

The Balnaves Foundation Submission: Towards a New National Cultural Policy - May 2026



The Balnaves Foundation is a private philanthropic organisation established in 2006 by Neil Balnaves AO. Since its inception, the Foundation's areas of focus have been arts, health and education, with a particular commitment to initiatives that benefit young people, First Nations peoples, and those facing disadvantage. The Foundation has contributed \$32.5 million to arts and cultural initiatives over the past 20 years, guided by the principle that access to the arts from an early age is a fundamental right for all Australians.

The Foundation welcomes this consultation and commends the achievements of *Revive: A Place For Every Story, A Story For Every Place* as a meaningful first step in repositioning arts and culture at the centre of Australian life. However, the next National Cultural Policy must go further. While directing funding toward areas of greatest need is essential, the more urgent challenge is growing the total pool of resources available to the arts, across government investment, philanthropy and commercial income. The sector requires significantly more funding overall and expanding that base should be a central ambition of the next policy.

The Foundation submits that the next National Cultural Policy must:

- enshrine the right to quality arts education for children,
- support organisations to build their own financial resilience, and secure sustainable long-term funding, and
- develop the pipeline of artists and arts audiences that will define Australia's cultural life for generations to come.

The arts sector plays a fundamental role in society: enabling the sharing of history and culture, fostering creativity and innovation, driving the creative economy, and supporting community wellbeing and resilience. Investment in the arts is investment in the creative workforce, in community connection, and in Australia's cultural standing in the world. Yet public confidence in the value of arts is difficult to build when government policy does not adequately reflect this. Continued reductions in arts funding send a clear signal to organisations, artists and the broader public that the sector is not a government priority. Perhaps the greatest risk to the arts is when governments publicly and visibly withdraw their support, treating arts funding as a public battleground rather than a public good.

When this happens, it signals to the broader community that arts are discretionary, divisive or undeserving of serious investment, normalising undervaluation, disincentivising participation, and undermining the true purpose of the arts: exploration, creativity, and the freedom to challenge, provoke and expand how we see the world. The next National Cultural Policy must include a clear, public-facing commitment to the value of arts to Australian society, not only through funding decisions, but through the language, framing and priorities of government itself.

1. Sustainable, Long-Term Government Investment

Pillars addressed: Strong Cultural Infrastructure · Centrality of the Artist · A Place for Every Story

The arts and cultural sector cannot thrive on uncertain, short-cycle funding. Yet this is precisely the environment many organisations navigate year to year. The Australia Institute's 2026 submission to the Commonwealth Inquiry into arts and cultural philanthropy, confirms that government arts funding, in real terms, has not kept pace with Australia's economic growth and remains significantly below the OECD average. To reach the OECD average, governments would need to increase funding by over \$5 billion per year.

The arts are also a significant economic contributor. In 2023–24, the cultural and creative sector contributed \$67.4 billion to Australia's economy, 2.5% of GDP and a 6.6% increase from the prior year, comparable to the Rental, Hiring and Real Estate Services industry. The creative sector has a comparable number of employees as the Resources Sector, Finance Sector, and Coal Mining. Underinvestment in this sector is not prudent fiscal management.

The recent case of the Australian Design Centre (ADC) in New South Wales illustrates the true cost of funding instability. Having received core operational funding for over twenty years, the ADC was transitioned, without notice, to competitive grant rounds at both Federal and State funding levels, in which it was unsuccessful. Both Creative Australia and Create NSW declined to continue multi-year funding at the level required for the ADC's operational sustainability. A Portfolio Committee report from April 2026 found that the current NSW arts funding framework is actively "undermining the capacity and sustainability" of small-to-medium arts organisations. This is not an isolated case; it is symptomatic of a structural problem. While funding decisions are difficult and resources are finite, there is an opportunity to establish clearer structures around funding transitions, including longer notice periods, dedicated transition support and stronger collaboration between federal, state and territory funding bodies.

However, the Foundation submits that sustainable funding for the arts cannot rest on government grants alone. The next National Cultural Policy must reflect a fundamental shift in how government thinks about its role: not simply as the primary funder of the sector, but as an active enabler of financial resilience across the whole ecosystem. This means investing in the conditions that allow arts organisations to diversify their income, build long-term financial strength, and reduce structural dependence on grant cycles. The goal is a sector that is both adequately publicly funded and genuinely financially sustainable; these are not competing objectives, but complementary ones.

