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Government payments to the cultural and creative sectors

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Director – Creative Services
Communication Branch
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
Canberra ACT 2601

Australia

Email: webservices@infrastructure.gov.au

Website: www.infrastructure.gov.au

GPO Box 594
Canberra ACT 2601
Australia

Email: publishing@communications.gov.au and webservices@infrastructure.gov.au

Website: www.infrastructure.gov.au

Executive summary

Cultural and creative activity contributed \$115.8 billion or 6 per cent to Australia's economy in 2018–19, according to the latest published estimates by the Bureau of Communications, Arts and Regional Research (BCARR).¹ Over the previous decade, its economic contribution grew by more than a quarter, with some activities growing faster than the overall economy.

Prior to the COVID-19 pandemic cultural and creative activity was expected to continue to increase in economic importance. If it had continued to grow at its 10-year average, activity is estimated to have been \$119.0 billion in 2019–20 and \$122.2 billion in 2020–21.

Government intervention through whole-of-economy measures, such as the JobKeeper and Boosting Cash Flow for Employers payments, has supported activity and employment during the pandemic.

Overall, employees and entities in cultural and creative sectors received \$10.7 billion—including \$8 billion in JobKeeper payments between April and December 2020, and \$2.7 billion in Boosting Cash Flow for Employers payments to early February 2021. This would have represented 8.8 per cent of the estimated economic contribution of cultural and creative sectors of \$122.2 billion in 2020–21.

During the first phase of JobKeeper (April – September 2020), more than half of all employees and businesses in cultural and creative sectors received JobKeeper payments. Further, although cultural and creative sectors represent 6 per cent of all employees,² these sectors have received 9.7 per cent of all JobKeeper payments.

The average monthly number of employees in cultural and creative sectors that received JobKeeper payments approximately halved from the first phase of JobKeeper to the first quarter of the JobKeeper extension. However, employees in cultural and creative sectors represented a greater share of all JobKeeper payments during the first quarter of the JobKeeper extension, indicating that these sectors were harder hit by the negative impacts of the COVID-19 pandemic.

These whole-of-economy measures were supplemented by the Creative Economy COVID support package which now stands at \$475 million, up from an original \$250 million in 2020.³

Cultural and creative sectors

The COVID-19 pandemic has affected employment and output across Australia, including in cultural and creative sectors. To counter the effects of the pandemic on employment and output, the Australian Government introduced whole-of-economy and targeted measures for cultural and creative sectors.

This analysis measures JobKeeper and Boosting Cash Flow for Employers payments to the cultural and creative sectors.

Cultural and creative sectors span a range of industries, including broadcasting, electronic and digital media and film, design, fashion, libraries and archives, literature and print media, manufacturing and education. In 2016, approximately 645,000 people recorded their main industry of employment in cultural and creative sectors.⁴ BCARR research in 2020 estimated that, based on employment status, up to around 90 per cent of this workforce could have been eligible for JobKeeper, subject to their employer meeting further eligibility criteria.⁵

Some cultural and creative sectors are exposed to the COVID-19 pandemic due to lockdowns and health restrictions affecting attendance at arts events and cultural institutions, and the demand for print media.

Data are not yet available on the economic impacts of COVID-19 on cultural and creative activity, but will be captured in future releases of *Cultural and Creative Activity in Australia*. Detailed analysis of the impacts of COVID-19 on cultural and creative activity will not be possible until 2022.

JobKeeper and Boosting Cash Flow for Employers

The JobKeeper Payment was a wage subsidy program for Australian employees and businesses. The payment consisted of the first phase of JobKeeper (April – September 2020), where eligible businesses (including the self-employed) and not-for-profit organisations, were provided \$1,500 per fortnight for each eligible employee and eligible business participant (EBP). In the first quarter of the JobKeeper extension (October – December 2020) this was \$1,200 or \$750 per fortnight for each eligible employee and EBP and \$1,000 or \$650 per fortnight in the second quarter of the JobKeeper extension (January – March 2021). The lower payment rates applied when the employee or EBP had worked fewer than 20 hours per week in the relevant reference period. Stricter business eligibility requirements also applied in the JobKeeper extension.⁶

