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FRONT COVER: Pacific Heritage Arts Fono 2019,
Photo: Raymond Sagapolutele.

In accordance with section 150(3) of the Crown Entities Act 2004, the Annual Report for 2019/20 of the Arts Council of New Zealand Toi Aotearoa, trading as Creative New Zealand, is presented to the House of Representatives.

The report covers the period of the 2019/20 financial year—1 July 2019 to 30 June 2020—and reports against Creative New Zealand's one output class: Promotion and support of the arts.

A handwritten signature in black ink, appearing to read 'Michael Moynahan', with a stylized, flowing script.

Michael Moynahan

Chair, Arts Council of New Zealand Toi Aotearoa
30 October 2020

A handwritten signature in black ink, appearing to read 'Caren Rangi', with a long, horizontal, sweeping line extending to the right.

Caren Rangi ONZM

Deputy Chair, Arts Council of New Zealand Toi Aotearoa
30 October 2020

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OUR CHAIR AND CHIEF EXECUTIVE REVIEW THE YEAR

NGĀ TIROHANGA MAI TŌ MĀTOU TIAMANA,

ME TE TUMUAKI NŌ TENEI TAU

In 2019/20 Creative New Zealand invested a record \$70.2 million in the arts, supporting the sector through our funding, capability-building, advocacy and leadership initiatives.

We know the arts are central to so many lives and livelihoods in Aotearoa and we're proud of the mahi artists, practitioners and arts organisations have achieved this year.

In the first half of the year, we celebrated Creative New Zealand's 25th anniversary. New legislation in 1994 saw our organisation move from being the QE II Arts Council to becoming the Arts Council of New Zealand Toi Aotearoa or Creative New Zealand, which is our best-known name.

The second half of this year's activity was delivered in response to what is arguably the biggest set of challenges that the New Zealand arts sector has ever faced – supporting the arts community to weather the impacts of the COVID-19 global pandemic.

COVID-19 and how we responded

In response to the COVID crisis, the Arts Council established an Emergency Response Package comprising three major programmes to assist artists, arts practitioners and arts organisations (including groups and collectives) in the wake of the widespread cancellation of events and restrictions on travel, movement and gatherings.

The arts sector's uptake of this Emergency Response Package was overwhelming. Over the seven-week period that these first phase COVID-response programmes were open, we received triple the number of applications that we normally receive in an

entire year. In the final week alone, we received more applications than we do in a single year.

These numbers speak to the pain and uncertainty the sector is feeling, but also artists' eagerness to continue creating and to have New Zealanders continue to engage with their art.

We were fortunate to be able to call on our 'rainy day' reserves to help us meet this unprecedented need. Doing so meant we were able to sustain an operating loss of \$15.2 million in 2019/20, with those reserve funds significantly bolstering the quantum of our Emergency Response Package.

Our Arts Continuity Grants – set up to support artists, arts practitioners and arts organisations to continue their practice through project-based funding – enabled 637 projects to the tune of just over \$16 million. We were able to fund 45 percent of applications, higher than our normal Arts Grants 'success rate', and over a third of our funding went to ngā toi Māori and Pacific arts projects.

Emergency Response Grants also provided critical relief for those whose incomes were deeply affected by COVID-19, often literally overnight. These grants came in the form of a top-up to the Government's wage subsidy, to bring the rate up to \$25 per hour – the minimum remuneration rate we recommend for artists and arts practitioners. A total of 2,641 Emergency Response Grants were made, totalling close to \$10 million.

Support under the Emergency Response Grants programme also went wider than the traditional community of artists, arts practitioners and arts organisations we invest in – many applicants generally support the delivery of arts projects (like technicians) but have never had to come to us personally before. Many were also from new areas of arts practice, not generally funded by Creative New Zealand but who we extended eligibility to, including non-traditional tattooists and photographers.

—

**We know
the arts
are central
to so many
lives and
livelihoods
in Aotearoa**

—

Of the 4,558 applications received to the Arts Continuity Grants and Emergency Response Grants programmes, almost 3,000 were from ‘first-time’ applicants (nearly two-thirds of all applications). Around 650 of these ‘first-time’ applications were made to the Arts Continuity Grant programme (42 percent of all applications to that programme), with the balance to Emergency Relief Grants or to both programmes.

Finally, we also established a Short-term Relief for Investment Clients fund, to support those Toi Tōtara Haemata and Toi Uru Kahikatea organisations who were adversely affected by COVID-19. Twelve organisations were supported through this fund, totalling a little over \$2 million.

In delivering our Emergency Response Package, we’ve learnt that Creative New Zealand teams and assessors can be increasingly flexible and responsive to the arts sector through our application and decision-making processes. We’ll take these lessons forward as we deliver our funding programmes in 2020/21.

An overview of all funding through this first phase, including applications processed after 30 June, is included in this report.

A strong year, despite the challenges

Even with the many challenges our artists, practitioners and arts organisations have faced this year, Creative New Zealand’s programmes have supported the development of high-quality works, as well as participation in and engagement with those works.

- More than **2,000** high-quality New Zealand artworks developed.
- Over **164,800 participants** in projects or events funded by Creative New Zealand.

- More than **5 million attendances** reported at arts experiences across the country, compared to 2.1 million attendances reported in 2018/19. This increase reflects the rise in online attendance, with a number of organisations live streaming activities during the COVID-19 lockdown.
- Over **\$12.5 million invested** in projects and initiatives that encourage New Zealanders to participate in the arts. This included the Creative Communities Scheme, run in partnership with local authorities, which awarded more than \$3.9 million to projects throughout New Zealand.
- More than **\$2.3 million invested** in capability-building initiatives for artists and organisations, covering topics that included audience and market development, strategy and governance and arts sector development.
- Full **implementation of the revised investment programmes** (Toi Tōtara Haemata and Toi Uru Kahikatea). Eighty-three organisations are now working to deliver programmes of work aligned with three key investment features: diversity and reach, dynamic arts and a resilient arts sector.
- Investment of **\$31.8 million** (not including our COVID-19 emergency response funding), an increase of approximately \$4.5 million.
- **Increased funding for Māori-led organisations** (up 39 percent from 2018 funding) and **Pasifika-led organisations** (up 68 percent from 2018 funding).

This year, we largely completed the implementation of our *Investment Strategy Te Ara Whakamua 2018–2023* to guide our investment decisions over the medium term. We continue to implement our *Te Hā o ngā Toi–Māori Arts Strategy 2019–2024* and *Pacific Arts Strategy 2018–2023*, which both guide the way

we invest in, develop, advocate and provide leadership for ngā toi Māori and Pacific arts.

We also delivered to our Advocacy Strategy 2016–2021, with a focus on boosting awareness of one of the Strategy’s key messages: the arts matter for happy and healthy people. That message, especially during lockdown, could not have been more pertinent. We also maintained our engagement with local government to advocate for local council responsiveness to the arts.

Looking ahead

Under the May 2020 Budget, we were fortunate to receive a significant, one-off funding injection from the Government to help support the arts sector’s recovery from COVID-19. This comprised \$25 million into our core programmes, \$2 million in additional capability building funding and \$12 million over three years for the new Pasifika Festivals Initiative. We’re grateful for this boost in funding, which will allow us to further amplify our support for the arts sector in its time of greatest need.

The additional funding sits alongside other components of the Government’s wider Arts and Culture COVID Recovery Package. We’ll continue to work with Manatū Taonga Ministry for Culture & Heritage to explore other opportunities that might arise within the Recovery Package’s broader workstreams. Our *Investment Strategy Te Ara Whakamua 2018–2023* provides us with a clear approach to where opportunities might align with our interests.

With additional resources in hand, in the year ahead we’ll be focusing on recovery, resilience and renewal in the sector, recognising that COVID-19 will continue to impact the cultural sector harder than the wider New Zealand economy. We know that creative workers have lost jobs, opportunities are limited, and Māori and Pasifika artists are especially vulnerable. We also know that many artists, arts practitioners and arts organisations will experience further income loss. The COVID-19 lockdown raised many questions about how we view digital engagement, access and equity in the sector.

We know New Zealanders value the arts in their lives. Our ‘Thankful for Art’ (#TFA) advocacy campaign reached over 1.2 million people in April and May. During

the ‘Thankful for Art’ campaign, artists shared stories and insights, and inspiring ways to engage with the arts while we were in lockdown. We will build on this success and keep advocating for the arts over 2020/21.

Over the coming year, we will continue to promote the value of the arts to New Zealanders’ lives. In 2019 we introduced our *Creating value for New Zealanders* public value model. Through this model, we have articulated the value the arts deliver for individuals, whānau, communities and society. We have also considered what we need to do to increase that value and ensure all New Zealanders, regardless of where they live and who they are, share in those benefits.

While there’s still uncertainty around what attendance and participation in the arts might look like under the ‘new normal’, the delivery of digital content and performance continues to grow across the sector, and online audiences continue to increase. We will repeat our triennial *New Zealanders and the arts* research in the coming year, to help us understand how people intend to re-engage with the arts.

Inspired by our arts community, we will meet the challenges—and the opportunities—that the next year will bring with dedication, heart and manaaki.

Mā whero, mā pango ka oti ai te mahi
With red and black the work will be complete



Stephen Wainwright

Chief Executive, Creative New Zealand
30 October 2020



Michael Moynahan

Chair, Arts Council of New Zealand Toi Aotearoa
30 October 2020

OUR VISION

Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally

OUR VALUES

1

MANA TOI

We champion the role of the arts and the contribution artists make to our lives.

2

TAUIWI

We recognise New Zealand's distinctive cultural and social diversity and work to ensure arts opportunities for all.

3

MANA MĀORI

We recognise and support the role of Māori as tangata whenua in the arts.

4

MANA PASIFIKA

We recognise the arts of the Pasifika peoples of New Zealand.

5

MAHITAHI

We work together with others so we can achieve more, including exploring the big picture and sharing what we learn.

6

TE TAUMATA

We set high standards for our work.

7

TAUUTUUTU

We are open, frank and respectful in our relationships.

8

MANAAKITANGA

We are welcoming and responsive to all.

OUR PURPOSE

*To **encourage, promote and support** the arts in New Zealand for the benefit of all New Zealanders.*

OUR MĀTAURANGA MĀORI FRAMEWORK

TE WAKA TOI PĀTAKA

Highlights areas of particular importance and responsibility (such as maintaining connections to Papatūānuku and tūpuna, building resilience and potential, and supporting and advocating for communities) when advancing our work and initiatives in partnership with others.

Te Waka Toi Pātaka anticipates a wider view of wellbeing, incorporating the social, cultural, environmental and economic value of ngā toi Māori, and responds to the aspirations of the ngā toi Māori sector.



S1

THE YEAR IN REVIEW
TE TIROHANGA O TĒNEI TAU

OUR YEAR AT A GLANCE TE TITIRO KI TĒNEI TĀU

OUR PURPOSE

TO ENCOURAGE, PROMOTE AND SUPPORT THE ARTS IN NEW ZEALAND, FOR THE BENEFIT OF ALL NEW ZEALANDERS

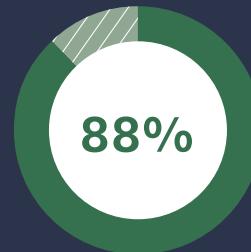


**\$29
MILLION**

ALLOCATED TO COVID-19
EMERGENCY RESPONSE
PACKAGE (APRIL TO
JULY 2020)

**3,290
GRANTS**

THROUGH THE
COVID-19 EMERGENCY
RESPONSE PACKAGE



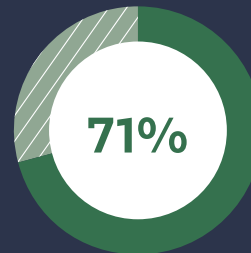
NEW ZEALANDERS
BELIEVE
"THE ARTS ARE
GOOD FOR YOU"

**\$70.2
MILLION**

INVESTED IN THE ARTS

**2,078
NEW**

ARTWORKS FUNDED



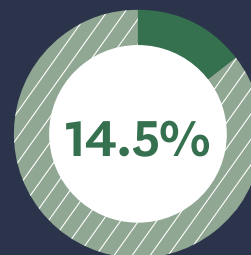
OF TOTAL REVENUE
FROM THE NEW
ZEALAND LOTTERY
GRANTS BOARD

**83
ORGANISATIONS**

IN OUR INVESTMENT
PROGRAMMES

**164,813
PARTICIPANTS**

IN THE ARTS



OPERATING COSTS
AS PERCENTAGE
OF TOTAL
EXPENDITURE



OUR VISION

DYNAMIC AND RESILIENT NEW ZEALAND ARTS, VALUED IN AOTEAROA AND INTERNATIONALLY

THE IMPACT OF COVID-19 ON THE ARTS

NGĀ PAPĀTANGA O TE MATE KORONA KI RUNGA I NGĀ TOI

Emergency Response Package overview

At a special meeting on 20 March 2020, the Arts Council empowered Creative New Zealand to respond to the extraordinary circumstances of early 2020 and the COVID-19 crisis in an extraordinary way. The Council considered how the organisation's existing programmes, activities and support for the arts community could be adjusted to respond to the new reality and ongoing uncertainty wrought by COVID-19.

As a result, an Emergency Response Package was developed in the broader context of Government's overall COVID-19 response, including the Government's Economic Recovery Package.

Creative New Zealand allocated a total \$29 million, through the following funds developed as part of a first phase response, to cover the period to 30 June 2020.

The Emergency Response Package included two main components.

1. **Resilience Grants** for eligible artists, arts practitioners, arts groups and arts organisations (non-investment clients) who were impacted, to help them recover, maintain and develop their practice in a completely changed environment. There were two opportunities.
 - (a) **Arts Continuity Grants** (up to \$50,000), supporting short-term arts projects (new or reframed), or the stage of a project, that can be delivered within a changed and evolving environment as a result of COVID-19 (including creative and professional development, promotion and distribution eg, supporting new ways of working).
 - (b) **Emergency Relief Grants** (between \$1,800 and \$4,220.40 per individual), a contribution toward loss of income for eligible artists and arts practitioners, who may be part

of arts organisations (including groups and collectives), who were experiencing devastating loss of income and opportunity and an uncertain future, and who had received the Government's COVID-19 Wage Subsidy.

2. **Short-term Relief for Investment Clients** – support for existing investment clients and on top of existing funding, with priority given to those materially negatively impacted by COVID-19, to help them stabilise their businesses and remain viable. Investment clients are the 83 multi-year funded arts organisations in the Toi Tōtara Haemata (Tōtara) and Toi Uru Kahikatea (Kahikatea) investment programmes, employing between them many artists and arts practitioners (including technical specialists), and who may have had to cancel or defer programmes and carry the impact of incurred costs without the anticipated revenue.

In the seven weeks that the first phase programmes were open, we received triple the number of applications we would normally receive in an entire year. In the final week alone, we received more applications than we would in a single year.

Of the 4,558 applications received to the Arts Continuity Grants and Emergency Response Grants programmes, almost 3,000 were from 'first-time' applicants (nearly two-thirds of all applications). Around 650 of these 'first-time' applications were made to the Arts Continuity Grant programme (42 percent of all applications to that programme), with the balance to Emergency Relief Grants or to both programmes.

Final results of applications to the Emergency Response Package funds are provided on pages 10-14 along with a selection of the positive feedback received from the sector in response to the programmes to date. Following our first phase emergency response, we released a 12-month investment plan to support the sector's recovery, offering funding opportunities through to 30 June 2021.

ARTS CONTINUITY GRANTS

FINAL RESULTS

By mid-July, when the final round of applications had been assessed, we had offered 637 grants totalling \$16,037,190 to support short-term projects by New Zealand artists and practitioners across the three funding pools (General, Māori and Pacific). A total of 1,418 eligible applications were received, with a total of \$33,755,931 requested. The success rate across all three funding pools was 45 percent. This opportunity brought a large number of new applicants to Creative New Zealand, including many who generally support the delivery of arts projects but had never applied to us personally before.

It was clear that, despite the limitations in place due to COVID-19 and the Alert Levels, there was high demand for Creative New Zealand support. It made a significant difference to the lives of many artists and arts practitioners, enabling them to continue their arts practice.

The figures below reflect the intended strategic outcomes and artforms of successful applications.

\$16,037,190

OFFERED TO SUPPORT PROJECTS BY
NEW ZEALAND ARTISTS

\$33,755,931

REQUESTED

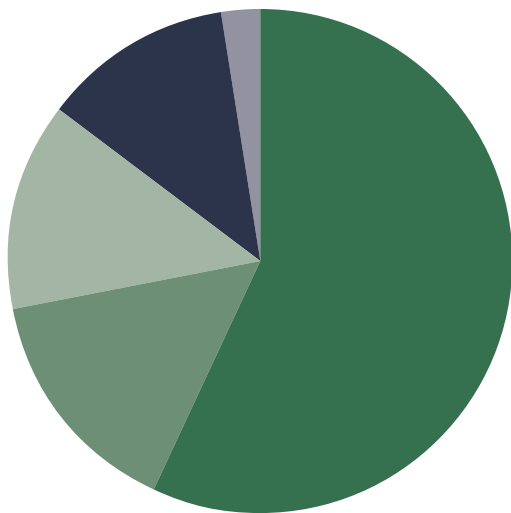
1,418

ELIGIBLE APPLICATIONS RECEIVED

637

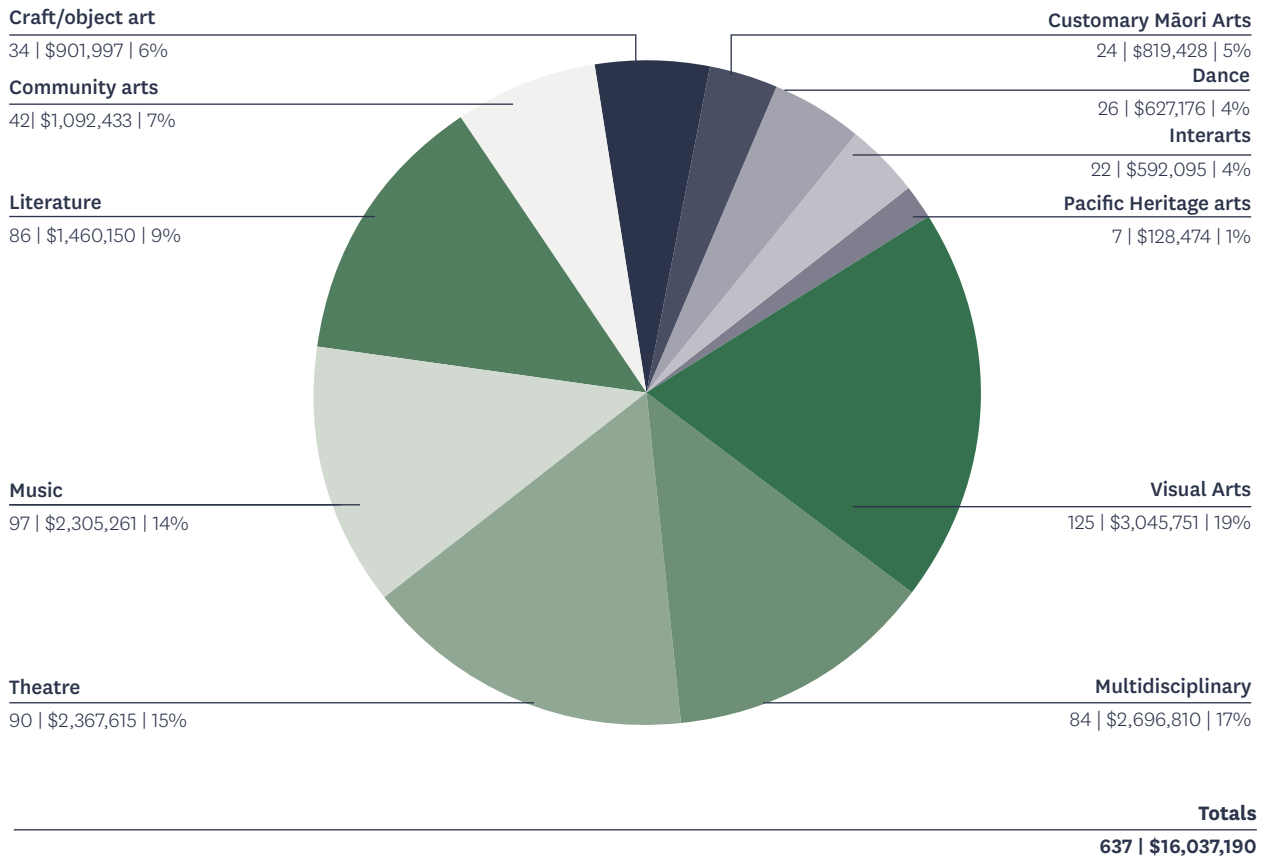
GRANTS OFFERED TO SUPPORT PROJECTS BY
NEW ZEALAND ARTISTS

ARTS CONTINUITY GRANT, INVESTMENT BY STRATEGIC OUTCOME, 2019/20






Strategic outcome	Approved applications	Percentage
High-quality New Zealand art is developed	361	57%
New Zealand's arts sector is resilient	96	15%
New Zealanders participate in the arts	86	13.5%
New Zealanders experience high-quality arts	77	12%
New Zealand arts gain international success	17	2.5%
Totals	637	100%

ARTS CONTINUITY GRANT, INVESTMENT BY ARTFORM, 2019/20



ARTS CONTINUITY GRANT, INVESTMENT BY LOCATION, 2019/20

Location	Total applicants approved	Total funding approved \$	Of total investment (%)
Auckland	204	5,223,814	32.57%
Not specified	149	3,593,382	22.41%
Wellington	101	2,662,942	16.60%
Canterbury	38	807,780	5.04%
Bay of Plenty	20	725,476	4.52%
Waikato	23	536,847	3.35%
Northland	14	379,337	2.37%
Manawatu-Whanganui	11	358,105	2.23%
Otago	15	342,029	2.13%
Gisborne	9	299,182	1.87%

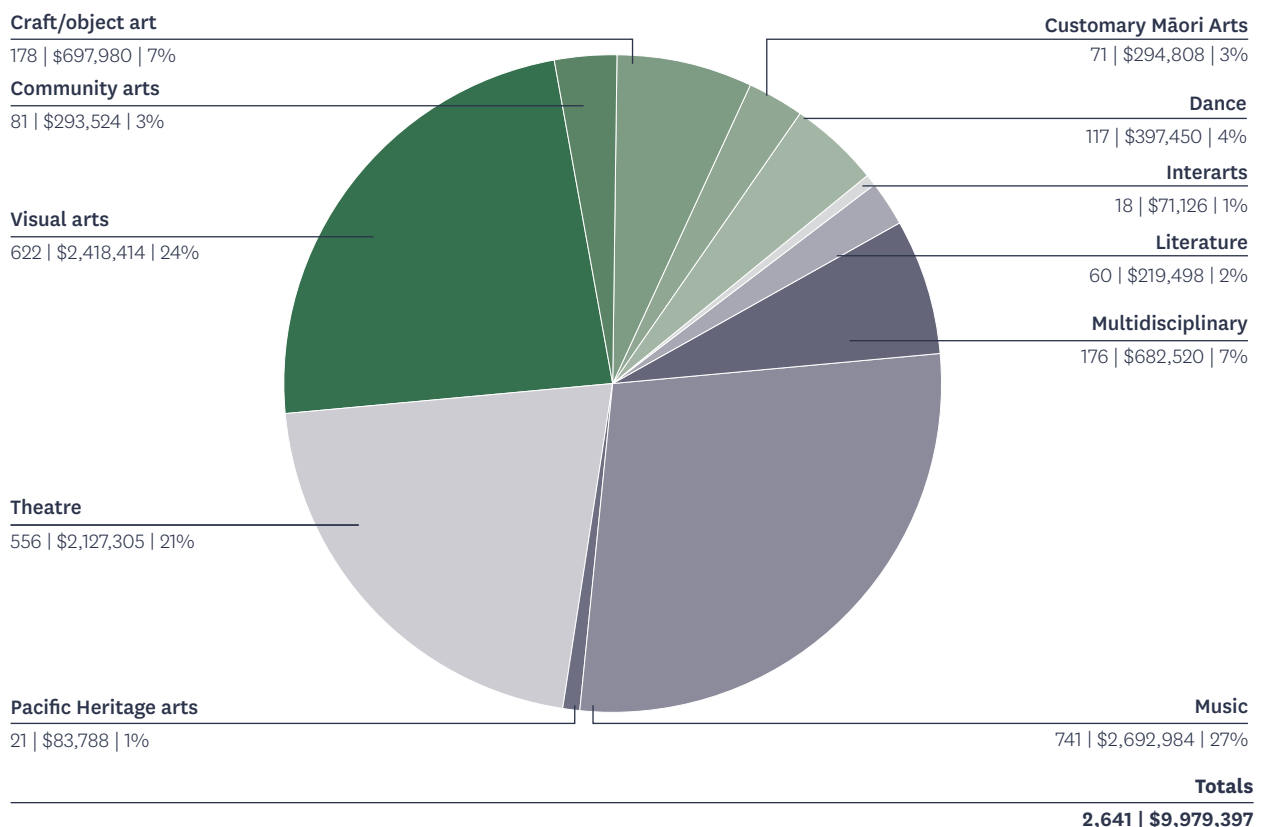
Location	Total applicants approved	Total funding approved \$	Of total investment (%)
Taranaki	8	226,574	1.41%
Online 	7	184,720	1.15%
Overseas 	10	179,614	1.12%
Hawkes Bay	8	140,213	0.87%
Nelson-Marlborough	8	128,269	0.80%
National 	6	103,450	0.65%
Southland	2	72,794	0.45%
Chatham Islands	1	13,006	0.08%
West Coast	3	59,657	0.37%
Totals	637	\$16,037,191	100%

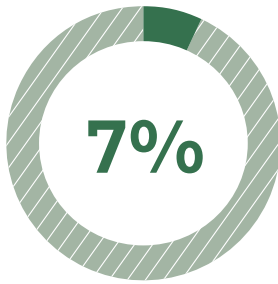
EMERGENCY RELIEF GRANTS FINAL RESULTS

The Emergency Relief Grant provided temporary relief for independent artists and arts practitioners, some working for arts organisations (including groups and collectives), who could demonstrate their loss of income in the period 1 March to 30 June 2020. A total 2,641 Emergency Relief Grants totalling \$9,979,397 were paid by July 2020. This included payments to organisations who had received the wage subsidy for their staff. Of the 2,641 individuals who received a grant, 15 percent self-identified as Māori, and 7 percent self-identified as Pasifika.

