

Report to: Arts, Culture, and Heritage Committee
Palmerston North City Council

From: Creative Sounds Society Management Committee/ The Stomach

Date: 1 February 2018

CREATIVE SOUNDS - THE STOMACH DELEGATION TO PNCC

1. Reason for Report

To present Councillors with information about the historical and current performance of the Council funded organisation, Creative Sounds - The Stomach, and the longstanding relationship between the two organisations.

2. Background

The Chair of the Arts, Culture and Heritage Committee attended the Society's AGM in September 2017 and expressed interest in the activities of the organisation, with specific interest in the Treasurer's report. An invitation was extended to the Management Committee to make a delegation to the Arts, Culture and Heritage Committee to provide members with more information on the purpose of the Society, the history and relationship with the PNCC, and the financial circumstances of the Society – which have been seriously constrained over recent years.

During 2018 the Society will reach the milestone of 30 years of operation. This is a momentous achievement for any small community organisation. That a community organisation has been operating in the contemporary music scene for such a time is, of itself, something to be celebrated. That the Society has thrived through so many setbacks is nothing short of a miracle. Plans are being developed to celebrate this milestone later this year, and this delegation also affords an opportunity to invite the PNCC to consider how it may celebrate its special relationship with Creative Sounds – which has endured through this period.

3. History and Organisational Focus

Creative Sounds Society was established in 1988 in collaboration with the Palmerston North City Council to make use of the Unemployed Workers Rights centre. The Society was formed to find positive means through which individual self-esteem and community cultural development could be enabled, during a troubled time in Palmerston North's history. This remains at the heart of the Society's purpose, with music the medium through which self-esteem and community cultural development is fostered.

In much of the Society's 30-year history, creativity and self-expression has been fostered through a focus on original and 'alternative' music. The primary reason for this is:

- The opportunity to develop a uniquely local voice through self-expression;
- The opportunity for empowerment of those who may otherwise be disenfranchised as being outside the mainstream;
- Other forms of music are already served through other means, some examples are: The Jazz Society, the Savage Club, various church groups, Manawatū Scottish Society, Manawatū Youth Orchestra;
- Covers bands are more likely to be offered paid/ regular shows in licensed venues.

When the Society marked its 25th anniversary, an article was commissioned for the New Zealand Musician magazine. A copy of this article is attached as Appendix One, and provides an informative background to the organisation and its cultural impact.

Membership of the Society is open to interested individuals through an application process. The Society currently has in excess of 250 voting members. A Management Committee is appointed annually to provide governance to the Society and to appoint and supervise staff. The Society currently has two staff, a manager and a sound engineer, who operate from the premises known as The Stomach.

4. Strategy and Performance

As part of its governance oversight, the Management Committee approves a Strategic Plan from time to time; the most recent iteration was approved in 2015 and prioritises:

- Presence and status in the community
- Live performance and collaboration
- Education and outreach
- Service provision
- Networking and collaboration

Achievement of the strategic plan is outlined in both the annual Statement of Performance and the Convenor's report to the Society. The strategic plan also forms the basis of the Fee for Service negotiated with the PNCC, and performance against this funding agreement is reported to Council officers on a six monthly basis.

A brief summary of activities during 2017 includes:

- hosting and promoting over 25 all ages shows
- providing 16 workshops & demos
- broadcasting 10 Live To Airs on Radio Control 99.4FM
- providing over 2500 hours of rehearsal and teaching spaces
- recording, editing, mixing & mastering over 1600 hours of studio time
- securing over \$77,000 of capital funding for new equipment
- purchase of the live venue PA system (a long-held aspiration of the Management Committee)
- applying for and securing over \$90,000 for operational and project activities
- maintaining all services at an accessible price.

At an operational level, The Stomach has formed a relationship with the Massey University Students' Association and Radio Control 99.4FM, to provide a series of concerts under an agreement with the PNCC. The first two of these have already been successfully delivered (at The Esplanade and Memorial Park in January 2018), with two more to be delivered during February 2018 (at Monrad Park and on the Massey Oval). A separate performance report will be forwarded to Council officers in due course in accordance with the terms of this agreement.

