

A NEW APPROACH

Insight research series
Report two

TRANSFORMATIVE: IMPACTS OF CULTURE AND CREATIVITY

Acknowledgements

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About A New Approach

A New Approach [ANA] is an independent think tank championing effective investment and return in Australian arts and culture. We aim to foster a more robust discussion about cultural policies, underpinned by good data, informed by shared understandings, and through a non-partisan and independent approach. ANA was established in 2018 with a \$1.65 million commitment by The Myer Foundation, the Tim Fairfax Family Foundation and the Keir Foundation. The Australian Academy of the Humanities is the lead delivery partner for this initiative.

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EXECUTIVE SUMMARY

Executive summary

Individuals, communities, businesses, philanthropists and governments invest in and engage with arts and culture. Australian Bureau of Statistics data shows that almost all of us (82.4%) are attending cultural venues and events, and households are spending more than \$25 billion a year on cultural goods and services. What are the impacts of this participation and investment? What benefits do they generate? What do we need to do to ensure these investments of time and money are sustained, relevant and effective into the future?

As part of our work to explore these questions, A New Approach (ANA) is releasing a series of reports focused on:

- ★ investment
- ★ impacts
- ★ changes in production, consumption and distribution
- ★ attitudes
- ★ ensuring Australia's creative and cultural future.

This is our second report, *Transformative: Impacts of culture and creativity*. It recognises some of the challenges Australia faces as a nation and asks, 'what if creative and cultural activity could make a transformative contribution towards solving them?'

In exploring this question, we ask:

- ★ What are impacts of cultural and creative activity and participation?
- ★ What are some examples of impacts from around the world?
- ★ What is Australia already doing and what could we do better?

The report provides a snapshot of current research and findings about the positive impacts of artistic, creative and cultural activity on different parts of our lives. Participation takes many different forms, and we take a broad definition of culture, one which includes but is not limited to, galleries, libraries, archives and museums, music, screen, radio, video gaming and digital arts, performance, literature, visual art, community-engaged practice, hybrid and experimental artforms, language, festivals, craft, heritage, design, and live art.

We have reviewed a range of evidence on the most commonly researched impacts in the fields of:

1. Society and place
2. Economy
3. Innovation
4. Health and wellbeing
5. Education and learning
6. International engagement
7. Culture.

The research paints a very clear picture: a rich cultural life delivers significant economic and social benefits to the Australian community. Opportunities to be involved in arts and culture can be, and often are, transformative in both general and specific ways. Arts and culture inspire and enable meaningful change across our diverse communities and within individual lives, including in the areas of some of Australia's biggest public policy challenges.

We also found evidence that participation in creative endeavours contributes to:

- ★ a strong cultural life
- ★ a resilient and innovation-driven national economy
- ★ advancing Australia's position on the global stage.

In developing this snapshot, the report draws on material from Australia and around the world. This report prioritises studies that employ robust methodologies, as well as drawing on relevant policy literature.

The evidence presented in this report shows that Australians' high rate of participation in creative and cultural activities helps us develop a sense of belonging, forges social cohesion, stimulates curiosity and the ability to engage with different perspectives, and can have a range of beneficial effects on health, wellbeing, economic, employment and educational outcomes.

In sharing the strong evidence of these impacts, our aim is to better inform contemporary discussions about the value that is being generated, and could be intensified, through more effective policy settings, strategic investment and stimulus.

Known challenges, proven impacts: What the research shows

This is a summary of the key evidence that emerged from the research. The body of this report outlines the evidence for these statements and includes references to the substantial body of international and Australian work on which they are based.

Challenges facing Australia

Society and place

Almost 50% of Australians report feeling that society is broken. 36% feel like a stranger in their own country. One in four Australians report frequent feelings of loneliness, and the risks of premature death due to loneliness and social isolation have been found to be as big or bigger than obesity, smoking up to 15 cigarettes a day, or air pollution.

