Becoming a cultural powerhouse

Submission to National Cultural Policy consultation 2022

A New Approach (ANA)
About A New Approach (ANA)

About ANA

A New Approach (ANA), Australia's leading arts and culture think tank, has shown through independent research and analysis, that Australians from every walk of life participate in and benefit from arts, culture and creativity.

ANA's staff, board, expert advisory group and philanthropic partners are driven by a shared vision of a cultural life that emboldens Australia.

ANA's work informs discussion, shifts beliefs, inspires public policy and brings together decision makers and industry leaders around evidence-led ideas and pathways for pragmatic action.

ANA acknowledges the cultures of Aboriginal and Torres Strait Islander peoples in Australia and their continuing cultural and creative practices in this land.

ANA Board


ANA Reference Group

Genevieve Lacey (Chair), Ben Au, Jane Curry, Professor John Daley AM, Damien Miller, Rupert Myer AO, Alison Page, Laura Tingle and Dr Mathew Trinca AM.

ANA Philanthropic Partners

ANA is supported by a unique collaboration of 11 philanthropic organisations across the country. The Myer Foundation; Sidney Myer Fund; Tim Fairfax Family Foundation; The Ian Potter Foundation; Neilson Foundation; Minderoo Foundation; Besen Family Foundation; Spinifex Trust; The Keir Foundation; Aranday Foundation; and The Yulgilbar Foundation.

This submission has been prepared by ANA and the opinions expressed do not necessarily represent the views of ANA's funding partners, or advisory groups, or others who have provided input.

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Australia should be a cultural powerhouse

- We are home to the world’s oldest living cultures.
- We have globally high rates of cultural attendance and direct creative participation is growing, especially amongst young people.¹
- We have a rich cultural inheritance in our institutions and legal protections of both copyright and freedom of expression.
- We have residents from every nation on earth, and Australia is the first English-speaking country in the world to be a migrant-majority nation.
- We are strategically positioned in the global south with dynamic relationships across the Asia-Pacific region as well as strong ties to the northern hemisphere centres of Europe, the United Kingdom and the United States.
- Our creative professionals, from performers and event designers to musicians and painters, are renowned across the world and are a source of pride for Australians and the nation.
- Our training institutions attract and grow world-leading talent.

Australia should be a cultural powerhouse, but we have not yet reached our potential

- We have the world’s biggest creative trade deficit per capita.²
- Our audiences and creators have been living with disjointed policy settings that don’t harness the diverse personal, cultural and social benefits of creative participation.
- We have an outdated approach to cultural and creative industries that treats them as ‘nice to have’ outliers rather than mainstream contributors to employment, skills, innovation, productivity and economic activity.
- Despite the prodigious talent and achievements of our creative cohort, as a nation we don’t have an ingrained self-belief in our cultural relevance or international significance.
- Our digital infrastructure and skills depth for the creative industries is underdeveloped.
- Our cultural and creative industries have been significantly disrupted by the COVID-19 pandemic.³

Australia can become a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential.
Becoming a cultural powerhouse has economic benefits

In making this submission, ANA recognises the critical pressure on Australia with regard to productivity, employment, skilled migration and the need to evolve our economy for the 21st century, including harnessing the opportunities of the digital economy, the care economy and broader innovation. ANA also recognises the Australian Government cannot address these pressures alone. This submission is therefore focused on the development of the National Cultural Policy (NCP) and the five key elements for implementation that, through a whole of government lens, can play its part in addressing these critical pressures, in partnership with the public, private, philanthropic and non-government sectors.

