key findings.⁸⁵

- Audience views on attending arts events across the country are stable or increasing. In September 2020, 29 per cent of past attendees are ready to attend as soon as permitted. However, this varies across the states/territories.
- 29 per cent of past attendees have returned to a cultural event recently. The proportion of audiences that attended a cultural event of any kind in the past fortnight has increased from 24 per cent in July to 29 per cent in September, as more venues and facilities re-open.
- As performances return to venues, more people are buying tickets. The proportion who are buying tickets has grown from 10 per cent to 14 per cent, and over half of ticket buyers are buying tickets for events this month (51 per cent).
- Social distancing is helping more people feel comfortable at large venues. Comfort levels have also increased with a range of performance venues including large theatres and concert halls (67 per cent, up from 61 per cent) and comedy clubs or live music venues (37 per cent, up from 34 per cent)

The arts sector has taken a flexible and creative approach to running events while following state and territory government COVID-19 regulations. There are examples of theatre, ballet, opera and live music performances being delivered online. While this allows events to continue, it has proven

⁸⁰ Tourism Research Australia, April-May 2020, [National Visitor Survey \(NVS\) Monthly Snapshot](#).

⁸¹ Tourism Research Australia, April-May 2020, [National Visitor Survey \(NVS\) Monthly Snapshot](#).

⁸² Tourism Research Australia, April-May 2020, [National Visitor Survey \(NVS\) Monthly Snapshot](#).

⁸³ Australian Bureau of Statistics, [Tourism Satellite Accounts: Quarterly tourism labour statistics](#), 25 September 2020.

⁸⁴ Australia Council, 2018, [International Arts Tourism: Connecting Cultures](#).

⁸⁵ Australia Council: <https://www.australiacouncil.gov.au/research/audience-outlook-monitor/>

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difficult for the arts sector to monetise online performances to produce revenue similar to that generated by in-person events.

Spotlight on... audiences and COVID-19

Despite challenges associated with COVID-19, larger events are still going ahead in-person outside of COVID-19 hotspots. Notable examples include the Desert Festival (Northern Territory), Adelaide Film Festival (South Australia) and Brisbane International Film Festival (Queensland). These are being planned and delivered under altered conditions to ensure public health and comply with requirements due to COVID-19.

For example, the Adelaide Film Festival is going ahead and audiences will be seated in a 'checkerboard' pattern to maintain social distancing. While this is positive, administrative burdens for the arts industry have increased. The organisers of the Adelaide Film Festival had to prepare multiple contingency plans in case the festival could not go ahead in its preferred form.⁸⁶ As such, in-depth alternative proposals were created for a virtual festival and a hybrid festival; the latter would involve decreasing audience sizes by implementing smaller theatres. Decreased audience sizes due to social distancing create financial challenges for the organisers of large events.

Throughout the world, as lockdown restrictions were imposed, many people turned to home entertainment as an alternative. This resulted in a boom in the watching of content via streaming services.⁸⁷ Australian audiences enjoy watching drama, documentary and children's programs. The appetite for such programs has in fact increased, as demonstrated by the uptake of streaming services such as Netflix and Stan. It is estimated that 71 per cent of all Australian adults have at least one subscription television or pay-as-you-go streaming service in their household.⁸⁸ Streaming services, offering uninterrupted and complete series, have fast become a preferred way of viewing long-form narrative stories. In addition, 76 per cent of Australian adults watched live free to air television in 2018–19.⁸⁹

With the introduction of streaming services, how we access content has changed significantly. Children's content is the second highest-rating genre on Broadcaster video on demand (BVOD) services (behind drama) and makes up 18 per cent of all viewing on this kind of platform (includes ABC iView and commercial free-to-air online services).⁹⁰ One example of the shift in viewing is *Bluey*, which was first broadcast on the ABC in October 2018 and is the most played program 'in the history of iView measurement',⁹¹ having reached more than 200 million program plays on iView.⁹²

⁸⁶ See: <https://www.if.com.au/adelaide-film-festival-ceo-mat-kesting-on-preparing-a-festival-in-a-pandemic/>

⁸⁷ See: <https://variety.com/2020/digital/news/coronavirus-covid-ott-streaming-video-impact-webinar-1234584777/>

⁸⁸ Australian Communications and Media Authority, 2020, [Communications report 2018–19](#), pp. 7 and 91.

