

Submission to the House of Representatives Standing Committee on Communications, the Arts and Sport

Inquiry into Arts and Cultural Philanthropy

Submitted by: The Australian Museums and Galleries Association (AMaGA) **Date:** 2 March 2026 **Contact:** Katie Russell, National Director/CEO director@amaga.org.au | 02 6230 0346 National Office, Old Parliament House, 18 King George Terrace, Parkes ACT 2600

About AMaGA

The Australian Museums and Galleries Association (AMaGA) is the peak professional association and advocacy body for public museums, galleries and collecting institutions across Australia. Our membership encompasses the full breadth of Australia's collecting sector: from major national and state cultural institutions to regional galleries, local historical museums, historic sites, First Nations cultural centres and Keeping Places, and the many hundreds of small volunteer run community museums that form the backbone of local cultural life across every state and territory.

There are over 2,500 museums and galleries across Australia. More than 50,000 Australians volunteer in them. Based on our best available estimates, the majority of AMaGA's organisational members are regional or remote institutions, and close to half are volunteer or community run. Museums and galleries are integral to Australia's arts and cultural ecosystem, a sector worth \$111.7 billion to the national economy, and in 2018–19 alone, over 10.6 million people visited Australia's national collecting institutions on and off site.

AMaGA welcomes the opportunity to contribute to this Inquiry and to speak directly to the philanthropic landscape as it is actually experienced by the museum and gallery sector, not as it is assumed to be.

Executive Summary

Philanthropic giving to Australia's museum and gallery sector is narrowly concentrated, structurally skewed toward high-visibility institutions and art galleries, and almost entirely absent from the small-to-medium tier that constitutes the overwhelming majority of the sector. The primary form of giving that sustains this sector, volunteering, is unrecognised and unrewarded by current tax and regulatory settings.

The present Inquiry comes at a moment of acute financial stress across the sector. Cost of living pressures are suppressing the memberships and donations on which smaller institutions and peak bodies depend. Without structural reform, awareness-raising alone, the only tool currently available to organisations like AMaGA, will not shift philanthropic culture in a meaningful or sustainable direction.

AMaGA urges this Committee to understand philanthropy in the museum and gallery context as something broader than high-net-worth financial giving, and to design policy settings that recognise, reward and build the full spectrum of giving on which this sector depends for its survival.

1. The Philanthropic Landscape as Experienced by Museums and Galleries

1.1 Concentration and exclusion

Australia's philanthropic landscape has expanded significantly in recent decades, supported by mechanisms including Creative Partnerships Australia (now integrated into Creative Australia), the Australian Cultural Fund, matched funding programs such as Plus1, AusArt Day, and free coaching services. Despite this growth, philanthropic funding remains highly concentrated among a small number of major performing arts organisations and flagship collecting institutions.

As Museums & Galleries of NSW documented in their submission to this Inquiry, small to medium museums and galleries, particularly in regional areas, face structural disadvantages that limit their participation in this ecosystem. Only 10% of public and regional galleries across NSW employ a philanthropy or sponsorship manager. Just 12% of organisations receive any funding through sponsorship and 11% through philanthropic trusts. Medium sized organisations have the worst fundraising return on investment of any sector cohort, at \$2.40 raised for every \$1 invested, and more than one in ten spend more on fundraising than they earn.

Meanwhile, Australia gives just 0.81% of GDP to charitable causes, ranking behind the United States (2.1%), New Zealand (1.84%), Canada (1%) and the United Kingdom (0.96%). The total value of private sector support for the arts declined by 26%, some \$142 million, between 2019–20 and 2020–21. Australia also ranks 26th out of 33 OECD countries for government spending on recreation, culture and religion. The museum and gallery sector sits at the intersection of these multiple deficits.

AMaGA notes that the absence of a comprehensive national cultural data evidence base means that sector wide figures of this kind must currently be drawn from state based research and submissions several years old. The case for better data infrastructure is itself a policy priority, and one AMaGA would welcome the opportunity to address in a future inquiry.

1.2 The skew toward art galleries

Even within the museum and gallery sector, philanthropic giving skews strongly toward art galleries over museums. Art galleries, which are valued and active members of the AMaGA community, tend to have contemporary program profiles, high public visibility, and the kinds of social cachet that attract high net worth donors and corporate sponsors. Natural history museums, community history collections, First Nations keeping places, and the hundreds of volunteer run local institutions that preserve Australia's tangible heritage operate in a more challenging philanthropic environment, where their community impact can be harder to package as a high visibility philanthropic proposition.

