



Pietari Inkinen Music Director

**New Zealand
Symphony Orchestra**

Te Tira Pūoro o Aotearoa

STATEMENT *of* INTENT

**FOR THREE YEARS TO
31 DECEMBER 2015**

Presented to Hon. Christopher Finlayson
Minister for Arts, Culture and Heritage

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*Current musicians with the NZSO.

For more information on how you too can become a NZSO Supporter visit www.nzso.co.nz

Statement of Intent

This statement replaces all previous statements and represents the intentions and objectives of the New Zealand Symphony Orchestra (NZSO) for the period to 31 December 2015. This Statement of Intent is presented by the NZSO in accordance with sections 138 to 148 of the *Crown Entities Act 2004*.

In accordance with section 149 of the *Crown Entities Act 2004*, I present this Statement of Intent to the House of Representatives.

Hon. Christopher Finlayson
Minister for Arts, Culture and Heritage

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New Zealand Symphony Orchestra: Values

WHAT WE DO	We value excellent engagement.	We identify strongly with one another and with New Zealanders. We ensure that our work is relevant to our audiences. We communicate openly and honestly with one another and with New Zealanders.
HOW WE DO IT	We value creative excellence.	We are passionate about our music and strive to share it widely. We are innovative and creative in all aspects of our activities. We are inspired to be excellent in all our performances.
HOW WE BEHAVE	We value excellent relationships.	We always act with fairness, honesty and transparency. We trust, respect, acknowledge and support each other. We always act with integrity.

FUNCTIONS OF THE ORCHESTRA

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.

OBJECTIVES OF THE ORCHESTRA

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.

New Zealand Symphony Orchestra: Vision & Mission

The Vision

Providing world class musical experiences
that inspire all New Zealanders.

achieved by

The Mission

Deepening and expanding musical connections and
engagement with our communities.

through

A national fulltime full size
symphony orchestra

which

Performs to an international standard

is

Excellent in performance

has

Relevant and engaging programming,
Reaches large and diverse audiences

and asserts

Musical and artistic leadership.

A symphony orchestra which has

Best practice operations,

A shared and productive organisational culture,

Sustainable management of all resources

and

Excellent systems and processes.

Part One: Introduction and Background

INTRODUCTION

The NZSO was established in 1946 and has been in a form of Crown ownership since that time. In 2004 it became a Crown Entity constituted under the *New Zealand Symphony Orchestra Act (2004)*. The Act sets out principal objectives and functions of the Orchestra which include: performance of symphonic music to an international standard; developing and expanding audiences on a national basis; and, having a role in the development of a distinctively New Zealand cultural environment as a leading performing arts organisation.

The NZSO receives an annual appropriation from government through Manatū Taonga, the Ministry for Culture & Heritage. The balance of its revenue is generated from non-government sources including; box office; sponsorship; fees; and, corporate and private philanthropy.

The NZSO is New Zealand's national full size, fulltime professional orchestra. In any year it can present over 100 concerts; perform in over 20 different towns and cities; perform to live audiences in excess of 140,000; reach over 30,000 people through community and education activities; perform over 30 New Zealand works; collaborate with other organisations in performances including ballet, opera and choral repertoire; be widely heard in Radio NZ Concert broadcasts; record film sound tracks and CDs; and, convenes and presents the NZSO National Youth Orchestra.

The NZSO is also New Zealand's orchestra of international standing. It performs overseas and in recent years has represented New Zealand at Olympic Cultural Festivals and World Expos. In 2010 it undertook a critically acclaimed tour of 11 European cities. It has a substantial discography which is marketed globally with in excess of one million CD sales to date. Recordings consistently enjoy complimentary reviews in authoritative international journals. Each year the NZSO attracts some of the world's finest concert artists and conductors to New Zealand to perform and tour.

This Statement of Intent sets out the Orchestra's planned activities over the three years 2013, 2014 and 2015. It describes how resources will be applied to achieve results in the Orchestra's three outcome areas, Quality, Coverage and Development.

OPERATING ENVIRONMENT

The national and international economic outlook has continued to be challenging. New Zealand has had to deal with the impacts of the trading downturn in global markets on which it is reliant, the European debt crisis and the Canterbury earthquakes. The Government's response has been to set a goal of getting to a budget surplus by the 2014/15 fiscal year and to identify four main priorities to support its attainment:

- Responsibly managing the Government's finances
- Building a more productive and competitive economy

- Delivering better public services within tight financial constraints
- Rebuilding Christchurch

The implementation of the Government's main priorities affects the NZSO in a number of ways. Public sector organisations are expected to provide better services with little or no new money. This has meant that the NZSO has had no increases in its Government appropriation and if there are any future increases they will be modest over the medium term. As a result the Orchestra has continued to sharpen its focus on both retaining and increasing its revenue from other sources. The work on initiatives to build a more competitive and productive economy will help the Orchestra to further build its revenue from non government sources as the economy strengthens.

There has also been an impact from the economic situation on the Orchestra's non-government sources of funding. There is a constrained sponsorship market as businesses reduce costs, concentrate on core activities or respond to adverse business conditions through reorganisations. Increasingly innovative activities and targeted marketing strategies are required to maintain and develop audiences to counter both a decline in discretionary expenditure and increased competition from other activities.

The Orchestra is responding to these challenges. Concert products have been reorganised to better target audience market segments. Marketing is more focused with separate and specific products and packages for Auckland, Wellington, Heartland (North Island) and Mainland (South Island). Social media are now a core marketing tool and new innovations in marketing are being rolled out, targeted at specific markets, such as our 'Pay Your Age' initiative aimed at the under 35s market. These initiatives are designed to further build audiences and improve box office returns.

New performance products continue to be developed, such as the Leaps & Sounds collaboration with the Royal New Zealand Ballet in 2012 and the planned nationwide touring collaboration with the Capital E National Theatre for Children in 2013. The Orchestra has effective systems in place to support a wide range of fundraising activities. The Orchestra's Development team works closely with the NZSO Foundation to raise funds from individuals, trusts, foundations and business. It also works with a number of business partners that provide sponsorship support to the Orchestra. The Orchestra is taking steps to build its overall capability to generate increased income from both corporate and private philanthropy. In the current economic climate this is a major priority to improve income from non government sources.

The Orchestra continues to lead innovation in the sector. In the year ahead there will be further experimentation and exploration of the best ways of filming and live streaming of performances with a view to making this a permanent feature of the Orchestra's activities. This work will build on the

experiences in presenting New Zealand's first live orchestral webcast in July 2011. The Orchestra will investigate including digital-delivery measures into the performance reporting framework in future years.

