

## Business Sydney

### Submission to NSW Arts, Culture and Creative Industries Policy

August 2023

#### Introduction

Every great global city needs a vibrant arts and culture sector to complement the other ingredients that go into making a city liveable for residents and attractive to international tourists, talent and investment.

Sydney had a thriving, if somewhat undervalued arts and culture scene prior to COVID-19, and now in recovery has a great opportunity to capitalise on leading the way as the cultural capital of the nation and the Asia-Pacific region.

While individually our great arts venues and cultural institutions provide a wondrous choice for Sydneysiders and tourists, bringing them together into a collaborative and co-operative coalition can create an arts and culture sector that becomes something bigger than the sum of its parts.

Working with leading cultural sector advisors Sandwalk Partners, we consulted with selected cultural institutions, arts bodies, and State and local government entities to identify opportunities that should flow from establishing a framework for delivering collaborative cultural outcomes through an integrated Sydney Arts Precinct.

Our thinking aligns with the focus areas of the Arts, Culture and Creative Industries Policy:

1. **A new look at people:** Foster collaboration among practitioners, producers and thought leaders in the creative industries and remove barriers to collaboration and co-creation.
2. **A new look at infrastructure:** Revitalise Arts Precincts, and integrated places and spaces, as cultural destination and activation hubs.
3. **A new look at audiences:** Build a cohesive cultural brand and destination narrative to drive visitation and engagement, across local, domestic and international tourism audiences.
4. **A new funding model:** Develop a new sustainable funding model to support arts, cultural and creative industries.

#### Key Findings

Consultations produced four strategic focus areas to inform our recommendations.

#### Funding

The traditional government arts funding model tends to fund organisations from one pool of money for individual activities rather than for collaborations involving more than one organisation. This creates competition for funding that actively discourages collaboration between cultural organisations. Longevity and sustainability of funding have not been built into the model as an outcome of implementation.

#### Alignment of Government and Cultural Sector

When the government does fund collaborations, they tend to be tactical and misaligned with core business drivers of the Cultural Institutions.

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## Value Proposition, Branding and Promotion

Despite Sydney having many of Australia's leading cultural assets, Melbourne has been acclaimed as the country's "Cultural Capital". Sydney's brand narrative has focused on the built icons, harbour and beaches. While DNSW has recently made cultural more central to its marketing message, the combined strategic value of Sydney's cultural assets in creating a destination identity remains significantly undervalued.

## Collaborative Framework

Integration and magnification of the city's cultural offer requires collaboration. Some past collaborations have been successful, but none has led to a sustainable, long-term model. Cultural institutions need to collaborate under a formal framework, sustainably funded to generate cultural, social and economic outcomes.

## Discussion

### A new look at people

Sydney has repeatedly demonstrated its capabilities in delivering major events to the world. From the "best ever" Olympic Games to this year's post-pandemic comeback with WorldPride, Vivid Sydney, FIFA Women's World Cup and the upcoming SXSW Sydney, our creative cultural professionals consistently punch above their weight in shining the world's spotlight on Australia.

Events this financial year will deliver **\$900 million to the visitor economy** in NSW, bolstered by these juggernaut events and the industry-sustaining support of the NSW Government in raising the cap on live concerts at Allianz Stadium in Moore Park.

Creative talent, skills and capabilities are abundant and proven to deliver. A sustainable industry needs to provide consistent year-round job opportunities and can't survive on major events alone.

There are barriers in current funding models, which have the unintended consequence of discouraging collaboration by putting cultural institutions in competition for funding, and by imposing limitations on collaborations qualifying for grant programs. There is also a critical lack of venues, serviced by sustainable cultural precincts to underpin employment, build capability and industry resilience.

### A new look at infrastructure

Sydney has a venues famine. The city has three large commercial theatres, only two of which have capacity for blockbuster productions, compared to Melbourne's four. Sydney misses out on many of the commercial touring productions that make it a global player in the performing arts. In economic terms, each production lost to Melbourne sends around \$100 million south of the border.

Sydney is big enough to sustain a world class theatre district to rival the West End and Broadway. The strength of the West End and Broadway is that their theatre districts are people magnets - relatively compact with a range of stages offering something for everyone. Sydneysiders need compact cultural precincts to enjoy the benefits of a concentrated theatre district, supported by vibrant F&B and entertainment precincts.

Our vision is to create a sustainable, activated, compelling cultural experience through a Sydney Arts Precinct connected by a unifying arts narrative that recognizes, supports and nurtures home-grown culture, creativity, and business enterprise.