This submission is underpinned by the understanding that:

- Employment in creative services highly correlates with increased productivity.4
- Creative capability is demonstrably the driving force behind innovation-driven, economically-diversified economies.5
- ‘Cultural and creative employment account for up to 1 in 20 jobs in some OECD countries, and up to 1 in 10 jobs in major cities.’ These jobs are described as “future proof”, with only 10% at high risk of automation vs. 14% in the general workforce.6
- Pre-pandemic, jobs in creative occupations and industries were growing at nearly twice the rate of the Australian workforce.7
- The cultural and creative economy contributed $115.8 billion to the Australian economy (6.0% of GDP) in 2018–198 and employed more than 850,000 people in 2016 (8.1% of the total workforce).9
- Cultural tourism and meeting the international demand for higher education in creative skills both help position Australia as a desirable destination for skilled migration, as does the export of unique Australian cultural experiences, services and products.10
- Australia has one of the biggest creative trade deficits in the world, and the highest per capita.11
- Middle Australians12 believe cultural participation creates ‘agile, skilled, inclusive and resilient’ people and communities and helps us connect across generations, cultures, geographies and viewpoints.13

Australian governments are spending significantly less on culture compared to OECD peers, with substantive research in 2022 showing Australia was ranked number 23 out of the 34 OECD countries for cultural expenditure by governments.15 In this context it is ANA’s view that the NCP should include commitments to:

- Be deliberate in harnessing the potential of Australia’s cultural and creative industries to increase productivity, innovation, skilled migration and employment and participation.
- Design and implement mechanisms to boost cultural expenditure by governments as a percentage of GDP to at least the OECD average within the next decade.
- Include in forward estimates a funding envelope to support delivery of a plan to establish an infrastructure and workforce development pipeline (specifying short, medium, and longer-term goals and minimum required investment over multiple decades).
A country transformed by culture and creativity

A NCP that is strategic, non-partisan, collaborative, action-focused and informed by evidence is the step change Australia needs to secure the full personal, social, cultural, economic and international benefits of strong participation and a dynamic industry.

ANA welcomes the development of a NCP and an opportunity to make a submission to this process. This submission outlines how the NCP can help position Australian creativity and culture as desirable, influential and compelling.

Research shows that arts, culture and creativity can enrich our lives, ignite our economy and unite our nation. In addition to securing our cultural heritage and creative expression, an effective NCP is essential for civic participation, economic opportunity, and social connection. Like sport, this is a complex, highly diverse sector that exists across the whole country and where all forms of arts and culture (commercial, elite, popular, and community) are underpinned by the power of participation.

The community already understands that culture and creativity have a binding effect in the face of disruption and dislocation. The NCP has a role to play through public diplomacy in an increasingly turbulent world as well as in the wellbeing of our citizens, empowerment of First Nations people, and protecting our cultural integrity. It must encompass our regions and cities, our audiences and artistic talent, and grow our pride as a nation.

This submission includes:

- A vision of success
- Five key elements that should be included in the NCP
- Seven principles which should underpin the NCP
- Four cross-portfolio opportunities to be pursued in the first year of the NCP
- Four supported actions that can happen now

It also includes brief comments on the five pillars that were released for discussion.
What would success look like?

By 2035 Australia is a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential.

Australia will:

- Be known around the world as a culturally confident nation that is proudly diverse, ambitiously creative and globally relevant.
- Be a place where creativity thrives, in its fullest expression and cultural participation is a celebrated part of what it means to be Australian.
- Be home to a $200B industry that produces compelling experiences and products and employs one million people.
- Increase our exports of cultural goods and services, reducing our creative trade deficit.
- Position investment in arts and culture as investment in our communities and our nation, increasing our cultural funding to the OECD average.
- Foster a pro-culture legislative, regulatory and leadership environment and facilitate a sector that is more able to invest in its own future success.
### 2035 Vision

Australia is a cultural powerhouse whose compelling creativity is locally loved, nationally valued and globally influential.

### Strategic Priorities

| Celebrating First Nations culture and creativity | Creativity and culture for all Australians | Transforming our cultural and creative industries for productivity and relevance | Purposeful cross-portfolio and cross-government policy and investment | Facilitate increase in export of our cultural products and services |

### Target

| Uluru Statement from the Heart recommendations progressed | Cultural content, a sector and audiences that reflect Australia now, in full | $200B industry employing one million people | Cultural funding by governments is increased to the OECD average | Public diplomacy that reflects contemporary Australian culture |

### Outcomes

| A culturally confident nation | Creativity that is locally loved, nationally valued and globally influential | Productivity increased; creative trade deficit reduced. | Improved wellbeing, health and skills | Improved global standing |
Five key elements the NCP should include

The purpose of the NCP is “to establish a comprehensive roadmap to guide the skills and resources required to transform and safeguard a diverse, vibrant and sustainable arts, entertainment and cultural sector now and into the future.” To deliver this roadmap the NCP should include, or commit to developing, five key elements:

**Multi-decadal plan**
A plan identifying short, medium, and longer-term goals and minimum required investment for the pipeline for infrastructure, workforce and development.

