

Philanthropy, sponsorship or dinner?

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Joanna Mendelssohn

philanthropy, sponsorship, or dinner?

On July 29 of this year the Prime Minister, John Howard, was guest of honour at the annual Australian Business Foundation for the Arts (AbaF) Awards Dinner. According to the *Sydney Morning Herald* this is 'the one arts event the Prime Minister makes a point of attending'. The chance of a meal with the Prime Minister and the bonus of meeting and networking with high flying colleagues is enough to make any corporation pay for a seat at the table. A fringe benefit is being labelled a philanthropist for utilising good business practice. 'I think the awards have helped to spotlight really good trends in the community,' says Kathy Keele, AbaF's recently appointed Executive Director. 'They have shown the arts new ways to partner. Every year it gets more competitive.'

The awards and dinners represent the notion that business people enjoy an opportunity to network, and those participating in the arts like to eat. Networking at dinner provides an ideal opportunity for members and supporters to meet each other in a pleasant context. Most importantly, the networking skills of the business supporters of

The 2005 winners, announced in late July, are the partnership of Singapore Airlines and Art Exhibitions Australia. It is right that Singapore be publicly praised for its many years of sponsoring international exhibitions. Likewise David Gonski, Lyndon Terracini and Harold Mitchell should also be thanked for their long-term personal commitment to arts support. Indeed both Gonski and Mitchell have already been awarded the Order of Australia and Terracini has two honorary doctorates. However the exercise of thanking again the arts benefactors is transformed into a 'smoke and mirrors' illusion by the pretence that the linkage of business and the arts is fostered by the host of the dinner. It could indeed be argued that the AbaF is best described as a beneficiary of their award winners' philanthropy.

The *Sydney Morning Herald* may describe the list of nominees as 'a record number of innovative arts support partnerships,'² but most of the names listed on the AbaF website³ are well-known to the arts. Qantas, Singapore Airlines, BHP and News Limited have supported the arts since before the 1980s. Perpetual Trustees has as a part of its core business the administration of philanthropic bequests. At least none of this year's winners look like repeating the unfortunate experience of 2004 when the Dame Elisabeth Murdoch Cultural Leadership Award was given to Graeme Murphy. The next year the Sydney Dance Company suffered a deficit of \$600,000 (out of a total budget of \$1.56 million).⁴ Murphy's consistent innovation and creative leadership certainly deserved an award, but money may have been more constructive than a gong.

the AbaF can give access to higher levels of government and even major donors. This should not matter for major arts organisations – most of these could write the definitive guide to networking. So why do they enter the awards? The obvious reason is that all the arts are hungry for support, and no one can afford to pass up an opportunity to lobby. But there is now emerging an underlying fear that the AbaF is siphoning off the major arts organisations' traditional sponsors, and unless the big cultural groupings join, they will lose out. The presence of established arts supporters at their events will make it even harder for the AbaF to prove their activities have led to a substantial increase in business support for the arts.

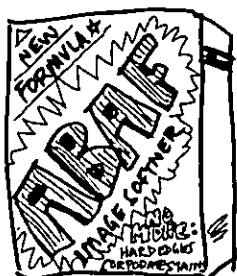
The AbaF was established in 2000, with annual funding of \$1.16 million, as 'a company of the Australian Government' funded by the Department of Communications, Information Technology and the Arts. It is a direct descendant of the Australian Foundation for Culture & Humanities Ltd, created in 1995 as a consequence of Paul Keating's Creative Nation. This first incarnation was not a success. The AbaF was helped in its resurrection by the active support of business people well known for supporting the arts, including Richard Pratt, Dame Elisabeth Murdoch, Luca Belgiorno-Nettis, Tony Berg, and Janet Holmes à Court.

The Councillors and the Board include many of those best described as 'the usual suspects' – well-connected arts supporters who can, by their very presence, encourage others to give. According to Kathy Keele, the AbaF has seen an expansion of business support for the arts. However, she does not have evidence of this. 'We need to collect the research,' she says. There was one research project undertaken in 2001.⁵ This showed not only no increase in support for the arts from business since 1995, but also that the arts were disadvantaged compared to sport. There was also an expectation on the part of business as to what they would receive in terms of benefit.

They mean thereby not only enhancing corporate reputation and standing, but also delivering benefits throughout the business and underscoring core values of the corporation. Achieving market or employment advantages is often an accompanying aim in cultural sponsorships.⁶

The essence of this report deals with communications and the cultural barriers of expectation between the arts and business. This may be why the AbaF has subsequently concentrated on teaching those in the arts to speak the language of corporations, to think as business does, on smooth hierarchical lines.

