Queensland Ballet

Queensland Ballet ABN 26 009 717 079 Thomas Dixon Centre 406 Montague Road, West End QLD 4101 PO Box 3791, South Brisbane QLD 4101 Phone 07 3013 6666 Email mail@queenslandballet.com.au **queenslandballet.com.au**

03 April 2024

The Hon Tony Burke MP Minister for Employment and Workplace Relations Minister for the Arts PO Box 6022 House of Representatives Parliament House Canberra ACT 2600

Dear Minister Burke,

Re: Young Dancers Deserve Equal Opportunities in Queensland

As we launch Queensland Ballet's (QB) next chapter under the newly appointed Artistic Director Leanne Benjamin OBE AM, we are committed to maintaining our world class excellence through attracting the best talent and ensuring the sustainability of our iconic Queensland company and its elite training pipeline – the Queensland Ballet Academy (QBA).

Further to a letter sent to the Hon Dr Jim Chalmers from our previous Artistic Director Li Cunxin AO (see attached – sent October 2023), our Executive Director Dilshani Weerasinghe has held meetings with Alison Todd and Michelle Savage (February 2024) and most recently alongside Leanne Benjamin AM OBE, they travelled to Sydney for a meeting with Jade Christian (February 23, 2024).

We are now writing to bring your urgent attention to the critical financial challenges facing QBA due to the lack of parity in Federal funding from Office of the Arts for a Queensland-based elite training arts organisation. The letter to Hon Dr Jim Chalmers last year warned of a difficult decision impending for our board and we are now facing a dire position where closure of the QBA is imminent.

Furthermore, QB will continue advocating for parity of funding from within Creative Australia for our main Company operations, which over the years, highlights further funding disparity between the States and Territories. This compounded disparity places QB at a distinct disadvantage compared to peers across Australia and is the basis for this difficult decision.

Next Steps

We are motivated to ensure full transparency as we move forward with consideration of the closure of QBA. In addition to our open communications to the Prime Minister, the Hon Dr Jim Chalmers MP, the QBA Strategic Advisory Committee, briefings have been sent to The Hon Dianne Farmer Minister for Education and Minister for Youth Justice, and the Hon Leanne Enoch Minister for Treaty, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Communities and Minister for the Arts.

Minister Burke, we urgently need you, through Office of the Arts, to consider addressing the funding disparity for QBA today. If this last attempt for parity across the States and Territories should fail, we will commence the collation of a crisis communications strategy from 1 July 2024 in preparation for



Queensland Ballet ABN 26 009 717 079 Thomas Dixon Centre 406 Montague Road, West End QLD 4101 PO Box 3791, South Brisbane QLD 4101 Phone 07 3013 6666 Email mail@queenslandballet.com.au **queenslandballet.com.au**

the closure of QBA at the end of this year. Our Academy reach is 1,200 families some of whom have moved their lives from interstate or international destinations. It is essential that we let them know as soon as possible to make alternate arrangement for 2025.

We welcome your response.

Ulshemi

Dilshani Weerasinghe Executive Director, Queensland Ballet

Brett Clark AM Chairman, Queensland Ballet

Young Dancers Deserve Equal Opportunities in Queensland

Queensland Ballet (QB) would like to bring your attention to the critical financial challenges facing Queensland Ballet Academy (QBA) due to the lack of parity in Federal funding for a Queensland-based elite training arts organisation.

Background of QBA

Since 1967, QB has been training aspiring ballet dancers. Until 2020, these professional development programs were undertaken at the main Company headquarters with some elements of the program delivered at Kelvin Grove State College from 1982.

In 2018, in discussions with the Department of Education QLD, **an Australian-first concept for an elite training arts organisation to be housed on a state school site was born**. The main premise was the provision of an integrated academic and elite training curriculum to enable young people to receive a full education pathway whilst pursuing formalised ballet training. In 2019, leading up to opening our new facility, QB and Kelvin Grove State College (KGSC) was supported by KPMG to collaborate on a working partnership, benchmarked and modelled on peers such as the Australian Ballet School (ABS) and Royal Ballet School (RBS) in the UK. In 2020, with a visionary investment of \$20M from Queensland Government, the new QBA facility was officially opened at KGSC. That year, QB ran our inaugural Giving Day to raise funds to fit out our Academy with the right equipment (gym, body conditioning, pianos, etc.) to provide the very best opportunity for our young people.

