

ARTS FOUNDATION for SHOALHAVEN
DISCUSSION PAPER

Proposal

To provide a channel, **for grants, sponsorships & charitable donations directed toward supporting the arts, crafts, and cultural expression** in the Shoalhaven region.

Needs

There are many non-profit voluntary associations which provide and support arts functions & services, including those listed in appendix 1. They are dependent on funding by their member subscriptions; by grants; and by donations.

Present levels of **GRANTS** made to enable funding for some of these groups' aims are regularly provided by:

- the Arts Board (of Shoalhaven City Council)
- Berry Community Activities Centre

Grants or similar gifts may also be made by local fund-raising bodies like ADFAS and the Zonta Club of Berry, usually in an ad hoc relationship with artists or entertainers; and sometimes in connection with their own events.

Note – Council ability to maintain past levels of arts grants may come under cost pressures from subsidies for operating deficits in other Council businesses, including Entertainment Centre and Arts Centre. A small number (see appendix 1) have established their own "deductible gift recipient" status as **cultural charities** with the Australian Tax Office and Department of the Arts, and are able to give tax-deductible receipts for appropriate donations under the guidelines of the Register of Cultural Organisations run by the (Federal) Department of the Arts.

A similar status was held by Arts Shoalhaven Inc (1991-2005) in its later years as an cultural umbrella body, with over 20 local arts groups as members, as well as individuals.

Note : a) where money is gifted from a tax-exempt body (including Councils) this is NOT regarded as part of tax-deductible donations and must be handled through separate accounts than any tax-deductible donations, where a recipient body may handle both;

b) municipal councils are themselves tax-exempt bodies, but cannot directly be deductible gift recipients.

ARTS FOUNDATION for SHOALHAVEN

Potential opportunities

This Shoalhaven region (including but not confined to the City of Shoalhaven) was indicated in the latest census to have one of the highest age demographics – in particular those aged 55 or more. A growing proportion, of those who had used this region for holiday and leisure purposes through their working lives, are settling into it for their retirement – resident in their own homes and/or later aged care accommodation.

Populations following this pattern will swell after 2010 ('boomers' retiring), with a surge lasting 12-15 years.

Many of these people support and enjoy cultural events, and the bodies which provide them.

They also have higher levels of personal wealth, and may be expected to have longer retirements than their parents - and may be expected to support the arts both by **donations during their life-times, and by legacies** if clear paths are provided for this.

Suggested steps

- 1 Creation of a tax-exempt body (probably a trust) to get '**cultural charity**' status - which can operate both tax-deductible and other accounts for handling grants, donations, and legacies - **supporting the arts, crafts, and cultural expression** in the Shoalhaven region.
 - 1.1 Name to be decided in future, e.g. SHOALHAVEN ARTS FOUNDATION, GILMORE ARTS TRUST, etc.
 - 1.2 To be governed by an **administrative committee** of 3-4 volunteers with rotating membership terms (3 years ?), nominated from professional rather than creative people.
 - 1.3 Guidance via charter on income allocation, e.g. current-year 40% versus long-term 60%.
(strategic aims include fund accumulation to enable future generation of current-year funds)
- 2 Current-year income distribution may be guided by recommendation from Arts Board, which includes creative people.
 - 2.1 Council to nominate one member of admin committee.
 - 2.2 Council to provide administrative support to foundation's routine work, for which voluntary support may also be attracted.
 - 2.3 Council may decide to pass some of their (arts board) annual grants' distribution via foundation, if appropriate.

ARTS FOUNDATION for SHOALHAVEN

3 Fund-raising strategies to cover funding campaigns (which may be for nominated projects ?):

Grant applications (non tax-deductible)
Sponsorships for specific events/festivals/seasons
Charitable trusts
Local community appeals, for specific purposes
Attracting legacy donations, across region (structured approach)

4 Foundation may also provide a practical way to handle major gifts to the community, where these require ability to treat as tax-deductible donations.

Possible issues & questions (MORE ARE WELCOME)

- WILL FOUNDATION BE CONSIDERED PART OF COUNCIL ?

No, its apparent independence is important to attract donors – although Council provides a committee member, and may assist its administration
- HOW SOON WILL FOUNDATION BE ABLE TO DISTRIBUTE OWN FUNDS ?

From first year of receiving funds, but subject to charter
- WHO DECIDES ALLOCATION OF FOUNDATION'S FUNDS ? (current year vs longer-term)

Foundation committee, conforming with charter
- HOW ARE CURRENT-YEAR DISTRIBUTIONS DECIDED ?

Arts Board to recommend targets for foundation distribution each year – to be mandatory for any Council grants, and advisory for other fund distribution

ARTS FOUNDATION for SHOALHAVEN

FOUNDATIONS – Appendix 1

Existing t.d. funds in this area

Bundanon Trust – Development Fund
SYO Donations account
Others ?

Potential further t.d. fund beneficiaries (understood to have not taken this step in their own right)

Nowra Players
Lydian Singers
Berry Musicale
Music Shoalhaven
Nowra City Concert Band
Nowra Town Band
Shoalhaven City Arts Centre
Shoalhaven Eisteddfod
Indigenous dance/other groups ?
FAW Shoalhaven
Local arts & crafts associations

ARTS FOUNDATION for SHOALHAVEN

FOUNDATIONS – Appendix 2

Examples (from ROCO files) of comparable bodies

Government or quasi-government bodies with donations accounts:

<u>Body</u>	<u>t.d.</u>
<u>account</u>	
State Records Authority of NSW Deposits Account – Donations]	[Special
Port Stephens Community Arts Centre Inc Public Donations Fund]	[P S C A C
Parramatta Cultural Trust Trust]	[Parramatta Cultural
Blue Mountains City of the Arts Trust City of the Arts Trust]	[Blue Mountains
Bay Theatre Players Inc Shire Performing Arts Centre Fund]	[Eurobodalla
Lake Macquarie Cultural Foundation Inc Foundation Donations Fund]	[Lake Macquarie Cultural