The Boosting Cash Flow for Employers measure provided temporary cash flow for small and medium businesses and not-for-profit organisations that employed staff.⁷ Eligible businesses and not-for-profit organisations received between \$20,000 to \$100,000 in cash flow boost credits by lodging their activity statements up to the month or quarter of September 2020. This included an initial cash flow boost of between \$10,000 and \$50,000 on lodgement of the March to June activity statements, generally based on the employer's pay as you go withholding obligations for those periods. There was also an additional cash flow boost on lodgement of June to September activity statements, equal to the initial cash flow boost payments received.

Key findings

JobKeeper and the Boosting Cash Flow for Employers measure provided \$10.7 billion to businesses and individuals in cultural and creative sectors for April through to the end of December 2020 (to early February 2021 for the Boosting Cash Flow for Employers measure). If cultural and creative activity had continued to grow at its 10-year average growth rate, this would represent 8.8 per cent of the economic contribution of cultural and creative sectors in 2020–21 of \$122.2 billion.ⁱ Table 1 shows the value of these payments as a proportion of cultural and creative activity.

Table 1. Total JobKeeper and Boosting Cash Flow for Employers contributions to cultural and creative activity

Measure	Total payments	Share of estimated 2020–21 cultural and creative activity
JobKeeper payments (Apr 2020 – Dec 2020)	\$8.0 billion	6.5%
Boosting Cash Flow for Employers	\$2.7 billion	2.2%
Total	\$10.7 billion	8.8%

Source: BCARR analysis of Australian Taxation Office administrative data, data as at 10 February 2021.

JobKeeper provided \$8 billion to cultural and creative sectors

Around \$8 billion in JobKeeper payments were made to the cultural and creative sectors as at end December 2020. This included \$6.6 billion in the first phase of JobKeeper and \$1.4 billion in the first quarter of the JobKeeper extension. Over the period, 9.7 per cent of all JobKeeper payments went to cultural and creative sectors (Table 2).

ⁱ Based on using the 10-year annual average growth rate for 2009–10 to 2018–19 (2.7 per cent) which yields an estimate of \$119.0 billion for 2019–20 and \$122.2 billion for 2020–21.

Table 2. JobKeeper payments to cultural and creative sectors

Phase	Cultural and creative JobKeeper payments	All industries JobKeeper payments	Cultural and creative share of total JobKeeper payments
JobKeeper Phase 1 (Apr 2020 – Sep 2020)	\$6.6 billion	\$69.9 billion	9.5%
JobKeeper Extension 2.1 (Oct 2020 – Dec 2020)	\$1.4 billion	\$12.6 billion	10.7%
Total	\$8.0 billion	\$82.5 billion	9.7%

Source: BCARR analysis of Australian Taxation Office administrative data, data as at 10 February 2021.

More than half of all employees within cultural and creative sectors (Table 3) have received JobKeeper payments. The average number of employees and eligible business participants (EBP)ⁱⁱ within cultural and creative sectors that received JobKeeper payments was around 340,000 per month during the first phase of the payment. This would equate to roughly 53 per cent of the estimated 645,000 cultural and creative workers.⁸ Overall, 9.5 per cent of JobKeeper payments in the first phase were to workers in cultural and creative sectors.

The average number of employees and EBP in cultural and creative sectors that received JobKeeper payments fell during the first quarter of the JobKeeper extension to around 172,000 per month, broadly consistent with the overall drop in the number of employees and EBP. However, the share of employees and EBP that received payments in cultural and creative sectors during the first quarter of the JobKeeper extension rose to 10.8 per cent. This indicates that cultural and creative sectors were harder hit by the negative impacts of the COVID-19 pandemic.

The number of entities that received JobKeeper payments within cultural and creative sectors averaged 99,000 each month during the first phase of the payment (Table 3). To put these figures in context, there were around 170,000 businesses in cultural and creative sectors as at June 2019.⁹ This means that about 58 per cent of all cultural and creative entities received payments during the first phase of JobKeeper.ⁱⁱⁱ In the first quarter of the JobKeeper extension, the average number of entities that received payments decreased to 62,000 per month (or about 36 per cent of all cultural and creative businesses). Entities within the cultural and creative sectors represented 10.7 per cent of all entities that received JobKeeper for the first phase and 12.2 per cent in the extension through to the end of December 2020.