5. Funding/ Resourcing

Any aspirations of the Society are enabled or limited by the resourcing available to the Society. Most grants come with terms attached. The bulk of the Society's funding comes from the Palmerston North City Council under a performance contract. This contract specifies what activities the PNCC will fund, and while the Society is free to provide services beyond the contract, it can only do so with the funds that do not have such conditions, such as the revenue it generates from operations.

Details of the current financial performance are provided in the Treasurer's report to members at the 2017 AGM. This report is appended as Appendix Two, along with the audited financial accounts to June 2017.

Part of this report outlines the historical funding relationship with the PNCC. When the Society was created in 1988, the PNCC was the employer of the two staff and operations were funded by the City Council under the guidance of the Management Committee. Over time, service provision deteriorated and the PNCC found that it could not meet the needs of the community in a responsive manner. Accordingly the relationship with the Management Committee moved to a bulk funding model and has operated in that manner since.

It is understandable that any publicly accountable organisation like the PNCC would seek to reduce the reliance of any community group on public funds, and such intentions have been expressed by elected representatives from time to time. However, we do not believe that Councillors have been made aware of the full extent of the reduction of Council support over the past 30 years nor the implications for the Society of this.

Details of this reduction are outlined in the Treasurer's report and will not be repeated here, but the realities of the diminished funding support has significant implications for the operations of the Society, for its ability to deliver core services, and for its ability to grow to meet community need.

6. The Future

Feedback provided to the Council as part of the Arts Strategy consultation, which Creative Sounds participated in indicated that the community perception is that professional arts are prioritised over participative arts and that the creativity of this community may not be sufficiently recognised nor valued by the Council.

The Management Committee of Creative Sounds would welcome the opportunity to work alongside the City Council to challenge this perception and ensure that the participative arts in Palmerston North are enabled to thrive and meet their full

potential. During its 30 years of operation, the Society has strengthened the community of Palmerston North by providing a safe forum for young people to extend themselves through community mentorship, by fostering creativity and self-expression, by providing opportunities to community members to develop arts administration, event organisation, and governance skills in a supportive environment.

The Management Committee and staff of The Stomach have strived to foster good citizenship through the conversion of community members from passive consumers to active participants through the democratisation of information and opportunity.

Thank you for the opportunity to make this delegation,

Lauren Annear Henderson
Convenor
Creative Sounds Society



25 Years of Musical Gestation in Palmy

It's been one of Palmerston North's best kept secrets for 25 years, but thanks to TV3's X Factor at least 400,000 people have now heard of The Stomach. Third-placing finalist Benny Tipene is a regular Palmy muso and when the show formula required the three last contestants to return to their home towns and perform a concert, his was rightly staged at (outside of) The Stomach. Cue a big crowd and some long overdue national publicity. The council-funded band rehearsal space, venue and recording studio is an oddity, and an icon of Swampton, itself the home of numerous Kiwi musical legends including Billy TK, Alan Gregg, Grayson Gilmour and Bing Turkyby. From its opening in 1988 it's been a long running fight for survival, but a second generation of young musicians and real music fans are now frequenting The Stomach. Managed first by Dave White, it is today run by Craig Black, who generously hepled NZM compile this insightful history.

The Eighties were a time of struggle for many in NZ, not least its suffering music industry. Despite big shoulder pads, skinny ties, unbridled greed and financial gain for the few, even the most pop and rock friendly bands couldn't gain and maintain a crucial foothold on commercial radio. The air was awash with weak 'same same' international acts.

Like a divine cleansing blade, the 1987 financial crisis cleared the way. 1988 was a year of new beginnings. NZ Musician magazine, Rockquest and Shihad. In Palmerston North, known predominantly for its cow college and marsh land, provincial despair drove creation, and brought about an enduring below-the-radar legend, The Stomach.

'Community development', in theory and practice, was the answer to the problem. The problem was Palmerston North musicians and their desire to play original music, where noise control and neighbours might only tolerate Def Leppard. Local original musicians, represented by Dave White (The Clear/Lung, C.U.N.T) and Palmerston North City Council officer John Barnes were at the nucleus of a team that followed through with a very real solution. The PNCC-owned Workers' Unemployed Rights Centre was vacant and available for use - with no residential neighbours. Sure it was a leaky, slightly decrepit ex-engineers workshop, but that was its charm.

