

The missing sixth pillar: arts and culture and the national innovation and productivity agenda

I make this submission as the former director of the Australian Museum 2004 - 2014, former national president of Museums Galleries Australia and former president of ICOM Australia.

The five proposed pillars of the arts and cultural strategy 2026 are fine as far as they go. But they are inwardly focused and miss the potentially important contribution that the creativity inherent in arts and culture can make to the national innovation agenda and therefore productivity and economic performance of Australia. We need at least one pillar that focuses outwards to business innovation and productivity.

A constant criticism of the arts and culture sector is that it doesn't contribute anything significant to the broader economy of Australia beyond the cultural sector economy itself. The current five pillar approach to a new cultural strategy reinforces that view. But an inherent part of the cultural sector is creativity, and innovation needs creativity to be effective, and our business sector badly needs a greater focus on innovation. The arts and cultural sector can provide that focus.

Roy Green in his introduction to the Report of the Inquiry into Australia's Innovation System says: "In essence, *innovation is ideas applied successfully*. The Committee takes a broad view of the scope of innovation: it covers new products, services and methodologies, scientific insights and technological breakthroughs, new perceptions in design, market behaviours, consumer preferences, business models, corporate finance, and international relations. Around two thirds of innovation spending by companies in Australia is 'non-technology' innovation."

Despite this broad and inclusive view of innovation, in the Australian context innovation policy seems to have solidified into what the UK think tank Nesta refers to as the linear model of innovation: "Policymakers in thrall to the linear model often assume that good innovation policy involves funding lots of basic science and then paying for a fairly limited set of things that "translate" it into reality, like setting up university tech transfer offices or subsidising venture capital". Hence, we are seeing a lot of emphasis in Australia on the so called STEM agenda. That's fine as far as it goes, but more nuanced views of innovation often add the "A" for arts to STEM to get STEAM.

I believe that the more linear STEM view of innovation, dominated by hypothesis or problem focussed research and engineering, can, and indeed must, be complemented by the process of creativity, agility and innovation inherent in the cultural and creative industries sector. It's harder to define that process because it isn't linear; it's organic and, well, creative.

So what evidence is there that the cultural sector, and the inherent characteristics of arts and culture, can indeed lead to more innovation for the business sector?

In his writings, American Richard Florida provides good evidence that businesses that need to be innovative, by their very nature, do better in, or move to, cities that have a strong arts and culture sector. One key inference of this is that people who work in those industries want access to a strong arts and culture sector. Similar indirect strategies include arguing, as the Guardian newspaper recently did, for more arts education in schools, to complement the STEM emphasis.

The Guardian argues for a more integrated approach to STEM plus A, not just the traditional teaching of arts subjects alongside science and mathematics, to foster more innovative ways of thinking, and by inference, lead to more innovative practices later in life, but the direct evidence for the innovation benefits of this is lacking.

A major 2013 case study in Italy looked at “how traditional businesses can engage or deploy culture and creativity in order to support the development of their innovation capacity.” The study found that the links that existed did indeed help the businesses, but were “the result of singular and sporadic links... not part of a specific innovation management strategy”. The positive examples included use of sponsorship of arts organisations in a much more collaborative way so that staff of the sponsoring companies participated in the activities of the arts organisations. Similar to this are examples in Australia of companies sponsoring the arts (and therefore getting staff engagement with the arts) in order to retain young, bright, mobile employees.

So, in my view, there is ample indirect evidence of the importance of arts, culture and design to fostering a more innovative and agile business sector in Australia. How do we find out if that evidence can be more clearly defined and quantified? I propose that there are several things that could be done.

First, apply the right minds to better defining the “problem”. I’ve been canvassing the views of people from across the arts/culture/design spectrum to the business spectrum. I suggest getting a subset of such people into a room for a “strategic conversation” around the issue of culture and business innovation, ideally with a stimulating focus person (for example, one of the authors of the Italian case study mentioned above).

Second, set out a research agenda that takes the issues/ideas and more systematically researches them. This could be from within a university, or a “think tank” such as A New Approach, or newly formed group of interested parties

Third, and in parallel with the second point, start looking at how to bring arts, culture and design more actively into the innovation agenda. This could be by influencing policy at national and state/territory levels; by influencing industry and cultural sector peak bodies; by adding content to tertiary business education programs (degree and short course); or by working directly with some businesses and cultural organisations

Fourth, I watched as more and more business people are added to cultural organisation boards, presumably to help them be more businesslike, which indeed they often have done. But I see no placement of cultural leaders on business boards, to help them be more creative and agile (and therefore more innovative), which I think we just might need.

If we do all this, then arts and culture can seriously contribute to building the innovative and agile business sector Australia so strongly needs. And that’s why we need a sixth pillar.

Frank Howarth

May 2026