Submission No 9

INQUIRY INTO THE CULTURAL AND CREATIVE INDUSTRIES IN VICTORIA

Organisation: A New Approach (ANA)

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13 December 2024

Economy and Infrastructure Committee
Legislative Council
Parliament of Victoria
(via submission portal)

Inquiry into the cultural and creative industries in Victoria

A New Approach (ANA) welcomes this opportunity to make a submission to this Inquiry. ANA is Australia's national arts and culture think tank. We believe Australia can become a cultural powerhouse whose creativity is locally loved, nationally valued and globally influential. Through credible and independent public leadership, ANA helps build an ambitious and innovative policy and investment environment for arts, culture and creativity. We work to ensure Australia can be a great place for creators and audiences, whoever they are and wherever they live. ANA acknowledges the cultures of Aboriginal and Torres Strait Islander peoples in Australia and their continuing cultural and creative practices in this land.

In this submission, ANA shares information relevant to three terms of reference:

1) the economic and social impact of *Revive* on Victoria's arts and cultural industries including, in particular, Victoria's share of national arts and cultural spending
4) the ongoing financial sustainability of the seven national performing arts training organisations including whether Victoria's share of this funding is adequate; and
5) whether the Revive policy and relevant state government policies and spending provide sufficient support and impetus to rebuild and sustain Victoria's cultural and creative industries following the devastating impact of the COVID-19 pandemic on the sector

Regarding Term of Reference 1, ANA is unfortunately unable to provide insights into Victoria's share of federal arts and culture expenditure. This is because the national Cultural Funding by Government dataset does not provide this breakdown. ANA encourages the Committee to seek this directly from the Australian Government.

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

Warm regards,

[redacted]

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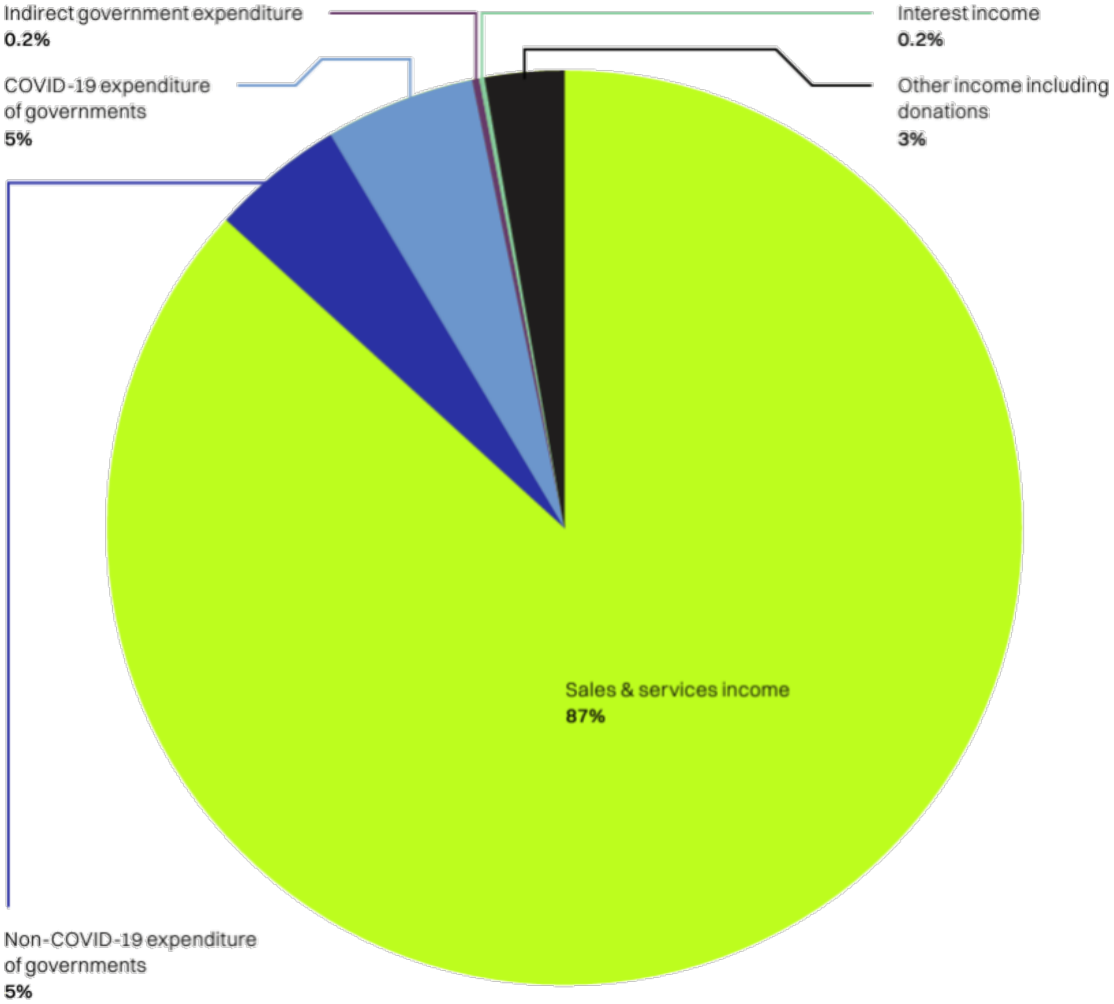
Information relevant to the economic and social impact of *Revive* on Victoria's arts and cultural industries, in particular, Victoria's share of national arts and cultural spending (term of reference 1)

