



28 January 2022

The Treasury
Australian Government
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Re: PRE-BUDGET SUBMISSION 2022-23

NAVA welcomes the opportunity to contribute to the Pre-Budget Submission Process.

The National Association for the Visual Arts leads advocacy, policy and action for an Australian contemporary arts sector that's ambitious and fair. We are the professional Membership body in our industry. Through our Code of Practice for the Professional Australian Visual Arts, Craft and Design Sector, NAVA sets national best practice standards in collaboration with the sector. Our network comprises over 50,000 artists, arts workers, galleries, arts organisations and industry bodies.

This is a pivotal time for the Australian Government to invest ambitiously in the arts industry. Recent research connects arts investment to innovative industry development for the future of work, offering investment opportunities that prepare Australia for the challenges ahead. Concerning declines in artists' incomes and career prospects, and worsening prospects for organisations' sustainability have been exacerbated by the ongoing disruption of the Covid-19 pandemic. However, recent research indicates that rebuilding a productive and vibrant arts ecology can and must be achieved through strategic investment for lasting impact.

INVESTMENT PRIORITIES

1. Expand funding to \$153 million to support independent artists and smaller cultural organisations:
 - a. Increase the '4-year funding' round for the Australia Council to \$87 million annually, to support the funding of at least 200 small-to-medium cultural organisations with multi-year agreements.
 - b. Increase Australia Council funding for cultural projects through peer-reviewed competitive funding to \$46 million per annum.
 - c. Invest \$12.5 million per annum for multi-year funding to support at least 43 First Nations-led small-to-medium arts and culture organisations.
 - d. Invest \$7.5 million to support multi-year funding for sector service organisations.

2. Invest \$370 million for Covid-19 arts sector recovery:
 - a. Invest \$200 million to establish a national exhibitions and events business insurance fund to provide direct support to artists, sole traders, venues and small-to-medium organisations, inclusive of the visual arts sector.
 - b. Establish a \$150 million 2-year COVID-19 Recovery Fund for direct, targeted income support to the arts sector.
 - c. Allocate \$20 million to Support Act and expand Support Act funding to the visual arts sector.

3. Introduce programs that promote stronger employment conditions for visual artists:
 - a. Invest \$20 million to subsidise employment and the payment of artist fees at minimum standards, as recommended by NAVA's Code of Practice for the Professional Australian Visual Arts, Craft & Design Sector, for unfunded galleries and organisations.
 - b. Invest \$30 million to fund 300 new 3-year creative fellowships for working artists granted through the Australia Council.
 - c. Invest \$20 million for an artist investment fund that covers needs typically met by employers.

4. Increase funding to \$350 million for the national cultural institutions.

5. Invest \$5m to deliver an 'Art Starter' portal with industry peak bodies to strengthen existing programs containing information for artists and arts workers at all stages of their careers. to enable Australia's arts industry to continue to grow and reach new audiences. The portal should include information on:
 - a. financial literacy, including information on taxation regimes and subsidies;
 - b. digital literacy;
 - c. intellectual property and licensing of designs;
 - d. working with a business mentor to allow readiness for monetisation opportunities;
 - e. services and support available across government to help businesses through business.gov.au;
 - f. information on grants and funding opportunities, scholarships and prizes particularly for emerging artists;
 - g. information for Aboriginal and Torres Strait Islander artists on protecting their work, and accessing advice on moving forward in the global art world; and
 - h. other information, as required.

6. Increase funding for arts education across schools;
 - a. Increase funding for arts education across schools through existing Commonwealth-state schools funding agreements.
 - b. Reverse Commonwealth funding cuts to university creative arts, media and humanities courses from the "job ready graduates" policy.
 - c. Invest \$250,000 annually to support NAVA in the delivery of a Professional Practice Curriculum Unit that introduces artists' rights and industry best practice in tertiary education.

- d. Invest \$10 million to develop a program of internships and cadetships which would see students and young people work in regional, small and/or community-focussed galleries, libraries, archives and museums.
7. Invest in the development of a national cultural plan to support the medium- and long-term needs of the arts sector.
8. Reinstate the \$50 million over 3 years (cut in 2014) in funding for the Australian Bureau of Statistics to produce the Cultural and Creative Satellite Accounts annually, gather and publish data on levels and type of employment, trends, revenue, geographic trends across the creative and cultural industries.

