

The arts still need reviving

Submission to the new National Cultural Policy

Despite high hopes when it launched in 2023, Australia's National Cultural Policy Revive has failed to achieve the objective set out in its name. In employment, funding, events and charts, Australia's arts and culture is still struggling. Policies such as Youth culture passes could help revive the arts. Philanthropy can never meet the needs of the arts sector, only governments can provide the funding needed to support the sector.

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May 2026

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Summary

Artists, authors, musicians and other creatives have a huge impact on Australian culture, how Australians see themselves, and how the world sees Australians. As well as shaping culture, the arts sector contributes significantly Australia's economy. But, in terms of employment, funding, charts, events, education, and other metrics, Australia's arts sector has been stagnant at best and going backwards at worst. The only way for the sector to get the support it needs, and for Australians to continue to enjoy Australian art, music and culture, is for governments to properly fund the arts.

There were significant job losses across Australia during 2020 – with disproportionate harm to the arts. While both overall employment and arts and entertainment employment began to recover after the initial shock of the pandemic, arts and entertainment still have not permanently returned to pre-COVID levels. Australia-wide employment, on the other hand, returned to pre-COVID levels by the end of 2021, and has continued to grow despite the cost-of-living crisis.

The most recent data shows Australian governments' arts funding is at its lowest point in the better part of a decade, since 2017-18. Despite continued strains on employment in the arts, government support has been significantly reduced. In real terms, the federal, state and territory governments spent \$551 million less on recurrent arts funding in 2023-24 than in 2021-22. That is more than the total annual budget for Creative Australia.

The music industry has been acutely affected, suffering following the globalisation of music driven by streaming services. Of the top 10,000 most streamed artists in Australia, the number of local artists declined from 960 in 2021 to 760 in 2024. In other words, for every five Australian artists in the top 10,000 in 2021, one in five have dropped out. Almost 90% of nationwide streams are of songs by top 10,000 artists, so this decline has major implications for Australian music.

Governments have recently touted philanthropy as a solution but even with declines in funding, governments dwarf private philanthropy in supporting the sector. The only way to keep Australia's arts and culture alive is for governments to intervene.

One mechanism proven to successfully support the arts in other countries is with youth cultural passes. Funding \$200 culture passes for all 18-year-olds would cost the Australian Government approximately \$66 million. If this were expanded to all those aged 18 to 24, it would cost up to \$430 million per year. These are small amounts of money in the context of government budgets, and would be a direct, cost-effective way to support the sector. Australia Institute polling shows that four in five young Australians (80%) would increase the

number of live music events they attend if a \$200 government-funded voucher were available.

Other policies, such as bringing back the book bounty to support the publishing industry, giving arts prizes and grants tax-free status, and boosting the amount of funding available for existing programs, would also be cost-effective ways to support the arts.

There are many options to raise revenue to fund these programs. A 25% tax on gas exports, for example, would have raised over \$17 billion each year on average since 2022 – even a fraction of which would provide a significant boost to arts and culture. Other revenue-raising measures include ending fossil fuel subsidies, reforming superannuation tax concessions and taxing luxury yachts and addressing tax avoidance, which could raise up to a further \$32.8 billion per year.

Australia's arts and culture cannot be produced overseas and cannot be moved offshore. It can only be made in Australia. Without governments stepping in to ensure a thriving arts sector, it will not be made anywhere.

Introduction

The Australia Institute welcomes the opportunity to make this submission to the development of a new National Cultural Policy for Australia.

Artists, authors, musicians and other creatives have a huge impact on Australian culture, how Australians see themselves, and how the world sees Australians. As well as shaping culture, the arts sector contributes significantly Australia's economy: \$14.7 billion in 2020, employing 193,600 Australians.¹ Government funding for the arts sector is particularly important. For every million dollars in turnover, the arts and entertainment sector produces three jobs, fifteen times the equivalent contribution of the oil and gas industry.²

In January 2023, the Federal Government launched Australia's first National Cultural Policy in over a decade.³ While *Revive* was a welcome step forward for Australian arts and culture, it has not achieved its namesake objective: the revival of the arts sector. Instead, in terms of employment, funding, charts, events, education, and other metrics, Australia's arts sector has been stagnant at best and going backwards at worst.

Decline in the arts industry presents a significant threat to the Australian economy even without factoring in the effects of AI, both the wholesale theft of Australian content and the potential displacement of creatives. While it may be possible to move other sectors of the Australian economy offshore, Australian arts or culture can only be produced in Australia.

This submission examines the crisis facing the arts in Australia, with stagnation in employment, incomes and artistic institutions. It outlines how, to revive the ailing arts sector, Australian governments could reverse funding cuts instead of relying on the dribbles of support from philanthropy. This submission proposes programs to support the arts, with a particular focus on youth culture passes, as well as reviving the book bounty, and making arts prizes and grants tax free. The end of this submission proposes several ways to raise revenue to cover the cost of these increases in funding including a 25% tax on gas exports, raising GST fairly and ending fossil fuel subsidies.

The arts sector needs funding. And the only way for the arts to be funded appropriately is for governments to step in.

¹ Browne (2020) "Background Brief: Economic Importance of the Arts and Entertainment Sector", p1, <https://australiainstitute.org.au/report/background-brief-economic-importance-of-the-arts-and-entertainment-sector/>

² ABS (2025) "Employed persons by Industry sub-division of main job (ANZSIC) and Sex";
ABS (2025) "Off-June year adjusted estimates by industry subdivision"

³ Office for the Arts (2023) *Revive: A place for every story, a story for every place*, <https://www.arts.gov.au/what-we-do/revive-place-every-story-story-every-place>

The arts are still in crisis

Since *Revive* was launched in early 2023, Australia's arts and culture have continued to struggle.

The arts sector, already devastated by the effects of the pandemic, faces continued headwinds from the recent cost-of-living crisis. Various troubles in the higher education sector, a critical support for many of artists, made the situation worse still. In short, this is a critical time for supporting Australian arts and culture.

Since 2020, 1,300 live music venues have closed, including 551 in NSW.⁴ A long list of major music festivals have been cancelled since 2020 including Splendour in the Grass and Groovin' the Moo.⁵ The cost-of-living crisis has led over a third of Australians to pass up going to a concert, and at least one in five to skip live theatre, music festivals, and comedy shows.⁶

The effects are evident across Australia's arts and culture sector. This section examines how employment in the arts has stagnated for over a decade and still has not recovered from the COVID-19 pandemic, as well as the shortcomings of philanthropy as a solution and specific challenges that streaming has created for Australia's music industry.

EMPLOYMENT IN THE ARTS

As shown in Figure 1, employment in arts and entertainment⁷ only reached pre-COVID levels in August 2025, before dipping back down in 2026.

Looking further back shows a sector where employment has been either stagnant or in decline since 2008-09, while other sectors of the Australian economy have expanded.

⁴ Darling (2024) "Australian live music venues closing as cost of living hits business and patrons", <https://www.abc.net.au/news/2024-09-12/australian-live-music-venues-are-going-out-of-business/104260732>

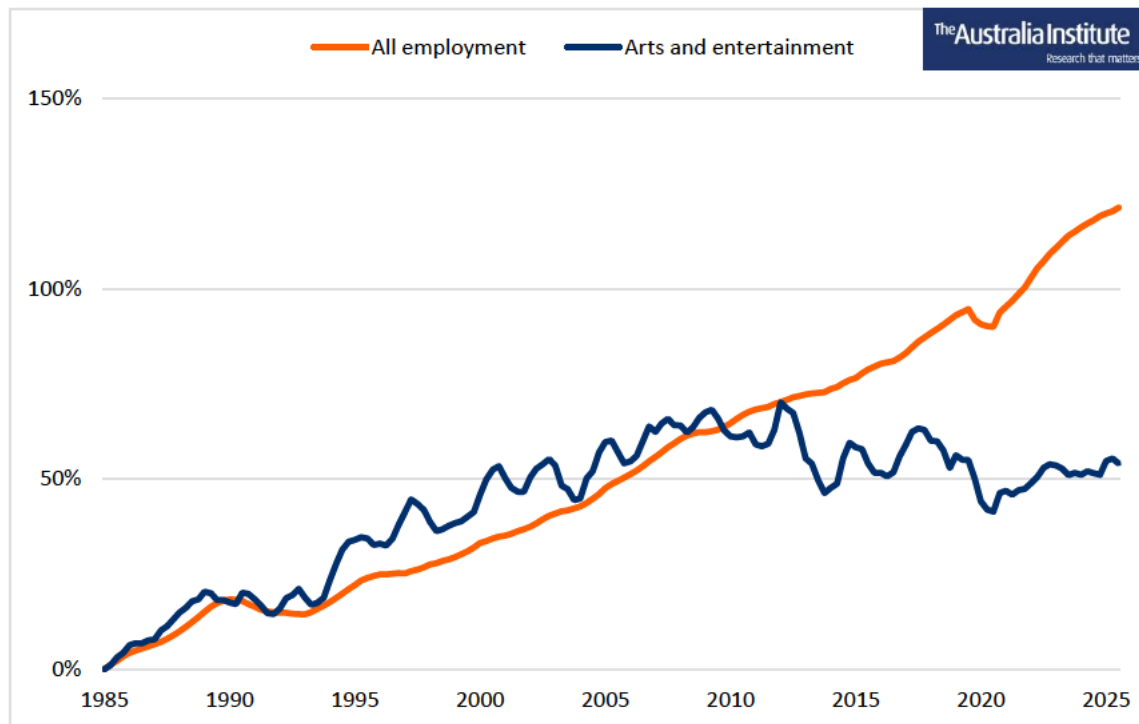
⁵ Iqbal (2024) "Off The Back of Bluesfest & Splendour, Here's a List of Aussie Music Festivals That Have Been Axed", <https://www.pedestrian.tv/music/cancelled-aussie-music-festivals/>

