

"Australian Perspectives on Strategies for Funding New Music Commissions"

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Abstract

The purpose of this paper is to present an overview of various financing strategies for new music commissions utilised in Australia and to identify some key challenges and observations. It is not intended as an extensive review of policy in this area. This will be useful for those interested in commissioning as well as to policy makers who would like an introduction to systems and practices in Australia that support philanthropic activity, particularly towards commissioning new music.

Keywords: Commission, Composer, Finance, Philanthropy, Australia

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1 Introduction

Australia's arts businesses (from sole traders to public companies) have mixed income models, contributing to create a robust arts economy and arts practitioners who develop multiple methods of raising funds outside of government support. Given the variability of government arts budgets¹, musicians and arts organisations need to maintain other sources of income for their artistic projects. Examples of the effects of government funding cuts have been seen in 2012/13, such as defunding of the Internationaal Danstheatre as part of a 25% arts budget cut in the Netherlands², and, in Australia, the complete defunding of the Queensland Premier's Literary Awards. These are isolated examples amongst a multitude. Without other sufficient income sources, arts practice can be left to the mercy of government budgeting, and adaptation to increased alternative sources of funding is required.

The scope of this discussion is limited to “contemporary classical”, “art-music” and “experimental electro-acoustic” music commissions. Although financing strategies may be similar for many artistic contexts, the content of this paper has primarily been researched through practical experience of finance raising for commissions, as well as through interviews with artists, arts-workers and patrons, and published sources, mostly relevant to or within the Australian art music sector.

There are three primary artistic roles relevant to this paper.

First, a commissioner is someone who initiates a composition project by engaging a composer and defining (or co-ordinating the definition of) the artistic constraints.

Second, the financier(s) give money towards a composition project.

Third, the composer writes the music.

Each of these three roles may be held by the same person or entity. A self-funded (i.e. voluntary) composition project initiated by the composer themselves would be an example of this. However, two of the roles may be taken by one entity, leaving the third role for another entity. For example, a such as the case of a self-initiated (i.e., self-commissioned) composition project financed by a grant. Another common example would be the case of an ensemble (the commissioner) who asks for a new work from a composer yet cannot fund it and consequently the composer decides to write the

1 As outlined by the compendium on <http://www.culturalpolicies.net/>, accessed 20 May 2013

2 Reported on <http://www.guardian.co.uk/culture/2012/aug/02/european-arts-cuts-dutch-dance> accessed 20 May 2013

music voluntarily (i.e, the composer is thus the financier as well). A private patron may ask a composer for a work, and pays half the composer fee with another half coming from a grant – therefore there are two entities financing, a commissioner (who is one of the financing entities), and the composer.

The core of this overview concerns strategies and contexts to attract financiers to these projects. Because the commissioner may also be the financier, some strategies on attracting commissioners are also presented.

