

Executive Summary

1. The Dunedin Symphony Orchestra (DSO) thanks the Council for the opportunity to present a submission to its Annual Plan.
2. The DSO also thanks the Council for its on-going support of the orchestra since the orchestra began in 1966. This was especially valued during 2020-2022, years which were significantly disrupted because of COVID-19.
3. DSO notes:
 - a. that this submission is for an Annual Plan, rather than a Long-Term Plan.
 - b. the considerable financial challenges the Council faces.
 - c. the significant investments Council is making in the City's physical infrastructure which will have long-lasting benefits.
4. The DSO now asks Council to consider strengthening its investments in the City's cultural assets and infrastructure.
5. The DSO is experiencing its own financial challenges:
 - a. Two of the main contributing factors over the last 10 years are:
 - i. A decrease of \$38,690 in the present-day value of the DCC's City Service grant to the DSO.
 - ii. A total increase of \$57,496 p.a. over and above inflation increases in the costs associated with the DSO hiring the Town Hall.
 - b. The combined negative effect of these for the DSO is \$96,186 p.a.
 - c. Combined with Creative NZ's grant level being \$43,660 less than it would be if it had been increased by inflation, the total negative effect for the DSO is \$139,746 p.a.
 - d. Covering this shortfall is no longer sustainable for the DSO.
 - e. The DSO has increased its fundraising resources, but funds raised are not sufficient to cover this shortfall as well as covering other rising costs (combined with public resistance to higher ticket prices and Covid-affected corporate support). DSO's reserves have decreased significantly in the last ten years. Any further depletion of DSO's reserves will require the orchestra to reconsider activity levels, which in turn could affect other external funding.
6. **The DSO therefore requests the DCC consider the following so that the DCC's nett contribution to the orchestra is restored to present-day values to underpin the DSO's financial sustainability:**
 - a. **A combination of:**
 - i. **Restoring the DSO's grant to the present-day value of \$133,000 (calculated on an anticipated 5% inflation rate for 2023/4) and that future grants are indexed to inflation increases.**
 - ii. **Council facilitating enabling DSO's Town Hall hire effective costs to be restored to c. \$20,000 p.a. i.e. c. \$5,000 per concert.**
 - b. **Alternatively, a combination of the above but which effectively restores the nett gain by the DSO of the DCC's annual grant (i.e. the value of the grant less the Town Hall costs). In 2012/13, that was \$84,800. The present-day value of that is \$112,490.**
 - c. **Multi-year funding for the DSO.**

Introduction

Since its formation in 1966, the Dunedin Symphony Orchestra (DSO) has provided many benefits for the wider Ōtepoti Dunedin community, especially its contributions to the DCC’s Ara Toi – Arts and Culture Strategy, and to the four wellbeing priorities (particularly cultural, social and economic) through a comprehensive variety of orchestral experiences for a wide range of Dunedin’s community, as seen in the success of:

- its youth engagement strategies
- audience development (cf. its Beatles concert, *Songs from Moana*, *Beethoven’s Big Bash*)
- showcasing Dunedin’s outstanding musical talent (e.g. through University collaborations).

The DSO welcomes the adoption of the Ōtepoti Live Music Action Plan and notes the Council’s commitment to give effect to the community’s aspirations and create a thriving, vibrant music scene in the city. The DSO’s projects show its unique and crucial contributions to the Plan’s key components: supporting artists, audiences, the live music eco-system and music infrastructure.

In the last ten years, grant levels from DSO’s two major income sources – DCC and Creative NZ – have fallen significantly below where they would be had they been adjusted by the rate of inflation, i.e. present-day values. As well as this, the rate of increase in the maximum total cost of hiring the Town Hall per annum (for the DSO’s annual four Town Hall concerts) has far exceeded the rate of inflation:

	2012/ 2013	2023/ 2024	What these would have been in 2023 if they had been increased by the rate of inflation*	Negative impact for DSO p.a.
DCC grant to DSO	\$98,300	\$88,000	\$126,690	-\$38,690
Town Hall annual cost (total for 4 concerts)**	\$13,500	\$74,540	\$17,044	-\$57,496
Sub-Total				-\$96,186
Creative NZ	\$315,000	\$357,000	\$400,660	-\$43,660
Combined negative impact for DSO				-\$139,746

*These amounts have been calculated using the NZ Reserve Bank’s CPI inflation calculator.