ⁱⁱ An eligible business participant is an individual who is not an employee of the payment receiving business but is actively engaged in its operation such as a sole trader or director.

ⁱⁱⁱ The number of entities that could have received JobKeeper payments is greater than the number of businesses that are included on the Australian Business Register that was used to estimate the total number of cultural and creative businesses in Australia. JobKeeper is available to eligible businesses as well as not-for-profits, not all of which may be on the Australian Business Register.

Table 3. Entities and employees in cultural and creative sectors that received JobKeeper

Sector	Average monthly employees and eligible business participants		Average monthly entities	
	JobKeeper phase 1 (Apr 2020 – Sep 2020)	JobKeeper extension 1 st quarter (Oct 2020 – Dec 2020)	JobKeeper phase 1 (Apr 2020 – Sep 2020)	JobKeeper extension 1 st quarter (Oct 2020 – Dec 2020)
Cultural and creative	340,000	172,000	99,000	62,000
All industries	3,580,000	1,592,000	925,000	504,000
Cultural and creative share of all employees and entities that received JobKeeper	9.5%	10.8%	10.7%	12.2%
Share of cultural and creative sector that received JobKeeper	52.6%	26.7%	57.9%	36.2%

Source: BCARR analysis of Australian Taxation Office administrative data, data as at 10 February 2021. The share of the cultural and creative sector that received payments uses business counts data from Australian Bureau of Statistics, Counts of Australian Businesses and employment data from the Census of Population and Housing 2016.

Boosting Cash Flow for Employers has provided \$2.7 billion to cultural and creative sectors

As at 10 February 2021, 61,600 entities in the cultural and creative sectors had received Boosting Cash Flow for Employers payments with a total value of \$2.75 billion. Cultural and creative sectors accounted for 8.0 per cent of all Boosting Cash Flow for Employers payments, and 7.6 per cent of all entities that received payments (Table 4).¹⁰

Table 4. Boosting Cash Flow for Employers payments to the cultural and creative sectors

Sector	Boosting Cash Flow for Employers payments	Number of entities	Average cash flow per entity
Cultural and creative	\$2.75 billion	61,600	\$44,600
All industries	\$34.31 billion	806,600	\$43,000
Cultural and creative share of total Boosting Cash Flow for Employers payments	8.0%	7.6%	-

Source: BCARR analysis of Australian Taxation Office administrative data, as at 10 February 2021. The cultural and creative share of total Boosting Cash Flow for Employers payments uses Australian Taxation Office data as at 30 November 2020.

Targeted funding for cultural and creative sectors

Broader whole-of-economy measures were complemented by the Creative Economy COVID-19 support package which has increased to \$475 million from an original \$250 million in 2020.¹¹ This package is in addition to the \$750 million the Australian Government invests in core arts funding each year through its regular programs.¹²

Key components of the targeted support to the sector include additional funding for Australia’s national cultural institutions and the Creative Economy COVID-19 support package which includes:¹³