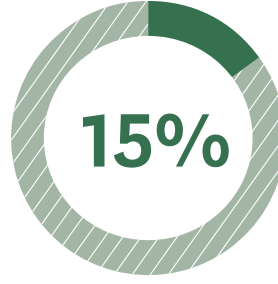
As mentioned, this new grant brought a considerable number of new applicants to Creative New Zealand, including many who generally support the delivery of arts projects, but would not normally be applicants (for example, technicians). Many were also from new areas of arts practice, not generally supported by Creative New Zealand but eligible under specific Emergency Relief Grant eligibility requirements. They included non-traditional tattooists (other than tatau or tā moko) and photographers.

EMERGENCY RELIEF GRANTS BY ARTFORM

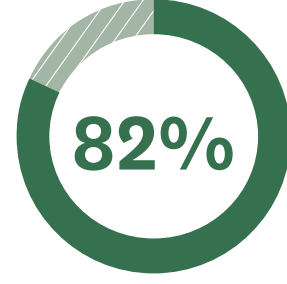




SELF-IDENTIFIED AS PASIFIKA



SELF-IDENTIFIED AS MĀORI



RECEIVED A FULL-TIME GRANT

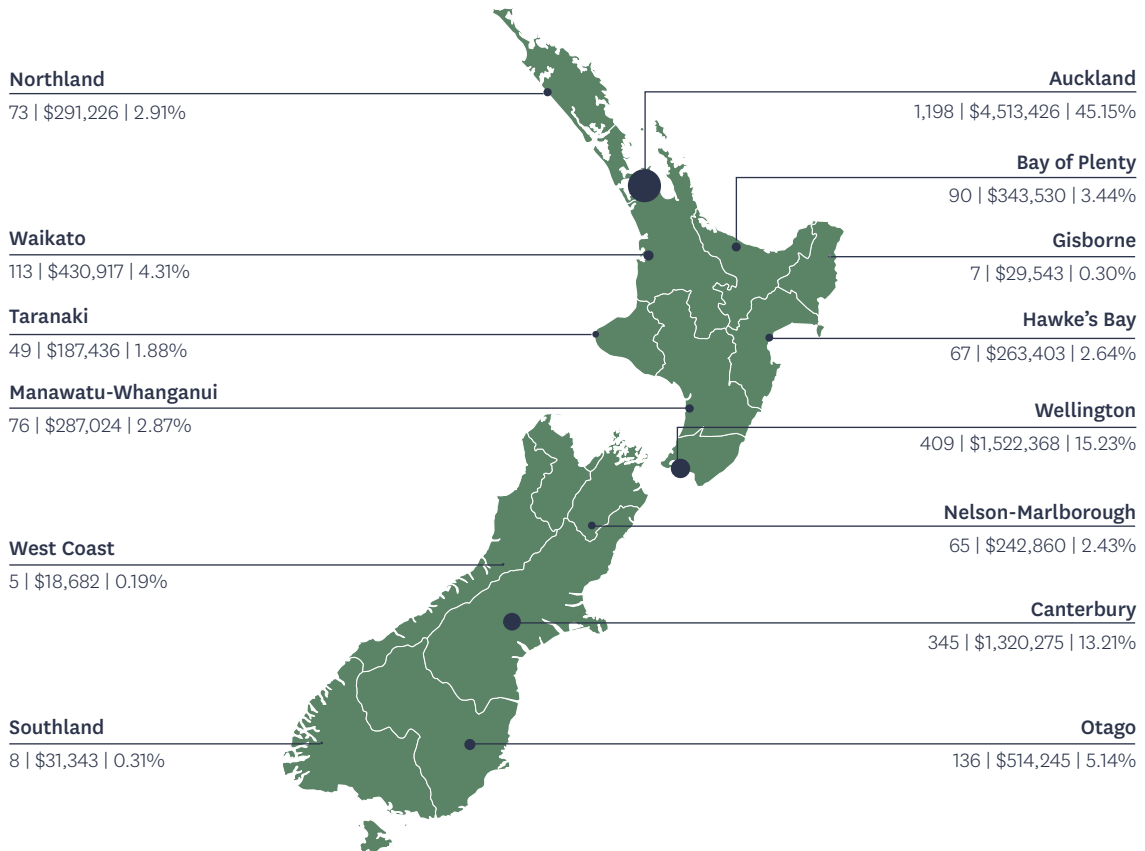
\$9,979,397

OFFERED TO SUPPORT NEW ZEALAND ARTISTS

2,641

EMERGENCY RESPONSE PACKAGE GRANTS

EMERGENCY RELIEF GRANTS BY LOCATION (REGION)



SHORT-TERM RELIEF FOR INVESTMENT CLIENTS

FINAL RESULTS

A third fund available through the Emergency Response Package phase—Short-term Relief for Investment Clients (SRIC)—provided emergency support for Tōtara and Kahikatea investment clients to survive the impact of COVID-19, maintain their key people and in some cases support the broader ecology of freelance practitioners until 30 June 2020. The fund was for organisations that were materially negatively impacted by the COVID-19 restrictions and as a result were unable to stabilise their organisation up to 30 June 2020.

A total of 19 organisations applied to SRIC, requesting a total of \$3,504,891. A total of 12 applications were eligible, and \$2,069,828.22 was approved for payment. Six organisations were ineligible, and one application was withdrawn. More detail on who got funded is available on our website.

\$3,504,891

REQUESTED

\$2,069,828

APPROVED

19

ORGANISATIONS APPLIED

Positive feedback from the arts sector

We know that we are unable to support everyone and that there is disappointment after every funding round but it was heartening to receive a significant amount of positive feedback from artists, arts practitioners and arts organisations about our emergency response, and what it meant for their practice or projects. Here are just a few examples:

- “Your support means so much, and will have a massive impact on the support we are in turn able to give to our tamariki and whānau during this unsettling period of change. Your swift and clear response to support our organisation through the challenges of COVID-19 will enable our tutors to be able to stay connected with our tamariki, and continue their musical learning from within their bubble.”
- “Thank you for the incredible hard work you and your team are putting in. It really makes the difference between there being an arts industry post COVID, or not.”
- “I know you are crazy busy and won’t expect a response but. THANK YOU!!! You and the team at Creative NZ are very much appreciated and the emergency fund makes a huge difference. Like most other of my contemporaries, all of my work and future recording schedule disappeared off of the books so it means a lot to have this assistance. Thanks again and have a great day!”
- “Thank you so much!! I do not know who to physically thank at Creative New Zealand so I would be grateful if you could pass my deepest appreciation and thanks to any and all at CNZ.”
- “Thank you for the great support you provide not only financially but by acknowledging the value of artists and their difficult present time. Should I be any help in return, let me know what I can do.”



National advocacy response

A complementary COVID-19 Advocacy Response was also rapidly developed and rolled-out in April 2020. Given the extraordinary situation brought on by COVID-19, and its impact on the arts community, the value of the arts to New Zealanders lives needed to be purposefully elevated into the national conversation.

The overall aim of the response was to provide an innovative, dynamic arts advocacy response to COVID-19, promoting the value of the arts to New Zealanders and helping to tautoko the arts community through the crisis. This work was a response to the sector's call for support as well as our wider purpose to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders. The Phase 1 advocacy response included:

- a national advocacy campaign on social media, 'Thankful for Art' (#TFA), promoting and reflecting the value of the arts during lockdown
- local government guidance on ways to support its arts communities and continue to foster community engagement with arts and culture
- advocating for the need for regular arts content in mainstream media

- commissioning opinion pieces on the importance of continuing to support the arts in times of crisis
- providing support for the Arts Foundation's Boosted crowdfunding site to establish an online live streaming platform with a complementary fundraising function ('Boosted Live').

We developed our advocacy response by testing our ideas with artists, arts practitioners and sector colleagues, and seeking feedback. We also monitored the continuing impact of COVID-19. The campaign included a bilingual microsite and bilingual social media posts, with Māori artist and practitioner involvement throughout. This included Tama Waipara creating the campaign video soundtrack and several artists providing content to share on social media (including Veranoa Hetet, Derek Lardelli, Tayi Tibble, Hinewehi Mohi and Te Matatini).

The advocacy response was developed to deliver to the aims of Creative New Zealand's *Advocacy Strategy 2016–2021* and consistent with the re focusing of *Te Hā o ngā Toi–Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*. Detail of the Phase 2 advocacy work is provided on pages 40.

OUR STRATEGIC DIRECTION UNDERPINNING OUR WORK IN 2019/20 TO TĀTOU MĀHERE RAUTAKI E HONO NEI O TĀTOU MAHI MŌ NGĀ 2019/20



In 2019 we introduced our *Creating value for New Zealanders* public value model that shows how we deliver long-term value to New Zealanders through our support for the arts.

The diagram on the next page describes the environment we operate in, the relationships between the parts of the system, and how they work together to deliver value. At the heart is our vision, our purpose, our values and Te Waka Toi Pātaka, our Mātauranga Māori Framework.

Over recent months our energy and resources have shifted from achieving long-term change to focussing on the immediate needs of the sector; however, our strategic goals have guided this work and remain the foundation for what we do in 2020/21.

By strengthening the **Mana and support perspective** (ie, our relationships with and across government, our stakeholders and the public), we can secure the maximum resources we need to deliver in order to sustain the sector, individually and collectively through 2020/21. With financial stability we can then adapt our policies and strategies to guide how we deploy those resources to best support the arts.

Through the **Creative New Zealand perspective**, our priority this year is to be as flexible and responsive to the arts sector as we can. This means working to

provide programmes and initiatives that are fit for purpose in the short to medium-term for artists, arts practitioners and arts organisations.

Under our **Sector perspective**, we recognise how important our relationship with the arts community is at this time. By collaborating with and supporting the arts sector, we will work with artists, arts practitioners, arts organisations and our wider communities to understand where our energy and resources can add most value over the coming year.

Our **Outcomes and value perspective** is clearly focused on the ‘Stronger arts sector’ outcome in the short- to medium-term, as we work to support the sector with immediate COVID-19 related challenges. At the same time, we recognise how important it is to articulate the value that the arts can bring for New Zealanders during times of crisis.


Our performance framework

Guided by our *Creating value for New Zealanders* public value model, this Annual Report covers the 2019/20 financial year—1 July 2019 to 30 June 2020—and reports on:

- our year in review—a look at the achievements of Creative New Zealand and the arts sector during the past year, including the impacts of COVID-19 on the arts
- non-financial planning and performance—achievements against our strategic outcomes, priorities and deliverables, as set out in our *Statement of Intent 2019–2029* and *Statement of Performance Expectations 2019/20* and the tables on pages 57–76
- financial performance—financial statements for the 2019/20 year and the notes to those statements.

OUR STRATEGIC DIRECTION FOR 2019–2029: CREATING VALUE FOR NEW ZEALANDERS


What we want to achieve by 2029 –
Our goals

 We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders.


Outcomes and value perspective

 We grow the confidence of others in us and attract greater resources for the arts, recognising their contribution to the wellbeing of New Zealanders.

Mana and support perspective

 We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa and the world.

Sector perspective

 We have the strategies, services and operational capacity to drive the development of the arts in New Zealand.

Creative New Zealand perspective

How we create **long-term value**
for New Zealanders

Our outcomes

Stronger arts:

High-quality New Zealand art is developed
New Zealand arts gain international success

Greater public engagement with the arts:

New Zealanders participate in the arts
New Zealanders experience high-quality arts

Stronger arts sector:

New Zealand's arts sector is resilient
New Zealand arts are valued and supported

The value our support creates

Engagement in the arts improves the lives of New Zealanders

Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation

Engagement in the arts strengthens whānau, communities and society

The arts sector contributes to prosperous and resilient communities

How our work **links to**
government priorities

Wellbeing dimensions and capitals from the Treasury's Living Standards Framework

Subjective wellbeing Human capital
Health status
Education and skills

Social connections Social capital
Cultural identity
Civic engagement
Time use

Income and wealth Financial/physical capital
Jobs and earnings

Environment Natural capital

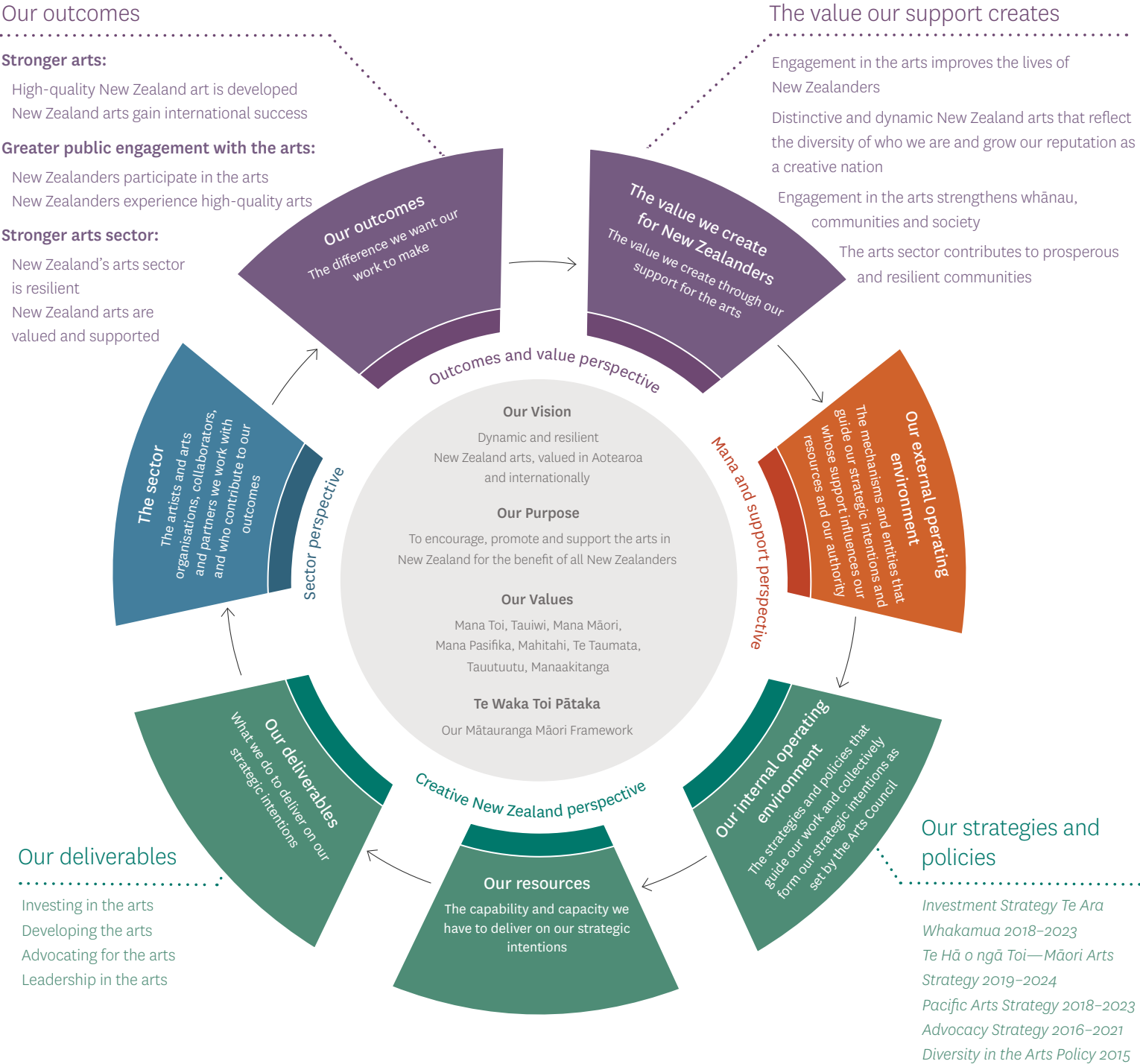
Ministers' priorities for Arts, Culture and Heritage

Valuing who we are as a country

New Zealanders share a distinct and inclusive identity and value our history and traditions

All New Zealanders can access and participate in cultural experiences

The cultural sector is supported and growing sustainably



OUR PERFORMANCE FRAMEWORK FOR 2020/21

TE TŪTUKI I A MĀTAU MAHI

Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	Goal: Mana and support perspective – We grow the confidence of others in us and attract greater resources for the arts, recognising their contribution to the wellbeing of New Zealanders	Mana and support perspective	Indicators of confidence in Creative New Zealand's performance
		Our external operating environment: The mechanisms and entities that guide our strategic intentions and whose support influences our resources and authority	Maintain or improve audit management ratings for management control, financial systems and service performance information Percentage of clients who are satisfied with the overall service received from Creative New Zealand Rating on the Colmar Brunton Corporate Reputation Index

Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	Goal: Outcomes and value perspective – We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders	OUTCOMES AND VALUE PERSPECTIVE	
		Our outcomes – The difference we want our work to make	Outcome measures
		Stronger arts	High-quality New Zealand art is developed Number of new New Zealand works developed New Zealand arts gain international success Number of individuals and organisations funded by Creative New Zealand to engage internationally Number of international arts activities and events funded by Creative New Zealand
		Greater public engagement with the arts	New Zealanders participate in the arts Number of participants in arts activities funded by Creative New Zealand New Zealanders experience high-quality arts Number of attendances at arts activities and events funded by Creative New Zealand



What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
<p>Goal: Outcomes and value perspective – We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders</p>	OUTCOMES AND VALUE PERSPECTIVE	
	Our outcomes – The difference we want our work to make	Outcome measures
	Stronger arts sector	<p>New Zealand's arts sector is resilient</p> <p>Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations set in their funding agreements across three dimensions: quality of programme; financial health; organisational health.</p> <p>New Zealand arts are valued and supported</p> <p>Maintain or increase average 'other' (non-Creative New Zealand) investment per organisation</p> <p>Index rating for how New Zealanders perceive the value of the arts to New Zealand (<i>New Zealanders and the Arts</i> survey data)</p>
	The value we create for New Zealanders – The value we create through our support for the arts	Indicators of long-term impact
	<p>Engagement in the arts improves the lives of New Zealanders:</p> <ul style="list-style-type: none"> • The arts contribute to personal wellbeing. • The arts contribute to healthier people. • The arts contribute to education and skills development. • The arts create a more highly skilled workforce. • The arts develop creative people who provide new approaches to solving problems. 	<p>Life satisfaction correlated to engagement in cultural activity (<i>Stats NZ General Social Survey</i>)</p> <p>Rating for the arts improve how I feel about life in general (<i>New Zealanders and the Arts</i> survey data)</p>
	<p>Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation:</p> <ul style="list-style-type: none"> • The arts contribute to our diverse identities and shared sense of national identity. 	<p>Index rating for how New Zealanders perceive the quality of our arts (<i>New Zealanders and the Arts</i> survey data)</p> <p>Rating for whether the arts help define who we are as New Zealanders (<i>New Zealanders and the Arts</i> survey data)</p> <p>Rating of importance of art and artistic achievements in defining New Zealand (<i>New Zealand General Social Survey</i>, Stats NZ)</p>
	<p>Engagement in the arts strengthens whānau, communities and society:</p> <ul style="list-style-type: none"> • The arts contribute to social inclusion and cohesion by connecting people and communities. • The arts contribute to our identity as individuals, whānau, community(ies) and as a nation. • The arts support a strong democracy. 	<p>Index rating for correlation of belonging to a group, club or organisation to a sense of life satisfaction and feeling that life is worthwhile (<i>Stats NZ General Social Survey</i>)</p> <p>Index rating for how engagement in the arts strengthens communities, society and our identity (<i>New Zealanders and the Arts</i> survey data)</p>
	<p>The arts sector contributes to prosperous and resilient communities:</p> <ul style="list-style-type: none"> • The arts sector provides jobs and careers for artists and practitioners. • The arts play a role in rejuvenating and making cities and communities great places to live. • The arts contribute to New Zealand's economy. 	<p>Percentage of total employment (arts-related industries) (Stats NZ)</p> <p>Percentage of territorial authorities with an arts and culture policy (Creative New Zealand survey data)</p> <p>Rating for the arts contribute positively to the economy (<i>New Zealanders and the Arts</i> survey data)</p> <p>Household spending on the arts (Stats NZ)</p> <p>Percentage of arts-related industries that contribute to gross domestic product (Stats NZ)</p>



What we want to achieve by 2029 – Our goals

Goal: Creative New Zealand perspective – We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders

How will we achieve our goals?

How will we know we're successful?

CREATIVE NEW ZEALAND PERSPECTIVE

Core activity measures

Annual priorities

Our deliverables – What we do to deliver on our strategic intentions

Investing in the arts –
Investing in artists, art practitioners and arts organisations and their projects in a fair, transparent and strategic way

Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations against performance expectations set in individual funding agreements.

Percentage of completed projects that meet or exceed expectations set in funding agreements

Implementing the *Investment Strategy Te Ara Whakamua 2018-2023*

Measuring the success of our investments

Developing the arts –
Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts

Percentage of clients who agree capability building programmes align with their needs and priorities

Percentage of clients who rank capability building initiatives as extremely or very effective, relevant and helpful

Percentage of completed projects for targeted initiatives to develop the arts delivered to the sector that have met or exceeded our expectations

Implementing the *Arts in the Regions* initiative

Advocating for the arts –
Promoting the value of the arts and empowering the arts sector to make the case for the arts

Percentage of advocacy actions described in the annual advocacy action plan (or equivalent) that have met or exceeded our expectations

Enhancing understanding of the value of the arts for health and wellbeing

Growing our relationship with local government

Leadership in the arts –
Providing leadership to ensure the arts sector is well positioned collectively to respond to change

Percentage of participants in key meetings, hui, fono held by Creative New Zealand who rate them overall as mostly or very useful/relevant

Providing leadership to ensure the arts sector is well positioned to respond to challenges and change

Our resources – The capability and capacity we have to deliver on our strategic intentions

Public money

Total level of investment by Creative New Zealand in the arts

Maintain operating costs in line with policy set by the Arts Council (being between 15% and 16% of total expenditure)

N/A

Our people and expertise

Improve on Best Workplaces survey – overall performance index

Improve on 'Good employer reporting' overall compliance index

Improving staff capability

Our operational capacity

Percentage of funding decisions made within specified timeframes

Percentage of applications externally assessed

Refining our systems

Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	Goal: Creative New Zealand perspective – We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders	CREATIVE NEW ZEALAND PERSPECTIVE	
		Core activity measures	Annual priorities
		Our internal operating environment – The strategies and policies that guide our work and collectively form our strategic intentions as set by the Arts Council	
		The strategies and policies that guide our work and collectively form our strategic intentions	N/A In 2020/21 we will continue to: <ul style="list-style-type: none"> • Implement <i>Te Hā o ngā Toi</i>— Māori Arts Strategy 2019–2024 • Implement the <i>Pacific Arts Strategy 2018–2023</i> • Demonstrate Creative New Zealand's support for a diverse range of arts



Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	Goal: Sector perspective – We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa and the world.	Sector perspective	Indicators of sector health and performance
		The sector: The artists and arts organisations, collaborators and partners we work with and who contribute to our outcomes	Artistic health Percentage of investment organisations that meet or exceed expectations for quality of artistic programme measures
			Financial health Percentage of investment organisations that meet or exceed expectations for financial health
			Employment Percentage of organisations paying at or above not-for-profit average for chief executives (<i>New Zealand CEO and Senior Executive Remuneration Report</i>) Average median total income for creative professionals versus median total income for New Zealanders earning a salary or wage (<i>Profile of Creative Professionals survey</i>)
			Funding Average private support (sponsorship, philanthropy and trust funding) per investment organisation Annual level of local authority investment in 'culture' (Stats NZ) Average annual government 'per person' expenditure on arts
			The market Percentage of New Zealanders in the market for culture (<i>Audience Atlas survey</i>) Percentage of New Zealanders engaged in the arts (<i>New Zealanders and the Arts survey</i>)
			Our relationships Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests, including government, local government, trusts and other partners

Mana and support perspective

Goal: We grow the confidence of others in us, and attract greater resources for the arts, recognising their contribution to the wellbeing of New Zealanders

In 2019/20, we worked to enhance the mana we hold from those who support us: New Zealanders, the arts sector, our clients and partners, our funders, our Ministers and the agencies responsible for making sure we operate effectively and efficiently. Never has it been so important to grow others' confidence in us, so we can be in a stronger position to advocate for greater resources and support for the arts when our artists, practitioners and organisations need it most.