2 Proposed ideal conditions to a commission

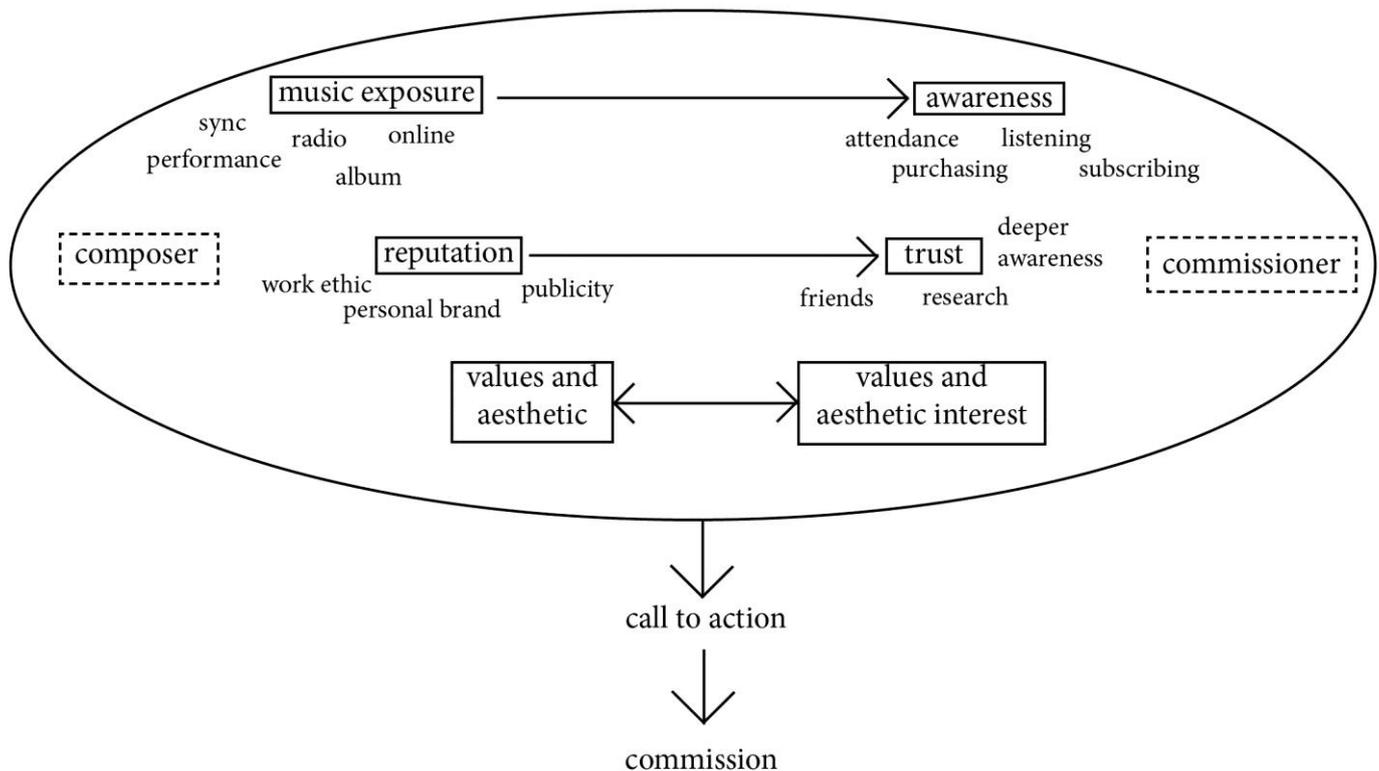


Figure 1: ideal conditions of a commission

The diagram outlines three conditions ideal for a commission. On the left, it shows aspects of the composer (their exposure, reputation, values and aesthetic), and on the right, it shows aspects of the commissioner (awareness and trust of the composer, and values and aesthetic). The second part of the diagram shows a “call to action” leading to a “commission”.

1) *Exposure* of the composer's music leads to potential commissioners' *awareness* of the composer's music. There are a plethora of ways to exposure, including radio, live performance, internet tools (social media, music players, internet radio, streaming services) and so on.

2) The (ideally good/compatible) *reputation* of the composer will lead to *trust* by the commissioner of the composer's ability to deliver a particular aesthetic and within the pragmatic constraints of a commission. Reputation is expressed through peers, colleagues, previous commissioners, reviews

and personal brand³.

3) A match of *values* and *aesthetic* of the composer with the *values* and *aesthetic interest* of the commissioner is a good condition for potential business. The composer's values can be expressed either explicitly or understood indirectly through the compositions, branding and activities undertaken by the business entity. The aesthetic of composition is not necessarily linked to the values of the composer, or commissioner. By way of example, Merzbow (who specialises in very loud noise music), values animal rights. There is no connection between his music aesthetic and animal rights issues, other than an associative one created by branding. Composers and commissioners will be able to know of the values of each other through discourse, reputation and exposure.

These three background conditions to a commission, once set in place, allow for a *call to action*. Examples of calls to action include: that an ensemble may want a work for one of their concerts; a private patron may want a work for their birthday; or a composer may simply be inspired to write something and may be approaching financiers to support it.

3 Australian entities that commission new music

A commissioner is someone who initiates a composition project by engaging a composer and defining (or co-ordinating the definition of) the artistic constraints. The commissioner is not necessarily the financier of a new work, although they can be. Finances may originate from profits from other activities of the commissioner (such as ticket sales), grants, philanthropy and fund raising. For example, “Climbing Towards Midnight” composed by Jack Symonds, commissioned and performed by Sydney Chamber Opera in April 2013 at the National Institute of Dramatic Arts (NIDA) in Sydney, was co-financed between the Wagner Society in NSW and the Australia Council for the Arts (the Australia Council), with the production supported by NIDA, ticket sales, Australia Council (Federal government arts funding body), ArtsNSW (the state funding body), City of Sydney (the local government body) and the patrons/philanthropists of Sydney Chamber Opera⁴.

Commissioners in Australia include individuals. Prominent examples within the Australian context include Rev Arthur Bridge who is a Catholic priest, Julian Burnside who is a lawyer and Justice

³ Any opportunity for a business to represent itself, whether it be via its name, corporate colours, biography, through representatives, in its products, in advertising and so on is a representation of the brand of the business. A “personal brand” is the same, although applied to an individual.

⁴ Published on Sydney Chamber Opera's website <http://sydneychamberopera.com/?p=930> accessed 18 May 2013

Jane Matthews who is a High Court Judge. Examples of composers commissioned by these individuals include Paul Cutlan, George Palmer, Damien Ricketson, Andrew Ford, Matthew Hindson, Peter Sculthorpe and Carl Vine amongst many others. Ensembles (examples Speak Percussion, Melbourne Symphony Orchestra, the Song Company, who will usually raise funds via private and public sources for commissions) and festivals (such as Aurora Festival, Canberra International Music Festival, raising funds in a similar way to ensembles) also commission music for their events and recordings. Other artforms, such as dance and theatre companies, commission works for their productions (such as Shaun Parker and Company, and the Sydney Theatre Company, again raising finance through private and public sources).

Commissioners' motivations vary. They may include commemoration of an occasion, encouragement of a particular aesthetic or a composer's career, inclusion of a new work in a particular event or album, or because the composers' aesthetic is suitable for a collaboration. The work ethic of the composer is also important to collaborators and commissioners, and working relationships with collaborative commissioners (such as a choreographer or an ensemble) can be more important than the music itself. If the composer does not work professionally (punctually, communicatively) and co-operatively (willing to compromise or engage in artistic discussions), this may jeopardise those relationships for future commissions.

