

Submission to Parliamentary Inquiry into Arts and Cultural Philanthropy

February 2026

INTRODUCTION

The Betty Amsden Foundation welcomes the invitation to contribute to the House of Representatives Standing Committee on Communications, the Arts and Sport inquiry into arts and cultural philanthropy.

The Foundation was established by the late Ms Betty Amsden AO, one of Melbourne's leading private investors in arts and culture, health, tertiary education and community support services.

A key driver of Betty's philanthropy was her belief that the arts foster community spirit and bring people together to share extraordinary experiences. In her later years she became especially passionate about programs that encourage active participation by young people. She was determined no young person be excluded because of financial circumstance or perceived lack of talent. Participation, in her view, should be open and visible. Young people must see themselves on the stage and feel cultural engagement is for them, not something reserved for the privileged.

Today the Foundation continues Ms Amsden's legacy with a focus on the performing arts. Our programs support both organisations and individuals, with funding prioritised for:

- improving the lives of young children
- fostering community resilience and spirit through the arts
- encouraging not-for-profit leadership

This submission draws on these perspectives to present ideas we consider will most effectively support national efforts to boost philanthropic giving to arts and cultural activity.

The Committee's Inquiry is both timely and significant. Evidence from the Productivity Commission's 2024 inquiry into Australian philanthropy across all sectors highlights both the scale of generosity in Australia and the opportunity for growth. More than \$13 billion was donated to charities in 2021 and giving is forecast to rise substantially over the coming decade.

We see great benefits in strengthening tax and legacy-giving incentives, expanding matched-funding and capability-building for the small-to-medium sector, increased visibility and accessibility of everyday cultural giving, and developing timely policy settings.

Together such reforms could leverage the current intergenerational transfer of wealth and provide a practical pathway to embed long-term philanthropic participation and sustain a vibrant, accessible and nationally valued cultural sector.

PRINCIPLES

In preparing this submission, the Foundation has grounded its responses in a set of underlying principles that recognise the intrinsic public value of arts and culture, the uneven alignment between that value and patterns of philanthropic support, and the role of philanthropy as a complementary force within Australia's broader system of public investment and participation. Specific principles include:

1. Defining philanthropy

We recognise philanthropy as including individual donations, structured charitable giving, private ancillary funds, endowments and bequests. While these can be viewed as progressive stages of giving, donors can start at or preference any style of participation and encouragement needs to be considered for all philanthropic forms.

2. The intrinsic and societal value of the arts

The arts create shared celebration and commemoration, strengthen social cohesion, provide role models and confidence for young people, inspire creativity, reflect cultural diversity, and help communities understand who we are, where we have come from and how we might imagine the future. Together these benefits extend beyond creative Australians to audiences, participants and communities across the whole of society.

To fully realise this value, the arts will always require some level of subsidy to sustain accessibility and participation across artforms, organisational scales and communities.

3. The catalytic role of government

In addition to regulating and incentivising giving, Government plays a critical role in leading recognition of cultural value. National initiatives that publicly champion arts philanthropy can shift perception, normalise participation and broaden the donor base. Sustained, high-visibility national efforts materially increase participation and reposition cultural giving as a mainstream civic act.

Boosting philanthropy should strengthen shared investment rather than replace the important functions and responsibilities of public programs.

4. Youth cultural participation impact

While not strictly philanthropic mechanisms, tax and policy settings that encourage youth participation in arts and cultural activity are foundational to future philanthropic behaviour. Measures such as participation rebates, cultural consumption offsets and recognition of the social and educational value of creative engagement deepen lifelong cultural connection. Stronger participation today builds the audiences, advocates and donors of tomorrow, making youth-focused reform complementary to philanthropy policy.

RESPONSE TO THE TERMS OF REFERENCE

1. Current levels of philanthropic and private support

From the Foundation's experience working across arts, health, tertiary education and community wellbeing, clear differences emerge in how giving operates across sectors. Health and education benefit from deeply embedded public understanding of necessity, well-developed donor pathways and long-standing societal expectations of giving. Arts and culture do not yet benefit from the same broad level of standard recognition or philanthropic participation.

Experiences, both here and overseas, demonstrate that public appetite for cultural giving strengthens when visibility and coordination are present. Creative Australia's inaugural national giving day raised more than two million dollars and engaged hundreds of artists and organisations alongside thousands of donors. This result is significant as a first national attempt and indicates latent philanthropic capacity when participation is encouraged and accessible.

International comparison reinforces this conclusion. Jurisdictions overseas with widely understood giving incentives and consistent public campaigns typically achieve stronger participation.

National evidence also shows those donations that do flow to the arts remain highly concentrated in larger, metropolitan-based cultural entities. While smaller organisations have less capacity and connections, resulting in infrequent, smaller donations. Testamentary giving to culture also remains under-developed relative to comparable sectors and countries.

2. Emerging structures and mechanisms

Digital fundraising platforms, giving-day campaigns and collective giving models have helped reshape entry points for philanthropy over recent years. These mechanisms reduce participation thresholds for donors and provide national visibility for cultural causes alongside other sectors. Public-private co-investment models are also expanding, aligning cultural outcomes with broader social and community benefit.

However, mechanisms alone are insufficient. Their effectiveness depends on organisational capability, regulatory clarity and sustained public narrative support.