⁶ Evans (2024) "Artists, theatre owners confront dire cost-of-living spending slump leaving industry on the brink", <https://www.news.com.au/finance/economy/australian-economy/artists-theatre-owners-confront-dire-costofliving-spending-slump-leaving-industry-on-the-brink/news-story/8e5bfd6595cef7233b50446a5cab1de9>

⁷ Arts and entertainment as defined in: Pennington and Eltham (2021) *Creativity in Crisis: Rebooting Australia's Arts and Entertainment Sector After COVID*, <https://futurework.org.au/report/creativity-in-crisis-rebooting-australias-arts-and-entertainment-sector-after-covid/> & Predavec and Grundy (2026) *The arts need funding, not philanthropy*, <https://australiainstitute.org.au/report/the-arts-need-funding-not-philanthropy/>

Arts and entertainment consistently made up over 2% of employment from 1985 to 2013, but it now makes up only 1.5%.⁸ As seen in Figure 1, this is because Australia-wide employment has more than doubled in the last 40 years, whereas employment in arts and entertainment has increased by just over 50%. If arts and entertainment had continued growing in line with the rest of the economy, there would be over 70,000 more jobs in the sector today.

Figure 1: Cumulative growth in employment, arts and entertainment vs all industries



ABS (2025) "Employed persons by Industry sub-division of main job (ANZSIC) and Sex", rolling average

The relative decline in arts and entertainment employment is a phenomenon of the past fifteen years.

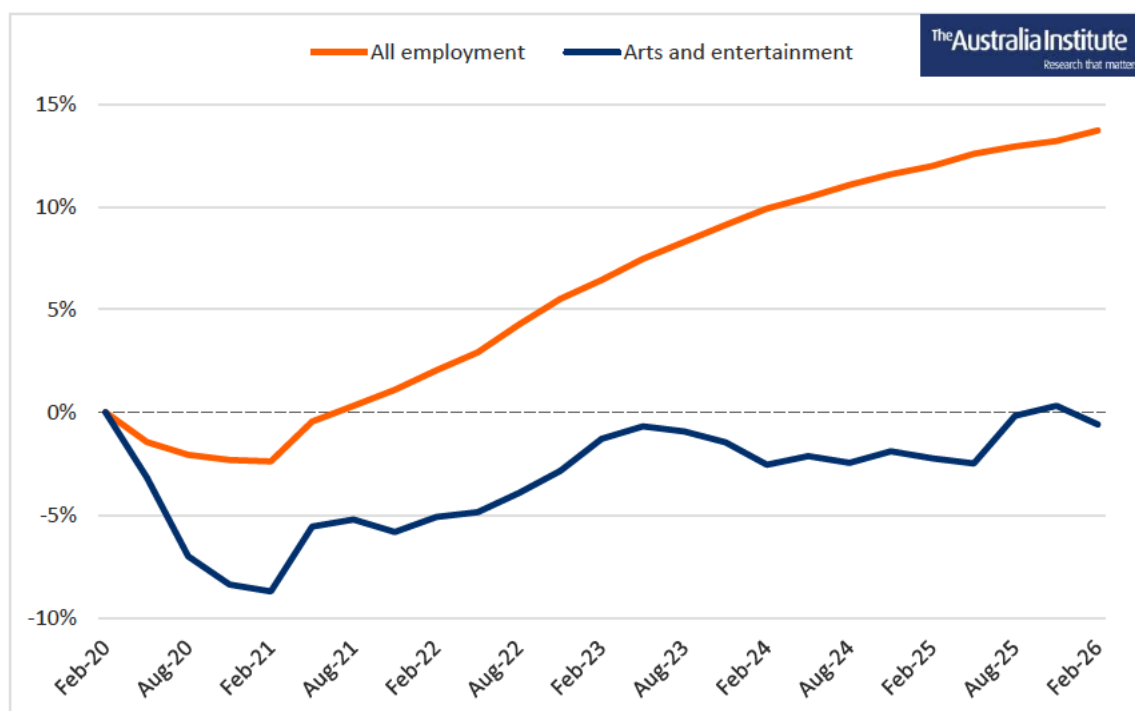
During the late 1990s and early 2000s, employment in arts and entertainment outpaced the rest of the Australian economy. Employment growth slowed across Australia in 2008-09 due to the Global Financial Crisis, and arts and entertainment was no exception. The difference between that sector and the rest of the economy was that Australia-wide employment began to recover by 2010, whereas employment in arts and entertainment stagnated.

All things being equal, a wealthy country such as Australia would be expected to spend more overtime on arts and culture relative to income, and for employment in the arts to still be rising, as we explore in more detail later in this paper. However, the arts and

⁸ ABS (2025) "Employed persons by Industry sub-division of main job (ANZSIC) and Sex"

entertainment sector’s employment has generally declined since 2010, meaning fewer creatives are producing art, media and culture for Australians to enjoy.

Figure 2: Cumulative change in employment since 2020



ABS (2025) “Employed persons by Industry sub-division of main job (ANZSIC) and Sex”, Rolling average

A similar trend is apparent during and after the COVID-19 pandemic, as shown in Figure 2. Since February 2020, at the start of the pandemic, Australia-wide employment has grown by 14%, while employment in the arts still has not permanently returned to pre-pandemic levels.

There were significant job losses across Australia during 2020 – with disproportionate harm to the arts. While both overall employment and arts and entertainment employment began to recover after the initial shock of the pandemic, arts and entertainment did so far more slowly, and still have not permanently returned to pre-COVID levels. Australia-wide employment, on the other hand, returned to pre-COVID levels by the end of 2021.

ARTS NEEDS FUNDING, NOT PHILANTHROPY

In the face of the crisis facing Australia’s arts and culture sector, Australian governments at the state and federal levels have turned towards private philanthropy as a solution.⁹

⁹ Such as with the 2026 Inquiry into arts and cultural philanthropy:

https://www.aph.gov.au/About_Parliament/House_of_Representatives/About_the_House_News/Media_Releases/New_Inquiry_boosting_arts_philanthropy

However, philanthropy represents a fraction of the funding that would address large-scale problems such as the relative crash in employment. Donations represent only a small portion of the funding of arts and culture organisations and are dwarfed by the scale of government spending, even now that it’s reached its lowest point in almost a decade.

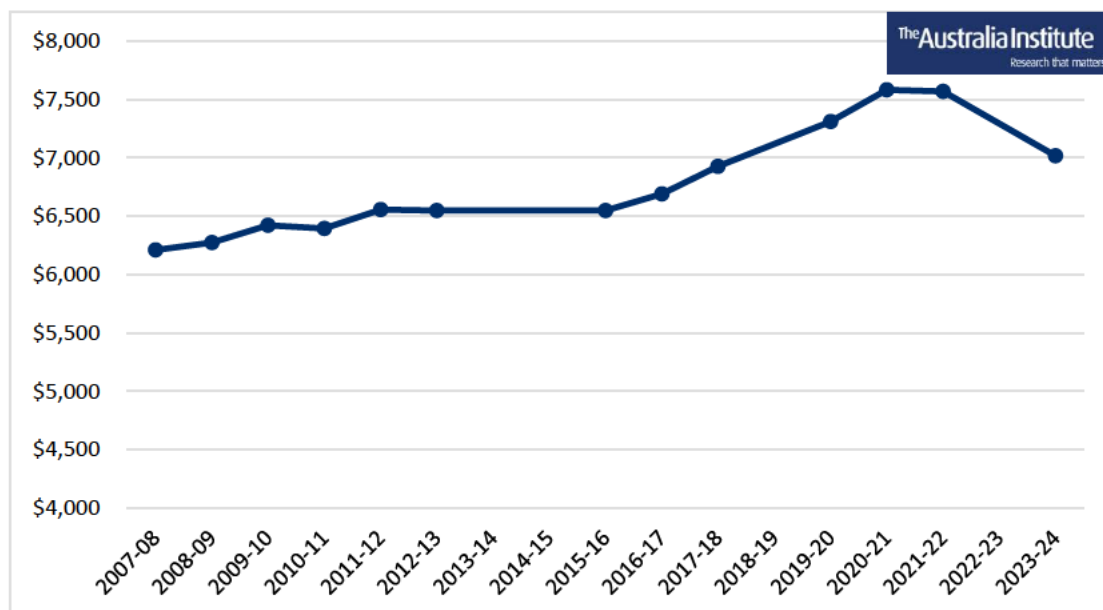
Government funding has declined

Australian governments’ arts funding in 2023-24, the most recent available data, is at its lowest point since 2017-18.¹⁰

Federal and state/territory spending on the arts reached a high point during the COVID-19 pandemic, when governments increased financial support for the sector after it was hit hard by lockdowns. However, inflation since 2007 and the end of COVID-related support have meant that increases in arts funding have struggled to keep up with costs.