**Partnership framework**
A framework elevating collaboration as a competitive advantage, describing existing inter-governmental arrangements and the potential for new agreements and/or accords and outlining the desired relationships with different agencies, portfolios, industry operators, philanthropic entities and investors that are required for success.

**Environmental scan**
A scan that provides current insight and builds shared understanding of the current and future context including the increased recognition of First Nations people; uptake of digital experience; the COVID-19 pandemic; skills and workforce development; climate change, economic disruptions and regional security.

**Annual Culture Summit**
This provides ongoing refinement and renewal of the plan, the framework and environment scan. Modelled on the Edinburgh International Culture Summit, and build on the AUS|UK Cultural Leadership Dialogues in 2022.

**Clear definition**
A clear definition for arts, culture and creativity that is accessible, inclusive, contemporary and globally consistent that makes the scope and relevance of the NCP visible, while recognising that different definitions will be appropriate for different policy contexts.
Seven key principles that should guide the NCP

The NCP should be guided by seven top-level principles:

- Demonstrate the **benefits to the public** broadly, not a narrow industry-only policy.
- Pursue a **cross-portfolio** approach that is evidence-based and impact-focused.
- Lead with a **non-partisan** mindset that honours culture as a shared inheritance and ongoing, collaborative and diverse endeavour.
- Take an **industry transformation** approach that positions collaboration and cross-pollination as a competitive advantage.
- Exhibit an **investment-ethos**, harnessing innovative approaches alongside more effective, purposeful use of public and private investment and philanthropic support.
- Create a **pro-culture** regulatory, legislative and leadership environment.
- Ongoing evaluation and refinement that is **responsive to change** and **informed by data**.\(^{20}\)

What should a NCP achieve?

The outcomes of the NCP should be:

- Enhanced nation-wide access to diverse cultural and creative experiences that are relevant and significant to all Australians, regardless of who they are or where they live.
- A safe, productive industry that produces compelling and ambitious experiences and products that are locally loved, nationally valued and globally influential.
- An environment set up for success, including sustainable pathways for diverse institutions, organisations and individuals.
- Coherent public policy settings across portfolios and governments informing effective, for-purpose investment that delivers public and private value and fosters future innovation, opportunities and industry growth.
- More effective collaboration between creators, businesses, not-for-profits, institutions, philanthropic organisations, training providers and governments.
- Greater cross-sector workforce mobility, fit-for-purpose training, improved productivity and digital-economy capability.
- Public leadership that celebrates Australia as a culturally confident nation with high rates of attendance and participation, abandoning outdated narratives of ‘cultural cringe’ or ‘Australia has no culture’.
Four cross-portfolio opportunities to be pursued in the first year of the NCP

The NCP is an important step toward Australia achieving its potential. In 2023, the first year the NCP will be in place, ANA recommends exploratory public policy work in the following areas to inform the ongoing refinement and implementation of the NCP, particularly as it relates to policy outside the Arts portfolio.

**Innovative and diversified investment and income generation**

Alongside the need to ensure government financial inflows are well targeted and effective for their intended impact, there is potential opportunity to remove barriers or provide incentives and opportunities for other forms of financial inflows, including commercial and philanthropic. As corporate and philanthropic gifting becomes more complex, this should be an area of priority investigation in the first year of the NCP. We note in particular the excellent submission by Philanthropy Australia in relation to measures that would support philanthropic activity.

