

Review of Philanthropy

Australia Council submission

12 May 2023

As the Australian Government's arts investment, development and advisory body, the Australia Council for the Arts welcomes the Productivity Commission's review into philanthropy in Australia.

From July 1, the Australia Council will transform into Creative Australia and transition the functions of Creative Partnerships Australia to its newly established body. Bringing philanthropy and arts funding together under Creative Australia will help foster an environment that better connects and amplifies cultural investment between philanthropic, commercial and government partners in Australia.

Australian arts and creativity are among our most powerful assets, playing essential roles in our health, wellbeing, education, innovation, identity, advancement, economy and international reputation.

Our cultural and creative industries are powered by cultural investment and partnerships between government, commercial and philanthropic stakeholders. As well as producing important intrinsic value, investment in Australia's arts and creativity unlocks social, reputational and economic value throughout the cultural and creative industries and beyond.

However, COVID-19 has exposed the fragility of the arts and cultural sector's networked funding structure and caused negative impacts to our complex arts and cultural production ecosystem. Over the course of the pandemic, the industry has lost billions in revenue and thousands of creative workers have left the sector. There is a need to pull the arts into more structured formalised giving to support genuine co-investment models and to promote best practice standards between the public and private sectors.

Within this submission, the Australia Council has provided a range of recommendations for the Productivity Commission to consider when evaluating approaches to meet the Australian Government's ambitions to double giving by 2030. The Australia Council looks forward to further exploring these recommendations at the upcoming roundtable consultations in June and July 2023.

Summary of recommendations:

- Recognise arts philanthropy as an important contributor to realise the Australian Government's ambitions to double private giving by 2030.
- Continue to invest in the Australian Cultural Fund as a fee-free platform that supports and enables private giving to and through the arts.
- Explore mechanisms that incentivise continued philanthropic giving to arts and culture, including long-term interventions of scale.
- Develop consistent and robust mechanisms for measuring the impacts of values-based partnerships.
- Endorse a national day for giving, anchored by a donation campaign that encourages private giving to the arts.
- Support collaboration between government, industry, the not-for-profit sector and philanthropists and include new investment models that explore impact and blended finance as a component of the Productivity Commission's scope of this review.

Arts, culture and creativity improve the wellbeing of society

The arts are a powerful vehicle for affecting positive social change

- **Culture, arts and creativity make Australians healthier and happier.** We know arts and cultural interventions address the social determinants of health¹ and facilitate human flourishing across the life span² by improving quality of life in myriad ways, including addressing loneliness, mental health and ageing;³ producing positive wellbeing impacts for young people;⁴ treating posttraumatic stress disorder (PTSD) and helping communities recover from trauma.⁵
- **Cultural participation is linked to a number of areas of social and economic impact:** social inclusion, education, innovation, wellbeing and health, and civic engagement.⁶
- **There is a substantial body of evidence about the value of arts and creativity in education.** This includes the power of arts activities to help students develop personal, social and cognitive skills that transfer to and improve performance in a wide range of academic and social situations.⁷
- **Arts and creativity are essential to healthy child development.** Australians increasingly recognise the value of arts and creativity in the lives of children and young people and prioritise investment in this area.⁸
- **Creative skills built by the arts are key to the future of work and are essential in generating a resilient labour force.**⁹ They have been integral to the fast-growing industries in Australia over the past decade.¹⁰ Australian and international studies have identified a growing need for creative thinking and skills in the workforces of the future.¹¹
- **Creative practitioners are increasingly working and applying creative skills in non-creative sectors,**¹² adding value to other industries and portfolios in transition, such as regional development, tourism, mental health and aged care.¹³

¹ Fancourt D and Finn S 2019, [Cultural Contexts of Health: The role of the arts in improving health and well-being in the WHO European region](#). Parkinson C 2018, 'Weapons of Mass Happiness: Social justice and health equity in the context of the arts', [Music, Health and Wellbeing](#).

Chandler M 2018, 'Cultural Wounds Demand Cultural Medicines', [Determinants of Indigenous People's Health in Canada: Beyond the social](#).

