



New Zealand  
Symphony  
Orchestra

Te Tira Pūoro  
o Aotearoa

G.69

**Annual Report**  
**Pūrongo ā-Tau**  
**2021**

For the year ended 31 December 2021  
Mō te tau i te oti i te 31 o Hakihea 2021



The NZSO's *Open Doors* programme creates hands-on opportunities for communities to engage personally with the Orchestra

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The Board is pleased to present the Annual Report for the New Zealand Symphony Orchestra for the year ended 31 December 2021

E harikoa ana te Poari ki te whakatakoto i te Pūrongo ā-Tau o Te Tira Puoro o Aotearoa mō te tau i oti i te 31 o Hakihea, 2021.



**Ainsley Walter**  
Board Chair/Heamana  
12 July 2023

**Edwin Read**  
Chair: Audit Committee/  
Heamana Komiti Arotake  
12 July 2023

COVER: Internationally acclaimed conductor, New Zealander Gemma New, made her début with the NZSO in 2021

## Tēnā koutou katoa

### He Mihi

E ngā mana, e ngā reo, e ngā rau rangatira o te motu whānui nei o Aotearoa, tēnā ra koutou katoa.

Tēnei te aumihi ki ngā mate huhua o te motu kua riro atu ki te pō, haere, haere, haere. He tino rerekē ngā āhuatanga o te tau kua pahure ake nei. Tērā nanakia, te mate Kōwheori, he kapua pōuriuri ki runga i te motu, rātou ki a rātou, tātou ki a tātou ki te ao awatea.

Huri mai ki a tātou o tēnei ao me te whaiwhai i ngā wawata mō te hunga mō āpōpō tēnā ra koutou katoa. Ko te pūrongo-ā-tau a te Tira Pūoro o Aotearoa e horapa ana ki ngā iwi katoa, tēnā koutou, tēnā koutou, tēnā koutou katoa.



# The NZSO: Our Vision, Mission and Values

## Te Tira Pūoro o Aotearoa: Te Whakakitenga, Whāinga Matua me ngā Uara



## **Our Vision** **Tā Mātou Matakite**

To be Aotearoa New Zealand's most loved entertainment brand.

## **Our Mission** **Tā Mātou Whakatakanga**

To delight, surprise and excite all New Zealanders through memorable musical experiences.

## **Our Values** **Ō Mātou Uara**

### **Fresh**

We play old music like it was written yesterday and inhabit new music in a way that is familiar.

### **Fearless**

We are not constrained by convention or location.

### **In Front**

We are world-class in everything we do.

### **He Herenga Whenua**

Inspired by, and connected to, this awe-inspiring country, we take excellence and turn it into a shared experience for all New Zealanders.

## **Objectives and Functions of the New Zealand Symphony Orchestra**

### **Objectives of the Orchestra** **Ngā Whāinga o te Tira Puoro**

The objectives of the Orchestra are outlined in section 8 of the *New Zealand Symphony Orchestra Act 2004*, as follows:

- To provide the public of New Zealand with live and recorded performances of symphonic music performed to an international standard.
- To provide an orchestra that—
  - (i) is highly skilled and artistically imaginative; and
  - (ii) has strong community support.
- To be a leading New Zealand performing arts organisation with a role in the development of a distinctively New Zealand cultural environment.
- To promote and encourage New Zealand musical composition and composers.
- To provide performance opportunities for New Zealand musicians, whether as members of the Orchestra or as soloists.

### **Functions of the Orchestra** **Ngā Kawenga a te Tira Puoro**

The functions of the Orchestra are outlined in section 9 of the *New Zealand Symphony Orchestra Act 2004*, as follows:

- To ensure that the Orchestra presents a broad repertoire of orchestral performance including New Zealand works and recent works.
- To encourage the development of New Zealand musicians.
- To encourage the development of New Zealanders' knowledge and appreciation of orchestral music.
- To develop and expand the audience of the orchestra on a national basis.
- To provide a touring orchestra (which may also include international performances).
- To carry out any other functions consistent with its principal objectives, as agreed to by the Minister after consultation with the Orchestra.
- To co-operate with other similar institutions and organisations having objectives similar to those of the Orchestra.





# Minister's Letter of Expectations

## Te Reta nā te Minita mō ngā Kawenga

In her December 2020 Letter of Expectations, the Arts, Culture and Heritage Minister Carmel Sepuloni stated that: "I would like to see the NZSO continue to explore new and innovative ways of connecting with the people of New Zealand." Specifically, she said:

### Enduring Letter of Expectations

*The Enduring Letter of Expectations remains in effect, and I would like to emphasise four enduring expectations in particular:*

- *Ensuring no surprises*
- *Supporting future-focused Maori Crown relations, including supporting the Maihi Karauna*
- *Ensuring your workplaces and leadership teams are diverse and inclusive*
- *Taking active steps to reduce greenhouse gas emissions, improve energy efficiency, and reduce waste outputs.*

### Sector Priorities

- *Building on the foundations laid in the first term, the Government has identified three overarching priorities:*
- *keeping New Zealanders safe from COVID-19*
- *accelerating our economic recovery*
- *laying the foundations for a better future.*

*To achieve these, three priority outcomes have been identified with support from Ministers, agencies and the sector:*

- *economic recovery*
- *vibrant, innovative sectors*
- *better access and participation.*

### Entity Direction

*My specific expectations for the NZSO in 2021/22 are that it will:*

- *contribute to the sector and Government priorities to the best of its abilities within allocated funding, particularly continuing to promote reach and access*
- *work closely with the Ministry in its work to develop options for a more financially stable NZSO*
- *ensure the timeliness and quality of reporting and planning document, including quarterly performance reports, in line with the reporting schedule provided with the most recent Post Budget Letter of Expectations*
- *address the Office of the Auditor General's recommendations from its audit of the NZSO for the year ended 31 December 2019.*

# Board Chair: Introduction

## Te Kupu Whakataki a te Heamana

### Kei ngā manu tīoriori o te ao pūoro, nei rā ngā mihi ki a koutou katoa.

As the NZSO celebrates its 75th anniversary year, I acknowledge the thousands of New Zealanders who have joined with us to grow our unique cultural legacy since 1947. Ehara taku toa i te toa takitahi, engari kē, he toa takitini, the NZSO's ongoing success is the culmination of effort from many, not any single person. I acknowledge the people who have been players in our world-class orchestra, members of our support team and our valued supporters over the last 75 years.

He aha te mea nui o te ao? He tangata, he tangata, he tangata. It is the people of the NZSO that make it great. Whether it is in a small way for a short time by attending a performance of this remarkable orchestra or for a long time as a player or part of the support team, many New Zealanders can claim a part in what one reviewer in 2021 described as a "24-carat national treasure" – our NZSO. Young and old, we have stood together with the NZSO for 75 years and will stand beside the NZSO for the next 75 years.

On behalf of the NZSO Board, we extend our thanks and appreciation to former NZSO Board Chair Laurence Kubiak for his contribution. We also acknowledge former Board members Geoff Dangerfield and Clare Murray for their work and commitment to our world-class orchestra. Mā mua ka kite a muri, mā muri ka ora a mua.

2021 was a time of significant transition for the NZSO, ensuring the organisation will be agile and a prominent voice for all Kiwi communities for the next 75 years – new collaborations, new partnerships and focusing on our role as an orchestra comprised of Kiwis who reach out to the world and to our communities, sharing the richness of our collective culture. This transition must be supported by an organisation that is fit-for-purpose and equipped with the tools we need to achieve our objectives.

The support team and players worked to implement the NZSO's refreshed vision and mission by underpinning it with action plans that guide the work we do artistically, financially and operationally and to drive philanthropic income. The support team has been implementing contemporary financial and human resources information management systems, new budgeting tools and new ways of managing the development of our artistic programmes. It's an exciting period of modernisation and collaboration for the NZSO.

Throughout this process of transition, we acknowledge the journey is challenging and made more so by the volatile environment caused by the pandemic. While much of Aotearoa New Zealand was able to return to a kind of normal, for the arts, culture and heritage sector, that start was delayed while being unable to perform to live audiences.

I pay tribute to the orchestra players and the support team for their enduring desire to bring relevant and mesmerising music to communities throughout Aotearoa New Zealand.

While a challenging time, 2021 enabled us to fast-track progress to deliver our work on digital platforms, which we are committed to continuing.

In 2021, the Board supported the Chief Executive to be bold and adequately align the organisation with the refreshed vision and mission. These changes have borne fruit both in terms of accelerating the work the NZSO undertakes to achieve its objectives and also how it operates.

For successive years, the NZSO has been supported with additional one-off capital from the Government to support the NZSO's activities. In 2020, the Government asked the NZSO to deliver proposals that would establish a more sustainable approach. The result of this process of examination has been a much clearer picture of the NZSO's cost and income drivers. This work also resulted in a re-examination of the NZSO's 2021 budget.

While the year-end result is negative, the NZSO team had anticipated this and provisioned for it as part of the NZSO's 2022 financial year. This process has provided the Board with greater confidence in the financial management of the organisation given a much more granular financial management approach that is now being implemented.

As we build now for our future, there are always headwinds for us to tackle, but we

tackle them with confidence. Successful delivery of our mission requires significant support, he rau ringa e oti ai te mahi. We thank successive governments for their ongoing investment in the NZSO as we work to demonstrate increasing economic and social impact to Aotearoa New Zealand. We thank our corporate supporters who continue to believe in the work we do in reaching out to communities both home and abroad with the highest-quality artistic endeavour. Most of all, we thank the many personal philanthropists and audience members and our supporters who champion our work to enrich the cultural landscape of Aotearoa New Zealand.

The NZSO's future is bright, he iti mokoroa, nāna i kai i te kahikatea. Our focus on artistic excellence is only enhanced by our strong desire to be part of our communities and for our communities to be part of us. Our work to develop unprecedented partnership opportunities and create new education and outreach opportunities and our effort to bring truly great music to inspire young New Zealanders will very much be a feature of where we are going.

I conclude by thanking the NZSO whānau of conductors, our Concertmaster, the players of the NZSO past and present, the National Youth Orchestra players past and present and those who aspire to become members of the NZSO and experience the thrill of being part of one of the world's best orchestras. Their talent, their ability to communicate emotion through music and their commitment to being storytellers of our story – New Zealand's story – is remarkable.

**Ainsley Walter**  
**Chair/Heamana**



# Chief Executive: Overview

## Te Kupu Whakataki a Te Kaihautū

**Whāia te iti Kahurangi ki te  
tūohu koe ma he maunga teitei**

**Aim for the highest cloud so that  
if you miss it, you will hit a lofty  
mountain.**

Firstly, I want to acknowledge all those who have gone before me as Chief Executive and the contribution they have made over the 75-year history of Te Tira Pūoro o Aotearoa. I also honour the many NZSO musicians who, over decades, have built a world-renowned sound of Aotearoa New Zealand. I recognise too the many support team who have worked tirelessly to support the NZSO and its work. We all feel privileged to have the opportunity to be part of – as Stuff’s Grant Shimmin poignantly said in a recent article – this magnificent “24-carat gold national treasure”.

2021 – and indeed, 2020 – have been extremely difficult years for organisations, creators and workers in the arts, culture, and heritage sector of Aotearoa New Zealand. All around the world, the cultural sector has faced almost unprecedented challenges.

However, it is not until we are confronted and challenged that we are driven to make the necessary change that will ensure success in the future.

So it is with our New Zealand Symphony Orchestra. Plagued by the uncertainty of the COVID-19 global pandemic and its accompanying complexities and difficulties, we have adapted, responded, and prepared for a time when our orchestra could return to being the beloved national treasure that is welcomed in communities and concert halls throughout Aotearoa New Zealand.

2021 was a testing year. I pay tribute to the NZSO’s support team and players and all those who support them – in particular, our members, supporters, donors, partners, and audiences. Despite the uncertainty caused by the pandemic,

we can look back with satisfaction on the many things we have achieved, including:

- Embarking on and delivering significant elements of our long-term programme of transformation
- Moving to engage our audiences via online platforms, bringing solace and inspiration to millions around the world and at home
- Setting-out to build a fit-for-purpose, responsive and exciting digital platform to enable us to be truly audience-driven and complement our future performance activity
- Modernising and making more transparent our operating environment
- Aligning ourselves to focus more effectively on our key strategic objectives
- Reaching out to Aotearoa New Zealand’s diverse communities
- Initiating new and exciting collaborations
- Innovating like never before to ensure that we are relevant and meaningful to communities throughout the motu – now and for the years to come
- Undertaking the necessary work to ensure that the long-term financial position of the NZSO is safeguarded.

