

Giving is growing, according to statistics published by the Australian Tax Office. In the 2003-04 year (the latest for which figures are available), gifts and donations for which taxpayers claimed tax deductions exceeded \$1 billion for the first time. This figure has more than doubled since 1996-97, whereas taxable incomes themselves have risen by only 44%. The proportion of taxpayers claiming deductions for donations or gifts has risen from 31.5% to 35.3% over this period, while the average donation has risen from \$175 to \$301¹.

This upward trend in (tax-deductible) generosity partly reflects changes to the tax system, in particular the introduction in 2001 of Prescribed Private Funds (PPFs) of which there are now nearly 300. But it probably also stems from Australia's extended period of economic growth (the longest for over 100 years) and the substantial increase in personal wealth as a result of Australia's real estate and share market booms.

The economist John Maynard Keynes, who was the first Chairman of the Arts Council of Great Britain, feared that private patronage of the arts would be destroyed by the economic egalitarianism of his age (something of which he was, in general terms, a fervent advocate) and that government funding 'would be the only way of saving arts from extinction'².

Fortunately, it hasn't come to that, either in Britain or in Australia. Unfortunately, however, only a small proportion of the increased generosity of individual Australians benefits the arts.

A survey conducted for the Commonwealth Department of Family and Community Services and the Prime Minister's Community Business Partnership – which defined 'giving' more broadly than the Tax Office – found that fewer than 5% of all individual donors gave money to arts or cultural associations, and that arts or cultural associations received just 2.3% of all donations. Religious and spiritual organizations, international aid and development organizations, community and welfare associations and medical research institutes account for nearly three-quarters of all individual donations³. Arts and cultural organizations attract a larger share, around 10%, of business giving than they do from individuals.

Tasmanians are among the least generous donors in Australia. Only 30.6% of Tasmanian taxpayers claimed deductions for gifts or donations in 2003-04, less than in any other part of Australia except the Northern Territory. (By contrast, 38.1% of Victorians claimed deductions for gifts or donation). And those Tasmanians who did make gifts or donations gave an average of \$204 each, again less than in any other part of Australia except the Northern Territory.

To a large extent, this reflects the fact that Tasmanians have, on average, lower incomes than other Australians. More affluent Australians can afford to give more generously – and they do. The top 0.03% of taxpayers – those earning \$1 million or more – accounted for 13.3% of all tax-deductible gifts and donations in 2003-04. 63.2% of them gave something, and those who did gave an average of over \$73,300. Put differently, taxpayers in this income group donated 2.4% of their income – well in excess of the average of just 0.28% of income donated by taxpayers as a whole.

Tasmania has fewer high-income earners (relative to its population) than any other part of Australia – which is the main reason why Tasmanian incomes are below the national average, not that low-income households in Tasmania have lower incomes than elsewhere in Australia or that they are relatively more numerous⁴.

Thus, even though Tasmanians participate in cultural activities to a larger extent than residents of other States, arts and cultural organizations face greater challenges in funding their activities than their counterparts elsewhere in Australia. Moreover, the Tasmanian Government spends less per head on the arts than any other State or Territory Government except Queensland – although this is largely because of the absence in Tasmania of a large performing arts centre with an operating deficit funded by State government grants⁵.

Individual philanthropic giving is motivated by a wide variety of considerations, including both altruism and an expectation of reciprocity (although the latter motive is more common among businesses), as a way of connecting with the community, with a view to achieving some desired outcome ('making a difference'), or as way of expressing one's identity or reputation.

The arts can be an outlet for all of these motivations.

Traditionally, individual patrons of the arts have often expected something in return for their financial support, such as flattering depictions in portraits or performances. This is far less plausible in the modern world, with artists and arts organizations attaching greater importance to their independence, and a more cynical public capable of discerning advertising for what it is. Nonetheless, individual supporters of the arts do in most cases appreciate invitations to opening night performances, book launches, and other tokens of recognition for their support. And some donors do look upon their support for emerging artists as a form of investment – albeit a high-risk one – which may eventually yield a financial return. For others, the need for a form 'reciprocity' is satisfied by the intrinsic pleasure they derive from being associated with the creation of a work of art, or the development of an artist.

But for many individuals, the motivation for the support which they provide to the arts has been and is today beyond personal pleasure or material reward.

The arts can be, and often are, a means of calling attention to issues of concern or a vehicle for protest. The arts can provide a means for people otherwise voiceless to express themselves. They can provide a channel for emotions and feelings which might otherwise be vented in destructive ways.

Support for the arts can, in other words, provide individuals with a way of 'making a difference' no less effectively than support for organizations and institutions with an explicit agenda.

