

# Productivity Commission: Philanthropy Inquiry

## Creative Australia response to draft report

9 February 2024

### Introduction

Creative Australia, the Australian Government's principal arts investment and advisory body, welcomes the Productivity Commission's draft report, *Future Foundations for Giving*, on philanthropic giving in Australia and opportunities to grow it further.

With \$204 million donated to organisations advancing culture in 2021,<sup>1</sup> arts philanthropy is an important contributor to realise the Australian Government's ambitions to double private giving by 2030. Australia's arts and cultural sector is substantial in size with cultural and creative activity contributing \$21.8 billion to Australia's Gross Domestic Product<sup>2</sup> and the creative industries employing nearly 500,000 people.<sup>3</sup>

Giving to and through the arts is an investment in Australia's future, with social impact cutting across portfolios, from health and wellbeing, education and child development, to social cohesion and community resilience. 17.4 million Australians – or 84% of us – recognise the positive individual and broader social impacts of creative engagement.<sup>4</sup>

We welcome the draft report's recognition of arts philanthropy as a vital way Australians contribute to social cohesion and support the wellbeing and resilience of the community. We welcome its recognition of arts organisations and arts donors as contributors to the broader philanthropic ecology. We thank the Productivity Commission for recognising that this vital area of philanthropy experienced disruptions during the height of the COVID-19 pandemic, while charitable contributions to health-related causes grew significantly.

This response outlines Creative Australia's data, insights and feedback to the Productivity Commission's draft recommendations and information requests. While we welcome the Productivity Commission's draft recommendations to grow giving, this response highlights areas for consideration, additional research and consultation.

We look forward to consulting further with the Productivity Commission to ensure arts philanthropy in Australia continues to grow at pace with the arts and cultural sector needs.

### About Creative Australia

Creative Australia is the Australian Government's principal arts investment and advisory body. In line with the functions set out in our establishing legislation, the *Creative Australia Act 2023*, and guided by the vision, pillars, and actions set out in the Australian Government's National Cultural Policy: *Revive, a place for every story, a story for every place*, Creative Australia champions arts and culture for all Australians.

With artists at the heart of what we do, Creative Australia invest in creative talent and stimulate the market for Australian stories to be told on a national and international scale, sharing our rich culture with the world. Our strategic activity includes multi-year investment, grants, targeted initiatives and research and advocacy to support, strengthen and sustain the arts and cultural sector for all audiences to benefit.

Under the National Cultural Policy, *Revive*, Creative Australia has been charged with developing new 'three-way' partnership models – leveraging government funding, philanthropy and commercial investment to support arts and culture and the benefits of cultural participation.

<sup>1</sup> Australian Charities and Not-for-profits Commission 2023, [Australian Charities Report: 9<sup>th</sup> edition](#).

<sup>2</sup> Australian Bureau of Statistics 2023, [Australian Industry, 2021–22 financial year](#). This figure includes the following industry subdivisions: creative and performing arts; heritage activities; motion picture and sound recording; broadcasting; publishing; internet publishing and broadcasting; libraries; printing and recorded media.

<sup>3</sup> Based on creative occupations within the creative industries and other occupations within creative industries, 2021 Census. Cunningham S and McCutcheon M. 2022, [The Creative Economy in Australia: What Census 2021 Tells Us](#).

<sup>4</sup> Creative Australia 2023, [Creating Value: Results of the National Arts Participation Survey](#).