Despite employment in the arts still not permanently recovering to pre-COVID levels, government support has been significantly reduced. In real terms, the federal, state and territory governments spent \$551 million less on recurrent arts funding in 2023-24 than in 2021-22, as shown in Error! Reference source not found..

Figure 3: Total recurrent Arts funding by Australian governments (\$millions)



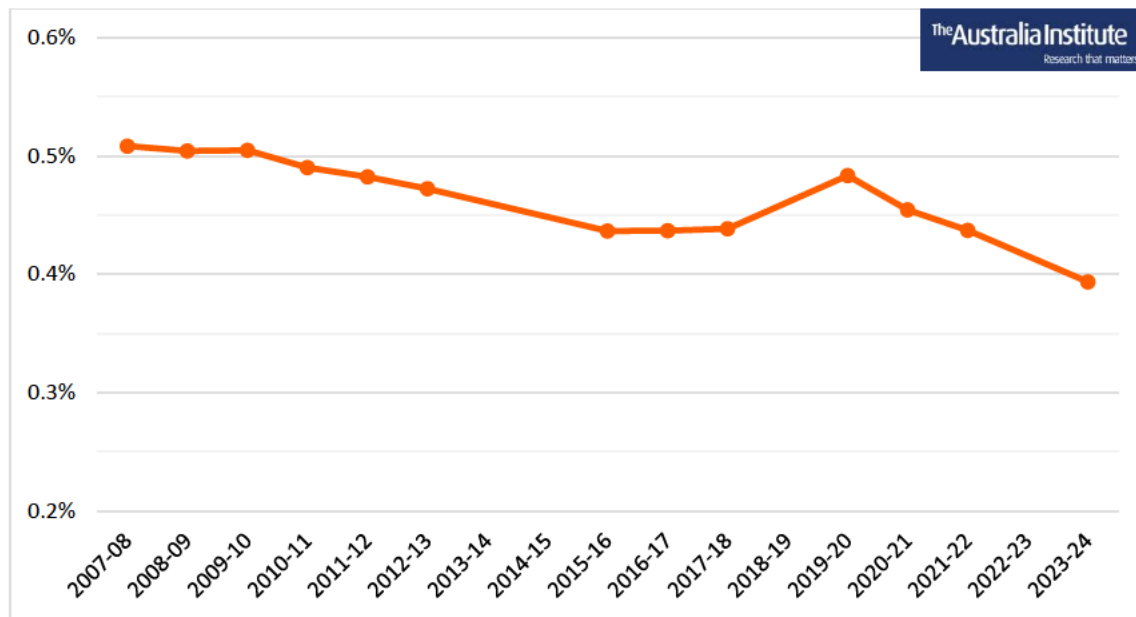
¹⁰ ABS (2025) “Cultural funding and participation – National Overview”, <https://www.arts.gov.au/cultural-data-online/government-cultural-funding-and-participation/cultural-funding-and-participation-national-overview>; ABS (2013) “Cultural Funding by Government, Australia”, <https://www.abs.gov.au/statistics/economy/government/cultural-funding-government-australia/latest-release>

Source: ABS (2025) "Cultural funding and participation – National Overview";
ABS (2013) "Cultural Funding by Government, Australia"

Note: All values in June 2024 dollars, adjusted by CPI.

While overall government funding for the arts has increased in nominal terms since 2007, it has not kept up with Australia's overall economic growth.

Figure 4: Total recurrent arts funding by Australian governments as a share of GDP

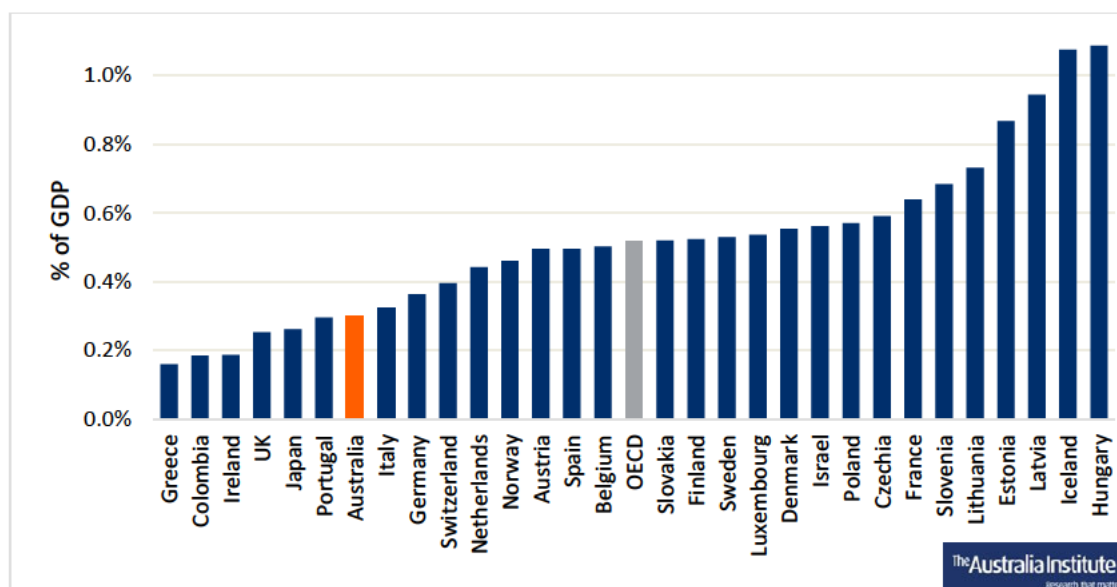


Source: RBA (2025) "H1 Gross Domestic Product and Income",
<https://www.rba.gov.au/statistics/tables/csv/h1-data.csv>; ABS (2025) "Cultural funding and participation – National Overview"; ABS (2013) "Cultural Funding by Government, Australia"

As shown in **Error! Reference source not found.**, arts funding from all levels of government was just over 0.5% of GDP in 2007-08. Despite returning to that level in 2019-20 due to the pandemic-era contraction of the Australian economy and increases in arts funding during lockdowns, it has now declined to below 0.4% of GDP in 2023-24.

Funding is also low by international standards – even at its height during the COVID pandemic. Australia spends less on cultural services as a share of GDP than most countries in the developed world, as shown in **Error! Reference source not found.**

Figure 5: Arts spending in OECD countries



Source: OECD (2025) *Annual government expenditure by function (COFOG)*, <https://data-explorer.oecd.org/>

Australian arts are so underfunded that just to fund at the OECD average, governments would need to increase funding by over \$5 billion per year. Creative Australia, the flagship federal arts program, has a budget of just \$318 million for 2025-26.¹¹

Philanthropy is not enough

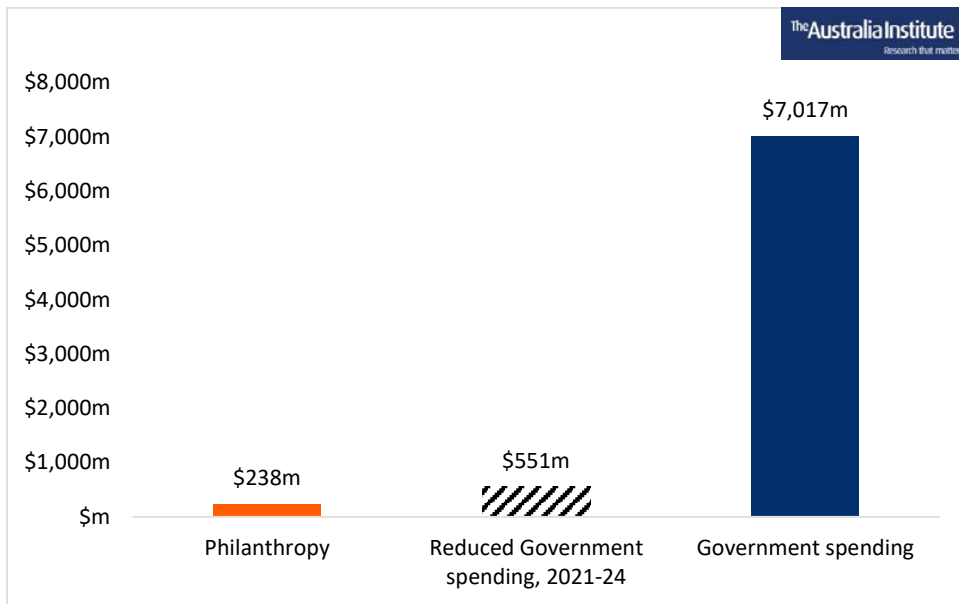
The scale of private giving is simply not large enough to make up for reductions in government funding, making reliance on philanthropy to support the arts sector insufficient.

