TRACKING CHANGES IN CORPORATE SPONSORSHIP AND PRIVATE GIVING 2015

—SUMMARY—

CONTENTS

This project has been assisted by the Australian Government through the Australia Council for the Arts, its arts funding and advisory body.

1. BACKGROUND

Tracking Changes in Corporate Sponsorship and Private Donations 2015 tracks and analyses levels of corporate sponsorship and private donations for the major performing arts sector from the years 2001 to 2014.

The Australian Major Performing Arts Group (AMPAG) recognises the importance of corporate sponsorship and donations income to the financial stability of all major performing arts companies. Therefore, a series of annual surveys has been undertaken to track and monitor these revenue streams. This is the 14th year that the survey has been produced—see Research Methodology at *Appendix 1*.

AMPAG is the representative organisation for the 28 major performing arts companies in Australia. Based in six states, the not-for-profit companies produce and present performance in opera, music, dance, drama and circus to audiences around Australia and internationally. More than half of their income is derived from box office, private and corporate sources.

These companies are currently designated as 'major performing arts' companies under the guidelines established by the Major Performing Arts Inquiry conducted in 1999. A list of the companies is at *Appendix 2*.

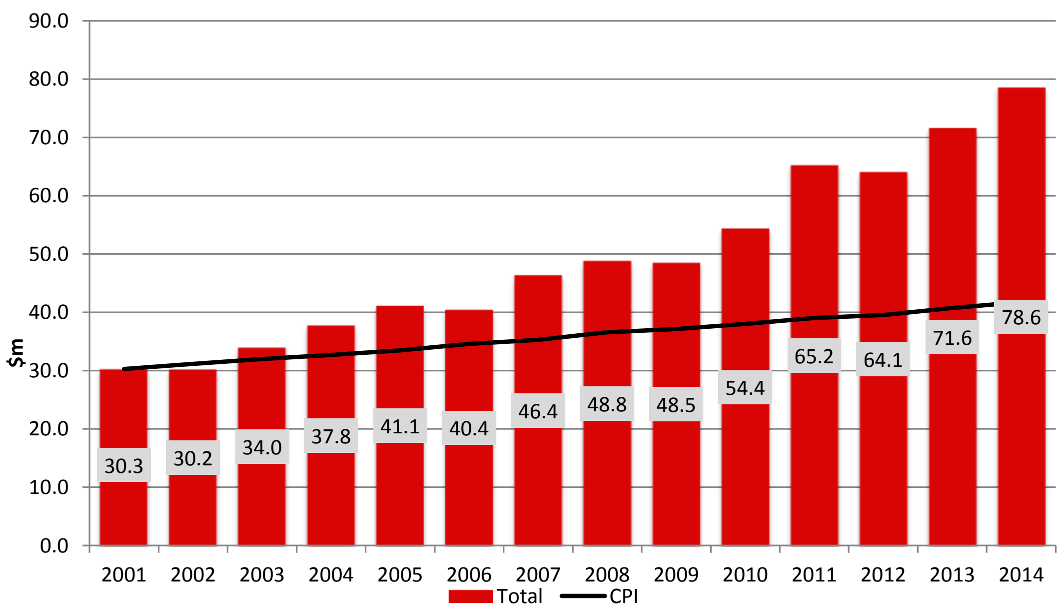
2. RESEARCH FINDINGS

Total revenue from corporate sponsorship, private giving and net fundraising events within the major performing arts sector increased $6.9 million or 9.7 per cent to $78.6 million in 2014.

Over the 14-year period, total revenue has increased $48.3 million or 159.5 per cent, with earnings continuing to track well ahead of CPI levels.

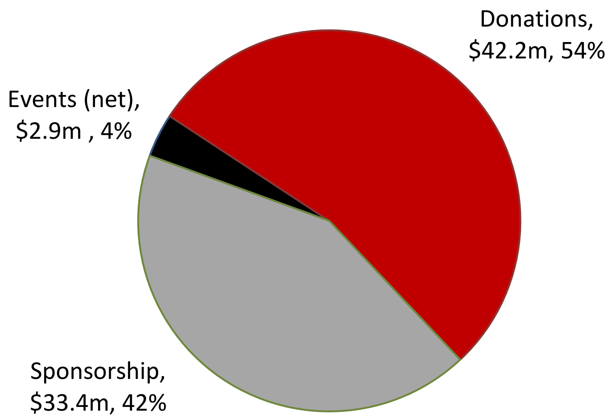
The following graph tracks total sponsorship and donations earnings since 2001.

Figure 1:
Major performing arts companies: total sponsorship and donations income 2001–2014



Of the total $78.6 million reported in 2014, $42.2 million (54 per cent) was received as private giving, $33.4 million (42 per cent) was from corporate sponsorship and a net amount of $2.9 million (4 per cent) came from fundraising events.

Figure 2: Major performing arts companies: sources of private sector revenue 2014



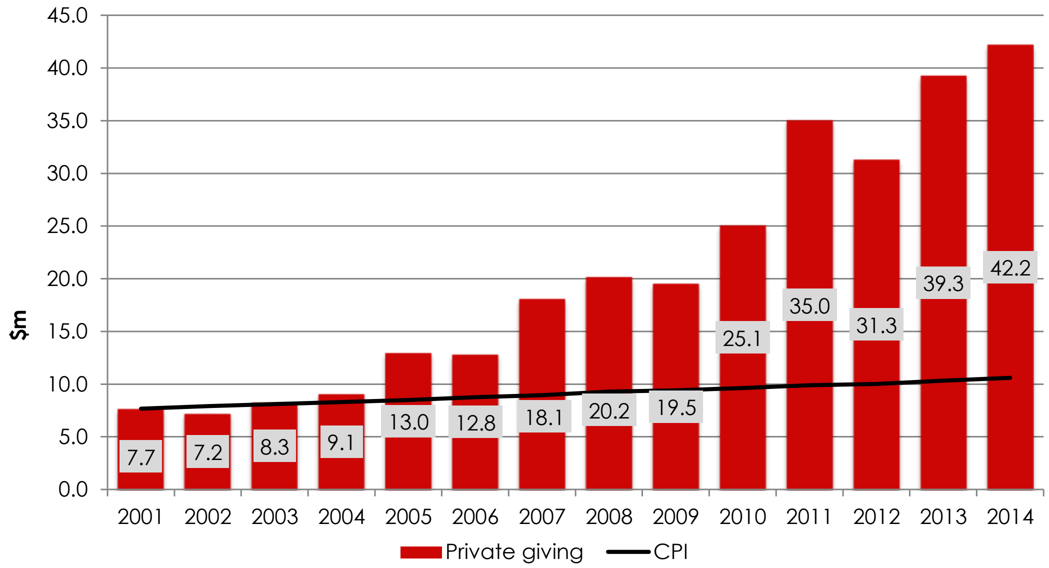
2.1 Private giving

In 2014 income from private giving increased $2.9 million, or 7.5 per cent, to $42.2 million.

Over the 14-year period, private giving has increased $34.5 million or 450.0 per cent, tracking well ahead of CPI levels.

The following graph tracks private giving in the major performing arts sector since 2001.

Figure 3: Major performing arts companies: private giving 2001–2014



Major performing arts companies reported receiving almost six times more in private giving in 2014 compared to 2001. However, the level of increase over the 14-year review period has not been smooth. Peak years—such as 2005 and 2011—are often followed by a corresponding drop in income the following year. These peak earnings years are generally due to one-off donations or targeted fundraising campaigns—with the associated drop a result of the affected companies returning to more 'normal' levels of income.

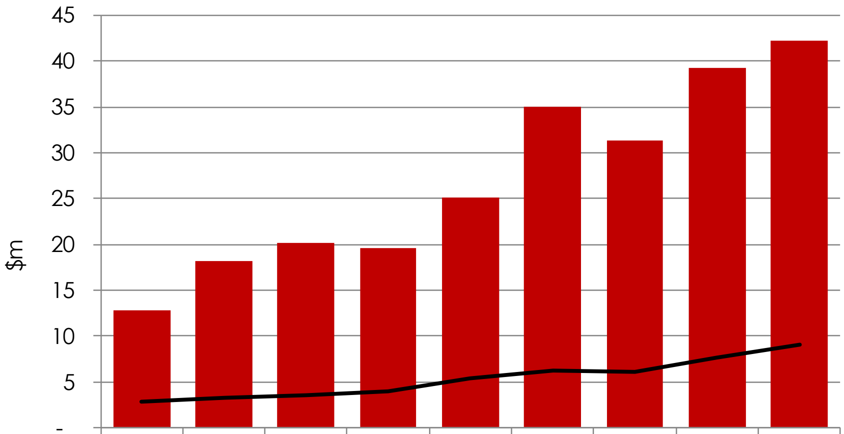
Two-thirds of the reported jump in earnings for 2013 was due to a targeted fundraising campaign of a single company. However, unlike 2006 and 2012, when earning levels 'normalised', 2014 results have shown further growth. The underlying data reveals that 19 of the 28 companies have reported a more than 20 per cent rise in private giving income on 2013 levels.

In 2001 private giving made up 25 per cent of total sponsorship and private giving revenue. By 2014 this proportion was 54 per cent. Private giving has grown at a much greater pace than corporate sponsorship, driving the overall increase in earnings for the sector.

Major performing arts companies spent $9.0 million to secure private giving in 2014 compared to $7.7 million in 2013. The ratio of direct costs to private giving[1] increased from 19.5 in 2013 to 21.4 per cent 2014. This ratio remains relatively steady, with a costs ratio in 2006 of 22.1 per cent. Major performing arts companies have reported a similar ratio of around 20.0 per cent of direct costs[2] to total income since 2006.

The following graph tracks total private giving income compared to direct costs incurred from 2006 to 2014.

