

COVER

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Julieanne Campbell,
Performance Space



Performance Space in Redfern is not for everyone. It favours experimental works and is “all about taking risks and challenging the status quo”, says the general manager, Julieanne Campbell. For years, it looked agog at the millions of dollars lavished on mainstream arts companies and thought: “Not for the likes of us.” In 2006, it raised a grand total of \$216 in donations.

But by then, a tectonic shift was under way. The board, previously stacked with artists, opened up to people with experience in business and arts management. Campbell began a mentoring program with Louise Walsh at Artsupport, a branch of the Australia Council dedicated to increasing donations to the arts. Walsh introduced her to philanthropists she thought might be sympathetic, including a property developer.

He understood the company's emphasis on process over product and also liked walking. So when Campbell pitched him a development program based around walking, he got excited. “And being entrepreneurial, he wanted to extend it, make it bigger, get his business mates to pitch in. I guess for us it was like, ‘Right, business people. They think really creatively!’” she says.

In 2007, donations to Performance Space jumped to \$33,000; this year they're on track for \$85,000 to \$90,000. It has significantly altered the company: how it operates and what it believes is possible.

Philanthropy in Australia is changing and arts companies are changing with it. The arts still gets only a tiny fraction of all the money given away in Australia each year – 2.3 per cent in 2005, when the last comprehensive survey was undertaken – but it is growing. The Australian Major Performing Arts Group found that private donations to the 28 companies it represents increased by 157 per cent, more than eight times the consumer price index, between 2001 and 2010. The latest Australian Business Arts Foundation survey of more than

Creative accounting

Fierce competition for the philanthropic dollar has forced artistic companies to come up with new ways of attracting money.

CATHERINE KEENAN reports.



The arts still gets only a tiny fraction of all the money given away in Australia each year – 2.3 per cent in 2005 – but it is growing.

700 arts organisations had similar results, finding that donations had gone up 136 per cent, or 19 per cent a year, from 2001 to 2009. This was despite the global financial crisis. Arts sponsorship dipped dramatically, but giving held up fairly well.

Some of this is down to an overall increase in philanthropy, driven mainly at the top end: headline-grabbing donations such as Simon Mordant's \$15 million to the Museum of Contemporary Art's expansion program this year. But the

fastest growing form of philanthropy in Australia is through private ancillary funds, smaller foundations usually worth between \$500,000 and \$2 million, which act as vehicles for wealthy individuals to systematically make tax-deductible gifts: they must disburse 5 per cent of the value every year. Nearly 900 have been created since they were established in 2001 (originally called prescribed private funds) and this is where the arts has done particularly well. It's the second-biggest category after welfare, receiving more than 14 per cent of all disbursements.

Jane Haley, the chief executive of the Business Arts Foundation, suggests arts funding is up partly because many wealthy people have links to arts organisations – they might have subscribed to the symphony or opera for years – and so naturally think of those organisations when, for instance, the private ancillary funds structure forces them to systematise their giving. Gina Anderson, the chief executive of Philanthropy Australia, says we are also seeing the first generation of female philanthropists come through who have made their own money, and this may favour the arts.

The way people give is also changing. “Traditionally a lot of philanthropy in Australia was done with the bequests people left when they died,” Anderson says. Now people tend to give while they're alive and this gives arts companies an advan-

age over, say, health: they can offer them entry into an artistic community, with all the social benefits and cachet that brings.

This, then, is the holy grail for arts companies: how to make potential benefactors feel part of the family. The most important reason for the rise of arts philanthropy (it accounted for an average of 5 per cent of running costs 10 years ago and is up to 9 per cent now) is that, like Performance Space, arts companies across the board have reoriented themselves to chase the philanthropic dollar. No one thinks government funding is about to increase: if arts companies are to survive, they must increase their private income.

It's a fine line they must tread. For a donation to be tax-deductible, the donor must get no tangible benefit from it. The Foundation at the Art Gallery of NSW has 700 members, who donate a minimum of \$1500 a year for four years. The benefaction manager, Jane Wynter, used to send them the in-house magazine, *Look*, distributed free to the Art Gallery Society's 30,000 or so members (who pay just \$107 a year). But the Australian Tax Office ruled this was a tangible benefit to the donors and she had to withdraw it. Foundation members now get a twice-yearly newsletter and their name on an honour board.