One problem facing the AbaF, one that is not solved by its latest publication, *Building Relationships & Securing Donations: A Guide of the Arts*,⁷ is the conflation of sponsorship with philanthropy. For the record, they are not the same. Philanthropy is giving without any expectation of personal financial benefit. Sponsorship is best described as image advertising which may or may not involve networking. There is nothing wrong with sponsorship. The MCA could not afford free admission without the support of the sponsorship of Telstra. No major art exhibition could travel this country without the sponsorship of airlines. Media outlets use arts sponsorship to soften their image, and to attract an elite audience. Paying \$10,000 to have dinner with the Prime Minister is sponsorship, not philanthropy. By way of contrast, the Bushells Foundation, which does not allow recipients to publicly thank them, are philanthropists. Brian Sherman, whose charity, Voiceless, has nothing to do with his business interests, is a philanthropist. James Fairfax and his sister, the late Caroline Simpson, are philanthropists. Sponsorship makes the donor look generous, and it also provides an indirect (but still quantifiable) advertising return. This motivation is one reason the arts do well as a recipient of largesse. Art exhibitions, theatre and dance are more photogenic than the poor.



According to the AbaF's *The Red Book*:

They [businesses] expect their core business strategies and commercial objectives to drive their involvement with the cultural sector, and in general are only willing to invest funds in opportunities where there are identifiable business benefits. Many corporations say they are keen to do the right thing, and be seen to be doing so; but they still want their investment in community initiatives to be of strategic benefit to the corporation in some way.⁸

When it was founded in the early 1970s the Australia Council had a touching faith in the value of the arts to transform life, to lead people to a better understanding of themselves in a cultural renaissance. The AbaF is very much a creature of today's cultural values. It encourages businesses to support the arts as they can 'offer inspiration for your staff, opportunities to demonstrate your commitment to the community, great networking, a creative edge for marketing and unique branding options'.⁹

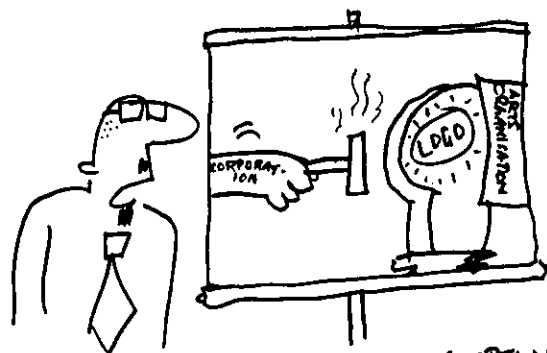
The AbaF has two initiatives whereby its members assist the arts. This assistance is in kind, but is costed for internal bookkeeping purposes. ADVISEBANK matches business volunteers with arts projects that can benefit from their particular expertise. Small arts organisations, especially in Victoria where AbaF is based, have benefited from members' marketing expertise. A second initiative is BOARDBANK, where the AbaF links members who would like to join the boards of cultural organisations with those looking for general business expertise. Despite the rhetoric, it is really only small arts organisations that need this kind of help. Major arts organisations have no problem attracting close personal friends of Prime Ministers or Premiers to their boards. Significantly, although there has been some help from IT professionals, most of the expertise being added is in marketing.

There are two sides to this story. First there are the values and governing principles of the AbaF itself, but closely linked with this is the way in which these values are beginning to impact on the administration of Australia's creative cultures.

Building Relationships & Securing Donations: A guide for the arts, is available as a stand-alone publication, but is also the support material for a seminar on the same topic. The two-day seminar, with half-day back-up, costs \$250. It is not a part of any accredited training package. The book is a one-dimensional outline of basic fundraising strategies, familiar to those with any background in arts or fundraising. It is a description of process rather than ethos, excellent support material for corporate style PowerPoint presentations. This and other AbaF publications are predicated on one central assumption – that the corporate model is the only way to go. When the lack of mutual approach was raised with Keele, she indicated two positive inputs from the arts to business, 'presentation skills' and a trial program linking orchestral conducting to management.

The AbaF appears not to have noticed recent research, most recently Richard Florida's *The Flight of the Creative Class: The New Global Competition for Talent*.¹⁰ Florida, who writes from a hard-nosed economist's perspective which understands that money is not the main driver for talent, and that business can learn a great deal from creativity. This is especially true of small arts organisations where there is no money to spare. The arts are good at living mean – of using style instead of income. They are also good at fostering *esprit de corps*, and encouraging ensemble management, rather than a hierarchical structure. In successful small arts organisations, the junior worker can have policy input simply because she has some ideas. They are able to do this because the arts run on passion not inflated salary packages and expense accounts.