<u>Putting support by governments in context</u>

The following information provides context for conversations about revenue and important role of government expenditure to support cultural and creative engagement as well as the broader cultural and creative industries.

Goods and service sales form the lion's share of revenue in both the broad cultural and creative industries and for not-for-profits with a cultural purpose. However, it is important to clearly state that government investment and philanthropic support play essential enabling and stabilising roles.

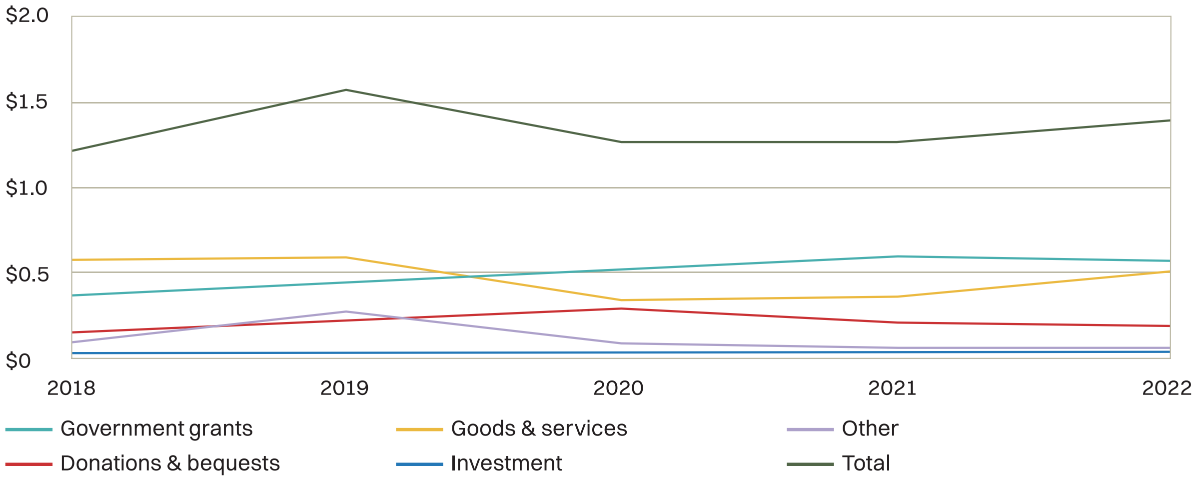
Exhibit 1. The largest proportion of income in the Australian cultural and creative industries in 2020-21 was from 'sales and services'



Our Insight Report *To Scale* dispels the myth that Australian cultural and creative industries are predominantly financed through government assistance. [1] In fact, the largest proportion of income in the **broad cultural and creative industries** was from 'sales and services' in 2020-21. These industries earned 87% of income from sales and services, which included things like tickets sales for art and cultural events and royalties from intellectual property to cultural exports and computer software consulting fees. See **Exhibit 1 above**.