² Boydell KM et al 2021, 'Graffiti Walls: Arts-based mental health knowledge translation with young people in secondary schools', [Creative Approaches to Health Education: New ways of thinking, making, doing, teaching and learning](#). Baird A, Garrido S and Tamplin J 2020, [Music and Dementia: From cognition to therapy](#). Lee J, Davidson JW and Krause AE 2016, [Older People's Motivations for Participating in Community Singing in Australia](#). Cohen GD et al 2006, [The Impact of Professionally Conducted Cultural Programs on the Physical Health, Mental Health, and Social Functioning of Older Adults](#).

³ All-Party Parliamentary Group on Arts 2017, [Health and Wellbeing Inquiry Creative Health: The Arts for Health and Wellbeing](#).

⁴ Patternmakers 2017, [ATYP Impact Evaluation](#).

⁵ Baker et al 2017, 'A Systematic Review of the Efficacy of Creative Arts Therapies in the Treatment of Adults with PTSD,' [Psychological Trauma: Theory, Research, Practice, and Policy](#), 10:6.

⁶ OECD 2022, [The Culture Fix: Creative People, Places and Industries](#). Local Economic and Employment Development (LEED).

⁷ Australia Council 2020, [Creating Our Future: Spotlight on economic value and future success](#). See also: Australia Council 2020, [Cultivating Creativity: A study of the Sydney Opera House's Creative Leadership in Learning program in schools](#).

⁸ Australia Council 2020, [Creating Our Future: Spotlight on economic value and future success](#).

⁹ See: NESTA 2018, [Creativity and the Future of Skills](#). Australia Council 2017, [Making Art Work: A Summary and Response by the Australia Council for the Arts](#). World Economic Forum 2016, [The future of jobs: Employment, skills and workforce strategy for the fourth industrial revolution](#). Bakshi H, Downing J, Osborne M and Scheider P 2017, [The Future of Skills: Employment in 2030](#), Pearson and Nesta, UK.

Pratchett L, Hu R, Walsh M and Tuli S 2017, [The Knowledge City Index: A tale of 25 cities in Australia](#), University of Canberra. Foundation for Young Australians 2017, [The new work smarts: Thriving in the new work order](#).

¹⁰ Including Professional, Scientific and Technical services. Australian Bureau of Communications and Arts Research (BCAR) 2019, [Creative Skills for the Future Economy](#).

¹¹ McKinsey Global Institute 2021, [The Future of Work After COVID-19](#). Bakshi H, Downing J, Osborne M and Scheider P 2017, [The Future of Skills: Employment in 2030](#), Pearson and Nesta.

¹² Trembath J L and Fielding K 2020, [Australia's Cultural and Creative Economy: A 21st century guide](#), produced by A New Approach think tank with lead delivery partner the Australian Academy of the Humanities, Canberra. Bureau of Communications Arts and Regional Research (BCAR) 2020, [Cultural and Creative Activity in Australia 2008–09 to 2017–18](#), Explanatory Notes, Canberra: Department of Communications and the Arts. Throsby D and Petetskaya K 2017, [Making Art Work: An economic study of professional artists in Australia](#).

¹³ QUT and the University of Newcastle 2020, [Australian cultural and creative activity: A population and hotspot analysis](#), Australian Research Council Linkage project.

Culture is a foundation for First Nations wellbeing

- **Culture is a foundation for Aboriginal and Torres Strait Islander health and wellbeing.** It is essential to people's everyday lives – helping to shape views on the world and supporting the creation of a meaningful life. Culture is a protective factor – it decreases the likelihood of negative health outcomes – and can positively influence other social aspects of our health.¹⁴
- **First Nations arts and cultural participation can support the development of strong and resilient First Nations children and communities.** It is shown to improve First Nations peoples' physical and mental health and wellbeing; support greater social inclusion and cohesion; support safer communities with reductions in crime and improved rehabilitation; as well as help prevent suicide for First Nations people. Arts and cultural participation can improve school attendance and lead to higher levels of educational attainment; and help garner more employment, economic opportunities and meaningful work.¹⁵
- **For First Nations Australians living in remote communities, arts and cultural practices and production are critical for economic autonomy and community life.** A significant majority of First Nations artists living in remote areas agree that art and cultural production has the potential to promote long-term sustainability of remote communities in their region. In these settings, arts and cultural activities perform better than non-cultural activities in providing regional artists with relevant employment opportunities and associated incomes.¹⁶
- **First Nations arts engagement supports empowerment, community connectedness and wellbeing among First Nations Australians and drives outcomes across the Closing the Gap framework.** Research to support this argument include [The Elders' report into preventing Indigenous self-harm and youth suicide](#) (2014), [Living Culture: First Nations arts participation and wellbeing](#) (2017); The [Interplay Project](#) (2011–2017); and more.¹⁷