The Orchestra is also exploring ways to further streamline and develop its operations. A joint working party of musicians and managers is looking at all aspects of the Orchestra activities to improve touring patterns and provide more opportunities for communities to hear the orchestra live.

The Ministry for Culture and Heritage is undertaking a review of the New Zealand Professional Orchestra Sector. It is expected to be concluded by the beginning of 2013. Its outcome may have some impact on future activities of the NZSO in the medium term beyond 2013. Because of the long term nature of professional orchestra planning cycles and the competitive international market place for high quality artists, conductors and orchestral musicians, the usual pattern of business planning and commitment has been maintained for the period covered by this Statement of Intent.

STRATEGIC CONTEXT

During 2012 the NZSO further refined and developed its Vision, Mission and Values. The Orchestra reaffirmed its primary driver of excellence in all that it does. It has set out the ways in which this driver of excellence is the foundation of its Values as a professional performing arts organisation working at the highest levels in an international context.

The NZSO's values are:

Excellent engagement

- We identify strongly with one another and with New Zealanders.
- We ensure that our work is relevant to our audiences.
- We communicate openly and honestly with one another and with New Zealanders.

Creative excellence

- We are passionate about our music and strive to share it widely.
- We are innovative and creative in all aspects of our activities.
- We are inspired to be excellent in all our performances.

Excellent relationships

- We always act with fairness, honesty and transparency.
- We trust, respect, acknowledge and support each other.
- We always act with integrity.

The NZSO's Vision is 'providing world class musical experiences that inspire all New Zealanders' which it achieves through the Mission 'deepening and expanding musical connections and engagement with our communities'. The Vision, Mission and Values are closely interlinked and mutually reinforcing.

Under the Quality Outcome, artistic excellence is achieved by maintaining a full time salaried professional orchestra, recruited, managed and developed in accordance with best international professional practice. Quality is assessed against national and international measures as set out in this Statement of Intent.

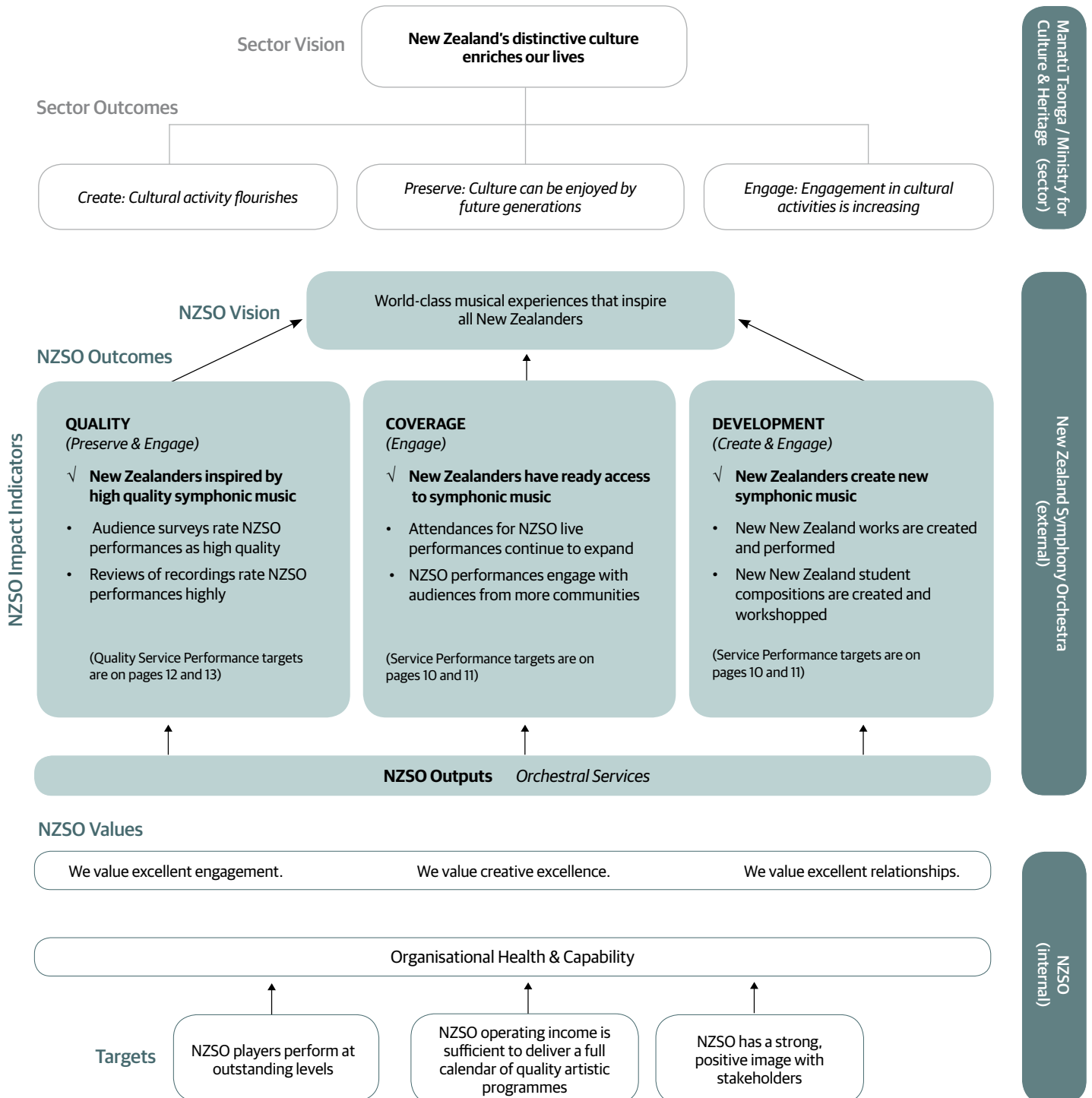
To achieve the Coverage Outcome, the Orchestra continues to develop and expand the ways in which its performances and activities can be experienced by more and more New Zealanders over time. This includes taking live performances to as many New Zealand communities as possible each year which is an important focus of the activities set out in this Statement of Intent.

Coverage also includes education and outreach activities which connect with different parts of New Zealand's communities through four specific performance brands; NZSO Music for Schools; NZSO Young Originals; NZSO Community Programmes; and, NZSO National Youth Orchestra. The Orchestra also continues to exploit and develop other forms of dissemination such as broadcasting, recording and new media including live streaming of concerts.