The NZSO’s work to refresh and change its systems and structures has resulted in a much greater understanding of the organisational challenges we face while ensuring that we can look ahead to continue our transformation trajectory and seize opportunities to deliver against our strategic objectives – quality, accessibility, visibility, and relevance.

The 2021 financial result is a symptom of the difficulties the NZSO has encountered over successive years. As the NZSO prepared its 2020 budget, we forecast a one-off surplus for the 2020 year as a result of cancellations arising from Aotearoa New Zealand’s response to the COVID-19 pandemic.

This one-off surplus was carried into 2021 and resulted in a forecast overspend, which would be addressed by carrying the overspend from 2020 to 2021.

In addition, the NZSO was working with the Ministry for Culture and Heritage and the Minister for Arts, Culture and Heritage to develop proposals for a sustainable funding approach for the NZSO in the years ahead. At the same time, the NZSO’s support team was being reconfigured to be more aligned with a refreshed NZSO mission and vision.

As part of the organisational reconfiguration, a new Executive Leadership Team was appointed during 2021 with significant strategic responsibilities. Included in that change was the appointment of a Director: Strategy and Corporate Services who was tasked with developing proposals in response to the Government's desire for a sustainable funding approach. The new Director took a two-pronged approach – firstly, to re-examine the 2021 budget to gain clearer insights into the organisation's cost drivers, and secondly, to develop proposals for sustainably funding the NZSO to ensure it delivered on its strategic objectives.

The outcome of re-examining the 2021 budget was a significantly more insightful view into the cost drivers of the organisation. A highly competent team of financial experts was set to work on putting in place a more robust financial management approach that has given far greater visibility across the organisation's costs and pressures. The effect of this work on the 2021 financial result is an increase in the loss that was forecast in 2020. As this was anticipated, it has also been addressed as part of the NZSO's 2022 budget with sufficient provisioning to address the 2021 overspend.

The upside of the result and the work behind it is that the NZSO has a much clearer view of the costs in what is an incredibly complex logistical operation. It gives much greater confidence about our investment priorities and enables us to address underlying financial pressures.

This process has underpinned the development of the NZSO's proposals for a more sustainable investment approach with the Government and puts the NZSO in a robust long-term financial position, particularly as it heads towards changing its financial year.

As a key year of transition, 2021 is a watershed year for the NZSO and will form the basis for how we continue to build a sustainable future for one of this country's leading cultural organisations.

**Peter Biggs** CNZM  
**Te Kaihautū o Te Tira Pūoro o Aotearoa**  
**NZSO Chief Executive**



# 2021 Overview

## 2021 He Tirohanga Whānui



NZSO & Alien Weaponry: *Tū Tapatahi - Stronger Together*;  
Claudelands Arena, Hamilton

## Key Programme Highlights

Despite COVID-19, the NZSO was able to deliver a range of exciting, innovative and uplifting experiences, including the following:

- Our collaboration with Aotearoa New Zealand's homegrown death metal band Alien Weaponry, which principally performs in te reo Māori.
- *Ngā Hihī o Matariki* was the NZSO's and the world's first performance of symphonic music in honour of Matariki. This commission was delivered by Gareth Farr together with Ariana Tikao (taonga pūoro and reo oro) and Mere Boynton (reo oro). *Ngā Hihī o Matariki* was performed in both Tāmaki Makaurau Auckland and Te Whanganui-a-Tara Wellington to enthusiastic capacity audiences.
- The Stravinsky Cycle was the NZSO's tribute to the legendary Igor Stravinsky, who conducted the NZSO in 1961. Performances comprised his masterpieces *Firebird*, *Petrushka* and the epic roof-lifting *The Rite of Spring*, which was accompanied by live digital visuals created by Nocturnal.
- *Open Doors*, an initiative trialled by the NZSO in Wellington in 2020, proved highly popular in 2021 as it was expanded to Auckland, Napier, Tauranga, Hamilton, and Christchurch. This community engagement platform offers free immersive programmes to children, young people, families, aspiring musicians, and music lovers.
- *Broadway Matinee*, performed in Tauranga and Napier, was the NZSO's first collaboration with Project Prima Volta, a ground-breaking programme promoting social inclusion through music, which was enthusiastically received by both performers and audiences alike.

Even though the COVID-19 pandemic caused significant disruption to the Orchestra's touring schedule, the NZSO was still able to deliver a wide range of concerts and performance activities throughout the motu to over 50,000 New Zealanders. The NZSO performed in:

- Kerikeri
- Whangarei
- North Shore
- Auckland
- Manukau
- Hamilton
- Tauranga
- Napier
- Carterton
- Upper Hutt
- Kapiti
- Palmerston North
- Wellington
- Nelson
- Blenheim
- Oamaru
- Ashburton
- Dunedin

The NZSO also thanks the highly talented composers, collaborators, supporters, and performers who worked with us in 2021:

- Ariana Tikao
- Gareth Farr
- Jeremy Mayall
- Tane Upjohn-Beatson
- Hamish Oliver
- Ewan Clark
- Gemma New
- James Judd
- Amo Ieriko
- Arjuna Oakes
- Cece McMillan
- Chris Lam Sam
- Gabi Summerfield
- Leonora Voigtlander
- Lila Crichton
- Project Prima Volta
- Alien Weaponry
- Molly Pawson
- Nganeko
- Peter Hayden
- Sara Brodie
- Mere Boynton
- Salina Fischer
- Troy Kingi
- Mahuia Bridgeman-Cooper
- Simon Eastwood
- Holly Mathieson
- Hamish McKeich
- Brent Stewart
- Guy Harrison
- Harry Parsons
- Ingrid Kosaka
- Jamie Delmonte
- Kevin Keys
- Kirsten Robertson
- Voices New Zealand
- Royal New Zealand Ballet
- Sarah Court
- Sepelini Mua'au
- Shaun James Kelly
- Sophie Hambleton
- Treye Liu

# Transformation Programme

## Exploring New Horizons

In early 2021, the NZSO undertook organisational change as part of implementing a wider programme of transformation. This is designed to align the organisation more effectively against its refreshed vision, mission, values and strategic objectives.

Following the implementation of a new organisational leadership structure, increased focus has been applied to modernising the NZSO. This reorientation and modernisation seeks to enable the NZSO to reach communities it hasn't engaged with before in new and surprising ways.

The transformation process also means exploring new platforms and innovative ways of presentation to enhance the NZSO's accessibility. The NZSO set out on a digital adventure in late 2021 that will create a user interface familiar to users of platforms such as Netflix or Neon.

In addition to work being undertaken to deliver a new user engagement experience, the NZSO is also modernising the way it engages with its supporters. A new membership model was agreed by the NZSO Board in mid-2021 that gives members even better value for their investment with reduced cost of accessibility and greater flexibility of choice in what supporters want to see and hear.

The NZSO's ongoing transformation programme is also about ensuring that its systems, processes, and operational practices are fit-for-purpose and future-proofed. Work commenced in late 2021 to implement a new financial information management system, which replaces a high-risk and now redundant system. In addition, the NZSO introduced initial processes to implement a new human resources information management system.

A range of initiatives underpinning a sustainable approach to transformation has been undertaken, including:

- The review, approval, and implementation of new organisational policies in key areas of risk as identified from previous audit processes.
- Reconfiguration of the NZSO's financial management practices to deliver a more comprehensive financial management approach and effective management reporting.
- An internal engagement programme of action to provide more opportunities for effective engagement with organisational leadership.
- Implementation of a refreshed vision, values, and outcomes-oriented delivery framework to guide decision making.





Ngā Hīhi o Matariki; Auckland Town Hall

## The National Music Centre

The NZSO, in partnership with Victoria University of Wellington and Wellington City Council (WCC), continued to make progress on the development of the National Music Centre (NMC), one of Wellington's and Aotearoa New Zealand's most visionary projects. The NMC project, when completed, will deliver the NZSO's first permanent home, and it is fitting that this will be in Wellington where the NZSO played its first live performance on 6 March 1947.

The NMC will be based in the strengthened Wellington Town Hall when it reopens in 2024/25, having been closed in 2013 following large earthquakes in Seddon that ultimately undermined its structural integrity.

"Stage One" of the project includes the creation of new NZSO spaces in the Wellington Town Hall basement. One of the key features of Stage One will be the development of a suite of high-end recording facilities, practice rooms and vital instrument and equipment storage.

As with most capital projects under way during the response to the COVID-19 pandemic, there have been major challenges to overcome, including rapid increases in construction costs and significant capacity constraints in the construction sector. The base build for Stage One was programmed for completion in mid to late 2023. This has been pushed out to 2024/25.

"Stage Two" of the project includes the development of the Michael Fowler Centre carpark, 100 Jervois Quay, as Victoria University of Wellington's home for the New Zealand School of Music – Te Kōkī. Included within this development is the provisioning of leased space for the administrative function of the NZSO as well as a number of practice facilities for NZSO players.

The original project envisioned the use of the WCC-owned Municipal Office Building at Te Ngākau Civic Square. Following the building's closure as a consequence of the Kaikōura earthquake in 2016, WCC has now determined that the building will be demolished, which has resulted in Stage Two of the project being revised to include a new development at 100 Jervois Quay.



The newly-refurbished Wellington Town Hall, a core part of the National Music Centre, is on-track to be completed by the end of 2025

# Revenue Generation

As a Crown entity, the NZSO must generate a significant proportion of its income from a range of activities, including fundraising, sponsorship, commissioning, and the development of commercial opportunities.

The way the NZSO organises its critical work and resources to generate the necessary income to deliver its services was overhauled throughout 2021, with three key changes:

- Implementation of an organisational redesign to deliver alignment between the skills of our people and the needs of the NZSO now and in the years ahead.

Development and implementation of a Commercial and Partnerships leadership position within the NZSO.

Development and implementation of refined strategies for both the NZSO's new Commercial and Partnerships focus and a new comprehensive, modernised and focused strategy for the NZSO's redesigned Fundraising team.

A change in approach to revenue was also implemented throughout 2021. While it is symbolic, it is an important departure from how the NZSO has previously considered income from the Government. The NZSO has historically treated Crown revenue as distinct from its other sources of revenue, but a cultural change in approach through 2021 has resulted in the NZSO now viewing the Government as its biggest sponsor. The NZSO greatly appreciates the investment the Government makes in sustaining the delivery of its services on behalf of all New Zealanders. This change culturally reinforces the role of the Government's investment in the NZSO and aligns with the organisation's expectations of accountability. This is an important step in helping to ensure the right resources are being applied in the most effective way possible.



Government  
\$14.464m–\$18.464m  
Single client, highly complex, baseline funder.  
CEO and Director Strategy & Corporate

Commercial  
\$0.3m–\$0.5m  
3–8 clients, complex, commissioning funders.  
Senior Manager Commercial & Partnerships

Corporate  
\$0.6m–\$1.0m  
10–20 clients, complex, brand association.  
Proposed – Principal Advisor Development

Philanthropic  
\$1.0m–\$1.6m  
Multiple clients, support for orchestral activity.  
Proposed – Supporter Engagement Team



BENEE & The NZSO; Michael Fowler Centre, Wellington

## Commercial and Partnership Highlights

Commercial and Partnerships is a new senior leadership position within the NZSO. The aim is to make NZSO visible and sought after for diverse projects and collaborations by supporting innovative uses of the NZSO in the performing arts and commercial spheres.

The new position has quickly delivered several new commercial partnerships. Notably, *Benee and the NZSO* was a great success, with two performances at Wellington's Michael Fowler Centre, and commercial work with Sky Television kicked off in late 2021 and was delivered in early 2022.

Key planned partnerships through 2021 included the Royal New Zealand Ballet collaborative involvement in *L'Histoire du Soldat/The Soldier's Tale* production as part of *Setting Up Camp* with 13 shows nationwide, *A Midsummer Night's Dream* with 14 shows across Wellington, Christchurch and Auckland, support for Te Papa's *Whānau Day* with two live concerts at its Soundings Theatre and the *Storytime* digital content series with ReadNZ. Te Pou Muramura created from existing Philip Norman scores for Margaret Mahy's *A Lion in the Meadow* and Joy Cowley's *Snake and Lizard*.

Key activated partnerships through 2021 included Te Tairāwhiti Arts Festival and debuting of the new collaborative programme *Hihī – A Song of Place*, a spectacular and unique opera event showcasing the songs of Te Tairāwhiti, well-loved waiata sung in operatic style, kapa haka and favourite opera arias performed in te reo Māori at Waihirere Domain, Gisborne. Unfortunately, this was cancelled at the last moment as a result of Aotearoa New Zealand's response to the COVID-19 pandemic. Other partnerships included the Wellington College bespoke education programme and series of NZSO-presented concerts and the City Gallery Wellington bespoke concert as part of the exhibition opening of flagship international showcase *Hilma af Klint: The Secret Paintings*.