## Responses to draft recommendations and findings

### Chapter 4: How governments can incentivise giving

#### Response: Draft recommendation 4.1

##### Remove the \$2 threshold for tax deductible donations

- Creative Australia supports recommendation 4.1 in principle, however, is of the view that removing the \$2 threshold for tax deductible donations will not have far reaching impacts for the arts and cultural sector. While from a mass philanthropy perspective this approach might benefit major charities who are equipped to automatically generate tax invoices, arts and cultural organisations are more likely to manually administer tax invoices for donations. Therefore, due to the time and resourcing needed to generate tax invoices, a philanthropic gift of under \$2 will be of lesser value than the time spent to administer it.
- Often arts and cultural organisations choose to require a minimum donation amount which is well above the \$2 threshold for tax-deductible donations. This minimum donation amount varies across the industry. The most common donation amount across the Australian Cultural Fund (ACF)'s campaigns is \$50 and the average donation per campaign raised through the ACF is \$636.<sup>5</sup> (For more detail on the ACF see Information request 7.2). As most arts and cultural organisations impose their own minimum donation requirements, Creative Australia estimates lowering the \$2 threshold will only have a minor impact on the arts and cultural sector at large.

#### Response: Information request 4.2

##### Government policies to support giving

- The Productivity Commission's draft report, *Future Foundations for Giving*, and the Office for the Arts' submission to the inquiry acknowledge matched giving programs, such as Plus1 and MatchLab (detailed below), as an active example of incentivised charitable giving, with donations matched dollar for dollar by public funds.
- Although matched giving schemes do not provide a direct personal benefit to taxpayers, they are proven complementary approaches to incentivise charitable giving. Matched giving schemes incentivise donors with the potential to double their impact, with contributions becoming twice (or more depending on number of matched partners) the value of the initial donation. Matched programs prove to have a significant effect on achieving fundraising goals. In addition, time limited matched giving activity can encourage philanthropic giving as they create a sense of urgency.
- Creative Australia (and formerly under Creative Partnerships Australia) has administered two matched giving programs since 2014/2015. These are:
  - Plus1: The Plus1 program is a dollar-for-dollar matched fundraising program conducted by Creative Australia (previously run by Creative Partnerships Australia).
    - The objective of the program is to boost the fundraising efforts of small to medium not-for-profit arts organisations with additional funding, as well as build fundraising capacity within organisations.

<sup>5</sup> On average \$14,000 is raised by each completed campaign and there is an average of 22 donations per campaign.

- Plus1 offers two grant rounds of \$25,000 (for organisations up to \$500,000 turnover) or \$50,000 (for organisations up to \$5 million turnover).
    - Since 2016–17, the Plus1 program has attracted 12,212 individual donors, 280 business partners, and 86 trusts and foundations providing funding for 233 arts organisations.
    - Almost 94% of Plus1 participants met their fundraising target and 98% of campaigns have been successful in attracting new donors.<sup>6</sup>
  - MatchLab: The MatchLab is a matched funding program for independent artists and groups. It is designed for artists seeking to build their fundraising and arts business skills and to run a fundraising campaign.
    - MatchLab for artists or collectives (without DGR) offers matched funds up to \$10,000 per project.
    - The MatchLab program is expanding the donor base of giving. MatchLab campaigns attract 75% of new donors (since the inception of the program almost ten years ago in 2014–15).
    - A stakeholder reported in the 2022 evaluation report for MatchLab: ‘Where the value really lies [in matching funds] is what happens after the campaign is over, and how sticky those donors become.’
  - External reviews of both programs, after a decade of presentation, provides excellent data to advocate for the value of matched funded programs, with almost all campaigns within the Plus1 program (98%) and three quarters of MatchLab campaigns (75%) successful in attracting new donors.<sup>7</sup>
  - Importantly, the high success rate of these programs cannot be attributed to the ‘matched’ concept alone. Creative Australia (and formerly Creative Partnerships Australia) provide one on one coaching and bespoke fundraising advice to support fundraising capability and ultimately fundraising success.
    - A major barrier to growing arts philanthropy is the capability and capacity to fundraise. Creative Partnerships Australia’s Giving Attitude 2.5 report published in 2023 found a lack of skills, expertise, resources or personnel was the main challenge the sector faced in raising private sector support.<sup>8</sup>
    - Both MatchLab and Plus1 differentiate themselves from many funding programs through their emphasis on long-term skills development, providing another incentive for donors to give through the programs. Plus1 participants are encouraged to meet and discuss their campaign with a local Creative Australia State Manager (in Development and Partnerships), and MatchLab participants attend a two-day *Raising Money for Your Art* professional development and fundraising clinic, in addition to accessing one-on-one coaching and advice from their relevant State Manager.
- Another example of matched giving schemes are privately matched donations. For example, giving day programs are often presented with already confirmed donations from philanthropic partners who want to incentivise giving across a 12–24 hour campaign.