AMaGA's own experience of developing the National Patrons Award, discussed further below, confirms this pattern. As awareness of the award grows, we anticipate it will reveal the full shape of giving in our sector: generous, but deeply institution specific and weighted toward art galleries. This is not a critique of those donors or the institutions they support; it reflects the absence of any structural incentive or cultural nudge to give more broadly across the collecting sector.

2. Volunteering as Philanthropy: The Invisible Foundation

"Volunteers should never be exploited to backfill workforce shortages or compensate for a reduction in resourcing." — Volunteering Australia, *National Strategy for Volunteering 2023–2033*, developed in partnership with 17 federal government departments and agencies

AMaGA's most fundamental submission to this Inquiry is this: **for the museum and gallery sector, volunteering is philanthropy.** It is the primary form of giving that sustains our sector, and it is almost entirely invisible to current policy settings.

Seventy-six percent of museums and galleries across Australia are volunteer-led. M&G NSW's 2022 sector census recorded 85 volunteer hours per week per organisation, equivalent to 1,060,800 hours annually across the NSW sector alone, with a volunteer replacement cost of over \$50 million for that single state. Nationally, more than 50,000 Australians volunteer in museums and galleries. The scale of this contribution dwarfs any financial philanthropic giving the sector receives.

Yet the tax system provides no recognition of this. Volunteers cannot claim deductions for expenses incurred in carrying out their work. There is no tax incentive that rewards the time, expertise and commitment of the people who keep community collections alive. Board service, collection care, front-of-house work, education programming: all of it is given freely and accounted for nowhere in the policy architecture that governs philanthropic giving.

Volunteering Australia's *National Strategy for Volunteering 2023–2033* identifies a sustainability crisis in volunteering nationally, driven by cost of living pressures, the compound effects of an ageing population, and declining numbers of formal volunteers. The Strategy is explicit that volunteering is increasingly being used to backfill workforce shortages created by inadequate funding, precisely the circumstance facing the majority of AMaGA's members. It warns that this approach is neither sustainable nor appropriate. AMaGA agrees, and urges this Committee to treat the sustainability of volunteering in the collecting sector as a philanthropic policy question, not merely a workforce one.

2.1 The "give, get or get off" problem

Governance culture in the broader arts sector is often summarised in the maxim applied to arts board directors: *give, get or get off*, meaning board members are expected to make financial donations, raise money, or make way for someone who will. This model has merit in the major institutional context, where boards are drawn from business, legal and financial communities with both the capacity and the networks to give and raise at scale.

AMaGA cannot apply this model to the small-to-medium tier of the museum and gallery sector, and we urge this Committee to understand why.

In the small-to-medium sector, board and council service is the giving. The people who serve on the governance bodies of regional galleries, community museums and local historical societies are overwhelmingly sector professionals, retired educators, local historians and community members: people with deep expertise and genuine commitment, but not high-net-worth individuals. For them, their time, knowledge and professional networks are the donation. Demanding financial giving as a condition of governance participation would exclude precisely the people whose stewardship these institutions most need.

This is not a failure of philanthropic culture. It is a structural feature of a sector that has never been resourced to the point where financial philanthropy could be meaningfully cultivated. Policy settings need to recognise and reward this reality rather than importing governance models designed for a very different tier of cultural life.

3. The AMaGA National Patrons Award: Evidence from the Sector

In 2023, AMaGA introduced the National Patrons Award as a new category within its annual awards program, The AMaGAs. The award recognises individuals and organisations that have demonstrated extraordinary commitment to supporting and promoting public museums and galleries in Australia, through financial contributions, in kind support, advocacy, leadership, or sustained commitment over time. The deliberate inclusion of non financial forms of support in the assessment criteria reflects AMaGA's understanding that giving in this sector takes many forms.

In its first two years, the award has told a revealing story.

2023: The Cartwright Douglas Fund The inaugural Patrons Award was presented to the founders of the Cartwright Douglas Fund, established by two retired museum and gallery professionals to enable young sector workers to attend the AMaGA national conference annually. This is philanthropic giving of the most sector specific, grassroots kind: two people who gave decades of professional service to the sector, then retired and found a way to continue giving, not to a flagship institution, not for public recognition, but to ensure that the next generation of practitioners could participate in the professional community that shaped their own careers. This form of giving is entirely invisible to current philanthropic policy. While donations to the Fund may attract standard tax deductibility, it receives no targeted policy recognition, appears in no sector funding data, and would not register in any conventional measure of arts philanthropy. Yet it is exactly the kind of giving that sustains our sector.