Other more commercially oriented activities included Claire Cowan's *Hansel and Gretel* album supported by the NZSO NZ Composers Scheme, which went on to win Te Kaipūoro Inamata Toa – Best Classical Artist at the 2021 Aotearoa Music Awards 2021, Hollie Smith

tracks for her *Coming in From the Dark* album supported by the NZSO NZ Composers Scheme and Phoenix Foundation tracks for their *Friend Ship* album also supported by the NZSO NZ Composers Scheme.

While the NZSO has set a modest target for Commercial and Partnerships in its first year of operation, the positive start has given some insight into the potential opportunities for the NZSO.



*The Soldier's Tale*; performed in collaboration with the Royal New Zealand Ballet, Te Raukura ki Kāpiti

# Fundraising Highlights

Previously known as Development and Supporter Engagement, the Fundraising team within the NZSO has been challenged by significant headwinds, including the constrained and uncertain financial environment confronting the NZSO's traditional institutional supporters through the COVID-19 pandemic.

Under the programme of transformation commenced in late 2021, the NZSO worked to develop and implement its new fundraising strategy in 2021. Key elements included:

- Elevated visibility and focus on Auckland
- Increasing visibility in the South Island
- Realigning focus to include an increased emphasis on private philanthropy and personal giving.

Following the NZSO Board's approval for the new strategy in 2021, the team was also reoriented to align more effectively with its strategy.

## Generosity

Despite the environmental challenges presented by the COVID-19 pandemic and the impact this has had on the NZSO's 2021 touring programme, both philanthropic and institutional revenue remained positive. This is due to larger economic factors and also a modest ability to continue performing as less-restrictive COVID-19 guidelines permitted.. For 2021:

- 906 New Zealanders became or continued to be NZSO donors generating around \$0.6m in donor income.
  - 135 donors contributed nearly \$0.5m of the total \$0.6m in donations.
  - 39 Maestro Circle (\$10,000+ per year) and Virtuoso Circle (\$5,000+ per year) contributed over \$0.3m
- 337 donations were made from NZSO Subscribers choosing to donate the value of their purchased tickets to the NZSO rather than choosing to receive refunds from cancelled events.
- Over \$0.1m was received from the estates of three generous bequests.
- Around \$0.5m was granted from the Foundation to assist the Orchestra in other areas, and the balance was invested into the Foundation's endowment fund to build a future income stream for the Orchestra.
- Around \$0.25m was contributed by trusts and local authorities.

It is only through the steadfast support of our valued donors, sponsors, and partners that the NZSO has been able to ensure the delivery of live performances during 2021. In addition, the NZSO has been able to reach and inspire in excess of four million people both in New Zealand and overseas via streaming of our live and recorded performances.

We extend our sincere thanks to the NZSO's treasured collective supporter whānau.





## Education and Outreach

Another feature of the NZSO's ongoing implementation of its transformation programme includes the development and implementation of a refreshed Education and Outreach team. The NZSO has invested in two additional staff to support a newly appointed organisational leader to drive an Education and Outreach strategy.

Along with new strategies for Commercial and Partnerships and Fundraising, Education and Outreach is also now more effectively supported with a modern, outward-facing strategy. The key elements of the NZSO's work in this area are:

- Creating increased opportunities to enable better access to and engagement by communities throughout Aotearoa New Zealand, particularly in communities where the NZSO has not traditionally been very visible or accessible
- Creating increased opportunities for a wider range of young New Zealanders to explore careers in performing arts as composers or players
- Development and implementation of new initiatives specifically focused on creating more accessible ways of engaging with orchestral music.

Despite the challenges of COVID-19, the NZSO delivered 304 Education and Outreach events throughout 2021, reached approximately 10,000 New Zealanders throughout the motu and connected with 70 organisations, including youth groups, schools, tertiary institutions, hospitals/care facilities and community ensembles. New initiatives for 2021 included:

- NZSO *Open Doors*, delivered in Wellington, Auckland, Tauranga, Napier, Hamilton and Christchurch:
  - Each event included five bespoke events for various age groups and musical abilities
  - The most successful event was *Instrument Petting Zoo* coupled with *Storytime Live*, which targeted pre-school and primary school students and reached around 2,000 New Zealanders.
- Online mentoring for young musicians reached seven regions around New Zealand, specifically those that experienced cancellations due to the pandemic.
- The new Young Artists Showcase featured five secondary school students with the NZSO, three of which recorded their own original composition.
- A new partnership with Wellington College was established in 2021 to increase community connection. Players delivered:
  - 15 workshops for various school groups from the Wellington region
  - Over 30 Wellington College and Wellington Girls' College ensemble rehearsals
  - One low-cost evening concert
- A series of four online masterclasses were developed by NZSO Players for aspiring and amateur musicians reaching around 10,000 people.

Additional highlights included nine young composers' orchestral works being workshopped and recorded by the NZSO or National Youth Orchestra and 55 of Aotearoa New Zealand's leading young musicians performing in the NZSO National Youth Orchestra side by side with the NZSO musicians, led by renowned Aotearoa New Zealand conductor and the NZSO's newly appointed Artistic Advisor and Principal Conductor Gemma New, to capacity houses in Auckland and Wellington.



# Organisational Structure

## Te Hanga o te Whakahaere



The New Zealand Symphony Orchestra (NZSO) is an autonomous Crown entity. The Board of the NZSO appointed Peter Biggs as the Chief Executive Officer in May 2020.

**Members of the NZSO Board**  
**Ngā Mema o te Poari o NZSO**

**Ainsley Walter**

Chair

**Hon Christopher Finlayson QC**

Deputy Chair

**Claire Szabó**

**Laurence Kubiak** (Term Expired)

**Edwin Read**

**Carmel Walsh**

**Margaret Harris**

Future Directors Programme

**Geoff Dangerfield** (Resigned)

**Chief Executive Officer**

**Kaihautū**

**Peter Biggs CNZM**

**Concertmaster**

**Te Kaiwhakatangi Tōiri Matua**

**Vesa-Matti Leppänen**

**Director: Strategy and Corporate Services**

**Kaitohutohu: Rautaki me ngā Ratonga**

**Rangatōpū**

**Director: Development and Supporter**

**Engagement**

**Kaitohutohu: Whanaketanga me te**

**Tautoko Turipū**

**Kaine Thompson**

**Director: Artistic Programming, Innovation and Audience Engagement**

**Kaitohutohu: Ngā Hōtaka Toi, Te Auahatanga me ngā Kaimātakitaki**

**Kirsten Mason**

**Director: Orchestra Delivery**

**Kaitohutohu: Te Kawenga a Te Tira Pūoro**

**Jane Bulpin**

# Governance Statement

## He Tauākī Kāwanatanga



Concert at *Hilma af Klint: The Secret Paintings* exhibition City Gallery Wellington

## **Governing Board**

### **Te Poari Whakahaere**

The Board is appointed by the Responsible Minister (the Minister for Arts, Culture and Heritage Hon Carmel Sepuloni as at 31 December 2021) and is comprised of seven non-executive members.

The appointments are made having regard to the need for members to have among them appropriate governance skills and an awareness of artistic matters as relevant to the role of the Board. The Board meets regularly in accordance with a schedule prepared before the start of each year.

The Board met eight times in 2021.

## **Board Remuneration**

### **Ngā Utu o te Poari**

The Board remuneration is set by the Minister consistent with the guidelines set by the Public Service Commission and Cabinet Office guidelines.

The remuneration of the Board members is detailed in the notes to the financial statements.

## **Board Audit Committee**

### **Te Kōmiti Arotake o te Poari**

The Audit Committee comprises three Board members and one independent member. The Committee reports to the Board. The purpose of the Committee is to assist in discharging the Board's responsibilities for financial reporting and regulatory compliances.

The Committee met six times in 2021.

## **Board Delegation to the Chief Executive Officer**

### **Te Kanohi o te Poari ki te Tumu Whakarae**

The Board has been authorised by the Responsible Minister to manage the business of the NZSO and has delegated the day-to-day operational authority to the Chief Executive Officer (CEO).

The CEO's terms and conditions of employment are determined by the Board in consultation with the Public Services Commission. The CEO's remuneration for the year is included in the notes to the financial statements.



**Ainsley Walter**  
Board Chair/Heamana  
12 July 2023



**Edwin Read**  
Chair: Audit Committee/  
Heamana Komiti Arotake  
12 July 2023

## **Management**

### **Ngā Kaiwhakahaere**

The CEO has appointed a four-person Executive Leadership Team (ELT), which meets weekly to discuss and determine strategic and key operational issues. The ELT positions reporting to the CEO are below. Two ELT positions are held by one individual:

- NZSO Concertmaster  
Vesa-Matti Leppänen
- Director: Strategy and Corporate Services  
Kaine Thompson
- Director: Fundraising and Supporter Engagement  
Kaine Thompson
- Director: Orchestra Delivery  
Jane Bulpin
- Director: Artistic Programming,  
Innovation and Audience Engagement  
Kirsten Mason

The remuneration of the ELT is set by the CEO in consultation with the Chair of the Board. The cumulative total for key management personnel compensation is included in the notes to financial statements.

## **Conflicts of Interest**

### **Ngā Tukinga Take Whaiaro**

Each member of the Board and ELT has made a full disclosure of their interests, and this is updated at every Board, Audit Committee and SLT meeting. If an interest is declared relating to a paper before or during any meeting, the member may be excluded from discussions and decision making on the matter.

## **Delegated Financial Authorities**

### **Ngā Mana Ahumoni kua Tohua**

The Board has approved a policy for the delegation of financial authority to the administrative staff of the NZSO. All operational spending is monitored through a budget system that is approved by the Board before the commencement of the financial year.

The CEO and appropriate key personnel hold delegated authorities who in turn may delegate part or all or a specified area of their budget to a direct report to them. However, key personnel delegated authority by the CEO will retain overall responsibility for the budget.

# Statement of Responsibility

## He Tauākī o ngā Haepapa





The Board of the New Zealand Symphony Orchestra is responsible for the preparation of the financial statements and statement of service performance and for the judgements in them.

The Board is responsible for any end-of-year performance information provided by the New Zealand Symphony Orchestra under section 19A of the Public Finance Act 1989.

The Board is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting.

In the opinion of the Board, the financial statements and statement of service performance fairly reflect the financial position and operations of the New Zealand Symphony Orchestra for the year ended 31 December 2021.

A handwritten signature in black ink, appearing to read 'Ainsley Walter'.

**Ainsley Walter**  
Board Chair/Heamana  
12 July 2023

# Statement of Service Performance

## He Tauākī o ngā mahi



## Non-financial Measures He Hua Kē

The following measures are designed to let you know how the NZSO is achieving its objectives.

### The NZSO: Playing a leading role in rebuilding New Zealand’s social infrastructure, including social and economic well-being, during the COVID-19 recovery period.

These measures focus on the NZSO’s reach, contribution to communities and audience engagement.

|   | Actual 2021 | Budget 2021             | Achieved % |
|---|-------------|-------------------------|------------|
| National/regional stakeholder survey indicating positive contribution of the NZSO*                            | 8           | 8/10                    | 100%       |
| Number of geographic centres reached  | 19          | 19                      | 100%       |
| Number of NZSO presented concerts (live/streamed)   |             |                         |            |
| Live  | 53          | 63                      | 84%        |
| Streamed  | 45          | >7                      | 643%       |
| Total audience numbers (at live concerts/performances)  | 33,371      | > 50,000                | 67%        |
| Total number of education/community performances/events   | 304         | > 200                   | 152%       |
| Implement benchmark survey process measuring audience experience/satisfaction across NZSO concerts and events | Achieved    | Achieved / Not Achieved | 100%       |

### The NZSO: Future-proofed, resilient and relevant.

These measures focus on how the NZSO is working to ensure its sustainability and relevance to diverse audience across a variety of channels.

|   | Actual 2021 | Budget 2021 | Achieved % |
|---|-------------|-------------|------------|
| Total views of digital content streaming (all channels) | 727,985     | > 2.4m      | 30%        |
| Total social media engagement measures                  | 290,026     | > 580,000   | 50%        |
| Non-Crown revenue: as a percentage of total revenue     | 15%         | 13%         | 116%       |

\*In 2019, the NZSO Board commissioned an independent reviewer to undertake a targeted stakeholder perceptions assessment to help inform the refresh of the NZSO’s vision and the focus of activity implementation over the years ahead. The independently conducted anonymous qualitative survey served as a baseline against which a subsequent survey, drawing on the same targeted stakeholder methodology, to assess whether progress had been made aligned with the NZSO’s refreshed strategic architecture. The indicator demonstrates significant improvement has been made as assessed by a direct comparison between 2019 and 2021. The result of 8 is based on stakeholders’ responses of the survey question “whether Aotearoa NZ is currently well served by its national orchestra”.

