

Answers for questions taken on notice

Answer for Trent Zimmerman MP's question re: tracking non-government revenue	p. 1
Answer for Patrick Gorman MP's question re: challenges to evidence-based policymaking	p. 4
Supplementary information	p. 7

A NEW APPROACH

A New Approach (ANA) is an independent think tank championing effective investment and return in Australian arts and culture. We aim to foster a more robust discussion about cultural policies, underpinned by good data, informed by shared understandings, and through a non-partisan and independent approach.

ANA was established in 2018 by The Myer Foundation, the Tim Fairfax Family Foundation and the Keir Foundation. The Australian Academy of the Humanities is the lead delivery partner for this initiative.



For further information visit: www.humanities.org.au/new-approach

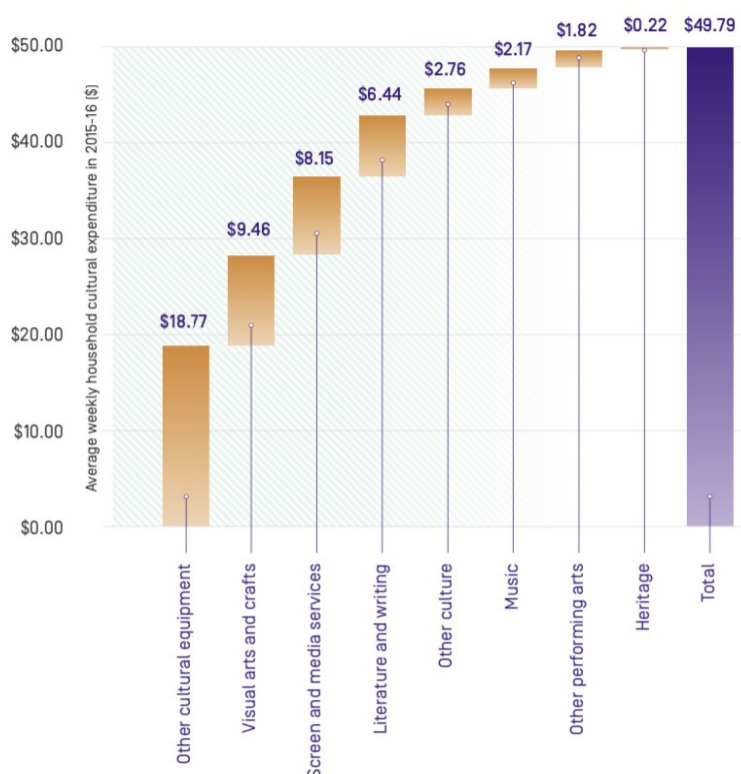
Question from Trent Zimmerman MP

Q: Because of the time that's left, I'm just going to ask two questions. You talked about the trends in public funding across all three levels of government for the creative sectors. I'm wondering whether there is any metric that allows you to track non-government revenue for the creative sectors and, as a subset of that, what I would broadly describe as philanthropy or sponsorship. (p. 6)

There are three key areas where Australia does track non-government expenditure on arts and culture:

- 1) household expenditure on arts, cultural and creative goods and services;
- 2) private sector support, including from individuals, businesses, and trusts/foundations; and
- 3) on the revenue side, the earned income of arts, cultural and creative organisations, and of individual creators.

1. Household expenditure on arts, culture and creativity



The Household Expenditure Survey includes questions about household spending on arts, cultural and creative goods and services. For 2009-10, the ABS undertook a specific analysis of this data, and found that Australian households spent \$45.39 per week, or 4% of their total household expenditure on arts, cultural and creative goods and services in that financial year.¹

The Meeting of Cultural Ministers commissioned this analysis to be undertaken on the latest Household Expenditure Survey data for 2015-16, and found that six years on, Australians were spending \$49.79 on culture, but that this was only 3.5% of total household expenditure.

As Figure 1 shows, the majority of spending was on 'other cultural equipment', which includes physical equipment such as home computers, televisions and games consoles. It also included media content in a physical format, including film and television content and audio content.

Figure 1: Average weekly household cultural expenditure on arts, culture and creativity, by type (2015-16). Source: Adapted from Table 11.2 of MCM 2019, by PwC.

¹ Australian Bureau of Statistics. 2011. "4172.0 - Arts and Culture in Australia: A Statistical Overview." Australian Bureau of Statistics Website. December 19, 2011.