**This does not include any reductions via the Town Hall Community Access Grant as this Grant is not guaranteed, and often the criteria of the Grant render the DSO ineligible. Hence the figures included above are the maxima. They include the rental plus other associated charges and costs (including hiring the Glenroy Auditorium to ensure there is no noise leakage from events in the Glenroy Auditorium into the Town Hall). See Appendix I.

***All amounts in this document are ex-GST unless otherwise stated.

Out of the DSO’s annual budget of \$1.1 million, a shortfall of **\$140,000** equates to 13%. This is a significant amount for the DSO to recover from its ticket purchasers, sponsors and donors, on top of inflation-adjustment increases already asked of them. **Recovering a \$140,000 shortfall is no longer sustainable for the DSO.** Reducing activity is also no longer an option.

The DSO’s annual deficits from 2013 to 2022, less three large one-off donations and Covid-19 central government grants, total -\$451,622.

The DSO maintains an already reduced but minimum level of activity in order to maintain its artistic standard so as to:

- retain players in Dunedin
- retain its Creative NZ funding.

As will be shown below, these two components (players and Creative NZ funding) are key to the DSO being able to produce an extraordinary array of cultural, social, and economic benefits for the city. Conversely, the loss of either component would unravel what has been, is being and can be achieved. i.e. Further de-escalation would have economic and cultural flow-on effects.

Ōtepoti Dunedin’s music eco-system

Ōtepoti Dunedin’s music exists as a wide-spread integrated eco-system, with inter-dependent components. Adverse effects (such as loss of players to the city) would undermine the integrity of the whole eco-system, affecting teaching from primary school to University (i.e. future players), and the ability of other organisations to mount performances (City Choir Dunedin, school productions, etc).

The DSO notes that several other key musical organisations (such as City Choir Dunedin, Dunedin Youth Orchestra, Saturday Morning Music Classes) have experienced similar challenges associated with grant levels and/or with Town Hall cost increases and Hall booking difficulties. Dunedin and its citizens—its ratepayers—will be the poorer if the Orchestra and other cultural groups are not cherished, celebrated and championed.

Issues associated with booking the Town Hall

Please see Appendix I.

Value of DCC grant less Town Hall hire and other DCC-related costs

This table compares the balance of the DCC grant available to the DSO after the cost of the Town Hall and other payments to the DCC (rates, water, Building Warrant of Fitness) are subtracted:

	2012/2013	2023/2024
DCC Grant to DSO	\$98,300	\$88,000
Nett available to DSO after payments to DCC	\$84,800	\$10,722
% of grant available to DSO	86%	12%

The rates rebate the DSO receives annually (2023: \$2,473) increases the proportion of DCC’s grants available in 2023/2024 to the DSO nett of payments to DCC to 15%.

A performance by DSO's 2023 Academy – for children ranging from 6 – 18 years old



City Service Grant factors

- DSO acknowledges that the City Service grant pool is contestable, and that grant levels may therefore vary considerably from year to year. For example, DCC's 2019/20 grant to the DSO was \$116,000, but \$80,000 the following year.
- As well as grant level variation, the City Service Grant announcement timing affects the DSO. Funding is announced at the end of July, a month after the year that the DCC grant covers has started, and this is eight months after the DSO has set its budget for that calendar year.
- The combination of the above factors results in a financial risk and uncertainty for the DSO.

Affects DSO's planning

- The DSO's strategic plan includes objectives to further grow its community engagement, especially with young people and different sectors of the community.
- However, DSO's ability to plan and to undertake these important projects is now severely impacted by the existing financial risks and constraints.