Figure 4: Donations income to costs 2006–2014



	2006	2007	2008	2009	2010	2011	2012	2013	2014
Donations	12,83	18,11	20,19	19,54	25,06	35,04	31,31	39,26	42,20
Costs	2,842	3,186	3,465	3,978	5,340	6,221	6,043	7,670	9,047
Ratio	22.1%	17.6%	17.2%	20.4%	21.3%	17.8%	19.3%	19.5%	21.4%

Changes in donors and donations

Due to the large amount of data, analysis of the number of donors and donations has been restricted to the five-year, 2010 to 2014 period.

The 2014 increase in private giving was due to an increase in the number of new donors attracted—up 3742 in 2014 to 13 819—a 37 per cent increase on 2013. However, the number of existing (or maintained) donors fell slightly, by 2.3 per cent.

Altogether, the number of donors (both new and maintained) grew by 13.4 per cent to 28 773 in 2014 over 2013—see Figure 5.

[1] This ratio indicates the efficiency with which private giving is raised. A lower ratio implies greater efficiency.
[2] Direct cost information provided by the companies is not audited. What is classified as 'direct' may vary from company to company. Information about direct costs should be read as indicative only.

Figure 5: Total number and related dollar value of donations received (2010–2014)

Donations	2010	2011	2012	2013	2014	13-14	10-14
New donors	3,559	4,665	6,302	10,077	13,819	3,742	10,260
Donors maintained *	12,733	12,757	14,006	15,303	14,954	-349	2,221
Total # of Donors	16,292	17,422	20,308	25,380	28,773	3,393	12,481
% change in # of Donors	1.2%	6.9%	16.6%	25.0%	13.4%	13.4%	76.6%
Total Donation ($'000)	25,066	35,047	31,319	39,265	42,201	2,936	17,134
% change in Donation $	28.2%	39.8%	-10.6%	25.4%	7.5%	7.5%	68.4%
Avg Donation per coy ($'000)	895	1,252	1,119	1,402	1,507	105	612
Avg # of Donors	582	622	725	906	1,028	121	446
Avg Donation size $	1,538.6	2,011.7	1,542.2	1,547.1	1,466.7	-80.4	-71.9

*from previous year

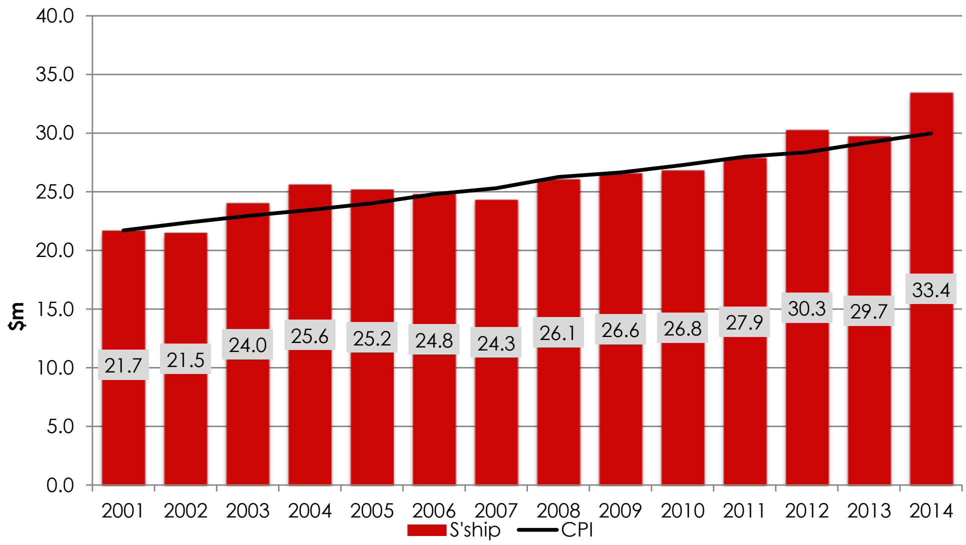
2.2 Corporate sponsorship

In 2014 income from corporate sponsorship increased $3.7 million, or 12.5 per cent, to $33.4 million—the largest increase over the 14-year reporting period. Seventeen of the 28 companies reported an increase in earnings from this source in 2014 with 11 companies reporting a decline.

Since 2001 corporate sponsorship has increased $11.7 million or 54.1 per cent, generally tracking in line with CPI levels.

Figure 6 tracks corporate sponsorship in the major performing arts sector since 2001.

Figure 6: Major performing arts companies: corporate sponsorship income 2001–2014



In 2001 corporate sponsorship made up 72 per cent of total sponsorship and private giving revenue. By 2014 this share had fallen to 42 per cent. The rate of increase in private giving has outpaced growth in corporate sponsorship and provides greater levels of income to the sector ($42.2 million in private giving compared to $33.4 million in corporate sponsorship).

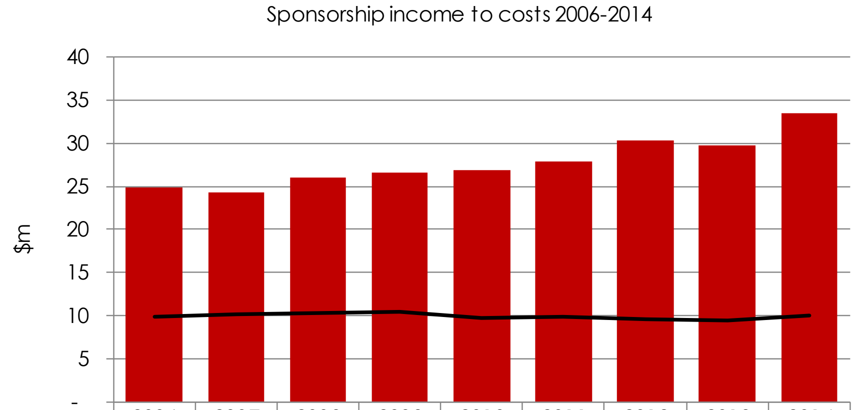
Major performing arts companies continue to spend similar amounts to secure corporate sponsorship income. In 2014, $10.0 million was invested—$519 000 or 5.2 per cent more than 2013 levels. The ratio of direct costs to corporate sponsorship[3] decreased to 29.9 per cent—the lowest ratio over the 14-year review period. Major performing arts companies are

[3] This ratio indicates the efficiency with which corporate sponsorship is raised. A lower ratio implies greater efficiency.

becoming more efficient in attracting corporate sponsorships with the ratio of direct costs[4] to sponsorship income declining since 2007 when the ratio was almost 42 per cent.

The following graph tracks total corporate sponsorship compared to direct costs incurred from 2006 to 2014.

Figure 7: Sponsorship income to costs 2006–2014

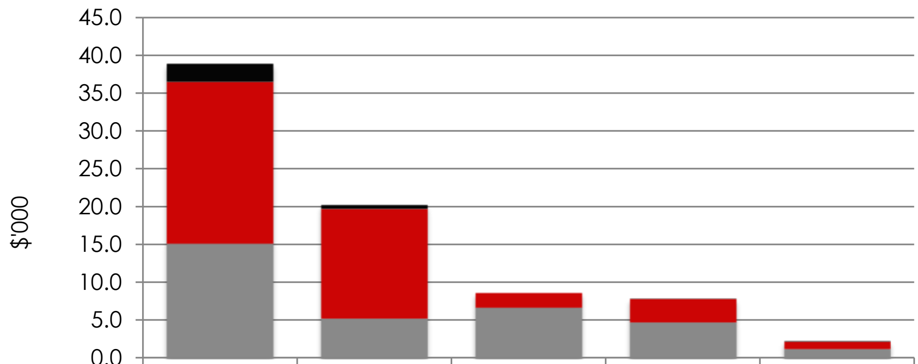


	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sponsorship	24,818	24,339	26,077	26,582	26,825	27,881	30,277	29,734	33,441
Costs	9,836	10,208	10,223	10,373	9,788	9,826	9,568	9,496	10,015
Ratio	39.6%	41.9%	39.2%	39.0%	36.5%	35.2%	31.6%	31.9%	29.9%

2.3 Analysis by state

Total sponsorship and private giving earnings for 2014 by state were as follows:

Figure 8: Total earnings by state: 2014

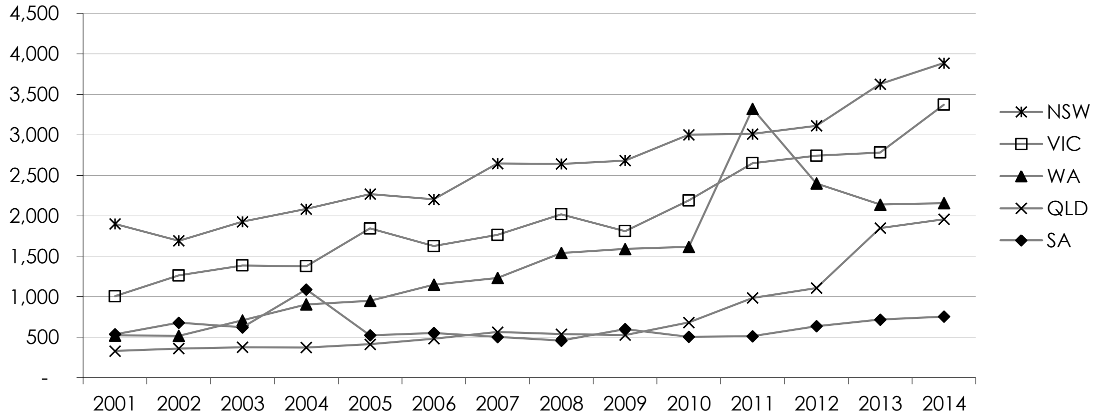


	NSW (10)	Vic (6)	WA (4)	Qld (4)	SA (3)
Events (net)	2,347	509	-5	1	58
Donations	21,412	14,468	1,955	3,077	983
S'ship	15,116	5,258	6,676	4,753	1,220

Figure 9 provides a summary of the average amount generated from sponsorship and private giving income by each state group from 2001 to 2014.

