

RISING: MANDALA

Reimagining the value of the arts

An introduction to the Economist in Residence platform

NOVEMBER 2026

Foreword

The invitation to an economist to be in residence at RISING grew out of a shared aspiration to challenge the terms on which we make the case for why the arts matter.

The dominant narrative remains that "regular people" don't care about the arts, because it's an elitist hobby for middle-class, inner-city audiences. But the evidence has pointed in the opposite direction for years. Diverse public participation and return on investment are at all-time highs, while artists themselves continue to earn unsustainably low incomes. Still, the "economic indulgence" narrative has stuck, and de-prioritisation has followed.

This report is the first stage of a deeper dive into articulating and measuring the value of the arts and culture. It zooms out from individual arts organisations and the endless battle for survival and takes a broader look at the missing parts of the story that have allowed this dominant narrative to continue.

What jumps out to me is what drives people to attend arts events. Almost half of audiences say they attend arts events to connect socially. This isn't an inner-city phenomenon; it's a human response and applies across regional areas too.

Another major driver is the desire to learn and to encounter different perspectives and cultural experiences. I can't think of anything more vital right now than reducing social isolation and creating more opportunities for empathy and critical thinking.

As outlined in the following pages, there is no united, robust system for measuring and articulating the social and cultural value of the arts. Developing that methodology is key to making urgent changes to the script.

I have always believed in art for art's sake, but I also believe in the arts for our sake. This Economist in Residence platform is the start of an ongoing effort that RISING and allies will undertake, inviting our industry and stakeholders to think bigger than survival and imagine a country known for its thriving, inspiring, and inclusive cultural life.

Hannah Fox
Artistic Director and CEO
RISING

Cover: *intangible #form* by Shohei Fujimoto, RISING 2024. PHOTO: Gianna Rizzo

Foreword

Arts and culture play a profound role in Australian society. However, the transformative power of the arts for both individuals and communities does not fit easily into the way we measure public value and impact.

Currently, we look at the level of activity generated by the sector itself. This is important, but it understates the true value of arts and culture as an enabling feature of an economy.

The consequences are visible. Over the last two decades, public investment in the arts has slowly eroded even though Australians are engaging with the arts more than ever. Per capita, Australia spends almost 40 per cent less than the OECD average on cultural services and ranks 24th out of 30 countries. Belgium invests at almost double the rate we do. Iceland, almost four times as much.

We must flip the question. Rather than asking what the sector is worth, we should ask how it enables us to reach important national economic and societal goals. Our work seeks to broaden the scope of how we value the arts and uncover a more holistic picture that recognises arts activity as a cultural good, economic sector and a strategic asset. We hope this will make the case for greater and more sustained public, commercial and philanthropic investment.

We recognise that taking a broader view to capture the value of arts and culture and the creative sector is not new, and that many others have worked on this and continue to do so. Our work seeks to build and extend that. We also accept that there is an inherent tension in quantifying an intangible experience. Our work seeks to provide a higher definition picture, but it will always tell only part of the story.

Mandala is proud to launch an Economist in Residence platform in collaboration with RISING. Our team of economics, data science and policy practitioners in Australia, the United Kingdom, the United States, Singapore, Japan and Sweden is excited to contribute to this work.

Amit Singh
Managing Partner
Mandala

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MANDALA

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Note: All figures are Australian Dollars unless indicated otherwise.

Australians are engaging with the arts more than ever, with 74 per cent attending a live arts event in the past year