Funding structures

- In 2023, other organisations funded via the DCC's City Service and City Project Grants received an average grant of \$15,624, including Dunedin Design Inc. which received \$1,000. Thus, the DSO is in a quite different sphere of regional scope, size of operation and community impact when compared with other organisations in the funding pool.

Funding summary

- DSO therefore requests that, for implementation in the DCC's Long-Term Plan, the Council consider the following options regarding its annual grant to the orchestra:
 - o Expanding the overall City Service funding pool for arts and culture organisations.
 - o Ring-fencing a certain amount of the City Service pool funding for the DSO.
 - o DSO be supported through a non-contestable grant in the form of a Community Service Grant.
 - o DSO be supported through multi-year funding.

As highlighted earlier, recovering an annual shortfall of \$140,000 is no longer sustainable for the DSO, especially when taking a nine- or ten-year perspective. DSO requests the DCC to help ensure the DSO does not encounter the same fate as befell the city's professional theatre.

A packed Town Hall for DSO's September 2023 concert
(almost double NZSO's usual audience sizes)



DSO contributions to Ōtepoti Dunedin

Economic Wellbeing
Ara Toi Strategy <i>Theme 3. Inspired Connections</i> <i>Theme 4: Creative Economy</i>
Ōtepoti Live Music Action Plan <i>Theme 1. Supporting Artists</i> Local musicians have pathways to develop their practice, perform to audiences, and build sustainable careers. <i>Theme 3. Supporting the Live Music Ecosystem</i> Local venue owners, operators, promoters, event organisers, businesses, music organisations, and educators are supported in the delivery of live music

Direct investment in the City

- **\$357,000** per annum via a three-year Creative New Zealand funding agreement.
- **\$510,000** wages and salaries for c. 80 players and staff.
- The balance of **\$1.1 million** turnover is invested in Dunedin's goods and services providers.
- Economic spend in the city from **visitors** from Te Anau, Central Otago, and Oamaru.
- **DSO's financial sustainability initiatives** have included:
 - Appointment of a Development Manager and support staff, and investment in development software.
 - Donation campaign: In ten years donations have increased 261%, from \$38,140 to \$137,540.
 - Initiated a bequest campaign.

DSO's Employment

- Dunedin's largest employer of musicians.
- Supports a diverse and rich skill base:
 - **70%** of DSO players have **moved to Dunedin**.
 - **40%** are **music teachers**.
 - **95%** of DSO players are, or have been, **University** staff and/or students from across all disciplines.

Career pathways and opportunities for youth

- **49 players between 6 and 18 years old** belong to the DSO Academy – a youth development orchestra training young players for the Dunedin Youth Orchestra
- New works of **4-6 aspiring student composers** in annual workshop – a collaboration between the DSO and the University.
- DSO contributes c. **\$10,000 p.a. to University** orchestral instrumental student teaching – including a scholarship.
- A biennial **joint DSO/DYO concert with the Dunedin Concerto Competition** to foster excellence and provide professional performance experiences.

Play with the Orchestra 2023
32 community guest players, mainly from the Dunedin Youth Orchestra, are
buddied with DSO players for a workshop
with London-based conductor Simon Over in Hanover Hall



<p>Cultural Wellbeing</p>
<p>Ara Toi Strategy</p> <p><i>Theme 1. Identity Pride</i></p> <p><i>Theme 2. Access and Inclusion</i></p> <p><i>Theme 3. Inspired Connections</i></p>
<p>Ōtepoti Live Music Action Plan</p> <p><i>Theme 1. Supporting Artists</i> Local musicians have pathways to develop their practice, perform to audiences, and build sustainable careers.</p> <p><i>Theme 2. Supporting Audience</i> Ōtepoti Dunedin has a range of local live music experiences and opportunities to meet community and visitor needs.</p> <p><i>Theme 3. Supporting the Live Music Ecosystem</i> Local venue owners, operators, promoters, event organisers, businesses, music organisations, and educators are supported in the delivery of live music</p>

