

2009 Small-to-Medium Arts Organisation Remuneration Benchmarking Report

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INTRODUCTION

Executive Summary

The Theatre Network Victoria 2009 Small-to-Medium Arts Organisation Remuneration Benchmarking Report follows on from work done previously by the Victorian AD/GM Network. The report analyses results from an online survey that collected responses about organisational size, salaries, other benefits, and professional development allowances of the main staff positions of 50 mostly small-to-medium Australian arts organisations. It provides breakdowns according to organisational turnover, and some simple analysis of the results. It includes some preliminary benchmarking against other sectors, but calls for more detailed research in this area.

The main finding of the report is that staff salaries, benefits and professional development budgets of small-to-medium arts organisations are still disappointingly low. Although there has been an increase (above CPI) in salaries compared with the Victorian AD/GM 2006 survey, there is still a long way to go to be in line with remuneration for similar roles in other sectors.

Improved remuneration and professional development for staff of small-to-medium arts organisations is a clear goal to work towards to help strengthen this sector. This report calls for further research to benchmark against other sectors, it encourages individual organisations to do what they can to consciously tackle the issue, and it asks the sector as a whole to be more open and share their information and practices with each other

Background

The Victorian Network of Artistic Directors and General Managers of small-to-medium arts organisations (AD/GM Network) has undertaken basic salary benchmarking in the past, as a tool to help guide salary reviews within individual organisations, and to also assist the sector as a whole to increase consistency and to increase remuneration across the sector. This year, the AD/GM Network asked Theatre Network Victoria (TNV), as an Arts Victoria funded project initiated by this group, to undertake the survey for them.

The survey was designed for those receiving a regular salary from a small-to-medium, non-profit, arts organisation in Australia – usually an incorporated association or a company limited by guarantee. Only staff or Board members of such organisations were invited to complete the survey. We kept the definition of 'small-to-medium' open to respondents to decide for themselves, which worked for most of the respondents (see below).

Methodology

We used the basic account version of Survey Monkey¹ to undertake this survey. A draft survey was completed by the nine TNV Committee Members as a test-case, then

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¹ www.surveymonkey.com

the survey was refined and finalised. The survey was originally sent out to over 270 people from across the country on TNV's database, but was forwarded on from several of those recipients to their own members and other contacts.

General Outcomes and Limitations

A total of 50 organisations responded to the survey during the period 6th November to 1st December 2009.

There were no ineligible surveys, i.e. the organisations were mostly small-to-medium (a few were what we would define as larger but we included them as we can compare turnover and staff size, and the results are still interesting), the minimum number of questions was answered, and there were no obvious fake or misleading surveys.

There were some mistakes made with format – 2 respondents left off 000s (eg. 60 instead of 60,000) but we were able to adjust those to ensure the results were more accurate. There were also some mistakes with the questions that included EFT, which means Equivalent Full Time (also called Effective Full-Time). EFT is a way to compare workloads and salaries – 0.6 EFT means an employee works approximately 3 days a week. Some respondents may have included the pro-rata rate instead of the EFT rate for salaries. Those that included their company name were contacted to rectify this, but there may still be one or two that we can't identify. This may mean that the average results are lower than in reality.

We don't claim that this survey is representative or comprehensive – it is a limited sample only. Because we surveyed organisations only, not people working freelance, it cannot be seen as an indication of arts-workers' salaries in general.

RESULTS

Annual Turnover of Organisations

The average organisational turnover was \$862,023. The lowest turnover was \$120,000. The highest turnover was \$4.7 million. 74% of the organisations had turnovers of \$1 million or less. There were 2 organisations with a turnover of \$2 million, and 2 with a turnover above \$4 million. If we took out those four organisations, the average turnover would drop to \$650,025, as shown in the table below

Figure 1. Average Turnover by category.