## Non-financial Measures

### He Hua Kē

The following measures are designed to let you know how the NZSO is achieving its objectives.

#### The NZSO: Delivering international quality and leadership.

These measures focus on how the NZSO is leading in terms of excellence, commitment to New Zealand work and leadership of the orchestral sector

|   | Actual 2021 | Budget 2021 | Achieved % |
|---|-------------|-------------|------------|
| <i>Commitment to New Zealand music</i>  |             |             |            |
| Number of New Zealand artists performing with the NZSO  | 31          | 25          | 124%       |
| Number of New Zealand works performed/recorded  | 58          | 37          | 157%       |
| Number of new New Zealand works performed/recorded  | 39          | 24          | 163%       |
| Number of new New Zealand student compositions workshopped by the NZSO or NZSO-NYO                | 9           | 9           | 100%       |
| Total New Zealand works performed as a percentage of 2021 programme                               | > 42%       | > 30%       | 141%       |
| Artistic excellence surveys by international artists and conductors rating NZSO as high quality** | 9.5/10      | 9/10        | 106%       |
| Number of APOA meetings organised and led by the NZSO   | 10          | 10          | 100%       |

#### The NZSO: A high performing and inclusive workplace.

These measures focus on the NZSO's commitment to being an employer of quality and to keeping every employee healthy and safe.

|  | Actual 2021 | Budget 2021 | Achieved % |
|--|-------------|-------------|------------|
| Annual employee engagement: positive scores                  | 62%         | > 60%       | 103%       |
| Health and Safety measures - Lost-time injury frequency rate | -           | -           | 100%       |

\*\*Artistic excellence is measured by drawing input from international artists who perform with the NZSO in any given period. This has, in the past, been reasonably informal. However, work is being undertaken to formalise the process to ensure that the indicators can be compared year-on-year to ensure that it is an even more meaningful measure. The first implementation of more formal indicators as part of the survey work will be for the 2023 and 2023/24 years and developed as part of the NZSO Board's budgeting process in 2022.

## Output Services Revenue and Expenditure

The New Zealand Symphony Orchestra has one output class -  
Orchestral Services.

|               | <b>Actual 2021<br/>\$000</b> | <b>Budget 2021<br/>\$000</b> | <b>Actual 2020<br/>\$000</b> |
|---------------|------------------------------|------------------------------|------------------------------|
| Revenue Crown | 14,859                       | 14,826                       | 16,326                       |
| Revenue Other | 3,649                        | 2,680                        | 2,286                        |
| Total Revenue | 18,508                       | 17,506                       | 18,612                       |
| Expenses      | (19,870)                     | (18,834)                     | (17,090)                     |
| Net Result    | (1,362)                      | (1,328)                      | 1,522                        |

# Statement of Financial Performance

## He Tauākī Pūtea



## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

|   | Notes | Actual 2021<br>\$000 | Budget 2021<br>\$000 | Actual 2020<br>\$000 |
|---|-------|----------------------|----------------------|----------------------|
| <b>Revenue</b>                                  |       |                      |                      |                      |
| Concert Revenue                                 |       | 894                  | 1,182                | 1,036                |
| Interest Revenue                                |       | 8                    | 30                   | 22                   |
| Other Revenue                                   | 1     | 1,748                | 1,468                | 1,228                |
| National Music Centre (NMC) Development Revenue |       | 999                  | -                    | -                    |
| <b>Revenue earned by the NZSO</b>               |       | <b>3,649</b>         | <b>2,680</b>         | <b>2,286</b>         |
| <b>Expenditure</b>                              |       |                      |                      |                      |
| Crown Funding                                   |       | 14,859               | 14,826               | 16,326               |
| <b>Total Revenue</b>                            |       | <b>18,508</b>        | <b>17,506</b>        | <b>18,612</b>        |
| <b>Expenditure</b>                              |       |                      |                      |                      |
| Personnel Costs                                 | 2     | 12,787               | 11,877               | 11,838               |
| Depreciation and Amortisation Expense           | 6     | 100                  | 127                  | 80                   |
| Other Expenditure                               | 3     | 6,983                | 6,830                | 5,172                |
| <b>Total Expenditure</b>                        |       | <b>19,870</b>        | <b>18,834</b>        | <b>17,090</b>        |
| <b>Net (Deficit) / Surplus</b>                  |       | <b>(1,362)</b>       | <b>(1,328)</b>       | <b>1,522</b>         |
| <b>Total Comprehensive Revenue and Expense</b>  |       | <b>(1,362)</b>       | <b>(1,328)</b>       | <b>1,522</b>         |

## Statement of Changes in Equity

For the year ended 31 December 2021

|   | Actual 2021<br>\$000 | Budget 2021<br>\$000 | Actual 2020<br>\$000 |
|---|----------------------|----------------------|----------------------|
| Total Comprehensive Revenue and Expense                     | 3,315                | 3,121                | 1,793                |
| Equity Contribution from the Crown                          | 1,000                | 1,000                | 500                  |
| <b>Balance as at 1 January</b>                              | <b>4,315</b>         | <b>4,121</b>         | <b>2,293</b>         |
| <b>Total Comprehensive Revenue and Expense for the year</b> |                      |                      |                      |
| Total Comprehensive Revenue and Expense for the year        | (2,361)              | (1,328)              | 1,522                |
| Equity Contribution from the Crown for the year             | 250                  | 250                  | 500                  |
| National Music Centre (NMC) Development Revenue             | 999                  | -                    | -                    |
| <b>Balance as at 31 December</b>                            | <b>3,203</b>         | <b>3,043</b>         | <b>4,315</b>         |

The accompanying notes & policies on pages 40 to 56 form an integral part of these financial statements.  
Explanations of major variances against budget are included in Note 19.

# Statement of Financial Position

As at 31 December 2021

|   | Notes | Actual 2021<br>\$000 | Budget 2021<br>\$000 | Actual 2020<br>\$000 |
|---|-------|----------------------|----------------------|----------------------|
| <b>Equity</b>                                   |       |                      |                      |                      |
| Accumulated Comprehensive Revenue and Expense   |       | 954                  | 1,793                | 3,315                |
| Equity Contribution from the Crown              |       | 1,250                | 1,250                | 1,000                |
| National Music Centre (NMC) Development Revenue |       | 999                  | -                    | -                    |
| <b>Total Equity</b>                             |       | <b>3,203</b>         | <b>3,043</b>         | <b>4,315</b>         |
| <b>Current Assets</b>                           |       |                      |                      |                      |
| Cash and Cash Equivalents                       | 4     | 1,840                | 3,619                | 4,616                |
| Trade Receivables and other Receivables         | 5     | 332                  | 120                  | 507                  |
| Accrued Revenue                                 |       | 999                  | -                    | -                    |
| Prepayments                                     |       | 143                  | 78                   | 111                  |
| <b>Total Current Assets</b>                     |       | <b>3,314</b>         | <b>3,817</b>         | <b>5,234</b>         |
| <b>Non Current Assets</b>                       |       |                      |                      |                      |
| Property, Plant and Equipment                   | 6     | 2,545                | 1,494                | 1,317                |
| Intangible Assets                               | 6     | 3                    | 50                   | 8                    |
| <b>Total Non-Current Assets</b>                 |       | <b>2,548</b>         | <b>1,544</b>         | <b>1,325</b>         |
| <b>Total Assets</b>                             |       | <b>5,862</b>         | <b>5,361</b>         | <b>6,559</b>         |
| <b>Current Liabilities</b>                      |       |                      |                      |                      |
| Revenue in Advance                              |       | 530                  | 350                  | 342                  |
| Trade Payables and Other Payables               | 7     | 829                  | 504                  | 518                  |
| Employee Entitlements                           | 8     | 1,085                | 1,222                | 1,182                |
| <b>Total Current Liabilities</b>                |       | <b>2,444</b>         | <b>2,076</b>         | <b>2,042</b>         |
| <b>Non-Current Liabilities</b>                  |       |                      |                      |                      |
| Employee Entitlements                           | 8     | 215                  | 242                  | 202                  |
| <b>Total Non-Current Liabilities</b>            |       | <b>215</b>           | <b>242</b>           | <b>202</b>           |
| <b>Total Liabilities</b>                        |       | <b>2,658</b>         | <b>2,318</b>         | <b>2,244</b>         |
| <b>Net Assets</b>                               |       | <b>3,203</b>         | <b>3,043</b>         | <b>4,315</b>         |

The accompanying notes & policies on pages 40 to 56 form an integral part of these financial statements.  
 Explanations of major variances against budget are included in Note 19.



# Statement of Cash Flows

For the year ended 31 December 2021

|  | Notes | Actual 2021<br>\$000 | Budget 2021<br>\$000 | Actual 2020<br>\$000 |
|--|-------|----------------------|----------------------|----------------------|
| <b>Cash Flows From Operating Activities</b>            |       |                      |                      |                      |
| Receipts from Customers and Sponsors                   |       | 3,039                | 2,484                | 2,284                |
| Interest Received                                      |       | 8                    | 30                   | 22                   |
| Government Funding                                     |       | 14,859               | 14,826               | 16,326               |
| Payments to and on behalf of employees                 |       | (12,701)             | (11,821)             | (11,630)             |
| Payments to Suppliers                                  |       | (5,813)              | (6,970)              | (5,496)              |
| Net Goods and Services Tax                             |       | (1,295)              | -                    | (186)                |
| <b>Net Cash Flows from Operating Activities</b>        |       | <b>(1,903)</b>       | <b>(1,451)</b>       | <b>1,320</b>         |
| <b>Cash Flows from Investing Activities</b>            |       |                      |                      |                      |
| Purchases of Property, Plant and Equipment             |       | (1,120)              | (320)                | (158)                |
| Purchases of Intangible Assets                         |       | (3)                  | (60)                 | -                    |
| <b>Net Cash Flows from Investing Activities</b>        |       | <b>(1,123)</b>       | <b>(380)</b>         | <b>(158)</b>         |
| <b>Cash Flows from Financing Activities</b>            |       |                      |                      |                      |
| Equity Contribution                                    |       | 250                  | 250                  | 500                  |
| <b>Net Cash Flows from Financing Activities</b>        |       | <b>250</b>           | <b>250</b>           | <b>500</b>           |
| Net Increase / (Decrease) In Cash And Cash Equivalents |       | (2,776)              | (1,581)              | 1,662                |
| Cash And Cash Equivalents At Beginning Of The Year     |       | 4,616                | 5,200                | 2,954                |
| <b>Cash And Cash Equivalents At End Of The Year</b>    | 4     | <b>1,840</b>         | <b>3,619</b>         | <b>4,616</b>         |
| <b>Represented by: Cash &amp; Cash Equivalents</b>     |       |                      |                      |                      |
| Bank   |       | 1,840                | 3,619                | 4,616                |
| <b>Total</b>   |       | <b>1,840</b>         | <b>3,619</b>         | <b>4,616</b>         |

The accompanying notes & policies on pages 40 to 56 form an integral part of these financial statements.  
Explanations of major variances against budget are included in Note 19.

# Notes to the Financial Statements

For the year ended 31 December 2021

## STATEMENT OF ACCOUNTING POLICIES

### Reporting Entity

The NZSO has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the NZSO are for the year ended 31 December 2021 and were approved by the Board for signing on the 19th of May 2023 and subsequently signed on the 12th of July 2023.

### Basis of Preparation

The financial statements of the NZSO have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period.

Under the Crown Entities Act 2004 section 136 (1), the financial year for a Crown entity (other than a school board or a tertiary education institution) is defined as “the 12 months ending on the close of 30 June or any other date determined for that entity by the Minister of Finance”. The NZSO’s financial year closes on 31 December as approved by the Minister of Finance.

### Statement of Compliance

The financial statements of the NZSO have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The NZSO is a Tier 2 entity, and the financial statements have been prepared in accordance with PBE Standards.

The financial statements have been prepared in accordance with PBE Standards Reduced Disclosure Regime (PBE Standards RDR). The criteria under which the NZSO is eligible to report in accordance with PBE Standards RDR are that the NZSO has no public accountability as the NZSO does not issue debt or equity instruments or hold assets in a fiduciary capacity and that the NZSO is not large.