Likewise, the largest source of revenue for **not-for-profits of the culture sub-type** is also goods and services. As shown in **Figure 2 below,** prior to the COVID-19 pandemic, goods and services accounted for 47% of revenue for not-for-profits of the 'advancing culture' subtype, with the second largest source of income being from government grants at 30%.[2] However, government grants became the largest proportion of revenue during the first year of the COVID-19 pandemic. More recent data shows goods and services income is increasing in proportion again, but has not yet returned to its pre-pandemic proportion.

Figure 2 – The change in revenue streams for not-for-profits (advancing culture sub-type), 2018-2022.

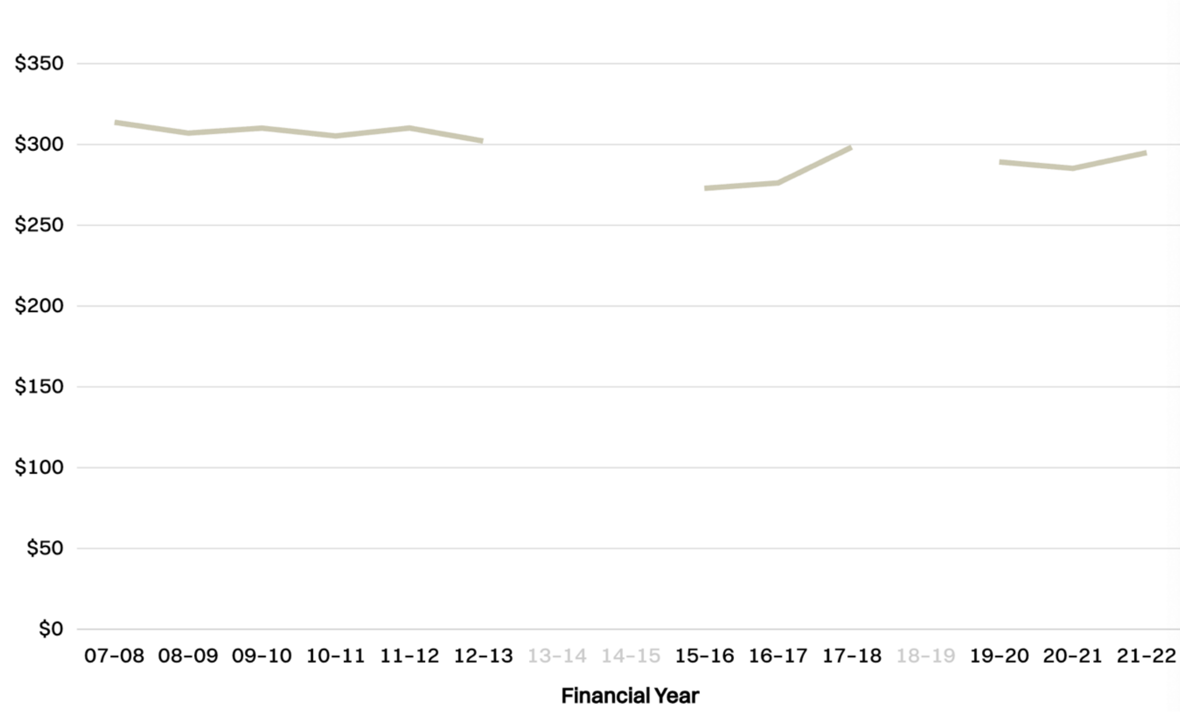


Source/notes: ANA estimates using ACNC Australian Charities reports[58] and interactive datasets; adjusted to the 2022 wage price index. All $ figures in billions.