[4] Direct cost information provided by the companies is not audited. What is classified as 'direct' may vary from company to company. Information about direct costs should be read as indicative only.

Figure 9: Average sponsorship and donations: by state 2001–2014 ($'000)



Analysis of median results mirrors the average results presented above with the following important exceptions:

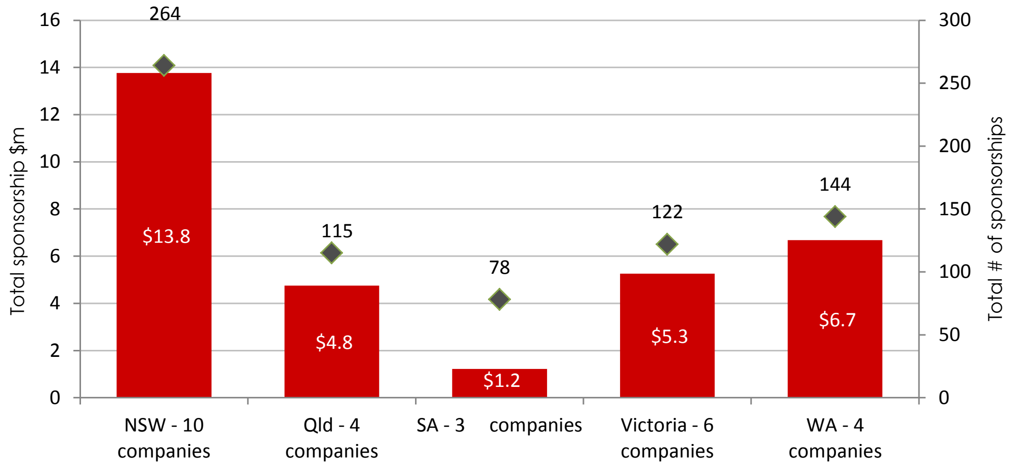
- NSW companies reported a decline in median earnings in 2013 and a sharper increase in 2014 suggesting the average earnings are driven by a single company.
- Victorian companies reported a substantially lower median result suggesting the average results are being affected by a single company.

Important state trends include:

- Queensland companies reported the strongest relative growth in recent years, with growth well ahead of CPI since 2010.
- Western Australian companies reported only negligible growth in total sponsorship, private giving and net event income (less than 1 per cent). This follows two years of decline after a steep increase in 2011. The 2014 results appear to confirm a more systemic downturn tied to the WA economy.
- Although NSW companies reported a modest 3.7 per cent increase in private giving in 2014, this result is affected by a single company 'normalising' after a significant fundraising campaign in 2013. Ignoring the impact of this company reveals a more substantial 53.2 per cent increase on 2013 results, which shows growth from private giving in this state remains strong.
- Victorian companies reported a substantial increase of 21.5 per cent in corporate sponsorship earnings for 2014—the highest increase since 2002. The reported increase of $0.9 million was widespread, with five of the six companies reporting a jump in earnings.
- South Australian companies spend considerably less on both raising corporate sponsorship and private giving and employ fewer staff. This under-investment contributes to companies in this state being unable to lift earnings.

Corporate sponsorship
Figure 10 shows the number of sponsorships secured compared to income raised in 2014 by state. It illustrates that companies from South Australia (for example) have to work much harder to raise corporate sponsorship income than NSW companies. In this example, SA companies needed to service 78 sponsorships to deliver $1.2 million (an average $15 400 raised per sponsorship), while NSW companies serviced 264 sponsorships to attract $13.8 million (an average $52 300 raised per sponsorship).

Figure 10: Total number of sponsorships compared to sponsorship income in 2014: by state



Victorian companies again reported the highest increase in the number of sponsors (up 30) of any of the states, as well as the largest increase in corporate sponsorship income for the sector (up $929 000 or 21.7 per cent).

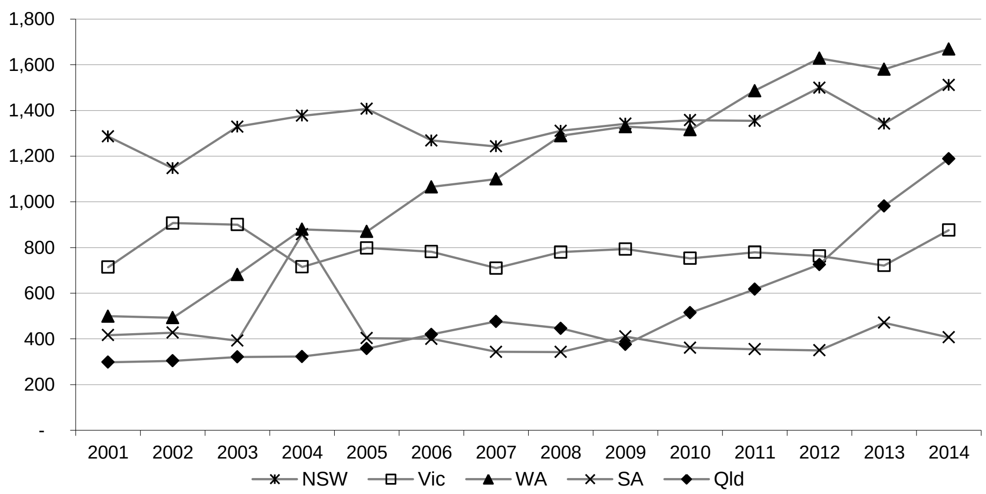
Figure 11: Total number and related dollar value of corporate sponsorships 2010–2014

Number of Sponsorships	2010	2011	2012	2013	2014	13-14	10-14
New sponsors	105	93	102	105	118	13	13
Sponsors maintained*	686	685	646	614	616	2	-70
Total # of sponsors	791	778	748	719	734	15	-57
% change in # of sponsors	2.1%	-1.7%	-3.8%	-3.9%	2.1%	2.1%	-7.4%
Total sponsorship ($'000)	26,825	27,881	30,277	29,734	33,442	3,707	6,616
% change in sponsorship $	0.9%	3.9%	8.6%	-1.8%	12.5%	12.5%	24.9%
Avg s'ship per company ($'000)	958	996	1,081	1,062	1,194	132	236
Avg # of sponsors	28.3	27.8	26.7	25.7	26.2	0.5	-2.0
Avg sponsorship ($'000)	33.9	35.9	40.5	41.4	45.6	4.2	11.6

(* from previous year)

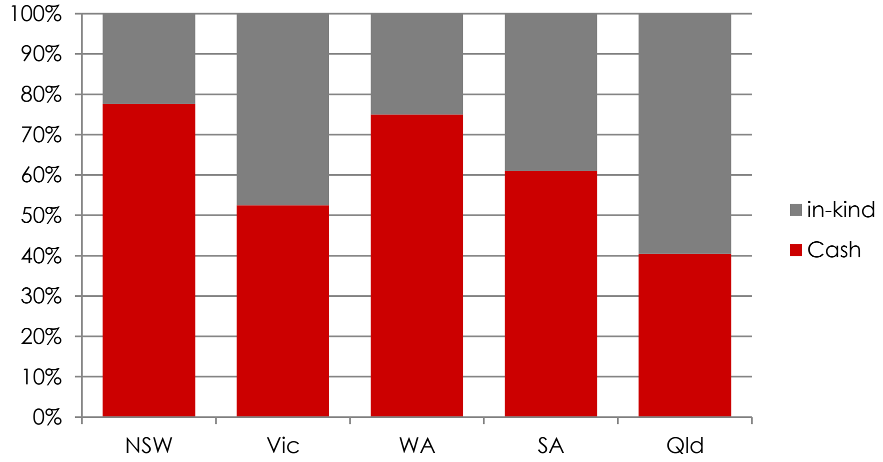
Average earnings in corporate sponsorship increased for Victorian companies (up 21.7 per cent), Queensland (up 21.1 per cent) NSW (up 12.6 per cent) and WA (up 5.6 per cent). Only South Australian companies reported earning less from corporate sponsorship in 2014 compared to 2013 (down 13.7 per cent).

Figure 12: Corporate sponsorship—average earnings: by state 2001–2014 ($'000)



Queensland companies continue to report receiving the highest ratio of in-kind sponsorship. Other states report receiving between 52 to 78 per cent of total sponsorship in the form of cash. Queensland companies receive just 40 per cent as cash and 60 per cent as in-kind sponsorship.

Figure 13: Proportion of in-kind to cash sponsorship: by state 2014 ($'000)



Private giving

Significant increases in average earnings over the 14-year period were experienced by companies in NSW, Victoria and, from 2011, Queensland. Little change was again reported by South Australian companies, and Western Australian companies reported only slight growth (apart from its marked peak in 2011).