The Development Outcome arises from the principal objectives set out in Section 8 of the Orchestra's Act relating to its role in the development of a distinctively New Zealand cultural environment and the promotion of music by New Zealanders. The NZSO accomplishes this outcome in a number of ways. Each year the NZSO creates new symphonic works with the best of New Zealand's composers and musicians. It also provides opportunities for a wide range of new work to be recorded and broadcast, workshops student compositions and offers its services for the recording of one CD and one film score of New Zealand music each year without charge for the players' services. This Statement of Intent shows the targets for these activities for the next three years.

The NZSO is one of a number of national cultural organisations owned by government and supported through Manatū Taonga, the Ministry for Culture and Heritage. Through its work the NZSO contributes to the Ministry's sector vision 'New Zealand's distinctive culture enriches our lives' and its three sector outcomes Create, Preserve and Engage. The relationship between these government outcomes and the NZSO's Vision and Outcomes is shown in the accompanying Performance Reporting Framework diagram.

Performance Reporting Framework



Performance Reporting

Vision, Impact & Outcomes and Outputs

The framework on the previous page outlines the structure of the NZSO's performance reporting which follows. The *New Zealand Symphony Orchestra Act 2004* is a key driver for establishing the performance reporting framework and in developing the measures outlined in the following tables.

MAIN FINANCIAL & NON-FINANCIAL MEASURES

The financial projections are included on pages 14 - 20.

The outcomes the NZSO seeks are broken down into three areas: Quality, Coverage, and Development, and Impact Indicator measures are attached to each in the following table.

OUTCOME: Quality		New Zealanders inspired by high quality symphonic music				
Impact indicator	Impact measure	2010/11 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
Audience surveys rate NZSO performances as high quality	Average grading achieved for quality of performance in surveys of NZSO audiences	8.5 / 10	8.8 / 10	9 / 10	9/10	9/10
Reviews of recordings rate NZSO performances highly	Average grading achieved for NZSO recordings released and reviewed	9 / 10	8.8 / 10	9 / 10	9/10	9/10
OUTCOME: Coverage		New Zealanders have ready access to symphonic music				
Impact indicator	Impact measure	2010/11 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
NZSO performances engage with audiences from more communities	- Total number of communities represented in NZSO audiences for live performances	26	30	32	35	35
	- Number of communities represented in NZSO audiences for education and outreach activities	17	16	17	17	18
Attendances for NZSO live performances continue to expand	- Total audience attendances for NZSO performances	145,329 **	92,000	105,000	110,000	115,000
	- audience attendances for NZSO education and outreach activities	25,381	25,000	25,000	26,000	26,000
OUTCOME: Development		New Zealanders create new symphonic music				
Impact indicator	Impact measure	2010/11 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
New New Zealand works are created and performed	Number of new New Zealand works performed by NZSO	3	3	3	4	5
New New Zealand student compositions are created and workshopped	Number of new New Zealand student compositions workshopped by NZSO	10	8	10	12	14

* The comparative 'Actual' figures are the results for the year from 1 July 2010 to 30 June 2011. That was the last full 12-month period that actual results have been recorded.

** The 2010 International Tour and additional special contract performances during the year produced a spike in some impact measures for 2010/11 above the average longer range increases targeted.

Statement of Forecast Service Performance

Government Funding for the NZSO's ongoing expenditure is provided through Vote: *Arts, Culture and Heritage* for the *Output: Performing Arts Services*. The Output is described as "providing opportunities for New Zealand audiences to experience high quality live symphonic music...and encouraging participation in and appreciation of the art form in New Zealand".

The NZSO's specific performing arts service is Output: Orchestral Services. Orchestral services are provided either as live performance or are recorded for transmission through a wide variety of mediums.

Consumers of orchestral services can access NZSO outputs as live performance either by their attendance at performance venues (such as public concerts) or by being visited for performances (such as NZSO visits' to schools, marae and rest-homes or retirement villages). The Orchestra travels throughout New Zealand every year and visits a large number of different communities. We recognise a separate community for reporting purposes if it is represented by its own distinct elected local body. Recorded performances can be accessed anywhere in New Zealand or around the world through radio broadcasts, commercially released compact discs,

NEW ZEALAND SYMPHONY ORCHESTRA ACT 2004 - SECTION 8	SPECIFIC OBJECTIVES	OUTCOME	FORECAST OUTPUT SERVICE PERFORMANCE
Provide the public of New Zealand with live and recorded performances of symphonic music performed to an international standard	• Provide quality live performances throughout the country	Coverage	At least 70 full-orchestra performances presented throughout New Zealand and at least 30 reduced-size orchestra performances. Total performances target: 100
	• Ensure that as many performances as possible are broadcast	Coverage	At least 25 new NZSO performances broadcast nationally on radio or television.
	• Produce high quality music and film recordings	Coverage	At least 6 music or film score recordings undertaken.
	• Performances are of international quality	Quality	Refer separate performance quality measures on Page 12.
Provide an orchestra that: - is highly skilled and artistically imaginative; and - has strong community support	• Provide Professional Development opportunities for existing NZSO musicians	Development (and Capability)	At least two professional development scholarships or bursaries awarded to NZSO musicians each year.
	• Live performances include a wide variety of programmes	Development	Full-orchestra performances presented of at least 25 different programmes with at least 8 different reduced-size orchestra programmes.
	• Live performances reach as many communities as possible	Coverage	Performances reach at least 25 different New Zealand communities.
Be a leading New Zealand performing arts organisation with a role in the development of a distinctively New Zealand cultural environment	• Provide an education programme that accommodates the cultural and socio-economic diversity and geographical spread of New Zealand society	Development	The NZSO Music for Schools, NZSO Young Originals, NZSO National Youth Orchestra and NZSO Community Programmes will invest over 600 hours in the development of young New Zealand musicians, composers and conductors. It will present activities to over 25,000 participants from more than 17 communities and involve at least 150 schools.
	• Work collaboratively with other performing arts companies in New Zealand	Development	At least 4 collaborations with other arts/cultural organisations are undertaken annually.
Promote and encourage New Zealand musical composition and composers	• Create workshop opportunities for New Zealand composers	Development	At least 10 student compositions are workshopped.
	• Profile New Zealand composition in public performances and in recordings	Development	At least 20 New Zealand works performed.
		Development	The orchestra is available for one CD and one film score of New Zealand music without charge for the players' services.
Provide performance opportunities for New Zealand musicians, whether as members of the orchestra or as soloists	• Ensure that New Zealand artists perform with the orchestra as often as possible	Development	Orchestra performances include at least 20 New Zealand artists.

as soundtrack accompaniment in film releases, occasional television broadcasts and through other media such as online music libraries, web-casts and the like. The NZSO is committed to reducing, as much as possible, the barriers to accessing our outputs and is continually reviewing deliver options for orchestral services in digital formats. However, live performance in an acoustically superior performance venue is still considered the ultimate way to experience top quality orchestral music. Greater and easier access to NZSO outputs for more New Zealanders is a key to deliver the outcomes we seek.