<sup>6</sup> Creative Partnerships Australia 2023, *Plus1 Program Evaluation Report*.

<sup>7</sup> Both the evaluations for MatchLab and Plus1 were prepared by atticusnow at the request of Creative Partnerships Australia.

<sup>8</sup> Creative Partnerships Australia 2023, [Giving Attitude 2.5](#).

- In 2023, The National (VIC) and Belvoir St. Theatre (NSW) both delivered giving days which included quadruple matched donations from foundations that incentivised donations. See our response to draft finding 10.1 for these campaign details.
- While there is evidence that matched giving programs incentivise giving to arts and culture, they do so in tandem with a tax incentive. Creative Australia’s experience in delivering matched giving programs supports the proposal that it is the provision of the dual benefit of a tax incentive and matched giving opportunity that leads to a feeling of increased impact or value for the donor. Based on this experience, Creative Australia propose that matched giving schemes are delivered alongside tax incentives rather than as an alternative to them.

## Chapter 6: Reforming the deductible gift recipient system

### Response: Draft recommendation 6.1 and Draft recommendation 6.2

#### **A simpler, refocused deductible gift recipient (DGR) system that creates fairer and more consistent outcomes for donors, charities and the community; and Supporting reforms to improve the deductible gift recipient (DGR) system**

- On 1 January 2024, administrative responsibility for assessing cultural organisations’ eligibility for DGR endorsement transferred from the Office for the Arts to the Australian Taxation Office (ATO). This change is as a result of the *Treasury Laws Amendment (Refining and Improving our Tax System) Act 2023* becoming law, amending the *Income Tax Assessment Act 1997*.<sup>9</sup> The new law contains transitional provisions to ensure organisations currently endorsed as DGRs on the Register of Cultural Organisations (ROCO) continue to be endorsed if they meet eligibility criteria.
  - This has the potential to streamline the application process; substantially reduce the time taken to secure DGR endorsement; and create consistency across all DGR categories.
  - While the transfer of assessing DGR status for cultural organisations to the ATO may streamline the DGR status application process, there is a potential risk that a lack of subject matter expertise in the cultural and creative industries may lead to decision-making that does not consider the sector’s nuanced business models.
- To maintain a professionalised charity sector, Creative Australia is of the view that the DGR system must be supported by regulation that enables equitability and transparency. In 2020–21, there were 1,939 cultural charities registered with the Australian Taxation Office receiving donations incentivised by tax deductibility.<sup>10</sup> It is vital that the DGR system retains the confidence of potential and existing donors so that its value and utility are upheld.
- For small to medium organisations in the arts and cultural sector, the barriers to securing DGR status are less related to eligibility and approval, but centre more on the organisation’s capacity to resource the administrative requirements of DGR application and maintenance. In the past, arts and cultural organisations have experienced challenges associated with long wait times between the submission of a DGR application and approval of DGR status. This is particularly salient for organisations that rely on annual funding cycles, for whom delays in approval inhibit the capacity to supplement government funding with

<sup>9</sup> Australian Government, Office for the Arts, [Deductible Gift Recipient Status for Cultural Organisations](#), accessed 24 January 2023.

<sup>10</sup> Australian Government, Taxation statistics 2020–21 Charities and deductible gifts: Deductible Gift Recipients, by type.

philanthropic gifts. However, the transfer of assessing cultural organisations' eligibility for DGR endorsement to the ATO may substantially reduce the time taken to secure DGR endorsement.

- The ACF acts as a supportive mechanism for many small to medium arts organisations who are building their fundraising capability. Some small to medium arts organisations may choose to use the service of the ACF as a mechanism for receiving philanthropic grants incentivised by tax deductibility. For more detail on the ACF see our response to Information request 7.2.