<https://www.abs.gov.au/ausstats/abs@.nsf/Products/C1C150105240CC44CA257968000CB657?opendocument>

2. Private sector support

Private spending on arts, culture and creativity is tracked by the Private Sector Support Survey, conducted by Creative Partnerships Australia (CPA).² The first of these studies was conducted in 2018 and is intended to be a biennial survey that can track trends over time.

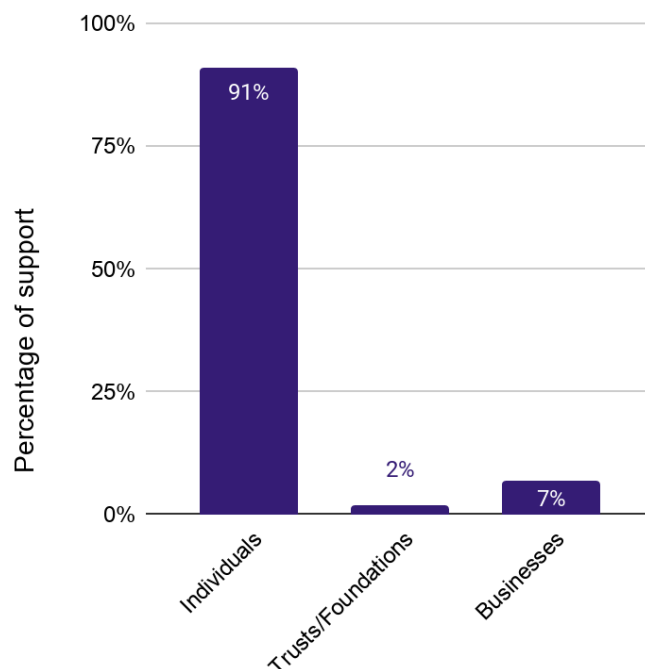
The study tracks spending on arts and culture by:

- individuals, both through cash donations and pro bono volunteering
- private businesses (often through sponsorship)
- philanthropic spending via trusts and foundations. It also compares these three areas to government expenditure.

It does this by gathering data from cultural and creative organisations about where their revenue came from over their most recent annual reporting period.

Although 2018 saw only the first survey in the time series for this CPA study, comparison with a similar (but not fully commensurate) study conducted for the 2009-10 financial year suggests that private sector support has significantly increased in the last decade, with the earlier study valuing private sector support for the arts at \$221 million in 2009-10, and CPA finding \$608 million in 2017/2018.

Figure 2: Private sector support mix - 2017/18. Source: CPA 2018. Adapted by ANA.



² Creative Partnerships Australia. 2018. "Giving Attitude: Private Sector Support Survey 2018." Southbank, Victoria: Creative Partnerships Australia. https://creativepartnershipsaustralia.org.au/wp-content/uploads/2020/01/CPA_A4_PrivateSector.v4-MM-FINAL-1.pdf.

3. Earned income of arts, cultural and creative organisations and individuals

The Private Sector Support Survey also provides a comparison with cultural and creative organisations’ earned income over a 12 month period. For 2017/18, the survey found that different categories of cultural

organisations had different levels of earned income, though the unweighted average across the board was around 39% (see Figure 3 for breakdown across categories). As 2018 was the first in the time series, there are not currently trends available over time for these figures.