Understanding long term trends in government investment in arts and culture

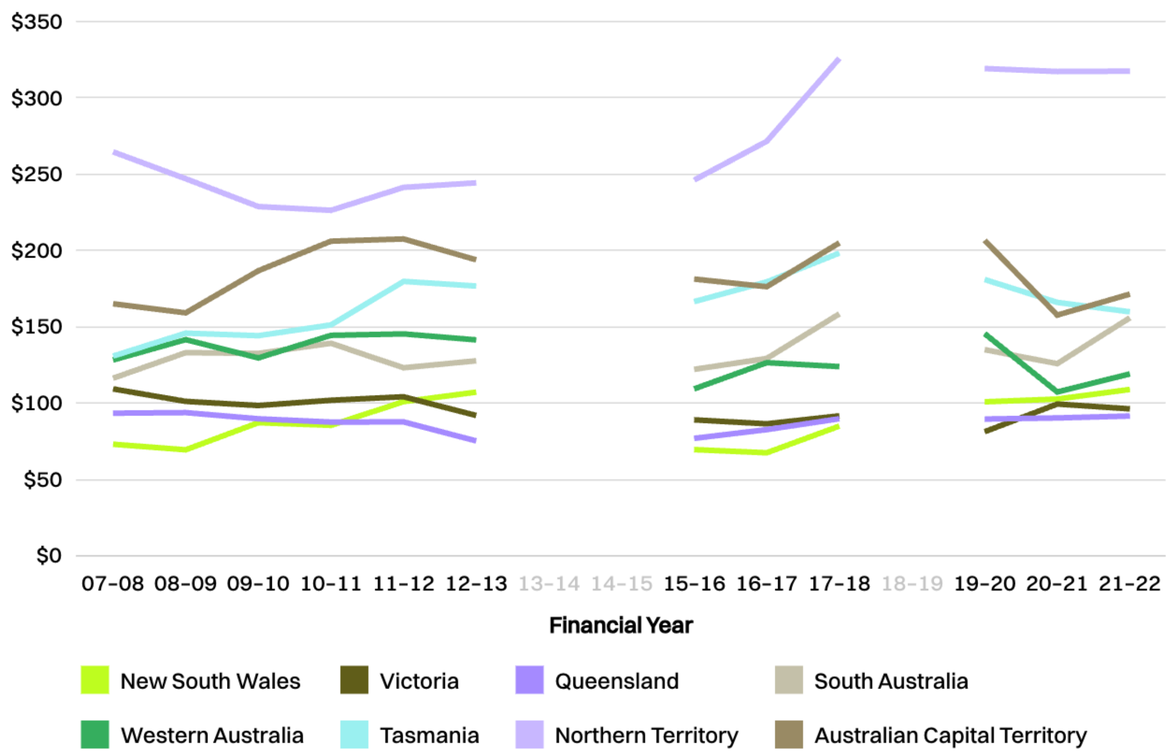
Our Insight Report *The Big Picture 4* shows that government investment in arts and culture is not keeping pace with national population growth.[3] Australia's population increased by 22% between 2007–08 and 2021–22 to 26 million, while government expenditure on arts and culture increased by 14%. As a result, per capita government expenditure on arts and culture fell from a 15-year high of $314 per person in 2007–08 to $295 in 2021–22 (when adjusted for inflation). See the **Figure 9 below**.

Figure 9: Non-COVID-19 expenditure on arts and culture in Australia, per capita, 2007–08 to 2020–22