In commenting upon my appointment as Chair of the Tasmanian Arts Advisory Board, Tasmanian poet Tim Thorne suggested that I ponder a quote he attributed to the Czech activist Egon Kisch, that 'all real art is a danger to those in power'⁶. Kisch himself was of course famously seen as a danger by those in power in Australia at the time of his attempt to visit this country in 1934; the immigration authorities sought (in the end, unsuccessfully) to preclude his entry into Australia by giving him a dictation test in a European language other than the 11 in which he was fluent⁷.

Having taken Thorne's advice, and pondered his quote, I am unconvinced that art can be dismissed as 'unreal' simply because it is apolitical, or even if it suits the agenda of those who happen to be in power at the time. To do so would, for example, be to detract from the many great pre-Renaissance works of art which portrayed and conformed to the accepted religious norms of the time; or from Shakespeare's plays which, though often dealing with political issues, nonetheless did so in ways which supported the Tudor and Stuart establishments.

But I accept without demur that art can be challenging and confronting, politically and in another ways; and that 'great' art often is.

The first work of art that I ever bought (apart from vinyl recording) was a reproduction of a painting by Valery Whatley of the Franklin River, at the height of the debate over the Gordon-below-Franklin dam. That painting, and Peter Dombrovskis' iconic photograph of Rock Island Bend in the Gordon River, were for many people catalysts in their thinking about the most contentious environmental issue of the early 1980s.

As Jane Stewart, the Director of the Devonport Regional Art Gallery, noted in her introduction to *From An Island South*, the eight artists whose work was toured by Asialink in an exhibition of the same name last year have 'inevitably ... begun to breathe the politics, history and traditions of the island, aspects of which have unavoidably found a way into their artwork'⁸. Richard Wastell's paintings, two of which were featured in this exhibition, speak directly to the contentious political issue of forestry in Tasmania. Nigel Jamieson's dance and theatre piece, *Honour Bound*, contributed to a shift in Australian public opinion over the continuing incarceration without trial of David Hicks. Richard Flanagan's *The Unknown Terrorist* may (and I hope will) heighten public awareness of the erosion of civil liberties and legal rights in the name of 'national security'.

While the arts can serve to heighten awareness of major political issues, they may also be an effective vehicle for activism on a much smaller scale as well, in ways which allow individuals to 'make a difference' in a meaningful and positive manner.

For example the Besen Family Foundation and the Myer Foundation have, through their support for the Torch Project, has enabled Indigenous communities and individuals in a number of locations across regional Victoria and in Melbourne to explore themes such as education, substance abuse, reconciliation and domestic violence through drama, dance and visual art. The Mercy Foundation, associated with the Sisters of Mercy, last year funded art projects to enable Indigenous communities express their sense of injustice in relations between themselves and mining companies, and to develop the skills and confidence to plan and implement their own activities in future⁹.

None of which is to say that everyone who pays to see, or buys a work of art, or who attends a performance, which deals with a controversial subject, is making a political statement. But for many people, support for the arts and for cultural activities, through patronage or philanthropy, is a form of activism. For its own sake, and to the extent that it draws additional funds into the artistic and cultural sphere, that is a Good Thing, and I hope that we shall see more of it over time.

¹ Australian Taxation Office, *Taxation Statistics 2003-04* (ATO: Canberra, May 2006), Tables 7 and 12.

² Robert Skidelsky, *John Maynard Keynes: Fighting for Britain 1937-1946* (Macmillan: London, 2000), p. 288.

³ *Giving Australia: Research on Philanthropy in Australia*, Summary of Findings (Commonwealth of Australia: October 2005).

⁴ I have spoken and written about this elsewhere, for example in 'Poverty in Tasmania: an Economist's Perspective', 3rd Annual Dorothy Pearce Lecture, Tasmanian Council of Social Service (October 2005), available on-line at http://www.anz.com/business/info_centre/economic_commentary/DorothyPearceaddressOct2005.pdf, pp. 8-10.

⁵ Australian Bureau of Statistics, *Cultural Funding by Government 2004-05* (catalogue no. 4183.0, August 2006).

⁶ Posted on *Tasmanian Times*, 13th December 2005.

⁷ As then permitted under the 'White Australia' Policy. The High Court subsequently ruled that the language in question, Scots Gaelic, was not a 'European language', and Kisch stayed in Australia for a few weeks, addressing a series of anti-war rallies. See Nicholas Hasluck, 'Writing Ourselves: History and Creative Imagination', National Library of Australia papers.

⁸ Jane Stewart, *from. An Island South* (Asialink Centre of the University of Melbourne and Devonport Regional Gallery, September 2006), p. 2.

⁹ These projects are described in more detail in *Australian Philanthropy*, No. 58 (Spring 2005), pages 12 and 14.