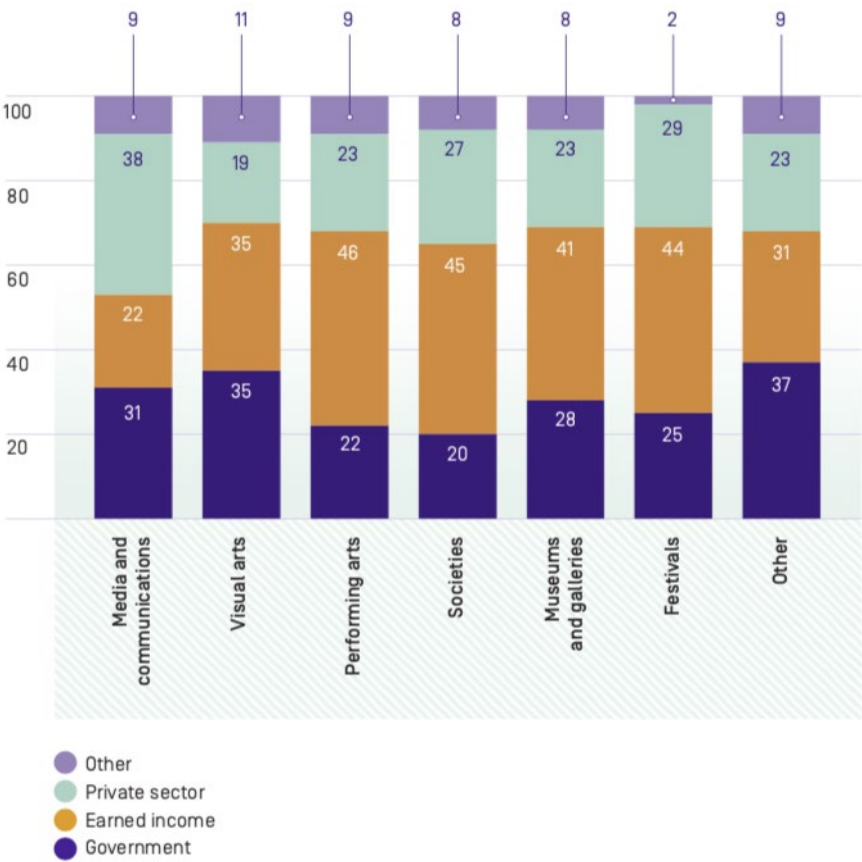


Figure 3: Income sources for different categories of arts, cultural and creative organisations (as percentages). 'Societies' refers to historical, literary and humanistic societies. Source: Adapted from CPA 2018, pp. 20 and 51, by PwC. Note: Values taken directly from source.

Question from Patrick Gorman MP

Q: For witnesses on the line who are next. You talk about the issues around data gathering, in terms of evidence based policy, in your submission. There's your suggestion which I quite like—data from the ABS regularly. What do you see as the biggest gaps in the data availability from the ABS, in terms of making good policy for the cultural and creative industries? (p. 7)

There are a number of challenges in this area. Here we suggest the top five, and propose solutions to those challenges.

Challenge	Proposed solution
The Cultural and Creative Satellite Accounts can't keep up with the rapid changes in the cultural and creative industries.	The Statistics Working Group of the Meeting of Cultural Ministers has done substantial work in this area, identifying the challenges and opportunities. We suggest the Committee request a briefing note from this forum on this topic.
The Cultural and Creative Satellite Accounts are created on an ad hoc basis.	As was the case following the 'Inquiry into the Impact of Australia's Taxation Regime on the Tourism Industry', this committee could recommend consistent funding be provided to the ABS to produce the Cultural and Creative Satellite Accounts annually.
There is uncertainty about who will be responsible for data previously collected by the Meeting of Cultural Ministers.	The new mechanism for the collection and analysis of this data should be confirmed and announced. Ideally this should restore the collection of the Cultural Funding by Government data series to an annual release and include greater detail about expenditure on culture by local governments, given their increased significance in this space.
The Census is not equipped to account for 21st century creators' careers.	Given the prevalence of the gig economy, both within and far beyond the cultural and creative industries, consider directing resources to revising the Census question about occupations.
GDP is an inadequate measure for sectors with significant intangible or indirect public value.	Consider directing resources to pilot experimental or emerging methods of capturing and expressing economic and social value. This could include establishing a contemporary survey for wellbeing measurement, including data capture about the role and impact of arts, culture and creativity in respondents' lives.

1. The Cultural and Creative Satellite Accounts can't keep up with the rapid changes in the cultural and creative industries

Making changes to the Cultural and Creative Satellite Accounts is very difficult. As the names of the taxonomies ANZSIC and ANZSCO indicate, our occupation and industry codes are shared with New Zealand. They are also embedded within international agreements about national accounts, including with the International Labour Organization, who maintain ISCO — the International Standard Classification of Occupations. Additional complication arises from the need for commensurability across longitudinal data sets — whatever changes are made to the ANZSIC or ANZSCO codes now, takes them further away from being comparable to earlier data.

For these reasons, any changes to occupation and industry codes involve an enormous amount of consultation, which means making changes is both difficult and very slow. As a consequence, it is almost impossible for the National Accounts and related satellite accounts to keep up with the rapid pace of industry change. This is problematic, given the ABS industry codes were developed in 1993, the occupation codes were developed in 1999, and neither system has been revised since 2006.