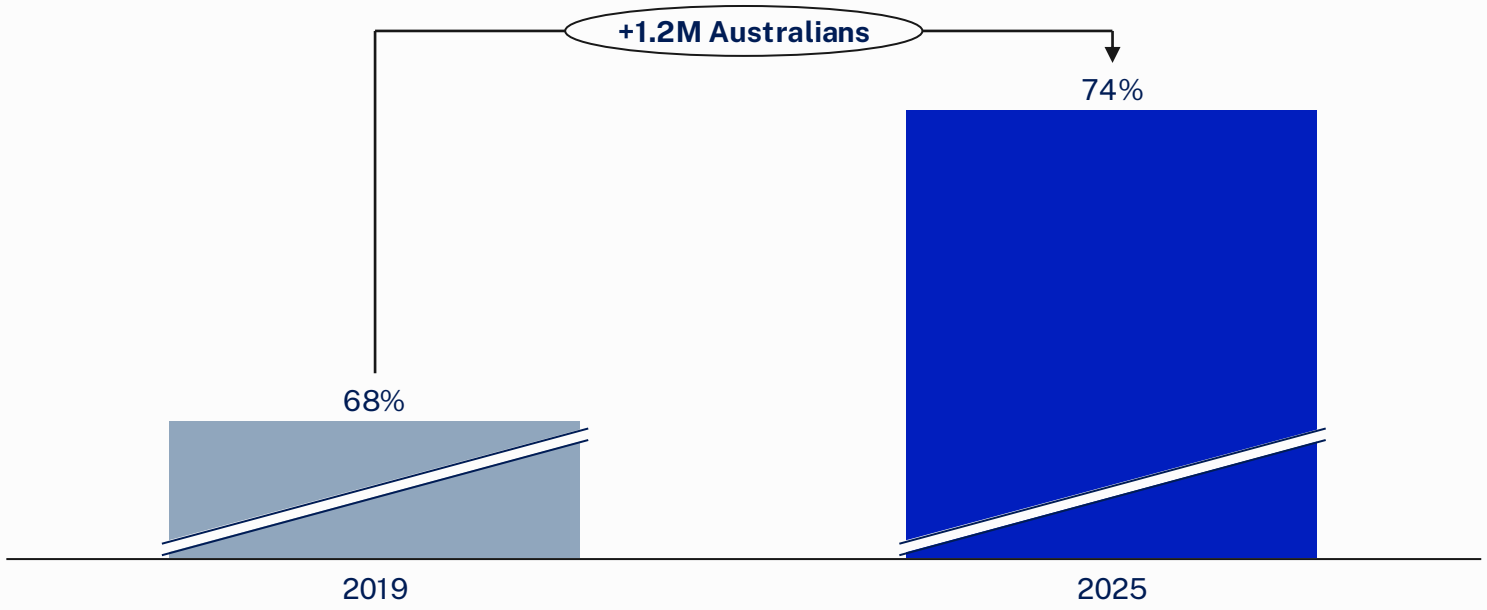
Australians are turning out for live art in record numbers. In 2025, 15.4 million or 74 per cent of Australians attended a live arts event or festival. That is the highest level recorded since the National Arts Participation Survey began in 2009, and 1.2 million more Australians than in 2019.[1]

This is not a story about spectacle alone. Whether in a packed arena, a festival marquee, or a small theatre, Australians are choosing to be in the room together, and that choice says something about what the arts mean to everyday life.

Australians go to connect. 47 per cent of patrons say socialising is a key motivation for attending, and 36 per cent say they attend to better understand other perspectives and cultures.[2]

Proportion of Australians attending at least one live arts event or festival

% of population aged 15 and over, 2019 vs 2025



Nearly two million more Australians attended a live arts event last year than used AI tools like ChatGPT, Gemini or Copilot – 15.4 million compared with 13.6 million.[3]

1, 2 Creative Australia (2026) *Creative Transformations: Results of the National Arts Participation Survey*.
Source: Mandala analysis.

3 Compared with AI tool usage in an average four weeks in the March quarter 2026.
Source: Creative Australia (2020) *Creating Our Future: Results of the National Arts Participation Survey*; Creative Australia (2026) *Creative Transformations: Results of the National Arts Participation Survey*; Roy Morgan (2026) *Press Release: 13.6 million Australians now use AI tools*

Over 70 per cent of Australians living in regional and remote areas attend at least one art event in a year

Art attendance is high in every state and territory. More than three in four Australians aged 15 and over attended a cultural venue or event in 2025, no matter the state or territory.[1] Attendance rates range from 77 per cent in South Australia to 83 per cent in the Northern Territory and 89 per cent in the ACT.[2]