Economy

Australia has one of the biggest creative trade deficits in the world. For every dollar that we export in creative goods, we import \$8, and for every dollar of creative services we export, we import \$2. This suggests Australia is not effectively identifying and leveraging our comparative advantages in creative goods and services for the global market.

Proven impacts of cultural and creative activities

A range of studies have found that deliberately focusing cultural and creative activities on social cohesion impacts helps to build community, belonging, and trust; enhances empathy and inclusion; helps combat the growing issues of loneliness and isolation; assists individuals and communities to recover from disasters and trauma; and makes cities, suburbs and regions more liveable. OECD research has shown that a more cohesive society often also has a stronger and faster-growing economy.

Cultural and creative activities already make a significant contribution to Australia's Gross Domestic Product (GDP) [6.4%] and Gross Value Added [5.6%], as well as employing 5.5% of the total workforce. Given that creative services such as design and game development are in hot demand globally—and these are areas in which Australia excels—there are significant opportunities for growth.

	Challenges facing Australia	Proven impacts of cultural and creative activities
Innovation	Australia is lagging behind many economic peers in innovation and future indicators, including economic complexity (from 57th in 1995 to 93rd in 2017); research and development expenditure (half the per capita spending compared to the top performing country, Switzerland), and innovation inputs and outputs (currently 22nd in the world, down from 17th in 2014).	Creative capability is demonstrably the driving force behind innovation-driven, economically-diversified economies. Preparing Australia for the future of work in the Fourth Industrial Revolution requires workers to develop skills in creativity. Engaging in creative and cultural activities has been found in global studies to help build the skills needed for these rapid changes.
Health and wellbeing	Australia has an aging population. Conditions like dementia are becoming increasingly common, with estimated costs of more than AUD\$1 trillion over the next 40 years. Australia has strong policies about using arts and culture to influence the social determinants of health— that is, the conditions in which we grow, live, work and age, including how strong our social networks are, lifestyle factors, and our psychological states, which have been strongly linked to health, wellness, and life expectancy. However, these policies are often not being systematically implemented.	There is substantial evidence that, when art and culture are used in clinical settings, they consistently deliver improved physical, mental and emotional health outcomes. Engaging with arts and cultural activities impacts the social determinants of health and has been found to mitigate the risks of dementia. In 2016, Australian researchers produced the first dose-response style study of arts and mental health, showing that 2-hour “doses” of creative activities per week could enhance mental wellbeing in a general population.
Education and learning	Australia has been steadily declining in our mean scores in international education measures over the last 20 years, according to the OECD’s PISA test. In an analysis of the fall in results between the 2009 and 2015 PISA tests the economic cost of this decline was estimated at close to AUD\$120 billion.	Arts and culture-based education has been found to be beneficial in developing intellectual skills and enhancing educational impacts. Not only does it help future-proof Australia’s workforce, it also helps mitigate disadvantage, particularly with students who are “at-risk”: who are socio-economically disadvantaged, at risk of prematurely disengaging from schooling, and/or expressing anti-social or non-coping behaviours.

	Challenges facing Australia	Proven impacts of cultural and creative activities
International engagement	Australia has long traded on our positive reputation worldwide, but we have been falling in global reputation rankings since 2013. In one index, for example, we slipped from 4th (2013) to 6th (2018). Global reputation has an impact on tourism and trade with a one-point increase in country reputation predicting a 0.9% increase in the proportion of tourists per capita, and a 0.3% increase in export rates (\$).	Arts and culture have successfully been used by other countries to achieve diplomatic soft power objectives, improving relations—and trust—between countries. This has been shown to generate increased levels of trade, investment, security and exchanges of talent. Australia is active in this area, but there is a need to strengthen our efforts, especially in the Asia-Pacific region.
Culture	Australians are losing trust in many of their social institutions and some currently believe that the arts and culture are “not for people like them” or cannot see themselves reflected in national narratives. The discrepancies in allocation of cultural resources between urban and regional Australia is widening, with the cost of mainstream cultural consumption 200–1,300% higher in regional and remote locations. These fissures have the potential to widen societal divides and weaken our cultural fabric. The evidence across a range of measures and domains shows that a strong and inclusive cultural life is central to a strong society.	Despite these factors, Australians demonstrate through their actions that they see culture and creativity as a relevant and valued part of life. 82.4% of us attended cultural venues in 2017-18 and household expenditure reached AUD\$25.5 billion in 2015-16. An increasing number of us—31.4% in 2017-18—are active in our own personal creative pursuits. Involvement with arts and culture, from active production through to passive consumption, has been found to increase feelings of wellbeing, belonging and happiness; help individuals process trauma and overcome conflicts with others; and help develop intellectual and social skills, as well as building social and cultural capital in urban, regional and remote areas.