Under this perspective, we're focusing on three areas in 2019/20–2021/22, these three areas are outlined in the column to the right.

Te whakanui i te rua tekau mā rima tau – Celebrating 25 years

It's hard to believe but it's now 25 years since, as a result of new legislation in 1994, we morphed from the QE II Arts Council to the Arts Council of New Zealand Toi Aotearoa or Creative New Zealand, which is our best-known name.

Someone once said that three key roles of the arts are to:

- acknowledge the past
- present the present, and
- audition the future.

Acknowledging the past

In looking back across the last 25 years we acknowledge the many staff, assessors, board members, practitioners and supporters who've helped shape us.

Some important people are no longer with us but whose deep contributions we want to acknowledge – people like Cliff Whiting, Ngōpō Wehi, Chris Doig and Jonathan Mane -Wheoki for example, with their work on our boards and lives in the arts.

Continued. . .

WE'LL BE RECOGNISED AS A HIGH-PERFORMING, TRUSTED ARTS DEVELOPMENT AGENCY

In 2019/20, we monitored feedback from our clients, Audit New Zealand and the New Zealand public, and worked to improve our performance over time, so their confidence in us grows (refer page 58).

We're also humbled by the feedback we've received from artists in response to our work through the Emergency Response Package (refer page 14).

WE'LL BE PROACTIVE IN PROVIDING ADVICE TO GOVERNMENT ON MATTERS AFFECTING THE ARTS IN NEW ZEALAND

We're extremely grateful for the confidence Ministers have shown in Creative New Zealand's mahi in recent months, including our ability to distribute resources to artists, arts practitioners and arts organisations quickly and effectively in a time of great need. We work hard to provide trusted advice to government and build our relationships with our colleagues at the Ministry for Culture & Heritage (refer pages 41-42).

WE'LL MAKE THE CASE FOR GREATER SUPPORT FOR THE ARTS, BASED ON THEIR CONTRIBUTION TO NEW ZEALAND'S WELLBEING

Through our leadership and advocacy roles in 2019/20, we proactively championed the value of the arts across central and local government, the private sector and to other partners (refer pages 43-44). Further information on our response to COVID-19, through our advocacy and leadership work, is given on pages 40-42.

We know we have a strong leadership role to continue to play in 2020/21, highlighting the crisis facing the arts community due to COVID-19 and urging significant new levels of support.

Presenting the present

In recent years we've been fortunate to have relatively more public resources to invest than we have before, to address a bigger sector, and a more diverse and larger population.

Consistent with the greater focus on public sector accountability and direction-setting, we are clear on our intentions. We're beginning to re-invest our resources in alignment with our key strategies: the *Pacific Arts Strategy 2018-2023*; *Te Hā o Ngā Toi*, our *Māori arts strategy*; our *Investment Strategy Te Ara Whakamua*; and our new 10-year *Statement of Intent* (released in 2019).

Our statutory purpose has remained remarkably consistent over time: to encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders. This is what we do every day.

Auditioning the future

Imagine now that it's our 50th birthday – the Golden Jubilee if you will. The long-term impact of our mahi now, in 2019, is paying a future social, economic and cultural dividend.

Some wise folk, knowledgeable about our work and context, have gathered in 2044. They're doing the tough job of looking back and identifying the three questions they thought were most important for Creative New Zealand between years 25 and 50.

1. How well did Creative New Zealand, with the sector and government, materially improve the circumstances and prospects of creative practitioners over that time?
2. How well did Creative New Zealand, with the sector and government, open the door for creatives to make a much bigger contribution to the wellbeing agenda?
3. How well did Creative New Zealand, with the sector, government and the public, develop an arts ecology that is so relevant to New Zealanders that our arts engagement rates are the envy of the world?

Mā pango mā whero, ka oti te mahi

With black and with red the work is completed

Images: Creative New Zealand Images throughout the 25 years



Creative New Zealand perspective

Goal: We have the strategies, services and operational capacity to drive development of the arts in New Zealand, for the benefit of all New Zealanders.

In 2019/20, through our internal operating environment, our resources and our deliverables, we worked hard to provide support to our artists, practitioners and organisations as they pursued their endeavours.

Under this perspective, we're focusing on three areas in 2019/20–2021/22, these three areas are outlined in the column to the right.

Our internal operating environment

Our internal operating environment describes the strategies and policies that collectively form our strategic intentions, as set by the Arts Council. It includes our *Statement of Intent 2019–2029* and *Statement of Performance Expectations 2020/21*, alongside the key strategies and policies that inform our investment decisions.

Our strategies include functionally-based strategies and policies that set out how we perform particular roles (*Investment Strategy Te Ara Whakamua 2018–2023* and *Advocacy Strategy 2016–2021*) and kaupapa-based strategies and policies that are grounded in a deeper set of aspirations for particular areas of significance across our work (*Te Hā o ngā Toi–Māori Arts Strategy 2019–2024* and *Pacific Arts Strategy 2018–2023*). Other key policies govern how we undertake particular areas of our work (eg, *Diversity in the Arts Policy 2015*).

The table on the following page shows how our three key investment strategies align and progress against the strategies' outcomes explained throughout this report. In 2020/21, having recently reviewed our strategies and their implementation plans, we're prioritising our resources so that we can provide practical support to sustain the arts sector (artists, practitioners, arts organisations including groups and collectives) through these challenging times.

This table illustrates how our key strategies align with Creative New Zealand's outcomes 2019–2029. In practice, investment across strategy actions can contribute to multiple outcomes. For further detail refer to individual strategies on our website.

WE'LL USE OUR INVESTMENT STRATEGY TE ARA WHAKAMUA 2018–2023, TE HĀ O NGĀ TOI–MĀORI ARTS STRATEGY 2019–2024 AND PACIFIC ARTS STRATEGY 2018–2023 TO GUIDE INVESTMENT DECISIONS

Our internal operating environment on this page describes the strategies and policies that collectively form our strategic intentions, as set by the Arts Council, and that have guided our investment decisions in 2019/20. Due to the impact of COVID-19 on the arts sector, we've adapted our approach under these existing strategies and policies, along with the way we operate, to better meet the needs of the sector.

WE'LL INCREASE OUR FOCUS ON DELIVERY TO UNDER-SERVED COMMUNITIES AND BUILDING THE RESILIENCE OF THE ARTS SECTOR

In 2019/20 we implemented a new initiative, the Ngā Toi ā Rohe–Arts in the Regions Fund, enabling communities across New Zealand to engage in the arts, with a focus on under-represented communities (page 60).

Under our 'Stronger Arts Sector' strategic outcome (page 53) we're working to support a sustainable and resilient arts sector, primarily through our support for the 83 organisations in our investment programmes (page 34).

WE'LL IMPROVE SERVICE DELIVERY AND BE RECOGNISED FOR HAVING PROCESSES THAT ARE FAIR AND TRANSPARENT

Our operating capacity and people and expertise sections (pages 27–31) report on how we have continued to adapt and improve our services to the arts sector.

CREATIVE NEW ZEALAND OUTCOMES 2019–2029

	STRONGER ARTS	GREATER PUBLIC ENGAGEMENT WITH THE ARTS	STRONGER ARTS SECTOR
	High-quality New Zealand art is developed New Zealand arts gain international success	New Zealanders participate in the arts New Zealanders experience high-quality arts	New Zealand's arts sector is resilient New Zealand arts are valued and supported
INVESTMENT STRATEGY TE ARA WHAKAMUA 2018–2023 Guides our arts investment to ensure we build an investment portfolio that meets the future needs of the arts in Aotearoa	Dynamic arts Investment that supports innovation in New Zealand arts practice Investment in the development of New Zealand arts, in New Zealand and internationally	Diversity and reach Investment in a range of arts practices reflecting New Zealand's growing diversity Investment that ensures communities across New Zealand can participate in and experience the arts, and investment that engages with under-represented communities Investment that engages with new audiences, in New Zealand and internationally Investment in the delivery of art through digital channels in order to increase arts participation and audience size Investment aligned with international opportunities that expand arts practices and demand for New Zealand arts	Resilient arts sector Investment that supports capability and capacity building in organisations and the arts sector for long-term benefit, including new ways of working and new models of value creation that drive resilience Investment that demonstrates relevance to current and changing communities
TE HĀ O NGĀ TOI— MĀORI ARTS STRATEGY 2019–2024 A 'by Māori for Aotearoa' Māori arts strategy that outlines how we will work and partner with others to advance ngā toi Māori and the aspirations of ngā toi Māori artists and practitioners for the benefit of all New Zealanders	Advance ngā toi Māori practice development Strengthening ngā toi Māori and ngā toi Māori practitioners' reputation for excellence	Increase public engagement with ngā toi Māori Promoting engagement, access and visibility of ngā toi Māori	Build a stronger sector to advance ngā toi Māori aspirations Developing the sector's support for ngā toi Māori and mātauranga Māori Partner with other Crown organisations and leading cultural agencies Working together to co-create an ecosystem that supports ngā toi Māori
PACIFIC ARTS STRATEGY 2018–2023 Outlines how we'll prioritise our investment in the development of Pacific arts over the next five years, for Aotearoa, Te Moana-nui-a-Kiwa and the world	Pacific arts are bold and dynamic, and have a big impact on the lives of the people they touch Pasifika artists and arts practitioners are resourced to develop their practice and deliver outstanding work (TAGATA pou) Meaningful connections, across Aotearoa, Oceania and globally, ensure that Pacific arts are further enriched (MOANA pou)	Pacific arts reach, inspire and are valued by more people and communities, everywhere An innovative and networked Pacific arts environment exists, so that Pacific arts are strengthened for future success (VA pou)	Pacific arts are nurtured and nourished through a connected, resilient Pacific arts community in Aotearoa Pacific arts groups, collectives and organisations are supported to help lead and grow Pacific arts in Aotearoa (VAKA pou)

Our resources

Good management of our resources means we have the capability and capacity we need as an organisation to deliver on our strategic intentions. This includes the public money we receive, our people and expertise, and our operational capacity.

We've made improvements to our funding guidelines / New look Arts Grants

We launched our new-look Arts Grants programme in July 2019, with increased funding levels, revised programme purposes, quicker decision-making and updated artforms. Arts Grants are now a single programme that merged our former Arts Grants and Quick Response funding programmes. These changes were part of a review of all our funding programmes to make sure they deliver to our *Investment Strategy Te Ara Whakamua 2018–2023*, *Te Hā o ngā Toi Māori Arts Strategy 2019 – 2024* and *Pacific Arts Strategy 2018 – 2023*.

There are two application streams for Arts Grants – one for up to \$10,000 (increased from \$7,500) and the other for \$10,000 to \$75,000 (increased from \$65,000). We revised the purposes of the Arts Grants programme to enable:

- more sustainable careers for individual artists and arts practitioners

- the development of arts practice
- innovation in New Zealand arts
- diverse communities to access and participate in high-quality arts experiences.

The revised purposes align with the features of our Investment Strategy including its focus on diversity and reach and the sustainability of arts practitioners and arts practice.

In 2020 we also introduced Annual Arts Grants – an annual round for proposals outlining a 12-month period of activity up to \$150,000.

Both Arts Grants and Annual Arts Grants programmes were put on hold in early 2020 while we focused on our Phase 1 COVID-19 Emergency Response Package (which included Arts Continuity Grants for project funding and Emergency Relief Grants which topped up the WINZ Wage Subsidy). They are now back on track. These have now been reinstated and are back on track.

We also streamlined our funding guidelines to make it easier to find the information you need to make a strong application to our funding and special opportunities. We reviewed the guidelines as part of a wider piece of work to align our Arts Grants and Special Opportunities with our Investment Strategy.

This piece of work also resulted in the revised Arts Grants programme purposes and established our new Annual Arts Grants programme.



Public money

As progress against our 2019/20 targets shows (page 66, measures 3.8 and 3.9), total investment in the arts sector exceeded budget by \$15.36 million, due to our emergency response to the COVID-19 crisis. This extra investment, a positive outcome for the arts sector, was approved by the Arts Council and funded significantly from Creative New Zealand's accumulated funds.

Figure 17 on page 79 presents our longer-term revenue and expenditure trends. These trends show a gradual increase in our investment in the arts sector and a significant increase in 2019/20 and 2020/21, as well as an increase in our revenue. Having remained at the same level for 10 years, our operating costs have increased over recent years as we've developed more specialist skills within the organisation. As a percentage, our operating costs are well below last year's, at 12.5 percent, a result of the increased investment into the sector in 2019/20.

In the year ahead, we're focusing on recovery, resilience and renewal of the arts sector and have planned and budgeted in a dynamic way for 2020/21. We'll continue to do so in response to changes in the environment, particularly in relation to the COVID-19 pandemic.

**Our staff
have a
range of
experience
across
artforms**

People and expertise

We know we can add the most value for the sector and our organisation when our team includes people that reflect the communities we serve.

As of 30 June 2020, we have 63 staff (61.8 full-time equivalent staff), based in Wellington and Auckland and principally working across four groups: Arts Development Services; Business Services; Māori Strategy & Partnerships; and Strategy & Engagement.

Our staff have a range of experience across artforms, international market development and cultural exchange, audience development, project management, and corporate and business services. Our staff profile, at 30 June 2020, is shown on the next page. Further information about our leadership team and staff is available on our website.

Creative New Zealand's Equal Employment Opportunities (EEO) policy is an integral part of our organisation's approach and supports us to build a workforce that helps us serve our customers well. This policy refers to our commitment to be a 'good employer' and achieve successful EEO outcomes. We show our commitment to our 'good employer' obligations by maintaining and reporting against a personnel policy that includes reference to seven main good employer elements: leadership, accountability and culture; recruitment, selection and induction; employee, development, promotion and exit; flexibility and work design; remuneration, recognition and conditions; harassment and bullying prevention; and a safe and healthy environment.

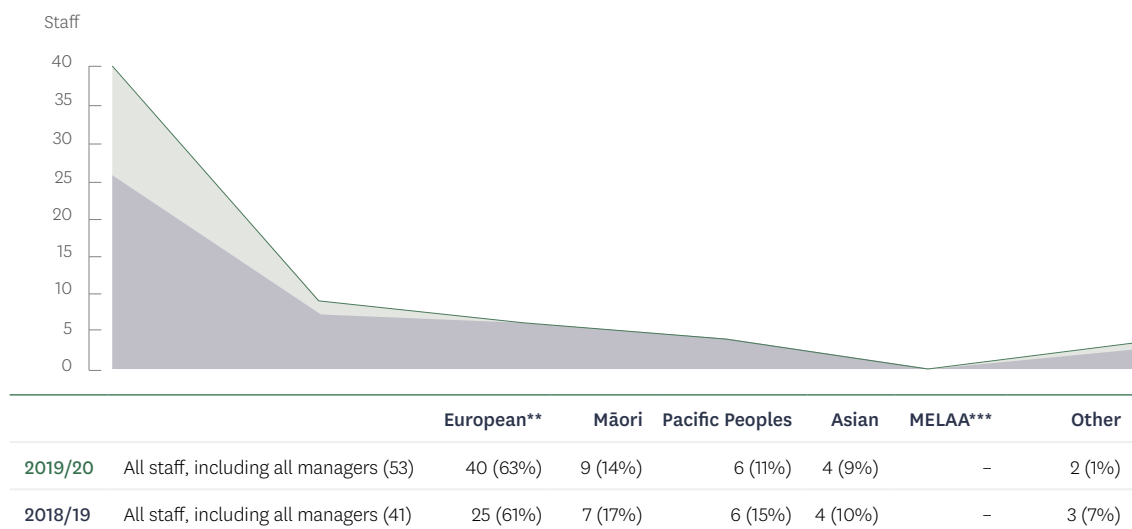
FIGURE 1: TOTAL STAFF NUMBERS AND EMPLOYMENT TYPE, 2019/20

Total/employment type	2018/19	2019/20
Staff full-time equivalent (FTE)	55.67	62.33
Headcount	57 (100%)	64 (100%)
Permanent staff	55 (96%)	61 (95%)
Fixed-term contracts	2 (4%)	3 (5%)

FIGURE 2: WORKPLACE DIVERSITY (GENDER), 2019/20

	2018/19			2019/20		
	Female (%)	Male (%)	Non-binary (%)	Female (%)	Male (%)	Non-binary (%)
Senior Leadership Team (SLT) (5)	2 (40%)	3 (60%)	–	2 (40%)	3 (60%)	–
All managers, including SLT (17)	10 (67%)	5 (33%)	–	12 (70%)	5 (30%)	–
All staff, including all managers (64)	40 (70%)	17 (30%)	–	47 (73%)	17 (27%)	–

FIGURE 3: WORKPLACE DIVERSITY (ETHNICITY), 2019/20



* NB: Ethnicity is self-declared by staff, who may choose not to declare an ethnicity. Of a total of 64 staff, 53 have chosen to do so. Staff may declare more than one ethnicity; hence percentages add up to more than 100 percent. The percentage is calculated using the total staff number of 64.

** Includes 'New Zealand European', 'Pākehā'.

*** MELAA = Middle Eastern, Latin American, African.

FIGURE 4: WORKPLACE DIVERSITY (AGE), 2019/20

		20–29	30–39	40–49	50–59	60+
2019/20	All staff, including all managers (64)	9 (14%)	17 (27%)	21 (33%)	13 (20%)	4 (6%)
2018/19	All staff, including all managers (57)	8 (14%)	14 (25%)	19 (33%)	10 (17%)	6 (11%)

Te Kaupapa o Toi Aotearoa/ The Creative New Zealand way

In line with our Kaupapa strategies (page 24), we've made a commitment to focus on diversity and inclusion through the shape and kaupapa of our people. While we know we still have a way to go, one of our priorities for 2019/20 was to identify the areas of capability critical to Creative New Zealand's success (page 61). We know we must continue to improve staff capability around te ao Māori (the Māori world) and the Pacific worldviews so that, as a Crown entity and an arts leader, we can provide support and value for our communities.

We're continuing to develop staff capability in responsiveness to Māori in several ways. We are fortunate to have the guidance and leadership of the Komiti Māori of the Arts Council and a growing number of knowledgeable Māori staff on matters of Māori responsiveness.

In 2019/20 we built our Māori cultural knowledge, skills and capability through a programme we introduced, called *Te Kaupapa o Toi Aotearoa/The Creative New Zealand Way*. This programme aims to grow both our organisational culture and our staff competencies to deliver our work and programmes effectively and meet our responsibilities under Te Tiriti o Waitangi. As part of formalising this mahi for the organisation, and prior to the impact of COVID-19, we established a programme governance group and a work programme for 2020. An all staff noho marae (marae stay) was held in February 2020 at Waiwhetū Marae in Lower Hutt, and the experiences and conversations at that time will help inform this mahi in 2020/21.

Strengthening staff competency in Kaupapa Pasifika

While work on improving staff capability around Kaupapa Pasifika is on hold due to the impact of COVID-19, staff have had early discussions focussing on what a Pacific cultural learning programme might involve and what capacity we have to deliver it. A new Senior Manager, Pacific Arts, will be appointed in 2020 and will lead this programme of work when activities resume. This work will be carried out in line with our



Image: Creative New Zealand staff at Waiwhetū Marae

organisational value **Mana Pasifika** – we recognise the arts of the Pasifika peoples of New Zealand – and will help us meet our responsibilities under the Arts Council of New Zealand Toi Aotearoa Act 2014.

Annual engagement survey

Since 2008, we have carried out an annual engagement survey which provides the opportunity to gather staff feedback on their employee experience. Typically, we use the results to celebrate progress and to identify ways we can improve. Fifty-nine staff members responded to the 2020 engagement survey – a 100 percent completion rate. We measure an average of the survey's section scores, covering areas like quality and performance focus, communication and co-operation, and learning and development. It was pleasing to see increase in the overall performance index this year (measure 3.10, page 66) along with a high level of staff satisfaction in response to a number of COVID-19 related questions (87 percent).

We pride ourselves on having an enjoyable and caring workplace that supports staff wellbeing, underpinned with the values of **Manaakitanga** and **Mahitahi**. We will work to continue this in 2020/21.

Our operating capacity

Along with our public money, and people and expertise, how we deliver our services is critical. In recent years we've worked to make things simpler for our customers and clients to engage with us (eg, in our funding applications, our contracting and our reporting requirements).

Our priority over the COVID-19 crisis period was to be as flexible and responsive to the arts sector as we could. In late March 2020, we established a special Taskforce to work through what COVID-19 meant for our own business continuity, as well as how to develop and deliver an appropriate response and support package for the arts sector. In doing so, we actively reprioritised our work, both from a people perspective and a financial perspective, and put systems and processes in place to best support the sector.

Even though we received an unprecedented number of applications for funding in 2019/20 (Figure 5), 100

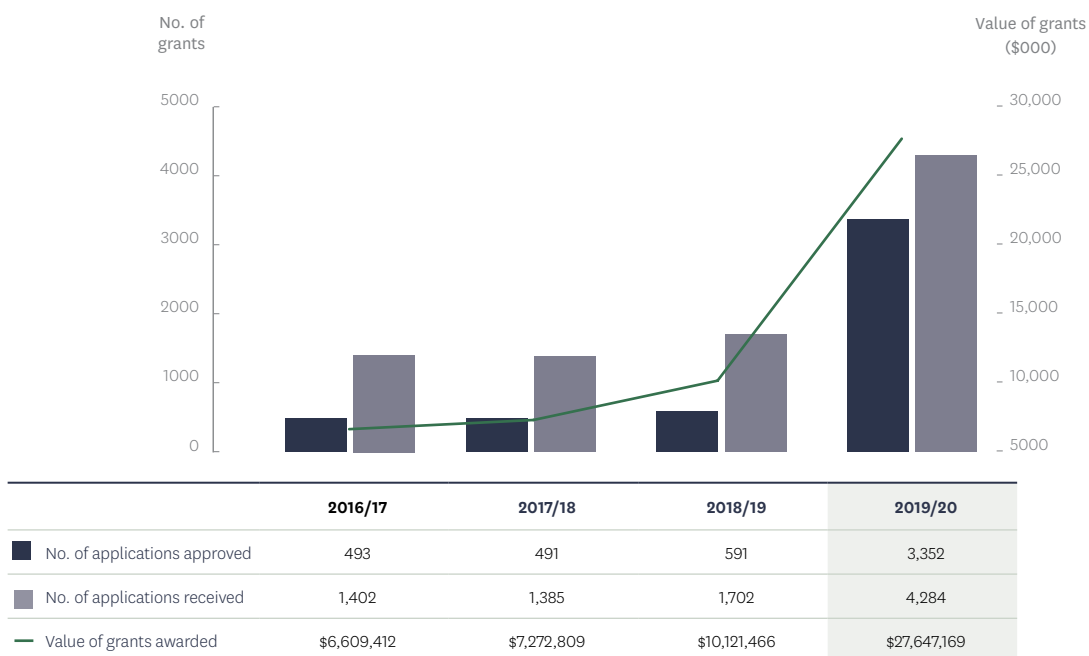
percent of pre COVID-19 applications were processed within published timeframes (page 65, measure 3.13)

Due to the significant number of requests for advice and the volume of applications, people from across Creative New Zealand were seconded to support delivery of the Emergency Response Package. Our focus was on making fast decisions for the arts community and ensuring we distributed the emergency funds as fairly and efficiently as we could. Further information on our Emergency Response Package is detailed on pages 9–15.

Refining our systems

Over the past year we've worked on the development of service standards, and our website and web portal project, so as to improve service delivery and operational efficiency for ourselves and our customers (Annual Priority 8, page 62). While this work was suspended in March 2020, it will begin again in 2020/21 when resources allow.