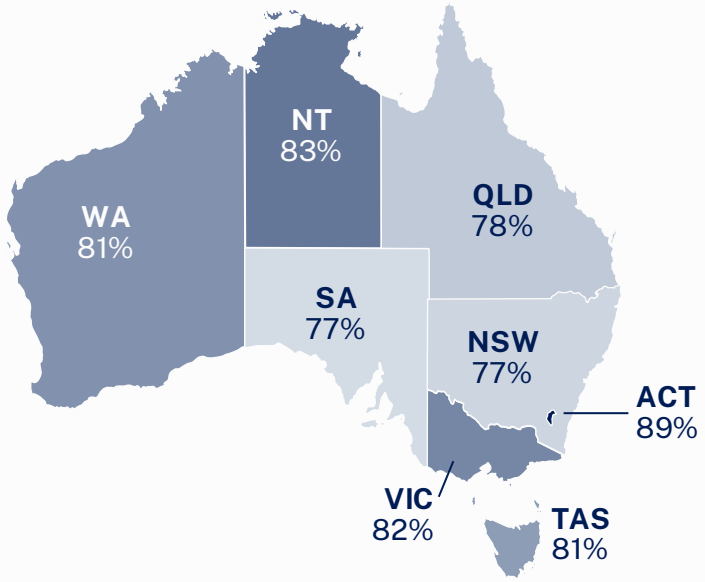
Remoteness makes only a modest difference. 81 per cent of major city dwellers attended a cultural venue or event in 2025.[3] This attendance rate comes down to 74 per cent for those Australians living in remote areas.[4] Cultural participation is not limited to capital cities.

The gap of seven percentage points is likely to reflect access rather than interest. 60 per cent of Australians report cost and 42 per cent report geography as barriers to attendance, while only 26 per cent report a lack of personal interest.[5]

1, 2, 3, 4 ABS (2026) *General Social Survey: Summary Results, Australia.*
5 Creative Australia (2026) *Creative Transformations: Results of the National Arts Participation Survey.*
Source: Mandala analysis.

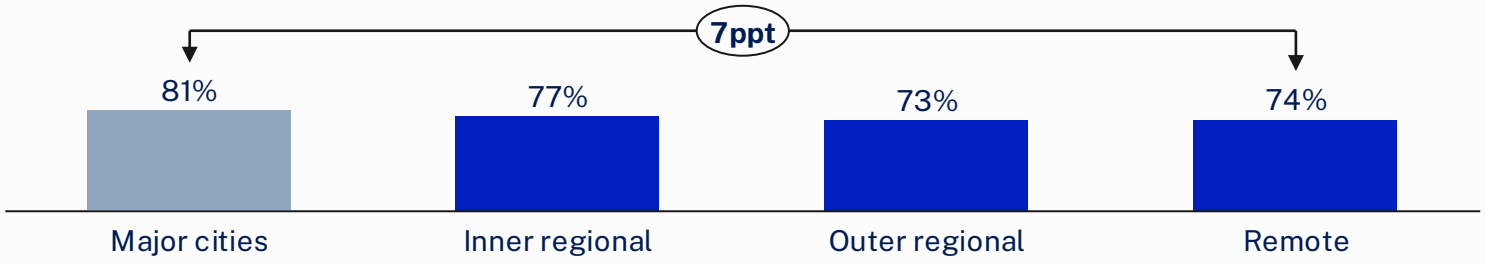
Proportion of Australians attending at least one cultural venue or event, by state

% of population aged 15 and over, 2025



Proportion of Australians attending at least one cultural venue or event, by remoteness area

