

A New Era: The Orchestras Review 2005 Report

Richard Letts

Unfortunately, we have not had a review that asked ‘What do we need to do to give Australia the best orchestras it could reasonably have?’

James Strong and his team have produced a decent report that answers the wrong question. That question might be characterised as ‘How can we buy six orchestras for the price of four?’

‘Or even better, three?’

What do we want? When do we want it?

It has to be understood that if we are going to have full time orchestras in Australia, they will have to be subsidised. That is a given.

So what do we want for this investment of public funds?

There is no automatically correct answer to that question. Here are some possibilities.

- We want an orchestra in each capital city of a quality that would challenge the Vienna Philharmonic, and damn the expense.
- We had better have an orchestra in each capital city, but the size and quality don’t matter a damn. Spend as little as possible. Let them eat bread.
- Why should the smaller capitals have orchestras at all? Let’s just have orchestras in Sydney and Melbourne, and give them as little money as possible.
- We’re stuck with a level of subsidy that comes out of history. It’s going to be politically difficult to slash it. Let’s see what it will buy, cut to fit the cloth, and then choke it off slowly by not indexing it for inflation. And shut the state governments up by telling them that if they want more, they have to pay. (This is the current situation, which in due course would lead to dot point 2 and possibly 3.)

Each of these options is in its own way, unsatisfactory. The first one invites extravagance at a level that would be bound to produce a backlash. It is so out of touch with the Australian ethos that so far as I know, no-one other than I, here, has even suggested it.

Alas, posturing aside, governments probably would be more or less comfortable with any of the three subsequent dot points.

Which takes me back to the first statement.

Why should it not be our goal to have the best orchestras in Australia that it is reasonable to hope for, given our wealth and cultural heritage on the one hand and our geographical isolation on the other?

The killer term

James Strong and co were not asked to suggest how that might be done. From the government’s terms of reference:

‘The Review’s principal objective is to consider the effective and efficient delivery of high quality orchestral services in Australia.’

‘The Review will make recommendation on ways in which the orchestras and governments can work together to ensure the long term vibrancy and sustainability of Australia’s orchestral sector.’

Etc., etc. Then:

‘The Review will assume the continuation of ongoing government funding support of the orchestras at existing levels and in similar proportions from the Australian and state governments.’

As to the first couple of terms, they are off-the-shelf stuff.

About the assumption of continuation of current subsidy, it could be said in its support that at least the government was not flagging a cut. And perhaps the review could produce a picture of what can be bought for the present subsidy which, in turn, could inform a decision about subsidy needs.

But needs to produce what? The report does not even suggest what it would cost to maintain the present orchestral establishments, let alone any sort of orchestral development, because that would require more subsidy, and the terms of reference preclude additional subsidy – or at least, that’s the interpretation placed on them.

So even if the present government were inclined towards a bit of orchestral development, the report gives absolutely no guidance as to the possibilities and the costs.

Why fund the orchestras at all?

This part of the article is for members of the music community who ask that question.

Arguments I hear against the orchestras include these: they are elitist; most taxpayers do not attend orchestral concerts, so they shouldn’t be taxed for them; orchestras are part of the classical music world, which has too much influence; they soak up subsidies that would be better applied to other forms of music (popular music, or experimental music, or whatever music is favoured by the person offering the comment). Have I missed anything important?

Here are some arguments for orchestral funding.

1. As noted already, without funding, we won't have orchestras except on a probably declining ad hoc basis. Fact of economics, fact of life. So the rest of the argument is about whether or not to have orchestras.

2. Whether or not it is to one's personal taste, classical music is the most highly developed musical form developed in western culture. This is not to say that it is the only western music of value, or that it is the music for all people or all occasions, or that it is better than highly evolved musics from other cultures.

3. So why should we in Australia not participate at a highly evolved level in continuing and developing the classical music heritage? Why would we leave it to foreigners? It's our music too.

4. Orchestral music is the form of classical music that seems to be the most attractive to most listeners. Classical music played by small groups obviously is cheaper but on the evidence, is inviting to a much smaller audience and by and large, an older audience.