As a consequence, the codes often don't reflect existing 21st century industries and job roles, nor have capacity to rapidly adapt to the many industries and occupations that don't currently exist but will in the future. In a sector as agile as the cultural and creative industries, this means the key measurement tool is inadequate for measuring the phenomena at hand.

2. The Cultural and Creative Satellite Accounts are created on an ad hoc basis

The Cultural and Creative Satellite Accounts were first created by the ABS for the 2008-09 financial year. This analysis was then repeated for 2016-17 by the Bureau of Communications and Arts Research, part of the previous Department of Communications and the Arts, and was again updated in October 2020 for the 2017-18 financial year (showing that cultural and creative activity in Australia had grown by 4.4% over that 12 month period). These updates are welcome, but don't appear to be guaranteed. Stability around the support for research in this area would be valuable in building an evidence-based approach to leveraging our cultural policy settings.

In contrast to the Cultural and Creative Satellite Accounts, the Australian Tourism Satellite Account, as mentioned by Mr Gorman, has been published by the ABS every year since 1997-98, due to 'demand for information on the economic impacts of tourism'.³ This was following a Standing Committee inquiry not unlike the current Parliamentary Inquiry into Australia's Cultural and Creative Industries and Institutions. That inquiry found that 'despite observations suggesting that the economic impact of visitors is substantial in many regions...there was limited economic information on tourism'. The inquiry made recommendations accordingly, and 'funding was subsequently provided to the ABS to supplement its efforts to develop better measures of the economic impact of tourism'.

³ Quotes from this paragraph come from: Australian Bureau of Statistics. 2000. "Australian National Accounts: Tourism Satellite Account 1997 - 98." Canberra, ACT: Australian Bureau of Statistics.

[https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/CC111743A094DBBACA25697B0000A3EB/\\$File/52490_1997-98.pdf](https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/CC111743A094DBBACA25697B0000A3EB/$File/52490_1997-98.pdf).

3. There is uncertainty about who will be responsible for data previously collected by the Meeting of Cultural Ministers

As many meetings of state, territory and local representatives were disbanded in October 2020, responsibility for a range of data gathering methods is now in question. The Meeting of Cultural Ministers, for example, was responsible for the maintenance of the Cultural Funding by Government data series, Australia's most comprehensive overview of longitudinal trends in expenditure on arts, culture and creativity by the three levels of government.

As a consequence, there is now no certainty as to whether this data series will be continued, and if it is, who would maintain and administer it.

4. The Census is not equipped to account for 21st century creators' careers

The Australian Census allocates respondents to a job category based on their 'main job' in the week of data collection. However, a 2017 study found that on average, 43% of professional creatives (including writers, visual artists, craft practitioners, actors, directors, dancers, choreographers, musicians, composers, and community cultural development artists) had been categorised into a non-artistic occupation in the 2016 Census, as a result of their participation across multiple industries.

As a consequence, policy that relies on the Census for its evidence base is underestimating the prevalence of creative occupations in Australia.

5. GDP is an inadequate measure for sectors with significant intangible or indirect public value

Because GDP is often positively correlated with measures of societal wellbeing, it is therefore frequently used as a proxy to indicate a country's standard of living, even though that is not what GDP measures. The difficulty with this for the cultural and creative industries and others like them is that these industries provide many qualitative benefits/positive externalities for which it is difficult to demonstrate a monetary value. Many of these activities are also provided to the public at no cost – such as in the case of free-to-air television, public art galleries and museums, or open-air cultural precincts – therefore having no market value of their own with which to demonstrate their value to the economy.

Supplementary information: The Evidence for Youth Arts

This supplementary information is provided as additional information in response to questions we were asked regarding the role of arts and culture in the lives of young people.

In several of our reports, we have called for more, and more diverse, opportunities for school-aged Australians to participate in arts and culture. It is helpful to be clear that this is not primarily about training young people to be artists when they leave school. The evidence shows that participation in arts and culture during schooling years has a range of spillover effects, during childhood, and adolescence, and into adulthood. Furthermore, Australians know this is true — our research with middle Australians found that this cohort saw the benefits of arts and culture-based education and participation as obvious and self-evident, both from their own childhood experiences and in the lives of their children.

We have provided a brief overview of some of the evidence supporting arts and culture-based education below, along with some suggested opportunities. Further information and references for these studies can be found in our second Insight Report, 'Transformative: Impacts of Culture and Creativity'.