% of population aged 15 and over, 2025

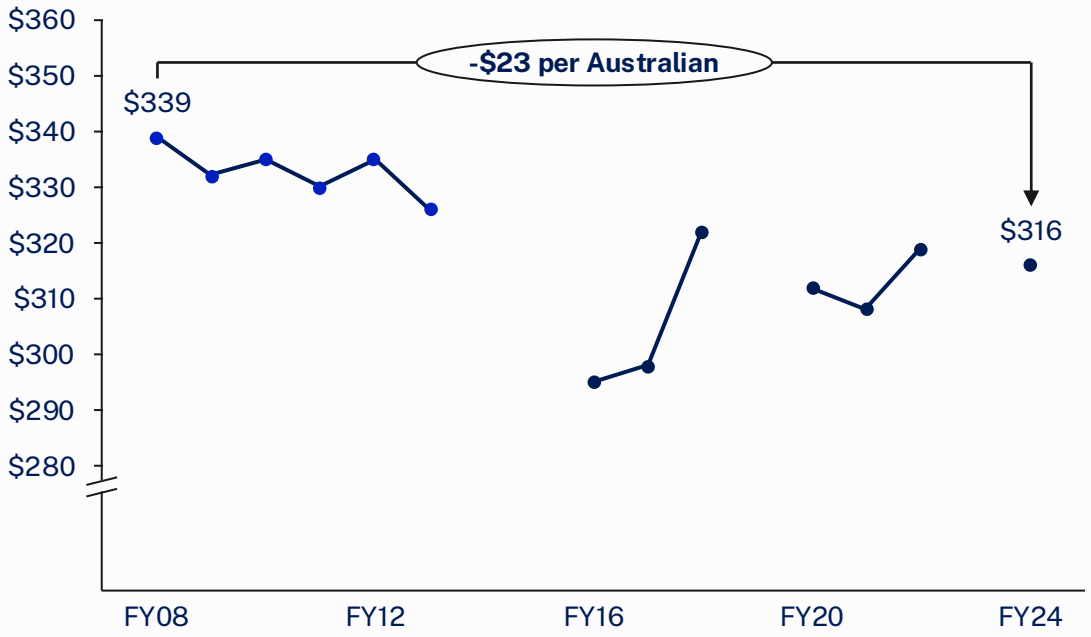


Source: ABS (2026) *General Social Survey: Summary Results, Australia*; Mandala analysis.

Public investment in the arts has declined over the last two decades...

Government spending on arts and culture in Australia per capita

2024 AUD, WPI-adjusted, 2007-08 to 2023-24



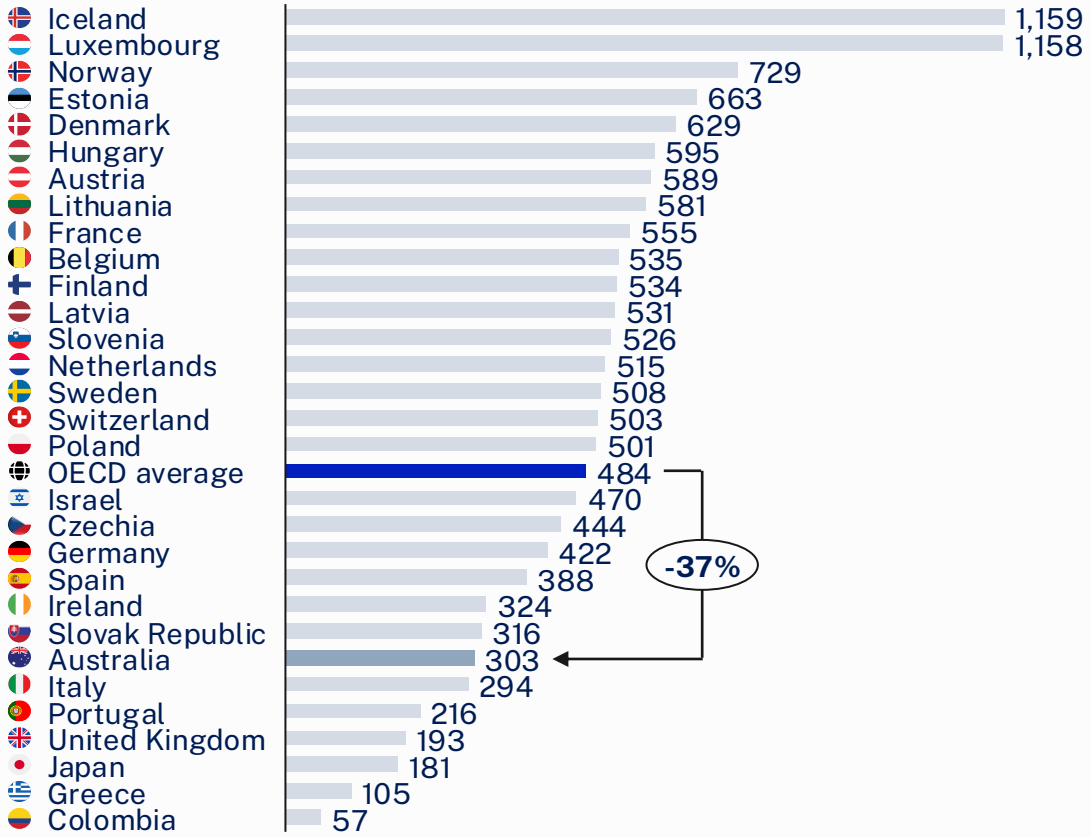
Public investment in the arts is on a long-term decline.
Federal, state, and local governments in FY24 invested $23 (or 7 per cent) less per capita in the arts than they did in FY08.