Average Turnover	Average Turnover	Average Turnover
\$120k-\$1.6 million	\$2 million - \$4.7 million	Total
(46 orgs)	(4 orgs)	(50 orgs)
\$650,025	\$3,300,000	

State of Origin

We had responses from all states but neither of the territories (NT and ACT). Nearly half (24) of the respondents were based in Victoria. 17 were based in Western Australia, 3 respondents were from New South Wales, 4 from Queensland, and one each from Tasmania and South Australia.

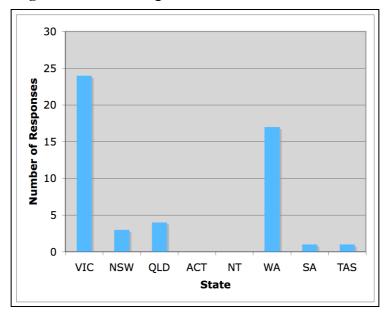


Figure 2. State of Origin

Type of Organisation (Primary)

18 of the respondent organisations were Theatre; 8 were Community Arts; 7 Youth Arts; then Dance, Other Performing Arts, Service Org, Festival – all 3 each; followed by Visual Arts 2; and then Music, Literature & Writing and None of the Above, all had one respondent from each of those types.

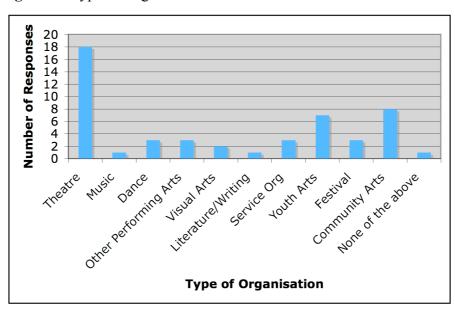


Figure 3. Type of Organisation

One comment included a suggestion for further categories in this question, including "one or more of the above". This is tricky, as it is useful to know what the primary role of the organisation is, and multiple answers are much more complex to record and analyse. However, we acknowledge that the choice of categories was limited.

Number of Staff

The number of staff per organisation ranged from 1 to 40 positions, with an average of 6.14 staff per organisation.

The Equivalent Full-Time rate ranged from 0.8 EFT to 17.4 EFT, with an average of 4.28 EFT staff. Half of the organisations (25) had 3.2 or less staff EFT.

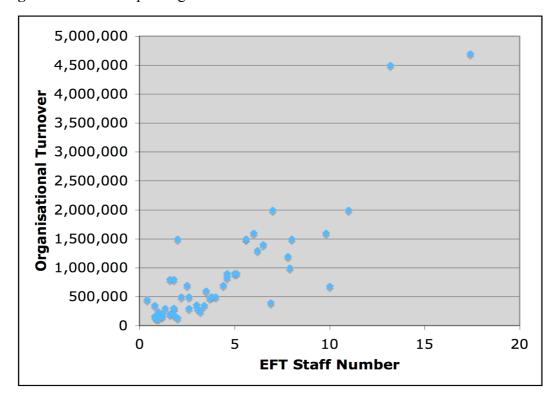


Figure 4. EFT Staff per Organisational Turnover

Working part-time

40 of the 50 respondent organisations (80%) had part-time staff – that is where the overall number of staff was greater than the number of EFT staff. On average, the difference between actual number of staff and number of EFT staff was 1.9 EFT per organisation, which means a significant number of people working very part-time. Some of this can be explained because of a few organisations with large numbers of staff on their books working very part-time (or casual) – one with 40 staff working 9.8 EFT, but even excluding this organisation, the difference is still 1.5 EFT per organisation on average.

Amount and Distribution of Positions

General Manager/Executive Producer

The most common position recorded was General Manager/Executive Producer: 45 of the 50 (90%) responses recorded a salary for a General Manager or Executive Producer. Four of the five organisations that did not have such a position had an Administrator. The remaining organisation had a Venue/Production Manager. Only three organisations had neither a General Manager/Executive Producer nor an Artistic Director

Artistic Director

31 (62%) of the respondents recorded an Artistic Director. The organisations that did not have an Artistic Director were primarily Community Arts or Service Organisations. Only one Theatre organisation did not employ a permanent Artistic Director (it employs them per project).