⁸⁹ Australian Communications and Media Authority, 2020, [Communications report 2018–19](#), p. 89. The figures represent the average weekly cumulative reach in metropolitan areas.

⁹⁰ [ThinkTV Fact Pack July to December 2019, slide 19](#). Source: OzTAM VPM VOD Viewing, 1 July 2019 00h00—31 Dec 2019 23h59.

⁹¹ ABC, [Annual Report 2018–19](#), 2019, pp. 13 and 79.

⁹² McMillen, A., ['Hit cartoon 'Bluey' to return with second season from March 2020'](#) (subscriber content), *The Australian*, 15 February 2020.

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5. Australian Government responses to COVID-19 targeted at the arts and entertainment sector

Relief and Recovery Fund

The \$27 million package supported through the \$1 billion Relief and Recovery Fund announced on 9 April 2020 is providing targeted support for Indigenous visual arts, regional arts and the charity Support Act.

Indigenous Visual Art Industry Support (IVAIS) program

The Relief and Recovery Fund has provided support for Indigenous visual arts through 82 Indigenous art centres and four Indigenous art fairs. Payments of up to \$85,000 were made to art centres, spread across two payments in 2019–20 and 2020–21. Payments of up to \$70,000 were made to each IVAIS-funded Indigenous art fair in one payment made in 2020–21. The allocation of funding under the measure was determined on the basis of each art centre's current operational funding levels (not arts worker levels), level of activity and location (i.e. remoteness). This funding allowed art centres and art fairs to maintain operations and support the creation of artwork throughout the period in which they were affected by COVID-19 restrictions, so that income could be generated through online sales and they would be ready to re-establish their markets as soon as possible.

Regional Arts Fund

In 2019–20, the Australian Government provided an additional \$10 million to the Regional Arts Fund to support regional and remote communities affected by the economic impacts of COVID-19, in addition to drought and bushfires. This 'Recovery Boost' funding is being delivered through the existing Regional Arts Fund framework. This comprises Regional Arts Australia and a network of state- and territory- based regional program administrator organisations that deliver the funding to arts organisations and artists on behalf of the Australian Government. Recovery Boost grants are awarded under the following three streams: Relief (short-term), Recovery (medium-term), and Renewal (long-term).

Support Act

As the third part of the \$27 million Relief and Recovery Fund package, \$10 million was provided to the charity Support Act to upscale its work providing crisis relief to artists, crew and music workers who have been affected by the cancellation of gigs, music festivals and live performances across the country. Support Act has been delivering support through crisis relief grants to artists and crew, for example to those that have not been able to pay critical bills for themselves and their families during the COVID-19 pandemic. In addition, they have extended their Wellbeing helpline to arts workers across the sector, including specifically to Indigenous Australians, providing much needed counselling support.

JobMaker plan for the creative economy

The JobMaker Plan for the Creative Economy announced on 25 June 2020 will provide \$250 million over one year to support the arts sector. The JobMaker Plan comprises five key measures:

1. \$75 million for the Restart Investment to Sustain and Expand (RISE) Fund, which aims to reactivate productions and tours
2. \$90 million for the Show Starter Loan Scheme

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3. \$50 million for the Temporary Interruption Fund, administered by Screen Australia, to support Australian screen production
4. \$35 million for the COVID-19 Arts Sustainability Fund to support significant Commonwealth-funded organisations
5. Establishment of the Creative Economy Taskforce.