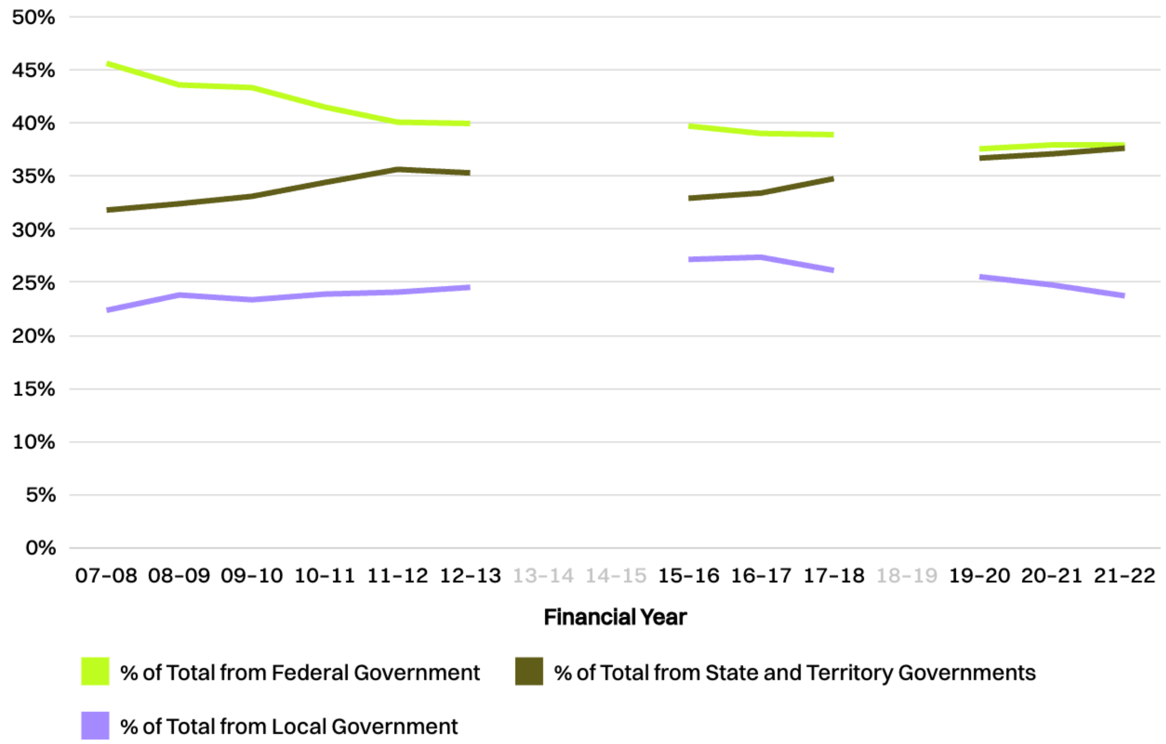
Our research shows Victorian state funding is also not keeping pace with population growth. Per capita Victorian Government expenditure on arts and culture fell from $110 in 2007-08 to $97 in 2021-22 (when adjusted for inflation). In the same period, Victoria fell from the third lowest expenditure among states and territories on a per capita basis to second lowest, noting this is one of several measures. See **Figure 19 below**.

Figure 19: Per capita non-COVID-19 expenditure on arts and culture by jurisdiction, 2007-08 to 2021-22



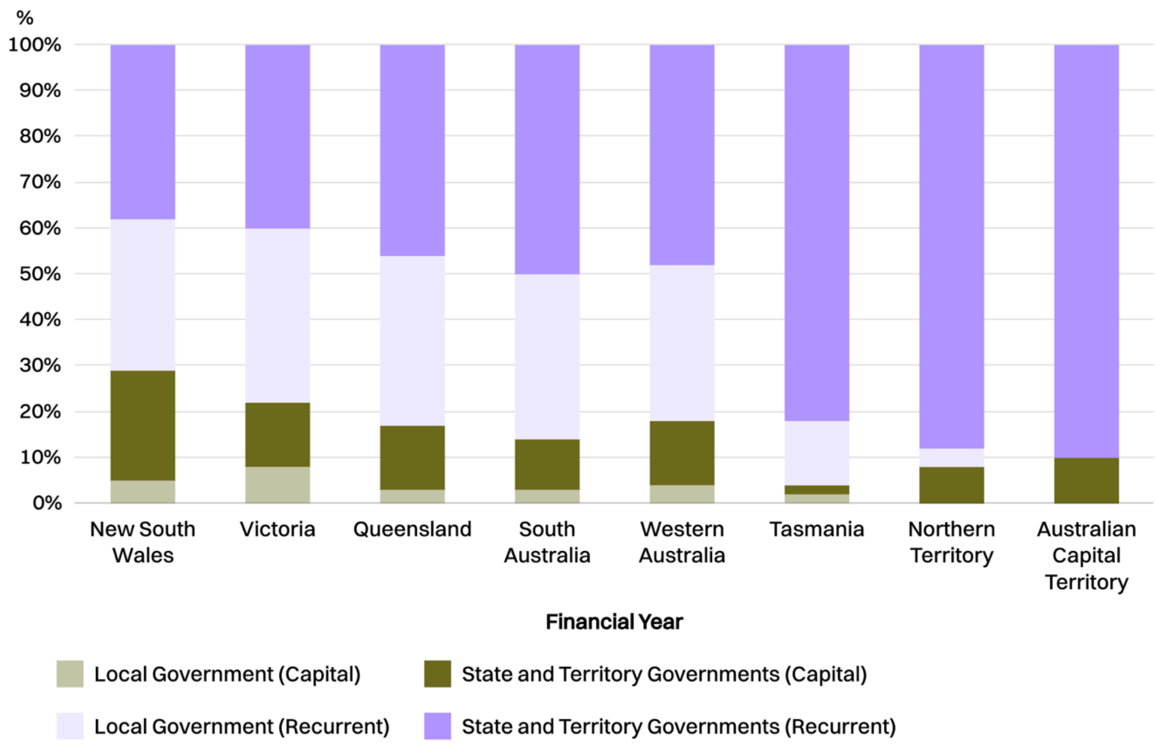
The Big Picture 4 also shows state and territory governments' contribution to cultural expenditure remains near record levels, continuing a long-term trend towards parity of contribution.[4] In 2021–22, over 37% of expenditure again came from state and territory governments and over 38% from the federal government, as **Figure 13 below** shows, putting the two levels of government neck and neck. The local government share has decreased every year since a peak of over 27% in 2016–17; in 2021–22, it was 24%.