A breakdown of the forecast revenue and expenses directly attributable to the Output: Orchestral Services is included in the financial appendices.

The following table details specific Forecast Service Performance output targets for each objective of the NZSO (as defined in Section 8 of the *New Zealand Symphony Orchestra Act 2004*) and relates the specific outcome that is sought through achieving the output target (as described in the framework). (NB. The measures for Performance Quality are on the succeeding table).

2010/11 ACTUAL *	2012 PROJECTION	2013 BUDGET	2014 FORECAST
54 full-orchestra performances (reduced-size orchestra performances is a new measure)	50 full-orchestra and 27 reduced-size orchestra performances	70 full-orchestra and 30 reduced-size orchestra performances	70 full-orchestra and 30 reduced-size orchestra performances
Comparative measure is not available for 2010/11.	20 new concert radio broadcast (live or recorded)	25 new concert radio broadcast (live or recorded)	25 new concert radio broadcast (live or recorded)
5 new music recordings and 1 film recording	4 new music recordings and 2 film recordings	5 new music recordings and 1 film recordings	5 new music recordings and 2 film recordings
The June Violet Commons Trust Scholarship and the Mary Fitzwilliam Award Scholarship were awarded and 10 further NZSO players received awards.	The June Violet Commons Trust Scholarship and the Mary Fitzwilliam Award Scholarship will be awarded by the NZSO Foundation to two different NZSO players.	The June Violet Commons Trust Scholarship and the Mary Fitzwilliam Award Scholarship will be awarded by the NZSO Foundation to two different NZSO players.	At least two professional development scholarships or bursaries will be awarded to NZSO musicians.
39 full-orchestra programmes presented (reduced-size orchestra programmes is a new measure)	19 full-orchestra and 7 reduced-size orchestra programmes presented	25 full-orchestra and 8 reduced-size orchestra programmes presented	25 full-orchestra and 8 reduced-size orchestra programmes presented
14 New Zealand communities reached with live performances	20 communities reached with live performances	25 communities reached with live performances	25 communities reached with live performances
347 hours 25,381 participants 17 communities 190 schools	550 hours 25,000 participants 16 communities 150 schools	600 hours 25,000 participants 17 communities 150 schools	600 hours 26,000 participants 17 communities 150 schools
Performance collaborations with the Museum of New Zealand Te Papa Tongarewa, Capital-E National Theatre for Children and Christchurch Symphony Orchestra.	Performance collaborations with Royal NZ Ballet, New Zealand International Festival of the Arts, Auckland Choral Society and the Museum of New Zealand Te Papa Tongarewa.	Performance collaborations with Royal NZ Ballet, NBR NZ Opera, Capital-E National Theatre for Children and the Museum of New Zealand Te Papa Tongarewa.	Performance collaborations with at least 4 arts/cultural organisations.
10 student compositions workshopped	8 student compositions workshopped	10 student compositions workshopped	12 student compositions workshopped
42 New Zealand works performed.	30 New Zealand works performed.	20 New Zealand works performed.	20 New Zealand works performed.
2 CD recordings	2 CD recordings	1 CD recordings and 1 film	2 CD recordings and 1 film
35 New Zealand artists performed	31 New Zealand artists perform	20 New Zealand artists perform	22 New Zealand artists perform

* Service Performance actual results are for the 12-month period from 1 July 2010 to 30 June 2011. All other period projections, budgets and forecasts are for 12-month periods, from 1 January to 31 December in the relevant year.

Measurement of Performance Quality

The NZSO strives for artistic excellence and continually challenges itself to improve the quality of performances, programmes and recordings.

One of the keys to maintaining quality ensemble is selecting musicians through rigorous audition and trial, ensuring that, as individuals, they maintain and develop their musical skill, and having them play together in an established and stable ensemble. In order to achieve this it is essential to maintain a full-time full-size orchestra. The quality of performance has a direct correlation to the quality of the musicians. The NZSO has set targets in the Organisational Health & Capability section of this Statement of Intent to help ensure the quality of our performances.

Measurement of quality includes a degree of subjectivity on the part of those making the assessment. In order to address this, a number of proxy measures for quality may be considered such

as average attendances, total attendances or attendance as a percentage of capacity. If these are increasing, then it can be seen as indicating quality in performance. However, such measures are more often a reflection of the popularity (or familiarity) of repertoire or soloists (or the NZSO itself), rather than a reflection of performance quality.

They are also (on an individual basis), inevitably a measure established before an actual performance takes place (tickets cannot be sold after the performance). Such proxy measures would also be more relevant if the NZSO were to always programme popular classics, rather than present "a broad repertoire...including New Zealand works" as the NZSO is required to do under its Act. All proxy measures, therefore, rely on building a certain expectation of quality over a period of time, and are best measured by gradual change.

PERFORMANCE QUALITY MEASUREMENT

PROCESS	TARGET	MEASUREMENT
Regular audience surveys are conducted and the results carefully assessed.	Audiences appreciate NZSO quality.	Audience surveys rate NZSO performance quality as at least 8.8/10.
Audiences for full-orchestra performances increase over time.	Audiences appreciate NZSO quality.	Average attendances (over a three year period) increase. Total audience target: 100,000
Independent international reviewing rates quality of orchestra performance.	Excellent artistic performances.	Reviews of internationally released recordings and where possible live performances, collected and analysed (i) for salient issues, and (ii) statistically for overall quality indicators. At least 8/10 of applicable grading scale achieved on average.
Critical reviews are collected and analysed after every New Zealand performance.	Excellent artistic performances	Reviews collected and analysed (i) for salient issues, and (ii) statistically for overall quality indicators. At least 8.8/10 of applicable satisfaction/favorability scale achieved on average.
International artists rate quality of orchestra and performances	NZSO recognized as an excellent orchestra by international standards.	Exit' polling of guest conductors and soloists about their experience with the orchestra gains at least 8.5/10 satisfaction.
International broadcasters increase their programming of NZSO recordings recognizing the quality.	NZSO recognized as an excellent orchestra by international standards.	Number of broadcasts of the NZSO on overseas networks (over a three year period) increase.