These financial statements comply with PBE accounting standards.

The NZSO was required under section 156(2) (b) of the Crown Entities Act 2004 to complete the audited financial statements and performance information by 30 April 2022. The audit could not be completed by this date due to challenges faced by the NZSO from changes in its finance team and the ongoing auditor shortage impacting on Audit NZ’s ability to facilitate resultant changes in resources required.

### Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Revenue

The specific accounting policies for significant revenue items are explained below:

#### *Funding from the Crown (Government funding)*

The NZSO is significantly funded from the Crown. This funding is restricted in its use for the purpose of the NZSO meeting the objectives specified in its founding legislation (the New Zealand Symphony Orchestra Act 2004) and the scope of the relevant appropriations of the funder. The NZSO recognises such funding as revenue at the point when control of the resource passes to the NZSO. The NZSO considers the Crown payments made by the Ministry for Culture and Heritage to the NZSO meet the applicable control test for recognition when two events have occurred: the Responsible Minister has formally approved a Crown payment from the Ministry to the NZSO of all (or a specific portion) of an existing appropriation that relates to an agreed Statement of Performance Expectations and the agreed Statement of Performance Expectations is effective. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements. In the NZSO’s view, the recognition of government funding in this way meets the requirements of the applicable accounting standard (PBE IPSAS 23 Revenue from Non-exchange Transactions).

#### *Grants Received*

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied. Grant revenue is aggregated with other sponsorship revenue.

### *Contra Sponsorship Received*

Sponsorship revenue can be received by the NZSO in cash and/or non-cash (contra) exchange transactions. Revenue is recognised when it becomes receivable except when in the case of contra sponsorship there is a realistic expectation that those sponsored services will not be realised. Where the contra sponsorship generates a physical asset (rather than services) as consideration, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of such assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

### *Interest Revenue*

Interest revenue is recognised using the effective interest method.

### *Provision of Services/Concert Revenue*

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date. Concert revenue received for the NZSO's 2022 performances is revenue in advance at balance date and will be fully recognised as revenue in the 31 December 2022 financial statements.

### **Foreign Currency Transactions**

All foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into New Zealand dollars (the functional currency) using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### **Operating leases**

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are recognised as expenses on a straight-line basis over the lease term.

### **Receivables**

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that the NZSO will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

### **Investments**

#### *Term Deposits*

Investments in bank term deposits are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

### **Property, plant and equipment**

Property, plant and equipment consists of the following asset classes: computer hardware, leasehold improvements, musical instruments, studio equipment, furniture and office equipment and music library. All assets' classes are measured at cost, less accumulated depreciation and impairment losses.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the NZSO and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

### Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the NZSO and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant and equipment at rates calculated to write-off the cost (or valuation), to their estimated residual value over their estimated useful lives. Leasehold alterations are depreciated over the remaining period of the lease agreement. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

|                                     |                 |              |
|-------------------------------------|-----------------|--------------|
| Leasehold Alterations               | 3–15 years      | 6.67%–33.33% |
| Computer Hardware                   | 3 years         | 33.33%       |
| Studio Equipment                    | 10 years        | 10%          |
| Furniture and Office Equipment      | 15 years        | 6.67%        |
| Musical Instruments percussion only | 10 years        | 10%          |
| Musical Instruments all other       | 25 years        | 4%           |
| Library Music Manuscripts           | Not depreciated |              |

### Intangibles Assets

#### Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by

the NZSO, are recognised as an intangible asset. Direct costs include the software development and directly attributable employee costs. Staff training costs are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

|                             |         |        |
|-----------------------------|---------|--------|
| Acquired Computer Software  | 3 years | 33.33% |
| Developed Computer Software | 3 years | 33.33% |

### Impairment of Property, Plant and Equipment and Intangible assets

The NZSO does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

### Non-cash-generating Assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value will exceed the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and the depreciated replacement costs for the assets.

Impairment losses are recognised in the surplus or deficit.

### Payables

Short-term payables are recorded at their face value.

### Employee Entitlements

#### Short-term Employee Entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and

wages accrued up to balance date, annual leave earned to but not yet taken at balance date, deferred and retiring leave (vested and available to be cashed-in) and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences. A liability and an expense are recognised for bonuses where there is a contractual obligation and a reliable estimate of the obligation can be made.

#### *Long-term Employee Entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information;
- The present value of the estimated future cash flows.

Sick leave, annual leave, and vested long-service, retiring and deferred leave are classified as a current liability. Non-vested long-service leave expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### **Superannuation Schemes**

##### *Defined Contribution Schemes*

Obligations for contributions to KiwiSaver, the Government Superannuation Fund, the State Sector Retirement Savings Scheme and the NZSO's Tower Superannuation Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

##### *Defined Benefit Schemes*

NZSO makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. The NZSO makes employer contributions to the Defined Benefit Plan Contributors Scheme, which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

#### **Equity**

Equity is measured as the difference between total assets and total liabilities. There is no basis on which to disaggregate equity, and so it is recognised in total as general funds.

#### **Goods and Services Tax**

These financial statements are prepared on a GST exclusive basis with the exception of trade receivables and trade creditors which are stated inclusive of GST. The net amount receivable (or payable) in respect of GST is included as part of other receivables (or other payables). The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of forecast cash flows.

#### **Income Tax**

The NZSO is a public authority for the purposes of the Inland Revenue Acts. A public authority is exempt from income tax under the Income Tax Act 2007 and, accordingly, no provision has been made for income tax.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Budget Figures

The budget figures are those approved by the NZSO Board at the beginning of the financial year as disclosed in the Statement of Performance Expectations. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements, the NZSO has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Estimating Useful Lives and Residual Values of Property, Plant and Equipment*

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the NZSO and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of forecast financial position. The NZSO minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of second-hand market prices for similar assets; and
- Analysis of prior asset sales.

The NZSO has not made significant changes to past assumptions concerning useful lives and residual values.

### *Long Service Leave*

Note 8 provides an analysis of the exposure in relation to estimates and uncertainties surrounding long service leave liabilities.

## Critical Judgements in Applying Accounting Policies

The NZSO has exercised the following critical judgements in applying accounting policies:

### *Leases Classification*

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the NZSO. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised In The Statement Of Forecast Financial Position as property, plant and equipment, whereas no such asset is recognised for an operating lease. The NZSO has exercised its judgement on the appropriate classification of equipment leases and has determined no lease arrangements are finance leases.

## 1. Revenue

|   | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|---|----------------------|----------------------|
| <b>Other Revenue</b>                          |                      |                      |
| Sponsorship Revenue and Grants                | 1,421                | 877                  |
| Recording Revenue and Cost Recoveries         | -                    | -                    |
| Foreign exchange gains, excluding derivatives | -                    | 2                    |
| Gains on Disposal of Assets                   | -                    | 12                   |
| Sundry Revenue                                | 327                  | 337                  |
| <b>Total Other Revenue</b>                    | <b>1,748</b>         | <b>1,228</b>         |

Grants revenue is categorised as non-exchange where there is no obligation in substance associated with the funding provided to NZSO. The majority of this revenue is received by NZSO either as cash from various gaming and community trusts and foundations or as non-cash concert/rehearsal venue subsidies from territorial local authorities. Such revenue is generally only obtained on a (non-recurring) application basis and is contained within a single financial year.

Sponsorship revenue is categorised as exchange where there is a substantive obligation associated with the funding provided to NZSO and its value is considered approximately equal. Sponsorship contracts are negotiated between NZSO and the sponsor on arm's length commercial terms and the range of services provided to sponsors will differ in type and volume depending on both the amount of sponsorship received and the particular servicing preferences of the sponsor. Sponsorship contracts often span multiple financial years, but both the sponsorship revenue and the services provided in return, are usually negotiated for annual cycles and fully delivered within discrete NZSO concert seasons (which correlate with calendar years).

## 2. Personnel Costs

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Personnel Costs</b>                 |                      |                      |
| Salaries and wages                     | 11,952               | 11,016               |
| ACC Levy                               | 20                   | 40                   |
| Contribution to Superannuation Schemes | 432                  | 399                  |
| Allowances                             | 213                  | 210                  |
| Recruitment and Training               | 171                  | 173                  |
| <b>Total Personnel Costs</b>           | <b>12,787</b>        | <b>11,838</b>        |

As at 31 December 2021, the NZSO has a staff establishment of 115 Full-Time Equivalent employees made up of 40 administration staff and 75 musicians (2020: 120 Full-Time Equivalent employees made up of 30 administration staff and 90 musicians). At balance date, there were 18 vacancies in the establishment (2020: 15)

A payment of \$21,427 was made to employees in relation to the cessation of employment during 2021 (2020: Nil).

### 3. Other Expenditure

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Other Expenditure</b>                       |                      |                      |
| Direct Expenses from Orchestral activity       | 4,610                | 3,476                |
| Occupancy Costs                                | 418                  | 358                  |
| Audit Fees for financial statements audit      | 103                  | 77                   |
| Board Members fees                             | 112                  | 97                   |
| Foreign exchange losses, excluding derivatives | -                    | 1                    |
| General Operating Costs                        | 1,741                | 1,163                |
| <b>Total Expenditure</b>                       | <b>6,983</b>         | <b>5,172</b>         |

Total audit fees paid to Audit New Zealand for financial statements audit. The audit fees for 2021 includes an additional \$10,000 relating to a late charge for the 2019 audit. (2020: nil). No other services from Audit New Zealand were provided (or charged for) during the year.

### 4. Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Cash &amp; Cash Equivalents</b>       |                      |                      |
| Cash at bank and on hand                 | 1,840                | 4,616                |
| <b>Total Cash &amp; Cash Equivalents</b> | <b>1,840</b>         | <b>4,616</b>         |

### 5. Trade & Other Receivables

As at 31 December 2021 all overdue receivables have been assessed for impairment and irrecoverable amounts. The carrying value of receivables approximates their fair value.

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Trade &amp; Other Receivables</b>       |                      |                      |
| Gross Trade & Other Receivables            | 237                  | 459                  |
| Less: Provision for Impairment             | -                    | -                    |
| GST Receivable                             | 95                   | 48                   |
| <b>Total Trade &amp; Other Receivables</b> | <b>332</b>           | <b>507</b>           |
| Represented by:                            |                      |                      |
| Trade Receivables                          | 237                  | 339                  |
| Other Receivables                          | 95                   | 168                  |
| <b>Balance at 31 December</b>              | <b>332</b>           | <b>507</b>           |



## 6. Property, Plant And Equipment / Intangible Assets

|                                     | Leasehold<br>Alterations<br>\$000 | Computer<br>Hardware<br>\$000 | Studio<br>Equipment<br>\$000 | Furniture<br>and Office<br>Equipment<br>\$000 | Musical<br>Instruments<br>\$000 | Music<br>Library<br>\$000 | Capital<br>Work-in-<br>Progress<br>\$000 | Total<br>\$000 |
|-------------------------------------|-----------------------------------|-------------------------------|------------------------------|---|---------------------------------|---------------------------|--|----------------|
| <b>Property Plant and Equipment</b> |                                   |                               |                              |   |                                 |                           |  |                |
| Balance at 1 January 2021           | 302                               | 240                           | 630                          | 284   | 621                             | 712                       | 226                                      | 3,015          |
| Additions                           | -                                 | 56                            | 16                           | 2   | 19                              | 8                         | 1,221                                    | 1,321          |
| Transfers                           | -                                 | -                             | -                            | -   | -                               | -                         | -  | -              |
| Disposals                           | -                                 | -                             | -                            | -   | -                               | -                         | -  | -              |
| <b>Balance at 31 December 2021</b>  | <b>302</b>                        | <b>296</b>                    | <b>646</b>                   | <b>285</b>                                    | <b>640</b>                      | <b>720</b>                | <b>1,447</b>                             | <b>4,336</b>   |

### Accumulated Depreciation

|                                    |            |            |            |            |            |          |          |              |
|------------------------------------|------------|------------|------------|------------|------------|----------|----------|--------------|
| Balance at 1 January 2021          | 297        | 181        | 475        | 252        | 493        | -        | -        | 1,698        |
| Depreciation expenses              | -          | 36         | 35         | 3          | 19         | -        | -        | 93           |
| Depreciation-Disposals             | -          | -          | -          | -          | -          | -        | -        | -            |
| <b>Balance at 31 December 2021</b> | <b>297</b> | <b>217</b> | <b>510</b> | <b>255</b> | <b>512</b> | <b>-</b> | <b>-</b> | <b>1,791</b> |

### Net Book Value

|                     |   |    |     |    |     |     |       |       |
|---------------------|---|----|-----|----|-----|-----|-------|-------|
| At 31 December 2020 | 5 | 59 | 155 | 32 | 128 | 712 | 226   | 1,317 |
| At 31 December 2021 | 5 | 79 | 136 | 30 | 129 | 720 | 1,447 | 2,545 |

|                                    | Computer Software<br>\$000 | Total<br>\$000 |
|------------------------------------|----------------------------|----------------|
| <b>Intangible Assets</b>           |                            |                |
| Balance at 1 January 2021          | 559                        | 559            |
| Additions                          | 3                          | 3              |
| Transfers                          | -                          | -              |
| Disposals                          | -                          | -              |
| <b>Balance at 31 December 2021</b> | <b>562</b>                 | <b>562</b>     |

### Accumulated Amortisation

|                                    |            |            |
|------------------------------------|------------|------------|
| Balance at 1 January 2021          | 551        | 551        |
| Amortisation expenses              | 8          | 8          |
| Amortisation-Disposals             | -          | -          |
| <b>Balance at 31 December 2021</b> | <b>559</b> | <b>559</b> |

### Net Book Value

|                     |   |   |
|---------------------|---|---|
| At 31 December 2020 | 8 | 8 |
| At 31 December 2021 | 3 | 3 |

There has been no indication of impairment to any item of Property, Plant and Equipment or Intangible Assets.