- **\$200 million Restart Investment to Sustain and Expand (RISE) Fund** which continues to provide funds to arts and entertainment businesses to stage festivals, concerts, tours and events, including through innovative operating and digital delivery models, and provide increased employment opportunities, including retention of artists and skilled workers in the arts and entertainment sector and allied industries.
- **Up to \$90 million in Government guaranteed loans under the Show Starter Loan Scheme** which was delivered through participating banks and assisted eligible arts and entertainment businesses adversely affected by COVID-19 to access finance for new productions and events that stimulate job creation and economic activity.
- **\$50 million Temporary Interruption Fund** which continues to support local film and television producers to secure finance and keep filming, supporting thousands of jobs in the Australian screen sector.
- **\$50 million COVID-19 Arts Sustainability Fund** which continues to provide direct financial assistance to support significant Commonwealth-funded arts and culture organisations facing threats to their viability due to COVID-19.
- **\$40 million to the charity Support Act** to continue to provide immediate crisis relief to artists, crew and music and live performance workers across the country, including extending the Wellbeing Helpline to the entire creative industries sector and offering a dedicated helpline for Indigenous artists, crew and music workers.
- **\$20 million SCREEN Fund** to provide business continuity support to independent cinemas. The Fund is expected to support up to 390 cinemas across the country through the significant economic, health and social impacts they are experiencing as a result of COVID-19.
- **\$11.4 million Regional Arts Tourism package** to promote and develop cultural events for tourists across regional Australia, grow audiences at festivals across regional Australia and promote creative and cultural experiences in regions that have been hard-hit by the pandemic.
- **\$10 million for the Regional Arts Fund** which has provided artists and arts organisations in regional Australia with access to additional funding to develop new work.
- **\$5 million for Playing Australia Regional Recovery Investment** to support performing arts touring in regional and remote Australian communities as they rebound from the effects of the COVID-19 pandemic.

The 2020–21 Federal Budget also contained additional whole-of-economy support for individuals and businesses that contribute to the Government’s Economic Recovery Plan for Australia. A key component of the Budget was the JobMaker Plan. It included the following measures relevant to businesses in the cultural and creative industries:¹⁴

- Establishing a JobMaker Hiring Credit to provide an incentive for businesses to take on additional employees aged 16 to 35.
- Providing an additional \$1.2 billion through the Boosting Apprenticeships Wage Subsidy to support up to 100,000 new apprentices and trainees.
- Temporary full expensing of eligible depreciable assets and temporary tax loss carry-back to support investment and jobs.
- Reforms to insolvency and the provision of credit, giving Australian small businesses the best chance to succeed and keep people in work.
- Investing almost \$800 million in a Digital Business Plan to improve productivity, jobs and income growth by enabling businesses to take advantage of digital technologies.

Appendix A – ANZSIC industry classes

The concept of cultural and creative sectors used in this fact sheet is that established by the Australian Bureau of Statistics in the publication *Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09*.¹⁵ In this definition, 43 Australian and New Zealand Standard Industrial Classification (ANZSIC) industry classes are classified as cultural and/or creative.

Table A.1 shows the industry classes included in the cultural and creative sectors.

Table A.1: Industry classes

ANZSIC Code	ANZSIC class name
1351	Clothing Manufacturing
1352	Footwear Manufacturing
1611	Printing
1612	Printing Support Services
1620	Reproduction of Recorded Media
2591	Jewellery and Silverware Manufacturing
3712	Clothing and Footwear Wholesaling
3732	Jewellery and Watch Wholesaling
3735	Book and Magazine Wholesaling
4242	Entertainment Media Retailing
4244	Newspaper and Book Retailing
4251	Clothing Retailing
4252	Footwear Retailing
4253	Watch and Jewellery Retailing
5411	Newspaper Publishing
5412	Magazine and Other Periodical Publishing
5413	Book Publishing
5419	Other Publishing (except Software, Music and Internet)
5420	Software Publishing
5511	Motion Picture and Video Production
5512	Motion Picture and Video Distribution
5513	Motion Picture Exhibition
5514	Post-production Services and Other Motion Picture and Video Activities
5521	Music Publishing
5522	Music and Other Sound Recording Activities
5610	Radio Broadcasting

ANZSIC Code	ANZSIC class name
5621	Free-to-Air Television Broadcasting
5622	Cable and Other Subscription Broadcasting
5700	Internet Publishing and Broadcasting
6010	Libraries and Archives
6632	Video and Other Electronic Media Rental and Hiring
6921	Architectural Services
6924	Other Specialised Design Services
6940	Advertising Services
6991	Professional Photographic Services
7000	Computer System Design and Related Services
8212	Arts Education
8910	Museum Operation
8921	Zoological and Botanical Gardens Operation
8922	Nature Reserves and Conservation Parks Operation
9001	Performing Arts Operation
9002	Creative Artists, Musicians, Writers and Performers
9003	Performing Arts Venue Operation

Source: BCAR 2018, [Cultural and creative activity in Australia 2008–09 to 2016–17](#) and Australian Bureau of Statistics 2014, [Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09](#).