Reviews and feedback of the New Zealand critical media and the NZSO's audiences do present a useful indicator of performance quality. However taken individually these too have limitations and are notoriously difficult to "grade". A 1-10 scale is used where a "star" rating or similar is not provided. Broadcasts of the NZSO overseas on networks such as the Public Broadcasting Service in the United States, the BBC in the UK, and the European Broadcasting Union provide a further international benchmarking opportunity. An increase in the number of these broadcasts indicates that the quality of the performances is recognised. It is for these reasons that the NZSO has tried to produce an array of indicators of performance quality, which should be taken as a whole.

The NZSO has worked with Manatū Taonga / Ministry for Culture and Heritage in conjunction with the Get-Smart survey system, to obtain regular audience feedback on performance quality (as well as feedback on other aspects of the NZSO experience).

The following Forecast Service Performance targets have been set under the Quality heading.

2010/11 ACTUAL	2012 PROJECTION	2013 BUDGET	2014 FORECAST
The surveys conducted in 2010/11 were structured differently from current surveys. As such, a comparative grading is not available for 2010/11.	8.8/10	9/10	9/10
145,329* people attended NZSO concerts during the year. That was a 39% increase on three years before (2008 NZSO Annual Report).	92,000 Increasing	105,000 Increasing	110,000 Increasing
All available recording reviews are collated and a summary and ratings are presented to the senior management, Music Director and the Board.	8/10	8.5/10	8.5/10
All such reviews for the year scored between 8/10 and 10/10.			
All media coverage including concert reviews, are collated and accorded a satisfaction / favourability rating on a scale of 1-10. A summary of articles and ratings are presented to the senior management, Music Director and the Board.	8.8/10	9/10	9/10
On average NZSO reviews have an 8.5/10 satisfaction rating.			
Exit polling was carried out informally during the year. As such, a comparative grading is not available for 2010/11.	8.5/10	8.8/10	9/10
11 NZSO recordings were requested or offered by Radio New Zealand for broadcasts on overseas networks (2010: ten, 2009: four).	12	13	14

* The 2010 International Tour and additional special contract performances during the year produced a spike in some impact measures for 2010/11 above the average longer range increases targeted.

Financial Projections

Financial projections are included in the appendices.

The actual deficit for the six-month period to 31 December 2011 of \$370,000 was \$65,000 better than had been projected in the last Statement of Intent (a deficit of \$435,000). The budget for the 2012 year was a deficit of \$720,000 but is now projected to improve significantly to a deficit of \$540,000. Cumulatively, this is a forecast improvement over those 18 months of \$245,000. The 2013 year is budgeted to incur a deficit of \$632,000. The NZSO continually seeks to increase its funding from all sources and to manage expenditure in order to reduce forecast deficits and to provide security for its long term planning.

The NZSO is projecting a deficit in 2013 followed by deficits in 2014 and 2015. The NZSO's Net Equity position by the end of 2014 is forecast to be \$2,000 while the working capital (Current Assets minus Current Liabilities) is forecast to move into a negative position during 2013. However, the NZSO is still forecasting cash balances in excess of \$2.0 million at the end of 2014 and over \$1.75 million at the end of 2015. The NZSO continues to budget rigorously, but the effect of no movement in the Orchestra's single largest funding stream since 2008 (government funding) will inevitably mean continuing deficits even while the NZSO restricts cost increases to well below the level of general inflation and, wherever possible, increases operational efficiency. The board and management will continue the challenge to maximise earned income.

The financial projections included in the appendices are the board approved budget for 2013 and projected trends for the subsequent two years. The board is aware that the continuing projected deficits for 2014 and 2015 are leading to a projected negative equity position of the Orchestra and that the board has a collective responsibility to ensure the long-term financial viability of the organisation. The projections are based on the Orchestra continuing with similar levels of orchestral activities in those outlying years and are not formal board-approved budgets.

ACCOUNTING POLICIES

The forecast financial statements in the appendices have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Details of specific accounting policies and their application are contained in Appendix Five.

OTHER MATTERS (INCLUDING REPORTING COMMITMENTS)

Reporting

Matters on which the NZSO will consult or notify the responsible Minister before making a decision, the matters on which it will report to the Minister and the frequency of reporting are set

out in the Memorandum of Understanding between the NZSO and the Minister. The NZSO has agreed with the Minister to the following reports being routinely provided:

- Annual Report including Statement of Service Performance and Financial Statements as specified in Sections 150 to 156 of the *Crown Entities Act 2004*
- Interim Six Month Report on performance against the forecast Financial Statements and forecast Statement of Service Performance and on operational activities
- A September and March quarter report covering operational activities and copies of the Income Statement, Balance Sheet and year-end projections
- An NZSO contribution to the Ministry for Culture and Heritage's monthly Ministerial report from funded agencies, on the current key achievements, issues and risks for the period.

NZSO will provide other information as requested by the Responsible Minister consistent with the requirements of section 133 of the *Crown Entities Act 2004*.

CONSULTATION

NZSO management work closely with the Ministry for Culture and Heritage, to ensure that the Minister for Arts, Culture and Heritage is kept well informed and also that the orchestra is responsive to government policy as it affects our operations.

PROCESS IN RELATION TO ACQUISITIONS

The NZSO will consult with the Minister in respect of any proposed acquisitions including shares or interests in companies, trusts or partnerships. The NZSO will not acquire such interests or shares without the consent of the Minister.

Change of Balance Date

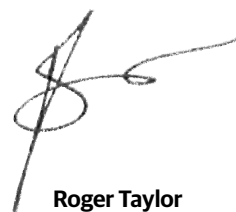
In 2011, the NZSO changed its balance date to bring its financial year in line with its planning and operations. This change meant a transitional six-month period from 1 July 2011 to 31 December 2011 and the actual results for that shorter period are included in the appendices.

Prospective Financial Statements

The Board and management of New Zealand Symphony Orchestra are responsible for the preparation and issue of the attached Prospective Financial Statements.