## 7. Trade Payables and Other Payables

|   | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|---|----------------------|----------------------|
| <b>Payables under exchange transactions</b>           |                      |                      |
| Trade Creditors                                       | -                    | 113                  |
| Accrued Expenses                                      | 534                  | 195                  |
| Other Creditors and Payables                          | 28                   | 63                   |
| <b>Total Payables under exchange transactions</b>     | <b>562</b>           | <b>371</b>           |
| <b>Payables under non-exchange transactions</b>       |                      |                      |
| PAYE Payable  | 267                  | 147                  |
| <b>Total Payables under non-exchange transactions</b> | <b>267</b>           | <b>147</b>           |
| <b>Total Trade Payables and Other Payables</b>        | <b>829</b>           | <b>518</b>           |

All trade creditors are paid within 30 days as the payment terms used by NZSO are 20th of the month following invoice date. Therefore the carrying value of creditors approximate their fair value.

## 8. Employee Entitlements

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Provision for Employee Entitlements</b> |                      |                      |
| <b>Current</b>                             |                      |                      |
| Accrued Salary & Wages                     | 337                  | 280                  |
| Annual Leave                               | 571                  | 724                  |
| Sick Leave                                 | 57                   | 57                   |
| Long Service Leave                         | 76                   | 79                   |
| Deferred Leave                             | 3                    | 3                    |
| Retiring Leave                             | 41                   | 39                   |
| <b>Total Current</b>                       | <b>1,085</b>         | <b>1,182</b>         |
| <b>Non-Current</b>                         |                      |                      |
| Long Service Leave                         | 215                  | 202                  |
| <b>Total Employee Entitlements</b>         | <b>1,300</b>         | <b>1,384</b>         |

The present value of the term long service leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. The NZSO has used an actuarial model issued for this purpose by The Treasury, effective for 31 December 2021.

A discount rate of 5% (2020: 5%) and an inflation factor of 2% (2020: 2%) were used.

If the discount rate were to differ by 1% from the estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$11,000 higher/lower (2020: \$10,000).

If the salary inflation factor were to differ by 1% from the estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$9,000 higher/lower (2020: \$8,000).

## 9. Financial Instrument Categories

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| <b>Loans &amp; Receivables</b>                                       |                      |                      |
| Cash and cash equivalents  | 1,840                | 4,616                |
| Trade Receivables and Other Receivables                              | 332                  | 507                  |
| <b>Total Loans &amp; Receivables</b>                                 | <b>2,172</b>         | <b>5,123</b>         |
| <b>Financial liabilities measured at amortised cost</b>              |                      |                      |
| Trade Creditors and Other Payables<br>(excluding Revenue in Advance) | 829                  | 518                  |
| <b>Total financial liabilities measured at amortised cost</b>        | <b>829</b>           | <b>518</b>           |

### Fair value hierarchy

Where instruments are recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market prices (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

## 10. Capital Commitments And Operating Leases

The value of non cancellable rental lease commitments to Wellington City Council for the lease of specified areas of the Michael Fowler Centre are as follows:

|  | Actual 2021<br>\$000 | Restated<br>Actual 2020<br>\$000 |
|--|----------------------|----------------------------------|
| Less than One Year                           | 84                   | 84                               |
| Between One and Two Years                    | 84                   | 84                               |
| Between Two and Five Years                   | 252                  | 252                              |
| Greater than Five Years                      | 203                  | 287                              |
| <b>Total non-cancellable operating lease</b> | <b>623</b>           | <b>707</b>                       |

The lease commitment to Wellington City Council is for 15 years from 1 June 2014 and end on 31 May 2029.

The 2020 comparatives have been restated from the prior years financial statements.

The value of non cancellable rental lease commitments to Peritus Investments Ltd for the lease of NZSO's Wellington office space in the Findex House, Willis Street, Wellington are as follows:

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| Less than One Year                           | 63                   | 59                   |
| Between One and Two Years                    | -                    | -                    |
| Between Two and Five Years                   | -                    | -                    |
| Greater than Five Years                      | -                    | -                    |
| <b>Total non-cancellable operating lease</b> | <b>63</b>            | <b>59</b>            |

The lease commitment to Peritus Investments Ltd is for 4 years from 29 May 2021 and end on 28 May 2023, with an option to terminate the lease at any time with three months notice.

The value of non cancellable rental lease commitments to Robt Jones Holdings Limited for the lease of NZSO's Auckland office space in the Southern Cross Building, High Street, Auckland are as follows:

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| Less than One Year                           | 19                   | 14                   |
| Between One and Two Years                    | 19                   | 4                    |
| Between Two and Five Years                   | 25                   | -                    |
| Greater than Five Years                      | -                    | -                    |
| <b>Total non-cancellable operating lease</b> | <b>63</b>            | <b>18</b>            |

The lease commitment to Robt Jones Holdings Limited is for 3 years from 1 April 2022 and end on 31 March 2025.

The value of non cancellable rental lease commitments to Nicola N Varuhas for the lease of NZSO's Wellington music library space in the iPayroll House, Boulcott St, Wellington are as follows:

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| Less than One Year                           | 12                   | 35                   |
| Between One and Two Years                    | -                    | 11                   |
| Between Two and Five Years                   | -                    | -                    |
| Greater than Five Years                      | -                    | -                    |
| <b>Total non-cancellable operating lease</b> | <b>12</b>            | <b>46</b>            |

The lease commitments to Nicola N Varuhas are for 3 years and six months from 31 October 2018 and end on 04 May 2022.

The NZSO is also committed to an operating lease of musical instruments, payable to The New Zealand Symphony Orchestra Foundation as follows:

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| Less than One Year                                 | 15                   | 15                   |
| Between One and Two Years                          | 15                   | 15                   |
| Between Two and Five Years                         | 45                   | 46                   |
| Greater than Five Years                            | 10                   | 25                   |
| <b>Total musical instruments lease commitments</b> | <b>85</b>            | <b>101</b>           |

The lease period is 15 years from the original lease start date, on individual instrument basis.

The NZSO is committed to a lease for the Wellington Town Hall as part of its collaboration with Victoria of Wellington on the National Centre of Music project.

The NZSO is also committed to uplift costs for the Wellington Town Hall as part of the National Centre for Music project as follows:

|  | Actual 2021<br>\$000 | Actual 2020<br>\$000 |
|--|----------------------|----------------------|
| Less than One Year                                 | -                    | -                    |
| Between One and Two Years                          | -                    | -                    |
| Between Two and Five Years                         | 1,421                | 948                  |
| Greater than Five Years                            | 10,424               | 10,897               |
| <b>Total musical instruments lease commitments</b> | <b>11,845</b>        | <b>11,845</b>        |

The NZSO is committed to a lease for the Wellington Restated Town Hall as part of its collaboration with Victoria of Wellington on the National Centre of Music project. The lease is for 25 years from the commencement date with a final expiry of 35 years. Expected date of commencement is currently January 2025.

The 2020 comparatives have been restated because of a \$1.95 million overstatement of the Michael Fowler Centre commitment, and the omission of the \$11.8 million National Music Centre lease commitment.

## 11. Contingencies

The NZSO has no contingent liabilities in 2021 (2020: nil).

The NZSO has no contingent assets in 2021 (2020: nil).

## 12. Related Parties

The NZSO is an autonomous crown entity, wholly-owned by the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect NZSO would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (e.g. Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions

*Related party transactions required to be disclosed*

(i) The NZSO transacts with The NZSO Foundation which is a separate registered charitable trust. All transactions were carried out on an arms length basis. Total amounts paid to the NZSO Foundation were \$206,701 (2020: \$181,456) and received were \$1,285,676 (2020: \$576,131).

The amounts paid by the NZSO to the NZSO Foundation relate to instrument leases, and donations received with ticket subscriptions. The amounts paid include:

- Instrument Leases (\$13,282)
- Donations received with ticket subscriptions (\$193,419)

The amounts received by the NZSO from The NZSO Foundation include:

- Support for Orchestral Activity (\$200,000)
- Fundraising Executives sponsorship (\$100,000)
- Administration expenditure reimbursement (\$100,000)
- Grants, training of musicians and payment for instruments (\$78,945)
- Donations, Bequests and Other (\$806,731)

(ii) NZSO past board member Geoff Dangerfield (resigned 7 October 2021) was also a member of the Auditor General's Audit and Risk Committee. Geoff resigned from this role on 9 July 2021

## 13. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the NZSO. This includes the seven members of the Board of the NZSO, the Chief Executive. Until a restructure in Oct 2021 this also included Head of Corporate Services, Head of Marketing Head of Development, Head of Artistic Planning, Head of Projects, Head of Orchestra Management, Head of People & Capability and the Concertmaster. After the restructure, this now includes Director of Orchestra Delivery, Director Artistic Programming and Audience Engagement, Director Strategy and Corporate Services, and Director Development and Supporter Engagement.

|  | 2021<br>\$000 | 2020<br>\$000 |
|--|---------------|---------------|
| <b>Key Management personnel compensation</b>       |               |               |
| <b>Board Members</b>                               |               |               |
| Remuneration                                       | 109           | 95            |
| Full-time equivalent members                       | 0.2           | 0.2           |
| <b>Strategic Leadership Team</b>                   |               |               |
| Remuneration                                       | 1,098         | 1,529         |
| Full-time equivalent members                       | 6.0           | 8.3           |
| <b>Total key management personnel remuneration</b> | <b>1,207</b>  | <b>1,624</b>  |
| <b>Total full-time equivalent personnel</b>        | <b>6.2</b>    | <b>8.5</b>    |

The full time equivalent for Board members has been determined based on the frequency and length of Board meetings and estimated time for Board members to prepare for meetings.

## 14. Board Member Fees

Board members remuneration received or due and receivable during the year is as follows:

|                               | 2021<br>\$000 | 2020<br>\$000 |
|-------------------------------|---------------|---------------|
| L Kubiak (Chair) <sup>1</sup> | 24.0          | 24.0          |
| A Walter <sup>2</sup>         | 13.5          | 7.6           |
| E Read <sup>3</sup>           | 13.5          | 7.6           |
| C Walsh <sup>4</sup>          | 13.5          | 5.6           |
| C Szabo <sup>5</sup>          | 5.6           | -             |
| Hon C Finlayson <sup>6</sup>  | 5.6           | -             |
| C Murray <sup>7</sup>         | 10.1          | 13.5          |
| G Dangerfield <sup>8</sup>    | 14.0          | 9.5           |
| D Wong <sup>9</sup>           | 9.0           | 13.5          |
| P McArthur <sup>10</sup>      | -             | 7.9           |
| B Holdsworth <sup>11</sup>    | -             | 5.9           |
| <b>Total</b>                  | <b>108.8</b>  | <b>95.1</b>   |

1. L Kubiak was appointed as a Board Chair effective from June 2019.

2. A Walter was appointed as a board member effective from June 2020.

3. E Read was appointed a board member effective from June 2020.

4. C Walsh was appointed a board member effective from August 2020.

5. C Szabo was appointed a board member effective from August 2021.

6. Hon C Finlayson was appointed a board member effective from October 2021.

7. C Murray was a board member until October 2021.

8. G Dangerfield was a board member until October 2021.

9. D Wong was a board member until September 2021.

10. P McArthur was a board member until July 2020.

11. B Holdsworth was a board member until June 2020.

In addition, Margaret Harris has been attending Board Meetings under the Institute of Directors' "Future Directors Programme" since August 2021. They have been paid a stipend of \$1,700 for their attendance.