The arts play a vital role in facilitating social connection

- **The arts connect us, can create a feeling of community and can play a powerful role in building social cohesion.** We know that as we age, isolation can occur through a loss of social connections – be it family, friends, workplaces. Nearly three in five Australians agree that **cultural and creative experiences allow me to connect with others** (56%).¹⁸
- **Arts and creativity have a unique capacity to connect us, irrespective of our life circumstances and experiences.** The shared stories of millions of diverse peoples who now call Australia home promote respect and empathy, and powerfully connect us to a global community. More than two thirds of Australians recognise that cultural and creative experiences **help us understand perspectives that are different to our own** (71%).¹⁹
- **Arts and creativity shape and communicate our shared values and national identity.** They have a powerful role to play in shaping the collective imagination of what it means to be Australian. One in two Australians agree that the arts shape and express Australian identity.²⁰

¹⁴ Lowitja Institute 2020, [Culture is Key: Towards cultural determinants-driven health policy](#).

¹⁵ Office for the Arts 2012, [Culture and Closing the Gap](#), Department of Regional Australia, Local Government, Arts and Sport.

¹⁶ Throsby D and Petetskaya K, Integrating Art Production and Economic Development in the Central Desert (NT) and the APY Lands (SA), April 2019; Integrating Art Production and Economic Development in North West NT and Tiwi Islands, May 2019; Integrating Art Production and Economic Development in Arnhem Land Northern Territory, July 2019.

¹⁷ See the Australia Council's [Submission to the Closing the Gap Refresh](#).

¹⁸ Australia Council (forthcoming), Results of the 2022 National Arts Participation Survey.

¹⁹ As above.

²⁰ As above.

The arts are more important than ever to Australia's future

It is vital we support arts and cultural engagement during this time of disruption and change

- **The collective experience of COVID-19 lockdowns has highlighted how important arts and cultural participation is to mental wellbeing and social connection.**²¹ Without access to lived, in person experiences, we turned to digital arts and culture to connect with our communities and a sense of ourselves.²²
 - Filling time creatively was considered rewarding during COVID-19, with two in five Australians believing their appreciation of the arts and creative activities had increased. People used creative experiences for social connection, to improve their health and wellbeing and to connect with their cultural background.²³
 - Most Australians (73%) found that the arts improved their mood and quality of life during the early stages of the pandemic,²⁴ and many online audiences reported achieving a sense of connection during lockdowns.²⁵
 - During COVID-19 lockdowns, Australians who suffered from anxiety or depression turned to music as a coping mechanism or emotional support significantly more than others.²⁶
 - Three of the five most popular activities Australians did to stay connected and support their wellbeing during the April 2020 lockdown relied on the cultural and creative industries and the skills of artists: 'watching films/television programs or listening to the radio/podcasts' (72%), 'listening to music' (55%) and 'reading for pleasure or relaxation' (54%).²⁷
- **Arts and cultural participation can help build resilience, and help individuals and communities recover from disasters and trauma.**²⁸ The OECD policy response has highlighted that cities and regions can take advantage of the creative potential of culture in the post-COVID recovery.²⁹
- **However, Australia is participating less in cultural and community activities and almost half the population report being lonely each week.** In the past thirty years, Australians have decreased their engagement with community groups, volunteering and are reporting to have less friends (down from 9 trusted friends in 1984 to 5 in 2018).³⁰
- **The impact of the COVID-19 pandemic on mental health and wellbeing has been substantial,** with associated measures to prevent the spread of the virus causing disruption to our everyday lives. In 2020–21 more than 3.4 million Australians sought help from a health care professional for their mental health.³¹

²¹ Australia Council 2020, [Arts Engagement During the COVID-19 Pandemic](#), based on Lonergan Research's Omnibus Survey, April 2020. Patternmakers 2020, [Audience Outlook Monitor: Australia snapshot report, May 2020](#).

