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Roundtable 16 It's not just a case of show me the money

Speakers

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Moderator

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Description of the session

Session explored a range of issues about philanthropy countries that were represented by panel members (India, Mongolia, Australia).

Challenges faced included the difficulty in comparing data between countries about philanthropy. It is almost impossible to have meaningful data given that conditions on the ground are so different in each country from legal framework and business attitudes for philanthropy through to levels of public funding support.

Because of this it is difficult to find or promote one model for philanthropy.

Levels of philanthropy differ from country to country:

India

- Arts philanthropy is less because of an unfriendly legal framework - tax rebate for environment, health is 100% and the arts is only 50%

- Very few business champions of the arts - not a critical mass of business people who can influence govt
- Philanthropists are interested in a development angle (generating employment through crafts) rather than arts

Mongolia

- Present cultural heritage and bring cultural services to people across the country - US\$38m spent on culture (2.3m people)
- Economy going okay - great deal of foreign investment
- Local philanthropists, banks and private sector support give to the community. Cultural heritage very important for Mongolians - more people give for monastery preservation - need more statistics to gain a better sense of where philanthropy is thriving
- As far as individual giving goes, the Arts Council membership has grown by 100% - numbers have tripled - not a big amount of dollars.
- Process is more important in philanthropic giving in Mongolia. Want people to feel engaged and part of the culture. Building awareness and connecting people.
- Many people are giving to the church/temples

Australia

- 900 new foundations in the last 10 years.
- Unreliable statistics are a universal problem in philanthropy - but it's a sector that defies definition - very different models and people involved around the world.
- 2,500 grant making foundations in Australia giving \$500m per year.
- In the US there are 75,000 foundations \$40 billion.
- Generalisations are difficult to make across international boundaries - don't listen too much to statistics.
- Australia should probably have 8,000 of these rather than the 900 there is now.
- There is a concern that because they're endowments, they are less likely to contribute to other philanthropic funds - this may impact negatively for organisations in the arts. The days of dreaming of a massive capital fund are in the past. Arts need to focus on the individual programs of these endowments.
- Where are the 900 distributing the money? Arts and culture receives 17% over the ten year period. Ahead of education and international aid and the environment.

We need to be careful about promoting the notion that there is a lack of cultural giving in Australia – it can be used by some people an excuse to not give themselves. The extreme examples that people often refer to in the US such as Getty or Rockefeller can interfere with the message of philanthropy in Australia. Australia has a tendency to deny its philanthropic heritage. There are good examples in Australia - these should be acknowledged and can be used to promote philanthropy – such as the Felton bequest – which was the largest in the world at the time.

It is problematic that the media in Australia doesn't help to promote philanthropy.

It's hard to distinguish what the best model for philanthropy might be – most importantly it's about the communication - how to communicate the importance of your work. The Mongolian Arts Council is very focused on the governance of organisations – governing bodies need to have the right skills on the organisation to attract the trust of philanthropists

Mongolia is a young democracy – only 20 years old. They had programs where support to civil society, education and arts was tax deductible – however they didn't have the monitoring framework for this. As a result the government has cut back on this a bit. Their philanthropic system is still learning how it can operate in a market economy – a big part of that is having to convince people that governance is transparent and working.

A key area is tax incentives. Many countries want to look at aspects of US tax deductions on the arts - gifts, bequest, loans. The introduction of such schemes in countries like India was seen as important and would likely result in a huge uplift for the arts.

Charitable remainder trusts was cited as a US mechanism that should be introduced in Australia. However the system of gifting of objects in Australia was cited as actually quite good and better than the US.

The panel discussed fundraising and were asked if they personally enjoy fundraising.

They agreed it was a necessary evil!

They agreed it was important to provide an environment for people who do the fundraising. Help staff to build their own networks. In many cases they have turned their trustees or board members into fund raisers. Trustees/board members have also contributed.

Fundraising should be done at all levels. They each learned they have to ask. Fundraising is all about communication

It's exciting to see someone become a benefactor and watch them reach their goal.

They agreed you need to be on call - it does require response mechanisms to deal with this. Need to give certainty to benefactors and create an environment where they feel comfortable.

Cultural funding in India will remain stable - it's very low in any case. Private philanthropy will not grow in the same way in India they should be looking at some elements of the US model. At the moment there are no tax deductions for people for gifts in kind.

In Mongolia cultural funding has been increasing for the last three years. 50 organisations funding is going to grow for the next few years but this doesn't mean that everything is fine - arts will struggle on this.

There's unlikely to be much growth in funding for the arts in Australia. Although, in the National Cultural Policy there is some indication that there may be an allocation to deal with the new policy initiatives.

The Panel discussed whether the role of philanthropy was solely about money...

- its a lot about the money!
- Really difficult in the language of strategic partnerships - this can be difficult for organisations.
- Money, time, information, good and services, voice, advocacy and influence - each of those has a philanthropic aspect.
- The arts is a sector full of volunteerism.
- Philanthropy as the innovative end of funding - ways to deliver models to government
- But you have to start with the money.
- Fortunate that we have boards made up of diverse experiences and skills.
- But it's the kiss of death to have someone of apparent means on your board who doesn't give - difficult to expect others to give.

Creative intersections discussed in the session

There wasn't a great deal of discussion on creative intersections. Primarily though, the continued discussion of philanthropy at an international level is beneficial. There are many individual programs or mechanisms in each country that might be of benefit in others.

There is a lot of innovation in the private giving sector around the world and we should be learning from each other and sharing our approaches.

Examples of good examples and practices

Each speaker agreed that the key to success in philanthropy was the quality of arts boards and boards of foundations. Board diversity was identified as key in ensuring that governance was appropriate and that trust in an organisation was built.

Money, time, information, good and services, voice, advocacy and influence - each of those has a philanthropic aspect. The arts is a sector full of volunteerism.

Philanthropy as the innovative end of funding - ways to deliver models to government

However, you have to start with the money.

There was a robust discussion on board members donating more than their time – there was a strong view that a board member must demonstrate their preparedness to give money to their organisation – within their means of course – this could be \$50 or \$5000.

You can have just one member representing a certain sector (business for example on a board) they get lonely – so diversity again becomes the key.

The architecture of object gifting is very good in Australia and should be used as a model elsewhere.

Identified problems

- ‘unsexy’ organisations
- Cold calling
- Level of expertise
- Board members only wanting to provide time and skills
- Working in regions

However, it was felt that there were solutions available to address each of these obstacles.

Recommendations for futures actions

- Sharing of information between countries about mechanisms that increase incentives for philanthropy and private giving in general or specifically to the arts.
- Skills development programs can be shared between countries where appropriate to help develop the role of development managers in arts organisations and to better understand the development strategies most likely to lead to success.
- Diversify the range of trusts or foundations – introduction of charitable remainder trusts (Australia) would assist the level of philanthropic funds available.

Other additional comments

New Consumption Behaviours: this applies equally to philanthropic sector and arts organisation engaging with social media as a tool to raise donations – crowdsourcing funding sites such as Pozible and United State Artists provide models for how this can work. New behaviours in private giving are emerging through social media.

New Public Funding approaches and structure: Private foundations are in a unique position to take some risks and can use programs to develop innovative funding models. These can be test-beds for how governments might distribute funding.

New training approaches for the arts and cultural sector: any training of workers in the cultural sector must include a comprehensive understanding of the private funding available to the arts. Workers must be trained in skills and awareness of how to access funds in this sector. More and more artists will be getting funds for their projects by matching their goals to the myriad of objectives of philanthropists.