4 Australian entities that finance commissions of new music

A financier is an entity that supports commissions through monetary support or investment. They are not necessarily the commissioner, but a contributor to the commissioning funds. Financiers in Australia include individuals (either because they're commissioning the work, or they support the entity commissioning the work), businesses, the Australia Council and state and local arts funding bodies. Some individuals set up Private Ancillary Funds such as a Trust or Foundation to facilitate their philanthropic funds. There are many such funds facilitated through Perpetual Trustees⁵ which may or may not be a bequest.

Some businesses also create trusts and foundations, or may “sponsor” in return for marketing, such as brand exposure or a plethora of other deals (such arrangements can be known as “anti-360 deals”, which were discussed at length in the MIDEM 2013 conference by Martin Frascogna⁶).

Another type of financier is private financing groups, of which there are at least two in Australia.

⁵ Perpetual Trustees, <http://www.perpetual.com.au/> accessed 4 May 2013

⁶ MIDEM Blog, <http://blog.midem.com/2012/09/martin-frascogna-the-anti-360-deal/#.UZrRzispad8> accessed 20 May 2013

Silo Collective⁷ and Cultural Music Fund⁸ were recently created by patrons in Sydney to support commissioning projects. The approach to financing commissions that Silo Collective has is that they are an informal group of friends who agree on a commission to support and donate their funds. They do not have a business structure, and the expected donation amount is negotiated internally. The group donate to an established not for profit cultural organisation to commission a work (such as *Nous sommes embarqués* for string quartet by Rosalind Page in 2011. Performed by the Australian String Quartet and presented by Musica Viva Australia). The Creative Music Fund, has a contrasting approach and is less “private” about their commissioning – with a website, branding, has been more featured in media⁹, and they advertise a minimum contribution of \$1,000 to join. They are developing a brand. Both Silo Collective and Cultural Music Fund must involve another company with approved not for profit cultural structure that has been registered with the Australian Taxation Office to enable tax deductibility of their donations (further explanation of taxation system and donations will be explored later in this paper).

Motivations of financiers vary. For example, the motivations of the Australia Council (federal government funding) are listed as follows;

The Australia Council supports the creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public¹⁰.

However this is different to ArtsNSW (state government funding), whose goals include;

...We share a commitment to building stronger communities through the arts. We support NSW to be a vibrant, dynamic and creative place which values artists and our cultural heritage and enriches communities. We work to ensure that artists flourish and the NSW economy is strengthened by the capacity of our creative industries to generate wealth and create jobs¹¹.

7 Matthew Westwood, “Creators continue to rely on the kindness of Strangers”, The Australian, August 28, 2012

8 Creative Music Fund website <http://creativemusicfund.com/> accessed 20 May 2013

9 Sydney Morning Herald 29 Nov 2011 <http://www.smh.com.au/entertainment/music/small-donors-extend-funding-hand-20111128-1o36i.html>, Australian Financial Review 8 Dec 2011

http://www.afr.com/p/national/arts_saleroom/private_funds_for_public_good_ON5MLcMm6ma5tdPLEztMrO, Resonate Magazine Dec 2011 <http://www.australianmusiccentre.com.au/article/composer-performer-news-december-2011>, Facebook events.

10 Australia Council for the Arts website http://www.australiacouncil.gov.au/about/corporate_information accessed 18 May 2013

11 ArtsNSW website <http://www.arts.nsw.gov.au/index.php/about-us/what-we-do-artsnsw/> accessed 18 May 2013

Whilst City of Sydney (local government funding) stated goals include the following;

Our grants and sponsorships programs are designed to invigorate and support the City of Sydney's local community.¹²

Private foundation, The Ian Potter Foundation, outlines their motivations as follows;

The Foundation seeks to support Australian cultural institutions and organisations which are distinctive in artistic achievement, imagination and innovation¹³.

Although all of these statements indicate a motivation for funding the arts, those motivations are different. The Australia Council is very artist-focussed, however ArtsNSW is committed to using the arts to build stronger communities. This is similar to the City of Sydney motivation, to invigorate and support the local community (by supporting arts projects). The Ian Potter Foundation is similar to the Australia Council, however it focusses on institutions and organisations, and makes specific reference to arts organisations.

Individuals do not usually clearly or publicly state their motivations for financing a commission. However some reasons that have been stated include a very deep appreciation for the music the composer creates, interest derived from being part of the creative process, or the opportunity to contribute to the cultural heritage of Australia and the musical artform¹⁴.

5 Further details on Australian Taxation Law and its relevance to Funding Commissions

Commissioning projects (outside of for-profit commerce) are considered to be cultural activity, and hence of public benefit to Australia. Therefore private funds are able to be attributed as a “donation”, rather than a “sale”. If the entity collecting the funds or their auspice¹⁵ has certain registrations with the Australian Taxation Office, private financiers benefit from a reduction of tax

12 City of Sydney website <http://www.cityofsydney.nsw.gov.au/community/grants-and-sponsorships> accessed 18 May 2013

13 Ian Potter Foundation website <http://www.ianpotter.org.au/arts> accessed 18 May 2013

14 From private conversations with current philanthropists who have financed multiple commissions for various companies including the Australian Chamber Orchestra, the Song Company and Chronology Arts Ltd, April and May 2013.

15 An auspice is an entity with appropriate legal status that can accept a grant and acquit it on behalf of another entity who does not possess the appropriate legal status to do so.

as the amount they've donated is deducted from their taxable income¹⁶.