²² As above.

²³ Australia Council (forthcoming), Results of the 2022 National Arts Participation Survey.

²⁴ The Australia Institute 2020, [Polling – Lockdown and the Arts May 2020](#).

²⁵ Patternmakers 2020, [Fact Sheet: Online engagement, COVID-19 Audience Outlook Monitor](#).

²⁶ Kiernan F et al 2021, [The Role of Artistic Creative Activities in Navigating the COVID-19 Pandemic in Australia](#), *Frontiers in Psychology*, 12:696202.

²⁷ The other two most popular activities were 'keeping in touch with family and friends via phone or videoconferencing' and 'exercise/backyard activities'. Australia Council 2020, [Arts Engagement During the COVID-19 Pandemic](#), based on Lonergan Research's Omnibus Survey, April 2020.

²⁸ A New Approach 2020, [Society and Place: Transformative impacts of arts, culture and creativity, Fact sheet 1](#). See also: Australia Council 2020, [Creating Our Future: Spotlight on health and wellbeing](#).

²⁹ OECD 2020, [Culture shock: COVID-19 and the cultural and creative sectors](#), 7 September 2020.

³⁰ Leigh A and Terrell N 2020, [Reconnected: A Community Builder's Handbook](#).

³¹ Australian Bureau of Statistics 2022, [National Study of Mental Health and Wellbeing](#).

- **Our young people are at risk and there will be long-term implications if there is no action.** The National Mental Health Survey, the nation's first comprehensive mental health survey in 15 years, found the prevalence of mental ill health in young people had increased by more than 50% from 26 percent in 2007 to 39 percent in 2020–21.³²

Philanthropy is key to achieving the varied benefits of arts participation

The cultural and creative industries are supported by a networked funding system

- **The creative industries are powered by a range of finance mechanisms** that, together with considered policy measures, support a healthy and vibrant ecosystem. Within the creative industries, commercial activity is supported by a networked system of policy settings and private, public and philanthropic investment.
- **The impacts of arts investment extend far beyond the arts and cultural sector and by funding arts and cultural activities we are often in fact funding public goods.** Investment in arts and culture is often about funding artistic excellence and access to artistic work.
- **However, this system needs to be further developed and upscaled to include a wider and diverse range of investors.** See 'Philanthropic investment is a critical part of the solution'.

The Australian Cultural Fund plays an important role in building public good

- **The Australian Cultural Fund (ACF), managed by Creative Partnerships Australia, is an important fundraising platform for Australian artists and small to medium arts organisations.** Through the ACF, artists and arts organisations deliver a fundraising campaign which invites supporters to donate. The ACF does not charge its users (artists and arts organisations) a fee and 100% of donations go directly towards creative projects.
- **The Australian Cultural Fund remains 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 uniquely supports cross-sector philanthropic campaigns,** for example educational outcomes (eg, artists in schools or creative arts programs) and health outcomes (eg, creative recovery and cultural participation programs for wellbeing) through investment in arts and culture. Other comparable platforms currently do not allow this type of investment.
- **The ACF has helped raise more than \$40 million for Australian artists and small to medium arts organisations through its fee-free service,** enabling a wide range of arts projects to come to life through philanthropic funding.
- **The ACF provides a platform for individual artists and small to medium arts organisations without Deductible Gift Recipients (DGR) status to source private funding for arts-based projects, incentivised by tax deductibility.**
 - **The ACF has Deductible Gift Recipient 1 (DGR1) status.** To provide donors with a tax deductibility, artists and arts organisations without DGR1 status access the ACF by registering a fundraising campaign. This tax deductibility encourages donors to give and/or give more generously knowing that they can claim the donation as a deduction in the income year of the contribution.

³² Australian Bureau of Statistics 2022, [National Study of Mental Health and Wellbeing](#).