Spillover effects in the general population of school-aged youth

- An Australian study of 643 upper primary and high school students in 15 schools found that students who actively engaged with arts and creative activities during their schooling years have higher levels of motivation and self-discipline, better self-esteem, higher life satisfaction and are better at bouncing back from academic setbacks.
- A US longitudinal study of more than 30,000 students, whose outcomes were tracked from preschool through to the end of middle school, found that students who chose a creative elective (visual arts, drama, music or dance) in sixth or seventh grade had a higher grade point average in that year and following years compared with their peers, irrespective of their elementary school grade point average.
- Another US longitudinal study, following a nationally representative sample of 21,387 kindergarten, first grade, third grade, and fifth grade students, found that learning through arts and culture can improve attainment in maths and reading, with the effects accumulating over time. The study showed that “by the time of the third- and fifth-grade assessments, students who received at least three hours of arts education a week were significantly outperforming students who received 20 minutes or less of arts education a week.”
- Theatre, drama and dance have been found to improve young people’s social skills and emotional wellbeing. And as these disciplines often involve character analysis, there is a spillover effect on skills in understanding the perspectives of others.
- Visual arts programs have successfully been used to help students develop skills in managing their emotions and thinking critically and creatively.
- Music learning involves auditory training, so music learning spills over into skill in speech perception with young children. Music learning is also very similar to learning in a school environment, involving discipline and practice and notation reading, so this spills over into the domain of academic performance.

- There is a substantial body of work on the efficacy of music therapy for improving children's social skills, particularly with (but not limited to) children with Autism Spectrum Disorder.
- Active participation in more physically taxing creative activities, such as dance and circus training, has been found to positively influence children's physical as well as mental wellbeing, aid socialisation skills, encourage enjoyment of physical activity and build resilience to adversity.

Spillover effects with at-risk youth

- A comprehensive systematic review of four longitudinal studies in the US found that adult participants who had engaged in arts-based activities during their schooling were more likely to have graduated from high school, attended university, achieved a high grade point average at university, and to have entered a professional rather than trade-based career (thus enhancing their earning potential), when compared with their similarly disadvantaged peers. Arts-based education also increased the likelihood of prosocial behaviours such as voting and volunteering during adulthood.
- A three-year study of an Indigenous community in remote central Australia found that engagement with arts and culture, particularly via digital and online channels, helped re-engage early school leavers and disaffected Indigenous youth with learning, and facilitated greater engagement with community. This in turn had positive impacts on their employability.
- A four-year study of arts programs for at-risk youth in urban and rural Victoria concluded that young people who engaged in these arts programs experienced increased self-esteem, refined artistic skills, improved communication skills, a sense of achievement and wellbeing, and a greater connection to their communities.
- A study with Indigenous students learning English as a Second Language found that arts and cultural activities didn't only help students improve their academic outcomes, but also markedly improved relationships and increased trust between students and teachers. This reportedly increased positive risk-taking in the language learning context, as well as increasing student confidence and engagement.
- A recent example of how arts and culture can work to improve students' short and long term outcomes can be seen at Ashcroft High School in Western Sydney. Three-quarters of the students are among the poorest in the country, yet many have gained high tertiary entrance scores and the school has seen marked improvements in NAPLAN results. This has been achieved by taking a holistic approach to education, including employing an art therapist to regularly work with students.

Opportunities for the Standing Committee to consider in relation to youth arts

In light of the conclusive evidence, Australia's policy makers, public and private investors, and other stakeholders who want to enhance opportunities for Australia to thrive by arming the next generation with the tools for success, should support the following suggestions:

- ☐ Increase opportunities for Australian children to experience arts and culture at school so as to encourage children's development and overall well-being, through actions such as: reviewing the time allocation to The Arts learning area (and reframing it as Arts and Culture) at the primary level; improving pre-service teacher training in how to teach arts and cultural activities; and investing in artist-in- school programs.
- ☐ Invest more effectively in training for primary and middle school teachers to deliver Dance, Drama, Media Arts, Music, and Visual Arts education to students at a high quality level.
- ☐ Invest in school/teacher training programs within the GLAM sector (Galleries, Libraries, Archives and Museums) so that schools could continue to partner with cultural institutions. The GLAM sector already provides support to teachers, but capacity to continue providing these professional learning opportunities is currently threatened by constrained resources.
- ☐ Support research that explores the specific, causal effects of arts and culture on students' academic performance and long-term outcomes, to assist in identifying cost-effective strategies.