



The Vienna Symphony Orchestra under the baton of Principle Conductor Fabio Luisi at the Frühling in Wien festival, April 2006, at the Musikverein.

Photo: Manfred Heindl

by Matthias Wurz

In early November, details of a confidential *Kontrollamt*-report on the financial conduct of the Vienna Symphony Orchestra (VSO) came to light, sparking a controversy on the financing and possibly the artistic future of one of the city's leading orchestras.

Misleading media reports spoke of serious debt – *Der Standard* of a deficit of € 46.1 Mio for 2005 – throwing orchestra morale into turmoil, while the orchestra's management points to financial disclosure rules but clearly dismisses mismanagement. A finding that "cautious personnel planning" would eventually put the orchestra on stronger financial footing attracted the attention of politicians, threatening laying off players at a time of growing commitments, orchestra management said, and interfering with what are essentially artistic decisions.

Far more than most European cities, Vienna commits generous public support to its musical life. Renowned internationally for its living tradition of world-class classical music and opera, of W.A. Mozart, Joseph Haydn, Ludwig van Beethoven and Gustav Mahler, Vienna is host to numerous opera houses, professional orchestras and other prestigious musical institutions.

Of these, the prestigious Vienna Philharmonic Orchestra (VPO) is mainly financed by the Austrian federal government as the orchestra of the Vienna State Opera, while the Vienna Symphony Orchestra, Vienna's leading concert orchestra, receives public funding by the City of Vienna itself.

In early November 2006, details surfaced of a confidential report of the *Kontrollamt* (KA), the Viennese Office of Audits, voicing sharp criticism of the management of the VSO on its handling of public funds. Under discussion were the high amounts spent on entertainment – the *Symphonikerball* with golden napkins was singled out accumulating a total loss of € 41,000 – as well as the apparent high costs for pension reserves, reflecting a total loss of € 46.1 Mio in the balance sheet in 2005.

The city council, nevertheless, agreed in a declaration in 2005 to cover debts of the orchestra in return for implementing reform. However, politicians across the political spectrum feel these reforms have not been adequately addressed.

The VSO is funded by the City of Vienna with funds of € 11 Mio in 2006 from the cultural budget. In addition Andreas Mailath-Pokorny, the city's Councillor of Cultural Affairs, a

The Accountants vs. The Vienna Symphony-Pensions, Players and Principles at Stake

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Socialdemocrat, recently granted the orchestra an additional € 1.58 Mio from public funds to cover a 2006 loss, while orchestra revenues fell just below their required 25% contribution.

Given these figures, Waltraud Antonov, chair of the city *Kontrollausschuss* (Monitoring Committee) and member of the opposition Green Party, defends the report's findings.

The VSO is the "city's own orchestra," Antonov said, "and therefore the City of Vienna has a right to check whether funds have been used appropriately." At the same time, she says, it is up to the orchestra whether or not to follow the recommendations of the report: "The orchestra has to find the right balance between distributing the funds effectively on one side and meeting artistic requirements on the other.

"The KA report only assesses the financial expenditures, but in that respect, the criticism of the report does have to be taken seriously."

Although, the criticism is directed at the management and not at the ensemble itself, the report has had serious reverberations among the players, particularly those who have served many years in the orchestra who feel angry and let down.

"Obviously, the mood in the orchestra is currently not a very good one, when we just returned from a highly successful tour to Japan, and upon return, we are confronted with such a report," one senior musician said.

Of greatest concern was the sharp criticism of pension costs, which both management and players found very upsetting.

"A number of issues were mixed up in the recent public debate," said Christoph Kufner, Press Spokesman of the VSO. The VSO as a large private organisation is required to budget pension reserves which cover all active and retired members of the orchestra; that accounts for the € 46.1 Mio in 2005. However, he explained "as the City of Vienna required us to use the funds for operational costs, this amount in no way reflects the actual current pension expenditures."

According to the management, only 7% of the orchestra's budget (approx € 1.5 Mio p.a.) is in fact currently spent for pension payments to retired players. This was confirmed by Günter Lackenbacher, Advisor to the City Councillor of Cultural Affairs.

"Since 1981, the City of Vienna has guaranteed the payment of pensions for the VSO. Plans for setting up an independent pension fund within the orchestra's budget were eventually dismissed because of high costs, and all the reserves were spent," he said.

It was a recent change in the financial disclosure rules, he said, that has required the orchestra to show these pension reserves on their balance sheet, which is backed by a 2005 guarantee from the City Council.

The second issue, the current costs of the pensions, has to be viewed in the historical and musical context of the Viennese orchestral scene of the 20th century.

Until the 1970s, was led unchallenged by the Vienna Philharmonic Orchestra (VPO) that attracted top players from the Vienna Symphony for the benefits packages as much as the prestige. In order to minimise the drift, the VSO management adopted a similar salary and pension scheme mirroring their more prestigious rival. Thus members of the Vienna Symphony, like the Philharmonic Orchestra, were considered civil servants and thus received pensions at 80% of their last salary. A standard ASVG (*Allgemeines Sozialversicherungsgesetz*) pension calculates the pension as average over a period of 10 years.

This led not only to higher musical standards, but also higher costs,

"Consequently, we needed to respond to the increasing costs of the pensions," Kufner said, and since 2005, new members' contracts receive the ASVG pension only.

The suggestion of making cuts to the exist-

ing contracts, however, as it has been suggested recent media reports and demanded by some politicians, has been met with hostility among the players, as this would be an unprecedented case of withdrawing privileges already earned. It is also unprecedented in other parts of the city government, nor for the state-employed VPO nor any other branches of the Austrian civil service, where traditionally a political consensus is sought.

The KA-report also included strong criticism of the size of the orchestra, something Antonov from the Green Party suggested "cautious personal planning" to decrease numbers. Players were astonished by this line of reasoning, as it directly relates to profound artistic decisions. The VSO has currently 128 active musicians, not as large as the Vienna Philharmonic, but larger than most other Austrian orchestras that average 80 to 100 musicians, so the report argues.

But the orchestra management counters that this number, on international standards, is necessary to meet all the orchestras performing obligations. "The VSO performs approximately 160 times per season, around two-thirds of those in Vienna. In comparison, the Berlin Philharmonic with the same number of musicians gives about 120 performances," Kufner argued.

The VSO not only plays a full season at the Konzerthaus and Musikverein, it also serves as an opera orchestra at the Bregenz Festival each summer, and now as pit orchestra for the newly adapted opera house Theater an der Wien.

The musicians and management agree that it is up to the city council to whether the orchestra should continue its current program, for which the current size is needed. However, something else seems to be at stake.

"The so-called re-evaluation of the size of the orchestra suggests mismanagement on our part, which we clearly reject," Kufner said. "It should be a political decision whether the orchestra should fulfill all these obligations, not a financial one."

That the players themselves feel at scrutiny here is perhaps unavoidable. The orchestra's budget consists 95% of personnel costs; consequently cuts mean in essence personnel. However, Vienna Cultural Affairs advisor Lackenbacher assures that "there are no plans to put any duties of the orchestra at issue."

"The VSO is repositioning itself at the moment as an opera orchestra for the Theater an der Wien among others, and we are trying to support that," he said.