- While some alternative organisations may hold a DGR2 status enabling fundraising for arts projects, these organisations can only pay grants to organisations and not to individuals, further minimising options for individual artists to fundraise their projects.
- **In 2021, the Australian Cultural Fund, in partnership with the Tim Fairfax Family Foundation, launched Amplify, a service that provides administrative and operational capacity building support to assist Private Ancillary Funds (PAFs) in distributing funds to the arts and cultural sector.**
 - Through Amplify, the ACF is a pathway for PAFs to acquit their disbursement requirements regardless of their grantees' DGR status, allowing PAFs to fund individuals and organisations without DGR status. It also removes the burden of administrative and due diligence checks, providing assurance to donors.
 - By using Amplify, PAFs can fulfil their annual distribution requirements in one donation to the ACF, which can then be distributed to recipient organisations over several years. This removes the need for PAFs to pre-commit funds from future year distributions to provide sustainable multi-year funding to recipients.
 - The ACF offers resources that allow PAFs to utilise best practice processes without needing to develop them from the ground-up and provide structure to grant-making activity.
- **The ACF provides a low-cost mechanism to help the Australian Government meet its target to double giving by 2030. Other comparable services charge a fee,³³ whereas the ACF offers a fee-free solution to connect individual artists and organisations with tax deductible private giving.**

Australians give their time and money to the arts

- **One in four Australians gave time or money to the arts in 2022** (23% down from 26% in 2019), as shown in insights from the Australia Council's forthcoming 2022 National Arts Participation Survey. In 2019, the National Arts Participation Survey found a substantial increase in Australians giving time and money to the arts, up 18% from 2016.³⁴
- **In 2022, one in ten Australians donated money to the arts** (10% consistent with 10% in 2019). However, Australians are supporting the arts at slightly lower rates through **volunteering** (7% down from 9% in 2019) and **supporting crowdfunding** (6% down from 8% in 2019).
- **Younger Australians** are more likely than older Australians to **donate money to the arts** and/or **contribute to a crowd-funding effort for an arts activity** (20% of Australians aged 15–24 and 19% of Australians aged 25–49 compared with 7% of Australians aged over 50).
- **Those with a higher household income** are twice as likely to **donate money to the arts**: 13% of Australians with a household income of more than \$200,000 **donate money to the arts**, compared to 5% of Australians on a household income of under \$40,000.
 - In 2022, Australia's highest net worth individuals and families (top 50) contributed a value of \$1.1 billion to philanthropic spending.³⁵

³³ For example, [Australian Documentary Foundation](#) and [Australian Sports Foundation](#).

³⁴ For consistency with the 2019 methodology, 2016 figures are reported for the online sample only and may differ from those published in the previous National Arts Participation Survey report, *Connecting Australians*.

³⁵ Lisa Murray 2023, '[Australia's 50 biggest givers top \\$1b in donations for the first time](#)', *Australian Financial Review Magazine*, 26 April.

Recent disruption has had negative impacts on the cultural and creative industries, including its investment models

COVID-19 has exposed the fragility of the arts

- **COVID-19 has caused major damage to our cultural and creative industries exposing the fragility of the arts and cultural sector’s networked funding system, and causing negative impacts on the complex ecosystem of arts production.**
 - By April 2020, 96% of respondents to a survey of cultural sector event producers reported they had cancelled programs or events and 88% had lost revenue, including sponsorship, private giving and government funding.³⁶
 - Many studies have examined the extent and varying impacts of COVID-19 on Australia’s arts and creativity, including wiping \$1.4 billion from our live entertainment industry in 2020³⁷ and the disproportionate economic impact of shutdowns on arts and recreation businesses.³⁸
 - Globally, 10 million jobs were lost in the creative industries in 2020 alone³⁹ and cultural and creative industries generally performed worse than their national economies, thereby sustaining more damage than during any previous crisis.⁴⁰
 - The ABS Labour Survey in March–May 2020 highlighted the long-term impact of job losses and how large numbers of people were leaving the arts and recreation services industries:

In arts and recreation services and accommodation and food services, the two industries most heavily impacted by COVID-19, a relatively large proportion (around one-third) of people employed in these industries in February were no longer employed in May. Interestingly, of those remaining in employment in May, there was a noticeably higher proportion of people from the arts and recreation services industry who had changed industries, compared to accommodation and food services.⁴¹
 - An Australia Council survey of arts and cultural organisations in October 2022 found half of all organisations reported vacancies within leadership roles (51%). They were mostly due to staff leaving for other roles (58%), but a substantial number said they were due to people leaving the sector (36%).⁴²
- **Government spending on recreation, culture and religion in Australia is below that of many of our international peers.** Australia spent 0.98% of its GDP, placing us ahead of other English-speaking countries (the United States and United Kingdom) yet 23rd out of 31 OECD countries. Australia has remained below the OECD average from 2017 to 2020.⁴³

³⁶ Culture Counts 2020, [COVID-19 Impact on Cultural Industries: April snapshot](#).