Restart Investment to Sustain and Expand Fund

The \$75 million Restart Investment to Sustain and Expand (RISE) Fund opened for applications on 31 August 2020. The Fund will support arts organisations, companies and promoters by providing funding for new or re-imagined events, activities and productions such as festivals, concerts and tours that have been disrupted by the COVID-19 restrictions. It will support activities across a range of art forms – including music, Indigenous arts, theatre, literature, visual arts and dance. The primary objectives of the RISE Fund are to provide increased employment opportunities and economic activity, build the long-term sustainability of cultural and creative companies and provide new work for Australian audiences. Applications will close on 31 May 2021, subject to the allocation of funds.

Show Starter Loan Scheme

The Show Starter Loan Scheme makes available up to \$90 million of lending to eligible existing arts and entertainment entities that have been adversely affected by COVID-19. Under the Scheme, the Government guarantees 100 per cent of new loans taken out by eligible arts and entertainment businesses to deliver new productions or events for a live audience. Loans are provided by participating lenders. Eligible arts and entertainment entities may take out loans to finance 50 per cent of the costs of producing and delivering new arts and entertainment productions or events.

Temporary Interruption Fund

The Temporary Interruption Fund (TIF) will support local film and television producers to secure finance and enable Australian production companies to resume work, employing Australians in a range of roles and locations as the sector rebounds from COVID-19. TIF is administered by Screen Australia and opened for applications on 19 August. TIF is a fund aimed at getting new Australian productions started in Australia. To be eligible, productions must be capable of passing the Significant Australian Content Test, and commence principal photography on or before 30 June 2021 to be eligible for coverage. TIF will provide coverage to productions for specific events relating to COVID-19 that occur during the last two weeks of pre-production and the period of principal photography.

COVID-19 Arts Sustainability Fund

The \$35 million COVID-19 Arts Sustainability Fund (Sustainability Fund) opened for applications on 31 August 2020 and will provide 'last resort' funding assistance to significant Australian Government-funded arts organisations that are assessed to be at imminent risk of insolvency as a direct result of COVID-19, having taken all reasonable action to maintain their financial position. The Sustainability Fund is a targeted grant opportunity for arts organisations that are currently party to, or about to enter into, a multi-year funding agreement with the Australian Government. These organisations are key employers of Australian artists and art workers, the leading presenters of high-quality work to audiences across Australia, and the training grounds of Australia's upcoming performing artists. Applications will close on 31 May 2021, subject to the allocation of funds.

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Creative Economy Taskforce

The Creative Economy Taskforce comprises 12 industry experts who will assist in the implementation of the Government's \$250 million creative economy support package and provide strategic advice to build the sector as it recovers from COVID-19. It will work in partnership with the Office for the Arts and the Australia Council. Members of the Taskforce were announced on 22 August 2020. Elizabeth Ann Macgregor OBE has been appointed Chair and John Barrington AM has been appointed Deputy Chair. Members have been appointed based on their understanding, knowledge and experience of Australia's creative economy.

Arts and Health Roadmap

On 26 June 2020, the Prime Minister announced that the National Cabinet had asked the Australian Health Protection Principal Committee (AHPPC) to develop a roadmap for re-opening arts and entertainment venues to provide greater certainty for planning productions.

A COVID-19 Arts and Health Advisory Committee (the Committee) has been established to support the development of the roadmap and to provide broader health-informed advice to the cultural and creative sector as it reactivates. This Committee is co-chaired by the Office for the Arts and Department of Health. It also includes industry representatives and state health representatives. The Office for the Arts and Department of Health sought nominations for the Committee from the Live Entertainment Industry Forum and AHPPC, with members appointed based on their health expertise and understanding, knowledge and experience of the live events industry.

Increase to the Location Incentive

The objective of the Location Incentive is to ensure that Australia remains competitive in attracting large budget footloose international film and television productions, thereby providing opportunities for Australian cast, crew, post-production companies and other screen production service providers to participate in production. It will contribute to the development of the Australian screen production industry's capabilities and help secure its future viability.

In July 2020, the Government committed a further \$400 million to increase funds available under the Location Incentive over the next three years and extend the program until 2026–27, complementing the \$140 million announced in May 2018. Applications are currently being accepted for the program.