## Chapter 7: A sound regulatory framework

### Response: Draft recommendation 7.5

#### Explicitly consider the effects on volunteers when designing policies and programs

- Creative Australia welcomes the proposal to explicitly consider the effects on volunteers when designing policies and programs.
- Volunteers are major contributors to the success of Australia's arts and cultural ecosystem.
  - Creative Partnerships Australia's *Giving Attitude 2.5* report estimates cultural causes attract approximately \$65 million in in-kind or volunteer contributions.<sup>11</sup> However, the value of volunteer and pro bono support hours dropped by two thirds since before the pandemic, accounting for 16% of all private sector support as compared to 30% in the first Giving Attitude study.
  - While private sector support needs differ from organisation to organisation, micro arts businesses are almost universally reliant on volunteer and pro bono support.<sup>12</sup>
  - Creative Australia's 2022 National Arts and Participation Survey – a landmark survey series exploring Australians' engagement with arts and creativity found that:
    - In 2022, 23% of Australians gave time or money to the arts, down from 26% in 2019.<sup>13</sup> Younger Australians aged under 35 are more likely to give time or money to the arts than older Australians. Around a third of Australians aged 15–34 give to the arts (34%), a quarter of those aged 35–54 give to the arts (24%), and just over one in ten Australians aged 55 and over donate time or money to the arts (12%).<sup>14</sup>
    - Fewer Australians are donating their time to the arts. In 2022, only 7% of Australians volunteered their time to the arts, down from 9% in 2019, while only 8% of Australians did unpaid work in 2022, down from 10% in 2019.<sup>15</sup> The rate of donating time to the arts, either through volunteer or unpaid work, has decreased slightly (13% from 15% in 2019). The pandemic saw a decline in overall volunteering rates. In 2020, 25%, or 5.025 million Australians, volunteered through an organisation or group, down from 30%, or 5.8 million, in 2019.<sup>16</sup> The drop in the proportion of Australians donating time to the arts may be linked to the overall decline in volunteering.
    - More than a quarter of First Nations respondents did volunteer work for the arts over the past 12 months (27% compared to 7% of Australians overall), and CALD respondents are

<sup>11</sup> Creative Partnerships Australia 2023, [Giving Attitude 2.5](#).

<sup>12</sup> Creative Partnerships Australia 2023, [Giving Attitude 2.5](#).

<sup>13</sup> Creative Australia 2023, [Creating Value: Results of the National Arts Participation Survey](#).

<sup>14</sup> Creative Australia 2023, [Creating Value: Results of the National Arts Participation Survey](#).

<sup>15</sup> Creative Australia 2023, [Creating Value: Results of the National Arts Participation Survey](#).

<sup>16</sup> Volunteering Australia 2022, [Key Volunteering Statistics in Australia: February 2022](#).

more than twice as likely as non-CALD respondents to undertake volunteer or unpaid work for the arts (24% compared to 10%).<sup>17</sup>

## Response: Information request 7.2

### Regulation to strengthen donor protection through online giving platforms

- Creative Australia operates the ACF, which was established in 2003 to encourage donations to the arts. The ACF is an important mechanism to deliver growth in the culture of giving to arts and culture, bringing donors, businesses, artists and arts organisations together.
- The ACF is a fee-free fundraising platform for the creative industries that enables artists and arts organisations to register a fundraising campaign online and engage with potential donors. The ACF is crucial tool for the arts and cultural sector to engage diverse stakeholders and allow for flexible fundraising. For rural and regional artists and arts organisations, the ACF provides critical access to fundraise online to a national audience. The administration of all fundraising activity for artists is managed via the platform and it lives on the ACF website ([www.australianculturalfund.org.au](http://www.australianculturalfund.org.au)).
- The ACF has Deductible Gift Recipient (DGR) status and Tax Concession Charity (TCC) status so trusts, foundations, Public Ancillary Funds (PuAFs) and Private Ancillary Funds (PAFs) that require DGR or TCC status can give to the ACF.
- As a fee-free platform, the ACF operates at no cost to donors or participating fundraisers, with associated administration costs and transaction fees subsidised by Creative Australia. However, Creative Australia recognises the need for online giving platforms to charge minimal fees to cover the cost of administration and associated transaction fees. Acknowledging this, transparency on the fees charged by digital fundraising platforms is an important element in providing confidence to donors that their funds are being applied according to their expectations.
- As the ACF is operated by Creative Australia, it provides a level of protection to donors that is in line with Creative Australia's regulatory requirements, in which high-level governance compliance is the baseline for all ACF operations. Clear requirements for non-government operated online fundraising platforms on issues such as privacy and the application of funds raised would provide increased assurances to donors and would have the potential to contribute to an increase in funds raised via these platforms. For more detail on barriers see Information request 8.5.