³⁷ Live Performance Australia 2021, [COVID-19 wiped \\$1.4 billion from live entertainment industry in 2020, a 70% decline nationally](#).

³⁸ Monthly cross-industry surveys conducted by the ABS throughout 2020 and 2021.

³⁹ UNESCO 2022, [ReShaping Policies For Creativity: Addressing culture as a public good](#).

⁴⁰ BOP Consulting 2021, [Cultural and Creative Industries in the Face of COVID-19: An Economic Impact Outlook](#), UNESCO.

⁴¹ ABS 2020, [Insights Into Industry and Occupation](#). Note, ABS’s classification of the ‘arts and recreation’ services is extremely diverse and expands beyond the cultural and creative industries. This activity includes heritage activities, creative and performing arts activities, sports and recreation activities and gambling activities. Any mention in this report to ‘arts and recreation businesses’ or ‘arts and recreation services’ refers to this broad group of activity.

⁴² The survey was circulated to organisations receiving multi-year investment from the Australia Council, as well as members of Live Performance Australia and National Association for the Visual Arts. All results are based on the 274 responding organisations and have not been weighted for representativeness of the sector more broadly.

⁴³ A New Approach 2023, [The Big Picture 3: Expenditure on Artistic, Cultural and Creative activity by governments in Australia in 2007–08 to 2020–21](#).

- **Private sector support for the arts is declining.** Between 2018 and 2022, private sector support for the arts declined 11% to \$540 million.⁴⁴ This decrease was felt mostly by smaller arts and cultural organisations, with a 41% decline in private sector support for organisations with turnover of less than \$50,000, and a 47% decline for organisations with turnover between \$50,000 and \$250,000.

Philanthropic investment is a critical part of the solution

Philanthropic investment in the arts is an investment in Australia's future

- **Investment in the arts is a preventative solution to address more complex social problems affecting Australia's wellbeing.**
- **Philanthropic investment can present an effective and meaningful alternative to short-term funding and policy cycles to support long-term projects that seek to address systemic needs.** Philanthropy can play key a role in concert with other partners in driving innovation, for example philanthropy can support risk-taking and provide better evidence for funding and evaluation of programs.
- **Our arts and cultural sector face complex challenges that will take time, sustained relationships and sustained engagement to address.** Philanthropic investment is key to supporting this longer-term systemic work to enable future-building and structural change.
- **To boost philanthropic investment:**
 - **there is a need to incentivise continued private giving to the arts by retaining tax-incentivised initiatives.** Example mechanisms include:
 - providing access to individuals and families to establish and manage a Private Ancillary Fund (PAF)
 - providing access to not-for-profit arts and cultural organisations to receive DGR1 status that enables tax deductibility in support of a gift of a specific sum of money, a gift of a percentage of one's overall estate, or a gift of particular assets (eg property, shares)
 - supporting the donation of cultural items to public art galleries, museums, libraries and archives through the Cultural Gifts Program
 - supporting tax deductibility to purchase art for display in a workplace
 - continuing asset write-off measures for depreciating art assets.
 - **there is a need to incentivise and support long-term interventions of scale** – those that address the structural conditions of our sector as well as the systemic issues within society that our sector can positively address.
 - For example, there is a current need for a First Nations creative workforce development strategy that draws on First Nations-led approaches to invest in First Nations leadership, skills and training. This requires focussed attention on self-determination, a nuanced understanding of the extraordinary diversity of First Nations peoples and a wide-lens, long-term approach.

⁴⁴ Creative Partnerships Australia 2020, [Giving Attitude 2020](#).