Associate Producer

The least common position (excluding the various 'other positions') was Associate Producer with 14 out of 50 organisations recording one (28%). These organisations tended to be larger, on average with a turnover of above \$1,100,000 and 3 or more EFT staff positions.

Administrator

32 (64%) respondents recorded an Administrator. They also tended to be larger organisations, with a turnover of above \$900,000 on average. They were a mix of artforms and types.

Venue Manager/Production Manager

Not surprisingly, the organisations that recorded a Venue/Production Manager (23 out of 50 - 46%) were quite a bit larger – with an average turnover of over \$1.2 million. They were a mix of types and artforms.

Marketing/Development

Similarly, the organisations with a Marketing/Development position (25 out of 50 – 50%) were quite a bit larger – with an average turnover of above \$1.3 million. They were also a mix of types and artforms.

Other Position

"Other position" (23) was not as useful for us as this level of survey did not allow people to specify what these positions were.

Salary Results (what you've been waiting for!)

The two tables below show the average salary for each of the positions in the survey. It is likely that some of these salaries are lower than the actuals, because of the problems that some respondents had with factoring in EFT. The second table shows the salary levels by turnover range and EFT.

Figure 5. Average Salaries Across all the Respondents.

	Average salary	Lowest Salary	Highest Salary	Most Common \$5k salary bracket
General Manager /	\$60,547	$$19,200^2$	\$100,000	18 x \$60,000 - \$65,000
Executive Producer (45)		(next lowest		
		\$43,000)		
Artistic Director (31)	\$57,297	\$19,200	\$86,000	12 x \$60,000 - \$65,000
		(next lowest		
		\$25,000)		
Associate Director (14)	\$52,393	\$40,000	\$70,000	6 x 40,000 - 45,000
Administrator (22)	042.071	620.000	600 000	11 25 000 40 000
Administrator (32)	\$43,971	\$30,000	\$80,000	11 x 35,000 - 40,000
Venue/Production	\$48,422	\$40,000	\$65,000	12 x 40,000 - 45,000
Manager (23)				
Marketing /	\$48,030	\$35,000	\$75,000	10 x 45,000 - 50,000
Development (25)				
Other Position (23)	\$43,404	\$25,000 ³	\$80,000	9 x 45,000 - 50,000

Figure 6.. Average Salary Levels by Turnover* and EFT.

Organisational Turnover	120k-300k (15 orgs)	301k-699k (13 orgs)	700k-1499k (12 orgs)	1500k-4700k (10 orgs)
EFT Staff Average	1.63	3.55	4.83	8.56
General Manager /				
Executive Producer	\$52,592	\$55,864	\$63,917	\$70,900
Artistic Director	\$43,440	\$54,273	\$63,700	\$63,667
Associate Director	\$45,000	\$43,000	\$48,750	\$58,900
Administrator	\$46,395	\$37,722	\$44,125	\$46,389
Venue/Prod Manager	\$48,867	\$43,183	\$45,400	\$52,611
Marketing / Development	\$49,375	\$39,000	\$49,800	\$51,625

^{*}The turnover ranges vary because there were some exact adjacent turnovers that we grouped together.

The uneven results for Associate Director, Administrator, Venue/Production Manager and Marketing/Development can in part be attributed to the low numbers of responses in some sections. However, there is enough evidence to ascertain that the salaries do not vary greatly, even across the very different turnover categories.

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² This response (and the one below) seems to be a mistake as the position is only 0.4 EFT – we assume that this would be a \$48,000 EFT position. However, it is a small company and they probably work many voluntary hours, so it may be close to reality anyway.

³ There were two lower responses: \$2400 and \$8000. Both of these are from responses with less than 2 EFT positions, so we assume they are pro-rata figures.