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Sydney has a broad number of precincts with the potential to be cultural hubs – and we have highlighted three of these. Each is at a different stage of maturity, and all need development to reach their full potential:

- **Walsh Bay:** significant government infrastructure development provides a unique, unrivalled home for many premium arts organisations; activation has been largely left up to individual tenants. The precinct lacks a unifying cultural narrative, sense of arrival and welcome focal point. There is little collaborative programming and activation, and it misses the opportunity to become a destination in its own right and greater than the sum of its parts.
- **The Domain:** an undeveloped opportunity for a permanent amphitheatre and cultural hub as a year round activated place attracting visitors and linking the Sydney Opera House, Art Gallery of NSW, Australian Museum and Royal Botanic Garden.
- **Entertainment Quarter:** an underdeveloped cultural precinct with the potential to elevate Sydney's reputation as a world-class city, attract new investment, generate jobs, boost liveability and open space access for the local community and all Sydneysiders through its proximity to premium sporting facilities, Centennial Parklands and Disney Studios.

## A new look at audiences

The Sydney Arts Precinct would provide a vital missing chapter in the Sydney destination brand story. As a definer of Sydney's brand, the Precinct will become a 'beacon to the city', growing audiences by connecting locals and visitors to the city's cultural communities - inclusive, accessible and relevant to all.

Our model is based on a 'hub and spoke' approach, which draws people to the CBD and then disperses them via a cohesive network of cultural opportunities across Greater Sydney. A rich cultural offer will resonate more deeply with local, intra-and-inter-state audiences.

The cultural assets, institutions, programmers and artists working together to create engaging and compelling content ensures that the Sydney Arts Precinct becomes a 'must do' - cultural drawcard for CBD visitors.

As a major drawcard of local, domestic and international visitors to the city, The Sydney Arts Precinct has the potential to become the lynchpin in a broader Sydney Arts and cultural narrative, connecting major arts, culture, F&B, entertainment and retail precincts across the city with new, highly engaged audiences. This combined offer magnifies the Sydney destination brand and amplifies and disperses potential economic outcomes beyond the cultural sector.

By connecting key, significant cultural assets across Sydney's villages and suburbs, the resultant narrative is one of layers of engaging experiences to be uncovered in unexpected pockets, multi-faceted, diverse and fine-grained, dispersed but interconnected.

## Sustainable Funding

Funding should take an overarching, strategic view of the cultural and economic outcomes sought from the City's combined cultural assets. A model is needed which better aligns with the needs of the cultural sector and is more likely to result in government's desired economic outcomes.

## Recommendations

### A new look at people

1. Establish a Cultural Economy Commissioner function tasked with identifying, defining, valuing and delivering collaborative programming, activation, visitation and economic outcomes that align with the existing core purpose of the cultural organisations, the key economic and social drivers of government and aspirations of the visitor economy generally.
2. Establish a collaborative model and framework for the Sydney Arts Precinct as the mechanism to define and deliver the agreed strategic goals through governance, planning, funding, programme development, visitor servicing, capability build, execution, advocacy and performance reporting.
3. Targeted focus within the Sydney Arts Precinct collaborative group to develop a cultural brand identity, and collaborative master planning across cultural, commercial and government institutions to deliver a cohesive activation strategy and plan.

## **A new look at infrastructure**

4. Develop a Sydney Arts Precinct that acknowledges the value that Sydney's cultural assets add to the city's brand as a liveable city, and a domestic and global international destination.
5. Infrastructure investment developed in close consultation with industry experts targeted to address identified shortages in particular types of spaces and the supporting infrastructure (transport, F&B, retail, entertainment, visitor information and servicing) to underpin and sustain the precinct.

## **A new look at audiences**

6. Create a centralized Sydney Arts Precinct collaborative group consisting of members of the cultural, business, visitor economy sectors and government, responsible for planning, promoting and delivering programming, visitor experiences, market-ready cultural tourism product and servicing for promotion through tourism, partners and owned channels.
7. The Sydney Arts Precinct collaborative group to work in partnership with DNSW to create a Cultural Sydney brand as part of the redefinition of Sydney's destination brand under the NSW Visitor Economy Strategy 2030.

## **A new look at sustainable funding**

8. Recognising the fundamental importance of the cultural economy to the general social and economic health of the city and NSW as a whole, there should be government investment of seed and then ongoing recurrent funding to establish and support an Arts Precincts across NSW.
9. Provide funding to establish a Cultural Economy Collaborative Group, with resources to support it, in defining the value proposition, and growth targets, from collaborative programming activities and events to activate, stimulate, enliven and enrich the city.
10. Build an ongoing "collaborative programmes" allocation into recurrent funding of all State government funded cultural institutions, tied to agreed performance measures such as social value, economic contribution, destination brand value, visitation, participation, asset value and ROI. A mechanism may be to redirect efficiency dividend savings into collaborative programming with potential economic outcomes.
11. Actively seek private investment to add resources and capability to support long-term viability. Establish a commercial sustainability model through partnerships between cultural institutions, commercial businesses and corporate partners, to fund investment in collaborative programming, co-production, marketing and promotion. Innovative international models exist that have successfully created collaborative public-private partnerships.

Warm regards



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