Appendix B – Caveats to the analysis

The payments data in this fact sheet remains subject to revisions as there will be organisations that complete late applications, amend or adjust their applications for subsequent periods, and applications processed may be subject to compliance activities as well as retrospective adjustments to overall figures. The information presented on business entities and employees and EBP are defined as:

- Accurate as at 10 February 2021.
- Entity counts were based on the total number of processed applications.
 - Entities with processed applications are those that have completed enrolment, verification and declaration steps.
 - Entities can include sole traders, partnerships, trusts, companies and not-for-profit organisations.

The analysis relies on the ANZSIC codes that form the cultural and creative sectors as set out in Appendix A. However, the categorisation of entities into ANZSIC codes is based on self-assessments and can be unreliable. Further, where the entity count was below 5 for an industry in a particular category, entities were grouped together and listed under ‘No industry code/categorisation available (out of ANZSIC scope)’. This is done in line with Australian privacy laws so that specific entities cannot be identified. This does not impact the total amount paid but may present an underrepresentation in a particular ANZSIC category.

Limitations to assessing the uptake of Government measures

The total number of workers employed in the cultural and creative sectors was approximately 645,000 based on Australian Bureau of Statistics 2016 Census of Population and Housing data. While employment in cultural and creative industries may have increased since 2016 in level terms, Census data provides the most accurate data source for the size of the cultural and creative workforce. By comparison, data on employees that received JobKeeper is for April – December 2020. Additionally, JobKeeper data included both employees and EBP while employment in cultural and creative sectors using Census data may not include EBP.

The total number of businesses in the cultural and creative sectors was approximately 170,000 in June 2019 and 173,000 in June 2020, sourced from Australian Bureau of Statistics data.¹⁶ However, data on the number of entities that received JobKeeper and Boosting Cash Flow for Employers payments were for different periods. Additionally, the scope of entities that received payments differs from businesses captured by the Australian Bureau of Statistics data. For example, the Australian Bureau of Statistics data includes only actively trading businesses in the market sector, while entities that received payments could include not-for-profit organisations.

Caveats to JobKeeper payments data

- For JobKeeper months April to September, monthly employees/EBP is calculated by dividing the net cash payments by the maximum value of JobKeeper payments that a single employee/EBP would receive in a given month. From October onwards, the count of employees/EBP is based on employees/EBP listed in the employer’s application for whom a payment has been made in relation to the JobKeeper period.
- Data provided is for the first phase of JobKeeper (JobKeeper fortnights in April, May, June, July, August and September 2020) and the first quarter of the JobKeeper extension phase (JobKeeper fortnights in October, November and December 2020 as well as the fortnight ending 3 January 2021).
- JobKeeper eligibility:
 - The first phase of the JobKeeper Payment consisted of a flat payment of \$1,500 per fortnight for each eligible employee and EBP within an eligible business, available for the fortnightly periods between 30 March 2020 and 27 September 2020.
 - The JobKeeper Payment was extended for 6 months (from 28 September 2020 to 28 March 2021) with a few policy changes: employers had to demonstrate an actual decline in turnover, payment rates for employees and EBP were stepped-down and two tiers of payments were introduced.¹⁷ Employees who were employed for 20 hours or more per week on average in the four weekly pay periods prior to the employee reference date (1 March or 1 July 2020) were eligible to receive the tier 1 payment while employees who were employed for less than 20 hours were eligible for the tier 2 payment.

- To be eligible for the JobKeeper extension phase employers were required to demonstrate an actual decline in turnover. This test must have been satisfied to be eligible for both JobKeeper extension periods (December 2020 and March 2021 quarters). This is a shift from the previous one-off test for the first phase of JobKeeper that required employers to project a decline in turnover.
- Entities were required to submit applications each month for JobKeeper and nominate their eligible employees each month, therefore it is possible that some employers and/or employees or EBP would not have been participating in JobKeeper for the entire period.

References

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- ¹⁷ Australian Taxation Office 2020, [JobKeeper Payment rates](#)