This requires action across several interconnected areas.

Government must invest in the fundraising and development capacity of arts organisations, particularly small and medium ones. Many lack the staff or expertise to attract private income, not because donors are unwilling, but because the organisations do not have the

internal capability to build and steward those relationships. Targeted capacity-building funding, to employ and train development professionals, and to access practical guidance on grant-writing and donor engagement, would meaningfully reduce long-term grant dependence and strengthen the sector's financial base.

Matched funding programs such as Plus1, MATCH Lab and ACF Boost have demonstrated that government can effectively leverage private investment. Every dollar of public money committed through these programs attracts additional private funding that would not otherwise reach the sector. These programs should be expanded significantly, and access to Deductible Gift Recipient (DGR) status should be extended to a broader range of arts organisations, making it easier for individuals and businesses to direct philanthropic support to the arts and for organisations to make a credible case to donors.

Alongside this the Government should play a role in providing access to business development expertise, shared services and commercial guidance that many smaller organisations cannot afford independently. Arts organisations need support to develop earned income alongside their artistic programs, including licensing, merchandising, venue hire, education programs and other commercial activities.

Beyond annual income, the sector needs capital. Many arts organisations operate without reserves, meaning any disruption, a funding cut, a difficult season, an unexpected cost can become an existential crisis. Government should explore co-investment in organisational endowments and long-term capital funds, providing a financial buffer that allows organisations to plan, take creative risks, and weather uncertainty without constant recourse to emergency funding. Philanthropic partners, including private foundations, are natural co-investors in this kind of long-term capital building, and a policy framework that encourages this partnership would significantly strengthen sectoral resilience.

Taken together, these measures represent a shift from a grant-dependency model to a mixed-income model, one in which government funding provides a stable foundation, but organisations are actively supported to build the financial strength to complement government support and increase resilience.

Recommendations:

- Commit to a sustained, real-terms increase in Federal arts funding, with a public target to reach the OECD average within a defined timeframe.
- Extend multi-year funding terms across all arts and cultural grants, not only to major institutions. Creative Australia's Four Year Investment program, which allows applications in 2026 for funding commencing in 2029, provides a functional model that should be adopted more broadly.
- Establish a coordinated Federal–State–Territory funding framework with mandatory transition periods and planning support to prevent organisations falling through funding gaps.

- Ensure that no organisation that has received sustained government support is defunded without adequate notice and a transition plan.
- Invest in fundraising and development capacity-building for small and medium arts organisations, including funding for development staff, grant-writing guidance and donor engagement training.
- Expand matched funding programs (Plus1, MATCH Lab, ACF Boost) and broaden access to DGR status for arts organisations, making it easier to attract and retain private philanthropic support.
- Support arts organisations to develop earned income streams through access to business development expertise, commercial guidance and shared services.
- Explore government co-investment in organisational endowments and long-term capital funds, in partnership with private philanthropic organisations, to build financial resilience across the sector.

2. Access to the Arts as a Universal Right

Pillars addressed: A Place for Every Story · Engaging the Audience · First Nations First

Between 97–98% of Australians engage with arts and culture in their daily lives (Creative Australia, National Arts Participation Survey, 2022). Participation in the arts is linked to stronger communities, better mental health, higher civic trust and greater social cohesion, yet access remains deeply unequal. Australians in regional areas, low-socioeconomic communities, and those living with disability face persistent barriers to participation, both as audiences and as creators.

The arts are among the most powerful tools available for building social connection and community. Arts and cultural pursuits provide a space to socialise, to meet people from a wide variety of backgrounds, and to build the bonds that hold communities together. This happens across all generations and all walks of life, from community theatre and local choirs to paint and sip evenings, knitting circles and writing groups. Creative Australia's Creating Wellbeing research (2023) shows that people experiencing lower levels of happiness are more likely to turn to arts participation to connect socially with others, and that one in five Australians engage in the arts for health and wellbeing reasons. People with a chronic illness and/or disability are particularly likely to seek these benefits.

Craft is a particularly accessible entry point to arts participation, yet it is often overlooked in policy. It is how many young children first engage with creativity, through craft-based activities in early childhood settings that build fine motor skills and teach social skills such as sharing and communication. It sustains community networks among older Australians, with research in Victoria, *Crafting Communities: Promoting Inclusion, Empowerment and Learning between Older Women* (2010), showing that crafting became a gateway to sustained community participation for older women, leading to social network building, community fundraising and knowledge sharing. The loss of the Australian Design Centre as a

major organisation supporting craft in New South Wales places precisely these kinds of community networks at risk. Arts are not a luxury for those who can afford them, they are a resource that must be equitably distributed, and policy must reflect the full breadth of how Australians actually engage with them.