The partnership between QBA and KGSC has developed and today, in 2024, both parties collaborate daily to ensure that our young people receive the best care and opportunity. Each year over **1,050 aspiring young students** are engaged through QBA holiday programs, events, and auditions as well as **270 enrolled students** in QBA programs ranging from afterschool foundational ballet programs, full-time training alongside their academic education at KGSC, and Pre-Professional Program (PPP) connecting graduates to a professional learning environment at the home of QB. In 2024, **74 of these students were from overseas** and interstate utilising a long establishing home stay program. Delivering these programs is a team of 35 highly skilled teachers, pianists, health, and business team members dedicated to ensuring the highest quality of training is provided. Wider shared support is provided by the Queensland Ballet across services such as Facilities, Marketing, Human Resources, Finance, IT, and Health and Safety.

World Stage + Career Outcomes

QBA's peer organisations on the world stage are the ABS, RBS, Paris Opera Ballet School and we are a partner school of the prestigious Prix de Lausanne, the annual international ballet competition that hosts these peers and engages the most talented young dancers from around the world.

At the 2024 Prix de Lausanne, the only Australians to receive major awards on the world stage were two graduates from QBA, demonstrating the calibre and prominence of QBA students globally.

Between 2013 – 2022 (10 yrs) – 45 QBA graduates received Jette Parker Young Artist contracts post-graduation (Average 50%) and 48% of QB's Company dancer pool are alumni of the Academy/QB's former training programs.

Inequity of funding from Office of the Arts

QB has been advocating for Federal funding parity for QBA such as that received by eight peer training organisations based in NSW and VIC. These peers include the Australian Ballet School, Australia Film Television and Radio Schook, Australian National Academy of Music, Australian Youth Orchestra, Flying Fruit Fly Circus, NAISDA Dance College, National Institute of Circus Arts, and National Institute of Dramatic Art. QB has requested clarity regarding criteria for consideration for entry into the associated funding pool however this has never been received.

As part of the ARTS8, these elite training organisations have been receiving funding from the Office for the Arts for several years and in recent times, have received ad-hoc funding instalments to assist with the COVID-19 impact.

| Arts8 program | Arts8 Funding 2022 | Fee Income | Student Performances Income | 2022 Student Enrolments (full time) | |
|------------------------------|-----------------------|-------------|-----------------------------------|---|--|
| The Australian Ballet School | \$2,017,292 | \$1,755,860 | \$182,840 | 107 | |
| Flying Fruit Fly Circus | \$1,573,787 | \$622,709 | \$354,174 | 82 | |
| Queensland Ballet Academy | \$0 | \$1,728,116 | \$162,899 | 129 | |

In the absence of funding from the Office of the Arts, QBA's operational model has the following considerations:

- A reliance on annual funding support from Queensland Government (\$468k in 2024).
- A reliance on full fee revenue from enrolled students and families.
- An inability to offer sufficient scholarship and bursary support to remove barriers for participation, including from First Nations, regional, and financially challenged families.
- A reliance on QB's fundraising operations.

Addressing Lack of Diversity in Cohorts and Disadvantaged Students

The inability to offer more scholarship and bursary support beyond has led to a **challenge in attracting diverse enrolments** including those from males, those living in regional and remote areas of Queensland, First Nations, and Cultural and Linguistic Diversity (CALD) communities. Whilst QB is working to address this lack of diversity, a major concern is arising in the lack of males enrolling in the Academy as this affects the training for females as well. Ballet is an endeavour steeped in 50:50 partnering and males are in demand. In general, and this can be often perceived with some controversy, males around the world are offered full scholarships to attend ballet training programs to recruit and retain them.

The lack of funding means that QBA families, are paying more in fees than those attending our peer organisations. The current enrolment model has a fee structure that is simply unreachable for many families and is therefore **not providing equitable opportunity for aspiring young dancers** across Queensland, Australia, and abroad. We believe that every Queensland child should be able to achieve their potential regardless of family circumstances. This lack of equal opportunity places young students and their families at a distinct disadvantage and an issue we are urgently seeking to address.

Families considering enrolment at QBA are asked to contribute more than families of peer institutions, such as ABS, or those on the world stage, including the Royal Ballet School (RBS). Artistic Director of RBS, Chris Powney, recently included in his retirement letter "Admission to the School is based purely on talent and potential, regardless of academic ability or personal

circumstances. Around 90% of students rely on financial support to attend the school." This funding model ensures RBS continues year after year to attract the best talent around the world and why it is considered the best ballet school in the world. With the injection of government funding as well as increased donor support for more scholarships, we firmly believe QBA can sit alongside RBS as a world-stage ballet training school.