Note: Aggregated data on government spending on arts and culture is not available in some financial years. This page shows two different measures for Australia: Wage Price Index (WPI) and Purchasing Power Parity (PPP).
Source: A New Approach (2026) *The Big Picture*.

...with Australia now lagging the OECD average by 37 per cent

Total government spending on cultural services per capita

2024 AUD, PPP-adjusted, 2024



Note: Cultural services cover government operating and capital spending on cultural facilities, events, and support for artists and cultural organisations. They exclude events held abroad, tourism-focused celebrations, and broadcast content. Source: OECD (2026) *OECD Data Explorer*; Mandala analysis.

Signs of strain are emerging in the creative sector against this backdrop of declining public investment

The impact of declining funding is now visible among artists, audiences, and venues.

76 per cent of artists have to rely on income from work other than their creative practice, and nearly half earn under $10,000 from their creative work.[1]

60 per cent of Australians in 2025 reported cost as a barrier to attending live arts events, up from 55 per cent in 2022.[2]

Floorspace occupied by creative workers in the City of Sydney fell by 30 per cent in the decade from 2012, while total floorspace grew 15 per cent.[3]

1 Throsby and Petetskaya (2024) *Artists as Workers: An economic study of professional artists in Australia.*
2 Creative Australia (2026) *Creative Transformations: Results of the National Arts Participation Survey.*
3 Committee for Sydney (2024) *Making it in Sydney: Actions to provide more creative production space.*
Source: Mandala analysis.

Emerging signs of strain in the creative sector

Artists

Struggling to make a living

76%

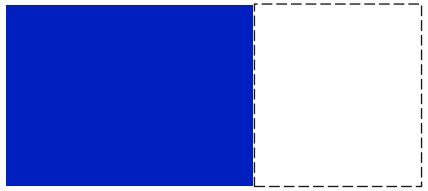


of Australian artists have to rely on income from outside their creative work

Audiences

Facing high ticket and entry costs

60%

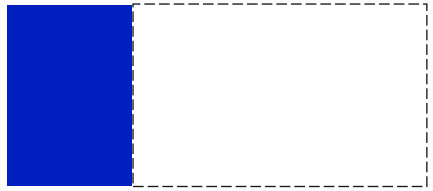


of Australians report cost as a barrier to attending live arts events

Creative workspaces

Declining in number

30%



decline in floorspace occupied by creative workers in the City of Sydney

> Income has recovered to some extent, but the fact is artists don't get paid anything like what is commensurate with their contribution to society.
>
> **Professor David Throsby**, Macquarie University, co-author of Artists as Workers (2024)

Source: Committee for Sydney (2024) *Making it in Sydney: Actions to provide more creative production space*; Creative Australia (2026) *Creative Transformations: Results of the National Arts Participation Survey*; Throsby and Petetskaya (2024) *Artists as Workers: An economic study of professional artists in Australia*; Mandala analysis.