For Consideration

While the evidence of the range of impacts delivered by cultural and creative activity and participation is clear, there is insufficient recognition of the role they could (and do) play in addressing some of Australia's most pressing challenges. There is currently no mapping of these benefits across policy portfolios, and no mechanism through which to encourage strategic investment to further these impacts. If Australians are to better benefit from the rich and deep impacts of creative and cultural activity, it will require commitment and courage from all stakeholders—from philanthropists, businesses, non-government organisations, creators and consumers—as well as from all levels of government.

The research in this second Insight Report follows on from ANA's first Insight Report, *The Big Picture: Public Expenditure on Artistic, Cultural and Creative Activity in Australia*. It reinforces that, without strategic and coordinated effort, Australia risks deterioration in our cultural fabric and loss of the benefits it provides. In light of this, we suggest the following options for consideration.

FC 1

Establish a cross-portfolio policy inquiry, modelled on the APS200 projects, to map current investment in and impacts of cultural and creative spend and identify the policy areas that would most benefit from strategic investment. This should include a strategy and mechanism for better coordination between the three levels of government. At a federal level, grow the impact of - and effective collaboration between - the Commonwealth National Cultural Institutions, by establishing a clear and cooperative framework within which government expectations can be communicated, enabling collaborations to be incentivised and reported upon.

Federal, state, territory and local governments, with a cross-department approach at each level; Cultural sector including cultural institutions

FC 2

Identify areas of potential comparative advantage and incorporate the creative, cultural and digital sectors in industry development programs such as the Industry Growth Centres, Industrial Transformation Scheme and Cooperative Research Program. This will assist in diversifying Australia's economic base and addressing our trade deficit in creative goods and services.

Department of Industry, Innovation and Science; Australian Research Council; Universities; Chambers of Commerce; Industry leaders

FC 3

Recognise the positive impacts of arts and cultural interventions in treating loneliness and mitigating the risk of dementia, and prioritise research and investment in randomised-controlled trials for Australia-specific interventions.

Department of Health; Universities; Health care providers; Australian Research Council; Health insurers

FC 4	Prioritise new investment in cultural participation programs and arts-based initiatives that bring together communities and give individuals both skills and a greater sense of agency to encourage greater social inclusion and cohesion.	<i>Philanthropists and other private supporters; Government agencies; Local, state and territory governments; Religious institutions; Not-for-profits</i>
FC 5	Support research that explores the specific, causal effects of arts and culture on students' academic performance and long-term outcomes, to assist in identifying cost-effective strategies.	<i>Government agencies; Departments of Education; Australian Research Council; Unions; Parent groups</i>
FC 6	Ensure arts and culture are a central pillar of Australia's soft power diplomatic activity. Include opportunities for collaboration and exchange in research and practice between Australia and our regional neighbours.	<i>Department of Foreign Affairs and Trade; AusTrade; Australian businesses with international ties; Chambers of Commerce; Industry bodies; Diaspora communities</i>
FC 7	Prioritise initiatives for regional and remote Australia to benefit from the particular impacts and value of cultural infrastructure [both built and human] for economic diversification, community wellbeing and population attraction and retention.	<i>Federal, state, territory and local governments; Businesses based in or focused on regional Australia [including through corporate social responsibility activities].</i>