I can remember my first visit to The Stomach, in 1990. I'd arrived in Palmy and pretended to go to university. I'd heard rumours of this place you could see bands, local bands, doing their own thing. I saw a gig advertised, five bands for five bucks. I'd have to go by myself; no-one I knew was keen for this experience.

Arriving you had to cross a giant car park to get the door and hanging out of the entrance was a large punk. To be honest I was petrified, I didn't know anybody, and these were serious freaks. I'd never encountered the type before. The large punk turned out to be Boris, from the Ethiopian Lard Farmers. (His later band the Flaming Werepigs would destroy dirty blues rock before The Datsuns could tie their shoelaces.) I have no idea who was playing that night.

Later, on more than one occasion I'd revel in the performance-don't-give-a-fuck-punk-art of the E.L.F., as Boris smeared a pound of actual lard on his chest on stage. A couple of months later I was hitch hiking into town from Massey and two guys dressed in black picked me up. After two minutes of conversation I was in my first ever band practice at The Stomach that week, \$2 for three hours...

In the beginning, the building at 76 Lombard Street, was a shared space, between Creative Sounds Society Inc (the trust set up to administer this new music facility) and Nga Rongonui, a group supporting the families of prisoners. It was never going to last, as both organisations grew and required their own dedicated spaces. At some stage a competition was held to name the space, it became The Stomach.

Dave White was the first manager of The Stomach, and was an employee of the PNCC. It quickly developed from just a rehearsal space to an all ages gig venue and recording studio (8-track, 1/4" reel-to-reel, \$15 per hour). In the early '90s it was a bold move to make an actual CD, and Dave's Yellow Bike Records became another arm of The Stomach, releasing compilations and local music. Claire Pannell (FroitHead, C.U.N.T) joined as sound engineer.

As grunge broke worldwide, Palmerston North already had the most strident, intelligent, melodic delivery system anywhere. They were called The Ashvins. While anyone could rehearse and record at The Stomach, gigs were exclusively for original acts. Covers bands had pubs, real bands had The Stomach.

Amongst the noise, there had always been pop. Early on it was the Feast of Stevens and Noddy on the Cross (Fuck Off Rugby Heads became the most requested song ever on Radio Control), later it was The Livids who stood out. Check out Joe Blossom and The Black Manalousse for where they are at now.

By the mid '90s, with its broken furniture, poster covered walls and 'noisy' music, The Stomach wasn't as all-encompassing as it could be and things had to change. Dave moved to Nelson and Rob Williams (The Flickering, FroitHead) became the new sound engineer with Claire the new manager. Meanwhile a punk/metal/prag scene had established itself and were destroying it at house parties around town.

Jarrod Love from Motorsheep and Dave 'Drainage' Bloxham created an all-ages scene of their own and released CDs. It quickly became apparent that these two sides of the local scene could easily collaborate,



soon Wholesale Drainage were packing The Stomach beyond capacity with a new, younger crowd. The original freaks had grown up and were doing new things. The artificial divide didn't completely disappear, but a kind of truce unified the scene in the mid and late '90s.

Technology was starting to change the studio industry. A \$40 reel of tape, good for 15 minutes, was replaced by a \$40 ADAT tape, good for 45 minutes. A new Mackie desk was purchased with a funding grant, but in many ways the Stomach studio was still hobbled by lack of equipment. This would stay true until the studio was able to move to a Pro Tools HD set up in 2004.

As an imagined millennium tension rose, change again came to The Stomach. James Lisette (then manager of Radio Massey) became manager and Jarrod Love was employed under a job creation scheme as the engineer and event co-ordinator.

The local music community fragmented and the Creative Sounds Society Inc. Management Committee, a group of volunteers who were designated to oversee the constitution and vision of The Stomach, sought to have their views more firmly represented. The PNCC (still the employers of Stomach staff) put a temporary halt to gigs and for a while it seemed a very real and frightening end may come about. The employed positions were dis-established.

For the last six months of 1999, the place was operated entirely by volunteers, seven days a week, 10am till 10pm. For not the first and certainly not the last occasion, local people who believed in the concept of The Stomach made themselves heard.

Cliche as it is, January 2000 was a new dawn for The Stomach. A new contract was arranged between the PNCC and the CSSI Management Committee. The PNCC would fund it annually, but the committee was responsible for all day to day operations. Becoming employers of two staff, sound engineer Craig Black (The Flickering, Fader, HUFF) and manager Cale Hetariki (GMC, also one of the first ever Stomach rehearsal clients back in 1988), there was a great deal to learn. Typical teething troubles, like late gst returns, didn't dampen the enthusiasm of the committee, the new staff and the many dedicated volunteers.