Figure 14: Private giving: by state (average per company) 2001–2014 ($'000)

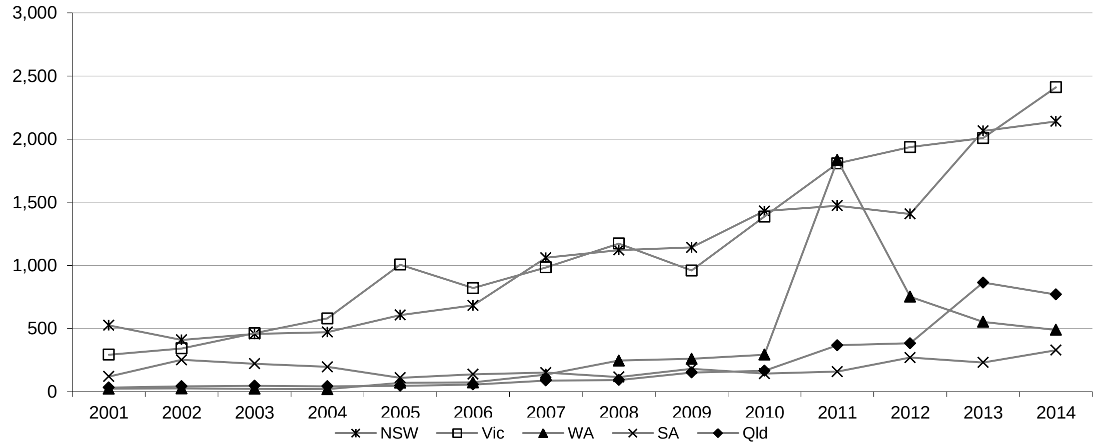
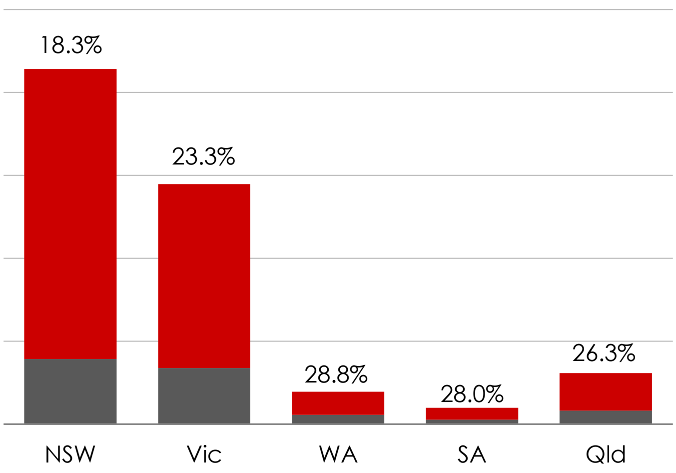


Figure 15 illustrates the ratio of direct costs to total private giving raised. A lower percentage implies better efficiency in raising private giving income.

Figure 15: Ratio of direct costs to total private giving: by state 2001–2014 ($'000)



New South Wales

The total income from corporate sponsorship, private giving and net fundraising events for the 10 New South Wales companies increased $2.6 million, or 18.3 per cent, compared to 2013 results. This was mainly due to an increase in corporate sponsorship—up $1.7 million or 11.3 per cent. Private giving increased $764 000 or 5.4 per cent. It is notable this result is affected by the normalisation of income levels of one company which ran a significant fundraising campaign in 2013. The underlying growth in total income from corporate sponsorship, private giving and net fundraising for NSW companies, ignoring the impact of this one company, was 42.9 per cent.

Since 2001 NSW companies have increased total earnings from sponsorship, private giving and net fundraising events by $19.9 million, now earning $38.9 million. This level of growth has not been universal across all NSW companies, with four of the 10 companies making up 73 per cent of the overall increase.

Private giving

The 10 New South Wales companies received 51 per cent of total private giving for the sector in 2014—$21.4 million.

NSW companies reported a modest 3.7 per cent increase in private giving in 2014. The results of one company—due to its significant fundraising campaign in 2013—dominated both the 2013 and 2014 results. Removing the impact of this company reveals that the nine NSW companies reported a much more substantial 53.2 per cent increase in private giving in 2014. All nine companies reported higher private income in 2014 compared to 2013.

NSW companies collectively reported an additional $19.9 million and a CAGR of 10.6 per cent since 2001.

NSW companies spent $3.9 million on attracting private giving, employing 29.4 FTE staff. The ratio of direct costs to private giving fell from 18.5 per cent to 18.3 per cent, showing they were more efficient in raising private giving income. In 2014, for every $1 spent by NSW companies, $5.46 was raised.

Corporate sponsorship

NSW companies received $13.8 million or 45 per cent of total corporate sponsorship for the sector in 2014.

NSW companies reported steady earnings (up 2.6 per cent) from corporate sponsorship following a sharp decrease (down 10.5 per cent) in 2013. Before 2013 corporate sponsorship earnings had been relatively stable with little or no increases reported from 2009. In 2012 one company reported a substantial increase that it was unable to maintain in 2013. The 2014 result is therefore in line with the more consistent pattern of negligible growth.

The reported modest increase in corporate sponsorship income in 2014 is due to higher value sponsorship being secured. The total number of sponsors secured between 2010 and 2014 has consistently fallen from 303 to 264.

NSW companies spent $4.4 million on raising corporate sponsorship income and employed 20.2 FTE staff (down from 23.2 in 2013). These costs made up 32.2 per cent of total corporate sponsorship income.

Events

NSW companies dominated the net fundraising event income results for the sector, making up nearly half of the 19 major performing arts companies who reported earnings from this source. Nine NSW companies held fundraising events in 2014 raising $2.3 million, which made up 80 per cent of the total $2.9 million reported.

Victoria

In Victoria total corporate sponsorship, private giving and net fundraising event income increased $3.5 million or 21.2 per cent in 2014—to $20.2 million. Since 2001 Victorian companies have increased earnings by $14.2 million, with one company making up 66 per cent of this increase.

Private giving

Victorian companies received $14.5 million in private giving, making up 34 per cent of total private giving for the sector (up 3 per cent on 2013 results).

Donations to Victorian companies continued to grow in 2014—up $2.4 million or 20.0 per cent on 2013 levels. This result is dominated by a single company, making up more than 85 per cent of this increase.

Five of the six Victorian companies reported earning more in 2014 compared to 2001, with income up $12.7 million (CAGR of 16.3 per cent). However, one company made up more than 65 per cent of this reported increase.

Victorian companies spent $3.4 million raising donations income in 2014—up $0.8 million on 2013 levels. They employed 20.2 FTE staff at a cost of $1.8 million. Non-wage costs increased $0.8 million to $1.5 million. Total direct costs made up 23.3 per cent of total donations earnings—up from the more efficient level of 17.6 per cent in 2013. For every $1 spent by Victorian companies, $4.29 was raised.

Corporate sponsorship

Victorian companies received $5.3 million in corporate sponsorship in 2014—16 per cent of total corporate sponsorship for the sector.

Victorian companies reported a substantial increase of 21.5 per cent in 2014 in corporate sponsorship earnings, the highest level of increase since 2002. The reported increase of $0.9 million was widespread with five of the six companies reporting a jump in earnings.

Analysis over the longer term reveals that Victorian companies are earning similar amounts from corporate sponsorship in 2014 as they did in 2002—see Figure 12 on page 10. The underlying data reveals that only three of the six companies are earning more in 2014 compared to 2001. The remaining three companies report generating $508 000 less in 2014 compared to 14 years ago.

Victorian companies reported a sharp increase in the number of sponsors (up 30). This contrasts with the more general trend of falling sponsor numbers reported in other states.

Victorian companies spent $2.2 million on raising corporate sponsorship income and employed 10.9 FTE staff. These costs made up 41.3 per cent of total corporate sponsorship income raised—an improvement on the 2013 ratio of 42.7 per cent.

Western Australia

Western Australian companies reported negligible growth in total sponsorship, private giving and net event income—up just $68 000 or 0.8 per cent on 2013 levels.

Private giving

Western Australian companies have again reported a decrease in private giving in 2014—down 11.5 per cent on 2013 levels. All WA companies received a substantial one-off donation of Fortescue Metals Group shares from Andrew and Nicole Forrest in 2011. One company also ran a substantial capital/building fundraising campaign at this time. While some of the reported decrease since 2011 can be attributed to these companies returning to a more normal pattern of income, the decrease may also be a result of a slowing economy and retraction of the mining boom. In 2014 only two of the four companies reported modest increases on 2013 levels.

WA companies spent a total of $562 000 to raise donation income in 2014—an increase of $74 000 on 2013 levels. Companies employed 5.7 FTE staff in 2014—up 0.5 FTE. Total direct costs made up 28.8 per cent of total donations earnings—the least efficient ratio of the sector (see Figure 15 on page 11).

Corporate sponsorship
Western Australian companies received $6.7 million in corporate sponsorship or 20 per cent of total corporate sponsorship for the sector in 2014.

They reported a $356 000 or 5.6 per cent increase in earnings in 2014 from corporate sponsorship compared to 2013, with three of the four WA companies earning more from this source.

WA companies have achieved strong growth in corporate sponsorship income since 2005, on the back of the resources boom. Corporate sponsorship income has surged 234.2 per cent from 2001 to 2014—with a CAGR of 9.0 per cent and well ahead of comparable CPI figures for the same period.

They spent $1.5 million on raising corporate sponsorship income and employed 8.7 FTE staff. These costs made up 23.1 per cent of total corporate sponsorship income.

Queensland
Queensland companies reported $7.8 million in total corporate sponsorship, private giving and net fundraising event income in 2014—an increase of $400 000 compared to 2013 results.

Private giving
Queensland companies received 7 per cent of total private giving for the sector in 2014—a decrease of 2 per cent on 2013.

Income from private giving to Queensland-based companies decreased for the first time in 10 years. In 2014 two of the four companies reported a decrease in earnings, one reported modest growth and one company almost doubled its income compared to 2013 levels. Despite this overall fall, Queensland companies reported a 2309.5 per cent increase in private giving income over the 14-year period, representing a CAGR of 25.5 per cent—the highest increase of the sector. These increases have been built from a comparatively low base.

Queensland companies spent $809 000 raising donation income in 2014—up $219 000 on 2013. They employed 8.4 FTE staff. Total direct costs made up 26.3 per cent of total donation earnings, with every $1 spent delivering $3.80 in private giving.

Corporate sponsorship
Queensland companies received almost $4.8 million, or 14 per cent, of total corporate sponsorship for the sector in 2014, capturing an extra 1 per cent of the market compared to 2013.

Queensland companies have again reported a substantial increase in corporate sponsorship earnings in 2014—up 21.1 per cent and building on the large increases reported since 2010. The 2014 increase was a result of two of the four companies reporting higher earnings. Since 2001 three of the four Queensland companies have reported increased earnings from this source—collectively up by 298.6 per cent with a CAGR of 10.4 per cent and tracking well ahead of CPI.