Communities of Ōtepoti Dunedin are connected through creative practice

- Promoting **inclusion**: *Celebrating Matariki* (including taonga puoro and marae involvement), *Songs of Moana*, Beatles.
- Promoting **diversity**: players, composers, administration, and Board reflect Dunedin’s diversity of ethnicity and gender e.g. Māori in senior positions, cultural training with Aukaha.
- **Audiences** (c. 10,000 people p.a.) experience local live music experiences and opportunities

Local creative and cultural potential is nurtured

- Promote **innovation** through commissioning new compositions and collaborations.
- Sustainable **cultural partnerships**: Otago University, Dunedin Arts Festival, City Choir Dunedin, other local, national and international orchestras.
- **Attract to the city and showcase international** conductors and soloists.
- Promote Dunedin’s outstanding musical talent overseas via **digital channels – 6,865 digital views** in 6 years.
- Artistic links with **London’s** Southbank Sinfonia.
- **Investment in youth** through a development eco-system and talent incubation:
 - Collaborating with youth music organisations – Dunedin Youth Orchestra, University, schools, Dunedin Youth Jazz Orchestra.
 - **12%** of DSO’s own concert audiences are **students or children**.
 - **37%** of DSO’s concert audiences and education project participants are **students or children**.
 - **1,800 – 3,000 primary and intermediate school children** attend annual school tour performances.
 - Over **400 instrumental students** each week are taught by DSO players.
 - Extensive collaboration with the **Dunedin Youth Orchestra**.

Taonga puoro player Ariana Tikao (Kāi Tahu) and local composer Dame Gillian Whitehead (Ngai Terangi, Tuhoë) acknowledge the DSO audience's applause in King's and Queen's Performing Arts Centre on the occasion of the world première performance of Dame Gillian's new work written especially for the DSO in 2023



<p>Social Wellbeing</p>
<p>Ara Toi Strategy</p> <p><i>Theme 1. Identity Pride</i></p> <p><i>Theme 2. Access and Inclusion</i></p>
<p>Ōtepoti Live Music Action Plan</p> <p><i>Theme 1. Supporting Artists</i> Local musicians have pathways to develop their practice, perform to audiences, and build sustainable careers.</p> <p><i>Theme 2. Supporting Audience</i> Ōtepoti Dunedin has a range of local live music experiences and opportunities to meet community and visitor needs.</p> <p><i>Theme 4. Supporting Live Music Infrastructure</i> Ōtepoti Dunedin has improved access to fit-for-purpose live music venues to enrich the community and creative sector development.</p>

DSO promotes access to the arts

- Hanover Hall operates as a fit-for-purpose live music venue, which is used by many of Dunedin’s musicians for their live performances.
- Reaches **more people per capita** of population than any other NZ orchestra in an NZ city.
- Wide **range of ticket prices** \$8 - \$92 (NZSO \$8 - \$65) – average is \$44.
- **Ticket price increases:** Increases for lower-priced tickets on hold and increases for other ticket categories restrained (to counter price resistance) so as to sustain community’s access.
- **Regional tours** of full orchestra and chamber groups to schools.
- **Wheelchair access** to all performances.

Connecting communities

- C. 10,000 people annually experience DSO live, which encourages:
 - social interaction.
 - Dunedin pride and identity, including Kai Tahu Taonga.
- **32 community players of all ages** and varied experience joined DSO players in Play with the Orchestra.
- **Pride in the Environment:** The impact of climate change is integral to the DSO's strategic direction and its future planning. In acknowledgement of Dunedin’s distinctive environment, considerations include assessment of measures the orchestra can implement to reduce its carbon emissions.
- **Connection and pride:** of the c. 240 people who replied to the 2022 audience survey question of “How do the DSO’s concerts make you feel about Dunedin?”, between 79% and 81% said that DSO’s concerts made them feel:
 - Part of what is going on in Dunedin
 - Proud about Dunedin’s arts and culture
 - Good about living in Dunedin.

