



Approval for Agenda

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Title: Venue Study
Report to: Arts, Culture and Recreation Committee
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Date: 19 August 2008

Democracy services file:
Group file 351/430003

Keywords: Venue study, Horwath HTL, Q Theatre, drama theatre, St James, venue priorities

1.0 Summary and conclusions

This report presents the findings and recommendations of the professional performing arts venue study for consideration.

Faced with increased costs to deliver the Q Theatre project, a number of other critical venue issues, and debate in the community as to priority need for a new venue(s) the council resolved in February 2008 that an updated venue study be done on the need for professional performing arts venues. The purpose was to determine the most pressing venue needs and therefore the priority for any council investment. The scope of the study included developing a strategic plan for how the city's venue needs could be delivered over ten to fifteen years.

The study concludes that the current theatre venue provision in Auckland is failing to meet the needs of the professional theatre and dance sectors and is resulting in a range of sub-optimal outcomes including:

- both local and touring work not being funded, produced and presented in Auckland due to the lack of venues
- significant difficulty for many emerging and mid-career practitioners to establish a strong profile and identity for their work in the Auckland market because of the lack of a suitable 250 - 350 seat venue
- ongoing uncertainty around the availability and/or the impact of its sudden non-availability of the Maidment having the potential to significantly disrupt the production of theatre in Auckland and undermine the business model of Auckland Theatre Company, which is Auckland's only recurrently funded theatre company

The key findings of the study are that there is an urgent and high priority need for a 250-350 seat flexiform theatre and a 500-600 seat drama theatre. While both are seen as of high priority, the study concludes that progressing the flexiform theatre is of slightly higher priority because there is currently no flexiform theatre in the city. The study also identifies that a 100-200 seat studio is required, but as a medium priority.

The need for a 1200-1500 seat theatre (i.e. a potentially refurbished St James Theatre) is regarded as a secondary and lower priority. Those performing art groups such as the ballet and opera that could have a use for a refurbished St James have indicated that their venue needs are adequately met by existing venues.

The Horwath study recommends that the preferred approach for council to meet the industry's needs is to:

- progress with Q Theatre to address the need for a flexiform venue as quickly as possible
- immediately commence planning and development of a 500 – 600 seat drama theatre within the Aotea Precinct
- consider how a 100 – 200 seat studio theatre could be delivered as part of the drama theatre development and/or through the adaptation of an existing space (such as the Herald Theatre)

In addition to the key recommendations, the study also contains a number of additional and complementary recommendations such as:

- that there should be independent governance and management of some, or all, of the new venues in order to help stimulate diversity and creativity in the sector.
- that council and sector representatives negotiate with the University of Auckland and Sky City to ensure their venues remain available over the medium term while the priority venues are developed.
- that council establish an industry reference group that can assist council with planning and development for the new priority venues.

An update on the Q Theatre project and the cost implications for council are outlined in a separate report to the committee. If council also supports immediate planning for the development of a new 500-600 seat drama theatre as recommended in the study the cost of this is estimated to be in the region of \$300,000 per annum over the next 2 years and is unbudgeted.

The venue study has not identified the refurbishment of the St James as a 1200-1500 seat theatre as a priority; however, it may be prudent to undertake further investigations in the event an opportunity arises to obtain the site.

2.0 Recommendations

- A. That the Arts, Community and Recreation Committee receives the venue study report and notes the recommendations, that is :
1. Council should progress with Q Theatre to address the need for a flexi-form venue as quickly as is possible.
 2. Council should immediately commence planning and development of a 500–600 seat drama theatre within the Aotea Precinct.
 3. Council should plan for a 100 – 200 seat studio theatre to be co-located with the drama theatre.
 4. There should be independent governance and management of some, or all, of the new venues in order to help stimulate diversity and creativity in the sector.
 5. The three venues should be clustered together and co-located with café / bars to maximise their overall effectiveness.
 6. Ideally, rehearsal and office space should be incorporated into the new drama theatre to improve the quality and range of rehearsal space available for dance and drama in the Auckland CBD.
 7. Council, together with relevant sector representatives, should negotiate with the University of Auckland and SKYCITY to secure greater certainty regarding the on-going availability of these venues until the high priority