QB's Revenue Mix

In 2020, like many other impacted arts and not-for-profit organisations, QB applied for COVID recovery support which we received from the Office for the Arts and Arts Queensland. At this time and as part of the grant assessment process, a review was undertaken of QB's operations which deemed our operational model to be unsustainable. The review proposed several recommendations which are available upon request.

QB's Executive remains committed to delivering outcomes for our artists, arts workers, arts students, audiences, and wider community despite the funding disparity, with much-valued support from our philanthropic family. Our revenue mix is **15%** from Governments (State and Federal) with **85%** self-generated from earned revenue (Box Office, QBA enrolments and community participation) and from contributed revenue (corporate partnerships and donations). In addition, we have secured funding of over \$135M over the last five years for infrastructure projects including QBA fit-out, Thomas Dixon Centre, and the Roy and Nola Thompson Production Centre.

Sustainability Measures

QB has recently launched our *Forever Fund*, our endowment fund, which is our far-reaching, long-term sustainability cornerstone with a goal of \$100M by 2030. The returns generated by our *Forever Fund* will secure key pillars of our endeavour in perpetuity and reduces our reliance on operational fundraising over time. Pledges to our Forever Fund currently total approximately \$40M.

Whilst QB is proud to be reaching beyond what is expected to provide jobs for artists and artworkers, elite training opportunities for students and transformational experiences for our community, we were placed on Fair Notice status administered by Creative Australia with particular focus on our steep fundraising targets. Fair Notice requirements include: the provision of Board papers, submission of monthly accounts, monthly updates on ticket sales and the monitoring of KPIs to achieve long-term financial sustainability. In 2024, we remain on enhanced reporting requirements.

QB acknowledges that there have been some years where fundraising targets have not been met resulting in reported operational deficits (including 2023's unaudited result). **QB Board and Executive now find itself in the unenviable position of considering major changes to QB's endeavour.**

QB's Structural Deficit

QB's Executive acknowledges that, in the absence of funding parity from Federal Government, we have been operating with a structural deficit, hand-in-hand with our philanthropic supporters. Together with our donors, we have unapologetically moved beyond our funding restrictions to deliver world-stage outcomes and jobs for artists and arts workers. We have delivered record-breaking audience engagement with our Box Office results amongst the highest in Australia. Our approach has always been that if QB was to demonstrate relevance to community, then our endeavour would be valued within the Federal funding mix, given the



Federal Government's ability to increase funding to peer organisations, including the recent Federal Budget.

Recent Updates from Federal Funding

In early May 2024, an additional \$117.2 million over four years and a further \$36.9 million in ongoing annual funding was announced for the existing ARTS8 collective. This includes NAISDA Dance College receiving \$12.9 million, the Flying Fruit Fly Circus \$7.3 million and the Australian Ballet School \$6.5 million. While this is heartening news for our sector and for the young people who will engage with these stellar organisations, Queensland and Queensland Ballet has been forgotten once again. If peer organisations with similar outcomes to QBA are finding it challenging to sustain their operations even with existing Federal support, imagine the challenges facing QBA with \$0 support.

https://www.thesaturdaypaper.com.au/news/economy/2024/05/11/exclusive-budget-promise-1152-million-arts-bailout#mtr

Queensland Ballet's request for funding to the Office of the Arts was formally declined by the Honourable Tony Burke in May 2024, the afternoon prior to the federal budget being handed down.

QB Future at Risk

In the last few months of Li Cunxin's tenure as Artistic Director, further meetings were held with the Office of the Arts to further advocate for funding parity for QBA. Enhanced media interest around this time also highlighted the intense pressure that QB Board and Executive has felt in sustaining QB's model over the past twelve years.

In 2024, with the 2023 audited financial result, continued pressures on QB's financial model and those felt by Academy families, QB's Board and Executive are now in a very challenged position.

With increases in venue fees at Queensland Performing Arts Centre, touring costs, salary adjustments for indexation to ensure fairness for our people, a commitment to keeping tickets accessible for as many people as possible, as well as continued feedback from Creative Australia and Arts Queensland that **QB's operational model is unsustainable, there is much for QB Board and Executive to consider.** We know we have shown value to our community and our community, particularly our donors and corporate partners, are now asking for fairness.

Current federal funding of QB

There are two arts funding bodies within the Federal Government: Office of the Arts and Creative Australia. QB's lack of parity extends across both and amounts to approximately \$8m per annum. Year on year, this is an extreme challenge and one we thought would change given our achievements against the odds.