FIGURE 5: NUMBER AND VALUE OF GRANTS AWARDED (INCLUDING EMERGENCY RESPONSE FUNDS) AND SPECIAL OPPORTUNITIES PROGRAMMES, 2016/17 TO 2019/20



External peer assessment

We're thankful for the rōpū of experienced external assessors, all experts in their artform, who have contributed significantly to our decision-making processes. Peer assessment is critical to our decision-making process for funding. It provides input from individuals who have specialist knowledge of specific artforms and/or cultural contexts, including international trends and markets, or specialist knowledge of an area of arts development/capability building. The knowledge and expertise assessors bring to funding applications is what our senior staff and Arts Council use to inform their decision-making.

In response to COVID-19, quick application turnarounds and rolling weekly decisions were in place for both the Arts Continuity Grants and Emergency Relief Grants and our peer assessors were critical to the success of the rounds. For funding rounds that required external assessment, this was completed 100 percent of the time in 2019/20 (page 67, measure 3.12).

In 2019/20, we used 141 external assessors (60 female, 80 male, and 1 non-binary) across 18 funding rounds. With 52 new assessors in 2019/20 (37%), we are pleased to provide new, relevant voices in our assessment processes while still maintaining the experience required. In 2019/20, one quarter of assessors were based outside of Auckland, Wellington and Christchurch (Figure 6). Note that some funding rounds required Auckland-based assessors, for example, those delivered in partnership with Foundation North.

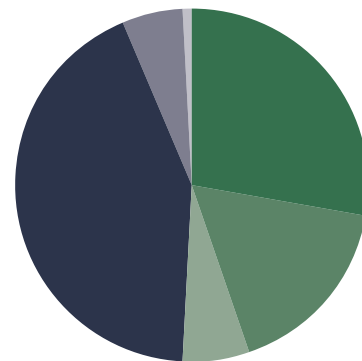
In line with our kaupapa strategies (page 24), we've made a commitment to focus on diversity and inclusion through the diversity and kaupapa of our people, including our external peer assessors. We have considerably increased the participation of Māori and Pasifika assessors, due to the varied nature of applications being made to our funding rounds. Each year we develop the peer assessor pool to respond to trends in the applications coming in – and they are becoming increasingly diverse. In 2019/20, 40 assessors (28%) were Māori with a further 24 (17%) Pasifika.

We recruited several assessors in 2020 for their digital expertise as we sought to remain relevant within the changing landscape and respond to the rise in digital delivery of projects due to COVID-19.

FIGURE 6: EXTERNAL ASSESSOR LOCATION, 2019/20

Regions	Percentage
Auckland region	53.38%
Wellington region	44.31%
Christchurch	12.9%
Dunedin	6.4%
Waikato	6.4%
Bay of Plenty	2.1%
Gisborne/East Cape	2.1%
Taranaki	3.2%
Whanganui	1.1%
Manawatu	3.2%
Kapiti Coast	3.2%
Northland	1.1%
Overseas	5.4%

FIGURE 7: EXTERNAL ASSESSOR ETHNICITY, 2019/20



Ethnicity	Percentage
NZ European	61.43
Māori	40.28
Pacific	24.17
Asian	8.6
Other European	7.5
Middle Eastern	1.1

Celebrating the wealth of Pacific heritage arts

The Pacific Heritage Arts Fono is a three-day event to support the development of Pacific arts in Aotearoa. It was first hosted by Auckland Museum in 2015 and then under the stewardship of the Pacific Arts Centre in Henderson, West Auckland.

For the first time in five years the Pacific Heritage Arts Fono was hosted in Wellington from 20 – 23 November 2019, enabling more Pacific communities from outside of Auckland to participate. The fono was hosted by Massey University's College of Creative Arts (COCA) in partnership with Te Papa Tongarewa and Wellington Museum, with support from the Pacific Arts Centre under Creative New Zealand's *Pacific Arts Strategy 2018-2023*.

The fono brings together guest speakers, knowledge holders and artists from around Aotearoa and the wider Pacific region.

Creative Director Pacific for COCA Herbert Bartley worked with a Wellington-based committee to decide on the 2019 theme: *E lē falala fua le niu, 'ae falala ona o le matagi* - *The coconut tree does not sway on its own but is swayed by the wind*.

Practitioners and knowledge holders from across the Pacific were also invited to Aotearoa to participate in

the Creative New Zealand Pacific Exchange Programme during the fono.

While in Aotearoa they engaged with a range of local artists, practitioners, community groups and arts institutions to share their customary practices and knowledge.

The four knowledge holders from the Oceania region were Dennis Marita (Solomon Islands), Simone Sevudredre (Fiji), Tanya Edwards (Tonga) and Allan Haeweng (New Caledonia)

They were selected for their knowledge of heritage arts in their respective countries and their ability to develop further opportunities and collaborations between Aotearoa and their countries.

The kaupapa of the programme is to encourage the exchange of practice, knowledge and ideas between Aotearoa-Pasifika artists/practitioners with artists based in Oceania and around the globe.

Arts Development Services Senior Manager Cath Cardiff says, "In the long term we hope to see more artistic activity, exchange and collaborations between artists in Aotearoa with Pasifika artists in Oceania and beyond."

"We would like to see these exchanges contribute to the deepening of knowledge and development of practice for Aotearoa-based Pasifika artists," she says.

Image: Pacific Heritage Arts Fono 2019, Photo: Raymond Sagapolutele.



Our deliverables

To achieve our strategic outcomes in 2019/20, we worked on four core deliverables for the sector:

Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts.

In 2019/20, most of our work was delivered through Investing in the arts (Table 1) via our main funding programmes. A total \$67,125,654 was invested, nearly \$22 million more than the previous year. This investment was guided by the *Investment Strategy Te Ara Whakamua 2018–2023*, in line with *Te Hā o ngā Toi–Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*. An overview of our activities and achievements under our deliverables is set out on pages 33–42. Further information on our work is available on our website

Investing in the arts

A large proportion of Creative New Zealand's work is achieved by investing in the arts through the following investment categories: Toi Tōtara Haemata Investment Programme, Toi Uru Kahikatea Investment Programme, Grants and special opportunities, Creative Communities Scheme, International Programme, and Initiatives and Pilots.

Table 2 sets out growth in our investment over a five-year period, particularly through the 'Investment programmes' and 'Grants and special opportunities' funding types. While some of our 'business as usual' programmes were suspended in March 2020, as we responded to the impact of COVID-19 on the sector, investment has grown steadily over the past 10 years in line with an increase in our revenue and a focus on improving the programmes. The 2019/20 year included increased demand from the sector due to the COVID-19 pandemic.

TABLE 1: CREATIVE NEW ZEALAND EXPENDITURE ACROSS DELIVERABLES, 2015/16-2019/20 (EXCLUDING OPERATING COSTS)

Deliverables	2015/16	2016/17	2017/18	2018/19	2019/20
Investing in the arts	\$42,405,192	\$38,873,434	\$39,886,718	\$44,443,929	\$67,125,654
Developing the arts	\$1,131,111	\$1,198,310	\$1,716,273	\$2,927,607	\$2,372,652
Advocating for the arts	\$186,946	\$294,850	\$863,382	\$601,546	\$648,129
Leadership in the arts	-	-	-	-	\$92,147
Total	\$43,723,249	\$40,366,594	\$42,466,373	\$47,973,083	\$70,238,581

TABLE 2: COMPARISON OF FUNDING DISTRIBUTION, 2015/16 AND 2019/20

Types of funding	2015/16	2019/20
Investment programmes (Tōtara and Kahikatea)	\$ 24,924,410 59%	\$ 33,607,412 49%
Grants and special opportunities	\$ 6,075,368 14%	\$ 17,704,415 26%
Creative Communities Scheme	\$ 3,403,487 8%	\$ 3,944,668 6%
International Programme	\$ 2,309,225 5%	\$ 1,851,405 3%
Initiatives and Pilots	\$ 5,878,806 14%	\$ 11,778,149 17%
Total	\$ 42,591,295	\$ 68,886,049

Investment programmes

Creative New Zealand's two investment programmes—Toi Tōtara Haemata and Toi Uru Kahikatea—support the development of arts organisations, and provide a sustainable infrastructure in the arts sector, by funding significant arts organisations for a fixed term. With such support, organisations are able to confidently plan their programmes of activity.

Investment in our Tōtara and Kahikatea investment programmes has increased steadily since 2015/16 (Figure 8). A total of \$33,607,412 was awarded to 83 Tōtara and Kahikatea organisations in 2019/20, 49 percent of our total funding allocation and up \$6.2 million on 2018/19. The membership of the Tōtara and Kahikatea investment programmes changes over time as organisations develop and the needs of the arts sector change. In 2019/20, findings from a review of the programme were implemented in line with the

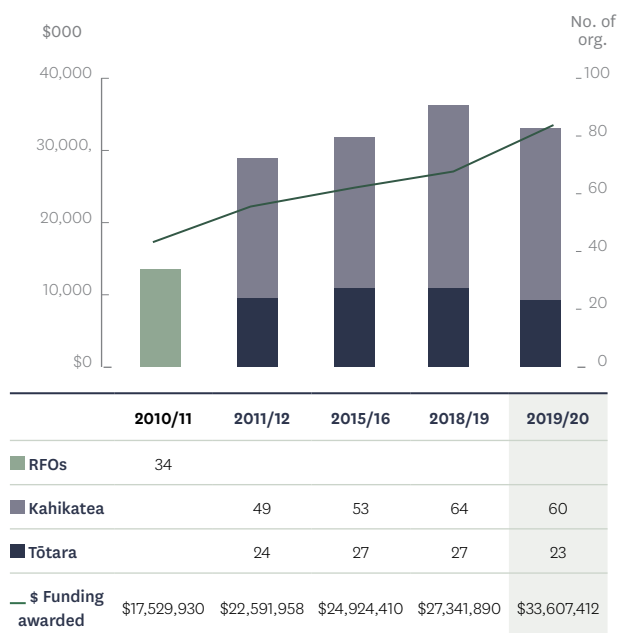
Investment Strategy Te Ara Whakamua 2018–2023

principles and key features of diversity and reach, dynamic arts and resilient arts sector.

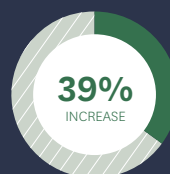
We regularly monitor the performance of Tōtara and Kahikatea investment organisations throughout the year and work with them to improve their performance. Two indicators reported this year detail the performance of organisations against investment programme requirements (page 68, indicators I13 and I14). Despite the challenging circumstances in the last quarter of 2019/20, investment organisations managed well and delivered their revised programmes as intended.

Investment programme activities provide the largest contribution to our outcomes (refer to 'Our outcomes' on page 45) and, while participation was impacted in the second half of the year, new works, attendances and international events were up on 2018/19.

FIGURE 8: NUMBER OF ORGANISATIONS AND TOTAL FUNDING TO TŌTARA AND KAHIKATEA ORGANISATIONS, 2010/11–2019/20



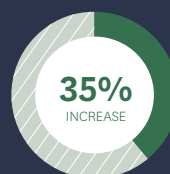
KEY HIGHLIGHTS IN 2019/20



Funding for Māori-led organisations has increased from \$2.34 million for 2018 to \$3.24 million for 2020



Funding for Pasifika-led organisations has increased from \$1.37 million for 2018 to \$2.31 million for 2020



The number of organisations working towards building a resilient arts sector has increased (approx 20 orgs). This includes building sector capability, organisational capability and working with new models.

2019/20 OUTCOMES INCLUDED:

741
NEW WORKS
368 IN 2018/19

226
INTERNATIONAL EVENTS
167 IN 2018/19

4,938,464
ATTENDANCES
1,174,084 IN 2018/19

42,281
PARTICIPANTS
64,241 IN 2018/19

Grants: Arts Grants and Special Opportunities

We reviewed our Grants investment programme in 2019/20 to ensure it aligns with the features of our *Investment Strategy Te Ara Whakamua 2018–2023*, including focus on diversity and reach and the sustainability of arts practitioners and arts practice.

KEY CHANGES IN 2019/20

- Increased funding levels, with two application streams for Arts Grants introduced – one for up to \$10,000 (increased from \$7,500) and the other for \$10,000–\$75,000 (increased from \$65,000).
- Revised Arts Grants programme purposes to enable: more sustainable careers for individual artists and arts practitioners; the development of arts practice; innovation in New Zealand arts; and diverse communities to access and participate in high-quality arts experiences.

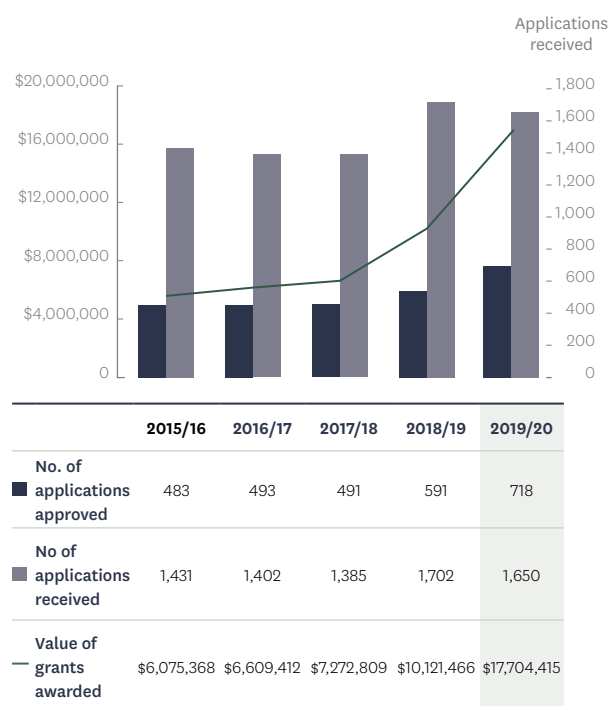
We awarded \$17,704,415 through the Grants investment category in 2019/20, 26 percent of our total allocated funding and more than \$7 million up on 2018/19 (Figure 9). A total 718 applications were approved this year from a total of 1,650 applications received. Across all projects funded in this category, the average grant amount was \$24,658, compared with \$17,126 in 2018/19. The results of our funding are available on our website.

A measure of our success in this category is the percentage of completed projects that meet or exceed expectations set in their funding agreements (page 64, measure 3.2). A total of 98 percent of projects met or exceeded expectations in 2019/20, consistent with previous year's results. The successful projects contribute to our outcomes (refer to 'Our outcomes' on pages 45) and, as expected, results were impacted in the second half of the year.

A highlight in 2019/20 was the development of the Moana Nui a Kiva Fund. The Fund is a new programme developed as part of the *Pacific Arts Strategy 2018–2023* and offered in partnership with

the Ministry of Foreign Affairs & Trade. It offers short-term project funding to Aotearoa-based Pasifika artists, arts practitioners, community groups and/or arts organisations to collaborate with artists and communities in Oceania. The Fund provides support for the research, creation, and presentation of collaborative projects in Te Moana-nui-a-Kiva (Oceania) and creative projects between Aotearoa and Te Moana-nui-a-Kiva. While heavily impacted by COVID-19, we will look to re-open this fund in 2021 as conditions allow.

FIGURE 9: NUMBER AND VALUE OF GRANTS THROUGH GRANTS: ARTS GRANTS AND SPECIAL OPPORTUNITIES INVESTMENT CATEGORY, 2015/16–2019/20



2019/20 OUTCOMES INCLUDED:

18,788

PARTICIPANTS

32,258 IN 2018/19

429,221

ATTENDANCES

941,128 IN 2018/19

1,337

NEW WORKS

2,298 IN 2018/19

Initiatives and pilots

Initiatives and pilots are developed to enable Creative New Zealand to drive and support change and development, pilot new ideas and enable experimentation. In 2019/20 this flexibility also enabled us to respond to the needs of the sector due to the impact of COVID-19.

We invested \$11,778,149 in initiatives and pilots in 2019/20, up more than \$8.5 million on 2018/19. This was 17 percent of our total funding allocated to the arts in 2019/20. The increase was a direct result of the COVID-19 Emergency Response Package (pages 9–15).

In 2019/20, other initiatives funded through this investment category included *Te Hā o nga toi–Māori Arts Strategy* and *Pacific Arts Strategy* implementation, support for the Ngā Toi ā Rohe–Arts in the Regions fund and the Arts Philanthropy and Partnership Programme (pages 60–63).

\$11,778,149

INVESTED

IN INITIATIVES AND PILOTS

\$8.5

MILLION MORE

COMPARED TO 2018/19

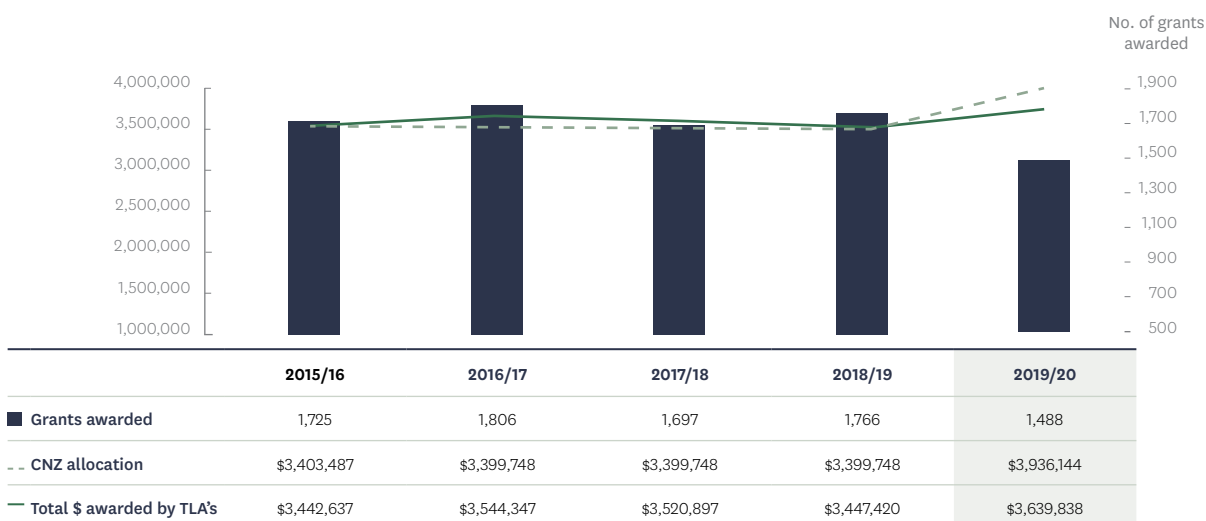
Creative Communities Scheme

Each year we provide funding to city and district councils to support local arts projects. Territorial authorities supported 1,488 Creative Communities Scheme projects to a value of \$3,639,838 million in 2019/20, approximately 6 percent of Creative New Zealand’s funding allocation. While our funding for the Creative Communities Scheme increased in 2019/20, the total number of awarded grants declined due to the impact of COVID-19 on activity in March–July (Figure 10), with territorial authorities having to cancel planned funding rounds.

The Creative Communities Scheme directly contributes to our strategic outcome ‘New Zealanders participate in the arts’ and, as expected, less activity in the second half of the year has impacted on participation levels with 102,743 participants in 2019/20 (170,427 in 2018/19).

Further results are available on page 72, measure 1.4. Revisions to the Creative Communities Scheme, aligned with our *Investment Strategy Te Ara Whakamua 2018–2023*, will be looked at in 2020/21.

FIGURE 10: NUMBER AND VALUE OF GRANTS THROUGH CREATIVE COMMUNITIES SCHEME, 2015/16– 2019/20



International Programme

Through our International Programme, each year Creative New Zealand supports individual artists, arts practitioners, arts organisations (including groups and collectives) to tour, exhibit or perform internationally. The programme connects high-quality artists with global markets and audiences and contributes directly to our strategic outcome 'New Zealand arts gain international success'.

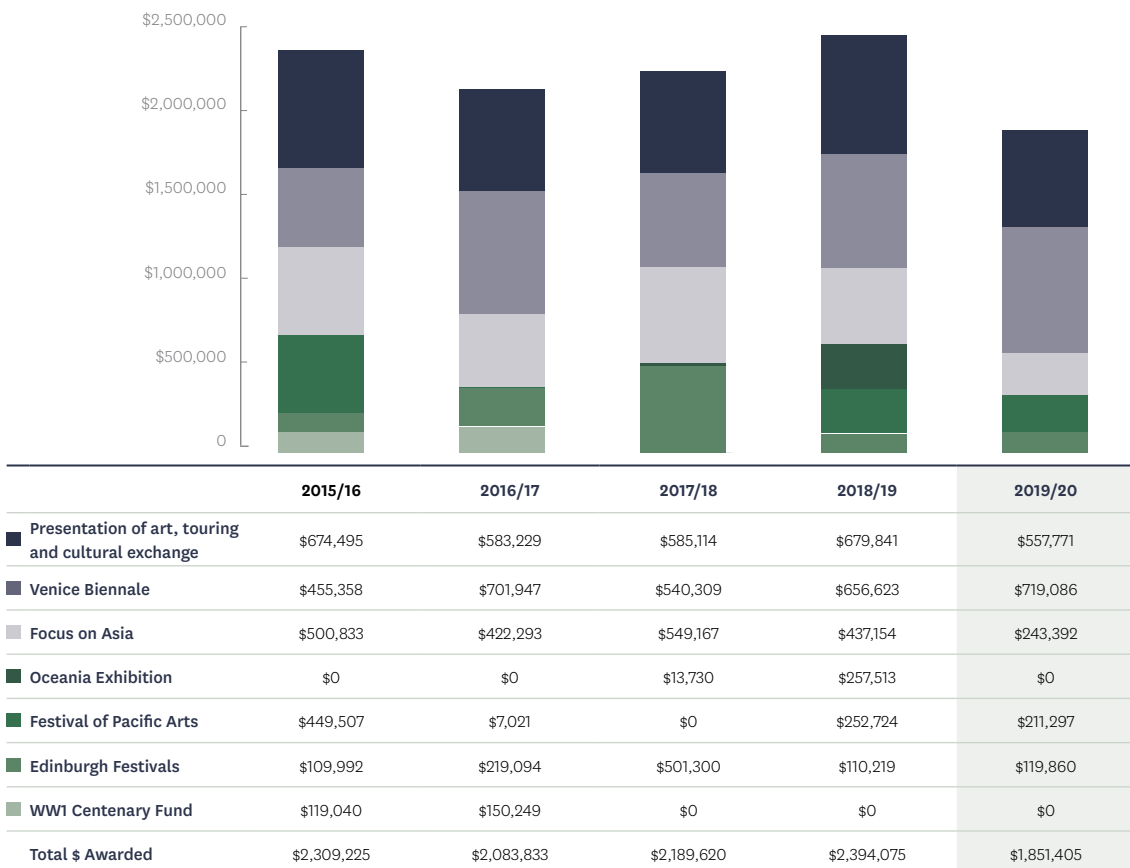
We invested \$1,851,405 through the International Programme in 2019/20 to support the presentation of art, touring and cultural exchange internationally. This was a decrease on 2018/19 (\$2,394,075), due to the impact of COVID-19 from March-July 2020, however overall funding has remained steady since 2015/16

(Figure 11). While less than five percent of our total funding is allocated to the arts through this programme, projects including internationally focused work are also supported through the Grants investment category (page 35). Fluctuations in International Programme funding are driven mainly by our investment in major international projects each year.

While the 58th International Art Exhibition – La Biennale di Venezia and Edinburgh Festivals were priority events in the period, the Focus on Asia programme provided many exciting opportunities throughout the year.

Further results are available on pages 71, measures 1.2 and 1.3. A revised International Programme, as a result of COVID-19, will be implemented in 2020/21.

FIGURE 11: INVESTMENT THROUGH THE INTERNATIONAL PROGRAMME, 2015/16–2019/20



Developing the arts

Creative New Zealand provides opportunities for arts organisations to build their skills and capability, with the goal of developing the arts sector's capacity to succeed. Details of opportunities are available on our website www.creativenz.govt.nz

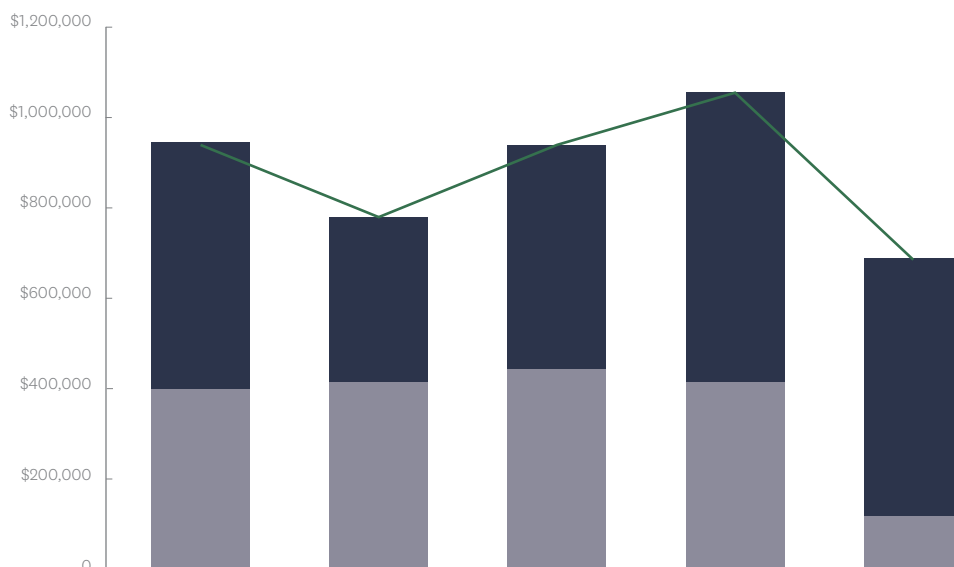
The 2019/20 year was a transitional one for capability building, with only a few initiatives offered while the programme was reviewed (page 65). We invested \$688,196 through both the national and international capability building programmes for our Tōtara and Kahikatea organisations to develop their skills and capability in 2019/20.