Tax deductible donations may be made to cultural or charitable organisations¹⁷. These include not for profit incorporated music businesses (such as an ensemble, or a festival), who are key sources of commissions. Cultural organisations, once approved as not for profit and cultural and charitable by the recently formed Australian Charities and Not-for-profit Commission (ACNC)¹⁸ are given particular status by the Australian Taxation Office (ATO), known as Deductible Gift Recipient status (DGR). DGR status allows individuals to donate to an organisation, and the amount that they donate is deducted from their income. Hence no tax is paid on the commission fee¹⁹. For trusts and foundations, different requirements and regulations known as Tax Charity Concession status (TCC) are a requirement to give their philanthropic support while the donation may be tax-exempt²⁰.

Tax incentives for donors are only available when giving money to organisations with DGR (and TCC if it is a trust/foundation who is donating). Unincorporated businesses (sole-traders and partnerships) do not meet the criteria to be awarded DGR or TCC status. There is an organisation in Australia that facilitates tax deductible donations on the behalf of individuals or businesses creating artistic projects who do not have DGR/TCC. This is the recently formed (as of 2013) Creative Partnerships Australia who manage the "Australian Cultural Fund". Creative Partnerships Australia do not, however, facilitate donations from Private Ancillary Funds, Foundations or Trusts on behalf of their clients. Other than Creative Partnerships Australia's Australian Cultural Fund, only businesses with DGR and TCC who can justify that music commissioning contributes to their objects (as they appear in their constitution that has been accepted by the ATO via the Register of Cultural Organisations, or Australian Charities Not-for-profit Commission) can legally accept donations and pay funds to commission music.

16 Australian Charities and Not for Profit Commission website <http://www.acnc.gov.au/> accessed 18 May 2013

17 Register of Culutral Organisations <http://arts.gov.au/roco>, and "Tax Basics for Not-for-profit Organisations", Australian Taxation Office <http://www.ato.gov.au/nonprofit/content.aspx?menuid=0&doc=/content/33609.htm>

18 Australian Charities and Not for profit Commission, <http://www.acnc.gov.au/> The ACNC was recently formed in 2011 to investigate the administrative and governance processes for the not for profit sector, to make new efficiencies.

19 Example – as a personal income tax payer, if I earn \$150,000 taxable income the tax payable would be \$43,447 (netting at \$106,553). However if I donate \$10,000 and get a tax deductible receipt, I can say my taxable income is only \$140,000, and hence my tax bill will only be \$39,747 (netting at \$100,253). Although I donated \$10,000, it only meant a net difference of \$6,300 – i.e, had I not donated \$10,000, \$3,700 would have been paid to the government in tax.

20 TCC status benefits the organtisation it has been given to in other ways than enabling it to facilitate trusts and foundations donations. They include Fringe Benefit Tax (FBT) rebate (making only 48% of FBT payable by the employer – a fringe benefit is a non-financial remuneration, e.g, use of a company car, or being paid rent for, these non-financial remunerations are taxed as income normally), Goods and Services Tax (GST) concession (GST is 10% and a tax that is paid to the ATO for all goods and services. If a business makes more sales with GST than expenses with GST, it will have a GST debt to the ATO. The concession has many benefits that financially aid the organisation), Income Tax Exemption (i.e the organisation does not pay tax based on its income).

Different thresholds of tax apply to different income rates. The average income in Australia is about \$70,000 (53,207 €) per year (\$14,297 (10,860 €) payable in tax, marginal tax rate of 32%), however an income of \$30,000 (22,788 €) attracts a marginal tax rate of only 19%. Those who have the highest benefit of tax deductions are those who are paying the highest marginal rates (45%), and must be earning over \$180,000 (136,819 €) for this. The age range earning the most money in Australia are the 35-55 year bracket²¹. Commentators have noted that it is this age bracket that is the least prominent of the audience of many cultural events (including classical music), and citing reasons that people in this group are raising families, working full time, and have little time for anything else²².

Gaining DGR and/or TCC status is therefore paramount to attracting donations for commissions from broad donor campaigns, targeted philanthropy as well as Private Ancillary Funds, Trusts and Foundations income. Although some donors are willing to donate to individuals and organisations without this status (principally those who do not pay much/any tax and/or those who are intrinsically interested in the project) generally donors will be willing to donate more, and more often, if the abovementioned tax incentives are in place²³.

5.1 Clarification of Trusts, Foundations and Private Ancillary Funds²⁴

A Private Ancillary Fund (PAF) is established for businesses, families and individuals to make tax deductible donations for purposes outlined by the deed of the PAF. The PAF can only distribute its funds to other entities with DGR status, but it cannot fundraise from the general public. This is in contrast to Public Ancillary Fund, which has a similar purpose, but a slightly different legal structure that must be maintained.

A trust is simply an agreement where a trustee holds property (financial or otherwise) on behalf of the person who created the trust, and may distribute the funds according to the deed of the trust. A foundation is a type of perpetual trust that makes grants to charities or carries out charitable

21 As published by the Australian Bureau of Statistics <http://abs.gov.au/>

22 Kate Tribe, creator of “Classikon” <http://www.classikon.com/> is a prominent figure who is marketing to this particular audience demographic.