This injection of funds will help Australia capitalise on a growing demand to produce films and television content, attracting an estimated \$3 billion in foreign expenditure and creating 8,000 new employment opportunities for Australians each year.

Additional Funding for National Cultural Institutions

On 26 September 2020 Minister Fletcher announced that eight of Australia's national cultural institutions will receive an additional \$22.9 million in the Federal Budget to support their activities during a continuing decline in revenue due to COVID-19.⁹³

⁹³ Media release: <https://minister.infrastructure.gov.au/fletcher/media-release/investing-australias-national-cultural-institutions-0>

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The institutions will collectively receive \$22.9 million in 2020-21:

- \$2.3 million for the Australian Film Television and Radio School
- \$2.0 million for the Australian National Maritime Museum
- \$2.5 million for the National Film and Sound Archive
- \$4.5 million for the National Gallery of Australia
- \$5.4 million for the National Library of Australia
- \$3.9 million for the National Museum of Australia
- \$1.2 million for the National Portrait Gallery of Australia, and
- \$1.1 million for Screen Australia.

JobKeeper eligibility and payments

The COVID-19 pandemic is having a significant impact on employment and output across Australia and in cultural and creative industries. In response, the Australian Government has introduced economic measures that include support for cultural and creative workers and organisations. Analysis by the BCAR found that up to around 90 per cent of the cultural and creative sector workforce could be eligible for JobKeeper, subject to their employer meeting further eligibility criteria.⁹⁴

Creative and Performing Arts activities⁹⁵ have been particularly affected by the COVID-19 pandemic. According to Australian Taxation Office data, 25,370 people in the Creative and Performing Arts subdivision⁹⁶ of the Arts and Recreation Services industry division received JobKeeper payments in April 2020. As at February 2020, there were 45,400 employees in this subdivision,⁹⁷ of whom around 40,000 are employed in the private sector. This means that around 63 per cent of employees in this subdivision were in receipt of JobKeeper payments in April 2020 based on employment levels prior to the pandemic.

⁹⁴ Bureau of Communications and Arts Research, 2020, [Characteristics of employment and business activity in cultural and creative sectors](#)

⁹⁵ These include musical and theatre productions, artists and sculptors, and performing arts venue operations, among other activities. It does not include the activities of motion picture or video production.

⁹⁶ The Creative and Performing Arts subdivision includes the Performing Arts Operation; Creative Artists, Musicians, Writers and Performers; and Performing Arts Venue Operation ANZSIC industry classes. See ABS (2013) [Australian and New Zealand Standard Industrial Classification \(ANZSIC\), 2006 \(Revision 2.0\)](#).

⁹⁷ Australian Bureau of Statistics, 2020, [Labour Force, Australia, Detailed, Quarterly, Feb 2020](#), Cat. No. 6291.0.55.003, Data Cube EQ06.

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Appendices

Appendix A: Arts portfolio funding over time

Appendix B: Arts support mechanisms

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Appendix A: Arts portfolio funding over time

Through the Arts portfolio, the Government invests in 'Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression.'⁹⁸

Information on arts funding for 2015-16 to 2020-21 is provided in Tables 3 and 4 below.⁹⁹ It includes direct appropriations to Corporate Commonwealth Entities in the arts portfolio (identified below as 'Agency funding') and program funding provided to the Office for the Arts.

Table 3. Arts portfolio funding, 2015-16 to 2020-21 (\$m)

Type of funding	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Agency funding *	452.075	451.889	479.761	516.533	506.428	502.422
Program funding	208.369	243.886	215.713	213.725	267.782	440.552
Total	660.444	695.775	695.474	730.258	774.210	942.974

* Includes funding to the Museum of Australian Democracy at Old Parliament House up to 1 September 2019 when it transferred to the Prime Minister and Cabinet portfolio.