James Bicknell (aka Jimmy Snuff) was volunteer event co-ordinator. Early shows were plagued with small turnouts and teens arriving already drunk. Committee members acted as low key security, and the staff put their foot down in relation to the alcohol issue. Drunk teens had their parents phoned, to come pick them up.

The problem went away. High school bands were welcomed. Young women owned the scene, Riot Girl brought the pop and Five Dollar Fee the punk. The focus of The Stomach broadened, working with more community groups, recording a CD with kids from the Lower North Youth Justice Residence.

Flux was not only a magazine produced by The Stomach but also a state of being for a while. Mid-2001

Craig Black left, to be replaced by Hayden Sinclair (Release, _Sense, HUFF). In April of 2002 Cale Hetariki departed and Graeme Slimmin (GMC, Black Chrome) was temporary manager. Time for another crisis. At this stage The Stomach was technically insolvent and thousands were owed by recording clients. If the City Arts Co-ordinator, (Meredith MacKenzie, a PNCC employee) hadn't made a strongly argued case for its continuation the PNCC would have ceased their funding.

Craig Black returned in October of 2002, this time as manager. The rehearsal space/studio/venue had a serious perception hangover. The wider community considered it a notorious hangout for dodgy musicians making odd music, and a place for drunk teens to congregate. Despite continuing good work with musicians and community groups, the negative stereotype was so strong there was a suggestion of a name change to escape the boom and bust associated with The Stomach.

The recording studio was out of date and in constant need of repair. Rehearsal



Bottom left: An early Stomach show poster. Middle: The Bing Turkyby Ensemble play SwampFest. Above: Some of those lining The Stomach in the early '90s. Over page: Oli Wilson of SnubNoise, circa 2003 and Evermore's earliest recording session at The Stomach.

equipment was basic, basically awful. When it rained, water cascaded down the inside rear wall of the studio. The building was barely fit for use. The music community did what it had unfailingly done before, they supported The Stomach.

Mayor Mark Bell-Booth climbed on the roof in his suit and tie. The building got a new roof. Hypertension (Ollie Wilson, Knives at Noon) were the high school band to see and they packed the place. Grayson Gilmour (Twink, So So Modern) recorded his first albums and became the cleaner so he could have a key and practice after hours. Thomas Lambert (I.RYOKO) then of rock metal-ers Antaeus was one of the first to use the new guitar rigs in the practice space. The entire band's faces lit up like fireworks when the new amps were rolled in, they couldn't believe they could use 'real' gear for \$3 an hour.

Through frugality and funding grants the aging Mackie desk and ADAT machines were replaced with a Yamaha 02R96, a Mac Pro Tower and Pro Tools HD. Slowly the perception changed. Shows were over by 11pm, your kid was safe there.

Hayden Sinclair left and Matt Tucker pursued his high school interest in audio into a job in the studio. Demand was well beyond the ability of the single-roomed space to supply. From 2004 onward, the CSSI management committee and the staff had pursued a plan to re-imagine The Stomach. To transform one run down room, into a multi-use facility with separate recording, rehearsal and live spaces.

From 2004 to 2007, with a solid base grant from the PNCC of \$250,000, the committee typed their fingers to the bone and gathered letters of support from everyone with a respectable job title. Another \$400,000 was required. Eastern and Central Trust, Central Energy Trust and the Lion Foundation all made substantial grants. Time however was running out; if CSSI couldn't secure the full amount the whole deal would soon be off.

The equipment was out of date and in constant need of repair. When it rained, water cascaded down the inside rear wall of the studio. The building was barely fit for use. The music community did what it had unfailingly done before, they supported The Stomach.

Everything changed when the letter from the Department of Internal Affairs arrived - the grant application was successful, CSSI had managed to raise all the required funds. There was stability in the organisation and this Stomach wasn't getting a nip/tuck - it was a full tear down, rebuild, fit-out, rejuvenation.