23 This is indicated in the 2011 ABAF (Australian Business Arts Foundation, now Creative Partnerships Australia) report on private sector support, as well as through conversation with development managers for the Song Company and donors of Chronology Arts Ltd. <http://www.creativepartnershipsaustralia.org.au/Media/docs/Abaf-2011-survey-of-private-sector-support-for-the-arts-c95e592a-c95f-4e68-8dbc-fde84de5e39a-0.pdf> accessed 18 May 2013

24 Philanthropy Australia provide simple definitions on these legal structures <http://www.philanthropy.org.au/>

purposes. They can be established whilst the founder is living, or after they die. Examples of art-related trusts include the Ian Potter Cultural Trust, The Robert Salzer Foundation and the Paul Lowin Awards.

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With an understanding of the Australian entities that commission and finance new music commissions, as well as the taxation system that encourages private donations to commissions, strategies used in Australia to encourage private and public financing of new music commissions will be explored.

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6 Private source financing strategies for new music commissions in Australia

“Development is all about finding out about your donors' interests and developing those interests, which are hopefully in line with the activities of the company. It is labor intensive and requires a lot of communicating. A happy donor is one that gives, and gives more without being asked.” - Sarah Howell, Development Manager for the Song Company (in interview, April 2013)

Private financing strategies for new music commissions differ depending on the composer and the commissioner. Imperative to any private sector donation/investment/fundraising is the establishment of philanthropic relationships. Organisations looking for private financing have different capacities, strengths and limitations, as do individual composers seeking private financing. Once a relationship is established, trust and confidence won, then “the ask” or a “call to action” has to be made. A sense of timeliness helps with donations and can be made in a plethora of ways, through campaigns, time of year, or project-driven.

6.1 Initiation of philanthropic relationships in organisations

Most arts companies in Australia require established philanthropic relationships to survive. The goal is to activate key supporters and their associated networks into attending concert events and

donating or financing. This is much like “fan-to-fan” marketing²⁵. The initiation, development and maintenance of these key supporter relationships is typically assigned to the “development manager” role of an organisation. Even smaller arts organisations, such as the vocal ensemble, The Song Company, have a specified “development” role within their administrative structures.

Initiation of such relationships may include a new donor taking up an invitation to donate that was sent out along with the rest of the marketing materials of an organisation. This is sometimes simply the back page of a subscription brochure, offering the opportunity to donate. The development of a relationship may include a 'thank you' response or public acknowledgement of the donation on the organisations website and concert programs. Contact with the development manager to find out more about the donor's values and interests will also develop the relationship. Nurturing the relationship can be done through invites to a “friends” or “angels” program, and continuously keeping in contact, acknowledging, thanking, rewarding, and so on. The strategies differ per organisation, development manager, and target donor base.

The Sydney Symphony Orchestra, for instance, has a new program specifically targeted to younger donors called the “Vanguard Program”²⁶, in contrast to the more elitist/exclusive “Leadership Ensemble”. The Vanguard Program includes events that mix popular genres of music with classical genres. Invitations to events are “members only”, and becoming a member is simply by donating towards the SSO and electing to be part of the Vanguard Program. It is designed to appeal to younger patrons who may become the future philanthropists. The Sydney Symphony advertise that “it will be informal and engaging, restless and sometimes irreverent”²⁷.

By contrast, the Leadership Ensemble of the Sydney Symphony Orchestra is by invitation only (membership is not automatic if you become an SSO donor), and provides access to “a prominent network of corporate leaders who have a close connection to the orchestra's commitment to artistic excellence.” It is targeted at company directors and CEOs of influence in Sydney.

Companies have the ability to put on fundraising events (known as 'fundraisers'), make proposals for sponsorships, and make proposals for trusts/foundations income (due to tax status). There is nothing preventing individuals making sponsorship proposals, but this is rarely done. Both companies and individuals are able to make use of crowd funding, targeted philanthropy and broad

25 Rynda Laurel, “Fan-to-fan marketing for artists and bands” MIDEM, 2013

26 Sydney Symphony Orchestra website <http://www.sydneyorchestra.com/support-us/philanthropy-networks/vanguard-program.aspx> accessed 20 May 2013

27 Sydney Symphony Orchestra website <http://www.sydneyorchestra.com/support-us/philanthropy-networks/vanguard-program/about-vanguard.aspx> accessed 20 May 2013

donor/fan campaigns.

6.2 Fundraising Events

Fundraising events are produced by art-music companies in Australia. The Australian Chamber Orchestra (an independent chamber orchestra with a larger administration of 34 staff and a board) can raise over \$300,000 in a single fundraiser²⁸. The Song Company (comprised of 6 singers and a conductor, as well as 3 admin staff, a small administration) has been able to raise over \$30,000 from fundraisers²⁹.

Fundraisers can be black tie sit-down dinner events with auctions of donated items such as artworks, advertising space or holidays, or a more casual scenario, such as drinks provided at a hired bar with a couple of speeches. Often, donors will donate funds when purchasing their tickets. They may donate further funds outside of the fundraiser, and then purchase items on the night of the fundraiser. These events are part of the larger calendar of donor events of organisations and the funds raised will often not be tied to a specific project, and can be applied to operational costs.

6.3 Business Sponsorships

Sponsorship proposals are an agreement between an arts organisation and another entity in a value exchange that may encompass a number of activities. The details are dependent on the sponsor's aims they wish to achieve through the arrangement³⁰.