They continue to report the highest ratio of in-kind sponsorship. Other states report receiving between 52 to 78 per cent of total sponsorship in the form of cash. Queensland companies receive just 40 per cent as cash and 60 per cent as in-kind sponsorship—see Figure 13 on page 11.

Queensland companies spent $887 000 on raising corporate sponsorship income and employed 4.6 FTE staff. These costs made up 18.7 per cent of total corporate sponsorship income, the most efficient ratio of the sector.

South Australia

South Australian companies collectively reported an increase of $108 000 in earnings from total corporate sponsorship, private giving and net fundraising event income, to $2.3 million.

Private giving

South Australian companies received 2 per cent of total private giving for the sector in 2014.

The companies reported a $292 000 or 42.3 per cent increase in private giving in 2014, with two of the three companies reporting relatively substantial increases. Despite this increase, SA companies reported the lowest growth in donations income from 2001 to 2014 (up 174.7 per cent—a CAGR of 7.5 per cent).

In 2014 SA companies spent a total of just $275 000 to raise donation income and employed 2.8 FTEs. They spend substantially less and employ fewer philanthropic staff compared to other states. This lowinvestment in direct costs could be a major cause of the consistently low private giving achieved in this state.

Corporate sponsorship

South Australian companies received $1.2 million or 4 per cent of total corporate sponsorship for the sector in 2014.

All SA companies reported a decrease in earnings from this source in 2014—down 13.7 per cent on 2013 levels. Corporate sponsorship earnings have decreased 2.4 per cent (CAGR of 0.2 per cent) from 2001 to 2014. Two of the three companies earn less from corporate sponsorship in 2014 compared to 2001.

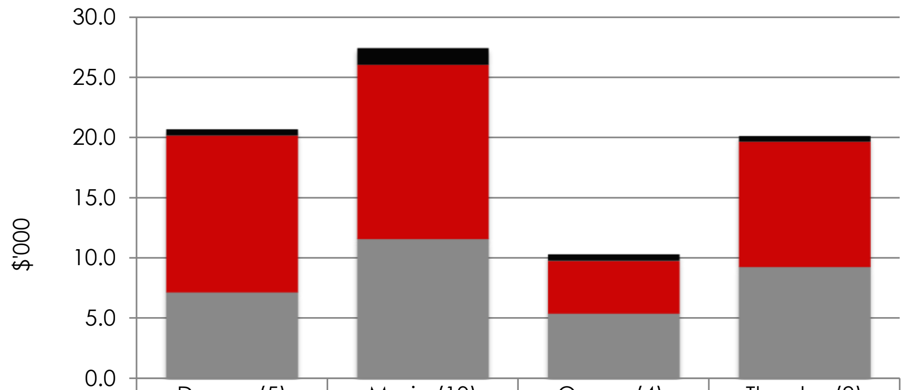
SA companies decreased expenditure by $51 000 in 2014 compared to 2013, with decreases mainly stemming from corporate tickets and other direct costs.

In 2014 costs made up 64.0 per cent of total sponsorship income for companies from this state, significantly higher than any other state. While the ratio of total costs to income is the highest of the states, the ratio of salaries as a proportion of total costs continues to be the lowest.

2.4 Analysis by art form

Total sponsorship and donation earnings for 2014 by art form were as follows:

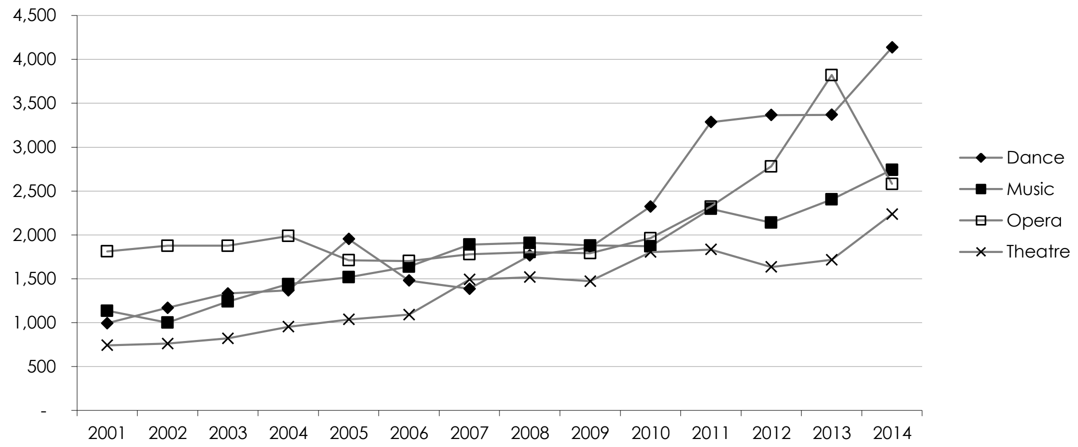
Figure 16: Total earnings by art form: 2014



	Dance (5)	Music (10)	Opera (4)	Theatre (9)
Events (net)	502	1,401	548	466
Donations	13,010	14,431	4,371	10,390
S'ships	7,164	11,592	5,408	9,278

The following graph shows the average amount generated from sponsorship and private giving income by each art form group from 2001 to 2014.

Figure 17: Average sponsorship and donations by art form: 2001–2014



Analysing the median results reveals a more volatile picture compared to average income presented above. This is due to the disparity of the size of individual companies within each art form. All art forms have one or two 'dominant' companies that materially affect average results. Of particular note:

- Both opera and dance companies reported substantially lower median results compared to average results, suggesting that one company in each art form received significantly more in private sector revenue than their cohorts.

- Theatre companies reported the closest similarity between median and average results suggesting that individual results for these companies were more consistent than in other art forms.

Important art form trends are:

- Dance companies have reported a very solid return to growth in corporate sponsorship income (up 31.0 per cent) coupled with strong growth (18.2 per cent) in private giving. All five companies reported earning more in 2014 compared to 2013—however, one company dominated the result.

- Only five of the 10 music companies reported earning more in corporate sponsorship income in 2014 compared to 2001.
- Opera companies have consistently reported the highest level of efficiency in attracting sponsorship and private giving. In 2014 these companies reported investing 16.1 per cent of private giving income and 25.4 per cent in corporate sponsorship earnings on staffing and other related direct costs.
- Theatre companies have reported strong growth in 2014. Although this result is due to seven of the nine companies reporting increased levels of sponsorships and private giving, one company dominated the result (making up more than 70 per cent of the overall increase).

Dance

Dance companies reported a substantial increase of $3.8 million in total corporate sponsorship, private giving and net fundraising events income—with all five companies reporting an increase in earnings in 2014 compared to 2013. Dance companies received $20.7 million—$15.7 million more in total private sector income in 2014 compared to 2001, with all five dance companies reporting increases over the 14-year period.

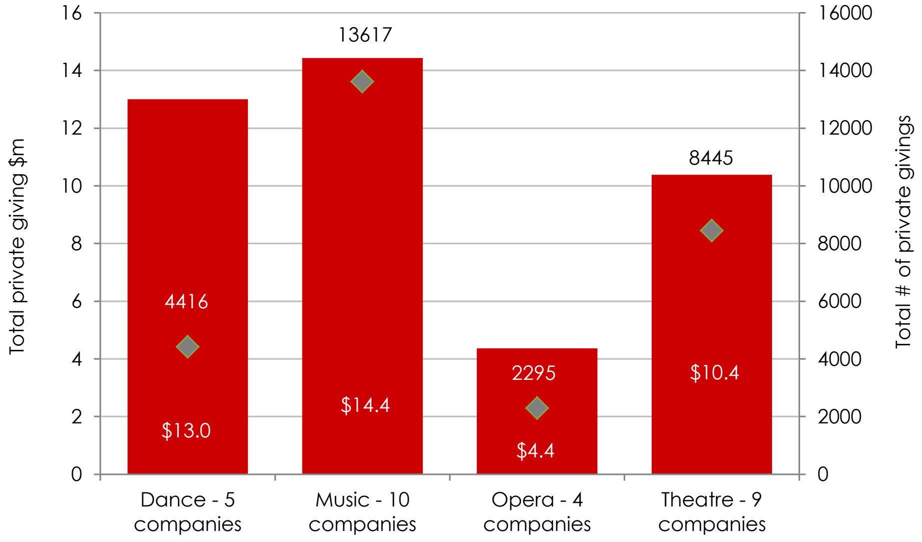
Private giving

In 2014 dance companies reported receiving $13.0 million—an increase of $2.0 million or 18.2 per cent compared to 2013—with three of the five dance companies reporting an increase in earnings.

Since 2001 dance companies reported a collective increase of $11.9 million or 1037.7 per cent and a CAGR well ahead of CPI at 19.0 per cent. All dance companies reported receiving more from private giving in 2014 compared to 2001, although it should be noted that one company makes up more than 70 per cent of this increase.

Dance companies reported an increase of 346 in the number of donations in 2014. Despite this increase, dance (and opera) companies continued to attract a relatively small number of donations compared to other art forms. Figure 18 illustrates the number of donations received and the total amount of private giving in 2014.

Figure 18: The number of donations and total amount of private giving: 2014



Dance companies spent $3.4 million in raising donation income—up $0.9 million on 2013 levels. Dance companies employed 19.6 FTE staff—up 2.0 FTE from 2013. Total direct costs made up 26.0 per cent of total donation earnings—a notable deterioration on the 22.8 per cent level reported in 2013.

Corporate sponsorship
Dance companies reported a sharp return to growth following two years of decline—up $1.7 million or 31.0 per cent—the biggest increase for the sector. Four of the five companies reported earning more from corporate sponsorship in 2014 compared to 2013.

Dance companies reported an overall increase of 87.3 per cent or a CAGR of 4.6 per cent in corporate sponsorship earnings from 2001 to 2014. This growth, however, is not universal—two companies reported earning less in 2014 compared to 2001.