The salaries for General Manager/Executive Producer are higher than Artistic Director salaries across the range, but this is largely because of those organisations that only have a General Manager/Executive Producer, and not an Artistic Director, such as Community Arts and Service Organisations.

Of those organisations that recorded *both* a General Manager/Executive Producer and an Artistic Director, the average salary was almost identical - \$58,614 and \$58,239 respectively.

Changes since 2006 AD/GM survey

In 2006, the Victorian AD/GM committee surveyed 15 small to medium performing arts organisations – 9 from Victoria and 6 from other states⁴. The average salary for General Manager was \$53,318 and AD was \$54,280.

Although they did not record turnover, many of these organisations responded to this 2009 survey and are all organisations that now sit within the \$300k to \$1.5 million turnover. So we can roughly compare the 15 organisations surveyed in 2006, with the two categories between \$300k to \$1.5 million. These organisations are now recording just under \$60,000 on average for both of those positions, an increase of \$6,000 to \$7,000 per position.

For Administrators (the only other position recorded) the average was \$34,143 and is now being recorded at just above \$40,000.

Other Remuneration Benefits

20 respondents recorded other benefits to the General Manager/Executive Producer position. The benefits ranged from \$360 per year telephone allowance to cars and salary packaging. The biggest package was estimated at \$35,000 per year. There were 6 phone allowances, 4 laptops, at least 3 cars, and at least 3 salary sacrifice⁵ benefits. There was car-parking and travel allowance. One respondent included 12 weeks parental leave as a benefit, but the funniest was 'endless bar tap' (all positions received this 'benefit').

18 respondents recorded other benefits to the Artistic Director. These were similar to the General Manager/Executive Producer position, but overtime was included as a benefit, to the value of \$8000, and child-care was also recorded as a benefit of \$8000 value. Only one car was recorded as a benefit, and 2 salary sacrifice benefits. The remainder included laptop, car-parking, free class, and the same 'endless bar tap'.

Across the remaining 4 positions (excluding 'other') 19 respondents recorded benefits in total: 2 to the Associate Director, 5 to the Administrator, 5 to the Venue/Production Manager and 7 to the Marketing/Development position. They included our old friend

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⁴ The Victorian AD/GM survey was an internal survey only and is not available publicly.

⁵ Salary Sacrifice is only available to organisations with a certain tax status – up to \$15,400 of the salary can be paid tax-free, so the benefit varies according to tax-bracket.

'endless bar tap' (goodness knows how they get any work done there), salary sacrifice, phone allowance, car-park, travel allowance, laptop and overtime.

Professional Development Budgets

The table below shows the average professional development budgets by position, plus lowest, highest and median point. The number beside each position, in brackets, is the number of recorded responses to that position, and the average is based on that number. This includes some responses of zero. Assuming that the unrecorded responses were also zero, the averages across the full 50 organisations would be even lower.

Table 3. Professional Development Budget Averages by Position.

	Average	Lowest	Highest	Median*
General Manager / Executive Producer	\$ 1,655.81	\$250	\$10,000	\$2,000
(44)				
Artistic Director (30)	\$1,534.48	\$250	\$6,000	\$1,000
Associate Director (11)	\$958.33	\$250	\$2,000	\$750
Administrator (25)	\$704.00	\$250	\$2,000	\$750
Venue/Production Manager (15)	\$586.67	\$250	\$2,000	\$500
Marketing / Development (19)	\$836.84	\$250	\$2,000	\$800
Other Position (0)	n/a	n/a	n/a	n/a

^{*}i.e. half the respondents recorded less than this

One respondent added a comment in the comments section as follows: "Prof Dev Budget is \$5K annually - divided between the Team as opportunities present themselves"

Plans for Increasing Remuneration

SELECTED COMMENTS:

- In the context of Annual Operations funding then these roles would increase in EFT
- The organisation had budgeted to increase GM & AD wages to \$55,000 in 2010 but this
 was dependant on increased state funding which was not achieved and so wages will
 only increase by 2.5%
- Arts Admin Trainee gets \$15,000 + on costs & training costs (award rate)
- These levels were set after a major review and increase.
- We are planning to increase by CPI each year, and increase Associate Directors wage by \$8000 for 2010.
- All positions currently at \$40k to be increased to \$44k by 2012.
- In 2010, we will likely increase by CPI.
- Some years, we provide greater increases.
- Yes, we are currently benchmarking and are looking at at least a \$5000 increase to all salaries
- Between 3 and 5 % increase pending on annual review
- To bring all positions to a more competitive level commensurate with costs of living and ability to attract and retain quality staff
- Currently looking for additional core funding opportunities to increase staff numbers but

- finding it very difficult. Organisation is very stretched for resources and relies heavily on Full time staff member putting in long additional [unpaid] hours.
- Salaries increase annually; and have been increasing at above CPI rates for several years in an effort to bring them closer to corporate rates.
- Annual review of probably 3%
- Factored into budget each year rise of 3.5% in salaries as deemed appropriate by industry, general manager and board of management
- No increase of remuneration is anticipated. If there is extra funding available it will go towards employing extra staff.
- Remuneration will increase at level of grant indexation provided through state funding less than 3%
- Standard 3% per annum pending performance review
 - Marketing will go full time to \$55000, in 2010 from \$14000 part-time.
 - 4% rise from January 2010 we have an annual increase in line with CPI or a little above
 - Attempts are made to increase remuneration in line to recognise rise in cost of living regionally negotiated between 3-4%
- Contracts are CPI Indexed
 - There are plans to increase the salary package by \$2,000 \$3,000 over the next few years if possible, to pay for what we get, as it is known to be under paid
 - Next review March 2010 against CPI and market movements
 - Indexation only
 - No plans rising costs and fixed income
- CPI increase each year
 - Need to increase salaries of the three 2nd-tier-to-CEO roles to recognise skills, expertise, role requirements ideally to \$60,000
 - Unlikely!
 - Board agreed CEO positions should be \$60-\$65k but with GFC impact could only guarantee increase to \$60k in 2009.
 - By 2% CPI

General Comments or Feedback

SELECTED COMMENTS:

- It is always difficult to get to base level funding for ongoing roles in a project by project status
- Our board of management would happily approve increased salaries for key staff. However we already have to source approximately 20% of core staff wages and associated on costs from projects and an increase to this in order to increase wages is too risky and unstable management. As a regionally based organisation we also have no profit income on workshops or similar projects to support core wages. The only way to increase salaries will be through government funding support.
- Wages in the arts industry are really low.
- All salaries are less than we what we pay in a perfect world and as such should not be used as benchmarks!
- We believe that the arts undervalue the salary levels and are much lower than any other industry
- As a not-for-profit NGO, it is difficult to compete with the resources industry and the

- government sector in attracting and retaining staff. Cost of relocation and housing an issue in our remote regional town.
- The survey does not take into account the amount of extra hours contributed by staff on a volunteer basis.
- We are planning salary increases for 2010 and would be very interested in industry standards as a guideline for our own thinking
- Survey I did three years ago showed that all except the CEO were underpaid by between \$15000 and \$5000
- Good on you for doing it!
- Every year we wish we could pay contract staff more
- Too many volunteer hours needed by contract and core staff
- Funding bodies need to recognise true costs of staff their base administrators get more than our senior staff.

Discussion and Further Research

Base Salaries

While this survey indicates that there has been an increase in salaries for at least General Managers/Executive Producers, Artistic Directors and Administrators since 2006, a quick browse of advertisements for similar positions in other sectors, e.g. other non-profits, local government and state government shows that this sector is still being underpaid quite significantly.

Further research is needed to benchmark against other sectors, but one such example of a position to compare with is the position of Executive Officer for NEDA, the national peak organisation representing the rights and interests of people from non-English speaking backgrounds with disability, and their families and carers. NEDA's 2007 total turnover was \$162,062, and the position is being advertised at \$79,000 per annum⁶.