## Chapter 8: Structured giving vehicles

### Response: Draft recommendation 8.1

#### Enabling distributions of funds to be smoothed over three years

- Creative Australia welcomes the proposal to enable the distribution of funds to be “smoothed” over three years. Creative Australia sees the value to the cultural and creative industries to allow PAFs to be more responsive to the requirements of the sector and to encourage larger-scale catalytic investment in arts infrastructure and long-term creative projects and initiatives.
- While in support of the proposal to enable funds to be “smoothed”, Creative Australia acknowledges the need for increased scaffolding of regulation and compliance to ensure that flexibility results in meaningful, long-term investment in arts and culture. Such an approach would help ensure funds are not unnecessarily

<sup>17</sup> Creative Australia 2023, *Creating Value: Results of the National Arts Participation Survey*.

withheld in the first two years of the “smoothed” period and the for-purpose sector retains access to annual funds that it relies on for operational activities.

- Creative Australia operates Amplify, an initiative for PAFs, PuAFs and foundations that engages the ACF (for more detail on the ACF see our response to information request 7.2).
  - Amplify provides administrative and operational capacity building support to Australia’s PAF sector to assist in distributing funds to the arts and cultural sector. In response to a direct request from the Tim Fairfax Family Foundation, the Amplify program was developed to allow this foundation and any PAF or PuAF giving through the ACF to increase the flexibility of their 5% (PAFs) or 4% (PuAFs) annual fund distribution. Amplify enables the contemporary practice of multi-year, untied funding for the for-purpose sector, while allowing PAFs and PuAFs to maintain flexibility for future philanthropic commitments. By way of example, this was demonstrated in 2022 when Tim Fairfax Family Foundation was able to pivot their philanthropic focus to flood relief for the Southeastern Queensland community without disrupting any of the forward year commitments they had made via Amplify to the arts and cultural sector.

## **Response: Information request 8.2**

### **Timely distributions of donated funds for charitable purposes**

- Interest generated through the ACF is directly redistributed back to artists through the ACF in the form of matched funding programs and capacity building initiatives. In the 2022–23 financial year, the ACF raised \$11,179,555 in donations and accumulated \$160,000 in interest which was invested directly back into the creative sector via the matched micro-grant program ACF Boost.
- ACF campaign payments are made twice weekly. That is, every ACF campaign is paid at a maximum of 3.5 days after its conclusion. Artistic programs take place throughout the year, and at any one time there can be up to 500 campaigns active on the ACF, with an average of 700 fundraising campaigns completed each year on the platform. In this way, the ACF is continuously gaining interest on its various campaigns while also immediately distributing the funds to the campaigners. The ACF’s commitment to providing funds raised in a directly and timely fashion is key to the platform’s success and utility for the cultural and creative industries.
- Creative Australia supports the proposal for regulatory consistency to ensure that funds donated via giving vehicles are disbursed to the for-purpose sector in a timely manner. This would discourage the accumulation of interest earned by for-profit fundraising platforms. It would also provide opportunities for fund recipients to reliably plan service delivery with an understanding of the cash flow expected from their fundraising activity.