## 15. Board & Officers Liability Insurance

The NZSO has arranged policies of "Directors' and Officers' Liability Insurance" which ensures that generally board members and officers will incur no monetary loss to the limit of indemnity of \$3,000,000 for any one claim or in all, as a result of actions undertaken by them as board members or officers.

## 16. Employee Insurance

Musical instruments owned by the players and used within the orchestra are subsidised by the NZSO at 40% of the premium under a Material Damage policy.

## 17. Employee Remuneration

The number of employees whose remuneration and other benefits was above \$100,000 for the year ended 31 December 2021 within \$10,000 bands are as follows:

|                       | 2021 | 2020 |
|-----------------------|------|------|
| \$100,000 - \$109,999 | 13   | 18   |
| \$110,000 - \$119,999 | 15   | 11   |
| \$120,000 - \$129,999 | 4    | 2    |
| \$130,000 - \$139,999 | 3    | 2    |
| \$140,000 - \$149,999 | 3    | 1    |
| \$150,000 - \$159,999 | 1    | 1    |
| \$170,000 - \$179,999 | 1    | -    |
| \$210,000 - \$219,999 | -    | 1    |
| \$220,000 - \$229,999 | 2    | -    |
| \$250,000 - \$259,999 | -    | 1    |
| \$300,000 - \$309,999 | -    | 1    |
| \$310,000 - \$319,000 | 1    | -    |

The Chief Executive's remuneration fell within the range \$310,000 to \$319,999 for the 2021 year.

The Chief Executive's remuneration fell within the range \$300,000 to \$309,999 for the 2020 year.

The Chief Executive's remuneration fell within the range \$300,000 to \$309,999 for the 2019 year.

The Chief Executive's remuneration fell within the range \$270,000 to \$279,999 for the 2018 year.

The Chief Executive's remuneration fell within the range \$270,000 to \$279,999 for the 2017 year.



## 18. COVID-19

The impact of the outbreak of COVID-19 has had an ongoing impact on the financial performance of the NZSO. The NZSO has been unable to hold live performances at Alert levels 2-4, and has limited options at the more recent traffic light setting Red.

In addition, the ability to bring international guest artists into New Zealand continues to be affected by border restrictions. However, borders are beginning to open, and it is hoped that this situation will change later in 2022.

The cancellation of concerts has reduced budgeted concert revenue from ticket sales, and impacted sponsorship revenue received as in-kind contra. However, this is offset by not incurring expenditure to present live concert performances. The expenditure to present alternative methods of delivery, for example, streaming and smaller events, are being met by savings from not being able to present live performances.

## 19. Explanations of Major Variances Against Budget

Explanations of major variances from the budget figures for 2021 are:

### Statement of Comprehensive Revenue and Expense

The net deficit of \$2,361,000 (Excluding the NMC Development Revenue which was unbudgeted) is \$1,033,000 more than the budgeted deficit of \$1,328,000. This is largely explained by the below variances.

Concert revenue of \$894,000 is \$338,000 below budget. The cancellation of concerts due to COVID-19 lock-downs negatively impacted ticket sales but was partly offset by unbudgeted income from commercial contracts.

Other revenue of \$1,748,000 is \$280,000 ahead of the budget of \$1,468,000. Sponsorship and grant income received was greater than the levels forecast in the budget.

The Crown contributed \$14,858,500 in operating capital in 2021. The budget did not include \$32,500 of additional funding allocated by the Crown.

Personnel costs of \$12,787,000 is \$910,000 over the budgeted level of \$11,877,000. This is due to an organisational restructure undertaken during the year. The urgent use of temporary

contractors to fill resource gaps in office support also added unbudgeted spend.

Other expenditure of \$6,983,000 is \$153,000 over budget. This figure includes costs associated with the concert and orchestra programme, along with overhead operating costs. The concert and orchestra programme was curtailed from late August due to COVID-19 restrictions on movement and gatherings, resulting in less spend associated with touring, international conductors, soloists and additional players. However, overhead operating costs were over budget, exceeding the savings made from a reduced concert programme. This largely reflected an unbudgeted catch-up of historical under-spend, in particular in the area of information technology, premises rental increases, and professional advice associated with strategic matters.

### Statement of Comprehensive Revenue and Expense

Closing General Funds of \$2,204,000 (Excluding the NMC Development Revenue which was unbudgeted) includes \$1,250,000 of capital provided by the Crown. This capital contribution, including an additional \$250,000 in 2021, is to fund NZSO's investment in the development and fit-out of the Wellington Town Hall which will become the home of the National Music Centre. The net accumulated Comprehensive Revenue and Expenses as at 31 December 2021 is \$954,000.

Cash and cash equivalents is \$1,840,000, \$1,779,000 less than the level forecast in the budget, largely reflecting the deficit recorded in 2021, and also an increase in accounts payable of \$193,000 on budget of \$844,000.

The \$2,545,000 net book value of property, plant and equipment is \$1,051,000 greater than budget of \$1,494,000. The majority of this spend is for the Wellington Town Hall project and it is funded by the capital funds from the Crown. All of the capital spend on this project is held as work-in-progress until the Wellington Town Hall becomes operational as the home of the National Music Centre. The balance of the spend has largely been on upgrading computer equipment.

Trade receivables of \$332,000 is \$212,000 higher than the budget of \$120,000. This is primarily due to the timing of recoveries from the NZSO Foundation and receivable GST.

## 20. Events after the Balance Date

The funding for 2022 will be met from the baseline funding received from the Crown, plus additional funding being provided to support the 75th anniversary celebration events to be held in 2022. This funding is budgeted to be sufficient to cover the core ongoing expenditure of the NZSO. This includes, salaries, lease expenditure and other related expenses.

However, the COVID-19 pandemic and the accompanying restrictions and cautions continue to impact on the planned performance schedule of the Orchestra. The postponement and cancellation of concerts is forecast to reduce budgeted concert revenue from ticket sales and may impact sponsorship revenue received as in-kind contra. However, this is expected to be offset by not incurring expenditure to present live concert performances. The costs of alternative smaller programmes and alternative methods of performance delivery are expected to be met by savings from the cancellation of larger budgeted events.

The impact on short-term business operations is not forecast to present financial outcomes that cannot be managed from the existing financial resources of the organisation, and on-going baseline Crown funding.

At this time, it is not possible to determine the full effect of the COVID-19 pandemic. There could also be other matters that affect the NZSO.



## To the readers of New Zealand Symphony Orchestra's financial statements and performance information for the year ended 31 December 2021

The Auditor-General is the auditor of New Zealand Symphony Orchestra (the Orchestra). The Auditor-General has appointed me, Jacques Du Toit, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Orchestra, on his behalf.

### Opinion

We have audited:

- the financial statements of the Orchestra on pages 37 to 56, that comprise the statement of financial position as at 31 December 2021, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Orchestra on pages 33 to 35.

In our opinion:

- the financial statements of the NZSO on pages 37 to 56:
  - present fairly, in all material respects:
    - its financial position as at 31 December 2021; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 33 to 35:
  - presents fairly, in all material respects, the NZSO's performance for the year ended 31 December 2021, including:
    - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
  - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - what has been achieved with the appropriation; and
  - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
- complies with generally accepted accounting practice in New Zealand.

### Our audit was completed late

Our audit was completed on 17 July 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Crown Entities Act 2004, section 156(3)(a). The audit could not be completed by this date due to challenges faced by the Orchestra from changes in its finance team and the ongoing auditor shortage impacting on Audit New Zealand's ability to facilitate resultant changes in resources required.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards,

which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of the Board for the financial statements and the performance information**

The Board is responsible on behalf of the Orchestra for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Orchestra for assessing the Orchestra's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Orchestra, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement,

whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Orchestra's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Orchestra's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Orchestra's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Orchestra's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Orchestra to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the information included on pages 5 to 67, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

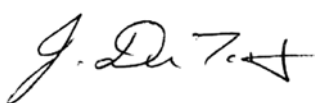
In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Orchestra in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

For the period 1 January 2021 to 9 July 2021, one of the Board members was also a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it provides independent advice to the Auditor-General and does not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as the member of the Auditor-General's Audit and Risk Committee has no involvement in, or influence over, the audit of the Orchestra.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Orchestra.



**Jacques Du Toit**  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



# Organisational Health and Capability

## Te Ora me te Āheinga o te Whakahaere





The NZSO invests in human resource practices that lift the capability of staff and capacity of the NZSO to be agile and responsive to meet our obligations, responsibilities, and commitments to Te Tiriti o Waitangi.

### **Personnel Policy**

#### **Te Kaupapa Here mō ngā Kaimahi**

Now in its 75th performing year, the NZSO remains committed to ensuring a diverse, highly committed and engaged workforce, through a focus on equity, inclusion and best practice approach.

Every year in the Annual Report, the NZSO includes a workplace profile covering headcount, age ranges, gender and length of service.

### **Health and Safety Environment**

#### **He Taiao Haumarū me te Hauora**

The NZSO strives to provide employees with a healthy and safe working environment.

Reporting of hazards is strongly encouraged, and systems are in place to ensure that process improvements can be made, and harmful impacts minimised.

All employees receive regular information regarding health and safety and wellness initiatives, and employee involvement and representation from across the organisation are active and productive.

In response to Covid, the NZSO had an increased focus on strategies and pastoral care support for employees' mental health and wellness.

### **Recruitment, Selection and Induction**

#### **Te Kimi, te Kōwhiri, me te Whakauru Kaimahi**

- The NZSO is committed to providing equality, diversity and inclusion of opportunity in its employment policies.
- All permanent positions are advertised externally to attract a wide range of candidates and build capacity and talent required for key roles.
- The best candidates are appointed to positions after following a strict selection process.
- The Orchestra ensures that diversity is achieved, where appropriate, on all appointment panels. For the selection of players, all applicants are invited to audition, and to ensure impartiality, the first and second rounds of auditions are held behind screens.
- The NZSO provides a structured and formalised induction process for new employees.

### **Flexibility and Work Design**

#### **Te Pingore me te Hoahoa o te Mahi**

- The NZSO recognises that both the organisation and employees can benefit from flexible working practices, family-friendly initiatives and other assistance to employees to achieve work/life balance.
- The NZSO seeks workable solutions to help employees achieve work/life balance while at the same time fulfilling the organisation's business and operational needs including the demands of the unique working environment of musicians in an orchestra.
- In first quarter 2021, the NZSO undertook a consultation and organisation change process to review its support team structure. The new structure provides an Executive Leadership Team (ELT), who provide collective leadership, direction, and strategic focus to the NZSO support team and orchestra players.

## **Leadership, Accountability and Culture** **Te Ārahitanga, te Kawenga Haepapa, me te Ahurea**

- The NZSO has a commitment to consultation to allow employees to have an opportunity to participate in decision making. Consultative committees are set up to ensure regular consultation with employees. These include the:
  - Players’ Committee – the representative voice to the NZSO’s Board and Executive Leadership of those players who are members of the E tū union
  - Health and Safety Committee
  - Artistic Planning Forum
  - Hui Matua – ensuring that the wider leadership within the NZSO has a voice
  - Environmental Action Group – advises the CEO and wider organisation on progress towards the NZSO’s sustainability mandate
  - Education Committee
  - Small Ensemble Committee
  - Korero Mai – all staff ELT Q&A and Panel held every six weeks
  - A staff engagement survey has been trialled and will be made a permanent annual feature.

## **Employee Development, Promotion and Exit** **Te Whakawhanake, te Whakapiki, te Wehe hoki o te Kaimahi**

Employee remuneration is regularly reviewed, and training and development opportunities are prioritised for all employees.

The NZSO undertakes six monthly performance management feedback for all support staff and provides an annual professional development system for its players.

The NZSO also has a structured and formalised exit procedure process in place.

## **Remuneration, Recognition and Conditions** **Ngā Utu, Te Tuku Mana, me ngā Āhuatanga mahi**

- The majority of players are employed under a collective employment agreement.
- The NZSO negotiates with the E tū union, adhering to the principles of good-faith bargaining.
- The NZSO provides fair and reasonable terms and conditions of employment with many entitlements exceeding statutory minimums.
- The Board of the NZSO consults with the State Services Commission with regards to the review and remuneration of the CEO.