Conductor Simon Over (London-based) and local composer Professor Anthony Ritchie acknowledge the Town Hall audience's prolonged applause on the occasion of the world première performance of Anthony Ritchie's Symphony No. 6 – September 2023



2023 feedback

From a September 2023 concert-goer: *What a wonderful performance of the brand new Anthony Richie Symphony No. 6, and the joyous Dvorak New World Symphony, which I love so much. These performances were the **finest I've heard from the DSO**. Well done all of you!*

From 2023 School Tour parent: *I just wanted to say thank you for your visit to my son's school today. My son is autistic and semi-verbal and this was his first time seeing an orchestra play. I was worried he would be nervous or find it too loud, but he loved it! It was a joy to see him so happy. It was an experience he literally could not have anywhere other than school, so thank you. You made one very special little boy very happy today.*

From a parent of a DSO Academy player: *I am so impressed with the Academy. The programme is truly enriching children's lives. I can't speak highly enough about the talented, dedicated and patient women running this programme!*

From a visiting recently-retired Auckland Philharmonia Orchestra violinist:
I really enjoyed working with the DSO - the energy and commitment from both the players and the management team are exceptional and the fantastic results the orchestra achieves each concert are quite outstanding.

2023 Schools Tour: from Port Chalmers to Five Forks

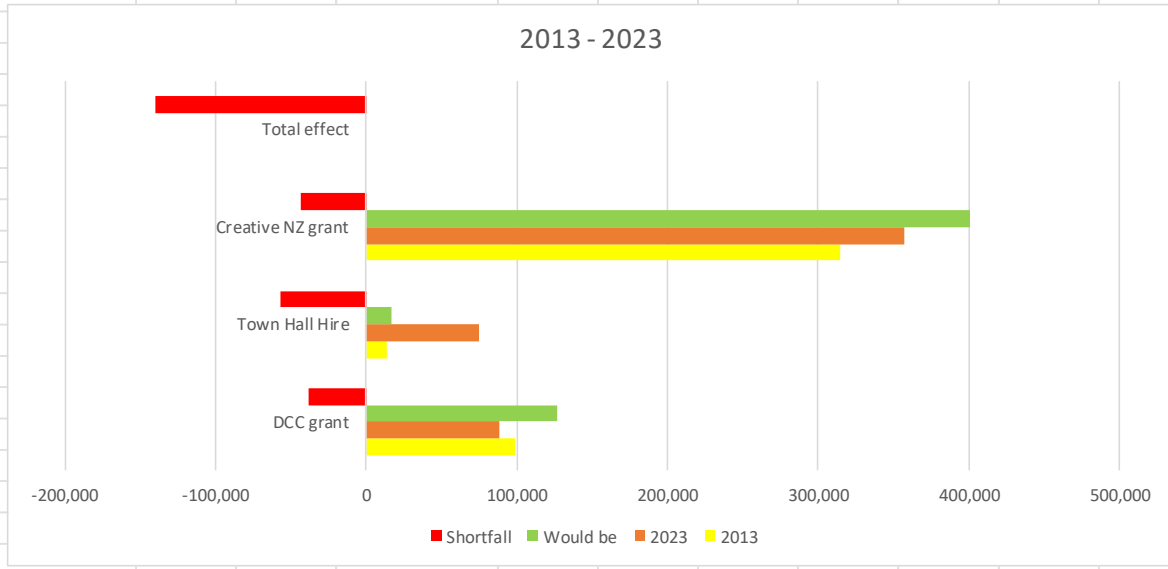


School children were entranced



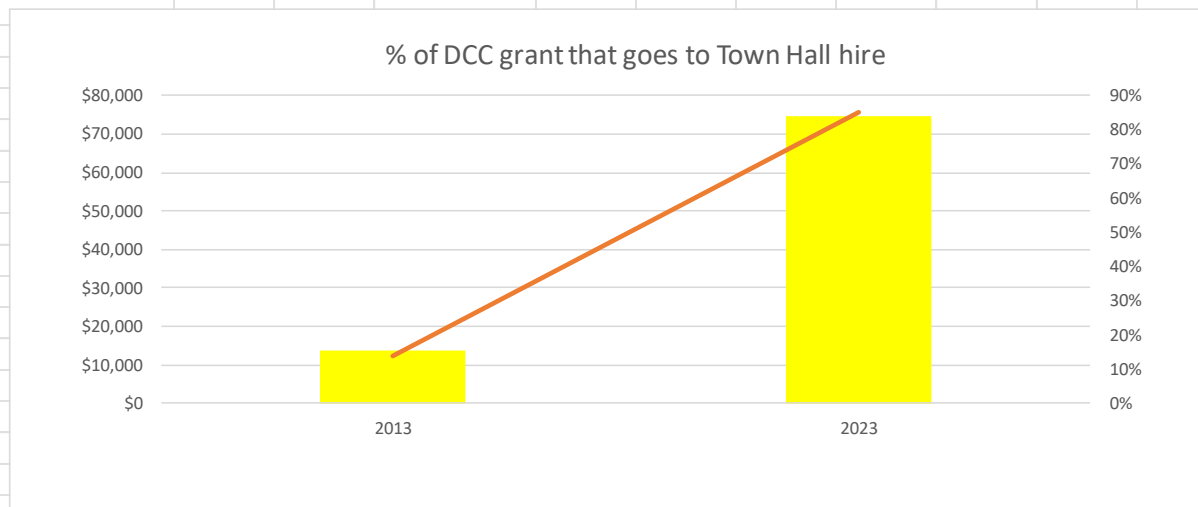
2013 DCC grant compared to 2023 level vs what current values would be if they had been adjusted for inflation

	2013	2023	If adjusted by	
			inflation	Shortfall
DCC grant	98,300	88,000	126,690	-38,690
Town Hall	13,500	74,540	17044	-57,496
Creative N	315,000	357,000	400,660	-43,660
Total effect				-139,846



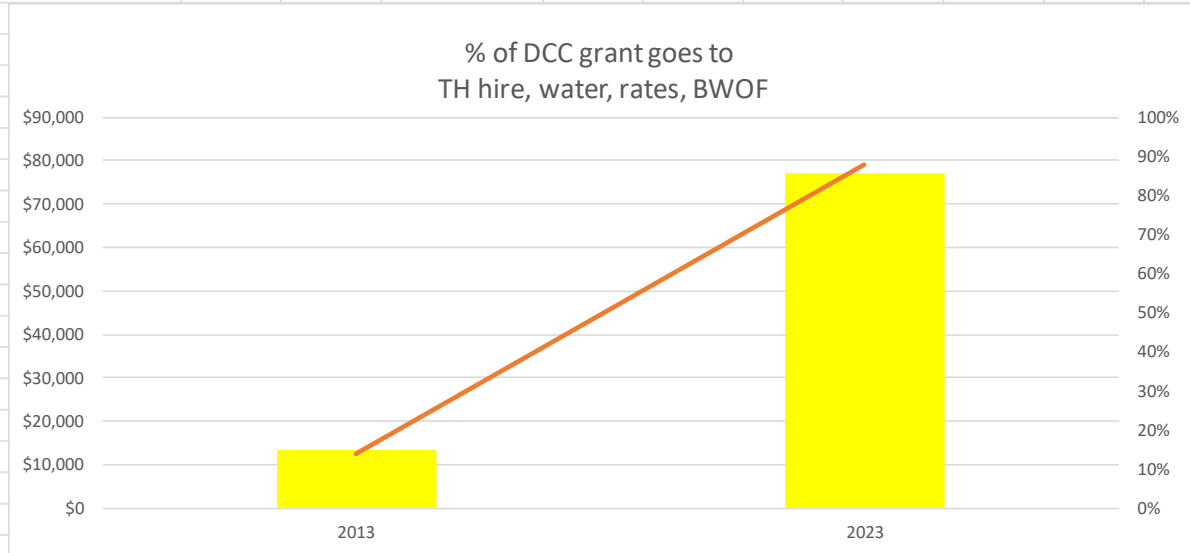
% of DCC grant to DSO that goes towards Town Hall hire