Donald Best
Board Chair
31 December 2012



Roger Taylor
Board Member,
Chair of Audit Committee
31 December 2012

Prospective Comprehensive Income Statement

APPENDIX ONE

2011 to 2015

NZ\$,000	6 months to Dec 2011 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
Government Funding	6,723	13,446	13,446	13,446	13,446
Interest & Sundry Income	187	347	408	429	450
Overhead Expenses (incl. salaries)	(6,299)	(12,588)	(12,675)	(12,818)	(12,976)
Depreciation & Amortisation	(86)	(192)	(195)	(195)	(195)
Surplus / (Deficit) before Orchestral Services	525	1,013	984	862	725
Orchestral Services					
Concert Income	1,667	1,950	2,617	2,682	2,749
Sponsorship	727	1,464	1,571	1,650	1,732
Other Orchestral Services Income	452	236	444	466	490
Orchestral Services Expenses	(3,741)	(5,203)	(6,248)	(6,316)	(6,328)
Surplus / (Deficit) from Orchestral Services	(895)	(1,553)	(1,616)	(1,518)	(1,357)
Net Surplus / (Deficit) and Total Comprehensive Income	(370)	(540)	(632)	(656)	(632)

* The comparative 'Actual' figures are the results for the six-month period from 1 July 2011 to 31 December 2011 and reflect the change to the NZSO's year-end balance date.

Prospective Statement of Changes in Equity

APPENDIX TWO

2011 to 2015

NZ\$,000	6 months to Dec 2011 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
Net Surplus / (Deficit)	(370)	(540)	(632)	(656)	(632)
Total Comprehensive Income for the Period	(370)	(540)	(632)	(656)	(632)
Opening Balance of Equity	2,200	1,830	1,290	658	2
Closing Balance of Equity	1,830	1,290	658	2	(630)

* The comparative 'Actual' figures are the results for the six-month period from 1 July 2011 to 31 December 2011 and reflect the change to the NZSO's year-end balance date.

Prospective Statement Of Cash Flows

APPENDIX THREE

2011 to 2015

NZ\$,000	6 months to Dec 2011 Actual *	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
Government Funding	6,723	13,446	13,446	13,446	13,446
Interest Income	84	169	177	185	195
Sundry Income	104	178	231	243	255
Overhead Expenses (incl. salaries)	(6,174)	(11,883)	(11,875)	(12,096)	(12,183)
Operating Cash Flows before Orchestral Services	737	1,910	1,979	1,778	1,713
Orchestral Services					
Concert Income	1,733	2,220	2,643	2,719	2,777
Sponsorship	356	949	947	978	1,040
Other Orchestral Services Income	102	236	444	466	490
Orchestral Services Expenses	(3,903)	(5,270)	(6,115)	(6,393)	(6,303)
Cash Flows from Orchestral Services	(1,712)	(1,865)	(2,081)	(2,230)	(1,996)
Total Cash Flows from Operating Activities	(975)	45	(102)	(452)	(283)
Sale / (Purchase) of Non-Current Assets	(91)	(86)	(100)	(175)	(125)
Total Cash Flows from Investing Activities	(91)	(86)	(100)	(175)	(125)
Net Increase / (Decrease) in Cash Held	(1,066)	(41)	(202)	(627)	(408)
Opening Cash Balances	4,109	3,043	3,002	2,800	2,173
Closing Cash Balances	3,043	3,002	2,800	2,173	1,765

* The comparative 'Actual' figures are the results for the six-month period from 1 July 2011 to 31 December 2011 and reflect the change to the NZSO's year-end balance date.

Prospective Statement of Financial Position

APPENDIX FOUR

2011 to 2015

NZ\$,000	2011 Actual	2012 Projection	2013 Budget	2014 Forecast	2015 Forecast
Current Assets					
Cash & Cash Equivalents	2,043	2,002	2,300	2,173	1,765
Investments	1,000	1,000	500	-	-
Trade Receivables	57	100	120	95	75
Other Receivables	408	283	205	212	199
Prepayments	161	150	105	95	95
Derivative Financial Instruments	2	-	-	-	-
Total Current Assets	3,671	3,535	3,230	2,575	2,134
Non-Current Assets					
Property, Plant and Equipment	1,263	1,174	1,116	1,058	1,000
Intangibles	103	86	49	87	75
Total Non-Current Assets	1,366	1,260	1,165	1,145	1,075
TOTAL ASSETS	5,037	4,795	4,395	3,720	3,209
Current Liabilities					
Trade Creditors	324	390	375	300	300
Sundry Creditors & Payables	857	569	775	750	800
Revenue in Advance	817	1,122	1,148	1,210	1,263
Employee Entitlements	998	1,222	1,237	1,253	1,268
Derivative Financial Instruments	12	-	-	-	-
Total Current Liabilities	3,008	3,303	3,535	3,513	3,631
Term Liabilities					
Employee Entitlements	199	202	202	205	208
Equity					
Opening Balance of Equity	2,200	1,830	1,290	658	2
Total Comprehensive Income for the Period	(370)	(540)	(632)	(656)	(632)
Closing Balance of Equity	1,830	1,290	658	2	(630)
TOTAL FUNDS EMPLOYED	5,037	4,795	4,395	3,720	3,209

Statement of Significant Underlying Assumptions

APPENDIX FIVE

Purpose of Prospective Financial Statements

The prospective financial statements of the NZSO have been prepared in accordance with Section 154 of the *Crown Entities Act 2004* and in accordance with NZ IFRS for a Public Benefit Entity. The sole purpose of the prospective financial statements is to fulfill the NZSO's obligations under the *Crown Entities Act 2004* to;

- Promote the public accountability of the NZSO
- Provide a base against which the NZSO's actual performance can later be assessed

The prospective financial statements comply with FRS 42. The actual financial results achieved for the periods covered are likely to vary from the information presented, and these variations may be material.

Reporting Entity and Statutory Base

The New Zealand Symphony Orchestra (NZSO) was established as an autonomous Crown entity on 6 April 2004 by the *New Zealand Symphony Orchestra Act 2004*. Prior to this, the Orchestra was a crown-owned limited liability company from 1998-2004 and before that, from its establishment in 1947 until 2008 was part of New Zealand's various broadcasting agencies - New Zealand Broadcasting Service (NZBS), New Zealand Broadcasting Corporation (NZBC) and Broadcasting Corporation of New Zealand (BCNZ). The NZSO is now an autonomous Crown entity for the purposes of Section 7 of the *Crown Entities Act 2004*. The terms of that Act apply to the NZSO except to the extent that the *New Zealand Symphony Orchestra Act 2004* expressly provides otherwise. The NZSO is domiciled in New Zealand, is wholly owned by the Crown and is responsible to the Minister for Arts, Culture and Heritage, Hon Christopher Finlayson.

The NZSO's primary mission is "deepening and expanding musical connections and engagement with our communities" and as such the NZSO is a Public Benefit Entity for reporting purposes under New Zealand International Financial Reporting Standards (NZ IFRS).