Figure 13: Share of non-COVID-19 expenditure on arts and culture by level of government, 2007–08 to 2021–22



The Big Picture 4 also enables ANA to provide a national view of the magnitude of cultural and creative expenditure at the three levels of government. The Inquiry may find this helpful context for understanding the financial scale of individual policies and programs. Our research shows there was $7.7 billion of non-COVID-19 arts and culture expenditure from the three levels of government in 2021–22, including $3.0 billion federal, $2.9 billion state and territory and $1.8 billion local government funding.[5] ANA can also confirm the 2021–22 Victorian local-state split of government spending in arts and culture was 46:54. See **Figure 20 below.**[6]

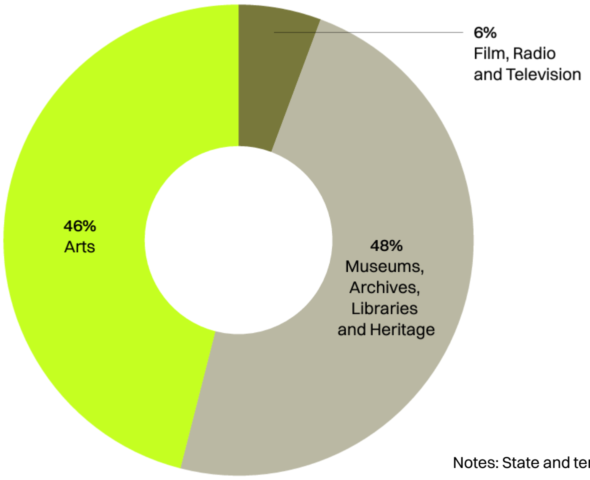
Figure 20: Share of non-COVID-19 expenditure on arts and culture by jurisdiction, level of government and expenditure type, 2021–22



ANA is unfortunately unable to provide insights into Victoria's share of federal arts and culture expenditure. This is because the national Cultural Funding by Government dataset does not provide this breakdown. ANA encourages the Committee to seek this directly from the Australian Government.

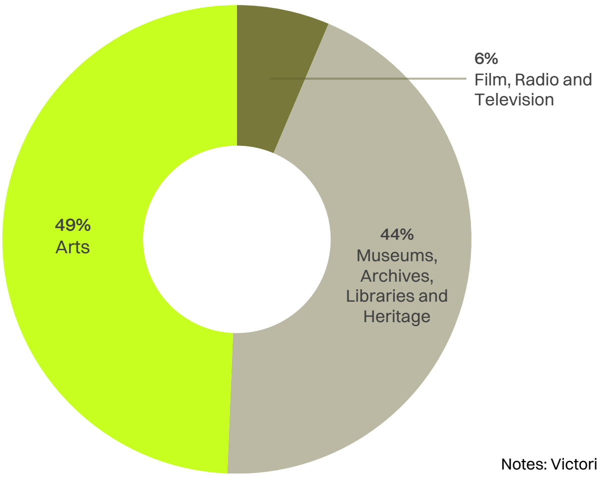
ANA research shows state and territory governments directed their expenditure to different categories of cultural and creative experience than federal governments in 2021-22.[7] State and territory governments, focused most expenditure on Museums, Archives, Libraries and Heritage, though only marginally more than Arts. The Victorian Government focussed most expenditure on Arts, followed by Museums, Archives, Libraries and Heritage. The federal government had a higher proportion of expenditure directed to Film, Radio and Television. See the **figures on the following page**.[8]