Further, NAVA endorses the submission from our colleagues at Regional Arts Australia, in which they recommend a Regional Strategic Framework that supports investment and innovation of \$20 million for three new funding programs and one extension:

1. Multi Year Regional Core Funding - Operational Support (\$3M <) (new)
2. Strategic Partner Initiatives - Connecting Industries (\$3M<) (new)
3. Future Infrastructure Scheme - digital connectivity (\$2m<) (new)
4. Place Based Investment - Enterprise & Innovation through the Regional Arts Fund (\$2M) (extension)
5. RAA Core Funding (\$250k / annum)

NAVA also endorses the submission from our colleagues at Diversity Arts Australia, specifically an investment of \$12 million in building culturally and linguistically diverse (CALD) Capacity in the Arts and Creative Sectors.

CONTEXT

The visual arts is a jobs-rich, value-added sector

Australia's arts and cultural sector is deeply embedded in our culture, identity and economy. It is a job-rich industry, employing 600,000 people¹ including 48,000 professional artists.² These activities make a significant \$111.7 billion³ contribution to the economy or 6.4% of GDP. The economic contribution of arts and culture is far greater when taking into account the creative inputs that feed production across many other industries including tourism, communications, accommodation and hospitality.

First Nations arts and culture makes a large contribution to the economy. It is estimated that the Aboriginal and Torres Strait Islander visual arts industry brings \$400 million to the economy each year.⁴ Further, Australia's First Nations tourism has an estimated value of \$8.4 billion annually, catering to 978,000 international visitors and 715,000 overnight domestic trips in the 2017/2018 financial year.⁵ In 2018-2019, four Indigenous art fairs alone hosted more than 96,400 visitors, achieved more than \$5 million in art sales, featured work by more than 2,700 artists and made a combined estimated contribution of approximately \$20 million to their regional economies.⁶ NAVA commends the recent increased investment in the Indigenous Visual Arts Industry Support program (IVAIS) to support growth across the

Indigenous-owned art centres and several Indigenous art fairs but notes there's more to be done.

Most importantly, arts and culture is a public good. The diversified social, cultural and health benefits the arts and culture deliver to Australians cannot be captured by standard economic measures. Australians love the arts – 98% of us engage with the arts and 45% of us create art.⁷ Arts and culture contribute to social cohesion and a higher quality of life. Art can improve the liveability of space, stimulate the imagination, reduce stress and depression, enhance problem-solving and communicate complex ideas. It also shapes our individual and collective identity, and understanding of what it means to be Australian, particularly in providing connections to this country's Aboriginal and Torres Strait Islander heritage.⁸

Declining levels of arts funding

Despite the arts' sizeable and highly valued contribution to the economy, there has been an 18.9% fall in the Australian Government's arts and cultural expenditure per capita across the past decade, a halving of the Regional Arts Fund, successive cuts to our National Cultural Institutions, unclear and sometimes retrospective applications of efficiency dividends including to the Australia Council, as well as significant policy and funding disruption.

The long-term decline in funding per capita indicates investment has not kept pace with public demand and industry needs. At the same time, artists' incomes have fallen 19% across the past decade.⁹ Compounding this, the underfunded Australia Council has no capacity to identify and invest in strategic sector development initiatives that would redress the situation by building the capacity of independent organisations to strengthen their own sub-sectors, leverage private support and diversify their income. This means that the richness and diversity of Australia's arts and cultural industries, sought after by Australians and overseas visitors every day, are at risk of perilous decline.

The eroding pool of available public art funds means that areas who need it most, such as independent artists and smaller arts organisations, miss out. The majority of public arts funding is directed at large organisations such as the capital city galleries and museums. This funding does not trickle down easily to working artists. Based on 2018-19 figures, just 12% of the Australia Council's grants budget was available for individual artists. The Australia Council acknowledged that a lack of available funding meant that there is a huge level of "unfunded excellence", with many high-quality artists and projects unable to access federal support. In 2018-19, applications for arts projects and career development grants and fellowships had a success rate of 14%.¹⁰

The independent or small-to-medium arts sector has long been recognised as the engine room for the arts, producing the majority of new work in the Australian funded arts sector.¹¹ Small-to-medium organisations are also the most important sources of cultural and artistic diversity and innovation and are crucial employers of visual artists. However, the Australia Council's ongoing funding to the small-to-medium sector remains static at around \$28 million per year, and the number of Australia Council-funded small-to-medium organisations has fallen from 147 in 2015 to 95 in 2021.¹²