5. The orchestras are the backbone of classical music practice in Australia. Without them, there would not be sufficient activity or opportunity for classical music careers and the whole structure probably would topple.

6. 'Classical music is elitist.' A common smear. What exactly does this mean? You can hear classical music for nothing on radio right around the country. You can attend an orchestral concert for way less than, for instance, an arena concert by a pop star. Some captains of industry might attend classical concerts, but so do plenty of people with little money or status. The main way in which classical music is elitist is that you might have to listen a bit harder or longer to get what it has to offer, as compared to a pop song. Are we, as musicians, against that?!!!

7. 'Most taxpayers do not attend orchestral concerts, and so they should not have to subsidise them to give pleasure to the others who do attend.' Let's see, what other tax-funded services do most taxpayers not use? Well, most tax-payers do not send children to school. Or attend university, ever. Probably most do not ride public transport. Or go to court. Or listen to the ABC. Or run a dairy. Or try to sell their products overseas. Or live in a nursing home. Or produce ethanol.

8. 'The classical world has too much influence.' As against, for instance, the recording industry and the commercial radio sector, turnover in Australia more than \$2 billion, which pretty much ignore classical music? It's true that all tertiary music institutions were based around a classical music curriculum, but many now choose other paths, and that's good. Some curricula may still be inappropriately based on classical music methods. So that can be fixed.

9. 'The orchestras take up subsidies that should be given to other sorts of music.' This criticism is based on a misconception that if governments took money away from orchestras they would transfer it to rock music or experimental music or jazz or whatever. This is a total fantasy. Subsidy saved from orchestral music will be used to buy toilets for army barracks or dredge country creeks or pay cane farmers not to produce cane.

Strong recommendations

James Strong's team was asked to look at the six state concert orchestras formerly run by the ABC, plus the pit orchestras for opera and ballet based in Sydney and Melbourne. They also took a quick squiz at the pro-am orchestras in Canberra and Darwin.

They found that four of the six state orchestras and the Sydney-based Australian Opera and Ballet Orchestra have negative balance sheets. (Their figures are ageing – they come from 2003.) Three of the state orchestras – Queensland, Tasmanian, and Adelaide, plus the AOBO, traded at a loss, although the TSO loss was only \$7,000. The West Australian Symphony WASO had managed to turn its affairs around and was and is trading at a surplus and overtaking its accumulated deficit.

Given the trends, what would the future hold?

Maybe the first thing to notice is that since the release of the Tribe Report in 1985, the average subsidy to the orchestras has fallen from 76% to 61%. That means the income they have been able to bring in from box office and other sources has grown 63% as a proportion of their budgets. That's a very creditable performance in terms of efficiencies, marketing and so on. But it can't necessarily go on forever.

One treacherous shoal is the indexation of funding. Funding is increased by 2.27% each year to cover inflation. Except that... it's not. 1% is deducted by the Commonwealth as a so-called 'efficiency dividend'. And this is to increase to 1.25% next year.

So does someone think that orchestras or other arts organisations coping with their always marginal financial situations aren't being as 'efficient' as absolutely possible?!

But what makes this truly ludicrous is that the actual inflation rate for orchestras, according to Strong, is around 4%. So the Commonwealth is getting two efficiency dividends – until the companies go broke.

And there's the rub. Strong says that the effect of this ever-declining subsidy level is that the average annual growth from earned income required to achieve financial viability by the year 2010 ranges from 5% (SSO and MSO) to 35% (AOBO). The Queensland Orchestra (TQO) would need to achieve 15% growth (remember, this is every year, cumulative), TSO 11%, ASO and Orchestra Victoria (OV) 8%, WASO 7%. (AOBO is a special case because it is fully occupied as a pit orchestra and does not earn much outside of that. Ditto to some extent for OV because it is mostly a pit orchestra.)

On the face of it, Strong finds that 7% might be conceivable but 8% is not, because it is the TSO, ASO and TQO for which he proposed reductions in player numbers in order to give them a chance at survival on the present subsidies.