- venues are developed.
8. Council should facilitate the establishment of an Industry Reference Group to provide a forum for liaising with the industry as the new venues are planned and developed.
 9. A detailed business case analysis should be undertaken to ascertain the role that a refurbished St James could fulfil in the future overall mix of venues.
 10. A cost-benefit analysis should be undertaken to ascertain whether the benefits of The Basement could be effectively improved by undertaking a range of physical improvements and increasing operational funding.
 11. Further work should be undertaken to better understand the type of reconfigured space that could be created in the Herald Theatre and what, if any, implication this has for the 100 – 200 seat studio being co-located with the new drama theatre.
 12. Council should enter into dialogue with SKYCITY to ascertain whether there is an effective way in which the two organisations could partner in a redevelopment of the existing theatre to better meet industry needs.
 13. Council should liaise further with Auckland Philharmonia Orchestra (APO) regarding its rehearsal requirements including the potential for upgrading of its existing rehearsal venue in Mt Eden.
- B. That the Arts, Culture and Recreation Committee notes the findings and recommendations of the venue study and that these support a decision from council to progress with Q Theatre project to address the priority need for a flexiform theatre.
- C. That the Arts, Culture and Recreation Committee notes that a decision to progress with further planning or investigations in to venue options in 2008/2009 including any further investigations in respect of the 500-600 drama theatre and/or the St James will require unbudgeted expenditure in 2008/2009.

3.0 Narrative

3.1 Background

On 12 February 2008, the Annual Planning Direction Setting (APDS) meeting of the Finance and Strategy Committee of council considered a comprehensive report on the Q Theatre project. This report consolidated all previous information presented to council on the Q theatre project and provided a detailed analysis of all of the estimated capital and ongoing costs associated with the project.

The APDS committee resolved the following:

- A. **That it be a recommendation to Combined Committees that the implementation of 13(ii)(A) and (B) of the resolution passed on 20 September 2007 (below) be delayed, excluding the release of up to \$200,000 to be used to fund a resource consent for the proposed theatre to facilitate the application to proceed for central government funding:**

13 (ii) New Theatre Initiative / Q Theatre

- A. ***That Q Theatre be authorised to drawdown a further \$700,000 against the approved capital grant of \$4.6 million for the specific purpose of advancing design work and obtaining building consents, and that the Heads of Agreement be varied accordingly to record this variation to the contract.***
- B. ***That council further fund the Q theatre project to the extent of \$4.6***

million in the 2008/2009 financial year provided that, to ensure value for money, the venue can and will meet some of the needs of Auckland Theatre Company.

- B. That it be noted, in the event of central government funding not being available by the end of July 2008, it is unlikely that the Q Theatre project, with its increased costs will continue and that the Q Theatre acknowledges its requirement to fund any difference between Council's contribution of \$9.2 million and the eventual project cost.**
- C. That in light of the significant increase in costs, and the issues raised around theatre priorities to meet wider theatre user needs, there is a need to reconsider the best value for investment Auckland City Council could make for the theatre industry as a whole.**
- D. That the current budget provision and the site set aside for the Q Theatre development be retained for theatre facilities and a final decision made:**
 - i. when an update of the venues research is completed to check the priority for any new theatre given new issues have arisen since this was last updated;**
 - ii. noting there is general agreement among most stakeholders (users and venue providers) on the priority for new theatre facilities;**
 - iii. noting there is greater certainty that the investment provides sufficient value given that council will fund one theatre only at this time.**

3.2 Professional Performing Arts Venue Study

Following the 12 February 2008 APDS resolution, council officers engaged Auckland based consultants Horwath HTL to undertake the professional performing arts venue study, which was conducted between May and July 2008.

The purpose of the study was to identify the need and market demand for professional performing arts venues in Auckland city; and develop a strategic action plan to guide and prioritise the future provision and investment in performing arts venues.

The scope of work included looking specifically at several venue options currently on the table or under investigation, to determine if and how well how they would meet the city's current and future performing arts venue needs. These were:

- The Q Theatre project (a proposal to build 350-460 flexible format theatre behind the Auckland Town hall).
- The St James Theatre, an historic 1900 seat lyric theatre located in the Aotea Quarter of the city's central business district.
- The Mid City development (a proposal being led by Auckland Theatre Company to purchase and develop the mid city cinema complex as a multi-venue theatre centre, including a 550 seat venue, a flexiform space and a 200 seat black box). This was subsequently withdrawn as a viable option.

A key outcome of the study is the development of a strategic plan for how an appropriate mix of professional performing arts venues can be achieved over the next 10 to 15 years.