They do, however, get invited to private talks by, for instance, the curator of an exhibition. This is where people are made to feel part of the fold; where they get behind the scenes, meet like-minded people and feel the warm glow of special access. People give to express their values, says Wendy Scaife, senior research fellow at the Australian Centre for Philanthropy and Non-profit Studies at Queensland University of Technology. “It's very much a part of who they are.”

The foundation is very important to the gallery. Government funding keeps its doors open, but it has to find the money for acquisitions. “All new works come from philanthropy,” Wynter says (except a small portion raised through the shop, cafe, etc.). “And we wouldn't be much of a museum if we weren't buying new works.”

Other companies that have been particularly successful at cultivating philanthropy are the Australian Chamber Orchestra, Sydney Symphony, Sydney Theatre Company and Australian Ballet. All offer donors similar insider status: dinner with a dancer, or invitations to dress rehearsals or opening night parties. Individual donations may be relatively modest – the Australian Ballet has 1500 to 2000 donors who give on average \$1000 a year – but big donors usually start small and build upwards. “It does tend to be the organisations that have the longer-term programs that get the bigger gifts,” the Business Arts Foundation's Haley says. “It's unusual for someone to come out of the blue and suddenly give a big gift.”

When Lady Primrose Potter gave \$8 million to the Australian Ballet

The musician

After graduating from Gosford High School, Glen Donnelly (pictured) decided he wanted to be an international viola soloist. The best way to do this, he thought, was to study for four years at London's Royal Academy of Music.

But it cost \$65,000 a year and Donnelly's parents, who own a wholesale nursery, could make only a modest contribution. Through sheer persistence, and under the mentoring of Louise Walsh at Artsupport, the 23-year-old has now finished his third year at the academy, having raised more than \$100,000 in donations.

Donnelly is one of a few tenacious artists who have tapped into philanthropic networks, getting donations

from charitable foundations (one gave him \$35,000) and wealthy individuals (his biggest donation was \$17,000). In particular, he has utilised the Australian Cultural Fund. Established by the Australian Business Arts Foundation, it allows people to make tax-deductible gifts to artists, processing about \$1 million a year.

It has been invaluable for Donnelly. While no one has donated to him directly as a result of seeing his profile on the Cultural Fund's website, having it there has legitimised his cause. “They help bring some sort of official [credibility] and trust into your appeal to people,” he says. Its tax-deductible status also allows people to donate more.



Photos: Steven Stewart, Quentin Jones and Brown Council

Down to business ... Julieanne Campbell's fundraising efforts have expanded Performance Space's horizons; (left) Brown Council's *A Comedy*, part of the venue's LiveWorks Festival in November.

this year, it was the fruit of a relationship that dates back to her marriage to Sir Ian Potter in 1975, when he was a founding member of the board. Such largesse is beyond the dreams of small arts companies, but smaller donations can make an enormous difference to them. Traditionally, they have missed out on philanthropy: the two recent surveys show most money is still funnelled to the top end and there are

some companies whose philanthropic income has gone backwards. But Artsupport is helping change this. Under Walsh's leadership, it has helped raise more than \$45 million since it was established in 2003, mostly for small and medium-sized arts organisations. There are donors who are drawn to this end. Phillip Keir, for instance, started his career as a theatre director before becoming publisher of

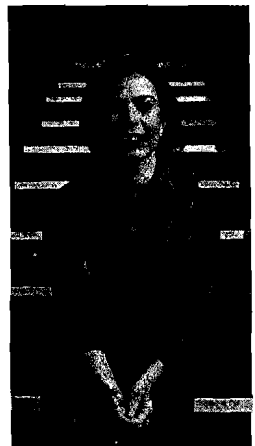
Australian Rolling Stone and founding Next Media. With his wife, Sarah Benjamin, he set up the Keir Foundation, a private ancillary fund, in 2004. It disburses \$250,000 a year to human rights organisations and mostly small- to medium-sized arts companies, including Performance Space, the Underbelly Festival in Chippendale and Big hART. Keir chose these companies mostly by inclination, but also out of

pragmatism. "We're a relatively small foundation," Keir says, "so I guess it's a question of how much impact you can have with a relatively modest amount of money - \$10,000 or \$20,000 or whatever makes quite a difference to what they do." It has certainly made a difference at Performance Space. Keir, 54, is half-funding an upcoming video-commissioning project, *Nightsitters*. It's the company's most soph-

isticated video exhibition and the first to take over the whole of CarriageWorks. "That for us was a huge leap in terms of the scale of project that we could do and the ambition that we could operate with," Campbell says. "Each time we've done a project with Phillip Keir it has benchmarked us in a new way." Benchmarked. Would Campbell even have used that word five years ago?