Australian businesses could learn a great deal from the ingenuity of Elizabeth Ann McGregor at the Museum of Contemporary Art and the way her passion and ingenuity brought income and life to cutting edge Australian museum practice. The University of Melbourne's Asialink manages to



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be innovative without an inflated staff structure. In terms of management style, few business gurus could go past John Kirkman, now Director of the Joan Sutherland Cultural Centre. Kirkman was the inaugural Director of Casula Powerhouse Arts Centre and has carried his Flying Fruit Fly Circus ensemble management to every institution he has run. Then there is Sarah Miller who runs PICA in Western Australia with infinitely more dash than cash. All staff are valued. All contribute.

Hierarchical management is a luxury the arts can't afford. The National Association for the Visual Arts (NAVA) and other advocacy groups know how to draw connections and create networks without providing grand dinners or high profile social occasions. The corporate ethos of the AbaF certainly has influenced arts management in recent years. The recent restructure of the Australia Council looks surprisingly top heavy.¹¹ It is a reversal of the Council's traditional focus on those who make art. Brochures and websites are being redesigned to suit the new ethos.

The Australian Cultural Fund, an AbaF innovation with the most potential to help small arts organisations, is the one that has many large arts bodies nervous. Many small organisations struggle with the administrative and legal processes that make it possible for donors to give tax-deductible gifts. Since the 1970s, when the Whitlam government changed taxation laws for gifts of cash, and the Fraser government amended them for gifts in kind, large arts organisations have been able to receive significant private support. The Australian Cultural Fund is an umbrella receiving point – a device to enable tax deductible gifts to go to small not for profit arts bodies and/or individual arts practitioners. It is not a case of the AbaF allocating grants. Rather:

...where the donor decides to proceed with a gift to the Fund, they will make the donation to the Fund, and write to AbaF expressing their preference for the particular cultural organisation or arts practitioner.¹²

In its structure and operation the Cultural Fund is based on the Elizabethan Theatre Trust which, from the 1950s until the 1970s, was the only way to give tax deductible donations to the arts.¹³ However, the entry of this very efficient vehicle has the potential to divert funds from major arts organisations.



Most sensitive of all is the way in which the AbaF is now linking its Sydney-based operations to the Australia Council. ARTSUPPORT AUSTRALIA is a joint initiative with the Australia Council. The two wings, public funding for the arts and corporate sponsorship, are drawing ever closer together. According to the Australia Council's Annual Report:

Artsupport Australia in its first year of operation successfully implemented key strategies to increase cultural philanthropy. It has developed strong alliances in the arts, business and philanthropic sectors and the media. Achievements include donations of over \$300,000 to arts organisations; promotion of the Australia Cultural Fund, an instrument of AbaF, which has processed tax deductible donations of more than \$200,000 for artists and arts organisations;¹⁴

There is no reason businesses should not connect with the arts. Indeed there is every indication that those business people who have a long and passionate involvement in the arts and creativity have flourished because they understand it is a two-way street. The arts do need to talk the language of business, but an MBA is not known for teaching lateral thinking or creative solutions. Both business and arts can learn from each other. But award dinners and pre-packaged seminars are probably not the best way to start a dialogue. ☹

1 Lauren Martin 'Innovation Pays off in Arts Support' *Sydney Morning Herald* 25 July 2005.

2 *Ibid.*

3 <http://www.abaf.org.au>. Accessed 20 July 2005.

4 Lauren Martin 'Dance Company Stripped Bare' *Sydney Morning Herald* 15 March 2005.

5 Cultural Ministers Council Statistics Working Group *The Strategic Direction in Corporate Sponsorships: Practical Implications for the Arts AbaF* 2001.

6 *ibid* p3.

7 Winsome McCaughey & Kirsten Matthews *Building Relationships & Securing Donations: A Guide of the Arts AbaF* 2005.

8 *The Red Book AbaF* 2000 p5.

9 *Australian Business for the Arts Foundation: Promoting Private Sector Arts Support*. Pdf on <http://www.abaf.org.au>. Accessed 1 July 2005.

10 Richard Florida *The Flight of the Creative Class: The New Global Competition for Talent*, HarperBusiness 2005.

11 http://www.ozco.gov.au/the_council/about_us/administration/management/ accessed 25 July 2005

12 AbaF Australian Cultural Fund brochure. April 2004.

13 Australian Elizabethan Theatre Trust papers. National Library of Australia ms 5908.

14 Australia Council Annual Report 2003-04 p43.

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