Figure: **State and territory** government expenditure by category of cultural and creative experience, 2021–22



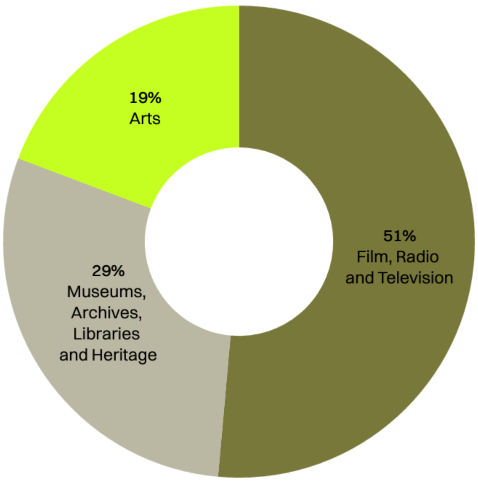
Notes: State and territory governments data only. Includes targeted COVID-19 support

Figure: **Victorian** Government expenditure by category of cultural and creative experience, 2021–22



Notes: Victorian government data only. Includes targeted COVID-19 support

Figure: **Federal** government expenditure by category of cultural and creative experience, 2021–22



Notes: Federal government data only. Includes targeted COVID-19 support

Information and perspectives relevant to the ongoing financial sustainability of the seven national performing arts training organisations, organisations including whether Victoria's share of this funding is adequate (term of reference 4)

ANA welcomes federal measures to bolster the financial sustainability of the seven national performing arts training organisations. This includes, for example:

- the 2024–25 Budget's $117.2 million increase to federal Arts8 funding will bolster the financial sustainability of the seven performing arts training organisations.[9]
- the 2022–23 Budget's $2.4 million to offset the application of the efficiency dividend to the national performing arts training organisations, as well as $5 million for NAISDA Dance College and $5 million of the National Institute of Dramatic Art.

ANA also welcomes Victorian Government funding which directly and indirectly supports Victoria-based national performing arts training organisations. This includes, for example:

- Victorian Government grants to national performing arts training organisations, including to the Flying Fruit Fly Foundation and the Australian National Academy of Music in 2023–24.[10]
- Funding for the transformation of the Melbourne Arts Precinct, including the Arts Centre Melbourne (home to the Australian Ballet School's performance seasons) and Melbourne Recital Centre (where the Australian Youth Orchestra performs).[11]

Victoria is a major beneficiary of the seven national performing arts training organisations and the training opportunities for performing artists they provide. Five such organisations have footprints in Victoria or bordering Victoria. See the **table below**.

Organisation	Relevant locations (Victorian locations in bold)
Australian Ballet School[12]	• Campus based in Southbank precinct, **Melbourne** • Holds two performance seasons annually at Arts Centre **Melbourne** (with a further season interstate)
Australian National Academy of Music[13]	• Campus based at Abbotsford, **Melbourne** • Has industry partnerships with **Melbourne** Symphony Orchestra (and several other Australian and overseas orchestras and festivals)
Australian Youth Orchestra[14]	• Campus in Collingwood, **Melbourne** (and a further campus in Chippendale, Sydney) • Performances at the **Melbourne** Recital Centre
Flying Fruit Fly Circus[15]	• Headquartered in Albury, NSW (around 10 minutes' drive from **Wodonga**, VIC)
NAISDA Dance College[16]	• NA (Campus based on the Central Coast, NSW)
National Institute of Circus Arts[17]	• Campus based at Prahran, **Melbourne** • In an educational partnership with **Melbourne**-based Collarts, to offer the Bachelor of Circus Arts program • Delivers VET programs with **Melbourne**-based Swinburne University in 2025, which will later transition to Collarts
National Institute of Dramatic Art[18]	• NA (Campus based in Kensington, Sydney)