The theatre company

Milk Crate Theatre in Darlinghurst makes plays with homeless people. Although operating in an ad-hoc way since 1999, its first significant funding came in 2008: \$50,000 a year, for three years, from a private donor. It transformed the company. "Once you get on board one donor who's prepared to stand up and say, 'This project's fantastic,' all of a sudden other people listen," says the general manager, Katy Coote, 34 (pictured).



Milk Crate now has two full-time staff and receives funding from government and individuals including Ann and Warwick Johnson (see below). This year, private philanthropy accounted for nearly 55 per cent of its budget of \$300,000.

Small arts organisations often miss out on philanthropy because they don't have the expertise or resources to chase it. But Coote says companies such as Milk Crate can offer donors a very personal, close relationship. She and the artistic director, Beck Ronkson, meet their founding donor four times a year, to discuss the intricacies of programs and administration. The donor feels closely involved and it benefits the company in ways beyond money. "It's

amazing how much you can learn as a small organisation from the people that are donating. Often they'll come from corporate backgrounds and they really have a sense of how to approach projects," Coote says.

The donors

Having had "a few good years" in business, Ann Johnson and her fund manager husband Warwick set up a modest private ancillary fund in 2006. They wanted to quarantine a certain portion of their money to give away. "That would therefore, one, force us to give, and, two, it would make us think about the giving," she says. "We thought this would be something that would add some meaning to our lives. We had been giving, but it was always such a scattergun approach."

Tax office rules mean they must disburse a certain amount of money each year, so the fund makes them more focused and more likely to seek out projects

rather than simply respond to appeals. They are also more likely to give over a sustained period, invaluable for small companies trying to plan their future.

They mostly give to arts organisations and they heard about Milk Crate Theatre through Louise Walsh at Artsupport. Ann went to a performance and was "blown away." The couple are now triennial donors and have a close relationship with the company, going to all shows. "It's very rewarding. I feel very engaged in the community," she says. "And I enjoy it in part because I can see it's doing something for the people it's meant to help, but I can see it's also entertaining."

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The art of giving needs to spread and get stronger, says Balnaves

Catherine Keenan

WHEN Neil Balnaves recently promised more than \$250,000 to Company B Belvoir for indigenous productions, he could have kept it quiet. But Mr Balnaves belongs to the new breed of Australian philanthropists.

"I've taken the view, as have others like me, that we're so far behind the rest of the OECD countries, particularly the UK and the US, per capita, that we've got to raise the profile and put the example out there," he said.

So he has gone public about the three-year theatre grant, and the many other artistic, medical and educational projects he sponsors through the Balnaves Foundation's annual distribution of more than \$2 million.

People have accused him of ego-building, but if more people donate, he'll take the heat.

While wealthy Australians give more than others – 2.89 per cent of income for those earning more than \$1 million a year, compared with an average of 0.43 per cent – we still lag well behind the US. Americans who earned more than \$US200,000 in 2007 gave 9 per cent of their income, according to a study by Bank of America and the Centre on Philanthropy at Indiana University.

This week, more than 30 American billionaires pledged to give away at least half their fortunes. If only one Australian



Going public ... Neil Balnaves at his Mosman home. Photo: Tamara Dean

billionaire did this, it would change the philanthropic landscape, says Peter Winneke, head of philanthropic services at the Myer Family Company. He knows of only half a dozen family foundations that give away more than \$5 million a year – and most were established by people long dead. "That's a disgrace in a country of our wealth," he said. "We need someone to step up and create the first billion-dollar foundation."

In 2007-08, the last year for which there are reliable figures, all tax-deductible donations rose 25 per cent from the previous year to \$2.35 billion. NSW was the most generous state, giving on average \$788 each, 1½ times the national average.

Part of this was driven by the rise of private ancillary funds such as the Balnaves Founda-

tion. These are charitable foundations belonging to an individual or family, usually worth between \$500,000 and \$2 million. Nearly 900 have been set up since they were introduced in 2001 – originally called prescribed private funds – as a tax-effective way for people to systematise their giving.

"PAFs are the fastest-growing form of philanthropy in the country," says Gina Anderson, chief executive of Philanthropy Australia. Between 2001 and 2008, they disbursed \$447 million to tax-deductible charities.

Mr Winneke is hopeful things will improve. And he says it is useful that people such as Mr Balnaves are braving the tall poppy syndrome – and potentially floods of requests – to go public about their giving.

▶ **The art of giving** – Spectrum