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## Royal New Zealand Ballet – funding request

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### The Proposal

The Royal New Zealand Ballet (RNZB) is a national company based in Wellington and housed within the St James Theatre in Courtenay Place. It does not currently receive direct financial support from the Council. However, it pays a minimal rental to the St James Trust for its premises.

The company is requesting funding from the Council for the first time due to significant increases in the operational costs that the St James Theatre Trust charges the RNZB to be resident in the building. These increased from \$55,000 to \$105,000 annually from 1 July 2008. It is also requesting funding to extend the delivery of its education programme to communities within Wellington that do not currently have access to it.

Although not explicit in the submission, it is understood that the RNZB is requesting annual funding of \$100,000 per annum.

### Proposal Costs

Project Component	Operating expenses \$000									
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<i>Grant to RNZB</i>	100	100	100	100	100	100	100	100	100	100
<i>Total</i>	100	100	100	100	100	100	100	100	100	100

This proposal would likely sit within Activity 4.4.2 – Facilitator Arts Partnerships where our support of the NZSO, Toi Poneke Arts Centre and the St James Theatre currently sit. This activity has Revenue and Financing Policy funding targets of 75% general rate and 25% other revenue.

### Discussion

In March this year, Council invited the RNZB to apply for a three-year funding contract along with a number of organisations whose strategic grant contracts were due for renewal. As part of the application process, the organisations were to undertake a 'health check'. This was subsequently discussed with Council officers at a joint meeting.

The RNZB is a strong organisation in terms of its artistic standards, its leadership at a governance and management level, its ability to plan for and meet targets and its prudent financial management. Challenges identified include its ability to meet increased costs, being able to use live orchestral music and maximising potential in the Auckland market.

Last financial year, the company made a loss of \$338,000. Like many organisations, the company is receiving less funding from sources such as community and gaming trusts. However, having not received an increase in funding from central government for several years, in the May 2009 budget just delivered, it received an increase in funding of \$3.4 million over 4 years.

In its meeting with Council officers, the RNZB noted that there is pressure on the company, from some of its board members, to increase its presence in Auckland due to the larger population and sponsorship base. It has been suggested that the company should be based there and the advent of the Auckland Regional Amenities Fund means they would qualify for significant local body funding.

The company has highlighted the benefits to the city that result from it being based in Wellington. These include wages of \$3.375m and other expenditure of \$2m. It also highlights the local activity staged by the company in Wellington including its main stage seasons, its education programme with schools, its community programme with the public, the special events it participates in and the broad range of groups that access its facilities for their own purposes (most notably the NZ International Festival of the Arts which uses it heavily in the lead up to the festival). Finally, the company has strong links with a number of other Wellington based organisations such as The School of Dance and the Vector Wellington Orchestra. These are strongly symbiotic.

### **Officer recommendation**

While it is acknowledged that the RNZB strongly contributes to the Council's cultural well-being priorities, it is noted that they have received an increase in funding from central government for the next four years and funding as a line item in the long-term plan is not recommended. Officers recommend that the RNZB continue with their earlier approach of preparing a business case to be considered as part of the strategic grants programme. Officers will also continue to work with the RNZB and the city's other arts organisations to ensure a coordinated and active approach to central government is made to progress a regional amenities fund for the Wellington region.

### **Contact officer:**

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