Dance companies spent $2.1 million on raising corporate sponsorship income and employed 9.5 FTE staff in 2014. These costs made up 29.9 per cent of total corporate sponsorship income.

Music
Total income from corporate sponsorship, private giving and net fundraising events for music companies increased $3.4 million in 2014 to $27.4 million, with increases reported by eight of the 10 companies.

Since 2001 nine companies reported increased earnings from total corporate sponsorships and private giving. Analysis of the underlying data reveals that this 14-year result is becoming more widespread over time.

Private giving
In 2014 music companies reported an increase of $2.9 million or 25.0 per cent in private giving, earning a total of $14.4 million. The increase was widespread, with eight of the 10 companies receiving more in 2014 compared to 2013.

Music companies increased donations income by 332.4 per cent (CAGR 11.0 per cent) over the 14-year period. Nine of the 10 music companies reported receiving more in private giving in 2014 compared to 2001.

Music companies reported an increase of 863 donations in 2014—up from 12 754 to 13 617.

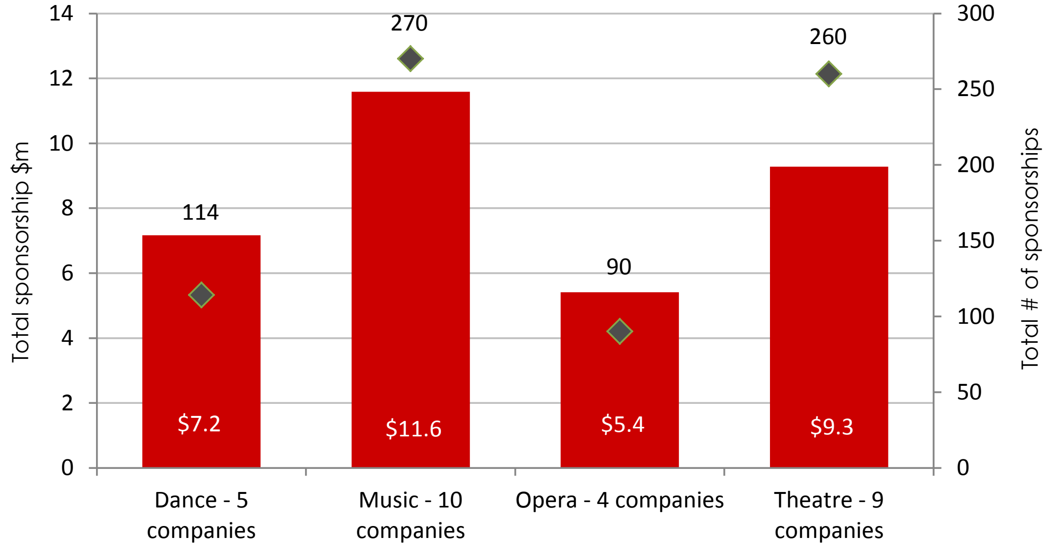
They reported an increase in costs associated with raising private giving income in 2014—up $868 000 to $3.4 million. They spent $2.2 million on 19.6 FTE staff—up 2.0 FTEs on 2013. Total direct costs made up 26.0 per cent of total private giving income—the least efficient ratio of the sector.

Corporate sponsorship
Music companies reported a very modest $215 000 increase to $11.6 million in corporate sponsorship earnings for 2014.

Over the 14-year review period, they reported a total increase in corporate sponsorship of 45.4 per cent or 2.7 per cent CAGR. Despite this, the most substantial growth for music companies occurred in 2003 and 2004. Only five of the 10 music companies are generating more from corporate sponsorship in 2014 compared to 2001.

Music companies again reported a decline in the number of sponsorships secured—down 21 to 270 in 2014. They have been reporting a steady decline in the number of sponsorships and are down 26.8 per cent on 2010 levels. This contrasts with the results of theatre companies (up 50.3 per cent) over the same period. Opera companies also reported a decline in sponsorships (down 33.3 per cent) and dance companies report negligible change (down 1.8 per cent).

Figure 19: Total number of sponsorships and total sponsorship amount: 2014



Music companies spent $3.5 million on raising corporate sponsorship income and employed 18.5 FTE staff. These costs made up 30.6 per cent of total corporate sponsorship income.

Opera

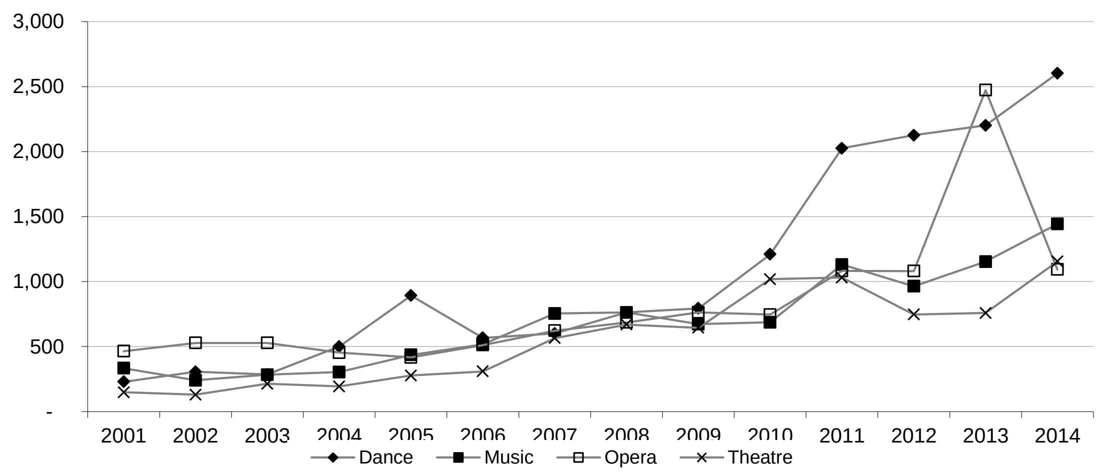
Total income from corporate sponsorship, private giving and net fundraising events for opera companies decreased $5.0 million in 2014. While this result is mainly driven by one company 'normalising' after a significant fundraising campaign in 2013, it is notable that only one opera companies reported increased results in 2014 compared to 2013.

Total private sector income was $3.1 million in 2014—more than was received in 2001. One company reported earning less in 2014 compared to 2001.

Private giving

Opera companies reported a 55.8 per cent decrease in income from private giving from 2013 to 2014. While this result was mainly due to the results of a single company, it is notable that only one opera company reported earning more from private giving in 2014 compared to 2013.

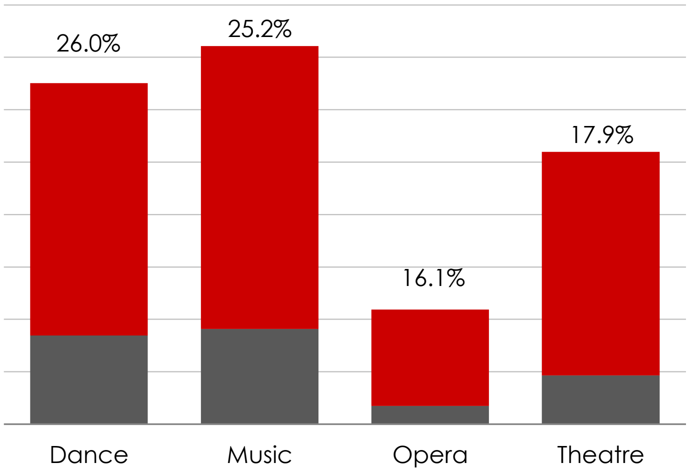
Figure 20: Average private giving—by art form: 2001–2014 ($'000)



Opera companies increased private giving income by 135.1 per cent over the 14-year period, representing a CAGR of 6.3 per cent—the lowest level of increase for the sector. Three of the four companies reported raising more in private giving in 2014 compared to 2001.

Opera companies spent $702 000 on raising private giving revenue in 2014 which is a $184 000 fall on 2013 levels. They reported employing 5.7 FTE staff. Total direct costs made up 16.1 per cent of total private giving income—the lowest and most efficient ratio of the sector.

Figure 21: Ratio of direct costs to total private giving—by art form: 2001–2014 ($'000)



Corporate sponsorship

In 2014 corporate sponsorship earnings for opera companies increased $0.6 million or 13.0 per cent on 2013 levels to $5.4 million. The was the result of a single company, while another company reported little change on 2013 levels and two reported earning less from this source.

Earnings since 2001 have increased 15.7per cent (CAGR: 1.0 per cent) and track behind CPI earnings for the same period.

Opera companies spent $1.3 million on raising corporate sponsorship income and employed 6.1 FTE staff. These costs made up 25.4 per cent of total corporate sponsorship income and continue to be the most efficient and the lowest ratio of the sector.

Theatre

Theatre companies collectively reported $20.1 million in total income from corporate sponsorship, donation and net fundraising events in 2014—an increase of $4.7 million compared to 2013. While seven of the nine companies reported increased levels of earnings, one company made up more than 70 per cent of the overall result.

Private giving

Theatre companies reported a $3.6 million or 52.2 per cent increase in private giving in 2014. While eight of the nine companies reported increases in private giving in 2014 compared to 2013, one company made up almost 70 per cent of this increase.

All nine theatre companies reported an increase in private giving in 2014 compared to 2001 with an overall lift of 679.1 per cent or a CAGR of 15.8 per cent.

Theatre companies employed 1.6 more FTE staff to raise private giving income in 2014, investing an additional $228 000. Total costs incurred to raise donation income were $1.9 million in 2014. Total direct costs made up 17.9 per cent of total private giving.

Corporate sponsorship

Theatre companies reported an increase of 14.5 per cent in corporate sponsorship earnings in 2014 to $9.3 million, building on the results of the past few years and lifting earnings to the highest level over the 14-year review period. This increase was relatively widespread, with six of the nine companies generating $1.6 million more in 2014 compared to 2013.