The size of philanthropy in arts and culture is difficult to measure exactly, but available estimates place it at a fraction of government spending. A total of \$204 million (\$238m adjusted for inflation) was donated to organisations advancing culture in 2021, the latest year with data reported by the Australian Charities and Not-for-profits Commission.¹² This figure is limited to charities with culture as their stated purpose, so this is likely an underestimate of arts philanthropy overall. However, even if this number was doubled, it would still be almost one fifteenth the size of government support for the arts, and significantly smaller than just the real-terms reduction in government spending from 2021 to 2024 – \$551 million as shown in the figure below.

¹¹ Theatre Network Australia (2025) “Federal Budget 2025–26 – What It Means for the Arts”, <https://tna.org.au/federal-budget-2025-26-what-it-means-for-the-arts/>

¹² ACNC (2023) *Australian Charities Report – 9th Edition*, p. 66, <https://www.acnc.gov.au/tools/reports/australian-charities-report-9th-edition>

Figure 6: Value of Philanthropy compared to government spending



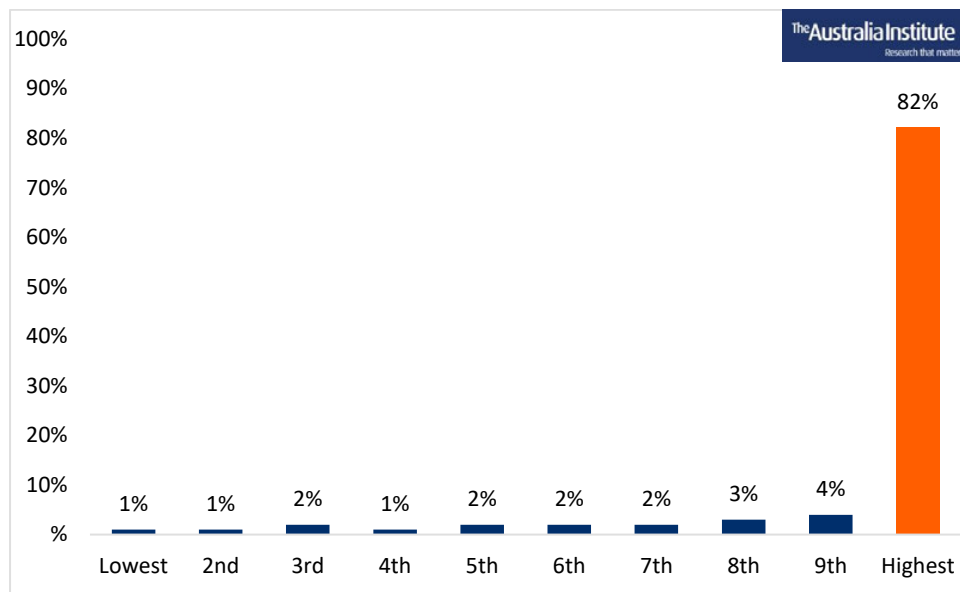
ABS (2025) “Cultural funding and participation – National Overview”; ACNC (2023) *Australian Charities Report – 9th Edition*, p. 66

Note: All values in June 2024 dollars, adjusted by CPI.

Any measures to increase philanthropy cannot possibly fill the gap left behind by dwindling state, territory, and federal government support. While it may make a minor impact on a handful of institutions, philanthropy is not and will never be a solution to the wider issues of the arts sector.

While they wouldn’t significantly support the arts sector, measures to encourage philanthropy would have an impact elsewhere: on inequality. Specifically, tax deductibility for gifts and donations disproportionately benefit the rich, as shown in **Error! Reference source not found.**

Figure 7: Share of benefits from deductions for gifts and donations, by income decile



Source: Treasury (2025) “2025-26 Tax Expenditures and Insights Statement”, Chart 2.15, <https://treasury.gov.au/publication/p2025-721342>

The top 10% of income-earners receive 82% of the benefit of tax deductions from gifts and donations, and almost 70% of the benefit goes to those earning more than \$1 million in taxable income per year.¹³

Australian arts and culture should be accessible and available for everyone, not just the top 0.1% of income earners. But relying on philanthropy, which is disproportionately dished out by the uber-wealthy, has a profound impact on *what* gets funded, and how.

Philanthropy from the uber-rich is often directed towards the more prestigious forms of art. A study examining US\$36 billion in American donations to the arts in 2019-2020 found that giving is highly localised, donors tend to fund the same institutions as they have previously, and that money is correlated with the prestige associated with the art.¹⁴ A billionaire’s name might adorn a gallery of fine art, or a chamber orchestra’s performance – but more rarely is the same true of a development program for young filmmakers and musicians in disadvantaged communities.

Similarly, overreliance on philanthropy dampens the ability of artists to comment on controversial or political issues. In a 2025 column, Louise Adler, the former CEO of Melbourne University Publishing and director of Adelaide Writers’ Week, noted that increased reliance on philanthropic funding creates a hostile environment for art that

¹³ Treasury (2025) “2025-26 Tax Expenditures and Insights Statement”, Chart 2.15

¹⁴ Shekhtman & Barabási (2023) “Philanthropy in art: locality, donor retention, and prestige”, *Scientific Reports*, <https://www.nature.com/articles/s41598-023-38815-1>

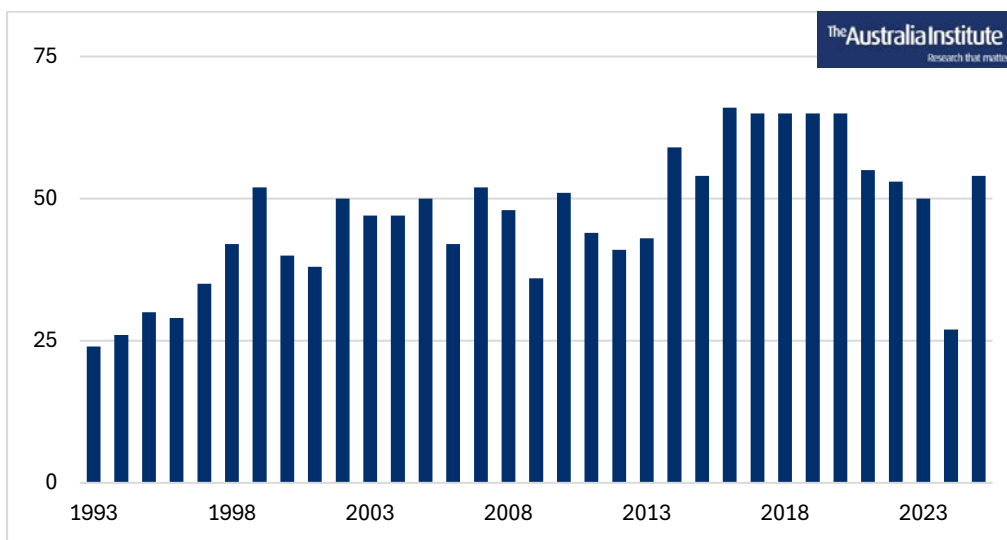
provokes controversy or challenges the viewer.¹⁵ In particular, Adler pointed to the censorship of several artists who had “take[n] up the Palestinian call for an end to the occupation.”¹⁶

Philanthropy is a minor funding source for the arts, and policies to encourage it will inevitably disproportionately benefit the people who need financial support the least. Not only that, but institutions that over-rely on philanthropy risk turning bland and unchallenging as a result of financial incentives to avoid controversy. There are, however, other and better options for Australian governments seeking to support arts and culture.

THE DECLINE OF AUSTRALIAN MUSIC

The 2024 Triple J Hottest 100 featured just 27 Australian songs, the lowest in three decades.¹⁷ The 2025 edition featured 54 Australian songs, but only after a change in the voting system to highlight local releases, allowing voters to filter out non-Australian tracks.¹⁸

Figure 8: Number of Australian songs in the Triple J Hottest 100, 1993-2025



Source: ABC (2025) *The Hottest 100 Archive*, www.abc.net.au/triplej/hottest100/archive/

This decline is emblematic of the wider Australian music industry, which has suffered following the globalisation of music driven by streaming services.

¹⁵ Adler (2025) “Who really pays the price for arts philanthropy?”, <https://www.afr.com/life-and-luxury/arts-and-culture/who-really-pays-the-price-for-arts-philanthropy-20250320-p5l10s>

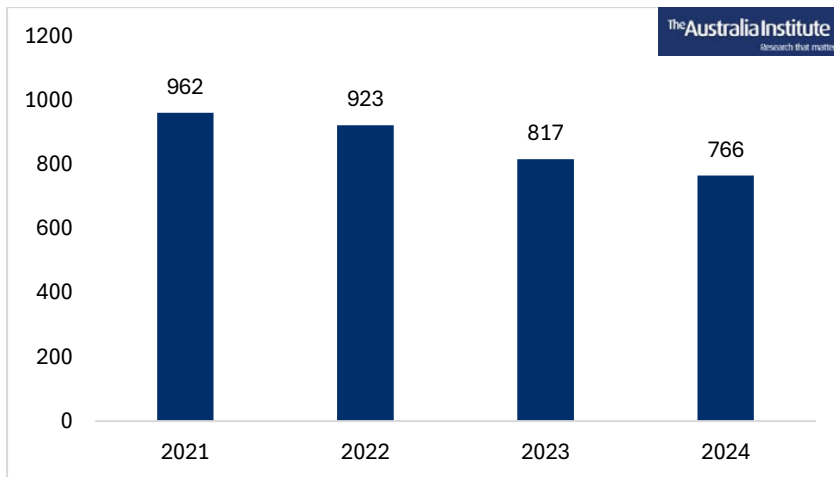
¹⁶ Adler (2025) “Who really pays the price for arts philanthropy?”