Furthermore, the lack of public funding does not afford Australia's First Nations organisations the central place they deserve in Australian culture. The Australia's Council's submission to the Closing the Gap Refresh¹³ noted that, 'in 2015, the Australia Council received Expressions of Interest from 43 First Nations-led small-to-medium arts and culture organisations for multi-year funding that equated to a total request of \$12.5 million per annum. We were only able to support 16 organisations with a total \$3.5 million per annum, declining over 60% of the organisations that applied and leaving unmet demand of over 70% in terms of dollars – the demand far outweighs the funding available.' While NAVA commends the recent increased investment to the IVAIS program, support needs to be expanded to independent artists working outside of the art centre model as well as Indigenous-led small-to-medium arts and culture organisations across Tasmania, Victoria, New South Wales, Western Australia and the Australian Capital Territory. For example, in the last decade only four organisations in NSW have accessed IVAIS funding, totalling \$334,000 out of \$21 million, this equates to just 1.71%. Government investment is also urgently needed to support broad community driven employment programs to meet the growing need for trained custodians within the community who are empowered to manage authenticity. Stylistic and conceptual appropriation of Aboriginal and Torres Strait Islander art and designs continue to result in both cultural and economic harms.

Service organisations

Industry service organisations offer a range of services tailored to meet the needs of their art form, constituent art centres, or to address broader industry priorities. Services include professional development and training for artists, board members and staff, advocacy, business management and marketing assistance. As well as this, service organisations provide advice to governments, and are a valuable link between governments and the industry.

In 2014, NAVA asserted that the Australia Council needed to adopt appropriate and different criteria for assessing service organisations and this was agreed as part of the six-year funding process. Following the 2015 federal budget announcement of cuts to the Australia Council's funding, this commitment vanished as part of the change to four-year funding. Service organisations which often work behind the scenes to support the sector now compete against the more public producing and presenting organisations for the same small pool of funds. The impact of reduced funding to service organisations leads to declines in the capacity and economic sustainability of the rest of the sector.

Significant funding increases that promote and foster the full richness and diversity of the arts ecology must prioritise the strengthening of support for working artists, smaller cultural organisations, First Nations' cultural organisations and service organisations.

Insecure labour conditions for artists and arts workers

A critical priority for rebuilding the Australian arts and culture sector is better support for working artists. The diminishing and unstable public funding base has led to the erosion of the quantity and quality of visual arts jobs, especially 'good' secure jobs. Many artists and arts workers do not work in formal employment relationships. According to ABS data¹⁴, the

majority of arts professionals work in informal jobs including irregular contracts, and cash-in-hand 'gig' work. Much research (Communion & England, 2020¹⁵; Morgan & Nelligan, 2018¹⁶; Throsby & Petetskaya, 2017¹⁷) indicates that the informal, deregulated nature of employment in the arts means incomes are low and often insufficient to meet living costs.

Artists and arts workers are increasingly experiencing insecure work arrangements. This is evidenced by the increasing incidence of part-time, casual, short-term contract, labour hire and gig work arrangements.¹⁸ The Australia Institute calculated using ABS data that in February 2021, around 45% of all employees in arts and recreation services were in casual roles (defined as employment without access to basic paid leave entitlements, like holiday and sick leave, and superannuation).¹⁹ This ABS measure alone excludes those that are not formally employees such as self-employed and gig workers which accounts for the majority of visual artists. Just 19% of artists work in secure, salaried employment.²⁰ Earnings for many self-employed Australians are also low and unstable: for example, median earnings for part-time self-employed individuals with no employees are around 60% lower than for full-time paid employees.²¹

Many artists are underpaid or work for free. This disparity is becoming increasingly abundant, as artists are often told that they will receive reward in the form of exposure, which would not be acceptable for other industries' workforces. Despite working longer, harder, and across more disciplinary areas²² than ever before, more and more artists are living precariously, with it taking longer for artists to become established.²³ In addition, the gender pay gap is worse in the arts than in any other industry.²⁴ First Nations arts participation rates declined between 2008 and 2014-15, driven predominantly by declines in remote Northern Territory and Queensland. This is a concerning trend given the importance of First Nations arts to cultural and economic sustainability, and community wellbeing.²⁵

Artists and arts workers are the backbone of the creative economy, increasing the quality of life for all Australians. They deserve secure jobs, professional pay and decent working conditions, just like everyone else.

Arts education in crisis

Due to ongoing education fund cuts, arts education, once considered part of the core curriculum in public schooling, has been gutted from school programs. The Australia Institute notes that 'no longer every child's right, an arts education is increasingly an extra-curricular activity reserved for higher-income families and private schools.'²⁶ Together with billions lost from Australian universities since the start of the pandemic, the Higher Education Support Amendment Bill 2020 made it significantly more challenging and more expensive for people to study the arts at university. Many universities amalgamated arts courses or closed them altogether. Budget 2021-22 also saw large funding cuts to public universities, with the higher education sector slated for approximately \$1 billion in funding cuts to 2024. While not directly targeted at the arts and cultural sector, these cuts will harm Australian arts education in an already reeling university sector that has suffered significant revenue declines and job losses as a result of the pandemic.