ANA is currently reviewing existing international and domestic models for innovative self-fulfilling income-generation models that are emerging in the new digital, global environment. Preliminary opportunities identified that merit further exploration (which we are undertaking) include:

- While non-exhaustive, the widely used structures of beneficiary schemes funded by large volumes of broadly applied micro-payments seem a fruitful focus.
- Examples of the same include the Lifetime Care and Support Scheme in NSW\(^{21}\), for which relatively recent experience of operating from start up is available.
- Depending on the mechanism, a meaningful corpus of funds can be accumulated in a short time period. Funds would be directed both directly to cultural activity, in the short term; and indirectly, into a corpus or insurance fund type structure where the fund’s investment earnings are directed to cultural activity.

As an action in support of the NCP, we suggest the Australian Government establish a cross-sectoral working group (cultural and non-cultural sectors) to present options for consideration.

**Supporting creativity as a core skill for our young people**

Sentiment research with middle Australians highlights equitable access to arts and cultural experiences and learning for all Australian children is a common aspiration.\(^{22}\) The current Australian Curriculum is “designed to help all young Australians to become successful learners, confident and creative individuals, and active and informed citizens.”

- Investigate options to ensure all primary and secondary students to learn creativity as a key skill in school, taught by specialist teachers, up to year 11
- Assess whether students have equitable regular access to state/territory and national cultural institutions and experiences, and to Australia’s national collection (as held across the collecting institutions).\(^{23}\)
Addressing our per capita creative trade deficit

Our creative trade deficit comprises a complex mix of goods and services. Addressing this requires detailed investigation if it is to be addressed in a meaningful and sustainable way

- Secure updated analysis of the current balance of trade for creative goods and services (noting the most recent international analysis is from 2015).
- Work with Austrade to identify areas of potential opportunity and advantage.
- ANA is in early discussions to develop a Culture Index that would assist in understanding some of the drivers for addressing this deficit.

Establishing an effective mechanism to drive cross-portfolio opportunities

Create accountable and innovative interdepartmental cooperation that harnesses the proven benefits of arts and cultural participation across health; education; economic participation and productivity; social inclusion and cohesion; cultural diplomacy; and innovation. Potential pathways include:

- Appointing a Cultural Commissioner (or Chief Cultural Officer) to champion the cross-portfolio elements of the NCP, and to provide public leadership that elevates creativity and culture as core values of our nation.
- Reviewing the functions of existing government entities who could be resourced to pursue this
Four agreed actions that the NCP should deliver

The following actions recommended by the bipartisan report of the 2021 Parliamentary Inquiry into Creative and Cultural Institutions should be progressed as a priority in the NCP.

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<th>Parliamentary Inquiry Recommendation</th>
<th>Comment</th>
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<td>The Commonwealth Government develop a National Cultural Plan to assess the medium and long term needs of the sector. (1.24)</td>
<td>Should be addressed through the multi-decadal plan referred to under Key Elements</td>
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<td>The Commonwealth Government direct the Productivity Commission to inquire into the legislative arrangements which govern funding of artistic programs and activities at all levels of government. The Productivity Commission should consider barriers and opportunities for artistic programs to be established at the different levels of government. (1.26)</td>
<td>Should include a focus on the long term sustainability of the federal Arts Portfolio Agencies and other federal government entities with a significant cultural role. It should take a broad approach towards understanding the source and intended purpose of this investment, including the expected cultural, social and economic benefits from this investment. Noting expenditure is only one of the policy levers available to governments it could also consider if Australia has a fit-for-purpose legislative, regulatory, tax incentive and investment environment.</td>
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<td>The Commonwealth Government provides additional funding to the Australian Bureau of Statistics to produce the Cultural and Creative Satellite Accounts annually, gather and publish data on levels and type of employment, trends, revenue, geographic trends across the creative and cultural industries. (6.82)</td>
<td>This provides important basic data, and should be prioritised alongside reinstating an annual Cultural Funding by Government Survey.</td>
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<td>The Committee recommends the Australian Bureau of Statistics add questions to the Census which better account for the professions of those working in gig economies, and across the creative and cultural industries with recognition of paid and unpaid work. (6.83)</td>
<td>This will provide important contemporary workforce data</td>
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Recommendations 6.82 and 6.83 should be progressed alongside reinstating the annual Cultural Funding by Government Survey. Ideally this would sit within a specialist team within the ABS, who are able to both produce core data series as well identify ways to link this area of activity to broader areas of inquiry (eg. productivity, wellbeing, education).