The study methodology included one-to-one interviews and meetings with the major arts groups (i.e. the APO, NZ Opera, Auckland Theatre Company, Auckland Festival and The Edge) as well as interviews with existing venue providers, key informants and other industry stakeholders; focus groups with a wide range of theatre and dance producers; and an industry wide workshop to review and discuss venue options.

In addition to identifying the city's performing arts venue needs the venue report articulates a vision for the performing arts sector based on the key ideas and themes that emerged through the consultation. This was then tested and endorsed by the sector at an industry wide workshop on 30 June.

The purpose of the vision statement is to clearly articulate the outcomes and kind of experience the performing arts sector is looking for in relation to building and connecting with its audiences which is critical to the long term sustainability of the arts. These include ideas of flexibility, identity and engagement with audiences. The provision of adequate and appropriate venues is a critical dimension to achieving this.

An executive summary of the study is attached as Appendix 1

3.2.1 Summary of findings

The study identifies that the current performing arts venue provision in Auckland is failing to meet the needs of the professional theatre and dance sectors. The current venue provision in Auckland is sub-optimal in relation to drama and dance because of:

- the absence of an appropriate mid-size venue (250 – 450 seats)
- the various shortcomings of key venues including The Basement, Herald Theatre, Maidment Theatre, and SKYCITY Theatre that are seeking to meet the wide range of industry needs from developmental work through to “Mainstage”.

The current situation is resulting in a wide-range of problems including:

- some Auckland-based producers solely undertaking work outside of Auckland due to the lack of suitable venues
- Creative New Zealand declining funding applications for Auckland producers due to the lack of a suitable venue for the proposed work
- touring work not coming to Auckland because of the lack of a suitable 300 –400 seat venue
- uncertainty around the availability of the Maidment has the potential to significantly disrupt the production of theatre in Auckland and undermine the business model of ATC, which is Auckland's only recurrently funded theatre company
- significant difficulty for many emerging and mid-career practitioners to establish a strong profile in the Auckland market because of the lack of a suitable 250 - 350 seat venue
- a overly high reliance on venues managed by organisations that are not focused on the performing arts and therefore have different priorities
- an overly high reliance on community venues because of the lack of a suitably intimate CBD venue reliance on adapting purpose-built spaces to undertake activity for which the space was never intended, thereby compromising the quality of work produced
- the dance and theatre sectors struggling to optimise their profile and identity without a recognised “home”, which contrasts with comedy that has The Classic and classical music that has the Town Hall.

Given the diverse range of issues and needs, the study concludes that the development of only one theatre cannot provide the complete solution. This conclusion is also reinforced through comparisons with benchmark cities including Wellington, Brisbane and Adelaide that illustrate Auckland is relatively poorly served in terms of its quantity and mix of theatre venues, particularly in terms of flexible venues in the 100 – 350 seat range,.

The study recommends that to meet the performing arts sector needs the development of three new venues:

- a 250-450 flexi-form theatre
- a 500 -600 seat drama theatre
- a 100-200 studio theatre.

The drama theatre and flexi-form theatre are both seen as a high priority, with the studio being of a medium priority because there are a number of existing formal and informal spaces that can be utilised to fulfil the need. However, in the interests of developing a cluster of diverse venues, the study notes it may be desirable to incorporate an appropriately sized studio space with the drama theatre development.

While the drama theatre and flexi-form are both of high importance, the report concludes the slightly higher importance attaches to the flexi-form theatre because of the current absence of any such venue in Auckland. This does not detract from the fact that both need to be advanced with urgency in order to meet the current needs of the professional performing arts sector in Auckland.

The study recommends that the preferred approach to meeting the industry's needs is to:

1. progress with Q Theatre (including the planned small studio / function space) to address the need for a flexi-form venue as quickly as is possible
2. immediately commence planning and development of a 500 – 600 seat drama theatre within the Aotea Precinct
3. also plan for a 100 – 200 seat studio theatre to be co-located with the drama theatre.

The rationale for this is:

1. this solution has the best ability to respond to the urgency of the sector's needs as Q Theatre has resource consent and can be delivered in approximately two years. While Q Theatre is not the complete solution, it will address many significant issues and could also be used by ATC as a transitional venue until the drama theatre is complete. This would be especially valuable should the Maidment cease to be available prior to the new drama theatre opening
2. the Q Theatre project has been comprehensively developed with Council support over the last eight years and has been conceived with significant input from a diverse range of industry practitioners to ensure it provides a space that meets the sector's flexi-form needs. It is therefore not simply an expedient option on the basis that it can be delivered quicker than any other flexi-form space
3. by progressing with Q Theatre, planning and design efforts for the balance of the cluster can be focused specifically on the needs of the drama theatre and studio space, which could facilitate a more speedy delivery of the overall mix of spaces than if all three venues were to start from the beginning of the planning process
4. it will provide the opportunity for separate management and governance to further stimulate diversity within the sector, which would not be as achievable with an integrated theatre complex.