Arts portfolio agencies are:

- Australia Council
- Australian Film, Television and Radio School
- Australian National Maritime Museum
- National Film and Sound Archive of Australia
- National Gallery of Australia
- National Library of Australia
- National Museum of Australia
- National Portrait Gallery of Australia
- Screen Australia.

The Commonwealth companies Bundanon Trust and Creative Partnerships Australia are also supported through the Arts portfolio program funding.

Further breakdowns of funding for the Australian Government's two primary arts investment agencies, the Australia Council and Screen Australia, is provided below.

Table 4. Funding to the Australia Council and Screen Australia, 2015-16 to 2020-21 (\$m)

Agency	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Australia Council	184.526	188.424	209.393	208.186	212.122	214.883
Screen Australia	84.401	84.437	81.848	81.789	81.785	83.985

⁹⁸ As described in the 2020-21 [Portfolio Budget Statements for the Department of Infrastructure, Transport, Regional Development and Communications](#), Outcome 6, page 77.

⁹⁹ Data is drawn from budget documents including Appropriation Bills and Portfolio Budget Statements.

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Appendix B: Arts support mechanisms

Australian Screen Production Incentive

The Australian Screen Production Incentive, as the Australian Government's primary mechanism for providing support to the screen industry, provides tax incentives for film, television and other screen production in Australia and is available in three streams:

- The Producer Offset entitles a production company to a 40 per cent rebate on qualifying Australian production expenditure on eligible feature films and 20 per cent on other formats (TV, online, DVD) for productions with significant Australian content
- The Post Digital and Visual Effects (PDV) Offset provides a 30 per cent rebate on qualifying expenditure for productions undertaking PDV production in Australia. The expenditure threshold for eligibility is \$500,000 expenditure on activities reasonably required to perform the PDV production in Australia.
- The Location Offset provides a 16.5 per cent rebate on qualifying Australian production expenditure for eligible productions with a minimum Australian spend of \$15 million.

As part of the package of measures announced on 30 September to modernise Australian screen content settings, the Producer Offset rate will be standardised at 30 per cent for both film and television content for productions that start principal photography on or after 1 July 2021. The PDV Offset threshold will be set at \$1 million for productions that commence PDV activity on or after 1 July 2021.

As at 30 June 2019, the Australian Screen Production Incentive has provided over \$2.6 billion in support to the Australian screen industry since its introduction in 2007 with over \$1.8 billion provided through the Producer Offset to more than 1,500 projects.¹⁰⁰

The Location Incentive is a competitive grant program that works alongside the Location Offset to effectively increase the tax rebate to 30 per cent for eligible productions. The Government has committed \$540 million from 2019-20 to 2026-2027.

Resale Royalty Scheme

The *Resale Royalty Right for Visual Artists Act 2009* received royal assent on 9 December 2009 and the associated Scheme commenced on 9 June 2010. Under the Scheme, visual artists are entitled to a payment of five per cent of the resale price for eligible works of art resold commercially for \$1,000 or more. The right applies to artworks by living artists, and for 70 years after an artist's death.

The Government provided \$2.2 million towards the Scheme until 30 June 2014, including \$2.15 million to the collecting society to establish and administer the Scheme and \$50,000 for independent data modelling as part of a 2013 Review of the Scheme.

The Scheme is now funded through the 15 per cent fee-for-service deducted by the collecting agency from royalties collected, as well as in-kind support from the collecting society. The fee reflects the cost of managing the scheme, and is consistent with other schemes internationally. No further Government funding has been allocated for the administration of the Scheme.

¹⁰⁰ Office for the Arts and Screen Australia figures

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By the end of August 2020, the Scheme had generated over \$8.69 million in royalties for 2,022 artists from 21,674 resales.

Of the royalties paid:

- Over 65 percent of the artists receiving royalties are Aboriginal or Torres Strait Islander artists and they have received 38 percent of the total royalties
- 87 per cent by volume was paid to living artists, representing 45 per cent by value.

Lending Rights

The Public Lending Right (PLR) and Educational Lending Right (ELR) schemes compensate eligible Australian book creators and publishers for the loss of income through the free use of their books in Australian public and educational lending libraries.