Other benchmarking that shows similar salary levels in the arts includes the National Association for the Visual Arts (NAVA) publication *Artists' Scales of Fees & Wages 2009*. This publication presents Director salaries at \$51,735 - \$103,469 per year, depending on number of EFT staff, categorised into small organisations (1-3 EFT staff), medium (3-7 staff) and large (7+ staff)⁷.

Benefits

Benefits on top of base wages would be one way to improve remuneration, yet the survey responses show that very low levels of benefits are provided. The most significant benefits recorded – salary sacrifice and cars – were very rare, and the most common benefits such as phone, laptop and travel allowance are tools of the trade, and provide little financial benefit. They would not be counted as benefits in the corporate world.

⁶ Infoxchange Employment, http://www.jobseeker.org.au accessed November, 2009.

⁷ NAVA's publication is available to purchase for \$12 from www.visualarts.net.au

Professional Development

Professional Development budgets also seem extremely low, when they are compared with the price of most of the professional development opportunities available. The Professional Development budgets for the middle positions (not the General Manager or Artistic Director) are particularly low. As the sector is concerned with succession planning, helping to build the skill sets of those positions seems an obvious strategy to achieve smoother succession.

Industry conferences range from \$300 to over \$1000 each, master-classes are similar, and leadership courses can cost several thousand dollars. Even basic 'how to' courses for accounting packages, public relations or governance are over \$150 for a short course. For a sector that needs professional development in so many areas – management, creative development, and marketing⁸ to name a few, this is not sufficient to ensure that all staff are getting the professional development they need.

Further Research and Recommendations

Further research to benchmark remuneration against other sectors is strongly recommended to paint a good picture of how this sector compares to others, and how we might increase our capacity to attract and retain good staff.

Research into staff longevity in relation to remuneration would also be useful, given the high cost to the organisation of staff turnover.

As this report pertained only to permanent positions in established organisations, there is scope for research into remuneration for artists, freelance and casual workers, to build on work done by David Throsby and Virginia Hollister in 2003, Don't Give *Up Your Day Job*⁹.

Further research into benefits is also advised, to ensure that this sector is capitalising on all the available advantages of working in the arts. For example, salary sacrifice may be applicable to more organisations than are currently taking advantage of it, and other schemes such as Superannuation Co-contributions 10 (not mentioned by any respondent), may also make a difference. Other conditions to investigate for the sector as a whole include portable long-service leave and improved parental leave.

Boards of individual organisations could take it upon themselves to ensure that their staff are being paid at least the average wage, they could look into what other benefits might be able to be offered, and they could be more conscious of the professional development needs of their staff, and budget accordingly.

As a sector, more sharing of remuneration details would help to increase consistency and provide peer appraisal – the interest in this report even prior to publication

⁸ See, for example, Love Your Work, Australia Council, 2008; and Creating a Learning Framework for Major Performing Arts Executives, Final Report, Prepared for the Australia Council for the Arts, O'Donnell, Royal, Fox, AGSM, 2008.

⁹ David Throsby and Virginia Hollister, 2003, Don't Give Up Your Day Job, An economic study of professional artists in Australia.

10 http://www.ato.gov.au/individuals/content.asp?doc=/Content/42616.htm

indicates a hunger for such information, and it is relatively easy information to collect and share, if there is good will on the part of the organisations to do so.

Where to From Here?

Theatre Network Victoria thanks the AD/GM Network for commissioning and supporting this report, and thanks all 50 respondent organisations for providing considerate, honest and accurate responses. The report will be available on the Theatre Network Victoria website www.tnv.net.au and we hope it will foster discussion and further investigation. Theatre Network Victoria plans to continue research in this area and invites potential partners to contact us for a chat.

Theatre Network Victoria

Theatre Network Victoria (TNV) is major initiative seed-funded by Arts Victoria's Sector Development program. Its aim is to strengthen the small to medium performing arts sector in Victoria, enabling it to produce more work, build new audiences and increase sustainability.

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