2013	\$13,500	14%
2023	\$74,540	85%



% of DCC's grant to DSO that goes towards Town Hall hire, rates, water, and BWO

2013	\$13,500	14%
2023	\$77,278	88%



APPENDIX I

Issues associated with booking the Town Hall

- A booking is only confirmed if the organisation agrees to pay the full commercial rate or waits until the Community Access Grant (CAG) application process is complete i.e. when a contract is issued.
- DSO presents four concerts p.a. in the Town Hall.
- The CAG is only available for one event every 6 months.
- Thus DSO has to pay full commercial rates for 2 of its 4 concerts.

To illustrate some of the complexities of the CAG application system, we'll use the example of a DSO concert in July. (There are 5 categories of booking: the CAG can be applied for for 4 of these categories, and each category has its own requirements. What follows applies to just one of those categories – it's the category that provides the most certainty for dates while still be eligible for the CAG. This is the one DSO applies for. Thus, other organisations applying under different categories will have different booking experiences.)

- An application for the CAG for a July concert can only be lodged in April i.e. 3 months before the event.
- The outcome of the application is advised in May, at which point a contract for the venue is issued. i.e. it is only 2 months before the event that the DSO knows whether it's paying the discount rate or the full commercial rate for its July concert.
- However, if another organisation wanted the July date, that organisation could issue a challenge, meaning that to secure the date the DSO needs to pay the full commercial rate, i.e. it forfeits its right to the CAG for an event in that half of the year because its bookings for other events in that half of the year are already contracted (DVML issues contracts for the other events promptly after organisers confirm dates.)
- Like many performing arts organisations, DSO needs two days in the Hall per concert i.e. it is liable for two days at the full commercial rate, even if it is only one of those days that's being challenged.
- DSO has had several dates challenged over the years. In one year, it had both dates it had set aside for CAG applications challenged, meaning that that year DSO was to pay full commercial rates for all 4 concerts.
- DVML's policy regarding pencil bookings introduces a further layer of uncertainty. To quote from its Booking Policy: "Pencil bookings will only be held for 3 months (or such longer period agreed upon by Dunedin Venues in writing). At the end of this period Dunedin Venues may cancel your pencil booking without notice." i.e. DVML may cancel a pencil booking without advising the organiser that it has done so. It should be noted that this has only happened once to DSO, but DVML nevertheless reserves the right to do this. To avoid this happening, DSO reconfirms its pencil bookings every 3 months, until it is ready to confirm the dates, or until it lodges its CAG applications.
- The DSO starts planning for concerts early in the previous year, and starts locking in dates, conductors and soloists during that previous year.
- It finalises its budget in November of that previous year.
- It puts its concerts on sale in January/February each year.

Costs associated with the Town Hall hire

- When DVML assumed management of the Town Hall, the hire rate for the DSO was \$13,500 per annum.
- Since then, gradually DVML has charged for components previously not subject to an additional charge, and these charges have gradually increased too e.g. stage extension, loading ramp, Conference Room for pre-concert talks, security, cleaning, Harrop Street closure, and hire of the Glenroy Auditorium to ensure there's no noise leakage from an event in the Glenroy. Not all these costs are charged each time, but most are. DSO needs to budget on the full cost as it has been charged for them all over the years.
- DVML also withdrew the provision of staff services for lighting, and for provision of extra stage risers i.e. DSO now pays external contractors to provide these goods and services.
- The total annual charge for the basic hire has increased from \$13,500 to \$44,000 but the other charges and costs (when all are charged, and assuming no CAG discount) rises to \$74,540.

The DSO requests the system is reviewed so that:

- Dates can be confirmed when the promoter needs to do that.
- Pencil bookings cannot be cancelled without the organiser agreeing to that.
- The Town Hall costs are fixed at a Community Rate for Ōtepoti Dunedin's key community organisations and are all-inclusive of ordinary components necessary for a Town Hall hire.

All You Need Is Love
A packed Town Hall house enjoys the 2023 concert of Beatles music