The study does not favour an integrated solution involving the St James Theatre as it cannot provide all of the priority need venues and there is significant uncertainty surrounding the delivery timeframes and costs given the required sites are not under Council control. Refurbishment of the St James Theatre as a stand-alone 1,200 lyric theatre is not a high priority to meet current industry needs.

However, the report recommends undertaking a business case analysis at the appropriate time to ascertain the role that a refurbished St James could fulfil in the future overall mix of venues.

Due to the uncertainty surrounding the on-going availability of the Maidment Theatre, Musgrove Studio, and, to a lesser extent, SKYCITY Theatre, there is a risk that the current

situation could deteriorate before any new venues are able to be developed. The report therefore, recommends that Council negotiate with the University of Auckland and SKYCITY to secure greater certainty regarding the on-going availability of these theatres until the high priority venues are developed. The delivery of the recommended venues will improve the quality and diversity of venues in Auckland and result in an overall mix of venues that is more in keeping with comparable cities such as Brisbane, Adelaide, and Wellington.

3.2.2 Summary of recommendations

Key recommendations:

1. Council should progress with Q Theatre to address the need for a flexi-form venue as quickly as is possible.
2. Council should immediately commence planning and development of a 500 –600 seat drama theatre within the Aotea Precinct.
3. Council should plan for a 100 – 200 seat studio theatre to be co-located with the drama theatre.
4. There should be independent governance and management of some, or all, of the new venues in order to help stimulate diversity and creativity in the sector.
5. The three venues should be clustered together and co-located with café / bars to maximise their overall effectiveness.
6. Ideally, rehearsal and office space should be incorporated into the new drama theatre to improve the quality and range of rehearsal space available for dance and drama in the Auckland CBD.
7. Council, together with relevant sector representatives, should negotiate with the University of Auckland and SKYCITY to secure greater certainty regarding the on-going availability of these venues until the high priority venues are developed.

Other recommendations

8. Council should facilitate the establishment of an Industry Reference Group to provide a forum for liaising with the industry as the new venues are planned and developed.
9. A detailed business case analysis should be undertaken to ascertain the role that a refurbished St James could fulfil in the future overall mix of venues.
10. A cost-benefit analysis should be undertaken to ascertain whether the benefits of The Basement could be effectively improved by undertaking a range of physical improvements and increasing operational funding.
11. Further work should be undertaken to better understand the type of reconfigured space that could be created in the Herald Theatre and what, if any, implication this has for the 100 – 200 seat studio being co-located with the new drama theatre.
12. Council should enter into dialogue with SKYCITY to ascertain whether there is an effective way in which the two organisations could partner in a redevelopment of the existing theatre to better meet industry needs.

13. Council should liaise further with APO regarding its rehearsal requirements including the potential for upgrading of its existing rehearsal venue in Mt Eden.

3.2.3 Draft strategic action plan

A strategic action plan is being developed that will articulate the recommendations of the study in to objectives, actions and key milestones. It will provide a concise summary of the key findings of the study and the industry’s shared vision. The intention is that this action plan can then serve as a standalone document to guide the development and provision of performing arts venues for the next ten years.

3.3 St James Theatre

Although a 1200-1500 seat lyric theatre has emerged as a low priority from a performing arts venue perspective, there may be other drivers for council that warrant undertaking further steps on the St James.

It may be prudent to undertake further analysis of the site so more information is to hand should the opportunity arise to obtain the St James. This could include investigating procurement options and costs including the costs of “mothballing” the theatre until such time as redevelopment is a priority, or the potential for conversion in to a suitable drama space.

The cost to undertake this work is likely to be in the vicinity of \$400,000 and these costs are currently unbudgeted.

3.4 Budget Implications of implementing the venue study

Over and above the capital and ongoing operational costs associated with delivering Q Theatre which are covered in a separate report to council, there are other budget implications to implement the recommendations of the venue study.

If council supports planning for the development of a new 500-600 seat drama theatre, the cost of this is estimated to be in the region of \$300,000 per year over the next 2 years. This is currently unbudgeted.

	Name and title of signatories	Signature
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