## **Response: Information request 8.4**

### **Making bequests through superannuation easier**

- Creative Australia supports Philanthropy Australia’s recommendation to simplify the process for making bequests through superannuation. Philanthropy Australia’s submission to the Productivity Commission recommends reform to give Australians the choice through their super arrangements to leave some money

to charity when they die and to abolish the tax penalty for doing so. See Philanthropy Australia’s submission for more details.<sup>18</sup>

## Response: Information request 8.5

### Barriers and opportunities for innovative giving vehicles

- Giving vehicles can often be costly and fees can vary from monthly fees to a percentage taken from donations received.
- The ACF is a unique platform for Australian cultural charitable projects as it is a fee-free service for donors and fundraisers. The ACF is also innovative for its campaign users (eg artists and arts organisations) who have access to localised coaching and fundraising advice through a Creative Australia State Manager (in Development and Partnerships), supporting the professionalisation of fundraising in the arts. For more detail on the ACF see Information request 7.2.
- In addition, the interest generated through the ACF is directly redistributed back to artists through the ACF in the form of matched funding programs and capacity building initiatives. In the 2022–23 financial year, the ACF raised \$11,179,555 in donations and accumulated \$160,000 in interest which was invested directly back into the creative sector.

## Chapter 9: Public information about charities and giving

### Response: Draft recommendation 9.1

#### Creating more value from the data held by Australian Government agencies

- Creative Australia welcomes the proposal to create more value from the data held by Australian Government agencies.
- Creative Australia’s research, data analysis and insights deepen the understanding of the role, value and impact of arts and creativity.
  - As directed through the National Cultural Policy, *Revive*, Creative Australia will be publishing a State of Australian Culture report – a regular pulse check on arts and culture in Australia and their benefits to Australians.
  - Creative Australia undertakes research that explores charitable giving to cultural organisations, (eg National Arts Participation Survey, *Giving Attitude* – a publication formerly delivered by Creative Partnerships Australia) and collects data from cultural organisations including philanthropic income from sponsorships, grants from trusts and foundations, gifts in wills and bequests from funded organisations’ annual audited financial statements. This information is shared with the sector to inform of emerging trends and opportunities.
- Meaningful data on charitable giving to the arts – including giving trends, gaps and opportunities – is vital to building the evidence base on the social, cultural and economic impact of arts philanthropy. This evidence plays a critical role in advocacy and raises the public value of arts and culture.

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<sup>18</sup> See [Philanthropy Australia submission to the Productivity Commission’s Inquiry into Philanthropy in Australia: A Strategy to Double Giving by 2030](#).



## Response: Draft recommendation 9.5

### Improve the usefulness of public information sources on volunteering

- Creative Australia welcomes the proposal to improve the usefulness of public information sources on volunteering.
- Creative Australia's research on various forms of giving and arts and cultural participation make a contribution to understanding how Australians give time and energy through volunteering. See our response to draft recommendation 7.5 for more detail.
- Australia's arts and cultural sector relies on the support of dedicated volunteers. Deepening our understanding of volunteering in Australia, including informal and formal arrangements and time spent, is necessary to developing a coherent understanding of the needs of the arts and cultural sector.

## Chapter 10: Increasing participation in giving

### Response: Draft finding 10.1

#### A government-funded public campaign could help broaden participation in giving, but there is insufficient evidence to conclude that such an intervention would be effective