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25 Years Of... The Stomach

May 2009 was perhaps one The Stomach's finest moments. Mayor Jono Naylor and MP for Palmerston North, Iain Lees-Galloway, pulled the big red ribbon to officially open the refurbished building, an open day was held and the street closed for a free show. (During the renovation Malcolm McKinnon of Audio Progress stored the many crates of equipment, he never sent an invoice for that...)

The building now had two separate rehearsal rooms, a large central live space and a separate control room and studio. Gone were the rotting broken couches, ripped posters and typically squalid toilets. Would the regulars and past clients feel at home?

At the first show, a Stomach user from its early years, now the mother of a drummer playing that show, said, "Yeah, yeah, this still feels like The Stomach". That deep-seated feeling, the vibe or soul of the building hadn't disappeared - in reality it was being shown the respect it deserved with a fit-for-purpose home.



The refurbished building meant that possible clients who considered the previous space far too 'teen-age bedroom' could feel like they also had a space available to them. This 'open to everyone interested in music' philosophy was the driving force behind the original creation of The Stomach and had been a core ideal in working towards this new version.

Ripping it up in the new live space at this time were the rock-tastic Ruski, the super powerful post-Shihad-styled The Kleptics and The Nerines, a latter day answer to The Livids (you might have heard of their lead guitarist, Benny Tipene). All ups are followed by...

A funding cut made a major dent in operations from 2010, necessitating staff cuts, a cut back of opening hours and shows curtailed. When staff and committee members spoke to their submission, seeking a return to previous funding levels, a large crowd filled the PNCC council chambers. Parents, punks, norms, freaks. When it was time for the next submission, the room emptied. Councillors noticed and noted it; they couldn't miss it. There was no win that day, but the mayor went on record, the funding arrangement that was affecting many committee organisations wasn't working how they expected; it had to change.

David Stevens (Us As Robots, Losses, Crimes) had been hired under an agreement with UCOL's new music course and now manages the Student Radio station at Massey University, Radio Control. Us As Robots practically grew up at The Stomach, developing from a naive post-Radiohead stance to become the most sublimely intelligent driving rock band

Palmy had heard in years. Their final show holds the record for attendance, beating out The Mint Chicks at their blistering peak.

Cameron Wilkes, (Joe Hill, Losses, Given Names) was

employed on a one year contract during the reduced funding. From July 2013 he became a full time employee and for the next three years CSSI will receive an increase in funding from the PNCC. Thanks to another grant from the Department of Internal Affairs, CSSI will also create a new part-time position specifically for outreach programmes and to work more directly with young musicians.

You have never seen a love truer, or as deeply felt, as that shown by the many people of Palmerston North who kept The Stomach operating in its numerous times of need. Some simply knew musicians, or were parents, or just believed that the need to create is essential and should be held high.

25 years is a long time for a community organisation to keep going; there would be no Stomach without the PNCC and other funders, the dedicated staff, the unfailing management committee, and the supporters, volunteers, and musicians, of the wider Palmerston North community.

www.creativesounds.org.nz



TREASURER'S REPORT 2017

1. 2016/2017 FINANCIAL RESULT

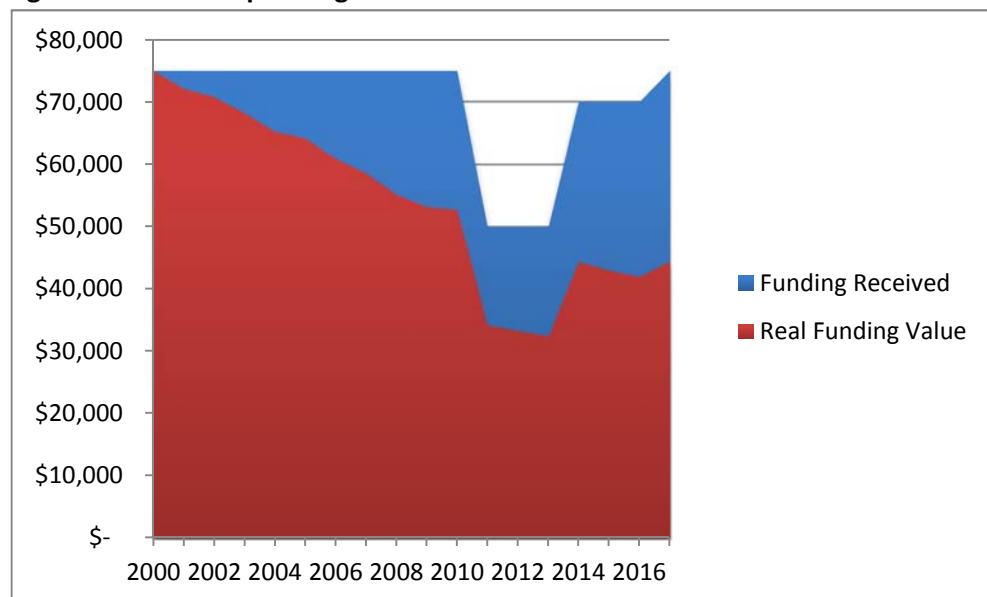
On many levels the 2016/2017 financial year has been one of the best in Creative Sounds 29 years, particularly with regard to trading revenues with both rehearsal and studio usage the highest ever. However, the raw financial results require a level of analysis to reveal the long term issues that require addressing to achieve financial sustainability.