Examples of sponsorship arrangements are available on the Creative Partnerships Australia website, and one includes between 'Tura New Music' and 'Total EP'. Tura New Music were given financial support, and in return:

For Total, the partnership has offered insights into regional and remote communities of Western Australia. It is an effective way of developing close relationships and showing respect for the cultures in the regions where it operates³¹.

28 ACO 2012 annual report http://www.aco.com.au/files/PDFs/1504_aco_AR_2012_art_web.pdf accessed 20 May 2103

29 The Song Company Financial Reports from 2008, 2009 and 2010 (not publicly accessible)

30 Creative Partnerships Australia has many other case studies available <http://www.creativepartnershipsaustralia.org.au/arts/learn-more/case-studies.html>.

31 Creative Partnerships Australia, "Tura and Total EP", <http://www.creativepartnershipsaustralia.org.au/arts/learn-more/case-studies/tura-total.html> accessed 18 May 2013

Arts organisations may receive a cash sponsorship for particular projects in exchange for logo placement in programs, on the organisation's website, banners and/or product representation at events, “meet-the-artists”, prime-position tickets, private corporate performance, and incentive offers to employees.

Other examples include an arts organisation receiving an in-kind sponsorship for free use of a venue, in exchange for acknowledgement/logo placement (such as between Chronology Arts Ltd and the Seymour Centre in their resident companies program). Sometimes the sponsor doesn't expect any tangible value in return for their support, and simply fulfils an intrinsic value (corporate responsibility, love of the artform) and has appropriate branding alignment (Macquarie Group Foundation as an example). Sponsorships may be project driven (such as for a specific work or performance) or may be extended to a year of activity, again, depending on the aims/intentions of the sponsor and the capacity of the benefactee.

6.4 Trusts and Foundations Proposals

Trusts/Foundations proposals can be made by organisations if they have DGR and TCC. Philanthropy Australia³² maintains a very comprehensive list of trusts, foundations and private ancillary funds available for the arts in Australia, and their database allows development managers to sort by category and closing dates for applications. There are approximately 1200 trusts/foundations in Australia distributing over \$500 million AUD (380.81 €) annually. This is for all charities, not just arts. The application process is usually straightforward, with grant criteria clearly defined, and small applications of up to a few pages with support material required (in contrast to government funding which has typically a very detailed process of application). Acquittal reports are usually required. These applications are driven by the deed of the trust/foundation/fund, and recipients must comply to the conditions that are attached to the funds received.

There are no arts companies in Australia whose sole purpose is to commission music. When a company fundraises, it is often for a variety of operational costs and projects. There are instances of specific campaigns to commission music, however, and those campaigns are part of a much larger development strategy to keep the company vibrant and sustainable.

32 <http://philanthropy.org.au/>

Individuals do not have the overheads of a company structure, and can have relationships with their commissioners and financiers directly. Current tools utilised by individuals (and by companies) include: crowd funding, using websites such as GiveNow.com.au, Pozible.com Kickstarter.com; targeted philanthropy and; broad donor campaigns.

6.5 Crowd funding

Crowd funding is based on the activation of networks to either donate towards or pre-purchase goods/services through pledging amounts online. The project “goes ahead” when the timeframe for the campaign ends and if the pledged amount reaches the required designated funding total. If the pledged amounts do not reach the target by the final date of the campaign, funding is not allocated.

There are various campaign tools embedded in Kickstarter and Pozible, and both companies advertise campaigns on their websites and newsletters. However, it is mainly up to the creator of the project to utilise their own social media, enews database and network and their own marketing/public relations efforts to solicit pledges. The greater the composer's ability to digitally communicate with their network, the more success they will have in a crowd funding campaign³³.

Crowd funding is a recent phenomenon in Australia. There are arguments that campaigns should be governed by ASIC (Australian Securities and Investments Commission, the compliance body for companies) because “donors” are essentially “investing” in a project/product/company and expecting a return on investment (the “reward” for their pledge), and there is a risk of fraud³⁴. There have been no penalties on campaign owners who do not fulfil the promises they’ve given during their campaign (such as, if you pledge \$50, we’ll send you our latest DVD, or if you pledge \$1,000 we will give you 20 tickets to our next event). However this is yet to be a problem of such magnitude to require government regulation or intervention in Australia.

However, despite these issues, crowd funding has been immensely successful, with ensembles, composers, individual performers raising funds to commission, perform, record and release music.

33 Several new music commissions have been crowd-funded recently through Pozible, including Victoria Jacono-Gilmovich's new Australian works project <http://www.pozible.com/project/19790>, Continuum Sax commissioned Tim Dargaville with funds raised through Pozible <http://www.pozible.com/project/5782> accessed 15 May 2013

34 Eyers, J: “Crowdfunding: the threat for bankers”, Australian Financial Review, 27 March 2013

They are project-driven and timed to suit the project timeline so that investors will get their rewards in a timely manner.

6.6 Targeted Philanthropy

Targeted philanthropy for financing commissions is undertaken by both companies and individuals. Essentially, this is the development of specific key relationships with individuals who can afford to, and are willing to, donate toward or otherwise finance commissions. Targeted philanthropy can be a very personal relationship, and can yield very good results.

Ways of commencing a personal relationship with a potential commissions financier are varied. Ones that have been used by composers involved in Sydney-based composer collective Chronology Arts Ltd include: donating a new composition as a prize to a fundraiser (only patrons interested in new music would bid for it); talking about commissioning projects to recurring audience members at new music events; and being introduced by mutual friends at performances of the composer's works.

