

For immediate release  
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## Media release

### Tracking Changes in Corporate Sponsorship and Private Donations 2007 – overall growth for 5 years.

A project of the **Australian Major Performing Arts Group**, the **Tracking Changes in Corporate Sponsorship and Private Donations 2007 Survey** is the sixth annual report on private and corporate income earned by the major performing arts companies. It tracks and analyses levels of corporate sponsorship and private donations for the major performing arts sector for the years 2002 to 2006.

Report findings show a steady pattern of increase in private support over the five year period, with \$11.1 million injected into the sector during 2002 - 2006, well ahead of the CPI, but a decline in revenue from the 2005 levels.

In 2006, major performing arts companies generated \$40.9 million in sponsorship and donation revenue compared with \$42.2 million in 2005. Of this, \$25.8 million (63 per cent) was received in the form of corporate sponsorship, \$12.4 million (30 per cent) from donations and a net amount of \$2.8 million (7 per cent) was raised from fundraising events.

“It’s important to note when examining this year’s figures, that the past five years have seen a strong overall increase in private support of the arts,” says AMPAG Executive Director Helen O’Neil.

“However, when compared to the 2005 results, the 2006 amounts do reveal a decline in earnings from all three sources of revenue – corporate sponsorship, donations and fundraising. Sponsorship earnings decreased by 1.3 percent driven by results in NSW, although there was growth in Western Australia and Queensland.

“Donations fell by 5.2 percent – but this reflected a return to more normal growth rates after several major gifts to one company in 2005. Because philanthropy varies considerably as various special campaigns and capital raisings take place, it will tend to have more volatile growth year on year.

“Overall the results suggest that arts sponsorship could be coming to a point of market maturity after a decade of fast moving change (average sponsorship increased 58 per cent between 1997 and 2001), with major growth in future years coming from corporate and personal philanthropy. However the companies are actively working to ensure current sponsors stay in the arts area, and new sponsors see the benefits of building their reputation and brand through investment in live performing arts.

“The changes here underline the reliance on stable financial support from Government and the recent Federal and State Government Budget investments in the companies are very timely.”

#### **MORE KEY FINDINGS:**

##### **1. Decline in sponsorship revenue**

Corporate sponsorship has increased \$4.3 million between 2002 - 2006 or 17 percent. Earnings made up 71 per cent of total sponsorship and donation revenue in 2002, and in 2006, this proportion has fallen to 63 per cent.

Sponsorship still provides the largest proportion of revenue to the sector, even though proportional increases in net fundraising income and private giving outpaced growth in corporate sponsorship.

## **2. Donations – significant increases in five years, although slight decline in 2005-06**

Total donations income increased 71.2 per cent from 2002 to 2006. More than half of this increase was achieved in 2005, with exceptional results by The Australian Ballet.

The proportion of this income to sponsorship and donation income rose by five percent from 2002 to 2006, even though the net income from fundraising events fell slightly from 2005 to 2006.

## **3. State based analysis**

**NSW** – with NSW companies making up 55 per cent of the sector market share and producing between 36 and 278 per cent more revenue than other states, they reported a decline in earnings from corporate sponsorship of 9.1 per cent or \$1.4 million. However, this result was partly offset by a 4.6 per cent / \$284k increase in donation income.

**VIC** - Victorian companies reported an overall decrease in revenue of 12 per cent in 2006, with the income plateauing after the exceptional 2005 donation results for The Australian Ballet. Donation revenue, while falling 18.5 per cent on 2005 levels, has increased 41.6 per cent on 2004 results – well ahead of CPI growth for the period.

**WA** - Western Australian companies have continued to increase total sponsorship and donations revenue at a greater rate than companies from any other state, primarily from corporate sponsorship earnings. In 2006, four WA companies generated \$4.3 million from corporate sponsorships, averaging \$1.1 million per company.

**QLD** - Queensland companies have reported increases in corporate sponsorship (38 per cent) and donations (33 per cent) since 2002. As these results have stemmed from relatively low bases, these increases have resulted in Queensland's market share of total sponsorship and donation revenue increasing just one per cent to five per cent in 2006.

**SA** - South Australian revenue from sponsorship and donations fluctuated markedly over the five-year period primarily due to the staging of *The Ring Cycle* in 2004. Negating the impact of the Ring Cycle reveals virtually no growth has been recorded from corporate sponsorship earnings and income from donations have fallen \$390k / 52 per cent compared to results from 2002.

“AMPAG recognises the importance of corporate sponsorship and donations income to the financial stability of all major performing arts companies,” says O’Neil. “There’s a clear and indisputable correlation between stable financial reserves and an enhanced artistic vibrancy of an arts organisation.”

### **AMPAG Background:**

AMPAG is the umbrella group for the 28 major performing arts companies of Australia. Based in six states, the companies produce and present vibrant performance for Australian and international audiences in dance, drama, music, opera and circus.

Although most of the companies revenue is from box office, corporate and private sources, they receive direct investment from the Federal and state governments.

**MEDIA:** A PDF of Key Findings is available on request.

For further information and interviews, please contact Trudy Johnston of tjc (02 8904 0822, [trudy@tjc.com.au](mailto:trudy@tjc.com.au), 0402 485 902) or AMPAG Executive Director Helen O’Neil (0417 230 540)