Due to the impact of COVID-19 in the second half of 2019/20, a number of opportunities were not offered, reflected in the reduction in funding through the national capability programme (Figure 12).

Further capability building support was provided through initiatives and pilots in 2019/20 (page 36) and through international market development initiatives. While we did not measure the success of our national capability building programme in 2019, 98 percent of other capability building initiatives met or exceeded expectations in the period (page 65).

A revised Capability Building Programme, aligned with our *Investment Strategy Te Ara Whakamua 2018–2023*, will be confirmed in 2020/21 when detailed design has been completed. The focus of the programme in 2020/21 is a newly established Capability Fund to support organisations to address their immediate organisational needs and to help stabilise and increase the sustainability of their businesses in response to the impacts of the COVID-19 environment.

FIGURE 12: CAPABILITY BUILDING PROGRAMME FUNDING, 2015/16 – 2019/20



	2015/16	2016/17	2017/18	2018/19	2019/20
■ National programme	\$412,970	\$415,448	\$445,692	\$413,839	\$116,631
■ International programme	\$532,038	\$364,044	\$492,041	\$639,379	\$571,565
— Total \$ spent	\$945,009	\$779,492	\$937,733	\$1,053,218	\$688,196

\$571,565

INVESTED

IN INTERNATIONAL CAPABILITY
BUILDING PROGRAMMES

\$116,631

INVESTED

IN NATIONAL CAPABILITY BUILDING
PROGRAMMES

**KEY HIGHLIGHTS OF CAPABILITY BUILDING INITIATIVES DELIVERED IN
THE 2019/20 PERIOD INCLUDED THE FOLLOWING.**

- Following a review of the Internship Programmes, new agreements with Publishers Association of New Zealand/Te Rau o Tākupu (PANZ), Toi Māori and Tautai were negotiated to commence in 2020/21
- Within the Toi Uru Kahikatea and Toi Tōtara Haemata investment programmes, 19 new Board Chairs and Senior Leadership personnel attended Karahui–Introduction to Toi Aotearoa Creative New Zealand in February 2020. The introduction provided an opportunity to meet with sector colleagues and key Creative New Zealand staff and hear about our strategic priorities. A total of 100 percent of attendees thought the hui was extremely or very effective/relevant/helpful (83.33 percent said extremely effective and 16.67 percent reported very effective).
- Within the Toi Uru Kahikatea and Toi Tōtara Haemata investment programmes, eight organisations received Organisational Development grants to support the delivery of contract development goals and milestones. The grants, of up to \$10,000 per organisation, provided capability support across a range of areas including audience engagement, strategic planning, and diversity and strengthening commitment to biculturalism.
- We offered the Partnership Incentive Fund and the Fundraising for the Arts–Staff Placements Fund, in partnership with Foundation North, for the fourth consecutive year. Retaining these opportunities as part of our response to COVID-19 was vital for organisations in generating additional revenue and diversifying their income streams. The 10 successful applicants to the Partnership Incentive Fund used the Fund to attract a total investment of \$95,000 into the arts from new or existing sponsors or donors.
- The new pilot governance recruitment and training programme, On Board the Arts, was completed in May 2020 with some promising results. Interns were recruited and coached by external consultants and placed within three host arts organisations over a period of 12 months. All three interns are being retained on their host organisations' boards and the programme has helped grow and diversify the available pool of arts governors. The programme met expectations for all participants and 60 percent said the programme was extremely effective/relevant/helpful.

Advocating for the arts

Creative New Zealand advocates the benefits of the arts to various audiences, including government agencies and local authorities. We also provide research and resources to the arts sector, to help allies carry out their own advocacy around those benefits.

In 2019/20, we spent \$664,336 directly on advocacy. This has tripled since 2015/16 (\$186,946) as we continue to recognise our unique position as New Zealand's national arts development agency, and the platform that gives us to advocate for the arts.

An update on the progress of the *Advocacy Strategy 2016–21*, and its 2019/20 implementation plan pre-COVID, is provided on page 65, measure 3.6.

In response to the impact of COVID-19, an advocacy campaign focused on promoting the value of the arts launched in April 2020. Further information is available on page 15. We also developed targeted guidance for territorial authorities, outlining ways in which they could continue to support their local arts community, and provide ongoing opportunities for their wider community to engage with and participate in the arts. We advocated for ongoing support for the arts and culture through a number of submissions on territorial authorities' revised annual plans.

Our main aim in 2020/21 is to provide an innovative, dynamic arts advocacy response to COVID-19 that promotes the value of the arts to New Zealanders and helps tautoko the arts community through the crisis. Our Phase 1 advocacy response encouraged New Zealanders to continue to engage with arts and culture during the lockdown period, and showed how important the arts are for our wellbeing during times of crisis. Going forward, we'll continue to support the arts sector to recover from the impacts of COVID-19, with our advocacy aimed at making sure investment in, and support for, the arts continues (and, where possible, grows).

KEY HIGHLIGHTS OF OUR PROGRESS PRE COVID-19 INCLUDED THE FOLLOWING:

- Supporting the Arts Foundation to deliver a successful inaugural Arts Month during September 2019, which received strong public engagement and media coverage.
- Working with multiple regional partners to support the finalisation and launch of Toi Ō Tautahi, Christchurch's new Arts and Creativity Strategy.
- Maintaining strong relationships with Local Government New Zealand, including the delivery of a successful cultural wellbeing workshop and development of a cultural wellbeing discussion starter as part of the 2019 Local Government Conference.
- Delivering a campaign to promote engagement by the arts community in the 2019 local government election.
- Forming connections with relevant central government agencies and key sector leaders and advocacy groups in the health and education spaces.
- Establishing our new Advocacy Team.

Leadership in the arts

In 2019 we introduced a new deliverable within our strategic outcomes, 'Leadership in the arts'. As a national body, we see a role for ourselves in providing leadership in the arts, by tracking trends and developments across the sector, identifying and responding to issues, and bringing the sector together to address challenges or respond to opportunities. We proactively champion the arts across government, local government, the private sector and other partners and provide trusted advice to government. Our work in this area is closely supported by our advocacy work (page 40) and our public value model's Sector perspective (page 43).

We planned to convene the sector in 2019/20 to discuss issues, goals and recent work through events we regularly hold, such as *Nui te Kōrero*, and new Regional Pacific Arts Summits. The arts sector's satisfaction with these events is one of the ways we measure our success as a sector leader. We had planned several events in 2019/20 to promote collective discussion and knowledge-sharing across the sector and these were all suspended due to COVID-19 (refer Annual Priority 6, page 61). While disappointing, it was heartening to instead see our staff bring artists, arts practitioners and arts organisations together in many different ways to respond to the unprecedented challenges COVID-19 presented.

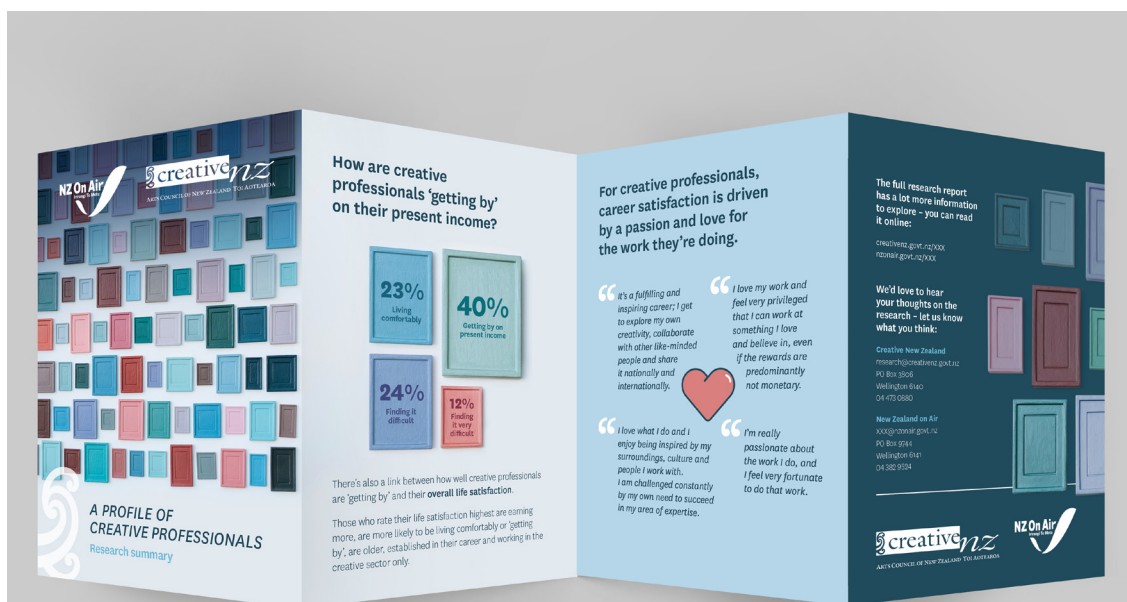
These COVID-19-related interactions saw Creative New Zealand:

- Leading engagement with artists, communities, the sector and key stakeholders to identify the main impacts, issues and opportunities.
- Initiating, hosting and participating in online 'zui' and 'zono' (Zoom hui and fono) to engage and share information about our Emergency Response Package, and to talk to the sector about the big issues they were facing.
- Convening conversations to keep the sector connected and to maintain channels of communication with us.
- Working with others to re-set strategic directions and focus for *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*.

Further work in our leadership role in 2019/20 has included:

- The sustainable careers research *A Profile of Creative Professionals* (2019), undertaken in partnership with NZ On Air. Following on from this research, in 2019 we released a discussion document *Sustainable Careers for Artists and Arts Practitioners—Umanga Toitū mō ngā Ringa Rehe, me ngā Tohunga Toi*. The document sought to continue the conversation about what the research findings mean, and how we can work with

Image: New Zealanders and the arts research pamphlet



**We
proactively
champion
the arts
across
government**

government (central and local), the arts sector and other stakeholders (including funders) to advance more sustainable careers for artists and arts practitioners. We received 445 responses to an online survey and sector forums were held in Wellington, Auckland, Christchurch, Dunedin and the Kāpiti Coast during October and November 2019. A summary of feedback from the consultation process will be released in 2020. Due to the impact of COVID-19, the proposed development of a roadmap looking at ways to improve career sustainability will remain on hold. We will, however, progress two key initiatives relating to 'pay guidelines' over 2020/21.

- Providing trusted advice to government on matters affecting our functions, through briefings to the Minister and Associate Ministers for Arts, Culture and Heritage, and input into ministerial information requests and parliamentary questions.
- Implementing our *Creating Value for New Zealanders* public value model (page 17) as we seek to advance the arts in New Zealand
- Providing expertise and mana when advice is sought, such as our work with the Council of Pacific Arts and Culture (CPAC), Secretariat of Pacific Communities (SPC), Festival of Pacific Arts and Culture (FestPAC) host Hawai'i and Aotearoa delegation members to manage the closing of the 2021 FestPAC project. This followed the postponement of the 2020 event, initially to 2021 and now to 2024. We continue to work with CPAC, Pacific nations and SPC as part of two formal Working Groups established by SPC to develop the Pacific Regional Cultural Strategy 2020–2030 and review FestPAC. CPAC has appointed New Zealand Chair of one of these working groups.

- Providing expertise and mana when advice is sought, such as involvement in the development of city, district and regional arts strategies. In 2019/20 we made six submissions:
 - Online Gambling (DIA discussion doc)
 - Mental Health Bill
 - Auckland Regional Amenities Funding Board funding plan 2020/21
 - Wellington City Council Annual Plan 2020/21
 - Auckland Council Emergency Budget 2020/21
 - Christchurch City Council Annual Plan 2020/21
- Development of our triennial *New Zealanders and the arts* and *Audience Atlas* research looking at attitudes, attendance and participation in the arts. We will publish this research in 2021 and promote the role of this research as important advocacy and development tools for the arts sector.

In 2020/21 we have an important role in contributing to the Government's wider cultural recovery package outcomes, specifically Ministers' priorities for arts and culture. We also look forward to playing our part leading and supporting the implementation of some of the related initiatives.

Further information on a number of initiatives Creative New Zealand may contribute to is explained in our *Statement of Performance Expectations 2020/21* on our website.

Sector perspective

Goal: We work collaboratively with others, developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa and the world

We've worked with many others this year to help us achieve our outcomes and, ultimately, deliver value for New Zealanders. In 2019/20, we introduced indicators that, together, aim to provide a longer-term picture of the state of the sector (page 68). Overtime we hope to see growth in areas of financial health, employment, financial support, demand for arts and our relationships.

We know these are tough times. We realise our collaborators and partners will be experiencing their own challenges, and appreciate and value their support and its positive effect. Support for the arts community is essential for ensuring New Zealand's recovery from COVID-19. More than ever, we have been advocating for ongoing support for and investment in the arts at all levels of government, from other funders and members of the public.

Under this perspective, we're focusing on three areas in 2019/20–2021/22, these three areas are outlined in the column to the right.

WE'LL DEVELOP OUR ROLE AS A LEADER AND ENABLER IN THE ARTS, HELPING TO ENSURE THE ARTS SECTOR IS WELL POSITIONED TO ADAPT TO PRESENT AND FUTURE CHALLENGES.

Through our leadership and advocacy roles in 2019/20 we proactively championed the arts across central and local government, the private sector and other partners (refer pages 40–42). Further information on our response to COVID-19 through our advocacy and leadership work is given on pages 9–15.

We know we have a strong leadership role to continue to play in 2020/21, highlighting the crisis facing the arts community and urging significant new levels of support.

WE'LL WORK PROACTIVELY WITH OTHERS TO BUILD A RESILIENT ARTS SECTOR, INCLUDING DEVELOPING SUSTAINABLE CAREERS FOR ARTISTS AND ARTS PRACTITIONERS.

In 2019 we introduced a new strategic outcome, 'Stronger arts sector'. A key initiative contributing to this outcome is the sustainable careers research A Profile of Creative Professionals (2019), undertaken in partnership with NZ On Air. Refer to our Leadership in the arts deliverable on page 41.

WE'LL STRENGTHEN OUR RELATIONSHIPS AND GROW PARTNERSHIPS ACROSS THE ARTS SECTOR, GOVERNMENT, LOCAL GOVERNMENT, IWI AND MĀORI, PACIFIC GROUPS, OTHER INVESTORS AND INTERNATIONAL PARTNERS, TO BUILD SUPPORT FOR THE ARTS.

In 2019/20, we worked on growing our relationships with investors and partners who recognise the value of the arts. Along with our relationships with our 83 investment organisations and 67 territorial authorities, we share knowledge and resources with other key partners to achieve our goal to develop a dynamic and resilient arts sector. This includes central government (eg, Ministry for Culture & Heritage, Te Puni Kōkiri and Ministry of Business, Innovation & Employment), other Crown entities (eg, Te Taura Whiri i te Reo Māori and the Museum of New Zealand Te Papa Tongarewa), and foundations and trusts (eg, The Arts Foundation and Asia New Zealand Foundation).

Supporting sustainable careers in the arts

In August 2019 we invited public comment and feedback on our response to *A Profile of Creative Professionals*, the research that surveyed nearly 1,500 creative professionals seeking to better understand career sustainability in the arts and creative industries.

For context, in 2018 Creative New Zealand and NZ On Air engaged research company Colmar Brunton to survey a range of creative professionals, aged 16 and over, who earned at least some income from their creative work, on aspects of their creative careers. We published the research in May 2019.

Our two agencies identified three joint priorities for future action:

1. Fair reward
2. Sustainability
3. Emerging creative professionals

As part of our ongoing engagement to address the findings, from our end, Creative New Zealand asked the arts sector for their thoughts on the research and potential next steps in this area. We did this by asking for feedback on a discussion document (released August 2019) via an online survey and in-person forums.

The discussion document, *Sustainable Careers for Artist and Arts Practitioners*, aimed to continue the conversation about what the research findings meant, and how we can work with the Government, the arts sector and other stakeholders (including funders) to advance more sustainable careers for artists and arts practitioners.

Based on the research, we developed six draft principles that we believe could contribute to sustainable careers for artists and arts practitioners:

- Artists and arts practitioners feel their creative practice is valued and regarded as ‘real work’
- Artists and arts practitioners are remunerated fairly for their work
- Artists and arts practitioners are well positioned to adopt a portfolio approach to achieving a sustainable career



Image: New Zealanders and the arts research pamphlet

- Artists and arts practitioners are prepared for a career in the arts and cultural sector
- Artists and arts practitioners can access support to grow and develop a sustainable career
- Artists and arts practitioners’ careers contribute positively to their wellbeing

We invited feedback on whether we got the principles right and what actions would be required to promote or embed them. We were also interested in what further research would be useful to help explore issues raised by the research.

In addition to the online survey, three forums were held in Auckland, Wellington and Christchurch in late October to discuss the six principles and to give an opportunity for artists and arts practitioners to discuss issues. Creative New Zealand also met with a group of artists and arts practitioners in Dunedin. Over 100 people attended these forums.

The intention was to release a summary of the feedback we received on the discussion document in early 2020, but release of this report had been delayed due to COVID-19 as we focused on responding to the immediate needs of the sector. We instead released the report in November 2020, titled *Sustainable Careers for Artists and Arts Practitioners* Umanga Toitū mō ngā Ringa Rehe Toi, me ngā Tohunga Toi.

Over the next year we’ll work with others to develop a roadmap setting out the actions required to improve career sustainability.

Outcomes and value perspective

Goal: We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders

Our outcomes are a key element of how we achieve our vision for ‘Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally’. They describe the difference we want our work to make. Through achieving our outcomes, we believe art will have a positive impact on individuals, whānau, communities and society in New Zealand. We align our work with the Ministers’ priorities for the Arts, Culture and Heritage portfolio as set out in our *Statement of Intent 2019–2029*.

Under this perspective, we’re focusing on three areas in 2019/20–2021/22, these three areas are outlined in the column to the right.

Our outcomes

Our strategic outcomes guide all of our work, including how we assess applications to our funding programmes and the delivery of our development and advocacy initiatives. Figure 13 shows our investment across outcomes for the period 2016/17 to 2019/20, with investment shifting from year to year as demand for contestable funding fluctuates. In 2019/20 we introduced our ‘Stronger arts sector’ outcome, as shown by ‘New Zealand’s arts sector is resilient’ and ‘New Zealand arts are valued and supported’.

WE’LL BUILD AN EVIDENCE BASE FOR HOW THE ARTS CONTRIBUTE VALUE TO NEW ZEALANDERS.

Our critical outcome measures (pages 74–75) demonstrate our achievements for the 2019/20 year and monitor participation, attendance and the creation of work, both at home and internationally.

In 2019/20, we introduced indicators for the long-term public value we believe we can create for New Zealanders (pages 75–76) and provide an indication of the state of the arts sector overtime.

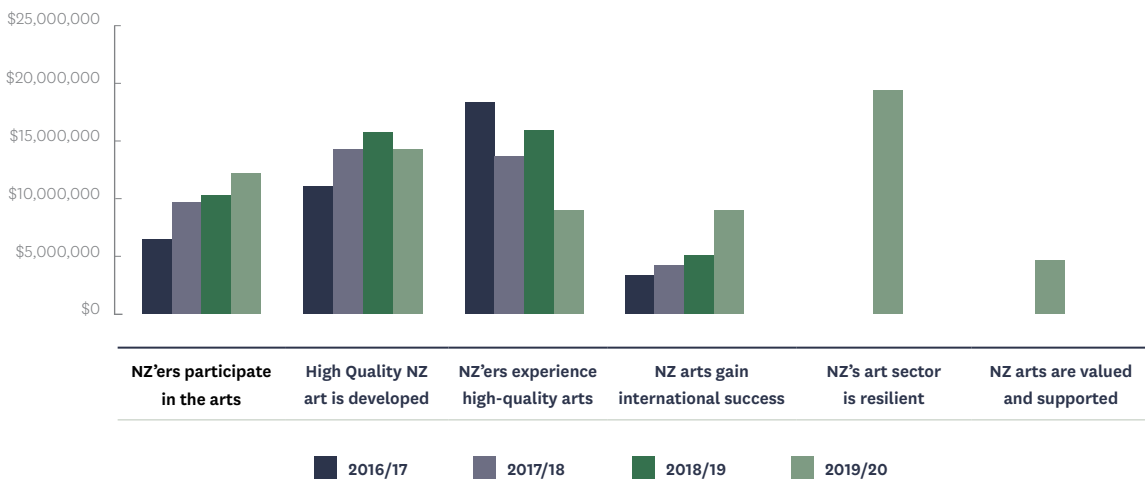
WE’LL PROMOTE THE VALUE THE ARTS CONTRIBUTE TO NEW ZEALANDERS’ WELLBEING.

Through our leadership and advocacy roles in 2019/20 we’ve proactively championed the arts across central and local government, the private sector and other partners (refer pages 40–42).

WE’LL BE RECOGNISED AS A POWERFUL ADVOCATE FOR THE ARTS.

Information on our response to COVID-19 through our advocacy and leadership work is given on pages 9–15.

FIGURE 13: INVESTMENT BY STRATEGIC OUTCOME, 2019/20



STRONGER ARTS COMMUNITIES, ARTISTS AND ORGANISATIONS

as shown by:

High-quality New Zealand art is developed

New Zealand arts gain international success

Dynamic and resilient arts come from sustainable and successful arts communities, artists and organisations. We aim to ensure that the best New Zealand artists have the opportunity to develop the quality of their work, reach their full potential and continually evolve their artforms, both here and overseas.

High-quality New Zealand art is developed

Strong arts come from artists, arts practitioners and arts organisations that have the ability and opportunity to generate high-quality work that reflects who we are as a nation and engages audiences in New Zealand and internationally.

In 2019/20, we invested \$14,581,451 (21 percent of our total investment in the arts) to support artists, arts practitioners and arts organisations to develop their artforms, improve the quality of their work and their artistic skills and capabilities, to experiment, be innovative and take risks.

While artists embraced new and innovative solutions to present their work in the second half of the year, as expected, the 2,078 new works developed in 2019/20 was a decline on the previous year (2018/19: 2,666). Many creative practitioners were not able to work in ways they are used to because of restrictions under Alert Levels 4, 3 and 2, also resulting in loss of income. Work has been cancelled, and deferrals or delays to planned work have created uncertainty due to COVID-19. Further information on the contribution of our funding programmes, whose purpose is to support this outcome, is included on pages 33–37.

Within the total number of new New Zealand works developed in 2019/20, 893 Māori works were developed along with 401 Pacific works. In 2019/20, we worked to advance *ngā toi* Māori and Pacific peoples' arts practice development through *Te Hā o ngā Toi-Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*. In 2020/21, we will continue to focus on how we can support *ngā toi* Māori and Pacific arts practitioners to develop the skills and practices they need to succeed and grow in New Zealand and globally.

As we review our investment categories in 2020/21 we hope to see increased investment that supports innovation in New Zealand arts practice.

New Zealand arts gain international success

International engagement contributes to strong arts by strengthening New Zealand arts practice and broadening the reach of our arts.

In 2019/20, we invested \$9,314,243 (13 percent of our total investment in the arts) in international arts development and presentation work, and cultural and artform exchanges. Through this work we funded 1,637 international arts activities and events in 2019/20. We also supported 188 New Zealand artists and arts organisations to present internationally.

Our achievements for the year are largely a result of activity in the first eight months of 2019/20. While artists embraced new and innovative solutions to present their work in the second half of the year, the impact of COVID-19 on international engagement has been immense. Arts organisations that rely on international touring for a large part of their revenue have faced restrictions on international travel since early 2020, with no change likely in the near future; large parts of our International Programme, in its traditional form, have been suspended indefinitely. Due to the post-COVID environment, we have developed an adapted international offer for 2020/21 as we complete our review of the International Programme in 2020/21.

The international success of one of New Zealand's leading contemporary dance companies was a highlight in 2019/20. In late October 2019, as part of its North American tour, dance company Black Grace performed at the Joyce Theatre, New York. This was the first time a New Zealand company performed at this prestigious venue and Creative New Zealand staff hosted a number of international presenters and colleagues at the opening performance. The performance received positive reviews in a number of publications, including the New York Times, Boston Globe and New York Financial Times.