Measurement Base

The general accounting policies recognised as appropriate for the measurement and reporting of the operating results, cash flows and the financial position under the historical cost method have been followed in the preparation of these financial statements, except in the case of derivative financial instruments which are measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the NZSO is New Zealand Dollars.

Significant Assumptions

Income: The baseline government funding received through *Vote: Arts, Culture & Heritage* is included at current levels for all future periods in the prospective financial statements. At the time of publication, the Orchestra has no substantive grounds on which to include a greater (or lesser) level of Vote funding. No other government funding is included in the prospective financial statements.

Various assumptions have been made about the level and timing of sponsorship income. The most significant assumptions relate to the attainment of new sponsors where a vacancy exists and renewals where an existing sponsor's contract expires during the term of the prospective financial statements. The Principal Sponsors whose contracts are due for renewal or renegotiation before the end of the 2013 budget year include Fairfax Media (Sunday Star Times and NZ House & Garden), Audi and Solid Energy. The current list of NZSO's sponsors is included on the inside back cover of this Statement of Intent.

Concert income is budgeted assuming various attendance levels and average ticket prices adjusted for known factors such as the particular repertoire or guest artists and based on historical trends. The 2013 concert income is budgeted on known activities while income for subsequent years is based on a continuation of similar seasons with gradually increasing audiences. Other Orchestral Services Income has historically remained at similar levels and includes recording income and other contract performance fees. Such recording and contract engagements are not consistent year to year and are often negotiated with very little advance notice (and hence are difficult to budget). For the 2013 year, one income-earning film score is budgeted and contract fees are included for some agreed performances with the Royal New Zealand Ballet and the NBR New Zealand Opera.

Expenditure: The NZSO will continue to rigorously control expenditure however gradual increases in fixed and variable costs are inevitable due to general inflation. Total expenditure is forecast to increase at less than the Reserve Bank projections for general inflation in New Zealand. Orchestral Services expenditure is higher in the 2013 financial year than in the 2012 year due to the increased number of performances nationwide. The highest area of total expenditure is Personnel Costs and most extensively relates to the 90 player establishment. The Players' Collective Employment Agreement is current until the end of 2013 so expenditure in that budget year is relatively certain.

Going Concern: The prospective financial statements for all periods are prepared on a going concern basis. The assumptions noted above carry a certain amount of risk most significantly around achieving income projections. The NZSO plans significant artistic projects up to three years ahead which also carries risk. By the end of the 2015 financial year the NZSO's Equity position is forecast to be negative, \$630,000. The NZSO's cash position at that time is forecast to be significantly positive, \$1,765,000. The NZSO's 15 year lease of premises with the Wellington City Council also expires during the 2014 financial year but no specific assumptions are included in the prospective financial statements for either a lease renewal or for decommissioning costs of leasehold alterations.

Financial year end: The prospective financial statements for the periods 2012, 2013, 2014 and 2015 are prepared for full 12-month periods and a 31 December financial year end. The NZSO changed its financial year end from 30 June to 31 December in 2011 with a consequent six-month transitional reporting period. For this reason, the comparative actual figures in the Prospective Financial Statements for 2011 are for a 6-month period. They do not necessarily reflect an equal half of the relevant figures included in the full year projections, budgets and forecasts for subsequent periods and care should be exercised in evaluating the six-month's results.

Statement of Significant Accounting Policies

The following accounting policies that significantly affect the measurement of the operating result and financial position have been applied.

The NZSO does not intend to update the Prospective Financial Statements during the 2013 year.

a) Property, plant and equipment

The costs of property, plant and equipment are the value of consideration given to acquire assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

b) Depreciation

Depreciation is provided on a straight line basis (SL) on all items of property, plant and equipment at rates calculated to allocate the assets' cost, less estimated residual value, over their estimated useful lives. Leasehold Alterations are depreciated over the remaining period of the lease agreement.

Major depreciation rates are:

Leasehold Alterations	15 years	6.67%	SL
Computer Equipment	3 years	33.33%	SL
Studio Equipment	10 years	10.00%	SL
Furniture and Fittings	15 years	6.67%	SL
Musical Instruments - percussion	10 years	10.00%	SL
Musical Instruments - all others	25 years	4.00%	SL
Library - Music Manuscripts	Not depreciated		

c) Intangibles & Amortisation

Software acquisition and development

Acquired computer software licenses 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 Income Statement. 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%

d) Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value will exceed 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 Income Statement.

e) Trade receivables and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost. All receivables are for less than 12 months and the effect of discounting is immaterial. Allowances for estimated irrecoverable amounts are recognised after reviewing every item of receivables.

f) Trade Creditors and other payables

Trade Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. NZSO normally pays its creditors on the 20th of the month following invoice date and all payables are non interest bearing. Consequently, the effect of discounting is immaterial.

g) Currency Conversions

All Foreign currency transactions (including those for which forward exchange contracts are held) are translated into New Zealand dollars using the 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 balance date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

h) 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 2004*.

i) Accounting for Non Cash Transactions

The NZSO recognises non-cash transactions in which there is an exchange of goods and services or acquisition of assets. Consideration is valued at the lower of assessed cost or market value. There is usually a nil effect on the net surplus/(deficit) as transactions of equal value are recorded in both income and expenditure categories.

Where items of property, plant and equipment are provided in non-cash transactions and ownership passes to the NZSO the full value of the assets is recognised as income and the asset written off by depreciation in accordance with the NZSO's depreciation policy.

j) Financial Instruments

The NZSO is party to financial instrument arrangements including cash and bank, short term investments, trade receivables and creditors and accruals which have been recognised in the Balance Sheet. The NZSO does not hold or issue financial instruments for trading purposes. Income, expenditure and movements in fair value in relation to all financial instruments are recognised in the Income Statement.