The relationship is developed and maintained by any method that is normal in the development and maintenance of any friendship – going to concerts, sharing meals, phone calls and so on. By enjoying similar events, the aesthetic interests and values of both parties are understood, and composers (or development managers) may begin to plant ideas of commissioning projects which the donor/investor will be interested in supporting, or the commissioner may plant their idea of a project to the composer.

6.7 Broad donor campaigns

Broad donor campaigns require the use of database or social media marketing. In Australia most arts companies maintain an e-subscriber database, and most also maintain a physical postage database. Individuals may have an e-subscriber database.

Generally broad donor campaigns in Australia all take place at the same time of year – the end of the financial year (May/June) because potential donors know their income from the ending financial year and are able to better assess the impact a donation will have on their income tax. Physical postage campaigns are still a necessity as there are donors/patrons who still do not use computer or email communications – these, however, are decreasing in number, yet still form a significant part

of the donor base for many arts companies³⁵.

Maintenance of a broad donor base depends on the organisation or composers' communications strategies throughout the year – mailouts, emails, social media, music exposure, public relations add up to an awareness of what a composer/organisation does, trust in the composer or organisation to deliver what is promised, and an understanding in what the composer/organisation values both aesthetically and otherwise.

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All of the examples of ways that have been used in the Australian scene to source private finance for commissioning projects that have been presented each contain the same steps – initiation of a relationship based on awareness, trust, values/aesthetic match, a call to action leading to a donation, acknowledgement of the donation, and development/maintenance of the relationship. How this is achieved depends on the communications capacities of the asking entity, whether or not the asking entity is an individual or an organisation, as well as the structure of the giving entity (individual, trust, business, database). It also depends on the strengths, capacities and limitations of the individual or organisation to initiate, maintain and develop relationships. The capacities are in part defined by legal business status and registrations, and also in part by skills/abilities of the human resources available in the areas of communications and relationship management. Another factor in dealing with individuals is their demographic/psychographic, knowing how they communicate and how they wish to be acknowledged. There are differences in technological abilities, communication styles and reward/treatment expectations between different generations³⁶.

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With an understanding of private sources of financing commissions in Australia, we now look at public sources of financing commissions in Australia.

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7 Public source financing strategies for new music commissions in Australia.

35 Nielsen Online, “Arts Audiences Online” and “Arts Organisations Online”, Australia Council, June 2011 http://www.australiacouncil.gov.au/resources/reports_and_publications/subjects/audiences_and_cultural_participation/connecting_arts_audiences_online accessed 20 May 2013

36 H. Mitchell "Building Support: Report of the Review of Private Sector Support for the Arts in Australia", October 2011,

The Australian government is a 3-tier system - “council” (which is the city level), “state” and “federal”. Each level of government has funding for cultural projects. The Australia Council – the distribution body for the federal arts grants – currently has several boards (Major Performing Arts, Dance, Theatre, Visual Arts, Literature and Music). The Music Board has a “new work” grant round twice a year for new composition. Approximately 26% of applications were successful, distributing \$782,692 of public funds to 59 commissioning projects, out of 227 that applied in the second round of 2012³⁷. The criteria for this grant is that the creator of the music (i.e. the composer in most cases) has to apply, and if successful, cannot apply the following year³⁸. Plans for performance are asked for, and justification for the commission amount (in reference to the Australia Council Composition Rates Guidelines³⁹) is required. Other grant categories also include “new work” components, such as Fellowships and Project Fellowships, the Peggy Glanville-Hicks Residency, early-career residencies and ArtStart. Applications are assessed by the Australia Council board relevant to the artform.

State funding bodies approach distributing arts funding differently. The most populated state, New South Wales (NSW) has a “peer-review” process in which a panel of professional or established artists or arts workers are gathered to assess each round of grants. There are no artform specific grants, no grants specifically tailored to commissioning new music. ArtsNSW provide separate rounds for “Regional Conservatorium Funding”, “Project Funding”, “Program Funding”, “Quick Response” which encompass all arts (except regional conservatoriums). The ArtsNSW grant round for projects, held annually, had 193 projects awarded funding in 2011-2012, with \$12,757,119 AUD (9,690,486 €) (from of a total budget of \$58 million AUD, 44.06 million €) distributed to them⁴⁰. One project was specifically to commission and perform two works of new music (The New England Conservatorium was awarded project funding of \$28,900 AUD (21,967 €) for this purpose) whilst several organisations received program funding and stated that commissioning and performing new works were part of the expenditure. Further information on the amount of funds distributed can be viewed on their website⁴¹.