First Nations arts and cultures represent Australia's oldest and most enduring cultural heritage. Any National Cultural Policy must ensure that First Nations peoples retain genuine autonomy over their cultural expression, that First Nations arts are resourced and protected as a national priority, and that cultural rights, including the right to determine how stories and cultural knowledge are shared, are recognised and upheld in policy.

Recommendations:

- Enshrine access to arts and culture as a national priority in the policy framework, with explicit commitments to equity of access regardless of postcode, income or ability in recognition that participation in the arts is for the greater social good.
- Prioritise investment in community arts organisations, regional touring, and place-based programs that bring arts to underserved communities, not only to metropolitan centres.
- Ensure First Nations Arts retains dedicated, autonomous funding and decision-making authority within Creative Australia, with expanded support for language, cultural heritage and community-controlled arts practice.
- Increase investment in programs supporting access for people with disability, building on the Equity: The Arts and Disability Plan 2022–2026.

3. Arts Education: A Mandatory Foundation

Pillars addressed: Centrality of the Artist · A Place for Every Story · Strong Cultural Infrastructure

The next National Cultural Policy must take an unambiguous position: quality arts education is not optional. It is foundational. The pathway to a thriving cultural sector begins in the classroom and that pathway is under serious and growing pressure.

The Foundation's position aligns with the recommendations of *Music Education: Right from the Start*, which draws on extensive research into music education in Australia to make a compelling case for greater investment in specialist music education from the earliest years of schooling. The Foundation supports the intent and ambition of *Music Education: Right from the Start* and endorses their submission to this consultation. However, we submit that its principles must be extended beyond music to all five arts education disciplines, Dance, Drama, Media Arts, Music and Visual Arts. Every child deserves access to the full breadth of arts education.

Research published in the Australian Journal of Education in January 2026, 'The Polycrisis for Arts and Creative Education in Australia', documents the scale of the crisis: Year 11 and 12 enrolments in arts subjects declined 21% between 2015 and 2023. Between 2018 and 2023, creative arts enrolments declined at 30 of the 46 Australian universities surveyed, and 48 creative arts degrees were discontinued. The authors warn that Australia is heading toward becoming an "artless country" with a significant decline in its capacity to sustain a creative and cultural workforce.

This decline is not matched by equivalent policy action. The Commonwealth has invested \$75.6 million into STEM education initiatives to address a comparable enrolment shortfall, yet no equivalent investment exists for the arts. This disparity is not justified by the evidence. Research by A New Approach (2020) demonstrates that arts and cultural education builds transferable skills across mathematics, reading and science, while improving self-discipline, social skills, motivation, self-esteem and life satisfaction.

The Job-Ready Graduates (JRG) scheme compounds this problem. The Australian Universities Accord's 2024 final report found that only 1.5% of students were influenced by the JRG scheme to change their degree to one supported by the scheme, while those continuing in humanities and arts faced a 113% rise in student contributions. Research by Innovative Research Universities (2026) confirms that JRG changes disproportionately affected students from low socioeconomic backgrounds, with low-SES commencements in humanities, commerce and law declining 19.7% between 2020 and 2024. A career in the arts is becoming a privilege of the already-privileged, and this must change.

Recommendations:

- Enshrine arts education as mandatory across all year levels from primary through to the end of secondary school, covering all arts disciplines in the Australian Curriculum.
- Establish a national standard for quality arts education, accompanied by targeted investment in specialist arts teachers, consistent national data collection, and a formal reporting framework to track progress over time.
- Fund specialist arts practitioners to work in schools, particularly in primary schools and in regional and lower-socioeconomic areas. This will provide students with direct access to cultural sector expertise and creates a consistent income pathway for working artists, a model already demonstrated under *Revive's* in-school arts education programs.
- Urgently address the structural barriers posed by the Job-Ready Graduates scheme to ensure a tertiary career in the arts is accessible to all young Australians, regardless of socioeconomic background. Rebalancing student contribution rates for creative arts disciplines should be a priority of the next policy.
- Align the Arts and Education portfolios with a shared framework and joint reporting obligations, ending the current disconnect between arts ministers and education ministers that allows arts education policy to fall between portfolios.