Derivative Financial Instruments

The NZSO uses derivative financial instruments to reduce its exposure to foreign exchange risk arising from its normal operating activities. These instruments are measured at fair value and movements recognised in the Income Statement. The NZSO has not adopted hedge accounting.

k) Budget Figures

The budget figures are those approved by the NZSO Board at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the NZSO Board for the preparation of these financial statements.

l) Income

The NZSO derives income through the provision of outputs to the Crown, for services to third parties and income from its investments. Such income is recognised when earned and is reported in the financial year to which it relates. Accordingly, income related to future concerts is deferred until the periods in which those concerts take place. Revenue from the Crown is received monthly and is recognised in the month it is received.

m) Investments

Investments are initially valued at fair value. After initial recognition investments are measured at cost using the effective interest method.

n) Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the years in which they are incurred.

o) Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which NZSO invests as part of its day-to-day cash management. Term deposits with maturity of 3 months or less are classified as cash and cash equivalents and those greater than 3 months are classified as investments. Operating activities include cash received from all income sources of the Crown entity and records the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets and investments. Financing activities comprise the change in equity and debt capital structure of NZSO.

p) Goods and Services Tax (GST)

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 creditors and accruals respectively.

q) Employee Entitlements

Provision is made in respect of NZSO's liability for Annual Leave, Long Service Leave, Deferred Leave, Retiring Leave and Sick Leave. Annual Leave, Retiring Leave and Deferred Leave have been calculated on an actual entitlement basis at current rates of pay. Long Service Leave has been calculated on an actuarial basis. The liability for Sick Leave has been calculated as the extent to which actual leave taken in the coming year is expected to be greater than the sick leave entitlements earned in the year, based on historic analysis.

The NZSO's contribution to superannuation schemes are accounted for as defined contribution schemes and are recognised as expenses in the Income Statement as incurred.

r) Provisions

Provision for future expenses of an uncertain amount and timing are recognised when there exists a present obligation as a result of a past event and it is probable that expenditure would be required to settle that obligation. Where the effect of discounting is material the amount of expenditure will be the present value of the future expenditure.

s) Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited financial statements. The accounting policies have been applied on a basis consistent with other years.

Part Two: Organisational Health & Capability

MANAGING ORGANISATIONAL HEALTH AND CAPABILITY

Challenge - the NZSO has an assured future

In Part One of this Statement of Intent, we describe what the NZSO does (outputs) to deliver strong outcomes for New Zealanders. That performance framework is necessarily an external focus of the NZSO's operations. Organisational Health & Capability focuses internally on what the NZSO has developed or requires to deliver on these external objectives. It is this capability that underpins and resources everything the NZSO delivers for New Zealanders.

Since establishment in 1946, the NZSO has been built into a **world-class** orchestra, as acknowledged by invitations to perform at prestigious events such as the Beijing Olympic Cultural Festival in 2008, the World Expos in Aichi and Shanghai, and in some of the most prestigious concert halls in Europe. This level of excellence is attributable to the high caliber and the dedicated work of NZSO players, the Music Director and management team.

To ensure the NZSO can continue to deliver on our objectives, we must maintain a motivational and positive working environment. The NZSO's financial resources need to be sufficient (and utilized effectively) to deliver a diverse, quality artistic programme.

Target 1

NZSO operating income is sufficient to deliver a full calendar of quality artistic programmes

The NZSO's operation is underpinned by the stable funding that comes from the New Zealand Government through the Ministry for Culture and Heritage. The NZSO Development team is charged with increasing corporate sponsorship, charitable giving and trust funding, the NZSO Sales & Marketing team is similarly charged with raising box office earnings for NZSO performances and the NZSO Artistic Planning team is tasked with seeking additional earned income through high-value contract engagements, recordings and film scoring.

Target 2

NZSO players perform at outstanding levels

The NZSO strives to be a good employer observing best practice principles. The NZSO has developed policies and procedures, which integrate Equal Employment Opportunity principles, cover recruitment and selection, induction, professional development for management staff and players, job evaluation and remuneration, employee relations, health and safety, and contract management. The NZSO also strives to be a responsible corporate citizen.

The NZSO's key strategy to deliver on this target is the expansion of the current Professional Development System to include a structured Proficiency Management framework. The NZSO Foundation will assist in delivering targeted professional development bursaries and scholarships.

Target 3

NZSO has a strong, positive image with stakeholders (including the media, government, audiences, sponsors and funders, the New Zealand public and other arts & cultural organizations)

The NZSO will continue to explore the potential of its branding and visual identity to communicate artistic excellence and imaginative and interesting programming. The NZSO's national education strategy acknowledges and promotes the importance of music in New Zealanders lives. The NZSO will work to promote a framework within which a wide group of organizations in the sector can work together while recognizing and respecting each other's (sometimes overlapping) spheres of activity.

The NZSO has developed internal measures to ensure the three target areas noted above are delivered. There are challenges in all three target areas. Some measures for success against Target 2 are included in the following table.

Organisational Health and Capability		2. NZSO Players perform at outstanding levels
PROCESS	TARGET	MEASUREMENT
Establish quality ensemble through maintaining a full-time full-size orchestra.	Full size orchestra establishment of 90 players maintained.	Fewer than 5% vacancies (four positions) exist within the orchestra's establishment of 90.
The NZSO follows a preparation and rehearsal process that accords with leading international practice. All performances of the NZSO are thoroughly rehearsed to ensure that public performances are of the highest possible standard.	Excellent artistic performances.	A minimum of two days of rehearsals and a dress rehearsal are undertaken for all NZSO full-orchestra performances.
Maintain quality ensemble through continuity of musicians and conductor.	Low player turnover and regular Music Director visits.	Music Director conducts at least 15 performances annually for at least three years. Player turnover at less than 7.5% p.a. (seven positions).

PERSONNEL POLICY

The NZSO adheres to the principles of being a good employer.

Specifically, we strive to provide employees with a safe working environment and we have systems in place to ensure that hazards are identified and their impact minimized. The NZSO has retained its tertiary level requirements for ACC Workplace Management Practices.

The NZSO is committed to providing equality of opportunity in its employment policies. All permanent positions are advertised externally to attract a wide range of candidates. The best candidates are appointed to positions after following a strict selection process. The NZSO ensures that gender balance is achieved 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 players and some management staff of the NZSO are employed under collective employment agreements. The NZSO enters negotiations with the Service and Food Workers Union (SFWU) adhering to the principles of good faith bargaining. The NZSO provides fair and reasonable terms and conditions of employment. Many entitlements exceed the statutory minimums as set out in New Zealand legislation.

Management positions are formally evaluated so that salaries remain competitive with the New Zealand general market (while being mindful of the government's expectations for pay and conditions in the public sector). Every year salaries are reviewed and training and development opportunities are prioritized for all employees. Study Awards and/or Bursaries are awarded to a number of employees. The NZSO has introduced a Professional Development System for players, which continues to be improved.

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.

The NZSO subscribes to the public sector code of conduct. It also notes the government's expectations for pay and employment conditions in the state sector and provides information to the State Services Commission as required. The board of the NZSO consults with the State Services Commission with regards review and remuneration of the Chief Executive.

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We salute our corporate sponsors and funding agencies.
Their support for our combined vision ensures we continue
playing music for the nation.

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