- There is a need to support a cultural shift to a more giving mindset to boost philanthropic giving and meet the Australian Government's goal of doubling philanthropic giving by 2023. A national giving campaign has the capacity to help lead this cultural shift.
- While the potential impact of a government-funded philanthropic public campaign is yet to be documented or measured through a pilot, Australia's cultural and creative industries have compelling evidence on the scale and success of giving day campaigns. For example:
  - In November 2023, the National Theatre ran a 'Love the Nash' giving day organised with help from 'Charidy'.<sup>19</sup> They successfully raised \$138,000 from 185 donors which was leveraged with matched giving from existing donors.<sup>20</sup>
  - In October 2023, Belvoir St. Theatre raised \$1.5 million (against a target of \$1 million) from 772 donors which were quadruple matched by donors of the theatre. This unique matched giving scheme leveraged Belvoir St. Theatre's existing philanthropic givers to incentivise new donors to give to the cause as each new donation was matched by three other donors.<sup>21</sup>
  - Flipside Circus's 2022 giving day (a 12-hour campaign and its second annual giving day) raised \$49,000 from 277 donors.<sup>22</sup>
  - The Queensland Art Gallery/Gallery of Modern Art has run an annual giving day for the past three years which has slowly grown into a significant element of their annual fundraising activity. In 2023, their campaign to support the Gallery's dedicated programs for young visitors and families achieved \$382,000 in fundraising.<sup>23</sup>
- Public promotion of the impact of donors 'giving together' to support specific causes may also prove progressive. Arts Impact WA (based in Perth) is the first large collective giving group formed to specifically

<sup>19</sup> Note: Charidy is a third-party provider supporting the delivery of a giving day. For a cost of 5% commission Charidy will provide advice and mechanisms to deliver a successful giving day, including provision of a call centre and/or online platform to support receipt of donations.

<sup>20</sup> See the [National Theatre's campaign results](#).

<sup>21</sup> See [Belvoir St. Theatre's campaign results](#).

<sup>22</sup> See [Flipside Circus' campaign results](#).

<sup>23</sup> See [QAGOMA's campaign results](#).

support arts and culture. The group is underwritten by 17 local PAFs who have pledged to support the group for the first three years. Since forming in 2022, Arts Impact WA has leveraged and distributed \$480,000 to independent artists and small arts organisations. There is an opportunity to accelerate giving in Australia and inspire long-term giving to the arts through similar group initiatives.

## Response: Draft recommendation 10.1

### Establishing an Aboriginal and Torres Strait Islander philanthropic foundation

- It is not clear from the draft report what consultation with Aboriginal and Torres Strait Islander communities has taken place and whether or not the recommendation to establish a First Nations philanthropic foundation has been self-determined by the First Nations community.
- Key to self-determination is the self-determination of structures and models. It vital the Productivity Commission engages deeply with the diversity of the Aboriginal and Torres Strait Islander communities to consider the different perspectives and priorities and empower self-determined decision-making prior to moving forward with this recommendation.
- First Nations leaders are building capability in First Nations fundraising. This work ranges from small to large in scale and ambition. A non-definitive list of major not-for-profit First Nations-led fundraising organisations include: Anangu Communities Foundations Administered by Voyages Indigenous Tourism Australia (Uluru Resort), Archie Roach Foundation, Aurora Education Foundation, Bibbulmun Fund, Community Spirit Foundation (formerly Cathy Freeman Foundation), Eddy Betts Foundation, First Nations Foundation, First Nations Futures, Go Foundation (Adam Goodes and Michael O'Loughlin), Goanna Academy - Greg Inglis Foundation, Gurrumul Yunupingu Foundation, Healing Foundation, Namatjira Legacy Trust, Ninti One Foundation, Reconciliation Australia, Team Mills Foundation (Patty Mills), and the Yothu Yindi Foundation
- Further research, analysis and consultation with the Aboriginal and Torres Strait Islander communities – both those that support philanthropic giving and those working in First Nations' impact – will better inform the mechanisms needed to address barriers and challenges for giving to Aboriginal and Torres Strait Islander causes.
- Navigating the diversity of needs and priorities for Aboriginal and Torres Strait Islander peoples requires consultation and considered timelines. By way of example, discussion for a national body for First Nations arts and culture stretches back five decades to the first national summit of First Nations artists in 1973. In 2018 and 2019, the Australia Council for the Arts (now Creative Australia) travelled around the country talking to Aboriginal and Torres Strait Islander people about a national body for First Nations arts and culture, with the working title of 'National Indigenous Arts and Cultural Authority (NIACA)'. The report [\*Bringing it Forward: The journey towards a national body for First Nations arts and culture\*](#) presents a detailed history and timeline of the NIACA discussion and related issues over the past five decades. It also presents the findings of the national consultation on a NIACA in 2018 and 2019. The Productivity Commission's [\*report on Aboriginal and Torres Strait Islander visual arts and crafts\*](#) acknowledges this work to date and recommends 'Aboriginal and Torres Strait Islander people should be part of shared decision-making in setting objectives for government funding for visual arts and crafts'.
- Creative Australia is well placed to support the Productivity Commission in consulting with Aboriginal and Torres Strait Islander communities to better understand philanthropic giving barriers and challenges.
  - Aboriginal and Torres Strait Islander self-determination is foundational to Creative Australia. First Nations thought leadership underpins Creative Australia investment in First Nations arts and culture. Since the founding of the Aboriginal and Torres Strait Islander Arts Board in 1973, Creative Australia

