


Donations, sponsorship of the arts in Australia hit \$608 million, says Creative Partnerships Australia

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Reliable information should be the basis of any sensible business decision, whether in the corporate world or among not-for-profit arts organisations. It's astonishing, really, that for much of the past decade the arts has had access only to out-of-date information or had no information at all.

Only this year was a substantive study produced about the size of government funding for the arts, which clocks in at \$6.86bn across three tiers of government.

The study was prepared by arts think tank A New Approach and found some eye-opening trends in government subsidies, including a decline in per-capita terms, and a shrinking of federal support relative to state and local governments.

Similarly, a new report to be launched on Tuesday by Creative Partnerships Australia has brought forth valuable data about changes in private sector support for the arts, including donations, sponsorships, volunteering and pro bono work.

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The Giving Attitude report finds that individuals and companies gave cash and other support valued at \$608m in 2017. That's a huge increase on \$221m from a decade ago, the last time the sector was surveyed on this vital source of revenue. While those figures are not directly

comparable because of differences in calculation, they nevertheless show that income from the private sector is increasingly important to Australia's continued cultural growth.

Drill down into the survey and several patterns emerge. Big organisations — those with turnover of more than \$5m are dubbed “extra-large” — have the most resources to devote to fundraising and development, and they also earn the most from it.

Extra-large organisations brought in more than \$251m from private sources; together with large organisations (turnover of \$1m or more), they absorbed half of all support from the private sector. Micro organisations (less than \$50,000) earned almost \$17m from the private sector, shared by many more individual companies.

Micro and small organisations, and those outside the major cities, are reliant on their volunteers. While the report does not explain how the value of volunteer and pro bono work is calculated, it's a substantial contribution to the overall picture of private sector support.

Cash is the major form of support, comprising 58 per cent of the total, but volunteer and pro bono labour accounts for 29 per cent. Especially in smaller organisations, fundraising work often falls to volunteers, even though they may not have any expertise in that area.

The report stems from the Private Sector Support Survey that was conducted last year and covers fundraising and development activity in 2017.

The survey was completed by 551 companies, and the survey results were analysed along with data filed with the Australian Charities and Not-for-Profits Commission.

Organisations included in the study are media and communications not-for-profits, such as literary magazines; visual and performing arts companies; historical and literary societies; galleries and museums; and festivals.

Companies were asked to report on their mix of revenue. Overall, most of their income was from box office and sales (40 per cent), followed by government subsidy (27 per cent) and private sector contributions (25 per cent).

Compared with large companies, micro companies generally earn a larger proportion of their income from the private sector (30 per cent), but they also must work much harder for every dollar they earn and don't have the benefit of teams of fundraising professionals to do the work.

The average return on investment from fundraising activity is \$3.50, meaning that \$3.50 is raised for every dollar spent. But larger companies go about fundraising much more efficiently than smaller companies, bringing in \$4.50 for every dollar, compared with \$2.40 for medium-size companies.

And a substantial proportion of companies don't see any benefit at all from their fundraising activity. In 13 per cent of cases, companies spend more on fundraising than they are able to earn, citing lack of staff, skills and resources, and difficulty in maintaining relationships with donors.

When fundraising does have the desired result, the report finds, it's usually down to tried-and-true methods. Directly asking potential donors or sponsors for help is likelier to produce positive results.

There's a much greater chance of success when a company has long-term relationships with donors, when staff members are comfortable about asking donors for support and when the organisation's board members are involved.

While CPA does not disclose information provided by individual companies, which completed the survey in confidence, the report covers the period of major fundraising campaigns such as the Art Gallery of NSW's Sydney Modern project, which by 2017 had raised \$88m.

At the opposite end of the spectrum, in terms of scale, Sydney contemporary dance company Force Majeure had its most successful fundraising year last year, when it raised \$34,364. Force Majeure was seeking private support for its professional development workshops called INCITE, and \$15,000 was raised from a special fundraising performance of its 2018 Sydney Festival production, *You Animal, You*, directed by Danielle Micich. Those donations were matched with another \$15,000 from the company's participation in CPA's Plus1 program.

The amounts raised are modest and indicate the difficulties faced by smaller organisations, which may be compelled to seek private support for their activities. Force Majeure executive producer Colm O'Callaghan says small to medium arts organisations such as his must compete for donor funds, and comparatively few performances a year mean it is difficult to maintain ongoing relationships with the philanthropic community.

The Giving Attitude report raises several opportunities and challenges, especially the need for better skills and resources to help arts organisations generate support from the private sector.

It provides a timely reality check for arts companies about the commitment required to boost private sector income, and also for policymakers who may regard the private sector as the answer to government funding shortfalls.

CPA will repeat the survey every two years. Its first report fills an important knowledge gap on the way people and businesses underwrite the nation's creative life.

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Matthew Westwood, the newspaper's chief arts correspondent, was arts editor from 2008 to 2011. He has been writing about the performing arts, particularly classical music and opera, for two decades. He writes a... [Read more](#)