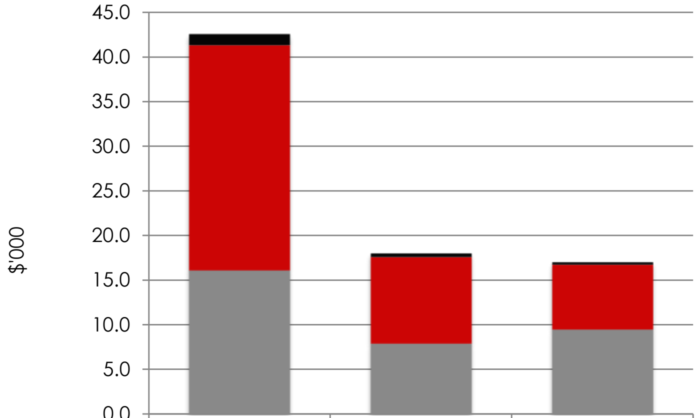
Theatre companies have reported an overall increase of 77.1 per cent or CAGR of 4.2 per cent in corporate sponsorship earnings since 2001. Despite this increase, two companies reported earning less income from this source in 2014 compared to 2001.

Theatre companies spent $2.9 million on raising corporate sponsorship income and employed 14.7 FTE staff. These costs made up 31.8 per cent of total corporate sponsorship income—the highest and least efficient ratio of the sector.

2.5 Analysis by company size[5]

Total sponsorship and donation earnings for 2014 by company size were as follows:

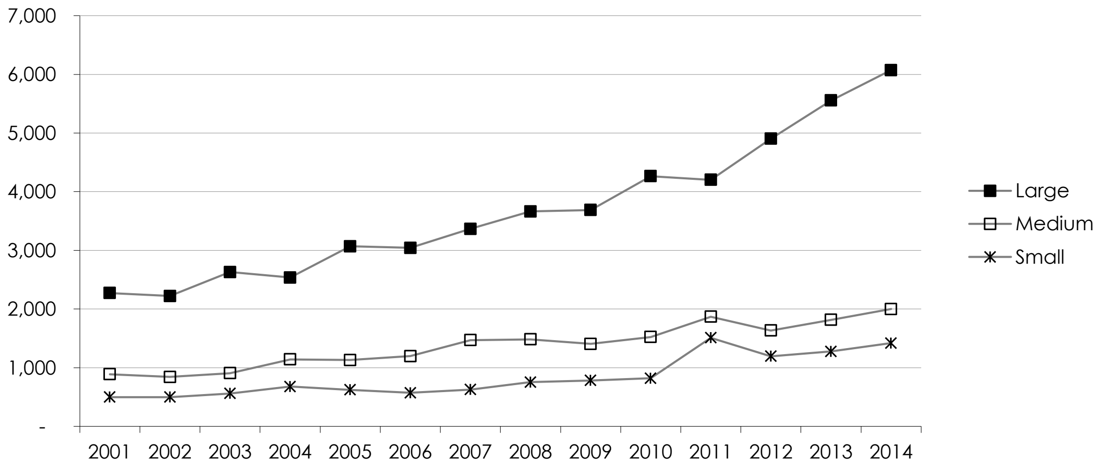
Figure 22: Total earnings by company size: 2014



	Large (7)	Medium (9)	Small (12)
Events (net)	1,224	397	274
Donations	25,209	9,706	7,286
S'ships	16,078	7,898	9,466

Figure 23 shows the average amount generated from sponsorship and private giving income by each company size group from 2001 to 2014.

Figure 23: Average sponsorship and donations by turnover: 2001–2014



Analysis of median results essentially mirrors the average results presented above.

Notable patterns of earnings across each company size group include:

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5 Companies are treated as 'large' if their turnover exceeded $15m, 'medium' for companies with a turnover between $8m and $15m, and 'small', less than $8m. The test as to whether a company is small, medium or large has not changed since 2010 so that companies are consistently compared against the same cohort year on year.

- Large companies received substantially more in both corporate sponsorship and private giving compared to small and medium companies.
- Medium companies track substantially behind large companies in both private giving and, in particular, corporate sponsorship earnings. Their reported earnings are similar to small companies.
- Small companies increased their investment in direct costs for both raising private giving and corporate sponsorship. In 2014 these companies employed more FTE staff to raise private giving than medium companies (total group employees:17.7 FTEs compared to 17.4 FTEs). However the average number of FTEs is less for small companies (1.5 small and 1.9 medium).

Large companies

Large companies reported a $3.6 million increase in total corporate sponsorship, donation and net fundraising event income. While five of the seven companies reported increases, one reported a significant drop as its results 'normalised' after a substantial fundraising campaign in 2013.

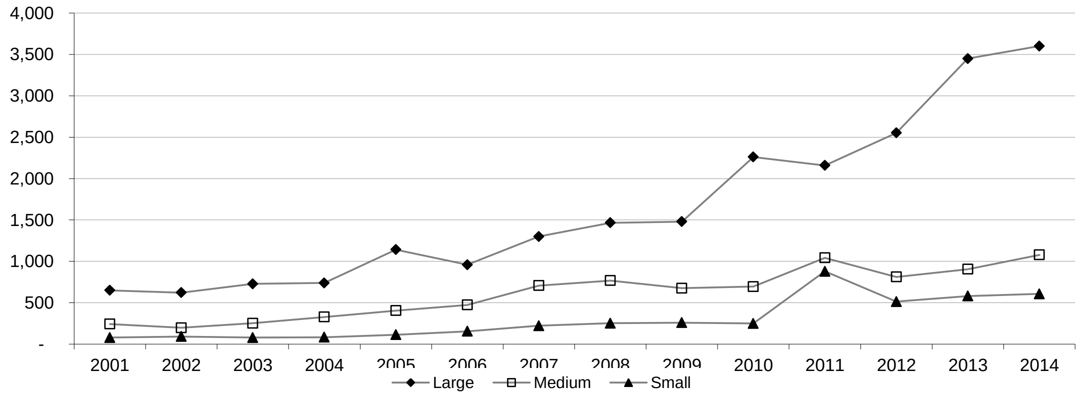
Large companies reported receiving a total of $42.5 million in total development income—$26.1 million up on 2001 levels. All seven large companies reported earning more from this source in 2014 compared to 2001.

Private giving

In 2014 large companies reported an increase of $1.1 million or 4.4 per cent in private giving to $25.2 million. This increase was despite a single company reporting a substantial decrease as earning levels returned to normal following a substantial fundraising campaign in 2013. Ignoring the impact of this company's results, the remaining six companies reported a collective $6.5 million increase—up 42.9 per cent on 2013.

Since 2001 large companies have reported a collective increase of $20.7 million or 454.5 per cent. While all large companies reported earning more in 2014 from private giving compared to 2001, two companies made up more than 60 per cent of the result.

Figure 24: Private giving—by size of company (average per company): 2001–2014 ($'000)



Large companies spent a total of $4.3 million on raising donation income in 2014—down $0.3 million on 2013 levels. These companies invested $3.1 million in wage-related costs for 32.4 FTE staff. Total direct costs made up 16.9 per cent of total donation earnings, the most efficient and lowest ratio of the sector. For every $1 spent, $5.92 was raised in 2014.

Corporate sponsorship

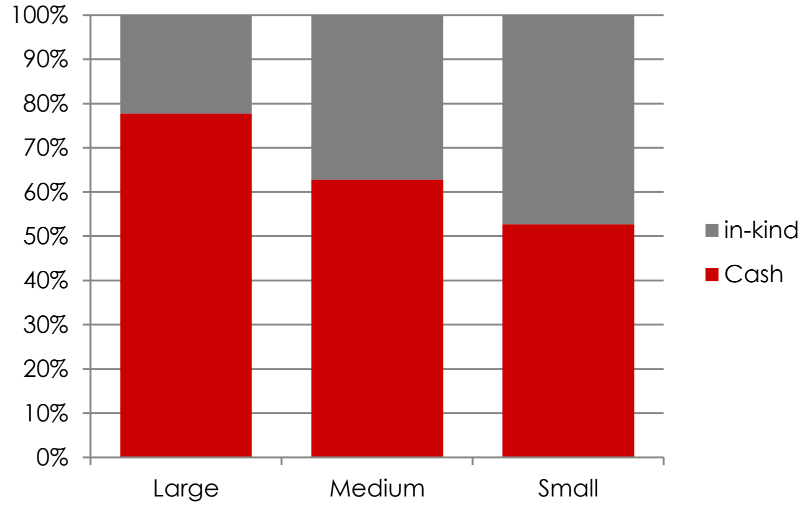
Large companies reported an increase of $2.4 million or 17.2 per cent increase in earnings from corporate sponsorship in 2014 to $16.1 million. The reported increase was due to four of the seven companies increasing earnings from this source. Three companies generated less from corporate sponsorship income in 2014 than in 2013.

Over the 14-year review period, large companies reported a $5.0 million or 45.7 per cent (CAGR of 2.7 per cent) increase in corporate sponsorship income. Three of the seven companies reported earning less in 2014 compared to 2001. The remaining four companies have collectively lifted earnings by $5.6 million.

Large companies spent $5.4 million on raising corporate sponsorship income and employed 24.2 FTE staff. These costs made up 33.5 per cent of total corporate sponsorship income.

Large companies report a significantly higher level of sponsorships in the form of cash compared to in-kind. Large companies received 78 per cent of total 2014 sponsorship income as cash. This contrasted with small and medium companies who reported only 53 and 63 per cent respectively of sponsorships being received as cash.

Figure 25: Proportion of in-kind to cash sponsorship—by turnover: 2014 ($'000)



Medium companies

Medium companies have reported a $1.6 million increase in earnings from total corporate sponsorship, private giving and net fundraising event income in 2014 to $18.7 million. Seven of the nine companies reported increased earnings in 2014.