In addition to our funding support, through our international market development work in 2019/20 we continued to seek long-term engagement with the international arts community, including bringing in important overseas presenters, agents, curators and collaborators. International key influencers across multiple artforms visited New Zealand through the Te Manu Ka Tau programme in 2019/20, to experience New Zealand arts in their local context and expand the reach of our work onto the global stage.

\$9,314,243

INVESTED



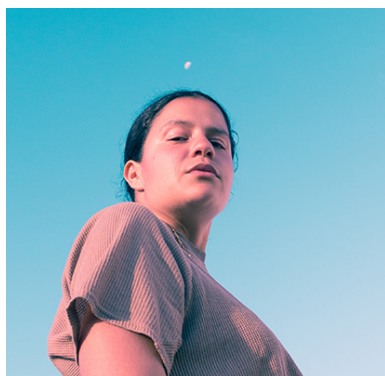
1,637

WORKS FUNDED



188

NZ ARTISTS AND ARTS
ORGANISATIONS TO PRESENT
INTERNATIONALLY



Images Left to Right: The Contours of Heaven, Wild Dogs Under My Skirt and Modern Māori Quartet

Significant ‘firsts’ to celebrate over the last financial year

The 2019/20 year was full of ‘firsts’ and included some significant milestones:

- New Zealand theatre handpicked by SoHo Playhouse for 2020 showcase in New York
- Māori-Hawaiian Arts Residency
- Dr Mere Whaanga first Māori writer to receive prestigious Creative New Zealand Michael King Fellowship
- Toi Ngapuhi and Te Tairāwhiti Arts Festival Partnership

New Zealand theatre handpicked by SoHo Playhouse for 2020 showcase in New York

A season of New Zealand theatre hit New York stages in early 2020. Showing at SoHo Playhouse, *Wild Dogs Under My Skirt*, *Modern Māori Quartet: Two Worlds* and *The Contours of Heaven* featured at the historic theatre in January 2020. The individual works are produced by FCC/Victor Rodger, Square and Sums Co., and Zanetti Productions respectively.

SoHo’s Artistic Director, Darren Lee Cole, invited the three works to New York after being impressed by their performances during a visit to the Performing Arts Network of New Zealand (PANNZ) Arts Market, held in Auckland in early March 2019. SoHo Playhouse is a critically acclaimed off-Broadway theatre in Manhattan,

New York, with a long and proud history of being a platform for international artists.

Māori-Hawaiian Arts Residency

Two artists were selected to explore the rich archives of Bishop Museum Library & Archives (Hawai‘i), in a pilot Wānanga | Wānana Residency offered by Bishop Museum in partnership with Creative New Zealand.

The successful art practitioners, chosen from an impressive range of quality applications, were:

- **Ngahina Hohaia** (Taranaki, Ngāti Moeahu, Ngāti Haupoto)
- **Julian Arahanga** (Te Atihāunui-a-Paparangi, Ngāti Raukawa)

“Applicants to the Wānanga | Wānana Research Residency were diverse and impressive. Their proposals conveyed an ardent dedication to their work and a sincere desire to connect with the archive of Te Rangihīroa.” - Director of Bishop Museum Library & Archives Leah Caldeira

The residency is part of Creative New Zealand’s Cultural & Art Form Exchange Programme which works with Mana Whenua and other First Nation communities to increase the visibility and understanding of how First Nation histories influence contemporary artistic expression. The programme supports residencies in which diverse and dynamic interactions help to develop innovative arts practice, identify new markets and further international cultural links.

Dr Mere Whaanga first Māori writer to receive Creative New Zealand Michael King Fellowship

Dr Mere Whaanga (Ngāti Rongomaiwahine, Ngāti Kahungunu and Ngāti Pahauwera) is the first Māori writer to be awarded the prestigious Creative New Zealand Michael King Writer's Fellowship. Dr Whaanga was awarded \$100,000 to complete a book that takes a holistic approach to applying rongoā (medicinal use of plants) to healing land and people.

"I feel very privileged to now have two years to dedicate to intensive research and writing on this project. This is the real value of the Creative New Zealand funding that I can devote so much time to writing a book that will combine history, science, rongoā and practical applications of mātauranga (knowledge), all from a rural Māori perspective," said Dr Whaanga.

Drawing inspiration from the philosophy of a highly respected teacher of rongoā, Rob McGowan, who said that we need to heal the land before we can heal ourselves, Dr Whaanga's book will explore the vital role of plants in the settlement of Taipōrutu, the ancestral land at Mahia on which her project is based.

Creative New Zealand has developed partnerships with two key Māori arts organisations, Toi Ngāpuhi in Te Taitokerau (Northland) and the organisation that oversees Te Tairāwhiti Arts Festival on the East Coast, that will support regional development in the arts with a focus on ngā toi Māori that is aligned to the vision of Creative New Zealand's national strategy for Māori arts to be visible everywhere and highly valued as part of New Zealand's distinct identity, which is admired globally.

Te Tairāwhiti Arts Festival (Te Tairāwhiti Region)

In 2018 we recognised the opportunity to support ngā toi Māori in the Tairāwhiti region by providing funding support for the inaugural Te Tairāwhiti Arts Festival. And in June 2019, we signed an agreement to co-invest in regional research that will inform the scoping, development and implementation of a regional Māori arts strategy that delivers outcomes for artists and communities of Te Tairāwhiti and Aotearoa.

Te Tairāwhiti Arts Festival celebrates the people of the Gisborne region and the East Coast. It reinforces the importance of people and place, and further affirms the region's strong position in the creative landscape of Aotearoa.

The Festival clearly aligns with Creative New Zealand's Te Hā o Ngā Toi Māori arts strategy of partnering with others to advance ngā toi Māori, increasing public engagement with ngā toi Māori, and supporting communities to access ngā toi Māori.

Toi Ngāpuhi (Te Taitokerau Region)

Toi Ngāpuhi Trust seeks to 'Inspire excellence in Ngāpuhi culture and creative expression across Te Taitokerau'. The partnership is a regional/iwi pilot aligned to Creative New Zealand's ngā toi Māori engagement priority of providing support and resources to the community, supported by iwi.

The outcome of our support towards this partnership will be that artists, co-ordinated by experienced management, will deliver new activities into the community.

Image: Dr Whaanga on Taipōrutu pā looking towards the area where the Endeavour would have been anchored in October 1769.
Credit: Desna Whaanga-Schollum, 2014



GREATER PUBLIC ENGAGEMENT WITH THE ARTS

as shown by:

New Zealanders participate in the arts

New Zealanders experience high-quality arts

Participation in the arts brings huge benefits to individuals and communities. These benefits include personal health and wellbeing, the development of people skills, and bringing communities together to work on positive, creative projects.

New Zealanders participate in the arts

This outcome has always aspired to ensuring New Zealanders have many opportunities to participate in the arts, to express themselves artistically, to celebrate, practise, transmit and develop diverse artistic traditions and cultural heritage, and to develop links between communities.

In 2019/20 we invested \$12,525,688 (18 percent of our total investment in the arts) in professional, emerging and non-professional artists to make and present art. At its core, the arts sector relies on live engagement with audiences and participants. Artists and arts organisations reported 164,812 participants across a range of artforms and arts practices in 2019/20. However, while artists embraced new and innovative solutions to produce their work in the second half of 2019/20, we have seen a reduction in the overall number of participants due to the impact of COVID-19 (2018/19: 266,926).

With restrictions on public spaces and gatherings across Alert Levels 2, 3 and 4 from March to May 2020, much of the sector came to a halt. Major overarching impacts on the sector were related to the cancellation of domestic performances because of restrictions on gatherings and the closure of venues. Further information on the contribution of our funding programmes, whose purpose is to support this outcome, is included on pages 33–37.

Through our strategies (page 24), diversity and reach will continue to be our focus throughout 2020/21. With results of the 2020 *New Zealanders and the arts* survey due to be published in 2021, we look forward to better understanding how New Zealanders are participating in the arts.

New Zealanders experience high-quality arts

We have continuously worked to broaden opportunities for all New Zealanders to experience high-quality arts. This includes ensuring access to a diverse range of arts experiences and investing in under-served communities.

In 2019/20, we invested \$9,202,586 (13 percent of our total investment in the arts) to support artists and arts organisations to provide arts experiences across all artforms throughout the country, supporting diversity and reach in the arts. Artists and arts organisations reported 5,367,685 attendances across a range of artforms and arts practices in 2019/20, 144 percent above target in 2019/20 (2,200,000) and more than double the previous year (2018/19: 2,115,212). While the result includes a significant contribution by one investment programme organisation in 2019/20 (page 72), it also reflects that both artists and audiences having embraced digital platforms for making and experiencing arts as a result of the impact of COVID-19. It is important to note that this result does include international online views as well as New Zealanders experiencing the arts, however this methodology is consistent with previous years' results.

In an effort to monitor reach and understand New Zealand's arts landscape, we examine the geographic spread of all funding as well as the spread of funding to artforms. With a few exceptions (eg, the Creative Communities Scheme and Regional Arts Pilots) we have traditionally allocated funding based on the quality of applications rather than the location of the applicant. Figure 14 (page 52) compares the distribution of our funding with that of the population from the 2018 *Census*, and shows how funding tends to match significant population bases. The proportionally higher funding rates in Wellington can be explained by the tendency for artists to congregate disproportionately in larger urban centres. The allocation to the regions is based on the location of the art delivery rather than the home location of the artist or arts organisation.

\$9,202,586

INVESTED

TO SUPPORT ARTISTS &
ARTS ORGANISATIONS

5,367,685

ATTENDANCES

A new fund, the *Ngā Toi ā Rohē—Arts in the Regions* initiative (page 60), was introduced in 2020 in an effort to broaden our reach of the arts and increase investment to under-represented communities around New Zealand. This fund, created for organisations, aims to incentivise local and regional investment in the development and presentation of new local arts activity outside the main centres of Auckland, Wellington and Christchurch.

We are the only arts development agency in New Zealand to fund nationally across all artforms (excluding film). Figure 15 on the next page presents Creative New Zealand's distribution of funding across four financial years. While we have seen an increase in investment across all artforms since 2016/17, variances in the funding distribution across artforms are the result of several factors, including:

- the variable costs of delivery across artforms (eg, orchestral music and opera have high fixed costs)
- the extent to which other funders are involved (eg, territorial authorities play a significant role in funding visual arts infrastructure through the network of regional art galleries).

FIGURE 14: DISTRIBUTION OF FUNDING BY REGION, 2016/17– 2019/20

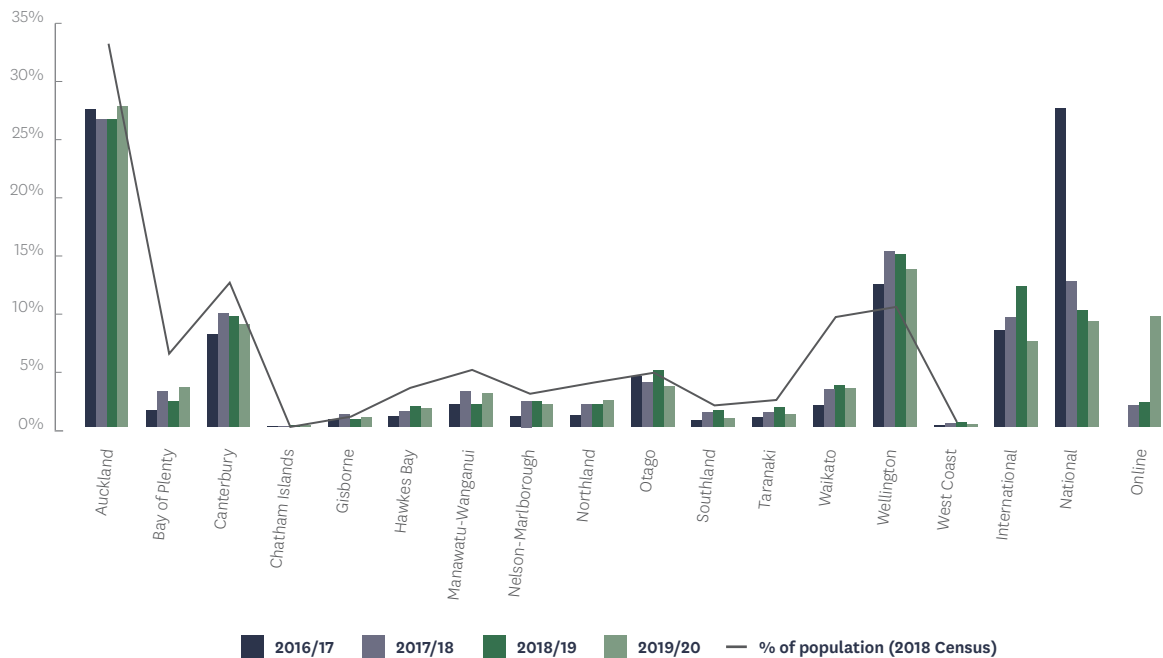
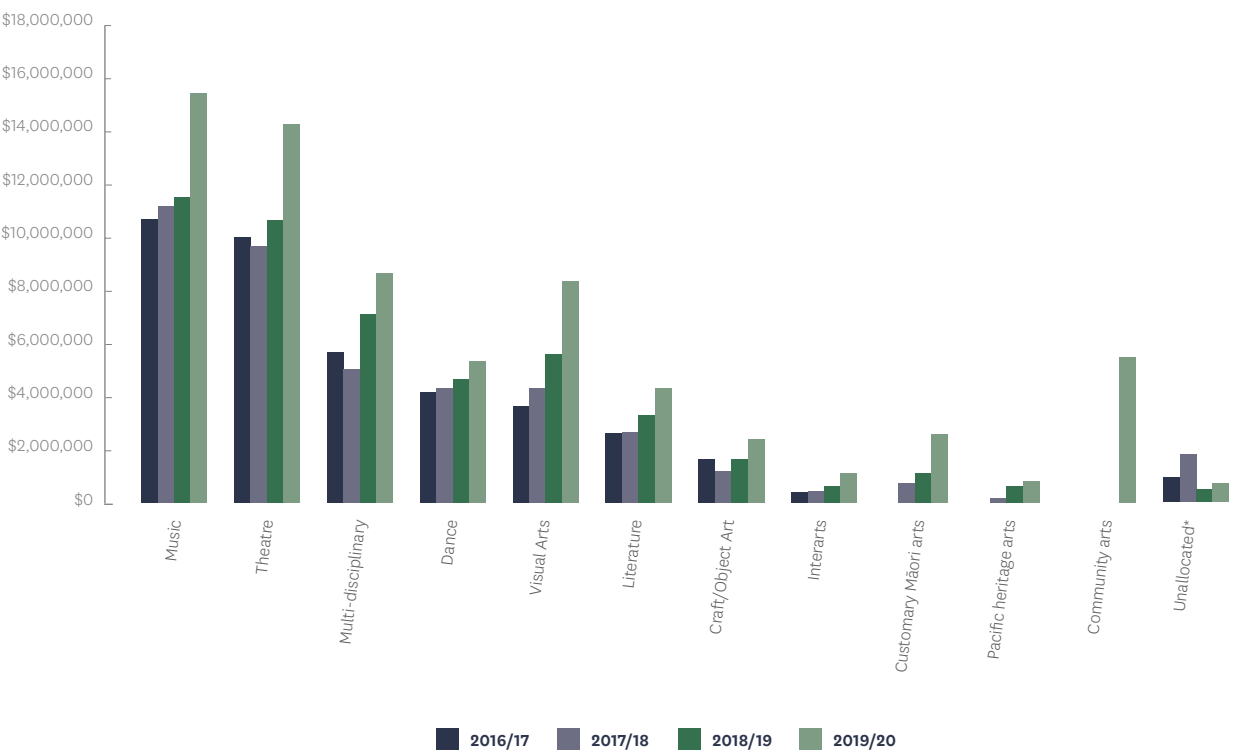


FIGURE 15: DISTRIBUTION OF FUNDING BY ARTFORM, 2016/17– 2019/20



STRONGER ARTS SECTOR (NEW IN 2019/20)

as shown by:

New Zealand's arts sector is resilient

New Zealand arts are valued and supported

A strong arts sector is the foundation from which artists, arts practitioners and arts organisations can produce high-quality arts and provide opportunities for public engagement for the arts.

New Zealand's arts sector is resilient (new in 2019/20)

A strong arts sector is the foundation from which artists, arts practitioners and arts organisations can produce high-quality arts and provide opportunities for public engagement with the arts. We invested \$19,747,168 (29 percent of our total investment in the arts) to this outcome in 2019/20. Under this outcome we supported artists and arts organisations in March–July 2020 through the COVID-19 Emergency Response Package (page 9).

Creative New Zealand's investment programmes – Toi Tōtara Haemata and Toi Uru Kahikatea – support the development of arts organisations, and a sustainable infrastructure in the arts sector, by funding significant arts organisations for a fixed term. With such support, organisations are able to confidently plan their programmes of activity. Using our 83 investment programme organisations as a proxy for the sector, we measure the percentage of investment organisations that meet or exceed expectations set in their funding agreements. We measure across three dimensions: quality of artistic programme; financial health; and organisational health. Despite the challenging circumstances in the last quarter of 2019/20, investment organisations managed well and delivered their revised programmes as intended (page 73, measure G1.6).

In 2020/21 we're focusing on recovery, resilience and renewal in the sector, with additional investment in our Toi Tōtara Haemata and Toi Uru Kahikatea investment programmes to ensure critical arts infrastructure, as well as jobs, are retained.

New Zealand arts are valued and supported (new in 2019/20)

The arts create value and contribute to the wellbeing of New Zealanders. We are only one player in the arts ecosystem; however we are interested in monitoring how benefits are realised through engagement with the arts. We invested \$4,867,465 (7 percent of our total investment in the arts) to this outcome in 2019/20.

As with 'New Zealand's arts sector is resilient', by monitoring Toi Tōtara Haemata and Toi Uru Kahikatea organisations as a proxy for the arts sector we can demonstrate support for the sector. We do this by measuring the level of revenue organisations generate from sources other than Creative New Zealand. Artists and arts organisations that, at the best of times, generally operate on thin margins have been massively affected in 2019/20. The impacts of COVID-19 and the Alert Level restrictions have included:

- loss of box office revenue
- loss of secondary income for freelancers, many of whom rely on hospitality work
- loss of sponsorship, trust funding and philanthropy due to market impacts
- impacts on downstream providers, such as technical services.

Despite the challenging environment in the last quarter of 2019/20, the revenue Toi Tōtara Haemata and Toi Uru Kahikatea organisations received from other sources was on par with 2018/19 (page 73, measure G1.7). While we have seen our artists adjusting to the challenges of Alert Level restrictions in 2019/20, we will continue to work to reduce the financial impact in 2020/21.

It has never been more important for us to champion the arts and the value they create for New Zealanders. The value New Zealanders place on the arts is critical for building the resilience of the sector. We can measure this through our triennial *New Zealanders and the arts* survey (page 74, G1.8). The survey will be carried out again in 2020/21 and we hope to see an increase on 2017 results.

Further information on the contribution of our funding programmes, whose purpose is to support this outcome, is included on pages 33–37.

The value we create for New Zealanders through our support for the arts

Through our outcomes we've described the difference we want our work to make. Our challenge is to further demonstrate the value that the arts can bring to all New Zealanders.

Internationally, there's a growing body of evidence on the contribution of the arts to a broad range of wellbeing outcomes. Our challenge is to build an evidence base to support these outcomes within a New Zealand context. This work will enable us to demonstrate the sector's contribution to the different dimensions of wellbeing and the Four Capitals identified in the *Treasury's Living Standards Framework*.

In 2019/20, we introduced indicators for the long-term public value we believe we can create for New Zealanders. We are only one player in the arts ecosystem and therefore, more often than not, don't control whether these broad wellbeing outcomes are achieved. We are, however, interested in monitoring the extent to which these benefits are realised through engagement with the arts. Most of these indicators did not show change in 2019/20 as they are not tracked annually, however there have been several positive results this year as set out on pages 74–76.

The *New Zealanders and the arts* survey to be carried out in 2020/21 will look at the value of the arts to New Zealanders throughout the COVID-19 crisis and into recovery.



Image: Journeys Framed – SeniorDANCE. Credit Nina Gastreich.

Creative New Zealand Supports Creative Ageing

Celebrating the contribution of Kaumātua (including those with dementia) in the arts was the focus of Toi Ako, a three-part project by Connect the Dots funded by Creative New Zealand via our Arts Grants programme.

“Toi Ako brings together, promotes and celebrates kaumātua and the arts. It provides an opportunity for improved wellbeing, both on an individual and community level, but also gives a voice and a presence for kaumātua,” said Creative New Zealand’s Community and Youth Arts Practice Director, Briar Monro.

Part I of Toi Ako is a mentoring programme, which sees 14 Kaumātua partnered with six practising artists for ten workshops. The Kaumātua, many of whom are living with dementia, are working with their Artist Mentor to explore and develop their own visual language and to create works for a group exhibition.

Part II sees the Kaumātua’s works travel to cities around Aotearoa in a touring exhibition, alongside works by their Artist Mentors. The exhibition will also have an accompanying public programme, Make Moments, a series of art workshops and discussion tours that bring Kaumātua and people living with dementia into gallery spaces.

Part III begins the exploration for the provision of a Make Moments programme in each town to support

local artists and galleries to engage the participation of older people in the arts and cultural opportunities in their communities.

New Zealand’s ageing population has increased the need for support and information in this area. In 2018 we funded research by Susan Jordan on creative ageing and last year facilitated a hui with approximately 30 artists, arts organisation and stakeholders to discuss this practice area.

“The hui raised a range of challenges for this area of practice, such as the lack awareness of the benefit arts participation, limited appropriate infrastructure and resources to support creative aging and a need for specialised training for artists when working with the elderly. But it also highlighted some of the opportunities available and an increased recognition of the role arts can play in the health and wellbeing of communities,” Briar continued.

Other creative ageing projects recently supported by Creative New Zealand’s Arts Grants and Creative Communities Scheme include:

- contemporary dancer and choreographer Lucy Marinkovich to develop a programme for people with Parkinson’s Disease
- Susan Jordan to develop ASPIRE, a dance production exploring the concept of creative ageing, and featuring senior community dancers



S2

STATEMENT OF PERFORMANCE TE TAUKI WHAKATUTUKI I NGĀ MAHI

OUR PLANNING AND PERFORMANCE CONTEXT

TE WHAKARITE ME TE WHAKATUTUKI I NGĀ MAHI

This section reports on how we have delivered against our output class and the four perspectives of the *Creating value for New Zealanders* public value model.

These elements are outlined in our *Statement of Intent 2019–2029* and *Statement of Performance Expectations 2019/20*.

Our performance framework for 2019/20 is shown on page 18. Over the past year, we continued to deliver against our purpose – ‘to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders – and towards our vision of Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally.’

We did this with a specific legislative and government framework, guided by the Arts Council of New Zealand Toi Aotearoa Act 2014, by government priorities and by the sector-wide priorities outlined in the Ministry for Culture and Heritage’s Cultural Sector Strategic Framework.

The COVID-19 crisis has negatively affected many artists and organisations in 2020 which has had an impact on our performance as at 30 June 2020, particularly across our Creative New Zealand perspective and Outcomes and Value perspective measures.

While artists embraced new and innovative solutions to present their work in the second half of the year many creative practitioners were not able to work in ways they are used to because of restrictions under Alert Levels 4, 3 and 2 from March to May 2020, also resulting in loss of income. Work was cancelled, and deferrals or delays to planned work created uncertainty due to COVID-19. With restrictions on public spaces and gatherings across Alert Levels 2, 3 and 4, audiences and domestic performances were cancelled. However, while COVID-19 and the accompanying Alert Level restrictions have impacted performance this year, we can report achievements against many measures

across our public value model in 2019/20. Performance against all measures and indicators is reported on the following pages.

Further detail on our achievements for the year for the arts in New Zealand is included in section one.



Mana and support perspective

Goal: We grow the confidence of others in us, and attract greater resources for the arts, recognising their contribution to the wellbeing of New Zealanders

TABLE 3: PERFORMANCE AGAINST MANA AND SUPPORT PERSPECTIVE MEASURES AND INDICATORS, 2019/20

Ref. (Goal)	Measure/indicator	Data source	2017/18 result	2018/19 result	2019/20 target	2019/20 result	Variance	Notes
G2.1	Audit management ratings for management control financial systems and service performance information	Audit Management Report – annual	Very good Very good Good	Very good Very good Good	Very good Very good Very good	Not available at the time of finalisation of the annual report	N/A	Not available at the time of finalisation of the annual report. Measures the confidence held in us by those we are externally accountable to.
G2.2	Percentage of clients who are satisfied with the overall service received from Creative New Zealand	Creative New Zealand Satisfaction Survey – annual	64.2%	Survey not completed in 2018/19	≥65%	68.4%	3.4%	Exceeded target. Measures our reputation with our clients, customers and the sector. We also monitor client satisfaction through regular engagement with clients via the Investment Services team, face-to-face meetings and email feedback. In 2019/20, 333 clients out of the 21,000 contacted completed the survey (2 percent response rate).
G2.3	Rating on the Colmar Brunton Public Sector Reputation Index (PSRI)	Colmar Brunton PSRI – annual	102	103	≥103	104	+1	Exceeded target. Measures our reputation with the public. This result may be attributable to, in part, the increased focus on advocacy initiatives during the COVID-19 crisis (pages 15). This measure was incorrectly stated as the Corporate Reputation Index (CRI) in the SPE 2019/20.