has continued to foster First Nations decision-making and control to advance and promote First Nations arts and culture. This approach aligns with the Creative Australia [Protocols for using First Nations Cultural and Intellectual Property in the Arts](#).

- The National Cultural Policy, *Revive*, includes First Nations First as a major pillar of the policy and sets out actions for Creative Australia to establish a dedicated First Nations-led Board. From 2024, *Revive* establishes a dedicated First Nations-led Board to:
  - invest in, create and produce, First Nations works of scale, with priorities and funding decisions determined by First Nations leaders
  - develop a First Nations Creative Workforce Development Strategy
  - promote best practice cultural protocols, self-determination and cultural safety training across arts and cultural organisations.
- Throughout late 2023 and early 2024, Creative Australia is engaging in extensive consultations on the establishment of the First Nations-led Board within Creative Australia, including how it should implement, invest, and deliver on its new role and responsibilities for First Nations First.
  - *Revive* includes an action to develop a First Nations Creative Workforce Development Strategy, which will be led by the First Nations-led Board. These consultations will be essential to understanding how to progress, address and strategically respond to the workforce capacity needs of the First Nations arts and culture sector, which include philanthropic capability building.

## Response: Information request 10.1

### Supporting charities to engage with different sources of philanthropy

- In addition to matched funding and capacity building programs, Creative Australia is committed to exploring and piloting new funding models that leverage philanthropic giving and amplify its impact:
  - Creative Australia is exploring impact investment models through pairing commercial investment initiatives with an expectation of financial and social return.
  - Creative Australia is working with donors and foundations to determine the role of catalytic philanthropy and concessional investment as models of giving that support commercial investment in the arts.
  - There is great potential to leverage philanthropic seed-funding as a pathway to commercial investment in the arts. This would allow the sector to open new funding opportunities that are initiated by philanthropic gifts, paired with government funding, and end in a blended finance model that protects the sustainability of the sector through diversifying revenue sources.
  - There is significant capacity for Australia to learn from the work of the [Nesta Art & Cultural Finance Fund \(UK\)](#) and the [Social Finance Fund \(Canada\)](#) in the development of models that embrace new approaches to creative industries investment. Such approaches explore the role of government and philanthropy in providing catalytic or concessional capital to support these investments.
- Creative Australia as a government agency is working with the cultural and creative industries to determine metrics for measuring the social impact of the arts to set benchmarks for potential impact investors. This work in impact measurement is accompanied by the exploration of opportunities to invest in pilot funds or undertake loss guarantee so that philanthropy is incentivised to participate in new investment models that combine benevolent giving with the expectation of social/financial return.

## **Response: Information request 10.2**

### **Accessing professional advice on philanthropy**

- Creative Australia supports an approach to philanthropic professional advice that sees industry experts engage more comprehensively with wealth managers to raise donor understanding of the considerable level of social impact and potential in giving to arts and culture. There is a need for the financial services industry to develop an increased understanding of the social and wellbeing benefits of supporting the arts, in order to best advise their clients. This could be achieved by embedding of creative industries subject-matter experts within the structure of wealth management agencies who can advocate for the inclusion of arts and culture in structured giving.