Eight of the nine medium-sized company reported increased earnings from total development income in 2014 compared to 2001.

Private giving

In 2014 medium companies reported an increase of $1.6 million or 19.1 per cent in private giving to $9.7 million. The increase was relatively widespread, with seven of the nine companies receiving more from private giving in 2014 than in 2013.

Since 2001 eight of the nine medium companies have reported increased private giving income. These companies collectively received $7.5 million more in private giving income in 2014 compared to 2001. The four NSW companies have dominated these results, making up 78 per cent of the reported increase.

Medium companies reported an increase in costs associated with raising donation income in 2014—up $589 000 to $2.2 million. There was $1.5 million spent on 17.4 FTE staff—up 2.7 FTEs. Total direct costs made up 22.5 per cent of total private giving income.

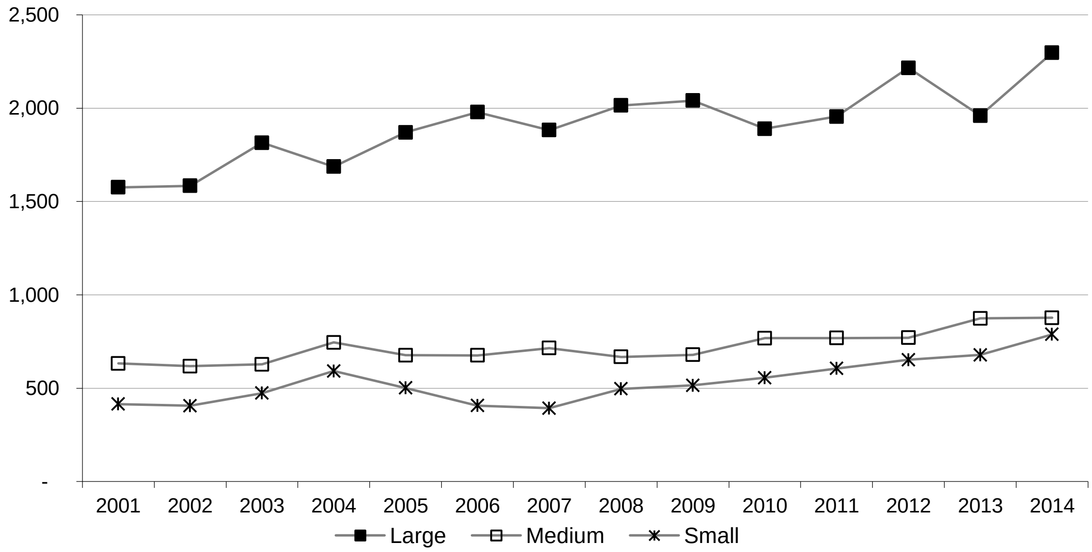
Corporate sponsorship

Medium companies reported almost no change in income from this source—up just $29 000 on 2013 levels.

Over the 14-year review period, medium companies reported a total increase in corporate sponsorship of 38.7 per cent (CAGR of 2.4 per cent). Four of the nine medium-sized companies are generating less from corporate sponsorship in 2014 compared to 2001 levels—see Figure 26 on page 24.

Medium companies spent $2.9 million on raising corporate sponsorship income and employed 12.1 FTE staff—a significant 3.6 FTE fall on 2013 levels. These costs made up 36.8 per cent of total corporate sponsorship income, with these companies continuing to report the least efficient and highest ratio of the sector.

Figure 26: Corporate sponsorship—average earnings by company size: 2001–2014 ($'000)



Small companies

Small companies reported a $1.8 million increase in total income from corporate sponsorship, private giving and net fundraising events in 2014 to $17.4 million. This increase was not universal, with three of the 12 companies earning less in 2014 compared to 2013.

One small company earns less income from total corporate sponsorship, private giving and net fundraising events today than it did in 2001.

Private giving

In 2014 small companies reported an increase of $0.3 million or 4.6 per cent in private giving to $7.3 million. Five of the 12 companies reported earning less in 2014 compared to 2013—the remaining seven companies reported a collective $1.4 million increase.

Since 2001 all but one of the small companies reported increased private giving income. These companies collectively received $6.3 million more in donations income in 2014 compared to 2001—an increase of 667.8 per cent (CAGR of 15.7), the largest of the sector.

The 12 small companies spent a total of $1.6 million to raise private giving income in 2014—up $146 000 on 2013. Small companies employed 17.7 FTE staff in 2014—up sharply (2.8 FTE) from 2013. Total direct costs made up 21.7 per cent of total donation earnings.

Corporate sponsorship

In 2014 corporate sponsorship earnings for small companies increased $1.3 million on 2013. Total corporate sponsorship earnings reached almost $9.5 million. Eight of the 12 companies reported increasing earnings from this source. The remaining four companies collectively generated $213 000 less in 2014 compared to 2013.

While earnings since 2001 have increased 90.1 per cent (CAGR of 4.7 per cent), not all small companies reported an increase. Five of the 12 earned less in 2014 than in 2001—amounting to $771 000.

Small companies spent $2.1 million on raising corporate sponsorship income and employed 12.4 FTE staff. These costs made up 21.8 per cent of total corporate sponsorship income—the lowest and most efficient of the sector.

APPENDIX 1

Research methodology

All 28 major performing arts companies responded to the 2015 survey.

The data analysis addresses the following questions in this report:

- Has total sponsorship and donations revenue increased over the period—if so, what is the size of the increase?
- Has the ratio of income from sponsorship and donations changed?
- Has sponsorship income increased over the period—if so, what is the size of the increase?
- Has there been growth in the number of sponsorships? Has the average amount changed?
- What is the proportion of cash to in-kind sponsorship? Is there any change over the review period?
- Has donations income increased over the period—if so, what is the size of the increase?
- Has the number of donors increased? Has the average donation amount changed?
- Has net income generated from fundraising and other events increased?
- Is there a clear national trend or a different trend state by state?
- How much does it cost to raise and service sponsorship and donations?

The data is presented responding to each of the questions, firstly for the whole sector, then state by state[6] and then art form. The research findings also include analysis by turnover.[7] In most cases, aggregate results and average results are provided.

Analysis of median results was also undertaken. The data analysis revealed there was no material difference in the median and average results—with the exception of Victorian and Dance data. These groups were affected by results from The Australian Ballet.

Additional information relating to the cost of raising and servicing sponsorship and donations income is also presented. Companies were requested to provide related costs for 2006 to 2014 under the following categories:

- wages, salaries and on-costs
- provision of corporate tickets to sponsors
- other direct costs (which may include events, printing and production costs, and communications).

Companies were also asked to provide information on the number of full time equivalent (FTE) staff employed to raise and service sponsorship and donations income.

The method for collecting data for this report has remained consistent over time. Companies complete the survey annually, providing financial and statistical data that is

[6] Since only one company is reporting from Tasmania, no separate analysis of this state is provided in the report. Where applicable, the data of this company is included in the total sector, art form and turnover analysis.
[7] Companies are treated as 'large', 'medium', and 'small' according to the size of their turnover. The test as to whether a company is small, medium or large has not changed since 2010 so that companies are consistently compared against the same cohort year on year.

used to produce the total sector, state and art form results[8]. Each company is required to explain any financial information that deviates materially[9] from results presented in their annual reports. Two main types of deviation have been noted in the 2014 results:

i Two companies do not include in-kind income in their annual report results but have included in-kind data in this report.

ii Six companies apply different classification criterion in their annual report. For example, fundraising events are reported in gross rather than net terms and donations income is not separately disclosed, but included as part of other revenue.

All companies that have included additional material beyond what is reported in their annual report figures have done so consistently year on year.

This project has been assisted by the Australian Government through the Australia Council for the Arts, its arts funding and advisory body.

Australian Government | Australia Council for the Arts

[8] Minor fluctuations in data from previous surveys may be noted due to differing reporting periods for South Australian two companies. One company has additionally corrected previously reported donation income for 2013.

[9] Materiality has been set at 10 per cent.

APPENDIX 2

List of major performing arts companies

Company	State	Art form	Turnover
Adelaide Symphony Orchestra	South Australia	Music	Medium
Australian Brandenburg Orchestra	New South Wales	Music	Small
Australian Chamber Orchestra	New South Wales	Music	Medium
Bangarra Dance Theatre	New South Wales	Dance	Small
Bell Shakespeare	New South Wales	Theatre	Medium
Belvoir	New South Wales	Theatre	Medium
Black Swan State Theatre Company	Western Australia	Theatre	Small
Circus Oz	Victoria	Theatre	Small
Malthouse Theatre	Victoria	Theatre	Small
Melbourne Symphony Orchestra	Victoria	Music	Large
Melbourne Theatre Company	Victoria	Theatre	Large
Musica Viva Australia	New South Wales	Music	Medium
Opera Australia	New South Wales	Opera	Large
Opera Queensland	Queensland	Opera	Small
Orchestra Victoria	Victoria	Music	Medium
Queensland Ballet	Queensland	Dance	Small
Queensland Symphony Orchestra	Queensland	Music	Medium
Queensland Theatre Company	Queensland	Theatre	Medium
State Opera South Australia *	South Australia	Opera	Small
State Theatre Company of South Australia *	South Australia	Theatre	Small
Sydney Dance Company	New South Wales	Dance	Small
Sydney Symphony	New South Wales	Music	Large
Sydney Theatre Company	New South Wales	Theatre	Large
The Australian Ballet	Victoria	Dance	Large
Tasmanian Symphony Orchestra	Tasmania	Music	Medium
Western Australian Ballet	Western Australia	Dance	Small
West Australian Opera	Western Australia	Opera	Small
West Australian Symphony Orchestra	Western Australia	Music	Large

*Note that both the State Opera of South Australia and the State Theatre Company of South Australia prepare their statutory accounts on a financial rather than a calendar year basis. For the purposes of this report, 14/15 forecast results have been included in the presented 2014 data.