The other recommendations included in the Parliamentary Inquiry report should be reviewed to identify which are still outstanding (a number have already commenced). These which are not underway should be reviewed during the development of the NCP.
Comments on the five pillars

First Nations
Recognising and respecting the crucial place of these stories at the centre of our arts and culture.

Opportunities
• Globally-unique cultures, creative expression, artistic and cultural experiences, services and products
• Creative and cultural expression building social inclusion, cohesion and belonging and provide valued pathways for economic and social participation

Challenges
• Unfinished business (Uluru Statement from the Heart) compromises our cultural leadership position internationally and at home
• Existing copyright protections ineffective in protecting First Nations’ shared cultural knowledge

Actions
• Implement recommendations of Uluru Statement from the Heart
• Implement recommendations of the 2022 Productivity Commission Inquiry into Aboriginal and Torres Strait Islander Visual Arts and Crafts
• Prioritise cross-portfolio investment in First Nations’ art centres, recognising their cultural purposes alongside economic and social development functions

A Place for Every Story
Reflecting the diversity of our stories and the contribution of all Australians as the creators of culture.

Opportunities
• Middle Australians believe arts and culture plays a critical role bringing people together, particularly across generations and different cultural backgrounds
• Investment in arts and culture is valued as investment in communities
• Strong evidence that arts and culture participation increases social cohesion and inclusion; community belonging, and reduces anti-social behaviours

Challenges
• Australia’s cultural and creative industries do not reflect contemporary Australian demographics in either workforce or content
• Lack of inclusion and equal opportunity for access to education, participation and creation opportunities in arts, cultural and creative activity

Actions
• Ensure equitable investment in outer suburban and regional locations, and to under-served communities
• Prioritise funding mechanisms that are reflective of, and accountable to, the communities that these investments serve
• Set national standards for security and insurance requirements for cultural events that are proportionate to risk and in line with other areas (eg. sports carnivals)
Comments on the five pillars (continued)

The Centrality of the Artist
Supporting the artist as a worker and celebrating their role as the creators of culture

Opportunities
• Australia has a strong history of quality training and industry development, which is reflected in the local, national and global success of our creators
• Australia has had good protection for copyright, freedom of expression and a legal system that can uphold these protections

Challenges
• Copyright protections, royalties and IP-based income mechanisms not keeping up with digital transformations
• Limited pipeline approach to skills, training, pathways and product development and industrial barriers to movement of specialist and technical staff between projects/productions

Actions
• Review legislative and regulatory arrangements for copyright, royalties and other income-generation mechanisms
• Expand income smoothing arrangements for a broader range of roles in cultural and creative industries
• Support equitable pathways (formal and informal) and facilitate transferability of skills and expertise between different cultural and creative industries

Strong Institutions
Providing support across the spectrum of institutions which sustain our arts and culture.

Opportunities
• A rich and diverse cultural inheritance of cultural institutions of varied scale and scope, both public and private
• Digital infrastructure (eg. Trove) that facilitates broad access and that can form the basis of ambitious next generation digitisation, collecting contemporary digital content and expanding access

Challenges
• Limited integration between public institutions across all levels of government
• Limited cross-portfolio understanding of the relevance and impact of institutions
• Funding mechanisms are outdated, not impact-focused and routinely included application and reporting processes that are disproportionately onerous

Actions
• Recovery investment to cultural institutions to address the impact from Black Summer 2019-20 bushfires, 2021-2022 floods and ongoing COVID-19 disruptions
• International institutional partnerships that can enable global collaboration and deeper cross-cultural participation to reflect Australia’s multicultural demographics
• Within public institutions, incentives to facilitate and reward innovation in audience engagement, resourcing-sharing and co-investment
• Application and reporting requirements in line with these required in other portfolio areas, proportionate to scale, scope, benefit and risk
Comments on the five pillars (continued)

Reaching the Audience
Ensuring our stories reach the right people at home and abroad.