37 Australia Council website <http://www.australiacouncil.gov.au/grants/grant-decisions/reports/music/music-assessment-meeting-report-february-2013-new-work-writing-and-recording-and-presentation-and-promotion> accessed 20 May 2013

38 Australia Council website <http://www.australiacouncil.gov.au/grants/2013/music-new-work-writing-and-recording-18-november> accessed 20 May 2013

39 Australia Council website http://www.australiacouncil.gov.au/resources/reports_and_publications/artforms/music/guidelines_for_music_composition_rates accessed 20 May 2013

40 ArtsNSW website <http://www.arts.nsw.gov.au/wp-content/uploads/2011/04/2011-12-FY-Online-Factsheet-Final-version.pdf> accessed 20 May 2013

41 ArtsNSW website <http://www.arts.nsw.gov.au/index.php/news-and-publications/research-maps-and-statistics/data->

Council level grants vary from council to council. As an example, City of Sydney council has a “quick response” round which offers support of up to \$1,000 funding for a fast turnaround (e.g, being supported to put on an event that was initiated/confirmed outside of the City of Sydney grant application cycle⁴²). The City will also offer in-kind space, and larger financial support to organisations giving significant benefit to the city's constituency. They have a festivals funding body which offer significant amounts of money based on negotiations rather than grant rounds.

Each tier of government has their own agenda (as outlined in section “4 *Australian entities who finance commissions of new music*” of this paper), and the grant criteria are specific to each grant type. The federal body prefers its investments to have a national impact. The state body supports programs within the state. The council level is only concerned about aspects of projects that employ or effect residents of their constituency.

This poses an interesting challenge to those wishing to raise funds for commissioning projects via public sources. A single program must be represented in multiple ways to show congruencies between a project's activities/outcomes and the differing motivations/criteria of varying funding bodies and grants.

The applications for these grants are similar to applications for grants from private ancillary funds, trusts/foundations, however are usually more detailed/comprehensive. There are some grants that are available for individuals or unincorporated groups/organisations, and others are available for incorporated organisations only – some are available for both, but more funding is available for organisations.

8. A note on generational differences, and a conclusion

There are multiple sources of income for commissions in Australia. The strategy on approaching these sources differs depending whether or not the composer/commissioner is an organisation or an individual, and it also depends on the type of source – private or public, organisation or individual, for profit or charitable. Strategy also depends on the strengths, capacities and limitations of the commissioner/composer, and the communications expectations and/or habits of the audience.

[and-fact-sheets/](#) accessed 20 May 2013

⁴² Case Study: Vivid at Seymour's 2013 program included an event by an overseas artist. The federal funding was confirmed in early 2013 (after being applied for in Nov 2012), however the international act was to replace a local act that had been made unavailable. Hence the flights were not budgeted for. Co-presenter, Chronology Arts, applied to the City of Sydney to off-set the flights cost.

Generalisations cannot be taken to describe every patron/donor within a particular demographic however they prove useful tools to direct time/effort/funds for the largest return on investment.

Tax benefits have featured extensively in this overview, but they are only beneficial to those who pay tax. Although this applies to the majority of the population, superannuation income (released once an individual retires, usually at the age of 65) is not subject to any taxation, and hence the tax reduction is not important to retirees.

Technology know-how is intrinsic to some of the ways that composers and organisations can attract finances for commissioning projects, however not every generation is “tech-savvy”. People born in the mid-80's onwards grew up with technology and use it naturally, whilst those of Gen X, and baby boomer generations approach technology differently. Pre-baby boomer (the “silent generation”) may engage with technology, but again at a much lesser extent than a Gen Y or Gen X.

It was noted by Hugh Mackey in an appendix to the Harold Mitchell report (2011) that Australian Gen Y is less selfish and has a tendency towards community, or “tribe” - and these characteristics may lead them towards being generous supporters of the arts in the future. Indeed, specifically in relation to crowd-funding, they are ready to support a friend or acquaintance in their artistic project, and chip in a little (\$20-\$100).

The music industry is constantly being bombarded with new technologies and ideas. Australia is producing a National Broadband Network to increase the nation's internet connectivity, similar to that being executed by the European Commission⁴³, which is indicative of our increasing use of technology to communicate and experience art. Commissions financing strategies have emerged online. Coupled with successful online networking and communications, these private funding sources seem to be the best way forward to new financing of commissions.

Online private financing strategy must be supported by government policy in order to be successful and allow incentive for philanthropists and supporters. The risk of fraud is very controlled with the reporting systems of the not-for-profit sector, but the for-profit sector has less governance. This leaves donors and philanthropists at risk when dealing with individuals and unincorporated businesses.

43 <https://ec.europa.eu/digital-agenda/en/pillar-iv-fast-and-ultra-fast-internet-access/action-43-funding-high-speed-broadband> accessed 20 May 2013

Public funding in Australia is generally very healthy for the arts, but individual composers abilities in grant writing vary, as do their capacities in communications and relationship management. This lack of skill is also reflected in private-based financing. This is starting to change as universities begin to introduce professional practice courses to music students.

Australian Generation Y is predicted to be generous. Internet connectivity is a primary agenda for the Australian government. Online communications yield financial results. Young composers today are being educated in professional skills such as grant writing and communications. The future of financing for new music commissions is in the hands of the young composers themselves. For the moment, however, finance for commissions in Australia will continue to be sourced from a variety of generations using the multiple communications methods required to show an alignment of new music with public and private motivations and objectives.

About the Author

Andrew Batt-Rawden is a composer, entrepreneur, mentor and consultant. He is the Managing Artistic Director for Chronology Arts Ltd, a new music curator for the Vivid Festival Sydney, previous Artistic Director of Aurora New Music Inc, a panel member for ArtsNSW project funding, and currently completing a Master of Music degree in composition at the Sydney Conservatorium of Music under the supervision of Professor Matthew Hindson. Andrew was previously the Marketing and Special Projects Manager of the Song Company.

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