4. Building the Pipeline: Next-Generation Artists and Audiences

Pillars addressed: Centrality of the Artist · Engaging the Audience · A Place for Every Story

A sustainable cultural sector requires sustained investment in both those who create and those who engage. These are two sides of the same pipeline, and both are weakening.

Young Australians are engaging with culture in new ways, increasingly as creators as well as audiences, using digital tools to collaborate and share work globally. Yet the formal pathways into arts careers, through education, training and early-career support are narrowing precisely as demand for creative skills grows. The talent driving Australia's largest creative industries, from advertising and publishing to film, television and architecture, has overwhelmingly emerged from the broader arts ecosystem. To underinvest in community arts, emerging artists and arts education is to hollow out the pipeline that feeds the entire creative economy.

Audience development is equally critical and often overlooked in policy settings. Engaging young Australians as audiences, particularly through schools and community organisations builds the cultural participation habits that will sustain the sector for generations to come. Access to live performance, galleries, museums and community arts programs from an early age creates lifelong engagement.

Recommendations:

- Invest in dedicated early-career artist development programs that provide pathways from education into professional practice, including residencies, mentorship, and first-commission opportunities.
- Expand school-based audience development programs, including subsidised access to live performance, exhibitions and cultural institutions, ensuring that students in regional and lower-SES communities have the same access as those in major cities.
- Support digital platforms and infrastructure that enable Australian artists to reach domestic and international audiences, while ensuring fair remuneration and protection of creative rights in the digital environment.
- Fund longitudinal research into arts participation trends, with particular attention to pipeline health, tracking entry into arts education, progression to professional practice, and audience participation by demographic and geography.

5. Support for Small to Medium Arts Organisations

Pillars addressed: Strong Cultural Infrastructure · Centrality of the Artist · A Place for Every Story

Small to medium arts organisations are the connective tissue of Australia's cultural sector. They are where most artists begin their professional lives, where communities connect with culture locally, and where the creative risk-taking happens that feeds the broader ecosystem.

They are also the organisations most likely to be led by and to serve communities that are underrepresented in larger institutions, First Nations communities, regional communities, communities defined by cultural background, disability or disadvantage. Yet they are consistently the most vulnerable when funding is cut, the least resourced to navigate complex grant processes, and the last to benefit when investment is restored.

This is not simply a funding quantum problem; it is a structural one. Unlike major institutions, small and medium organisations rarely have the reserves, the development staff, or the governance capacity to absorb funding uncertainty. A single unsuccessful grant round can threaten an organisation's existence. This fragility is not inevitable; it is a policy choice, and it can be addressed through policy. The recommendations in Section 1 regarding multi-year funding, capacity building and financial resilience apply with particular force here. But small and medium organisations also need targeted recognition in the policy framework, not as a residual category after major institutions are funded, but as a deliberate investment priority in their own right.

Recommendations:

- Extend multi-year core operational funding to small and medium arts organisations, not only to major institutions. Funding certainty is not a luxury; it is a precondition for organisational sustainability.
- Provide capacity-building funding specifically designed to help small and medium organisations develop fundraising, development and governance capability, reducing long-term dependence on government grants.
- Ensure grant information and application guidance is continuously improved to meet the needs of smaller organisations, providing practical, plain-language resources that make government and private funding genuinely accessible regardless of an organisation's administrative capacity.
- Guarantee that transitions away from core operational funding, when they must occur, are managed transparently and with adequate notice periods. The ADC case must not be repeated.

In Summation

The Balnaves Foundation urges the Government to use this policy moment to make a bold and lasting commitment to Australia's cultural life. The next National Cultural Policy must move beyond aspiration and deliver structural change: mandatory arts education, long-term sustainable funding, genuine equity of access, and a coherent pipeline from early childhood arts engagement through to professional practice.

The sector requires significantly more funding overall. While how that funding is directed matters, the more urgent challenge is growing the total pool of resources available to the

arts, across government investment, philanthropy and commercial income. Expanding that base must be a central ambition of the next policy.

The arts are not peripheral to Australia's future. They are central to our economy, our identity, our wellbeing, and our cohesion as a society. The evidence is unambiguous and the moment to act is now.

The Balnaves Foundation is pleased to provide further information or to participate in any consultative process associated with the development of the next National Cultural Policy.