Opportunities
• Current high levels of cultural engagement and participation
• An identity that creates competitiveness on a global stage
• Creation and export of high-quality cultural products and experiences which reflect contemporary Australia

Challenges
• Highest per capita creative deficit in the world
• Local and international perceptions of Australia having a derivative culture
• Lack of coordinated and purposeful investment in cultural infrastructure particularly in outer urban and regional locations

Actions
• Industry transformation and development approach within the NCP
• Nuanced policy approach which recognises the complex interactions between subsidised and commercial activity
• Initiatives to increase participation and engagement with populations that have lower engagement and productivity with the arts, culture and creative industries
1. Drawn from ABS 4114.0 Attendance at Selected Cultural Venues and Events, Australia, 2017–18 EU: Eurostat (Statistical Office of the European Union) online publication. “Australians are keen cultural consumers: 82 percent of Australians report attending cultural events and venues over a year compared to 64 percent in the European Union”. Cultural Statistics—Cultural Participation’ 2017.

2. Analysis drawn on the most recent (2015) data published by United Nations Conference on Trade and Development (UNCTAD), “Australia has one of the biggest creative trade deficits in the world. For every dollar that we export in creative goods, we import $8, and for every dollar of creative services we export, we import $2. This suggests Australia is not effectively identifying and leveraging our comparative advantages in creative goods and services for the global market.” Creative Economy Outlook. 2019.


7. See Kate Fielding and Jodie-Lee Trembath, Australia’s cultural and creative economy: A 21st century guide, Produced by A New Approach (ANA) think tank with lead delivery partner the Australian Academy of the Humanities, Canberra. Modelling undertaken by SGS Economics (2013). They found that our cultural and creative industries had higher multipliers compared with other Australian industries, with total output, value-added and employment multipliers all higher than the equivalent values for other Australian industries. 2020.


9. Fielding and Trembath, Australia’s cultural and creative economy.


11. Analysis drawn on the most recent (2015) data published by United Nations Conference on Trade and Development (UNCTAD), Creative Economy Outlook. 2019. Australia has one of the biggest creative trade deficits in the world. For every dollar that we export in creative goods, we import $8, and for every dollar of creative services we export, we import $2. This suggests Australia is not effectively identifying and leveraging our comparative advantages in creative goods and services for the global market.

12. See Kate Fielding and Jodie-Lee Trembath, A view from middle Australia: Perceptions of arts, culture and creativity. Produced by A New Approach think tank with lead delivery partner the Australian Academy of the Humanities. In our middle Australia series ANA defines ‘middle Australians’ as people from low- and middle-income households, living in regional or outer suburban or regional locations, who are politically unaligned (they have changed their vote between the major parties more than once, and at both state and federal elections). May 2020.
Endnotes

16. See Fielding, Glisic and Trembath. *Transformative*. International and Australian research has confirmed that ensuring people have opportunities to participate in, and contribute to, the creative and cultural life of their community generates measurable benefits in mental and physical health; enhanced social connection and community participation; and increased adaptability and innovation; and Fielding and Trembath. *A view from middle Australia*; and Vivian and Fielding, *Lifelong*; and Fielding and Trembath, Australia’s cultural and creative economy.
17. Jodie-Lee Trembath, Kate Fielding, *Behind the scenes: Drivers of arts and cultural policy settings in Australia and beyond*. ANA’s review of 70 years of Australian and international arts, cultural and creative policies identified the four policy drivers that have been the most significant influences on cultural policies: collective identity; social improvement; reputation-building (artistic excellence and cultural diplomacy) and economic contribution. Most cultural policies address each of these deliberately. Produced by A New Approach think tank with lead delivery partner the Australian Academy of the Humanities, Canberra, 2020.
18. See Infrastructure Australia, *2021 Australian Infrastructure Plan*, which for the first time included cultural infrastructure (Canberra, online 2021), as well as the Create NSW, *NSW Cultural Infrastructure Plan 2025* (Sydney, online).
20. ANA has contributed to and signed the data-focused joint submission to the NCP process, *The New Cultural Policy: Cultural data needs*, that have been prepared by a consortium of researchers, academics, agencies and other end users.
21. Now part of NSW’s iCare
23. See Parliamentary and Civics Education Rebate (PACER). This could include updating the PACER program to elevate key cultural institutions into the mandatory attendance category.