Creative New Zealand perspective

Goal: We have the strategies, services and operational capacity to drive development of the arts in New Zealand, for the benefit of all New Zealanders

Annual priorities (AP)

Our annual priorities cover a mix of new projects and ongoing work across our deliverables, internal operating environment and resources, and tend to be more innovative or high-profile in nature than core activities. We have reported below against milestones identified for each annual priority in 2019/20. The majority of our 2019/20 annual priorities have been suspended or will be completed in 2020/21 in a revised form due to the impact of COVID-19 on our available resources as we responded to the immediate needs of artists.

TABLE 4: PERFORMANCE AGAINST ANNUAL PRIORITIES, KEY ACTIONS AND MILESTONES, 2019/20

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Deliverables					
Investing in the arts					
AP1	Implementing the <i>Investment Strategy Te Ara Whakamua 2018–2023</i>	We will align our programmes, systems and processes with the principles and features of our new Investment Strategy.	<ul style="list-style-type: none"> Implement the Investment Strategy: <ul style="list-style-type: none"> → within the Capability Building Programme by 30 June 2020 → within the International Programme by 30 June 2020. Implement the recommendations arising from the investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea) review by 30 June 2020. Implement the recommendations arising from the Grants review by 30 June 2020. 	Our investment shifts to match the <i>Investment Strategy Te Ara Whakamua 2018–2023</i> features of diversity and reach, dynamic arts and a resilient arts sector.	<p>Progress implementing the Strategy was affected by COVID-19. Progress was as follows:</p> <ul style="list-style-type: none"> Partially achieved/Revised: Arts Council endorsed a revised Capability Building Programme (October 2019) and implementation plan for 2020/21 (November 2019). Due to COVID-19, Creative New Zealand developed an adapted capability building offer for 2020/21 based on the review outcomes. Arts Council endorsed a framework for a revised International Programme, which was to have been implemented from 2020/21. Detailed design of the programme was suspended due to the COVID-19 crisis. Creative New Zealand has developed an adapted international offer for 2020/21. Achieved/Revised: The revised investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea) have been fully implemented. Funding agreements under the revised programmes took effect from 1 January 2020. Achieved/Revised: The revised Grants programmes were due to open in April 2020, however were suspended due to the COVID-19 crisis. A revised Arts Grants programme opened in August 2020.
AP2	Measuring the success of our investment	We will ensure our investments are aligned to our strategic intentions, as set out in our strategies and policies.	An investment monitoring plan will be developed by 30 June 2020.	A monitoring plan is in place to ensure our investments are aligned to our strategic intentions, as set out in our strategies and policies.	On hold: In line with AP1 above, we will monitor our investment across all our funding programmes to ensure we are allocating funding in line with our key strategies. This work was to start in Quarter 3; however it has been suspended due to competing priorities as a result of the impact of COVID-19. It will be progressed as part of an updated <i>Statement of Performance Expectations 2020/21</i> , which Creative New Zealand expects to publish for the 6-month period from 1 January 2021.

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Deliverables					
Developing the arts					
AP3	Implementing the Arts in the Regions initiative	We will implement a new initiative enabling communities across New Zealand to engage in the arts, with a focus on under-represented communities.	<ul style="list-style-type: none"> Initiative to be implemented and funding granted to successful applicants by 30 June 2020. 	We broaden the reach of the arts to under-represented communities around New Zealand.	Partially achieved: The <i>Ngā Toi ā Rohe–Arts in the Regions Fund</i> opened earlier in 2020 however it was suspended during COVID-19. The Fund re-opened on 31 August 2020.
Advocating for the arts					
AP4	Enhancing understanding of the value of the arts for health and wellbeing	We will focus on boosting awareness of one of our key messages under the <i>Advocacy Strategy 2016–2021</i> : 'The arts matter for happy and healthy people'.	<ul style="list-style-type: none"> Opportunities for building understanding around the impact of the arts on health and wellbeing are scoped and explored by 30 September 2019. Relevant advocacy actions are delivered by 30 June 2020. 	A wide range of advocacy audiences, including groups, the public and media, engage with our messages around the value of the arts to health and wellbeing.	Partially achieved/Revised: Advocacy Action Plan 2019/20 actions were in the process of being delivered prior to the shift in focus towards COVID-19-related advocacy work. These included building relationships with organisations who have an interest in the arts for health and wellbeing kaupapa and improving our submissions through relevant new evidence. 'Business as usual' advocacy actions were suspended in March 2020. In response to COVID-19, an advocacy campaign focused on promoting the value of the arts launched on 17 April 2020. Thankful For Art #TFA was a first for Creative New Zealand. The campaign included strong messages around engaging with the arts to improve health and wellbeing. Further information is available on page 15.
AP5	Growing our relationship with local government	We will continue to enhance our relationship with local government, as important investors in the arts in Aotearoa.	<ul style="list-style-type: none"> Milestones to be confirmed through the Advocacy Action Plan 2019/20, by September 2019. Relevant advocacy actions are delivered by 30 June 2020. 	Local government's responsiveness to the arts increases, including through new and refreshed arts plans and strategies, and the arts featuring as a key enabler in more local authority long-term plans.	<p>Partially achieved/Revised: 'Business as usual' advocacy actions were suspended in March 2020. In response to the impact of COVID-19, we developed targeted guidance for territorial authorities, outlining ways in which they could continue to support their local arts community, and provide ongoing opportunities for their wider community to engage with and participate in the arts.</p> <p>Advocacy Action Plan 2019/20 actions were delivered prior to the shift in focus towards COVID-19-related advocacy work. We advocated for ongoing support for the arts and culture through a number of submissions on territorial authorities' revised annual plans, promoted opportunities for people to engage with the local election process through an arts lens, and maintained strong relationships with Local Government New Zealand and other local government stakeholders throughout the year.</p>

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Deliverables					
Leadership in the arts					
AP6	Providing leadership to ensure the arts sector is well positioned to respond to challenges and change	We will convene the arts sector to discuss issues, goals and recent work.	<ul style="list-style-type: none"> • Deliver <i>Nui Te Kōrero</i> in June 2020. • Deliver Regional Pacific Arts Fono by 30 June 2020. • Deliver a national ngā toi Māori hui by 30 June 2020. 	The arts sector is better positioned to respond to challenges and change.	<p>Creative New Zealand had planned several events in 2019/20 to promote collective discussion and sharing of knowledge across the sector. While these events were suspended (as detailed below) it has been heartening to see artists, practitioners and arts organisations coming together to support each other to respond to the unprecedented challenges COVID-19 has presented. Further information is included in the Sector Perspective section on pages 43-44.</p> <ul style="list-style-type: none"> • Cancelled: <i>Nui Te Kōrero</i> was planned for May 2020, with a focus on resilience theme however was cancelled due to restrictions on gatherings under COVID-19 alert levels. • On hold: Planning for the Regional Pacific Arts fono commenced in Quarter 2 2019/20 however has been suspended until further notice. • On hold: In order to develop and deliver an effective national ngā toi Māori hui that meets the needs of the Māori arts sector post COVID-19, this work will now be progressed in the 2020/21 year.
Our Resources					
Our people and expertise					
AP7	Improving staff capability	We will identify the areas of capability critical to Creative New Zealand's success and the key learning and development activities needed to support this.	<ul style="list-style-type: none"> • Improving staff capability around te ao Māori (the Māori world) through a new cultural learning programme by 30 June 2020. • Improving staff capability around the Pacific world through a new cultural learning programme by 30 June 2020. 	Staff capability continues to grow in areas that are critical to success, including Māori and Pacific responsiveness.	<p>Delivery of staff capability initiatives was affected by COVID-19 between March and June 2020.</p> <p>Progress pre-COVID-19 was as follows:</p> <ul style="list-style-type: none"> • Partially achieved: We have built our Māori cultural knowledge, skills and capability through a programme we have introduced called <i>Te Kaupapa o Toi Aotearoa/The Creative New Zealand way</i>. For further information refer to pages 29. • Partially achieved: Scoping work has commenced on the development of a Pacific cultural learning programme. This is expected to contribute to the development of a programme of work to commence in 2020/21.

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Our Resources					
Our operational capacity					
AP8	Refining our systems	We will continue to refine our systems, to improve service delivery and operational efficiency for ourselves and our customers.	<ul style="list-style-type: none"> Development of service standards by 30 June 2020. Website and web portal development project completed by 30 June 2020. 	<p>We have a better understanding of the impact our work is having, with reduced costs to our business and fewer compliance costs for our clients and customers.</p>	<p>Systems work was affected by COVID-19 between March and June 2020.</p> <p>All 'business as usual' activities were suspended in March 2020 until further notice. Progress pre COVID-19 is as follows:</p> <ul style="list-style-type: none"> Partially achieved: Development of standards to guide our customer service across the organisation. This work is linked to our values and aims as articulated in the <i>Statement of Intent 2019–2029</i>. Some teams have already trialled draft standards throughout 2019, and the results have been positive. Partially achieved: We have worked with suppliers to develop a roadmap for the Creative New Zealand website and Grants Management System (GMS), along with the implementation of Microsoft 365 and a content management system. An upgrade to our GMS operating system and the roll-out of Microsoft 365 is currently in progress. The IT systems roadmap will be progressed in 2020/21, as priorities allow.
Our internal operating environment					
AP9	Implementing <i>Te Hā o ngā Toi–Māori Strategy 2019–2024</i>	We will implement <i>Te Hā o ngā Toi–Māori Strategy 2019–2024</i> , which sets the direction for our future support for ngā toi Māori (Māori arts).	Implementation as per the key actions for 2019/20 in <i>Te Hā o Ngā Toi–Māori Strategy 2019–2024</i> implementation plan.	<ul style="list-style-type: none"> Māori arts development directions are acted on, informed by the arts sector and in line with the Investment Strategy. Strategic direction is reflected in Creative New Zealand's funding programmes and processes. 	<ul style="list-style-type: none"> Partially achieved/Revised: An updated Implementation Plan 2020/21–2022/23 for <i>Te Hā o ngā Toi–Māori Arts Strategy 2019–2024</i> (Te Hā) was approved at the Arts Council's April meeting in response to the needs of the Māori arts sector as a result of COVID-19. Under the revised plan, work and achievements included: Development of an approach to provide stronger support to the independent contemporary Māori theatre and dance sector through a collective of senior Māori practitioners in these artforms. Repurposing investment in the revitalisation of Tārai Waka programme, allocated to international activities, to support domestic training, wānanga and digital connections with international tohunga tārai waka. Repurposing funding agreements with regional Māori arts development partners (Te Tairāwhiti Arts Festival and Toi Ngāpuhi) to deliver meaningful programmes for artists and communities in Te Tairāwhiti and Te Taitokerau during Alert Levels 2–4.

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Our Resources					
Our internal operating environment					
					<ul style="list-style-type: none"> • Capability development of Māori-led organisations via the Te Puāwaitanga programme to potentially increase the number of Māori-led arts organisations within the Toi Tōtara Haemata and Toi Uru Kahikatea investment programmes in 2021 or 2022. • Holding several online hui with agencies working to support Māori music, and two online wānanga with Māori musicians working alongside the Australasian Performing Right Association (APRA) as part of the development of a Bilingual Music Partnership.
AP10	Implementing the <i>Pacific Arts Strategy 2018–2023</i>	We will continue to implement the <i>Pacific Arts Strategy 2018–2023</i> , which sets the direction for our future support for Pacific arts.	Implementation as per the key actions for 2019/20 in the <i>Pacific Arts Strategy Implementation Plan 2018–2020</i> .	<ul style="list-style-type: none"> • Pacific arts development directions are acted on, informed by the arts sector and in line with the Investment Strategy. • Strategic direction is reflected in Creative New Zealand funding programmes and processes. 	<ul style="list-style-type: none"> • Partially achieved/Revised: As a result of the impact of COVID-19, an updated <i>Pacific Arts Strategy Implementation Plan 2018–2020</i> was approved at the Arts Council's April meeting, with a focus on the Va pou of the Strategy and a pivot towards #digitalmoana. Significant progress was made over the first part of 2019/20 against the original Implementation Plan, before the impacts of COVID-19 were felt. This included: <ul style="list-style-type: none"> • A new partnership with the Ministry of Foreign Affairs & Trade (MFAT) and matched funding (\$240,000 each) for a new Moana Nui a Kiva Fund, to strengthen collaborations in Oceania. • A new Creative New Zealand Fiji Artist Residency themed around climate change, in partnership with the Oceania Centre at the University of the South Pacific. • Graduation of the first four Pasifika artists from Leadership New Zealand's leadership programmes, supported under the Strategy. • A new partnership with the Queensland Gallery of Modern Art and Tautai Contemporary Pacific Arts Trust for a Creative New Zealand Pacific Curator Residency in Brisbane, for the International Asia Pacific Triennial 2021. • The fifth national gathering of master artists for the 2019 Pacific Heritage Arts Fono in Wellington, managed by the Pacific Arts Centre in partnership with Massey University and Te Papa. The Creative New Zealand Pacific Cultural Exchange 2019 saw us host representatives from Fiji, the Solomon Islands, New Caledonia and Tonga. • The revised Implementation Plan for 2018–2020, delivered under the umbrella of our COVID-19 emergency response (Phase 1), saw work commence on several key initiatives to be reported on in 2020/21.

Ref.	Name	Description	Key actions and milestones	Desired result 2019/20	2019/20 result
Our Resources					
Our internal operating environment					
AP11	Demonstrate Creative New Zealand's support for a diverse range of arts	We will report data annually in accordance with the Diversity in the Arts Policy 2015.	Report diversity data in accordance with our policy by 30 June 2020.	We can demonstrate how our investment supports a diverse range of arts in New Zealand.	<ul style="list-style-type: none"> Partially achieved: Work is underway on data collection and analysis, however was placed on hold in the second half of the year. The final report will be completed in 2020/21 and include both an analysis of the data we hold and recommendations on how to improve data availability for future reports.

Core activity measures

Our core activities are more 'business as usual' activities, such as running investment programmes, delivering capability building initiatives and carrying out advocacy and leadership activities. Below are the critical measures that demonstrate our core activity achievements for the 2019/20 year.

TABLE 5: PERFORMANCE AGAINST CORE ACTIVITY MEASURES, 2019/20

Ref.	Measure/indicator	2017/18 result	2018/19 result	2019/20 target	2019/20 result	Variance	Notes
Deliverables							
Investing in the arts							
G3.1	Percentage of investment organisations that met or exceeded expectations against key performance indicators set in individual funding agreements (Investment Programme success rate)	97%	93%	≥97%	96%	-1%	<p>Did not meet target. This measure reports on investment clients' delivery against the key performance indicators in individual funding agreements. It includes all Tōtara and Kahikatea clients with continuous funding agreements.</p> <p>While the target was not met, the result is an improvement on the previous year. Similar to measure G1.6, the number is higher this year because we have considered the impact of COVID-19 and cancelled or extended some Key Performance Indicators. While clients did not necessarily achieve more, they did manage what they could do well in difficult circumstances.</p>
G3.2	Percentage of completed projects that met or exceeded expectations set in their funding agreements	99%	99%	≥99%	98%	-1%	<p>Did not meet target. Of the 502 projects evaluated in the reporting period, 491 met or exceeded expectations. This measure reports on evaluated completion reports for project-based funding: Grants and special opportunities grants, International Programme grants and project-funded Kahikatea grants.</p>

Ref.	Measure/indicator	2017/18 result	2018/19 result	2019/20 target	2019/20 result	Variance	Notes
Deliverables							
Developing the arts							
G3.3	Percentage of clients who agree capability building programmes align with their needs and priorities	82%	91%	≥85%	91%	N/A	No change. The survey was not carried out in 2019/20 as there was only a limited national Capability Building Programme offered due to the programme being reviewed during the year. Refer to Annual priority 1 on page 59 of this section for further detail on the programme review.
G3.4	Percentage of clients who rank capability building initiatives as extremely or very effective, relevant and helpful	74%	79%	≥75%	79%	N/A	
G3.5	Percentage of capability building initiatives delivered to the sector that met or exceeded our expectations	92%	96%	≥92%	98%	6%	Exceeded target. Of the 89 capability building projects evaluated in the reporting period, 87 met or exceeded expectations. Note that this is wider than the national Capability Building Programme referred to in G3.3 and G3.4 and includes international capability building and market development, and initiatives and pilots.
Advocating for the arts							
G3.6	Percentage of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations	54%	64%	≥90%	50%	-40%	<p>Did not meet target. Of the 26 actions set out in the action plan, 2 exceeded expectations, 11 met expectations and 13 did not meet expectations (mostly due to the impact of COVID-19). For some actions where expectations were not met, work will be continued in 2020/21.</p> <p>From March 2020, the action plan was reviewed to focus on issues arising from the COVID-19 crisis. The COVID-19 Advocacy Response Plan had five key actions. Achievements in 2019/20, including more detail on the Phase 1 actions, are set out on page 60.</p>
Leadership in the arts							
G3.7	Percentage of participants in key meetings, hui, fono held by Creative New Zealand who rate them overall as mostly or very useful/relevant	New in 2019/20	73%	≥73%	73%	N/A	Not measured. Surveys not carried out in 2019/20. Refer to Annual Priority 6 on page 61 of this section. Creative New Zealand had planned to gather feedback from several key events in 2019/20. While these events were suspended it has been heartening to receive the messages of support from the sector in response to Creative New Zealand's Phase 1 Emergency Response Package (page 14)

Ref.	Measure/indicator	2017/18 result	2018/19 result	2019/20 target	2019/20 result	Variance	Notes
Our resources							
Public money							
G3.8	Total level of investment by Creative New Zealand in the arts	\$42,466,000	\$47,974,000	\$49,476,000	\$70,238,000	42%	<p>Exceeded target. Total investment in the arts sector exceeded budget by \$15.36 million, due to our emergency response to the COVID-19 crisis.</p> <p>The target for 2019/20 and the previous years' results were restated from the numbers published in the Statement of Financial Performance 2019/20 to include all four deliverables (only 'Investing in the arts' was previously included in the document).</p>
G3.9	Maintain operating costs in line with policy set by the Arts Council	15.4%	15.7%	≤16%	12.5%	3.5%	<p>Exceeded target. Arts Council policy sets the operating costs between 15% and 16% of total expenditure. As a result of the increased investment into the sector in 2019/20, our operating costs are well below this range, at 12.5%. This is a positive result and shows that we are utilising economies of scale within the organisation ie, we can take on additional funding and distribute the majority of it to the sector without incurring comparatively more operating costs.</p>
Our people and expertise							
G3.10	Improve on 'Best Workplaces' survey – overall performance index	66.8%	75.7%	≥74%	74.8%	0.8%	<p>Exceeded target. This measure is an average of our employee annual engagement survey scores, covering areas that included engagement, quality and performance focus, communication and cooperation, and learning and development, and our COVID-19 response. This survey was managed externally before being produced internally in 2018 and 2019.</p>
G3.11	Improve on 'Good employer' reporting – overall compliance index	82%	100%	100%	Not measured in 2019/20.	N/A	<p>Not measured. The Human Rights Commission's annual Good employer report is no longer produced; however we were only advised of this after the Statement of Performance Expectations 2019/20 was published. Information on our staff and organisation is provided in the Creative New Zealand perspective on page 27.</p>

Ref.	Measure/indicator	2017/18 result	2018/19 result	2019/20 target	2019/20 result	Variance	Notes
Our resources							
Our operational capacity							
G3.12	Percentage of funding decisions made within specified timeframes	84%	100%	100%	100%	0%	Met target. All funding decisions were made within timeframes. Further information is provided in the Creative New Zealand perspective on page 30.
G3.13	Percentage of applications externally assessed	New in 2019/20	New in 2019/20	100%	100%	0%	Met target. The Delegations Schedule sets out when external assessments must be completed. For funding rounds in which we are required to use external assessment, this was completed 100% of the time. Further information is provided in the Creative New Zealand perspective on page 30.



Sector perspective

Goal: We work collaboratively with others, developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa and the world

TABLE 6: PERFORMANCE AGAINST SECTOR PERSPECTIVE MEASURES AND INDICATORS, 2019/20

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Desired trend	Variance	Notes
Artistic health							
I13	Percentage of investment organisations that met or exceeded expectations for quality of artistic programme measures	Creative New Zealand management reports—annual	100%	100%	Maintain	0%	No change. The quality of our investment organisations' artistic programmes is a proxy measure of the artistic health in New Zealand. Maintaining excellence in this area has a material impact on the health of the sector. All 83 investment organisations met or exceeded expectations for quality of artistic programme measures. If a client was unable to do the contracted activity due to the COVID-19 level statuses at the time, they were not penalised for this.
Financial health							
I14	Percentage of investment organisations that met or exceeded expectations for financial health measures	Creative New Zealand management reports—annual	95%	98%	↑	3%	Increased. Investment organisations receive around two-thirds of Creative New Zealand's investment in the arts. Their financial health is a proxy measure of the financial health of the arts sector. Of 83 organisations, 81 met expectations for financial health measures. The organisations in general managed themselves very well during the difficulties of the COVID-19 period and therefore received higher scores in 'organisational health' and 'financial health'.
Employment							
I15	Median chief executive salary in a small (arts) organisation compared with the not-for-profit median	Strategic Pay Survey 2018—biennial	86%	86%	↑	0%	No change. Survey not carried out in the year. This indicator demonstrates pay rates within surveyed arts organisations versus the not-for-profit sector.
I16	Median total income for creative professionals versus median total income for New Zealanders earning a salary or wage	<i>Profile of Creative Professionals</i> survey—next survey yet to be confirmed.	\$35,800	\$35,800	↑	0%	No change. Survey not carried out in the year. The median total income for New Zealanders earning a salary or wage is \$51,800.

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Desired trend	Variance	Notes
Funding							
I17	Average private support (sponsorship, philanthropy and trust funding) per investment organisation	Creative New Zealand management reports—annual	72.5%	72.9%	Baseline developed in 2019/20	0.4%	<p>Increased. Using our investment clients as a proxy for the arts sector, we can demonstrate the support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand.</p> <p>The result is calculated as a proportion of total other (non-Creative New Zealand) revenue over the total revenue for all investment clients. The baseline for 2018/19 is based on the 2018 calendar year financial information; the current year 2019/20 is based on the 2019 calendar year actual financial information.</p> <p>Together, these indicators provide a picture of the funding to the arts through three main revenue streams: private investment and local and central government funding. Increasing support from all three areas indicates a valued and supported sector. Creative New Zealand will continue to work in its advocacy and leadership roles to demonstrate the value of the arts.</p>
I18	Annual level of local authority investment in 'culture'	Stats NZ local authority statistics—annual	\$384,111	\$384,111	↑	0%	No change. Not available in time for this report however will be updated in the Statement of Performance Expectations 2021/22.
I19	Average annual government per person expenditure on arts	Creative New Zealand desk research—annual (as at 30 June 2019)	\$141	\$141	↑	0%	No change. Not available in time for this report however will be updated in the Statement of Performance Expectations 2021/22.
The market							
I20	Percentage of New Zealanders in the market for culture	<i>Audience Atlas</i> survey 2017—triennial	97%	97%	↑	0%	<p>No change. Surveys not carried out in the year. These indicators track the New Zealand public's appetite for arts in New Zealand. Through ensuring diversity and reach, access and dynamic arts we aim to increase New Zealander's appetite for the arts in New Zealand. The surveys will be next published in the second half of 2020/21.</p>
I21	Percentage of New Zealanders engaged in the arts	<i>New Zealanders and the Arts</i> survey 2017—triennial	80%	80%	↑	0%	

Sector perspective

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Desired trend	Variance	Notes
Our relationships							
I22	Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests, including government, local government, trusts and other partners	Creative New Zealand management reports—annual	≥100	175	↑	75%	Exceeded target. Along with our relationships with our 83 investment organisations and 67 Territorial Authorities, we share knowledge and resources with other key partners to achieve our goal to develop a dynamic and resilient arts sector. This includes central government (eg, Ministry for Culture and Heritage, Te Puni Kōkiri and Ministry of Business, Innovation and Employment), other Crown entities (eg, Te Taura Whiri i te Reo Māori and Museum of New Zealand Te Papa Tongarewa), and foundations and trusts (eg, Arts Foundation and Asia New Zealand Foundation).