¹⁷ Campbell, Harrington, Yuan and Williams (2026) *Hottest or not?*, p. 2, <https://australiainstitute.org.au/report/hottest-or-not/>

¹⁸ Varvaris (2026) “Triple J’s Hottest 100 of 2025 Looking To Be Tighter Than Ever”, https://themusic.com.au/news/triple-js-hottest-100-of-2025-looking-to-be-tighter-than-ever/AfC_FRQXFhk/12-01-26

Using data from top streaming services, which captured almost 90% of all demand for music within Australia, the Australia Institute analysed Australia’s top 10,000 most streamed songs and artists between 2021 to 2024.¹⁹ In that period, the number of Australian artists appearing in the top 10,000 has declined from 962 in 2021 to 766 in 2024. Streamshare – the number of times those Australian artists inside the top 10,000 have been streamed – also declined, from 12% to 8% (a 30% drop off).

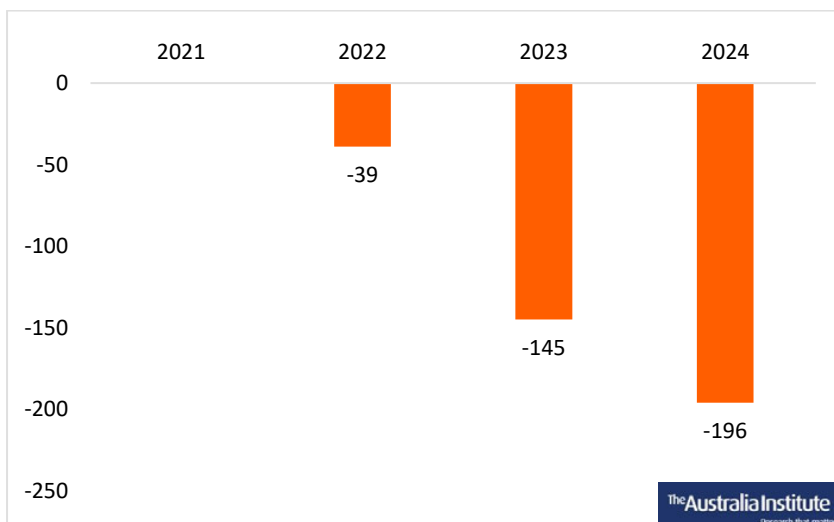
Figure 9: Number of Australian artists in top 10,000 most streamed artists



Source: Page and Harrington (2025) *Reversing the decline of Australian music*

In other words, for every five Australian artists in the top 10,000 in 2021, one in five have dropped out of it. Almost 90% of nationwide streams are of songs by top 10,000 artists, so this decline has major implications for Australian music.²⁰

Figure 10: Cumulative decline of Australian artists in the top 10,000, 2021-2024



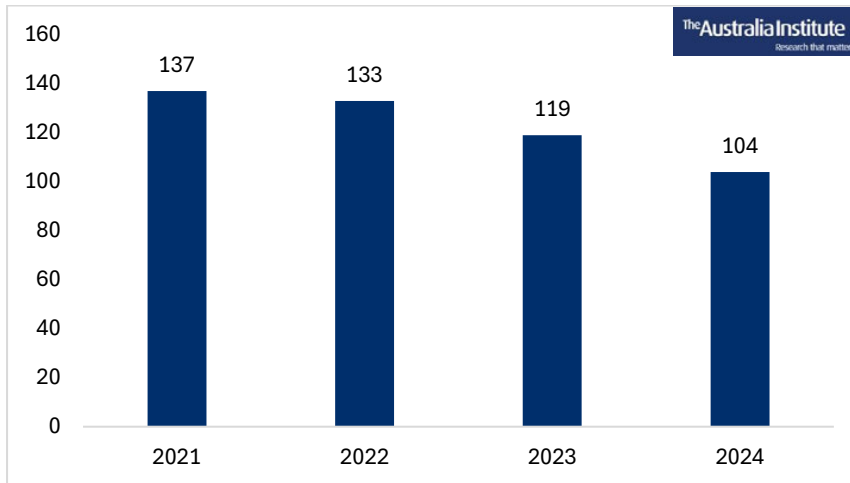
¹⁹ Page and Harrington (2025) *Reversing the decline of Australian music*, <https://australiainstitute.org.au/report/australian-music-streaming/>

²⁰ Page and Harrington (2025) *Reversing the decline of Australian music*, p. 7

Source: Page and Harrington (2025) *Reversing the decline of Australian music*

The same downward trend can be seen in the top 1000 streams – the number of Australian artists declined from 137 in 2021 to 104 in 2024 as shown in the figure below.

Figure 11: Number of Australian artists in top 1,000 most streamed artists



Source: Page and Harrington (2025) *Reversing the decline of Australian music*

This analysis shows that Australians are streaming less Australian music, less often. Of the top 100 artists streamed in Australia in 2024, just five were Australian: The Wiggles (41st), The Kid LAROI (43rd), AC/DC (65th), Vance joy (77th), Hilltop Hoods (95th).²¹

As a result, less money is going to Australian artists. Between 2021 and 2024, while spending by Australians on music *increased* by 25% the share going to artists *shrank* by almost one-third.²²

The traditional avenues of funding for Australian music are either dried up or drying. One option to remedy this is to replicate Canada’s approach to ensure streaming companies highlight local music and fund local music development. Canada’s laws are similar in operation to the Federal Government’s proposed Media Bargaining Incentive,²³ requiring streaming services with local revenues over \$25 million to contribute 5% of that amount to support local content.²⁴ Another option is for Australian governments to step in directly to ensure the local music industry is adequately funded. Policy options for doing so, as well as ways to raise the revenue required, are discussed later in this submission.

²¹ Campbell, Harrington, Yuan and Williams (2026) *Hottest or not?*, p. 4

²² Campbell, Harrington, Yuan and Williams (2026) *Hottest or not?*, p. 4

²³ Armstrong (2026) “Big tech hits back at Labor government’s Media Bargaining Incentive plan”, <https://www.abc.net.au/news/2026-04-28/big-tech-hits-back-at-labors-media-bargaining-plan/106617532>

²⁴ Alegre (2025) “What You Need to Know About Canada’s New Streaming Platform Rules”, <https://thedeepdive.ca/what-you-need-to-know-about-canadas-new-streaming-platform-rules/>

Policies to support the arts

As an alternative to philanthropy-focused policy solutions, Australian governments have a clear option: properly fund arts and culture.

Increasing existing grant programs and strengthening the Australia's existing creative institutions is likely to be the quickest and most straightforward use of increased arts and culture funding. However, in the development of the new national cultural policy, other innovative measures for arts and culture that have enjoyed success in Australia and internationally can be considered. Detailed below is a suite of further policy options for Australian governments to support the arts, based on recent Australia Institute research.

CULTURE PASSES

When the Australia Institute polled young people on the most significant barrier for them to attend music events, the answer was cost. Australia Institute polling in 2024 found that 59% of Australians aged 16 to 25 considered cost a barrier to attending music events, and 35% considered it the most significant barrier.²⁵

Many European countries have implemented programs to address the cost barrier facing young people. Italy, Germany, Spain and France all have different versions of a “culture pass” which make the arts more accessible and ultimately support artists in a given country.²⁶ Culture passes are a voucher that can be spent at cultural institutions, and on cultural events and products, similar to the “Dine & Discover” vouchers introduced by NSW during the COVID-19 pandemic.²⁷

In Italy, Germany and Spain, the passes take the form of a voucher given to residents when they turn 18. The total value of the vouchers range from €100 (~AU\$160) in Germany to €500 (~AU\$800) in Italy.²⁸

In France, the pass is distributed in different amounts to young residents depending on their age, currently €50 (~AU\$80) for 17-year-olds and €150 (~AU\$240) for 18-year-olds.²⁹ An

²⁵ Australia Institute (2024) “Polling –Young Australians’ participation in live music”, <https://australiainstitute.org.au/report/polling-young-australians-participation-in-live-music/>

²⁶ Harrington, Chollet (2024) “International evidence in support of youth cultural passes”, <https://australiainstitute.org.au/post/youth-cultural-passes-could-revive-australian-live-music-industry/>

²⁷ NSW Government (2021) “Dine and Discover vouchers to support local economy”, <https://www.nsw.gov.au/news/dine-and-discover-vouchers-to-support-local-economy>