PLR and ELR also aim to enrich Australian culture by encouraging the growth and development of Australian writing. Approximately \$21 million in support is provided to Australian authors and publishers each year. Payments are determined by the number of copies of books estimated to be held in Australian lending libraries multiplied by the applicable payment rate for that year.

More than 16,000 payments are made through the schemes each year.

Prime Minister's Literary Awards

The Prime Minister's Literary Awards celebrate the contribution of Australian literature and history to the nation's cultural and intellectual life. The Awards play an important role in supporting a national appreciation of Australian literature and history and provide acknowledgment and recognition to authors and illustrators who have published the best works of Australian literature each year.

The Awards began in 2008 and are an annual program with a total prize pool of \$600,000. Prizes are awarded across six categories of: fiction; poetry; non-fiction; Australian history; young adult literature; and children's literature. Winners are each awarded up to \$80,000 and shortlisted books up to \$5,000 (prize monies are tax free).

The Prime Minister's Literary Awards also champion shortlisted and winning authors by placing them in literary event sessions following the Awards announcements, increasing the profile and recognition of authors by connecting them to the public and contributing to future success.

Cultural Gifts Program

The Australian Government manages a number of tax incentive schemes to encourage people and organisations to donate cultural items to eligible organisations in Australia.

The Cultural Gifts Program offers tax incentives to encourage people to donate cultural items to public art galleries, museums, libraries and archives in Australia. Gifts can range from paintings, books, sculptures, manuscripts and personal papers to jewellery, ceramics, technological, mechanical, scientific or social history collections. The principal legal provision for the program is subdivision 30-A of the *Income Tax Assessment Act 1997*.

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Donors are eligible for the following tax incentives under the program:

- The market value of the gift is fully tax deductible, with some exceptions
- Donors can elect to spread the deduction over a maximum of five income financial years.
- Gifts are exempt from capital gains tax.

In 2019-20, a total of 544 donations were made under the program, valued at over \$48.6 million.

Register of Cultural Organisations

The Register of Cultural Organisations aims to strengthen private sector support for the arts and encourages Australians to contribute to the nation's vibrant cultural life. It is established under Subdivision 30-F of the *Income Tax Assessment Act 1997* to assist eligible not-for-profit cultural organisations to attract support by enabling them to offer donors the incentive of a tax deduction for their gift.

The Office for the Arts accepts applications for entry on the Register on an ongoing basis and these are not subject to limited opening rounds.

There are over 1,700 organisations listed on the Register. In 2018-19, donations totalling \$132.4 million were made to organisations on the Register.

Artbank

Established in 1980, Artbank is a Government support program for contemporary Australian art. It has two key policy objectives: to support living Australian visual artists, and the visual arts sector more broadly, through the acquisition of Australian works from the primary art market; and to make their works as accessible as possible through a public leasing program.

Over its 40 years of operation, Artbank has collected works by over 4,000 visual artists from every state and territory to build a dynamic collection of 10,800 works in diverse media, a fifth of which are by Indigenous artists.

Artbank leases works to around 600 clients including to private residences, and to government and corporate offices. Artbank's most significant client is the Department of Foreign Affairs and Trade, with Artbank works leased to 70 diplomatic posts in every region of the world.

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Appendix C: Inquiry Terms of Reference

The Committee will inquire into Australia's creative and cultural industries and institutions including, but not limited to, Indigenous, regional, rural and community based organisations.

The Committee will consider:

- The direct and indirect economic benefits and employment opportunities of creative and cultural industries and how to recognise, measure and grow them
- The non-economic benefits that enhance community, social wellbeing and promoting Australia's national identity, and how to recognise, measure and grow them
- The best mechanism for ensuring cooperation and delivery of policy between layers of government
- The impact of COVID-19 on the creative and cultural industries; and
- Avenues for increasing access and opportunities for Australia's creative and cultural industries through innovation and the digital environment.