## **Harassment and Bullying Prevention** **Te Kaupare i te Whakatīwheta me te Whakaweti**

- The NZSO is committed to providing a safe workplace that is free from harassment and bullying. All employees are required to behave appropriately in the workplace, and the NZSO’s values are frequently discussed to promote how we expect employees to behave.
- Policies are regularly reviewed and updated, and training is developed to promote awareness of standards, expectations and what to do if someone experiences or witnesses inappropriate behaviour.

## Policy Review

### Te Arotake Kaupapa Here

- In 2021 the NZSO commenced a comprehensive review of all internal policies.
- The aims of the review are to:
  - Align policies with the NZSO’s vision and mission
  - Ensure best-practice operations and risk management warrant compliance with current New Zealand legislation

The objectives include of the NZSO’s policy review programme are:

- Identify and collate all existing policy documents
- Identify any policy gaps and consider any new policies required
- Check consistencies, dependencies and relevant legislation
- Republish and communicate amended and updated policies.

## Workplace Profile

### Te Hanga o te Wāhi Mahi

- The following tables show the workplace profile covering length of service, age ranges and gender for the NZSO musicians and support team as of 31 December 2020.
- The NZSO has an establishment of 115 full-time equivalent staff (FTEs) with 75 musicians and 40 in the support team. As of 31 December 2021, there were 18 vacancies in the establishment – 15 for musicians and 3 within the support team.

### Length of service

|              | Players   | Admin     | Total      |
|--------------|-----------|-----------|------------|
| 0–5 years    | 12        | 36        | 48         |
| 6–15 years   | 17        | 1         | 18         |
| 16–25 years  | 21        | -         | 21         |
| 26–35 years  | 20        | -         | 20         |
| 35+ years    | 5         | -         | 5          |
| <b>Total</b> | <b>75</b> | <b>37</b> | <b>112</b> |

### Age ranges

|              | Players   | Admin     | Total      |
|--------------|-----------|-----------|------------|
| 0–25 years   | -         | -         | 0          |
| 26–35 years  | 6         | 14        | 20         |
| 36–45 years  | 23        | 7         | 30         |
| 46–55 years  | 20        | 9         | 29         |
| 56–65 years  | 23        | 7         | 30         |
| 65+ years    | 3         | -         | 3          |
| <b>Total</b> | <b>75</b> | <b>37</b> | <b>112</b> |

### Gender

|              | Players   | Admin     | Total      |
|--------------|-----------|-----------|------------|
| Male         | 40        | 19        | 59         |
| Female       | 35        | 18        | 53         |
| <b>Total</b> | <b>75</b> | <b>37</b> | <b>112</b> |

### Gender for Senior Roles

|              | Players <sup>1</sup> | Support <sup>2</sup> | Total     |
|--------------|----------------------|----------------------|-----------|
| Male         | 12                   | 5                    | 17        |
| Female       | 4                    | 8                    | 12        |
| Vacancy      | 1                    | -                    | 1         |
| <b>Total</b> | <b>17</b>            | <b>13</b>            | <b>30</b> |

1. Section Principals and above 2. Senior Manager to CE

## Thanking Our Supporters and Donors

### He Mihi ki a ngā Kaitautoko me ngā Hoa Kaipakihi

#### Maestro Circle (\$10,000+)

Verna Adam  
Donald Best ONZM & Susan Best  
Peter Biggs CNZM\* & Mary Biggs  
Sir Roderick & Gillian, Lady Deane  
Peter Diessl ONZM^ &  
Carolyn Diessl  
The FAME Trust  
Fehl Charitable Trust  
Christopher Finlayson QC  
Dame Bronwen Holdsworth DNZM  
The Gibbs Family  
Dame Jenny Gibbs DNZM  
Dr Hylton Le Grice CNZM, OBE &  
Ms Angela Lindsay  
Mary Fitzwilliam Award  
Paul McArthur & Danika Charlton  
Peter Masfen CNZM &  
Joanna Masfen  
Julie Nevett  
Glennis, Lady Pettigrew  
Luke Pierson  
Peter^ & Juliet Rowe  
Dame Adrienne Stewart  
Les Taylor QC  
Carmel Walsh^ &  
Simon O'Neill ONZM  
Ainsley Walter^ &  
Mark Stewart MNZM  
Anonymous (1)

#### Virtuoso Circle (\$5,000+)

Marie Brown MNZM  
& Brendan Brown  
Gillian Clark & Matilda Goldie  
Diana Duff-Staniland  
Bill Falconer CNZM  
Brian & Sally Hasell  
Holdsworth Charitable Trust  
Spencer Levine  
Kate Mead & Ross Vickery  
Rochelle McLaren  
Deryk & Jan McNamara  
Clare^ & Justin Murray  
Jennifer Pelvin & Gary Butler  
Martin & Kay Pipe  
Professor Jack C Richards  
Alison Thomson  
Kaine Thompson  
Margaret Trotter  
Daniel^ & Kylie Wong  
Anonymous (2)

#### Orchestra Circle (\$2,500+)

Ted & Ann Aspey  
Paul & Sheryl Baines  
Mark Barrow^  
Virginia Breen  
Alison Buchanan & Eric Johnston  
Allison & Victor Diem  
Christopher & Matthew Nolan-Downs  
Ian Fraser & Suzanne Snively  
David Lord & Tracy Grant Lord  
Mark & Kay Nichols  
Lorraine Smith  
Martin & Catherine Spencer  
Ross Steele^  
Philippa, Lady Tait  
Noel Vautier & Kerrin Vautier CMG  
Warwick & Linda Webb MNZM  
Anonymous (1)

#### Artist Circle (\$1,000+)

Ron & Joan Adams  
Odette Alleyne (née Outtrim)  
& Alan Evans  
Leslie Austin  
Jenny Ballantyne  
Anita Banbury  
Emma & George Bettle  
Hon. John Boscawen  
Brown Bread  
John & Christine Brook  
Ros & Philip Burdon  
Alan & Sandy Bulmer  
Molly Chapman  
Alison Cook  
Alfie & Susie des Tombe  
John Errington  
John Evans  
Michiel During & Cathy Ferguson  
Ian Fraser  
Richard & Dorothy Fraser  
Belinda Galbraith  
Michael & Creena Gibbons  
Garry & Susan Gould  
Laurence Greig  
Dr Elizabeth Griego  
Dr John Grigor &  
Ms Deborah Keating  
Michael & Jane Hall  
Erina Harding  
Gary & Helena Hawke  
Robin Henderson

Antonia Hill  
David & Heather Hutton  
Caroline Sanson May  
Courtney Johnston & Reuben Friend  
Dr Lynnette Jones & Deborah Mills  
Terry & Margaret Mills  
Morgan & Patricia Jones  
Fenton & Felicity Kelly  
Jane Lawrence  
Geoff & Elizabeth Lee  
Jim Mann  
Linda Macfarlane  
Christopher & Jilly Marshall  
Roger & Jenny Mountfort  
Alison Morton  
Kim & Ian New  
Michael Nicholls  
I J Northover  
Fay Pankhurst  
Barbara Peddie  
Ross & Judith Pottinger  
John & Win Rockell  
Miles Rogers  
Judith Ross  
Warwick Slinn  
Peter & Kay Squires  
Ken & Mary Thomson  
Adán Tijerina\*  
Judith Trotter  
Peter Verner & Michael Vidulich  
Michael & Margaret Walls  
Daphne & John Wardle  
Margaret & John Wareham  
Deborah Watson & Alec Bruce  
David Weatherburn & Maxine Dixon  
Tim Wilkinson^ & Lynette Murdoch  
Carla & John Wild  
Kirsty Wood  
Barbara Wreford  
Ann Wylie  
David & the late Helen Zwartz  
Anonymous (14)

#### Sonata Donor (\$500+)

Eric Allan & Elizabeth Wright  
Sylvia & Bill Allan  
Alistair Anderson  
Professor Gordon Anderson  
Heather & Richard Armishaw  
Warren & Margaret Austad  
Austrian Consulate Wellington  
R. Bargh

Susan Batley & Rob Hole  
 Bettle Family Trust  
 A I Boddy  
 Roger and Joanna Booth  
 Colin Calcinai  
 Angela Caughey  
 M D & M A Carr  
 Mel Carroll  
 Noel Carroll  
 Lorraine & Rick Christie  
 Patricia, Lady Clark  
 Jim and Margaret Collinge  
 Jeremy Commons & the late  
 David Carson-Parker  
 Prue Cotter  
 Drs J D & S J Cullington  
 Geoff Dangerfield^ & Claire Douglas  
 Win Davies  
 Hedwig Eisenbarth  
 Eric Espiner  
 Tom & Kay Farrar  
 John Farrell & Rosemary Fullerton-Smith  
 Anne Feeney  
 Dick & Shirley Fernyhough  
 Marion Fitchett & David Tripe  
 Jean S Fleming  
 Brian Foley  
 Kent & Gaye Gardner^  
 Dagmar Girardet  
 David & Sally Graham  
 Elizabeth Grieve  
 Cliff Hart  
 Ngaire Hoben & Richard Irvine  
 E Prof Les Holborow  
 Richard & Christine Irving  
 David Jenkinson QSM  
 Laurence Kubiak^ & Jennifer Maybee  
 Catherine & John Kennedy-Good  
 Paul & Gillian Kennerley  
 Judith Knibb  
 Dame Dawn Lamb  
 Martin Lawrence  
 Annette & Ralph Lendroum  
 Bruce Rae & Margaret Mabbett  
 Kevin & Julie Marshall  
 John & Jennifer Matthews  
 Music Futures  
 Mrs Anna McCreath Munro  
 Claire McDonald  
 Elizabeth McLeay  
 Jeff & Marise McNeill  
 John Meads & Anne Marie  
 Moorhead

Glenda & Peter Menzies  
 Middlekoop Family  
 Doug & Adrienne Miller  
 Heather Miller  
 Ken & Madelene Moon  
 Shinji & Keiko Morimoto  
 Roger & Barbara Moses  
 Andre & Helene Muller  
 Sir Geoffrey & Margaret Palmer  
 Philip & Viola Palmer  
 Chris & Dianne Patterson  
 Alan & Luba Perry  
 Robert & Helen Philpott  
 C M Power  
 Edwin^ & Gabe Read  
 Anthony Reeve  
 Seaway Cleaning Services Ltd  
 Brigitte Schuette & John Davidson  
 Mel Smith & Prue Oxley  
 Robyn Smith  
 Carol & Paul Stigley  
 Jenny & Ian Thomas  
 Heather & Steve Thompson  
 Hugh & Marion Townend  
 Peter & Kathryn Walls  
 Jeanne Wardill  
 Paula Warren  
 Cara Watson  
 Valerie Wenk  
 Glenda West  
 Anne & Peter Whitehead  
 Barbara Wilson  
 Anita Woods  
 Anonymous (24)

#### **Trusts & Foundations**

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 The Cranfylde Charitable Trust  
 Pub Charity  
 The Lion Foundation  
 Southern Trust  
 Trust Waikato  
 Four Winds Foundation  
 Foundation North  
 Auckland Council

#### **Vincent Aspey Society (Notified Legacies)**

Leslie Austin  
 Viv & Duncan Bamfield  
 Vivian Chisholm  
 Gillian Clark  
 Bryan Crawford

Murray Eggers  
 D J Foley  
 Maggie Harris  
 Cliff Hart  
 Eric Johnston & Alison Buchanan  
 Dr Lynnette Jones & Deborah Mills  
 Anna Marion  
 Shar Miles  
 Mary O'Brien  
 Hilde Otley  
 Mr Robinson  
 Peter^ & Juliet Rowe  
 Anonymous (16)

#### **Realised Legacies (2007–present)**

Mrs Ursula Bayfield  
 Barbara Kathleen Bird  
 Peter Brooks  
 Judith Clark  
 William Clayton  
 Frederick Coad  
 Dale Densem  
 Joan Dingley  
 Margaret Doucas  
 A R Edmonds  
 Margaret Everton  
 The FAME Trust  
 Mary Fitzwilliam  
 Owen Gebbie  
 John Gould  
 Valerie & Kelvin Grant  
 Kathleen Hughes  
 Allan Silas Jenkins  
 William Johnstone  
 Marie Lockey  
 Morag MacDonald  
 Zita Outtrim  
 Anne Pengelly  
 Ailsa Salt  
 Erika Schorss  
 Corinne Shirley Opie  
 Keith L Stichbury  
 Monica Taylor  
 Lesley Wyatt  
 Anonymous

#### **Endowed Funds**

Te Tahua Pūtea  
 June Violet Commons Fund  
 Emma & Jack Griffin Charitable Trust  
 Reeves Harris Orchestra Fund  
 Take Note Trust



# Salute

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FOUNDATION**

**Adam Foundation**  
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