1.1 Income

This financial year the Society received some \$142,000 of revenue, comprising:

- **Operating grant** of \$75,000 from our major funders the Palmerston North City Council (PNCC). The Management Committee is very grateful for the ongoing support from the PNCC since the inception of The Stomach. Members will recall that the PNCC moved to a bulk funding arrangement with the Management Committee in 2000, prior to which the two staff were employees of the City Council. The funding level at that time has remained unchanged, yet wages in New Zealand have increased 69% over this period¹. This represents a 40% erosion in real funding from the PNCC over the 17 years since we transferred to a bulk funding model.

Figure One: PNCC Operating Grant

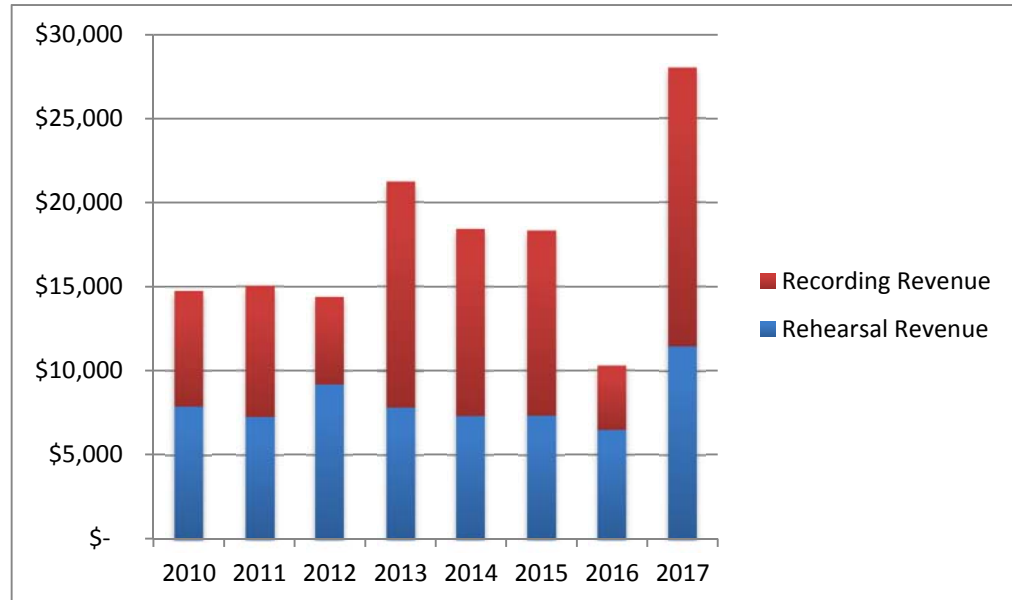


- **Trading revenue** has peaked this year at \$16,500 for studio recording, and \$11,500 for rehearsal facilities. This reflects a fantastic level of service delivery to members and users, and evidences the ongoing need for the organisation's services.

¹ Reserve Bank CPI calculator (wages), Q1 2000 to Q2 2017 = \$1: \$1.69
www.rbnz.govt.nz

Members should be heartened that the potential of the facilities is being realised, and that the performance of last year was a blip in the Society's service provision. However, the current year levels reflect long hours put in by staff who are also servicing a range of events and engagement activities, and this is unlikely to be sustainable over the long term.