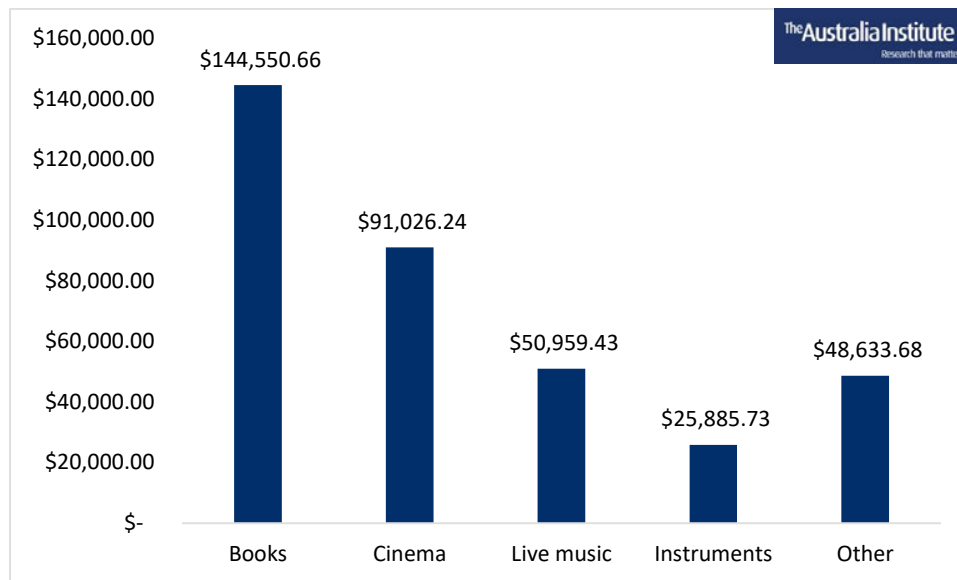
²⁸ Harrington, Chollet (2024) “International evidence in support of youth cultural passes”

²⁹ Pass Culture (2025) “Réforme du pass Culture”, <https://pass.culture.fr/actualite/reforme-du-pass-culture>

additional €50 is available for those with a disability and low-income households, and the credits are redeemable until a person’s 21st birthday.

As shown in Figure 12 below, of the \$361 million³⁰ in culture pass funding redeemed in 2024, 40% went to books, 25% to cinemas, 14% to live music events, and 7% to musical instruments.

Figure 12: Distribution of culture pass funds in 2024, converted to 000's of \$AUD



Source: Pass Culture (2025) *Rapport d'activités 2024*, p.70, <https://pass.culture.fr/nos-rapports-d'activite>

Note: Converted from Euros using the \$1.63 exchange rate as of 11/05/2026

This represents a substantial amount of funding to the arts and entertainment industry in France, particularly to sectors like publishing, cinema and live music which are struggling in Australia.

Around the world, an increasing number of countries are introducing schemes in which young people are granted money to spend on arts. In addition to the European nations discussed in this paper, the governments of Korea,³¹ Morocco,³² and the city of Buenos Aires³³ have all introduced versions of a youth cultural pass.

³⁰ Converted from Euros using the \$1.63 exchange rate as of 11/05/2026

³¹ Korea.net (2024) Youth culture-arts pass worth up to KRW 150,000 released, <https://www.korea.net/NewsFocus/Society/view?articleId=249065>

³² Pass Jeunes (2023) “Enjoy your youth pass”, <https://www.passjeunes.ma/en>

³³ World Cities Cultural Forum (2024) “Buenos Aires culture pass: transforming the city’s youth into cultural enthusiasts”, <https://worldcitiescultureforum.com/city-project/cultural-pass/>

Youth cultural passes are a proven, effective way to increase engagement with the arts. Australia Institute polling shows that four in five young Australians (80%) would increase the number of music events they attend if a \$200 government-funded voucher were available.³⁴

With approximately 330,000 18-year-olds in Australia,³⁵ \$200 culture passes for all 18-year-olds, similar to the Italian or Spanish models, would cost the Australian Government approximately \$66 million in annual expenditure. That assumes universal and full uptake of the scheme, so the real budgetary impact would likely be smaller. If this were expanded to all those aged 18 to 24, 2.2 million people as of the last census, it would cost up to \$440 million per year.³⁶ Given that Australia's annual public spending on the arts is \$5 billion below OECD average,³⁷ this would be a direct, cost-effective way to support the sector.

One issue that Australian cultural passes could face is targeting the scheme to support Australian arts and culture. If such a scheme were to be introduced, there are practical steps needed to ensure that funding granted through a youth cultural pass benefits as many Australian artists, cultural institutions and businesses as possible. This includes:

- Limiting use of the pass to small and medium-sized venues part of respected industry associations such as National Association of Visual Artists, Australian Museums and Galleries Association, and festivals. This would mitigate against the possibility that funds are spent on tickets to see large international touring acts;
- developing criteria for participation in the program that disqualifies large international corporations
- limiting use of the pass to in-person transactions;
- putting spending limits on different kinds of purchases (for example physical media such as books).

BRING BACK THE BOOK BOUNTY

Australia had a book bounty in operation from 1969 to 1997, where the Federal Government paid Australian printers a subsidy for a portion of the costs of printing a book. It began after concerns about offshore book printing prompted the Commonwealth to pass the Book Bounty Act (1969), which set the bounty at 20% of the cost of printing.³⁸ The rate

³⁴ Australia Institute (2024) *Polling – Young Australians' participation in live music*,

<https://australiainstitute.org.au/report/polling-young-australians-participation-in-live-music/>

³⁵ ABS (2022) *Population Projections, Australia* (Australia, medium series, financial year 2023-24),

<https://www.abs.gov.au/statistics/people/population/population-projections-australia/latest-release#data-downloads>

³⁶ ABS (2021) *2021 Census – employment, income and education*, "Age and Sex"

³⁷ OECD (2022) *The Culture Fix*, p218

³⁸ Zerby (1978) "The Australian Book Bounty: Its Purpose and Failings", p2,

<https://journals.sagepub.com/doi/10.1177/1329878X7800800101>

was raised to 33% in 1973,³⁹ before declining to 13.5% by 1992 and 4.5% in January 1997.⁴⁰ At the end of that year the Howard government abolished the bounty altogether,⁴¹ acting on an Industry (now Productivity) Commission report which said that new technology had made the subsidy unnecessary.⁴²

While one analysis of technological improvements to printing processes in the 1990s may have made publishing subsidies appear unnecessary, further changes – such as the increase in paper costs, increasing costs of logistics⁴³ and competition for consumers’ discretionary income⁴⁴ – have left the industry in a less fortunate position. The lack of a book bounty left Australia’s domestic publishers without a subsidy to offset the 5% tariff on inputs used in publishing such as paper,⁴⁵ while imported books remained tariff free under the terms of the *Florence Agreement* (1952), which Australia is a signatory to.⁴⁶

Since 1998, when the Australian Bureau of Statistics started collecting information about book prices, there has been little change in the average recommended retail price for books.⁴⁷ While prices have barely risen, the industry’s costs are far higher – in the past fifteen years alone, paper costs rose 51%⁴⁸ and printing costs rose 34%⁴⁹ – making it harder than at any point in recent memory to make money from publishing.⁵⁰ Meanwhile, more

³⁹ Zerby (1978) “The Australian Book Bounty: Its Purpose and Failings”

⁴⁰ Salmons (1996) “Book bounty scheme faces the final chapter”, <https://www.afr.com/life-and-luxury/arts-and-culture/book-bounty-scheme-faces-the-final-chapter-19960816-k72a8>

⁴¹ Cummins (1997) “1,500 book jobs under threat”, <https://www.afr.com/companies/media-and-marketing/1-500-book-jobs-under-threat-19971215-k7u07>

⁴² Salmons (1996) “Book bounty scheme faces the final chapter”

⁴³ Terzon (2024) “What the collapse of a major book retailer tells us about the state of Australian publishing”, <https://www.abc.net.au/news/2024-07-12/what-booktopia-collapse-says-about-australian-publishing/104087636>

⁴⁴ Burke (2025) “It will be dire for readers: the disappearing voices of Australia’s independent publishers”, <https://www.theguardian.com/books/2025/jan/28/it-will-be-dire-for-readers-the-disappearing-voices-of-australias-independent-publishers>

⁴⁵ Cummins (1997) “1,500 book jobs under threat”

⁴⁶ Agreement on the Importation of Educational, Scientific and Cultural Materials, with Annexes A to E and Protocol annexed, aka the *Florence Agreement* (1952), Article 1, <https://www.unesco.org/en/legal-affairs/agreement-importation-educational-scientific-and-cultural-materials-annexes-e-and-protocol-annexed>

⁴⁷ Grundy (2025) “Authors and publishers need urgent assistance to keep Australia’s literary culture thriving”, <https://australiainstitute.org.au/post/authors-and-publishers-need-urgent-assistance-to-keep-australias-literary-culture-thriving/>

⁴⁸ ABS (2025) “Producer Price Indexes, Australia”, Input to the Manufacturing industries, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/producer-price-indexes-australia/latest-release>

⁴⁹ ABS (2025) “Producer Price Indexes, Australia”, Output of the Pulp paper and converted paper product manufacturing industries

⁵⁰ Grundy (2025) “Authors and publishers need urgent assistance to keep Australia’s literary culture thriving”

books are selling through discount department stores which means publishers are getting lower prices for their books.

