



The Hon Michael Sukkar MP
Assistant Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

28 January 2021

Dear Assistant Minister,

Symphony Services Australia pre-Budget submission on priorities for the 2021-22 Federal Budget

Symphony Services Australia (“SSA”) provides services to Australia’s six symphony orchestras (the Adelaide, Melbourne, Queensland, Sydney, Tasmanian and West Australian Symphony Orchestras), on whose behalf we make this submission.

The impact of COVID-19 on the arts

COVID-19 has had an enormous impact on the arts and cultural sector and its audiences. The industry has experienced an estimated \$24 billion of lost economic output and almost \$11 billion in lost industry value. It has also seen 79,000 jobs cut - around two thirds of the workforce¹. Estimated revenue loss among the six symphony orchestras was approximately \$49.3 million in 2020 and is anticipated to cost a further \$38.4 million in 2021.

Since March 2020, limitations on concert hall capacity have affected performing arts companies’ ability to sell tickets. After months of closure, many concert venues have only partially re-opened. Like all performing arts companies, the symphony orchestras provided refunds, and in some cases patrons donated their ticket price to the orchestra or agreed to holding the amount in credit for a future performance. However, in some states the reduction in box office revenue was substantial and long-lasting, and is expected to continue throughout 2021. This has affected organisations both large and small as well as independent artists and performers – the entire industry has experienced downturn. The timeframe for fully reopening venues varies from state to state, and is always uncertain due to the possibility of new community infections. Re-opening to socially distanced audiences is generally not financially viable for any length of time because of the high fixed costs of running an orchestra, particularly salaries and venue hire and costs. The orchestras are striving to find ways to mitigate this situation but the financial and human impact for some organisations is significant.

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¹ Theatre Network Australia pre-budget submission, 2021

A further financial impact from COVID-19 will be felt by the sector as philanthropists and corporate sponsors are impacted by the financial consequences of the crisis. Development funding derived by the orchestras from these sources averages 13% but is as high as 20% in some cases. Philanthropy is a vital part of the earned income that sustains these companies and allows them to be less reliant on Government subsidies. The orchestras have worked hard to increase earned income and reduce reliance on grants but as donors are pressured, industries that once sponsored arts organisations (such as the travel industry) struggle and tourist numbers dwindle, the situation has become more difficult in some states.

Recommendations

SSA supports submissions made on behalf of the performing arts sector by Live Performance Australia, APRA/AMCOS, BlakDance, Performing Arts Connections, Regional Arts Australia, Ausdance and Theatre Network Australia.

We draw your attention to the following urgent budget-related requests which are specific to COVID-19 and will benefit those companies and individuals in the arts sector that have been impacted by the pandemic. These recommendations were initially put forward in October 2020 in response to the Parliamentary Inquiry into Australia's Creative and Cultural Industries and Institutions:

1. **Extend JobKeeper** beyond March 2021 for those arts and cultural businesses that can demonstrate ongoing impact from COVID-19. Guarantee a **six month phase out period** for JobKeeper as productions/events reactivate, allowing the industry to move to increased operational capacity.
2. In partnership with the industry, establish a **\$100-\$500m Live Entertainment Business Interruption Fund** (BIF) to increase industry confidence to re-activate live events. Further detail about this recommendation is contained in the submission by Live Performance Australia.
3. **Extend the current Restart Investment to Sustain and Expand (RISE) Fund** which was designed to support the reactivation of the arts and entertainment sector. This program has not yet had sufficient time to demonstrate its success or fully support the industry to revitalise.

We also continue to request consideration of the following recommendations which will benefit the arts and cultural sector:

4. Provide **\$25m per year for four years** to address the Australia Council for the Arts' capacity to invest in four-year funded performing arts organisations, project initiatives including major new works and to facilitate the establishment of new entrants into the National Performing Arts Partnership Framework.
5. Create a **Reserves Incentive scheme** for Government to match funds raised by arts organisations towards their reserves or endowments.
6. Provide **\$10m per annum** to support creative opportunities in regional Australia (ie maintain the current investment in this area).
7. In response to the recent national touring sector scan undertaken by the Australia Council for the Arts, **increase funding to the Playing Australia fund to \$10.8m per annum** to address the structural and operational issues associated with the program and increase its impact. Further detail about this recommendation is contained in the submission by Regional Arts Australia.
8. First Nations Arts and Culture is of great importance. We continue support the industry recommendation to invest in the development of a **National Indigenous Arts and Cultural Authority** (estimated development costs over four years **\$4.5m.**) We also support the call for **\$20m per annum to be directed to First Nations arts organisations and independent artists** through a dedicated investment through the Australia Council for the Arts. Further detail about this recommendation is contained in submissions from BlakDance and other Indigenous peak performing arts bodies, as well as Theatre Network Australia.

The economic and social value of the arts and symphony orchestras

SSA takes this opportunity to draw your attention to the significant public value of the performing and creative arts industries, including ticket sales of \$2.2b in 2018 and a workforce of more than half a million Australians.² The arts sector tells important stories, engages with Australians wherever they are and leads to greater education and wellbeing outcomes for those who participate.

For their part, the six Australian symphony orchestras performed to over one million people in 2019 across 2,000+ events, more than 200 of which were in regional centres. Nearly 200,000 Australians attended free concerts by the symphony orchestras, and there were over 1,300 workshops, concerts or events dedicated to education. The orchestras provided 2,644 jobs (2,115 of them to artists) and performed 290 works by Australian composers.³

All this activity provided impact and our reach was increased 20-fold through radio broadcast and streaming. The benefit provided to the community by the orchestras extends far beyond what can be measured in dollars alone.

National arts and creative industries plan

While not budget-related, Symphony Services Australia re-states its call for the Government to create a national arts and creative industries plan with input from the sector. Government policy that seeks to strengthen and grow both the intrinsic and instrumental value of the arts will unlock jobs, growth and social wellbeing in its many forms.

Please do not hesitate to contact me should you require further information or elaboration.

Yours sincerely,



Kate Lidbetter
Chief Executive Officer

² Live Performance Industry in Australia 2018, © Live Performance Australia, <https://liveperformance.com.au/wp-content/uploads/2019/12/Live-Performance-Industry-in-Australia-2018-FINAL.pdf>

³ Data provided by the Australia Council for the Arts and the six state symphony orchestras, 2019