Through Creative Australia, QB receives funding through the National Performing Arts Partnership Framework. The recipients of this funding must meet a range of criteria, including the demonstration of the highest artistic standards, a sizeable audience base and having a minimum average income of more than \$1.6 million over the previous three-year period. As you can see from the below achievements since 2012, QB has experienced significant growth and impact across its performance, pathways, and participation pillars.

Growth over the past 11 years

- A world-class ensemble of 48 dancers doubled since 2012.
- A world-class young artist annual apprenticeship program of 12 dancers the Jette Parker Young Artists Program.
- Increased employment from 151 staff (2012) to 280+ artists, arts workers including fulltime, part-time and casual workers (zero redundancies during COVID).
- Growth in participation across our education and community engagement programs throughout Queensland from 12,153 in 2015 to 40,000+ people in 2023.
- Construction of a world-class ballet Academy in its standalone, dedicated home at Kelvin Grove State College.
- The foundations for a world-class Production facility, the Roy and Nola Thompson Production Centre in south east Queensland.
- A world-stage repertoire that includes works usually reserved for leading lights such as The Royal Ballet, co-productions with peer companies around the world and exciting new commissions.
- Redevelopment of the Thomas Dixon Centre into a world-class centre, home to Queensland Ballet, second home to our Academy, and a cultural hub and destination for people of all ages and abilities.
- Annual turnover increase from \$8.7 million in 2012 (pre my directorship) to \$28.2 million in 2022 (audited accounts), demonstrates that the economic contribution to Brisbane, Queensland and Australia is significant.

Despite the achievements above over 11 years, **QB has not received any significant increase to federal funding since 2018** which saw a small uplift from \$504K to \$751K.

Funding Disparity – Company

In comparison to similar major performing arts companies in NSW and VIC, **QB receives the lowest level of federal funding**. Over the years, this disparity has placed QB at a huge financial disadvantage and an unsustainable reliance on other income sources including philanthropy and corporate partners, to buffer the income gap and maintain workforce.

The disproportionate federal funding has contributed to a structural deficit within QB's operating model, which has required safeguarding from philanthropy and corporate partnerships. In 2022, 42% of QB's income was generated from philanthropic sources. This buffering from donors and partners is not a sustainable approach, our ongoing sustainability is at the forefront of conversations with our family of donors.

The below table shows a stark disparity placing QB at a distinct disadvantage in comparison to its interstate counterparts.

| 5 year - Federal Funding Peer Comparison Table | | | | | | | |
|--|--------|--------|--------|--------|--------|--|--|
| Federal NPAF grant | 2022 | 2021 | 2020 | 2019 | 2018 | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | | |
| The Australian Ballet | 6,401 | 6,338 | 6,238 | 6,140 | 6,043 | | |
| Sydney Dance Company | 2,846 | 2,818 | 2,774 | 2,731 | 2,687 | | |
| Bangarra Dance Theatre | 2,660 | 2,634 | 2,592 | 2,551 | 2,511 | | |
| West Australian Ballet | 830 | 822 | 809 | 796 | 784 | | |
| Queensland Ballet | 796 | 788 | 776 | 764 | 752 | | |

Bangarra Dance Theatre

West Australian Ballet

Queensland Ballet

| | | _ | | | |
|-----------------------------|--------|---------|--------|--------|--------|
| Total Income | 2022 | 2021 | 2020 | 2019 | 2018 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| The Australian Ballet | 61,302 | 36,643 | 29,233 | 61,085 | 58,923 |
| Sydney Dance Company | 13,264 | 13,152 | 11,269 | 11,966 | 12,462 |
| Bangarra Dance Theatre | 12,630 | 9,894 | 7,548 | 10,323 | 9,284 |
| West Australian Ballet | 14,431 | 16,818 | 15,202 | 13,134 | 11,250 |
| Queensland Ballet | 28,173 | 38,752* | 20,025 | 24,064 | 20,937 |
| | | | | | |
| Federal grant as % of total | 2022 | 2021 | 2020 | 2019 | 2018 |
| income | \$'000 | % | % | % | % |
| The Australian Ballet | 10.4% | 17.3% | 21.3% | 10.1% | 10.3% |
| Sydney Dance Company | 21.5% | 21.4% | 24.6% | 22.8% | 21.6% |

26.6%

4.9%

2.9%

21.1%

5.8%

2.8%

34.3%

5.3%

3.9%

24.7%

6.1%

3.2%

27.0%

7.0%

3.6%