


Riding the waves of culture

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1:00AM SEPTEMBER 10, 2019 •  6 COMMENTS

Just when you thought government funding for arts and culture was in a terminal state of decline, along comes a report to dispel the worst fears. Last year, government spending on culture was the highest it has been in a decade, hitting \$6.86bn across three tiers of government.

That impressive figure is contained in a report prepared by A New Approach, a privately funded arts think tank making its long-awaited debut in the policy debate. Behind the headline number, the report called *The Big Picture: Public Expenditure on Artistic, Cultural and Creative Activity in Australia* reveals some challenging trends in the distribution of taxpayers' arts dollars.

First, and most critically, arts and cultural spending has not kept up with Australia's population growth: funding per capita has declined by 4.9 per cent throughout the decade.

The federal share of national cultural spending has shrunk, and state, territory and local governments are doing more of the heavy lifting.

Funding levels have been alarmingly volatile across the decade: the nadir was just three years ago, when funding dipped to \$6.11bn in real terms. And governments increasingly are spending money on bricks and mortar — new galleries, libraries, venue upgrades and so on — while support for our cultural software, including individual artists, is in historic decline.

The report does not make recommendations but identifies six opportunities for policy change. As a priority, it says that governments should maintain the high watermark of cultural spending that was reached last year, and in the longer term push funding as a proportion of gross domestic product to the international OECD average.

A New Approach was announced in 2016 when three philanthropic foundations — the Myer Foundation, the Tim Fairfax Family Foundation and the Keir Foundation — came together with

the intention of advancing a “coherent, comprehensive policy position” for the arts.

This unprecedented initiative came in the wake of disruptions to federal arts funding in 2015 when then arts minister George Brandis pulled \$105m from the Australia Council to set up a ministerial grants program.

In making its first substantial entry to the policy debate, ANA has analysed Australian Bureau of Statistics data of cultural spending across three main categories: film, TV and radio; museums, archives and libraries; and the arts.

This means the figures include budgets for the ABC and SBS, for museum-building, for indigenous sites and other expenditures such as historic houses and, in some years, environmental heritage. It includes public funding for films such as Simon Baker’s *Breath*, but not the tax offsets available for some film productions.

Data is missing, because it was not compiled, for two crucial years in arts funding: 2013-14, when Labor in its final year in office boosted spending as promised in its Creative Australia policy; and 2014-15, when the new Coalition government cut arts spending in its austerity budget.

The Brandis intervention in 2015-16 produced no net change in arts funding because it was a redirection of funds, not a cut.

While overall funding is at a decade high, the share enjoyed by individual Australians has slipped because of population growth, from almost \$290 per capita in 2007-08 to \$274.60 last year.

As a share of GDP, cultural spending sits at 0.72 per cent, ahead of other Anglophone countries including Britain, but well behind international leaders (2015 figures). The report says Australia’s spending should be boosted in the longer term to the OECD average of about 1.09-1.11 per cent of GDP, but it does not venture a dollar figure. By this writer’s calculation, 1.10 per cent of GDP in 2018 was \$15.6bn — more than twice the current level.

The share of cultural funding shouldered by different tiers of government has shifted substantially. A decade ago, the federal government was responsible for 45.7 per cent of cultural expenditure, now it’s 39 per cent. State, territory and especially local governments are taking greater responsibility for cultural spending in their regions.

Another trend is the long-term decline in recurrent funding, the piece of the funding pie that provides operational subsidy to cultural organisations, arts companies and grants to individual

artists. In the past decade, recurrent funding per capita has declined by 11.7 per cent, although it increased slightly last year. Capital expenditure, by contrast, has increased across the same period by 47.6 per cent, with a sharp rise last year. This may be because of the slate of new museums and venue upgrades in the works, such as Sydney Modern at the Art Gallery of NSW, with a \$244m state outlay, and the \$396m Western Australian Museum. The figures do not include the \$498m expansion of the Australian War Memorial, a federal expenditure that falls outside the date parameters.

ANA hopes the publication of reliable, non-partisan and comprehensible information about the state of cultural funding will encourage policy debate based on facts. Research in coming months will examine the benefits of arts and cultural expenditure in the community, changes in cultural consumption and global trends in cultural policy.

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