2024: The Gordon Darling Foundation The 2024 Patrons Award was presented to the Gordon Darling Foundation, the only private foundation in Australia dedicated exclusively to supporting the museum and gallery sector. Its recognition was richly deserved and long overdue. It is also a pointed reminder of how concentrated the philanthropic pool is: in a sector of 2,500 institutions and 50,000 volunteers, there is precisely one dedicated private foundation.

The 2024 award cycle attracted a small number of nominations, reflecting the nascent awareness of the award and, we believe, the institution specific nature of giving in our sector. Donors exist; they are often loyal to their institution rather than to the field more broadly.

What the award is revealing As awareness of the Patrons Award grows, AMaGA anticipates it will function as a kind of sector diagnostic, surfacing the true shape of philanthropic giving to museums and galleries and confirming what we already know: giving is real but fragmented, institution centric, and operating largely without the structural supports that could broaden and deepen it. Awareness raising, through the award, through AMaGA communications, through sector advocacy, is the only tool currently available to shift this culture. This Inquiry has the opportunity to give the sector real policy tools to work with.

4. Structural Precarity: From Institutions to Peak Body

The financial fragility of the museum and gallery sector is not confined to its smallest members. It extends upward through the ecosystem to the organisations, including peak bodies, that are meant to support, advocate for, and build the capacity of the sector.

Major cultural institutions in capital cities have sophisticated fundraising arms, government recurrent funding, and the proximity to political and financial power that sustains philanthropic relationships over time. The small-to-medium sector has none of these. Most operate on a combination of government grants, earned income, and the goodwill contributions, financial and otherwise, of their communities.

AMaGA itself, as the national peak body, operates on a funding model that mirrors its members': membership fees and, where possible, donations. AMaGA holds Deductible Gift Recipient status, but in a cost of living crisis, memberships and donations are among the first discretionary expenditures to be cut. AMaGA's own Strategic Plan 2024–2026 identifies the need to transition away from reliance solely on membership-based funding, a candid acknowledgement that the current model is not sustainable.

This matters for this Inquiry because it illustrates a systemic design failure: there is no insulated, well-resourced layer in this ecosystem that can absorb financial pressure and redistribute support downward. When the organisations meant to build philanthropic capacity in the sector are themselves structurally vulnerable to the same pressures as their members, the entire system is exposed.

In the most developed philanthropic ecosystems internationally, particularly in North America, even individual professional roles within institutions can be foundationally supported through endowments. Named curatorial positions, endowed educational programs, and permanently funded research roles ensure that expertise is retained and careers are sustainable regardless of government funding cycles. Australia's museum and gallery sector is nowhere near this model. We are at the point where the basic existence of peak bodies and sector organisations depends on the memberships and goodwill donations that evaporate precisely when the sector most needs support.

This is not an argument for dependency. It is an argument for structural reform that makes the ecosystem more resilient at every level.

5. The Role of Creative Australia and the Office for the Arts

AMaGA's membership sits in a distinctive position within the federal cultural funding architecture, one that shapes how philanthropy can and cannot be developed across the sector.

Creative Australia is the arts funding body, and its engagement with AMaGA's membership has historically been tangential except where programs intersect with the visual arts. This is not a criticism of Creative Australia's remit, which is appropriately focused on arts practice and creation. The incorporation of Creative Partnerships Australia into Creative Australia, and the establishment of Creative Workplaces, does represent a broadening of scope that AMaGA welcomes and will continue to engage with constructively.

The Office for the Arts, as the relevant federal government department, holds responsibility for the broader collecting sector through mechanisms including the Distributed National Collections (DNC) fund and its

oversight of the National Collecting Institutions (NCIs). It is through the Office for the Arts that most of AMaGA's member organisations, and AMaGA itself, have their most direct relationship with federal government. Yet the Office for the Arts does not have a philanthropic development function, and Creative Australia's philanthropic infrastructure was designed primarily for and by the performing arts sector and, in our context, presenting arts organisations whose primary public offering is through exhibitions.

The result is that AMaGA and its members fall between these two funding and support structures. The philanthropic tools now housed within Creative Australia, including matched giving programs, the Australian Cultural Fund, and digital fundraising platforms, presuppose a level of existing philanthropic activity, staffing capacity, and donor relationship management that most museums and galleries do not have.

AMaGA recommends that this structural gap be explicitly recognised by this Inquiry, and that government consider how philanthropic capacity building support can be designed and delivered in a way that reaches the collecting sector as a whole, in partnership with AMaGA and state-based M&G peak bodies.

