



**sydney symphony orchestra**

David Robertson The Lowy Chair of Chief Conductor and Artistic Director

**Monday 8 July 2019**

**State Insurance Regulatory Authority**  
[consultation@sira.nsw.gov.au](mailto:consultation@sira.nsw.gov.au)

Dear Sir/Madam,

**RE: SYDNEY SYMPHONY ORCHESTRA SUBMISSION  
TO SIRA'S REVIEW OF THE NOMINAL INSURER**

**INTRODUCTION**

The Sydney Symphony Orchestra Holdings Pty Limited **Sydney Symphony Orchestra** welcomes the State Insurance Regulatory Authority **SIRA** compliance and performance review into the New South Wales nominal insurer **icare**.

Sydney Symphony is pleased to contribute to SIRA's review by way of this submission.

**SYDNEY SYMPHONY ORCHESTRA**

The Sydney Symphony Orchestra is a company limited by guarantee, incorporated in New South Wales and as a charitable institution, regulated by the Australian Charities and Not-for profits Commission **ACNC**. The Sydney Symphony Orchestra is Australia's internationally acclaimed, premier orchestra.

*The Sydney Symphony Orchestra was established in 1932 for the encouragement of music and for other musical purposes. As we tread the path to our centennial our vision is to create a future where music inspires, delights, challenges and unites ever larger and more diverse communities. Our mission is, through high quality, accessible and affordable performances and music education, we will both celebrate and increase the impact and value of orchestral music for Australian audiences. Our values are artistry, integrity and unity to drive excellence in our artistic and operational activities during a forthcoming period of change and disruption to our organisation.*

In 2018 the Sydney Symphony Orchestra provided work for 530 artists and administrators, undertook 221 performances in Asia, Australia and Europe, performed to 315,000 concertgoers, 23,000 students, self-generated 66% of our total revenue and raised \$21.2 m in box office revenue.



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## **ESTABLISHMENT OF ICARE**

I would describe the relationship between the Sydney Symphony Orchestra and icare at establishment as poor. We got off to a bad start because during the period that icare was established, at no time did icare introduce itself to the Orchestra. Nor was the orchestra provided with any information by icare in relation to the transition from our previous insurer GIO to icare. In fact, for the first 3 months of 2018 the Sydney Symphony Orchestra was under the impression that we were still insured for workers compensation by GIO. It is also important to note that at no time during this period did GIO inform us that they were no longer to be our insurer for workers compensation matters.

icare's failure to inform us of the implementation of the New South Government's reforms, provide us with any information regarding the transition, and any guide to how we were to work with icare, to effectively manage our injured/ill workers, was in our view totally unacceptable.

The first real communication between icare and the Sydney Symphony Orchestra was in the form of an invoice for our projected workers compensation premium for 2018 which reflected a significant increase in the premium compared to the previous year. Since we were not forewarned about the possibility of having to pay higher workers compensation premiums under icare, we had not budgeted or planned to do so. The arrival of the invoice for the premium caused great distress to the executive and board members of our company.

## **PREMIUM SETTING**

Prior to the establishment of icare, our last workers compensation premium under GIO was \$384,873. Our first invoice from icare was for \$1,099,710. You will understand that for a small not-for profit charity this significant increase was a major problem to the company.

Ultimately with the assistance of our insurance broker, the Sydney Symphony Orchestra sought a review of the proposed premium. The outcome of that review resulted in the cost for our projected premium being reduced from \$1,099,710 to \$594,289. Even with this significant reduction to the initial premium invoice the \$210,000 (54%) increase was a significant impost on the Sydney Symphony Orchestra's 2018 financial result and was detrimental to the object and purpose of our not-for-profit mandate.

The Sydney Symphony Orchestra was required to invest significant resources in the premium review process to achieve a reduced policy premium. Given we were not familiar with any of the reasons for increased premiums, i.e. the cessation of the 30% capping, the process was challenging on a small arts administration team.



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In seeking a review of our workers compensation premium, the company became more knowledgeable about the new system and developed relations with icare's Insurance specialists. We would consider those relationships have now become good ones.

However, we do wonder how many companies in New South Wales merely paid an invoice for their workers compensation at an increased cost, without being aware they could seek a review of those increased costs?

The Sydney Symphony Orchestra is currently seeking a further review of its 2017-18 final premium and 2018-9 projected premium costs, recently provided to us by icare. We note with interest the Government's principles in respect to premiums under the current system. In particular Principle 3 provides: ***Premiums should not be unreasonably volatile or excessive.*** Unfortunately, our experience to date, is evidence that the Government is not working in accordance with at least 1 of its guiding principle.

In an attempt to mitigate our finance risk in relation to our volatile and excessive annual insurance premiums under icare, the Sydney Symphony Orchestra is considering self-insurance options and alternate methods of insurance for our workers compensation. It is unfortunate that a small arts company is forced to consider becoming an insurer, to mitigate our risks as opposed to concentrating on producing the finest music in Australia. We would prefer to concentrate on our core business and that the Government offer a completely priced insurance premium.

#### **MANAGEMENT OF INJURED/ILL WORKERS**

For a small arts organisation, the Sydney Symphony Orchestra prides itself on our work health and safety program which aggressively targets the health and safety risks of our music and arts administrator employees. Our program is open to continuous improvement with the main focus on prevention of known risks to our employees. In seeking a reduction to our premium cost in 2018, icare recognised our risk management efforts and our commitment to good claims outcomes.

The Sydney Symphony Orchestra considers that our previous insurer GIO better assisted us to manage the return to work process for our ill/injured employees. Importantly GIO allocated a dedicated officer to manage Sydney Symphony Orchestra claims. Given we worked with a dedicated officer, we were able to educate that officer about the complexities of being a symphony orchestra musician, how the players work, and the importance to orchestral musicians of receiving the best treatment for their workplace injuries, to ensure longevity in their professional playing careers.



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Our experience to date with icare is that a claims officer is appointed randomly for each workers compensation claim, which means it is more difficult for the company to interact with icare as we are dealing with numerous persons. Also, because we deal with numerous claims officers, instead of being able to discuss the status of each of our claims with one person, on a regular basis, we are required to deal with numerous officers, none with any familiarity about our business and people. This results in a less effective injury management experience both for the injured employee and the company. With GIO we could, in the interest of our ill/injured employees, work with them to improve the injury management experience. With icare you are just hoping they complete the right processes in a timely fashion, so treatment needs are not delayed.

To date I would best describe working with icare officers as reminiscent of dealing with a call centre filled with people with inadequate training and/or skills. Finally, I have noticed the high turn over in icare claims officers to date. By way of example, one of our [REDACTED] [REDACTED] is injured and between January and July 2019 she has so far had four different claims officers.

## **CONCLUSION**

The Sydney Symphony Orchestra is pleased to inform SIRA of its experience to date in dealing with icare under the New South Wales Government's reformed workers compensation scheme. Our major concern is our inability to manage the financial risk of a seemingly ever increasing, excessive annual premium, in conjunction with a diminished service by icare, in managing our injured/ill employees.

Sydney Symphony Orchestra anticipates that your review of the compliance and performance of icare will result in appropriate annual premiums for all companies and improvements to this essential service of the management of injured/ill workers in New South Wales.

Yours Sincerely,

[REDACTED]  
Michel Maree Hryce  
In-house Counsel