Figure Two: Trading Revenue since opening of new facility



- **Capital grants** of \$22,000 were received this year, including \$20,000 from the Department of Internal Affairs that enabled the Management Committee to realise a longheld aspiration to own a venue PA. The PA purchase will reduce the cost of running gigs enabling a range of events to be run, without significant financial outlay.

To be financially sustainable, the Society needs to attract further operating grants. Previously, the Society has benefitted from a significant operating grant from the Department of Internal Affairs (DIA). However, due to allegations made against the Management Committee by a small number of Society members, the DIA have not awarded a further operating grant. Now that these allegations have been proven unfounded, the Management Committee is hopeful that further applications to the DIA will be successful.

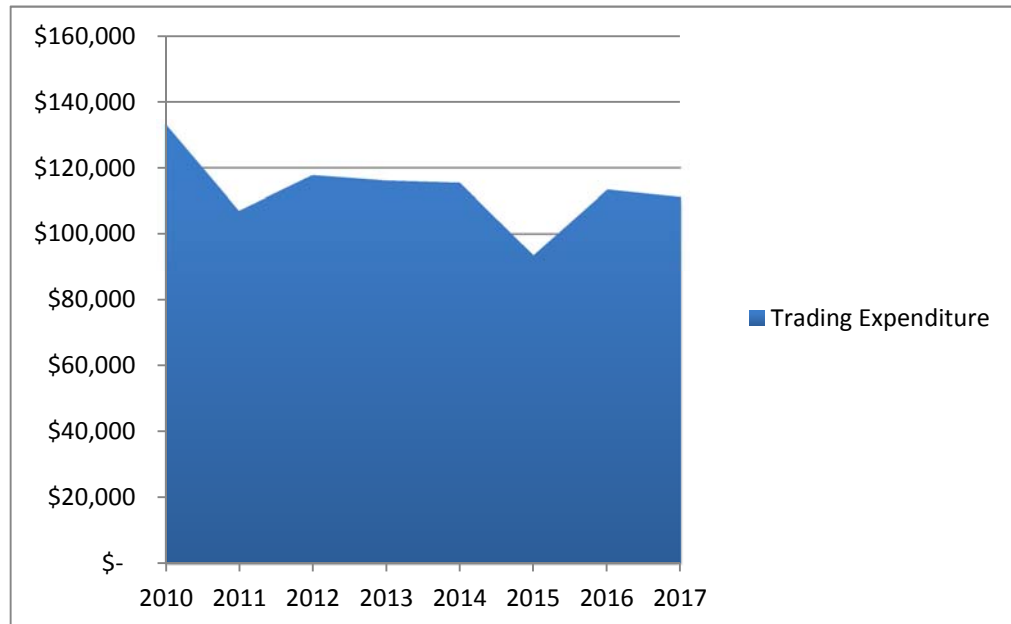
1.2 Expenditure

There are three primary areas of expenditure: operating costs, salaries, and depreciation.

- Operating expenditure has remained remarkably stable at The Stomach over the years, reflecting the low cost, DIY ethos of the organisation, and the generous donations of volunteers to undertaking tasks, such as maintaining the gardens, supporting gigs, preparing the accounts, annual deep clean, and repairing furniture and fittings.
- Fluctuations in expenditure over the years are primarily due to staffing levels, and this year is no different. This financial year includes a three month period where the Management Committee was undertaking the manager role on a voluntary

basis, following the departure of the former manager. This has resulted in a one-off saving in salaries.

Figure Three: Trading Expenditure since opening of new facility



- Depreciation is a non-cash expenditure item and reflects the deterioration in value of assets over time. Given the Society can attract grants to replace assets, there is no requirement to fund depreciation and establish a cash reserve. The depreciation total of \$58,500 is inflated by the depreciation on the building improvements undertaken in 2009. There are two more years before this asset is fully depreciated.

1.3 Overall Result

The overall result for the 2016/2017 financial year before depreciation is \$30,000, of which \$22,000 is reserved for capital purchases and \$2000 for the 2017 Swampfest. This means The Stomach generated a net operating surplus of around \$6,000 which is solely due to the three months salary savings when The Stomach was without a manager.

This breakeven result has allowed The Stomach to maintain its cash reserves, including \$50,000 held in a term deposit. The purpose of these reserves is specifically to ensure that CSSI has an emergency fund equivalent to six months operating cost, should current operational funding be lost. Note that the timing of asset purchases and PAYE has inflated the cash on hand at year end.