The full value of the arts is difficult to quantify, weakening the case for investment and thus funding

Funding requests and program evaluations for the arts typically capture their direct economic contribution (e.g., jobs, wages, and visitor spending). This value is recorded routinely, already expressed in dollars, and easily attributed to a single program.

The health, social, and strategic benefits of the arts are harder to capture. They lack an agreed economic value, build over years, and are difficult to attribute to a single program.

The case for public investment is weakened when the full value of the arts remains unarticulated. This is especially true when the arts compete for funding with other portfolios where returns are more easily quantified. As a result, public investment in the arts has declined.

Source: Mandala analysis.

Captured vs uncaptured value of the arts

Routinely captured, quantifiable value

Direct economic contribution

E.g.,

- Gross value added (GVA) to the economy
- Ticket sales and admissions revenue
- Jobs and wages
- Spillover benefits for tourism, hospitality, and retail

Why it is easier to quantify

Measurement	Jobs, attendance, and ticket sales are recorded as part of normal operations
Valuation	Spending, wages, and revenue are already expressed in dollars
Timing	Results appear within the funding period, often at the event itself
Attribution	Activity can be traced directly to the program or venue that generated it

Uncaptured, hard-to-quantify value

Health, social, and other outcomes

E.g.,

- Social cohesion and belonging
- Mental and physical health outcomes
- National identity and heritage
- Education and child development outcomes
- Creative skills that feed into other industries, such as design, technology, and advertising

Why it is difficult to quantify

Measurement	Wellbeing, belonging, and cohesion have no standard measure and need dedicated surveys
Valuation	Outcomes such as national identity have no market price or agreed dollar value
Timing	Benefits build over years, often beyond the evaluation window
Attribution	Crediting a single program for the achievement of an outcome is difficult

Source: Mandala analysis.

Think tanks and government departments have introduced new frameworks to value the arts more comprehensively, but Australia lacks a national approach

New frameworks for valuing the arts and their proposed methods of measurement

A New Approach (ANA)	Western Australia Department of Culture and the Arts	UK Department for Culture, Media & Sport
Returns on Investment Framework Categorises value by time horizon over which returns on investment in the arts accrue	**Public Value Measurement Framework** Categorises value by beneficiary: the individual, the economy and society, and future generations	**Culture and Heritage Capital Approach** Categorises value using eight 'services' provided by cultural assets (condensed into five below)

CATEGORIES OF VALUE

Short-term outputs 1	Output delivered by arts projects such as performances or gallery expansion, e.g., new experiences for attendees, new facilities **Proposed measurement methods**: Timely consumer behaviour data; independent reviews of operational needs	**Intrinsic value** 1	Value of experiencing arts and culture to the individual, i.e., the quality and reach of the work **Proposed measurement methods**: CultureCounts survey: artists and the public will score work on set dimensions, e.g., originality, innovation, currency	**Aesthetic and inspiration** 1	Emotional and creative stimulation **Proposed measurement methods**: Contingent valuation, discrete choice modelling
Medium-term outcomes 2	Effects on a community resulting from outputs, e.g., economic contribution, social benefits, productivity, sector growth **Proposed measurement methods**: ROI and SROI; satellite accounts estimates; business entries and exits	**Instrumental value** 2	Direct and indirect contribution of culture to economic and social outcomes or policy goals, e.g., jobs, tourism, education, health **Proposed measurement methods**: None yet	**Health** 2	Physical and mental health **Proposed measurement methods**: Quality-adjusted / wellbeing-adjusted life years
Long-term impacts 3	Measures of difference or change over time, e.g., sustainable development, lifelong participation, globally influential creativity **Proposed measurement methods**: Participation and attendance surveys; state of culture reports; wellbeing frameworks	**Institutional value** 3	Value society collectively places on culture, now and for future generations, including both use and non-use value **Proposed measurement methods**: None yet	**Knowledge** 3	Learning, skills, and research **Proposed measurement methods**: None yet
				Community and identity 4	Belonging, pride, and social cohesion **Proposed measurement methods**: None yet
				Environment 5	Culture's interaction with nature **Proposed measurement methods**: None yet

Source: A New Approach (2023) *Returns on Investment (ROI) in Australian Arts, Culture and Creativity*; Department for Culture, Media & Sport (2024) *Embedding a Culture and Heritage Capital Approach*; Department of Culture and the Arts (2014) *Public Value Measurement Framework: Measuring the Quality of the Arts*; Mandala analysis.