- **there is a need to further explore and support collaboration models between government, industry, the not-for-profit sector and philanthropists.** We need newly diversified relationships to develop the capability of the arts and cultural sector and to enable it to deliver a range of wider social impacts.
 - For example, collaborative projects between business partners, creative organisations and philanthropy for social outcomes.
 - While the Productivity Commission’s working definition of philanthropy focuses on activities by donors who do not expect a direct financial return to their giving, new investment models in which philanthropy works in partnership with government and/or commercial entities have the potential to help boost and shape the social impact of Australian arts and culture in the future. There are several blended finance collaborative models that can be examined as means to amplifying and leveraging philanthropic participation in the arts, for example:
 - social impact investing, in which both a social and commercial return are anticipated for those seeking social dividends from their capital
 - social enterprises and B corps, which are business models that have an explicit orientation towards positive social outcomes and purpose

There is a need for better data collection mechanisms and frameworks to measure and communicate social impact

- **There is an increasing recognition of the importance of research and evaluation in the arts and cultural sector and the sector is calling for support to develop impact measures and frameworks.** We are at a turning point in terms of wanting to better understand our arts programs and investments, but we need support to build and extend these frameworks at this point in time.
- **The Australian Government’s National Cultural Policy, *Revive*, recognises the critical contributions of culture.** It sets out a whole-of-government approach to policy and cultural measures to reset the trajectory of the cultural and creative industries. It provides a framework for the contribution of arts and culture to our wellbeing to be fully harnessed and realised.⁴⁵
- **The State of Australian Culture report, as announced in the recent National Cultural Policy, will provide important leadership in this field.** The State of Australian Culture report, led by the Australia Council (soon to be Creative Australia), will support better data collection methods for the arts and cultural sector, including the screen industries.
 - To a great extent, the State of Australian Culture measures will be aligned with those in the evaluation of Creative Australia, and the Office for the Arts’ evaluation of *Revive*. Together these projects will mark an important contribution to the sector in its own impact measurement work.
- **However, if we are to provide much-needed data to existing investors and to determine the most effective areas and mechanisms for future private and public funding, there is a need for even greater support and coordination of impact measurement frameworks.** This will be necessary for tracking long-term investments for social impact, as well as smaller project-based funding.

⁴⁵ Australian Government 2023, [National Cultural Policy – Revive: A place for every story, a story for every place](#).

Recommendations

To double private giving in the arts by 2030, the Australia Council recommends the Australian Government:

1. **Recognise arts philanthropy as an important contributor to realise the Australian Government's ambitions to double private giving by 2030.**
2. **Continue to invest in the Australian Cultural Fund as a fee-free platform that supports and enables private giving to and through the arts.**
3. **Explore mechanisms that incentivise continued philanthropic giving to arts and culture.**
More specifically:
 - retain all tax-incentivised initiatives in support of art philanthropy aligned with public interest. For example, providing access to individuals and families to establish and manage a PAF; providing access to not-for-profit arts and cultural organisations to receive DGR1 status enabling tax deductibility in support of a gift of a specific sum of money, a gift of a percentage of one's overall estate, or a gift of particular assets (eg property, shares); supporting the donation of cultural items to public art galleries, museums, libraries and archives through the Cultural Gifts Program; supporting tax deductibility to purchase art for display in a workplace; and continuing asset write-off measures for depreciating art assets.
 - incentivise and support long-term interventions of scale – those that address the structural conditions of our sector as well as the systemic issues within society that our sector can positively address.
4. **Develop consistent and robust mechanisms for measuring the impacts of values-based partnerships.** This will be necessary for tracking long term investments for social impact, as well as smaller project-based funding.
5. **Endorse a national day for giving, anchored by a donation campaign that encourages private giving to the arts.** Such a public holiday could be aligned with ABC's Arts Week or UNESCO World Art Day on 15 April.
6. **Support collaboration between government, industry, the non-profit sector and philanthropists and include new investment models that explore impact and blended finance as a component of the Productivity Commission's scope of this review.**
 - We need newly diversified relationships to develop the capability of the arts and cultural sector and to enable it to deliver a range of wider social impacts, for example collaborative projects between business partners, creative organisations and philanthropy for social outcomes.
 - While the Productivity Commission's working definition of philanthropy focuses on activities by donors who do not expect a direct financial return to their giving, new investment models in which philanthropy works in partnership with government and/or commercial entities have the potential to help boost and shape the social impact of Australian arts and culture in the future. There is a need to include new investment models that explore impact and blended finance as a component of the Productivity Commission's scope of this review, for example social impact investing and social enterprises and/or B corps.