2. FINANCIAL PROJECTIONS

The Society is the fortunate recipient of a \$41,000 grant from the Central Energy Trust for the refit of the recording studio. While this grant was awarded in the 2016/2017 financial year, it will be paid over during the next financial year at the time the expenditure is incurred. The low funding levels held by the Society will require careful attention to the cashflow of the organisation to ensure the timing of receipts and payments is carefully coordinated. We are grateful to the CET for their willingness to pay on invoice.

The refit of the studio will take some weeks and accordingly the studio facilities will be closed during this period resulting in an inevitable fall in trading revenue.

With two fulltime staff, expenditure in the 2017/2018 financial year is predicted to return to normal levels, which will require a boost in operating funding to accommodate. Diversifying funding streams is important for all community organisations, but there are limited grant options available, and a trade off in terms of effort and return.

We are hopeful the DIA will consider operating funding, as this widens the catchment area that The Stomach can service at community rates. Should the Society be restricted to Palmerston North only funding, the Management Committee will need to consider the introduction of a tiered structure for service charges with higher rates applying to users outside the PNCC catchment area.

The Management Committee is considering the merits of approaching members and supporters for donations. As the Society has donee status, this will result in a tax rebate for donors; however, there is a servicing cost associated with that for the organisation.

Should The Stomach not receive an increase in operating funding for the 2017/ 2018 financial year, the Management Committee will need to dip into cash reserves to meet operating costs. This is unlikely to be sustainable beyond the next financial year.

The Stomach, in collaboration with MUSA and Radio Control, has been successful in securing a contract for summer concerts in 2018 and 2019. This will be operated as a single project between the three organisations and is budgeted to be cost neutral. It is likely that the net result only, will be recognised in the Society's accounts and that no cashflow implications will arise.

3. FUNDING TARGETS

At a strategy meeting earlier this year, the Management Committee identified two major projects which will require funding prior to commencement:

3.1 Outreach & Engagement

A third staff member has been a longheld aim of the Management Committee and this year saw that aim validated and reconfirmed. A third staff member would enable greater outreach, ultimately extending the reach of the Society beyond the venue.

Over the 2016/2017 year The Stomach has undertaken a proof of concept, extending activities into other venues through collaborations with Snails gallery and Te Manawa, and through engagement with various schools, culminating in workshops at The Stomach.

With services currently limited by the number of staff hours and the physical limitations of the venue, an outreach function is imperative to meet the level of community demand. Once the Management Committee has restored operational funding for the current level of service, securing funding for outreach will be the next priority.

3.2 Outreach Resources

An outreach function will require means of transport to take Stomach resources to the community, and ideally would be supported with a range of portable music and recording equipment – potentially including a second PA. While the outreach function is the primary need, these resources will mean the Society can have a greater impact. This will form a phase two priority for funding.

4. COMMENTS FROM THE TREASURER

This is my second year as Treasurer and the eighth set of accounts I have prepared for the Society. I sincerely thank the members for the trust they have placed in me over these years. It is an honour to work with an organisation which is so responsible with members' assets and so mindful of maximising the value from the public funds we are entrusted with.

This responsibility and accountability is demonstrated by the Management Committee, the staff, volunteers, members, and users, who all contribute to the care of the facilities and resources, who collaborate to keep expenditure low, and who donate time and resources to support the governance functions and activities of the organisation.

Despite my obvious concerns about the erosion of financial support in real terms, and the urgent need for additional operating funding, I am full of hope for the future of this organisation and confident that it is in good heart. In nearly 30 years of service, we have survived and thrived in the face of many challenges.

Both I and my fellow Management Committee members would like to acknowledge our staff, Nigel Mauchline and Harry Lilley, and the significant contribution they have made to the financial sustainability of the organisation. We would also like to acknowledge the ongoing support from The Stomach community, including: fellow musicians and artists, Society members, facility users, suppliers, funders, volunteers, and fellow community groups.

We are privileged to walk alongside our user community as they grow in confidence through the nurturing of their interests and talent, and we are rewarded with a rich diversity of original music and creativity, which this region should be rightfully proud of.

Meredith MacKenzie
Treasurer and Management Committee member
Creative Sounds Society Incorporated

20 August 2017