TQO would lose 15 players to become a triple wind orchestra of 74 players. ASO is now 74 players, and would lose 18 members to become a double wind orchestra. TSO would be reduced from 47 players to become a 'small double wind orchestra' of 38 players. In each case, a budget has been allowed for augmentation when an orchestra needs additional players for larger works.

Is this so bad?

Here are some problems.

Firstly, I think it is generally agreed that a more or less standard number for a full orchestra is 96. Sydney is more like 108, as are most of the highest level orchestras internationally.

Augmentation assumes that there is a resident pool of expert musicians, available for casual employment. If the TSO wanted occasionally to let the residents know what a 96 member orchestra sounds like, it would need access to 58 additional professional musicians. How are these people to occupy themselves and earn a living in Hobart or Launceston for the rest of the time? How would they maintain their performing skills? The same applies to a lesser extent in Adelaide and Brisbane. Ironically, it is in Sydney and Melbourne that there are pools of very skilled players available for casual work, but the SSO and MSO are only marginally in that market.

Obviously, the permanent ensembles outside Melbourne and Sydney cannot present much of the orchestral repertoire because larger numbers are required. They would have to augment.

Questions of the quality of ensemble follow. It cannot be expected that quality can be maintained with random additions of large numbers of players.

And if the quality is poor, the audience won't come. They can hear world class performances on disc and on radio. Why go to the inconvenience and expense of turning out for a live performance by the local band if you are not pretty sure it is going to measure up? Without naming names, there is current evidence for this.

If the Strong prescription produces poor orchestras, the financial descent will continue.

Other recommendations

The orchestras, although now effectively divorced from management formerly provided by the ABC, are still ABC subsidiaries. Strong recommends that the separation should be completed but that some sort of mutually beneficial connections should then be negotiated.

There are other proposals concerning superannuation, some marginal changes to the employment agreements (which, it must be said, all go against the players, but perhaps not disastrously), a reduction in the pay-out for musicians who are terminated for loss of proficiency but government one-off assistance to facilitate some such terminations, and attention to occupational health and safety issues.

The situation with the pit orchestras could not be fully investigated and an additional review is proposed for this purpose. A one-off grant of \$1.5 million is proposed to allow the AOBO to continue services until 2006, given its disastrous financial situation.

A new annual grant of \$100,000 is proposed for each of the Canberra Symphony and Darwin Symphony, to get some services from the state orchestras. That's a nice foot in the door for them.

Finally, there is some arm-twisting to encourage the orchestras to swallow the nasties if they are to get the meagre benefits on offer.

Symphony Australia

Symphony Australia is a service organisation that maintains the national orchestral music library and provides services such as making the contractual arrangements with touring conductors and soloists, or preparing program notes. Its services used to be provided centrally by the ABC when the orchestras were under its management.

It appears that the orchestras are provided with funds – a total of \$3.4 million between them – to purchase services from Symphony Australia. Apparently the orchestras have been unhappy with the cost of its services and the report suggests they look for alternate arrangements.

The report seems a little bit circumspect about what is to happen to Symphony Australia. The flip side of the recommendation to the orchestras seems to be a suggestion that Symphony Australia, like a

dying man, should tidy up its affairs. But the report does not literally propose that Symphony Australia should be wound up – only that there is a decision to be made by the ABC.

No doubt the orchestras themselves can organise contracts and so on. There does remain the question of the orchestral library, how it should be operated and by whom.

Perhaps with a rethink, Symphony Australia could be saved in some form.

In sum

Well, in reiteration, really. The Strong Report seems a very competent piece of work but there's not a word in it that would quicken the pulse. Strong has put the strictest interpretation on the term of reference stating that the inquiry should assume a continuation of subsidies at the present level. If he had been given a bit more freedom we might have a report that looks more creatively at the options.

Or perhaps not. Strong is a businessman, not an artist, after all.

As this is being written, some Coalition backbenchers have been outspoken in opposition to the cuts in orchestral personnel. The Federal Arts Minister has said that the reductions are not mandatory but that if they are to be avoided the states will have to pay, or share, the costs, depending on which account you read.

But how much will maintenance at the present size cost? Alas, on that, the report has nothing to say.