This is in spite of the Government's own statistical research that demonstrates that arts and humanities graduates are more employable than science and mathematics graduates.²⁷ The Australian Government's Bureau of Communications and Arts Research 2019 research report, *Creative Skills for the Future Economy*, reinforced the importance of creative skills for future economic outcomes.²⁸ The report, which analysed the skills and qualifications of people working in creative fields and how these may be used in the future, showed that businesses rely on \$87 billion worth of creative industry input for success, a figure that is growing rapidly. Creative skills, including original thought and innovation, are particularly sought-after and are likely to face even higher demand in the future workforce.

Covid-19 impacts on the visual arts

Covid-19 and the resulting recession had a debilitating impact on the arts sector. The visual arts was one of the first and worst hit sectors. Event cancellations and venue closures were making front-page news back in early March 2020. The industry's self-generated income quickly disappeared and yet a large proportion of artists, organisations and casual staff were unable to access any stimulus or income support.

Economists painted a grim picture of the arts in the months following the pandemic shutdown. On 7 April 2020, ABS data showed that only 47% of arts and recreation services businesses were still trading, identifying it as the worst-hit industry while 90% continued to trade in the majority of other sectors. On 19 April, the Grattan Institute projected a 75% employment downturn. And on 29 April, Deloitte Access Economics assessed a \$6.5 billion hit over four months to wages and profits.

The impacts are ongoing. A visual arts and craft sector survey undertaken by NAVA in early 2022 has revealed that a majority of Australian artists and arts workers are deeply concerned by income security, program cancellations and reduced sales due to ongoing impacts of the pandemic heightened by the Omicron wave. 53% of working artists reported declines in their art making, artwork sales have declined by 49% and artists say their confidence in their future as artists has declined by 52%. In each of these areas, 36% say this is a significant or extreme decline.

67% of visual arts organisations reported significant or extreme impact by closures on arts organisations since the arrival of the Omicron variant. 61% of organisations expected future events to be impacted by the ongoing pandemic while 74% say they have low confidence in their arts business skills needed in a post-Covid world. 49% of operations and staff have been impacted by Omicron wave infections or close contact furloughs.

63% of visual artists report they have low confidence in arts business skills needed for the future. 46% of visual artists say new business skills are extremely or very important to their future arts success, and a further 20% say they are somewhat important.

At the same time, we are reminded that Australians turn to the arts in times of need. The federal Parliamentary Inquiry into Australia's Creative and Cultural Industries' 2021 report *Sculpting a National Cultural Plan* recognised that 'the Covid-19 public health crisis brought into sharp focus the important role that creative content has in our everyday lives.'²⁹ Arts

sustains its community value through its contribution to mental health and social cohesion during periods of recovery. During the pandemic, 73% of Australians turned to the arts to improve their mood and quality of life.³⁰ Australians are demanding the creative experiences that connect and inspire us.

Urgent investment is needed to ensure hard-hit artists and arts workers have access to vital financial support. A two-year COVID-19 Recovery Fund would provide direct, targeted income support to the hard-hit arts sector. A national exhibitions and events business insurance fund available for the visual arts sector would ensure galleries and organisations can honour payments to artists and arts workers following the cancellation or closure of an exhibition or event due to COVID-19 public health restrictions. This would serve as a long-term investment by building resilience and confidence for artists and art workers.

Creative-industries-led approach to economy-wide recovery

A strong arts and cultural sector is critical to Australia's future. Leading economists have consistently pointed towards the creative industries as policy drivers for a successful recovery. The Australia Institute advised that supporting the hardest-hit, job-rich sectors with the sparest capacity would target economic recovery most effectively.³¹ Prioritising the creative industries with responsible and comprehensive investment will boost the entire economy, as well as inspire the nation. The hospitality, accommodation and tourism industries are relying on the creative industry's rapid and robust emergence. Without international travel, regional and interstate travel will fuel Australia's economic recovery.

The 2022-23 budget is a pivotal opportunity to lay the groundwork for a sustainable and thriving future for the visual arts sector through bold federal investment. This includes large fiscal investments to spark sector recovery, nourish jobs, employment conditions, skills and pathways for artists and arts workers, sustain smaller cultural organisations, and develop a holistic national cultural plan for a robust visual arts sector that is inclusive, culturally competent and accessible. When we invest in artists, we invest in future innovations we can't possibly begin to imagine. We invest with courage and with confidence in the future of our nation.

Please do not hesitate to contact us for any further information we can provide.

Sincerely,

Penelope Benton
Executive Director

Leya Reid
Advocacy and Communications Manager



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