Valuation should capture how the arts help us meet our shared national goals

Building an investment case that comprehensively captures the value of the arts is difficult. The sector can respond to this challenge, as well as the challenge of declining public investment, in three ways:

1. **Maintain current approach**. Most funding cases for the arts today measure economic activity. They quantify jobs, wages, and visitor spending generated by the arts. But measuring economic activity captures output rather than outcomes, leaving out the health, social, and strategic benefits of the arts.
2. **Extend the current approach to capture both outcomes and output**. Putting a dollar value on outcomes like wellbeing builds on accepted cost-benefit methodologies, but health, social, and strategic outcomes emerge over years and are hard to attribute to one program.
3. **Flip the question**. Rather than asking what the arts are worth, we can instead ask how the arts help us meet our shared national goals. Arts organisations would no longer have to prove their value in isolation, competing against projects with returns that are easier to quantify. This approach speaks to whole-of-government priorities and positions the arts as a strategic asset. The evidence base required is yet to be built but will be the focus of the Economist in Residence platform over the next year.

Source: Mandala analysis.

Three responses to the difficulty of valuing the arts

Arts-first → Goals-first

	1 Maintain current approach focusing on output and economic activity	2 Apply new valuation approaches to capture outcomes more comprehensively	3 Flip the question and position the arts as a strategic asset that supports national goals
Key question	How much **output** do the arts generate?	What **outcomes** do the arts achieve, and how much are they worth?	What are **Australia's goals**, and how can the arts help achieve them?
What it measures	▪ Economic activity ▪ E.g., Gross value added (GVA), jobs, wages, visitor spending	▪ Dollar value of wider benefits ▪ E.g., mental health and wellbeing, non-use value	▪ Contribution to shared goals ▪ E.g., innovation, social cohesion, safeguarding democracy
Strengths	▪ Familiar to Treasury and comparable with other sectors ▪ Data readily available	▪ Builds on accepted cost-benefit methodologies ▪ More benefits would be expressed in dollar terms	▪ Speaks to whole-of-government priorities ▪ Positions the arts as a strategic asset
Limitations	▪ Ignores health, social, and strategic benefits of the arts ▪ Focused on output, rather than outcomes	▪ Studies are costly and specific to one event or site ▪ Health, social, and strategic outcomes emerge over years and are hard to attribute to one program	▪ Complete evidence base is yet to be built Focus of the Economist in Residence platform

Source: Mandala analysis.

The Economist in Residence platform will explore three pillars of the arts' contribution to national goals and priorities

Overview of the three pillars that underpin the Economist in Residence platform

The research undertaken by the Economist in Residence platform will be grounded in consultation with artists, institutions, and community, and explore topics like...

Pillar 1	Pillar 2	Pillar 3
The arts as a **cultural good**	The arts as an **economic sector**	The arts as a **strategic asset**
Individuals by promoting creativity, enabling expression, and improving health and wellbeing outcomes.	**Artists and creative workers** by generating jobs and wages and sustaining careers in the creative economy.	**Sovereign capability** by maintaining a talent pool, skills, and supply chains, which, once degraded, relocate offshore.
Communities by creating shared experiences that generate social cohesion, belonging, and local identity.	**Adjacent industries** by generating spillover benefits for tourism, hospitality, and retail through visitation and precinct activation.	**Democracy** by enabling expression and serving as a system where the public registers its preferences continually and voluntarily.
National identity and heritage by exploring Australian stories and preserving them for future generations.	**Australia's trade position** by exporting creative content, licensing IP globally, and attracting international investment.	**Australia's global standing** by building the cultural ties that underpin diplomacy and influence at the global level.

Across these three pillars, the Economist in Residence platform will build an evidence base to underpin better valuation approaches that reflect how the arts support shared national goals.

Source: Mandala analysis.

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