

BACKGROUND TO THE SYDNEY SYMPHONY'S FINANCIAL PERFORMANCE IN 2020

PERIOD COVERED BY THE RESULTS

The Sydney Symphony Orchestra released its audited accounts for the 2020 financial year. The Orchestra operates on a calendar year basis and the results reflect the outcomes of the Orchestra's activities between January and December 2020.

REBUILDING FINANCIAL RESERVES – A FIVE-YEAR PROJECT FOR THE ORCHESTRA 2018-2022

CLOSURE OF THE SYDNEY OPERA HOUSE CONCERT HALL

We understood that the closing of the Concert Hall of the Sydney Opera House during 2020 and 2021 would have a major impact on the finances of the Orchestra and that the impact would be experienced over 5 years.

The total financial cost to the Orchestra has been measured at \$18.9 million for the 2020 and 2021 calendar years.

The NSW Government, the owner of the Sydney Opera House, agreed to provide \$10 million towards this cost.

The Sydney Symphony Orchestra has been required to fund the remaining **\$8.9 million from its own reserves and operations.**

The Orchestra has relocated to Sydney Town Hall for two years while the renovation is taking place.

IMPACT OF THE COVID-19 PANDEMIC

The pandemic shut down the Orchestra's 2020 season at Town Hall from March 2020 onwards. This meant the loss of planned revenues from ticket sales, possibly extending into the 2021 season.

The additional financial cost of the pandemic not only jeopardised our five-year recovery plan but immediately threatened the jobs of our musicians and staff.

SURVIVING THE PANDEMIC AND FINANCIAL MANAGEMENT TO END OF 2021

To keep all our musicians and key staff employed, the Orchestra collectively agreed to build financial reserves and an operating model that would see us through to the end of 2021.

This depended on:

- Accessing JobKeeper for all eligible musicians and staff
- All musicians, executive team and staff taking significant cuts in salaries until the end of 2021
- Not filling vacant positions in the Orchestra or administration
- Financial support of our donors and ticketholders

The result

The positive operating result of \$3.9 million in 2020 means that we:

- have met our agreed 2020 target
- can fund the projected downturns in revenue in 2021
- can redress a proportion of our financial losses in the two years before our venue dislocation
- can work towards returning our musicians and staff to full salary as soon as financial prudent and no later than the end of 2021

The Orchestra also received \$3.88 million in bequests and multi-year gifts which will be preserved for future projects which meet the Orchestra, Board and Chief Conductor's vision for the Sydney Symphony's artistic and musical growth.