When the book bounty was abolished, the Australian publishing industry may have appeared prosperous enough to survive without its support. The recent mergers of Australian publishers, significant increases in costs and competition from other media make the current conditions are very different from 1996.

The recent interim report from the Productivity Commission that floats the idea of loosening Australia's copyright law, providing an exemption on data use for AI companies has prompted a fierce reaction⁵¹ that shows the extent of the publishing industry's concern with the effects of AI. The effects of AI are currently unknown but likely to be very serious for the sector.

Even a relatively small amount of additional funding can be impactful for writers and publishers. The Sydney Writer's Festival and the State Library of New South Wales recently announced a \$1.5 million collaboration on literary events, which will create over 300 paid opportunities for writers over 12 months.⁵² Writers would be paid \$336 per event – equivalent to the profits of selling more than 100 copies of a book – providing a valuable lifeline to writers who often earn little from their profession.⁵³

A revived book bounty scheme that is not simply to assist with printing costs but can be used for other parts of the publishing process including editorial and design is one option to support Australian writers, and would support local publishing.

TAX-FREE ARTS PRIZES

The Federal Government has long thought that tax-free art prizes are a good idea, as evidenced by the tax-free status of the Prime Minister's Literary Awards.⁵⁴

Taxing prize-money has a serious impact on earnings. Taking writing as one example, Creative Australia ran a survey in 2022 which found the average author's annual income

⁵¹ Heath (2025) "Australian authors challenge Productivity Commission's proposed copyright law exemption for AI", <https://www.abc.net.au/news/2025-08-13/productivity-commission-ai-report-copyright-law-authors-respond/105646086>

⁵² Grundy (2025) "Sydney Writers Festival will program year-round, partnering with State Library of NSW. Is this 'Sydney's Wheeler Centre'?", <https://theconversation.com/sydney-writers-festival-will-program-year-round-partnering-with-state-library-of-nsw-is-this-sydneys-wheeler-centre-262107>

⁵³ Grundy (2025) "Sydney Writers Festival will program year-round, partnering with State Library of NSW. Is this 'Sydney's Wheeler Centre'?"

⁵⁴ Creative Australia (2025) "Prime Minister's Literary Awards", <https://creative.gov.au/investments-opportunities/prime-ministers-literary-awards-2025>

from their writing is \$18,200.⁵⁵ If that is an author's sole source of income, it places them below the poverty line. Considering the distorting factors of some authors earning significantly more than others, it is clear that writers are struggling to make money from their work.

For writers on a small income, a prize can mean the difference between taking a year off work to write their next book and trying to fit writing in between other jobs. In the case of a Miles Franklin or Stella Prize win, a tax-free prize could mean the difference between \$60,000 and \$40,000 in their bank account. Stella Prize winner Dr Charlotte Wood AM says,

for those few writers who win, it would mean that a year's income could easily stretch to keep them going for an extra year or even two or three, without the extraordinary financial and attendant psychological strain most artists live beneath. Imagine if we were a society generous enough to allow this tiny gift.⁵⁶

Giving an author a year's respite from other work to develop their next book can mean the difference between building a career and getting stuck in short-term and poorly paid stop-gap work.

Prize money doesn't simply affect an individual artist but in some cases, their community as well. Miles Franklin winner Melissa Lucashenko said she paid \$15,000 tax on her win in 2019. She says:

I'm very happy to pay tax - to contribute to a decent society - but at the same time, I belong to an extremely impoverished community. I am regularly called on to give money to people who buy their food on credit. Who can't bury their dead, or who need petrol to get to funerals, or who can't get out of jail to attend the funeral of a parent because that means paying the prison system the astronomical cost of guards to accompany them. \$15,000 fills a lot of grocery carts, and a lot of petrol tanks.⁵⁷

This measure is not just important for writers; taxing prize money applies to playwrights, painters, musicians and artists from all disciplines. The National Association for Visual Arts has been an advocate for tax-free prizes for many years. And the federal government already determined this was a good idea since the Prime Minister's Literary Award winner pays no tax on their prize.

⁵⁵ Creative Australia (2022) "2022 National Survey of Australian Book Authors", <https://www.creative.gov.au/news-events/news/vital-work-australian-authors-still-doesnt-deliver-living-wage>

⁵⁶ Grundy (2025) "Here's something absolutely cooked about books in Australia", <https://www.canberratimes.com.au/story/8999486/opinion-miles-franklin-prize-should-be-tax-free/>

⁵⁷ Grundy (2025) "Here's something absolutely cooked about books in Australia"

TAX-FREE GRANTS

Another way for governments to reward excellence in the arts is to exempt arts grants awarded to individual creatives from tax. While it is possible to claim expenditures as a tax deduction, any wages that are part of a grant are subject to income tax.⁵⁸

Not-for-profit cultural organisations whose main purpose is the encouragement of art, literature or music are already exempt from income tax.⁵⁹ Expanding this exemption to encompass government grants would encourage more output from artists across all disciplines.

With artists earning an average of just \$23,200 from their work as is, any increase in the money they receive be significant.⁶⁰ Many artists are unable to make enough money to live off their creative work alone,⁶¹ so increasing the share of creative income which they take home after tax could incentivise them spending more time on artistic endeavours.

Arts grants often enjoy tax-exempt in Sweden⁶² and Finland,⁶³ which could provide a model for Australia to adopt. Arts grants awarded by Finnish public entities are tax-exempt with no upper limit, with private entities' grants enjoying tax-exempt status until they hit an annual limit.⁶⁴

As with other support for the arts sector, exempting grants from taxation would mean more Australian art for the public to enjoy, and more Australians able to pursue their passions.

⁵⁸ Australian Taxation Office (2025) "Taxable, assessable and exempt income", <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/income-you-must-declare/taxable-assessable-and-exempt-income>

⁵⁹ ATO (2025) "Cultural organisations", <https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/your-organisation/does-your-not-for-profit-need-to-pay-income-tax/types-of-income-tax-exempt-organisations/cultural-organisations>

⁶⁰ Freeland (2024) "Creative Australia's Artists at Work study reveals ongoing economic and gender disparities in Australian arts sector"

⁶¹ Freeland (2024) "Creative Australia's Artists at Work study reveals ongoing economic and gender disparities in Australian arts sector"

⁶² Konstnärnsnämnden (n.d.) "Grants from the Swedish Arts Grants Committee – taxes and social security", <https://www.konstnarsnamnden.se/en/artists-conditions/guide-for-artists/grants-from-the-swedish-arts-grants-committee-taxes-and-social-security/>

⁶³ Artists' Association of Finland (n.d.) "Grants and taxes", <https://www.artists.fi/en/grants-and-taxes>

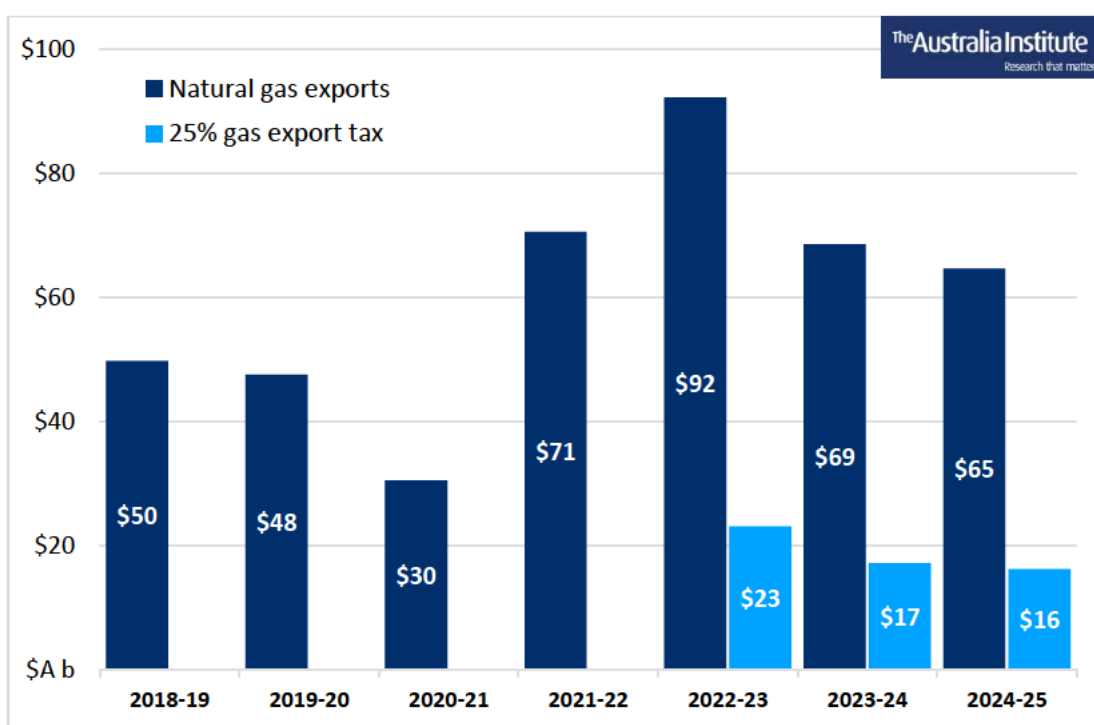
⁶⁴ Artists' Association of Finland (n.d.) "Grants and taxes"

Raising revenue to fund culture

Of course, expanding existing programs, and implementing new ones, to support the arts does not come without cost.