3. Effectiveness of government policies and programs

Government performs two essential functions in cultural philanthropy. The first is structural, through tax settings, deductible gift recipient frameworks, ancillary fund regulation and matched-funding initiatives. The second is cultural, through signalling the legitimacy and public value of giving to the arts.

Recent initiatives demonstrate both roles. National giving campaigns supported by government funding and fundraising capability programs show strong early engagement and provide a foundation for broader participation. Matched-funding initiatives such as the Federal Government's Plus1 program administered through Creative Australia are particularly effective because they simultaneously incentivise donors and build momentum for organisational fundraising capability within the small-to-medium sector.

Creating long-term, embedded change in participation will likely require sustained visibility at national and state levels, simplified pathways for giving and longer-term policy consistency.

4. Incentives and disincentives

Barriers to philanthropic growth in the arts are both behavioural and structural. Key disincentives include:

- complexity in administrative and regulatory processes
- limited incentives for legacy giving
- unstable and inconsistent core government investment across jurisdictions

Conversely, giving participation increases where incentives are simple, visible and trusted, as demonstrated by international models with embedded tax benefits and widely recognised giving mechanisms.

5. Potential government initiatives to increase participation

a) Strengthening fundraising capability in the small-to-medium sector

Small-to-medium organisations often operate with limited staffing, fewer specialist fundraising roles and reduced capacity to invest in donor systems, storytelling and stewardship. Fundraising responsibility frequently sits alongside already stretched executive or artistic leadership functions or boards with smaller networks of influence. Overall, the effort-to-return ratio is often insufficient to sustain consistent fundraising.

Regional distance, project volatility and shorter funding horizons further constrain relationship-based philanthropy. These structural conditions explain persistent disparities in arts sector philanthropic outcomes.

Targeted support for First Nations, youth-focused companies and regional cultural activity is particularly important, as these areas often face compounded barriers to visibility, access to philanthropic networks and long-term investment despite their critical cultural and community contribution.

It is recommended the government consider increased matched-funding and capability-building initiatives to directly address this imbalance.

b) Reforming fiscal and legacy-giving incentives to stimulate donations

The following measures would directly strengthen a culture of giving:

- Increasing the tax deductibility of cultural donations for individuals to 150% (i.e. donors can claim 1.5 times the amount donated)
- Reducing the minimum distribution requirement for Private Ancillary Funds (PAFs) from 5% to 3.5% annually for PAFs that commit at least 75% of their giving to arts and cultural organisations. This would reward dedicated cultural philanthropists, incentivise new PAF donors to give to arts and culture, and enable longer-term giving strategies
- Strengthening incentives and guidance for testamentary and legacy giving to cultural organisations.

Bequests and legacy giving could be further stimulated through estate tax reform. Australia is one of the few OECD countries without an estate or inheritance tax. International experiences indicate that legacy-giving incentives are often most effective when considered alongside broader estate-planning policy settings. In this context, reform should explore:

- The reintroduction of a progressive estate tax, with thresholds set to apply to high-net-worth individuals to exclude the vast majority of ordinary estates

- Estate tax exemptions or offsets for bequests to cultural and charitable organisations, providing a strong incentive for individuals to leave a legacy

This could be further supported by enabling planned giving vehicles such as charitable remainder trusts, charitable lead trusts, or pooled income funds, which offer donors flexibility while generating reliable income for cultural charities over time.

c) Expanding participation through national visibility and accessible entry points

Alongside fiscal reform, broader participation in cultural philanthropy depends on visibility, accessibility and trusted entry points for new donors such as:

- A 5-year national public awareness campaign directly executed by Government to normalise arts philanthropy. This would build on early national giving-day results, noting this campaign was largely outsourced to individual organisations and thereby missed the opportunity for concentration and coordination across mainstream media
- mechanisms encouraging workplace giving to cultural organisations through corporate partnerships to enable salary sacrificing benefit schemes

d) Leveraging policy timing to maximise participation

Australia is entering the largest intergenerational transfer of wealth in its history, presenting a rare moment to significantly influence patterns of giving.

Policy settings that actively encourage cultural bequests, structured giving vehicles and early engagement with emerging philanthropists could materially shape how this wealth is distributed across society.

Incentive program design should consider enduring structural settings (often smaller-scale changes) versus time-limited catalytic measures (higher value benefits to donors). Australia's landmark screen industry revenue initiatives, for example the 1981 IOBA tax concession, demonstrate how targeted incentives delivered over a defined period can rapidly stimulate private investment, build market confidence and create lasting industry transformation beyond the stimulus policy.

A similar time-bound approach to arts and cultural philanthropy, operating over five or more years, could concentrate attention, mobilise donors and accelerate the development of a stronger giving culture.

CLOSING OVERVIEW

Australia's cultural future depends on a confident partnership between public investment and private generosity. Philanthropy expands opportunity, enables innovation and deepens community participation, but it flourishes only where policy settings are clear, incentives are meaningful and government leadership visibly affirms the public value of arts and culture.

The Betty Amsden Foundation thanks the Committee for its leadership in undertaking this inquiry. We look forward to the influence its findings will have on future legislative and policy settings to support a dynamic and sustainable culture of giving to the arts in Australia.

For further information related to this submission, contact

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