Victoria also benefits from multi-year funding under the National Performing Arts Partnership Framework. One in four organisations under the Framework are based in Victoria, including:

- The Australian Ballet, which is based in **Melbourne**, and is the resident ballet company of the Arts Centre Melbourne and Sydney Opera House[19]
- Back to Back Theatre, based in **Geelong**[20]
- Ilbijerri Theatre Company, based in **Melbourne**[21]
- Malthouse Theatre, based in **Melbourne**[22]
- Melbourne Symphony Orchestra, with concert venues across **Melbourne** and **Geelong**[23]
- Melbourne Theatre Company, with **Melbourne** performance venues at Southbank Theatre and Arts Centre Melbourne.
- Musica Viva, which has offices in **Melbourne** and other Australian cities[24]
- Orchestra Victoria, based in **Melbourne**[25]
- Victorian Opera, based in **Melbourne** and **Ballarat**

Information and perspectives relevant to whether *Revive* and relevant state government policies and spending provide sufficient support and impetus to rebuild and sustain Victoria's cultural and creative industries following COVID-19 (term of reference 5)

We are pleased to share ANA's submission to Creative Victoria to inform Victoria's next creative industries strategy, Creative State 2025. Please see **the attachment**.

In mid-2025, ANA will be releasing a paper exploring measures Australia to take to ensure our arts and culture system can deliver well right across the country. ANA would be pleased to share a copy of this with the Committee closer to the release date.

Notes

[1] Kate Fielding, Angela Vivian, and Sari Rossi, "To Scale: Mapping Financial Inflows in Australian Arts, Culture and Creativity," Insight Report (Canberra: A New Approach, 2023), https://newapproach.org.au/wp-content/uploads/2023/08/ANA-64088-To-Scale-Report_Combined_AW.pdf.

[2] Angela Vivian, Kate Fielding, and Sari Rossi, "Transformative Edge 2024: How Arts, Culture and Creativity Impact Our Prosperity, Cohesion, Security, Health and Sustainability" (Canberra: A New Approach, 2024), 18, https://newapproach.org.au/insight-reports/transformative-edge-2024/.

[3] Angela Vivian et al., "The Big Picture 4: Expenditure on Artistic, Cultural and Creative Activity by Governments in Australia in 2007-08 to 2021-22" (A New Approach (ANA), May 2024), 9, https://thebigpicture.newapproach.org.au/pdf/ANA_THE_BIG_PICTURE_4_REPORT_MAY_2024.pdf.

[4] Vivian et al., 9.

[5] Vivian et al., 19.

[6] Vivian et al., 44.

[7] Vivian et al., 24.

[8] Figures 4 and 5 are from Vivian et al., 24. The third figure was prepared for this submission using the Cultural Funding by Government dataset. The figures apply rounding to the closest percentage point.

[9] The 2024-25 Budget committed the Australian Government to an additional $117.2 million over four Budget years, as well as an ongoing $36.9 million per year. https://budget.gov.au/content/bp2/download/bp2_2024-25.pdf

[10] https://djsir.vic.gov.au/__data/assets/pdf_file/0019/2324143/DJSIR-Annual-Report-2023-24-Appendix-13-Grants-and-related-assistance.pdf

[11] https://www.development.vic.gov.au/projects/melbourne-arts-precinct?page=overview

[12] https://www.australianballetschool.com.au/pages/abs-about-us

[13] https://anam.com.au/about

[14] https://ayo.com.au/contact-us/

[15] https://fruitflycircus.com.au/national-circus-program/our-schools/

[16] https://naisda.com.au/about-naisda/history-of-naisda/

[17] https://www.nica.com.au/

[18] https://www.nida.edu.au/contact-us/getting-to-nida/

[19] https://australianballet.com.au/about-us

[20] https://backtobacktheatre.com/about/about-us/

[21] https://www.ilbijerri.com.au/about/#history

[22] https://www.malthousetheatre.com.au/about/contact

[23] https://www.mso.com.au/your-visit/venues

[24] https://www.musicaviva.com.au/our-story/contact-us/?_gl=1*tl73p1*_gcl_au*MTY4ODQ4MDkyMi4xNzMzNDY0ODI0

[25] https://www.orchestravictoria.com.au/contact-us