6. Recommendations

Drawing on AMaGA's 2025 submission to the NSW Art of Tax Reform Summit, our National Cultural Policy submission, and the evidence gathered through the National Patrons Award and our ongoing engagement with the sector, AMaGA makes the following recommendations to this Inquiry:

Recommendation 1: Recognise volunteering as philanthropy in policy settings The tax and regulatory framework governing philanthropic giving should be expanded to formally recognise volunteering as a form of philanthropic contribution. Specifically, AMaGA recommends enabling tax deductions for expenses incurred in the course of volunteer work, consistent with the treatment of work related expenses in other contexts. This would reduce financial barriers, improve volunteer retention, and signal genuine recognition of the contribution volunteering makes to the cultural sector.

Recommendation 2: Implement a Museums and Galleries Exhibition Tax Offset Australia should implement a national Museums and Galleries Exhibition Tax Offset modelled on the United Kingdom's Museums and Galleries Exhibition Tax Relief (MGETR), which provides a tax offset of up to 25% on qualifying exhibition production costs. This would strengthen the ability of museums and galleries, especially smaller and regional institutions, to invest in exhibitions, employ creatives, and reach broader audiences.

Recommendation 3: Expand and strengthen the Cultural Gifts Program The Cultural Gifts Program (CGP) has a strong track record, supporting over \$200 million in donations to 196 institutions in 2019–20 alone. AMaGA recommends: (a) expanding tax deductibility to 150% of the donated item's value, to further incentivise giving from living artists, collectors and estates; and (b) allowing donors to claim conservation costs as part of their tax deductible contributions, removing a significant barrier for smaller institutions that cannot afford to carry out conservation work on donated objects.

Recommendation 4: Tax exemption for prizes, grants and fellowships AMaGA recommends federal tax reform to exempt art prizes, government grants and fellowships from personal income tax. These are often rare but essential injections of income for cultural workers, yet are currently treated as assessable income,

undermining their intended purpose. AMaGA both represents the institutions that award such prizes and advocates for the individual professionals who receive them.

Recommendation 5: Museum- and gallery-specific philanthropic capacity building AMaGA recommends that government consider how philanthropic capacity building programs can be designed and delivered specifically for the museum and gallery sector, programs that do not presuppose existing donor relationships, development staff, or fundraising infrastructure. These should be co-designed with AMaGA and state-based M&G peak bodies, targeted at small, regional and volunteer-led institutions, and developed with an understanding of where in the federal funding architecture responsibility for this sector sits.

Recommendation 6: Investigate a sector innovation fund modelled on Museums Galleries Scotland

Following the recommendation of Museums & Galleries of NSW in their submission to this Inquiry, AMaGA endorses and amplifies the call for the Australian Government to investigate the establishment of a cultural sector innovation fund, modelled on the Museums Galleries Scotland Innovation Fund, which enables applicable museums to apply for up to £250,000 to develop activities that directly improve their financial position, including developing philanthropy strategies, creating commercial opportunities, or building earned income capacity. A comparable Australian initiative would provide the capital that under-resourced institutions need to invest in their own philanthropic futures.

Recommendation 7: Commit to government support for the small-to-medium sector AMaGA endorses the position of Museums & Galleries of NSW that philanthropy and private giving must not be seen as a replacement for government support. The structural underfunding of Australia's small-to-medium museum and gallery sector, documented by the evidence in this submission, cannot be resolved through philanthropy alone, and to position it as such would place an impossible burden on an already stretched sector and its communities.

Conclusion

The museum and gallery sector gives constantly and generously, in time, expertise, professional commitment, and community service. What it receives in return, from the philanthropic and policy environment, has not kept pace with that contribution.

AMaGA asks this Committee to look at the evidence assembled here and recognise that the philanthropic challenge facing the museum and gallery sector is not a cultural failure. It is a structural one. The tools that work for major performing arts organisations, flagship institutions, and capital city art galleries do not work for the 76% of museums and galleries that are volunteer led, the majority that are regional or remote, or the community institutions that preserve local history and identity with no paid staff and no development arm.

The AMaGA National Patrons Award was established precisely to begin shifting this culture, to make visible the giving that already exists and to inspire more. In two years, it has recognised two retired professionals who gave quietly and generously from their own pockets to support young colleagues, and the only private foundation in Australia dedicated to this sector. That is the scale of what exists. This Inquiry has the opportunity to help build something larger.

AMaGA thanks the Committee for the opportunity to contribute to this important Inquiry and looks forward to the opportunity to expand on this submission at a public hearing.

Katie Russell National Director / CEO Australian Museums and Galleries Association director@amaga.org.au |
02 6230 0346

Sources and References

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