One solution is to implement a 25% tax on gas exports, which would have raised over \$17 billion each year on average since 2022. Even a fraction of the revenue raised could pay for youth cultural passes, a revived book bounty, or doubling the funding of Creative Australia, the Commonwealth’s flagship arts program.⁶⁵

Figure 13: Australian natural gas exports vs 25% gas export tax, \$AUD billion



Sources: Denniss and Saunders (2026) *We have already missed out on \$63.8 billion in taxes from gas exports*, <https://australiainstitute.org.au/report/we-have-already-missed-out-on-63-8-billion-in-taxes-from-gas-exports/>

Other funding solutions are similarly simple.

Prior to the 2025 Federal Election, The Australia Institute published a summary of tax reforms that would not only raise substantial revenue, but would make Australia a better, fairer place at the same time, summarised in Table 1 below:

⁶⁵ Predavec (2026) “Factcheck: It’s true. A 25% gas export tax could be a game-changer for the arts”, <https://thepoint.com.au/factchecks/260401-factcheck-its-true-a-25-gas-exports-tax-could-be-a-game-changer-for-the-arts>

Table 1: Other key federal revenue raising options

Recommendation	Revenue raised - Minimum	Revenue raised - Maximum	Other benefits
1. End fossil fuel subsidies	\$1.7bn	\$10.6bn	Reduce carbon emissions
2. Reform superannuation tax concessions	\$2.3bn	\$20.3bn	Reduce wealth inequality
3. Tax luxury yachts, plastic and tax avoidance.	Up to \$1.9bn		Increase road safety Increase fairness Reduce carbon emissions Reduce plastic waste
Total	\$5.9bn	\$32.8bn	A better Australia

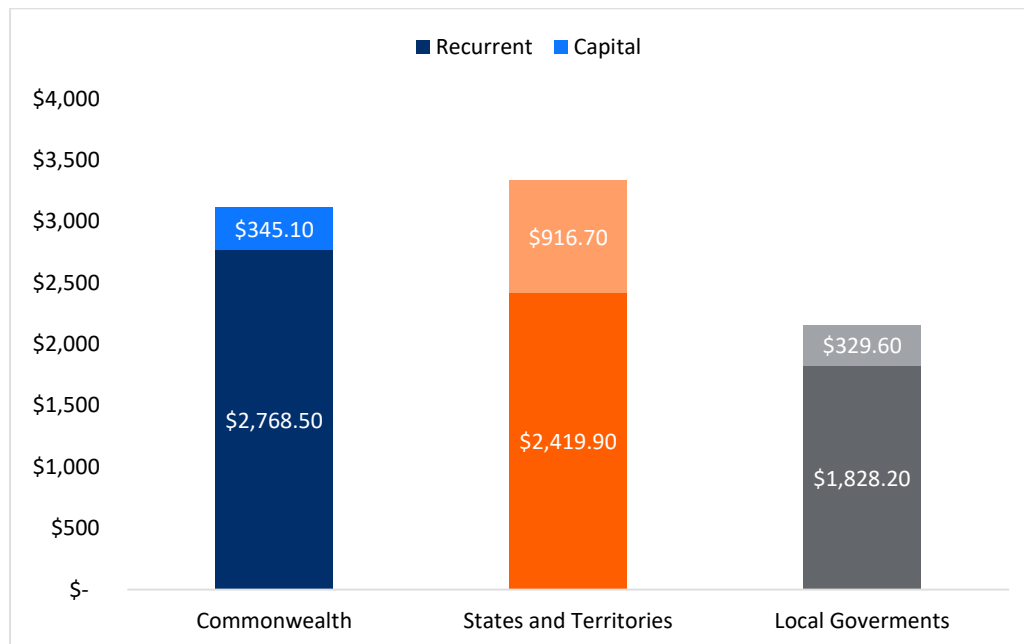
Source: Jericho (2025) *Raising revenue right: Better tax ideas for the 48th Parliament*

The proposals in Table 1 are not radical. They are already at the centre of policy debate at a federal level. Some are supported by current members of parliament, while others have been major party policy. They are well-known by policy practitioners and are popular with voters. The Federal Government could implement these revenue raising measures to assist cultural funding as well as a range of other service areas.

Reform GST fairly

State governments are critical for arts funding. As shown in Figure 14, state and territory governments spent a combined \$3.3 billion on arts and heritage in 2023-24, the latest data available.

Figure 14: Public arts funding in 2023-24, \$000's



Source: ABS (2025) "Cultural funding and participation – National Overview"

The Federal Government could make an enormous difference to the arts sector in Australia by increasing its spending on the arts, but states and territories also have a part to play. The Goods and Services Tax (GST) forms a critical part of state budgets, and reforming GST would enable states and territories to do more in many areas of the economy, including to revive the ailing arts sector.

GST is a tax of 10% on most goods and services sold in Australia. When it was introduced, the GST was earmarked as a revenue source for state governments,⁶⁶ which collectively provide over a third of public funding for the arts in Australia.⁶⁷ Revenue from the GST was supposed to grow over time, so that state and territory governments would have a reliable funding source. But it has failed to live up to that goal. The reality is that GST revenue has failed to keep up with national income (Gross Domestic Product), making it increasingly difficult for states to fund important services, including arts funding.

⁶⁶ Denniss (2025) *The huge cost to state budgets of failing GST*, <https://australiainstitute.org.au/post/the-huge-cost-to-state-budgets-of-failing-gst/>

⁶⁷ A New Approach (2019), p18, "The Big Picture: public expenditure on artistic, cultural and creative activity in Australia"

Recent Australia Institute research estimates that if GST revenue had grown at the same rate as Australia's overall economy, then the states would have received an additional \$231 billion in revenue over the 23 years from the introduction of the GST in 2000-01 to 2023-24. This includes \$22 billion in lost revenue in 2023-24 alone.⁶⁸

The anaemic growth of GST revenue in the last two decades has been caused, in large part, by rising inequality in Australia. Slow wage growth for low-income earners, coupled with rapidly rising rents, has constrained consumer spending in Australia and, inevitably, constrained the growth of GST. Similarly, the more rapid increase in the incomes of high-income Australians means that expenditure on GST-free items — like private school fees, private health insurance and overseas holidays — has grown, and this has also cut into the amount of GST revenue that could be provided to the states.

Broadening the GST to include private school fees and private health insurance would generate \$1.8 billion per year, overwhelmingly from high income households.⁶⁹ In contrast, any attempt to simply increase the GST rate above 10% would exacerbate the inequality already caused by the exclusion of so many goods and services preferred by the highest income households.

A simple solution to the impact of rising inequality on the decline in GST growth would be for the Commonwealth to collect new taxes to add to the pool of revenue the Commonwealth provides to the states. This could include new taxes on wealth, or a simple royalty on gas exports from commonwealth waters that are currently given away royalty-free.

⁶⁸ Denniss (2025) *The huge cost to state budgets of failing GST*

⁶⁹ Denniss (2025) *The huge cost to state budgets of failing GST*, p.16

Conclusion

Artists, authors, musicians and other creatives have a huge impact on Australian culture, how Australians see themselves, and how the world sees Australians.

But the sector is in crisis.

While arts and entertainment consistently made up over 2% of employment from 1985 to 2013, it now makes up only 1.6%. The arts and entertainment sector's employment has generally declined since 2010, meaning fewer creatives are producing art, media and culture for Australians to enjoy. Australia-wide employment returned to pre-COVID levels by the end of 2021. Employment in arts and entertainment has still not fully recovered.

Despite good intentions, the arts have not been revived since 2023.

All things being equal, a wealthy country such as Australia would be expected to spend more on arts and culture relative to income, and for employment in the arts to still be rising, as we explore in more detail later in this paper. However, Australian governments' arts funding in 2023-24, the latest available data, is at its lowest point in most of a decade (since 2017-18).

In real terms, the federal, state and territory governments spent \$551 million less in 2023-24 than in 2021-22. This is down from an already low base, making Australia out of step with other developed countries. Australian governments spend \$5 billion less on the arts than the OECD average.

The solution to this funding shortfall is not donations from wealthy benefactors. Philanthropy, which only provides around \$240 million to arts and culture organisations, cannot fill the gap left behind by dwindling government funding.

Policies such as youth culture passes are a relatively inexpensive and direct way for the Federal Government to provide urgently needed support to the arts industry. Policies such as a revived book bounty, or tax-free arts prizes and grants, would also make a significant contribution.

One way to pay for these policies is to implement a 25% tax on gas exports, which would have raised over \$17 billion each year on average since 2022. Even a fraction of the revenue raised could pay for any of the options outlined in this submission.

Australia's arts and culture cannot be produced overseas and can't be moved offshore. It can only be made in Australia. Without a thriving arts sector, it will not be made anywhere.