Outcomes and value perspective

Goal: We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders

TABLE 7: PERFORMANCE AGAINST OUTCOME MEASURES, 2019/20

Ref.	Name	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Result	Variance	Note
OUTCOME: STRONGER ARTS as shown by:							
G1.1	High-quality New Zealand art is developed: Number of new New Zealand works developed	1,878	2,666	≥2,500	2,078	-17%	<p>Did not meet target. The 591 Grants projects in the reporting period resulted in 1,337 new New Zealand works created. (2019: 624 projects completed and evaluated resulted in 2,298 new New Zealand works created). In addition to the impact of COVID-19 on this outcome (page 46) the lower number of new works created is attributable to the following artforms:</p> <ul style="list-style-type: none"> • Visual Arts and Craft/object artforms (a decrease of 523). One project in 2018/19 contributed 500 new works at the Sakai Potters' Association biennial exhibition in Osaka) • Literature (a decrease of 290 mainly due to an organisation moving to Kahikatea funding). <p>Investment organisations developed 741 new New Zealand works (2019: 368 works developed), an increase on 2018/19 attributable to the Toi Māori Aotearoa—International Indigenous Arts Gathering at Turangawaewae developing 200 new works.</p>
G1.2	New Zealand arts gain international success: Number of individuals and organisations funded by Creative New Zealand to engage internationally	161	143	≥180	188	4%	<p>Exceeded target. The increase is driven by more project funded activities completed overseas in the first half of the year prior to the impact of COVID-19 restrictions.</p>
G1.3	New Zealand arts gain international success: Number of international arts activities and events ^[1] funded by Creative New Zealand	1,318	2,160	≥1,000	1,637	64%	<p>Exceeded target. While the target is exceeded, the result is a decrease on the same period last year (2019: 2,560), which reflects the impact of COVID-19 (page 46) and the duration of some presentations in 2019/20.</p> <p>The 183 international projects completed and evaluated in the reporting period resulted in 1,411 events or opportunities for international audiences to experience New Zealand arts activities. (2019: 175 projects; 2,443 events). Investment programme clients had 226 international events (2019: 167), an increase on the previous year driven by the duration of some presentations.</p> <p>*2018/19 result was restated (from 2,610 to 2,560), reflecting the total Venice Biennale 2019 exhibition days included in 2019/20 (when project was evaluated).</p>

Ref.	Name	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Result	Variance	Note
OUTCOME: GREATER PUBLIC ENGAGEMENT IN THE ARTS as shown by:							
G1.4	<p>New Zealanders participate in the arts: Number of participants in arts activities^[1] funded by Creative New Zealand</p> <p><i>Participation includes the active involvement of individuals, groups and/or communities in the making or presentation of art. It applies to professional, emerging and non-professional artists, including those involved in cultural and recreational activities.</i></p>	265,673	266,926	≥232,000	164,813	-29%	<p>Did not meet target. Investment programme clients reported higher participation in the first half of the year (31 December 2019: 35,944; 31 December 2018: 24,766), mostly due to the focus of some clients on young people. However, the second half of the year was affected by COVID-19, with the final participation numbers reported at 43,281 (2019: 64,241).</p> <p>In the Grants investment category, 591 projects were evaluated resulting in 18,789 reported participants (2019: 624 projects; 32,258 participants). Lower participation numbers were caused by COVID-19 in the second half of the year and the timing and biennial nature of some festivals.</p> <p>Territorial Authorities reported higher participation in the first six months of the year for the Creative Communities Scheme due to a higher number of completed projects in the reporting period (31 December 2019: 666 projects completed resulted in 82,138 reported participants; 31 December 2018: 486 projects completed resulted in 49,469 reported participants). The progress in the second half of year was affected by COVID-19. In total for 2019/20, 674 projects were completed resulting in 102,743 reported participants (2019: 1,596 projects completed resulted in 170,427 reported participants).</p>
G1.5	<p>New Zealanders experience high-quality arts: Number of attendances at arts activities and events^[1] funded by Creative New Zealand</p>	2,192,372	2,115,212	≥2,200,000	5,367,685	144%	<p>Exceeded target. This target refers to audience numbers, including paid audiences, readers, viewers and attendances at free events. We assume this includes views by international audiences for online arts activities also; however, we are unable to confirm exact numbers as artists and arts organisations are not required to report this detail to Creative New Zealand currently</p> <p>Investment programme clients reported a significant increase in the number of attendances (2020: 4,938,464 vs 2019: 1,174,084). The increase is attributable to wider reach through online activity (2020: 3,724,853 vs 2019: 101,213). The significant contributor to this increase is Auckland Philharmonia Orchestra reporting 3,605,590 online attendances for their livestream activities during COVID-19 lockdown. Removing online activities, investment clients reported consistent attendance numbers to prior year (2020: 1,213,611 vs 2019: 1,072,871), mainly due to biennial festivals.</p>

Ref.	Name	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Result	Variance	Note
OUTCOME: GREATER PUBLIC ENGAGEMENT IN THE ARTS							
G1.5 (cont.)							<p>Project funded clients reported a lower number of attendances. The 407 national projects completed and evaluated in the reporting period resulted in 429,221 reported attendances (2019: 449 national projects; 941,128 attendances). Fewer attendances can be attributed to:</p> <ul style="list-style-type: none"> • COVID-19 in the second half of the year (refer page 50) • the timing of biennial regional festivals ie, Southland Polyfest • the impact of the 15 March 2019 terror attacks on summer festivals' attendance, captured in project evaluations in the 2019/20 year eg, Dunedin Fringe, Cuba Dupa, and WOMAD • fewer exhibitions in the large council run galleries that have high free visitor numbers.
OUTCOME: STRONGER ARTS SECTOR as shown by:							
G1.6	New Zealand's arts sector is resilient: Percentage of investment organisations that met or exceeded expectations set in their funding agreements across the three dimensions: quality of artistic programme; financial health; organisational health	97%	96.6%	≥95%	100%	5%	<p>Exceeded target. 100 percent of clients met expectations for the period. If a client was unable to complete the contracted activity due to the COVID-19 Alert Level status at the time, they were not penalised for this. This resulted in the high success rate consistent with previous years. In general, organisations managed themselves very well during the difficulties of this period and therefore received higher scores in 'organisational health' and 'financial health'. Note that 2018 and 2019 results have been restated as the fourth assessment dimension 'Alignment to Creative New Zealand Strategy' was excluded from the measure in 2019/20. 2018 was previously 95.5 percent and the final result remains the same for 2019.</p>
G1.7	New Zealand arts are valued and supported: Maintain or increase average 'other' (non-Creative New Zealand) investment per organisation	New in 2018/19	72.8%	Baseline developed in 2018/19	72.9%	0.1%	<p>Exceeded target. Using our investment clients as a proxy for the arts sector, we can demonstrate the support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand. The result is calculated as a proportion of total other (non-Creative New Zealand) revenue over the total revenue for all investment clients. The baseline for 2018/19 is based on the 2018 calendar year financial information; the current year 2019/20 result is based on the 2019 calendar year actual financial information.</p>

Ref.	Name	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Result	Variance	Note
OUTCOME: STRONGER ARTS SECTOR as shown by:							
G1.8	Index rating for how New Zealanders perceive the value of the arts to New Zealand	53%	Survey not carried out in 2018/19	≥53%	53%	0%	No change. Survey not carried out in 2019/20. This rating is based on the results of the three individual measures in the <i>New Zealanders and the arts</i> survey [2]. An increase is an indication that the arts are increasingly valued and supported. The next survey will be completed in 2020/21 with results expected to be published in the second half of that year.

[1] 'Arts activities' capture a variety of works Creative New Zealand funds (eg, plays, concerts, dance performances, exhibitions, workshops, masterclasses, and publications). 'Events' captures the number of opportunities audiences have to experience arts activities (eg, each time a play, concert, dance performance, workshop, masterclass occurs; each day an exhibition is open to the public; each sale or publication).

[2] The three measures are: The arts should receive public funding; My community would be poorer without the arts; and The arts help improve New Zealand society.

Public value statements and indicators

TABLE 8: PERFORMANCE AGAINST OUTCOME MEASURES, 2019/20

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Variance	Notes
Public Value Statement: Engagement in the arts improves the lives of New Zealanders as shown by: The arts contribute to personal wellbeing. The arts contribute to healthier people. The arts contribute to education and skills development. The arts create a more highly skilled workforce. The arts develop creative people who provide new approaches to solving problems.						Outside of these indicators, we regularly track trends and developments across the sector, identifying and responding to issues. This is further explained in the Sector Perspective section on pages 43–44.
I1	Life satisfaction correlated to engagement in cultural activity	Stats NZ <i>General Social Survey</i> – biennial	83%	83%	0%	No change. Surveys not carried out in the year. Life satisfaction correlates to engagement in cultural activity ie, engagement in the arts improves New Zealanders' perceptions about their lives. The next <i>New Zealanders and the arts</i> survey will be completed in 2020/21, with results expected to be published in the second half of that year.
I2	Rating for the arts improve how I feel about life in general	<i>New Zealanders and the Arts 2017</i> - triennial	41%	41%	0%	
Public Value Statement: Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation as shown by: The arts contribute to our diverse identities and shared sense of national identity.						
I3	Index rating for how New Zealanders perceive the quality of our arts	<i>New Zealanders and the Arts 2017</i> - triennial	59%	59%	0%	No change. Surveys not carried out in the year. These indicators show New Zealanders' positive view of the quality of the arts. The next <i>New Zealanders and the arts</i> survey will be completed in 2020/21, with results expected to be published in the second half of that year.
I4	Rating for the arts help define who we are as New Zealanders	<i>New Zealanders and the Arts 2017</i> - triennial	54%	54%	0%	
I5	Rating of importance of art and artistic achievements in defining New Zealand	Stats NZ <i>General Social Survey</i> – biennial	69%	69%	0%	

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Variance	Notes
Public Value Statement: Engagement in the arts strengthens whānau, communities and society as shown by: The arts contribute to social inclusion and cohesion by connecting people and communities. The arts contribute to our identity as individuals, whānau, community(ies) and to our identity as a nation. The arts support a strong democracy.						
16	Index rating for correlation of belonging to a group, club or organisation (arts or culture) to a sense of life satisfaction and feeling that life is worthwhile	Stats NZ <i>General Social Survey</i> – biennial	88%	88%	0%	No change. Surveys not carried out in the year. Engagement with others in the arts has a positive correlation with life satisfaction and stronger communities, society and identity. The next <i>New Zealanders and the arts</i> survey will be completed in 2020/21 with results expected to be published in the second half of that year.
17	Index rating for how engagement in the arts strengthens communities, society and our identity	<i>New Zealanders and the Arts 2017</i> – triennial	56%	56%	0%	
Public Value Statement: The arts sector contributes to prosperous and resilient communities as shown by: The arts sector provides jobs and careers for artists and practitioners. The arts play a role in rejuvenating and making cities and communities great places to live. The arts contribute to New Zealand's economy.						
18	Percentage of total employment (arts-related industries)	Stats NZ Census 2018—five-yearly	0.56%	0.70%	0.14%	Increase. Likely to be due to a change in data source. Stats NZ Census data replaces the Stats NZ (2015) Working paper: An economic profile of the arts in New Zealand referenced in our 2018/19 Annual Report. Stats NZ recommended the 2018 Census as a more reliable data source.
19	Percentage of Territorial Authorities with an arts and culture policy	Creative New Zealand survey data—annual	40%	51%	11%	Increase. Of the 58 respondents to the survey, (out of the 67 Territorial Authorities), 30 confirmed they have an arts and culture strategy. In addition, 41 confirmed that arts and culture are incorporated into their Long-term Plan.
110	Rating for the arts contribute positively to the economy	<i>New Zealanders and the Arts 2017</i> —triennial	59%	59%	0%	No change. Survey not carried out in the year. The next <i>New Zealanders and the arts</i> survey will be completed in 2020/21 with results expected to be published in the second half of that year.

Outcomes and value
perspective

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Result as at 30 June 2020	Variance	Notes
I11	Household spending on the arts	Stats NZ <i>An economic profile of the arts in New Zealand 2015</i> —biennial	\$538 million	Not measured in 2019/20	N/A	<p>Not measured. Stats NZ has recommended the Stats NZ Household Economic Survey 2019 survey data as a more reliable data source for this measure. This has replaced the Stats NZ (2015) Working paper: An economic profile of the arts in New Zealand in the Creative New Zealand <i>Statement of Performance Expectations 2020/21</i>.</p> <p>Household Economic Survey 2019 survey data provided by Stats NZ reports spending of \$600 million in 2019, an increase on the \$505 million reported in 2016.</p>
I12	Arts-related industries' contribution to gross domestic product	Stats NZ <i>An economic profile of the arts in New Zealand 2015</i> —biennial	0.24%	Not measured in 2019/20	N/A	<p>Not measured. Since the original calculation of the previous measure, the scope of the underlying data has changed. Industries that were previously included in the survey are no longer included in the data that is currently collected.</p> <p>Recent work by the Ministry for Culture and Heritage has identified the 'Arts and Creative' sectors' contribution at 3.62% of New Zealand's gross domestic product. We will investigate replacing the current measure with the Ministry's economic report in future.</p>

S3

FINANCIAL PLANNING AND PERFORMANCE WHAKAMAHERE PŪTEA MAHI



Statement of Financial Performance 2019/20

The following section details the 2019/20 financial performance and the financial planning context for 2020/21.

Financial performance 2019/20

In 2019/20 Creative New Zealand invested a record \$70.2 million in the arts. This investment was \$22.3 million higher than in the previous year and exceeded the budget for 2019/20 by \$15.4 million. This significant increase in investment is mostly attributable to the response to the COVID-19 crisis. In March 2020, the Arts Council agreed to suspend the majority of Creative New Zealand's existing contestable funding programmes and established a \$16 million Emergency Response Fund ('ERF'). In June 2020, due to the unprecedented demand for financial support from the fund, the Arts Council approved investing a further \$13 million towards this emergency response. The \$29 million ERF was partly funded from the budgets from the suspended programmes (\$8.3 million), and partly from the additional New Zealand Lottery Grants Board (NZLGB) funding (\$3 million), with the balance being met from Creative New Zealand's balance sheet (accumulated funds).

By 30 June 2020, Creative New Zealand had expensed a total of \$23.7 million of the total ERF, with the balance being expensed in the next financial year due to the timing of funding decisions.

The revenue from the NZLGB for 2019/20 increased by \$7.8 million compared to the previous financial year, and was

higher than the budget by \$5 million. It included the \$3 million announced in May 2020 and a further \$2 million announced in August 2020 (the 2019/20 profit wash-up payment).

Creative New Zealand ended the 2019/20 year with a net deficit of \$15.2 million, \$10.7 million more than the budgeted net deficit published in the Statement of Financial Performance (SPE) 2019/20.

Creative New Zealand's accumulated funds at 30 June 2020 reduced to \$12.2 million, and are expected to decrease further in 2020/21, as shown in figure 16. While our equity reserves are being run down, we consider this is both manageable and appropriate. The Arts Council agreed that the accumulated funds for the 2020/21 budget should not drop below \$6 million for 2020/21. This is a change in the minimum equity policy of 'accumulated funds do not drop below 15% of total revenue'. The equity policy is designed to help reduce the organisation's exposure to adverse financial circumstances.

Figure 17 shows our longer-term revenue and expenditure trends. These show a gradual increase in our investment in the arts sector and a significant increase in 2019/20 and 2020/21, as well as the increase in our revenue. Having remained at the same level for 10 years, our operating costs have increased as we've developed more specialist skills within the organisation. Because of the increased investment in the sector in 2019/20 and 2020/21, our operating costs are around 12 percent, well below the minimum range of our operating cost policy range of 15–16 percent of total expenses.

FIGURE 16: SURPLUS/DEFICIT VERSUS MINIMUM EQUITY VERSUS ACCUMULATED FUNDS 2011/12–2020/21

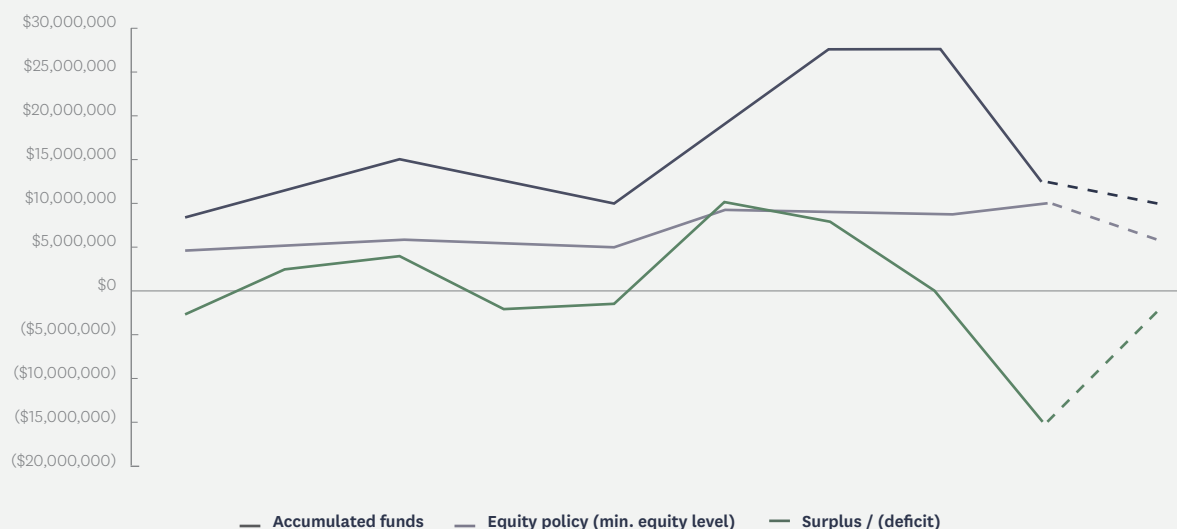
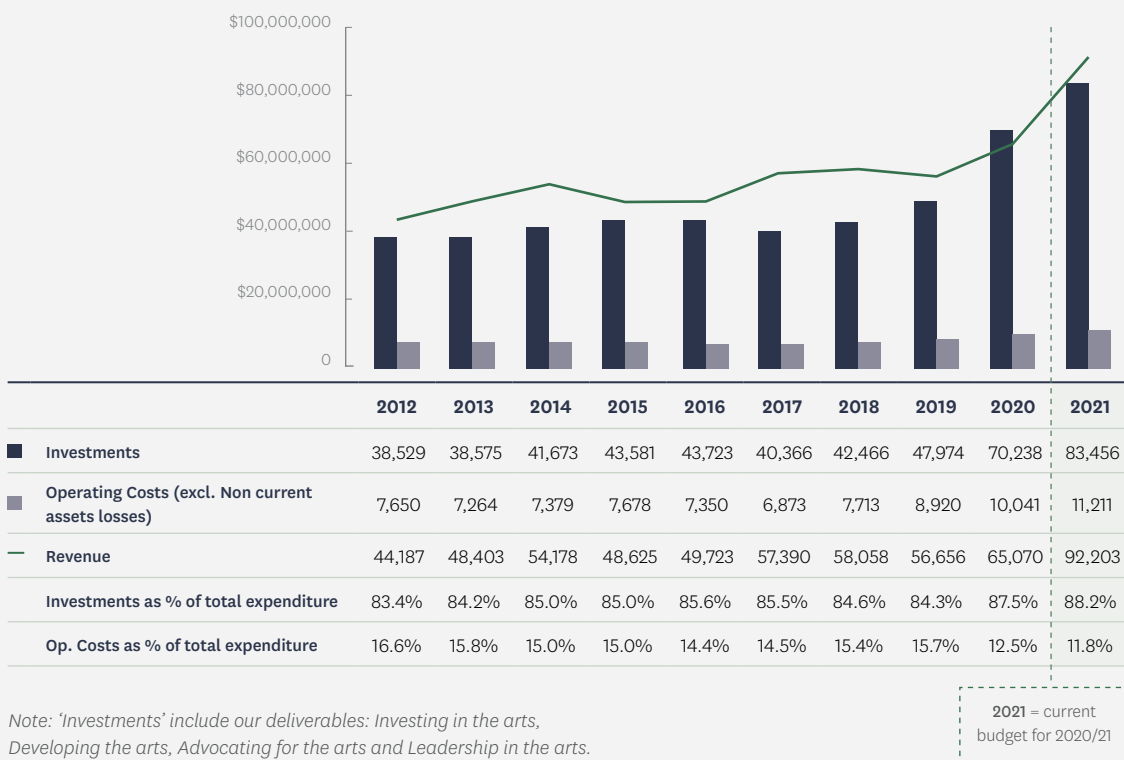


FIGURE 17: REVENUE AND EXPENSE TRENDS 2011/12–2020/21



Financial planning context for 2020/21

Creative New Zealand has planned and budgeted in a dynamic way for 2020/21 and will continue to do so in response to changes in the external operating environment, in particular in relation to the COVID-19 pandemic. In the year ahead, we're focusing on recovery, resilience and renewal of the arts sector.

The 2020/21 budgeted expenses are higher than the overall investment we made in the arts sector in 2019/20 (\$83.5 million compared with \$70.2 million). The continued increased investment is made possible by the ongoing support from Lotto New Zealand, via the NZLGB, and the Crown. The latter includes significant new Crown investment in Creative New Zealand of \$30 million in 2020/21, \$5 million in 2021/22 and \$4 million in 2022/23 through Budget 2020. This money will be invested to help:

- retain core arts infrastructure, deliver arts projects in communities and support the delivery of key strategies including *Te Hā o ngā Toi–Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023* (\$25 million in 2020/21)
- set up the Cultural Sector Capability Fund so the arts sector has the necessary industry, technical and

business capability to meet the challenges of a post-COVID-19 environment (\$2 million over two years)

- set up the Pasifika Festivals Initiative to support Pasifika festivals throughout New Zealand that are facing financial hardship brought about by the COVID-19 crisis, as well as develop their capability so they can operate in a post-COVID-19 environment (\$12 million over three years).

It's likely the 2020/21 budget will have further significant iterations as the Government's support for arts and culture is clarified, in particular, relating to the following.

- Creative New Zealand is involved in informing the Mātauranga Māori Te Awe Kōtuku initiative. This will receive \$20 million over two years for mātauranga Māori activities. It's not yet clear whether we will receive any additional funding from this initiative.
- The Government has also announced a Creative Arts Recovery and Employment Fund, as well as a Cultural Innovation Fund, however it is unclear whether we will receive any additional funding arising from these funds.

We will likely need to review and update the SPE for the second half of the performance year, from 1 January 2021. For further information, see our SPE 2020/21 on our website.

Prospective statement of financial performance

for the year ended 30 June 2020

	NOTE	ACTUAL 2020 \$000	BUDGET 2020 \$000	ACTUAL 2019 \$000
Revenue				
Revenue from the Crown	3	16,689	16,689	15,689
Revenue from the New Zealand Lottery Grants Board	4	47,008	42,000	39,194
Interest revenue		861	1,050	1,188
Other revenue	5	512	214	585
TOTAL REVENUE		65,070	59,953	56,656
Expenditure				
Investing in the arts	9	67,126	46,595	43,882
Developing the arts	9	2,373	6,543	3,440
Advocating for the arts	9	647	960	542
Leadership in the arts	9	92	780	110
		70,238	54,878	47,974
Operating Costs				
Personnel expenses	6	6,801	6,459	6,113
Depreciation and amortisation	7	386	360	329
Other expenses	8	2,854	2,754	2,478
		10,041	9,573	8,920
TOTAL EXPENDITURE		80,279	64,451	56,894
SURPLUS / (DEFICIT)		(15,209)	(4,498)	(238)

Explanations of major variances against budget are provided in note 2.

The accompanying accounting policies and notes form part of these financial statements.

Statement of comprehensive revenue and expense

for the year ended 30 June 2020

	NOTE	ACTUAL 2020 \$000	BUDGET 2020 \$000	ACTUAL 2019 \$000
Surplus/(deficit) for the year		(15,209)	(4,498)	(238)
Other comprehensive revenue and expense				
Gain/(Loss) on revaluation of works of art	14	(13)	–	(39)
Total other comprehensive revenue and expense		(13)	–	(39)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(15,222)	(4,498)	(277)

Statement of changes in equity

for the year ended 30 June 2020

		ACTUAL 2020 \$000	BUDGET 2020 \$000	ACTUAL 2019 \$000
Total equity as at 1 July		29,296	28,233	29,573
Surplus/(deficit) for the year		(15,209)	(4,498)	(238)
Other comprehensive revenue and expense		(13)	–	(39)
Total comprehensive revenue and expense		(15,222)	(4,498)	(277)
TOTAL EQUITY AS AT 30 JUNE	19	14,074	23,735	29,296

Explanations of major variances against budget are provided in note 2.

The accompanying accounting policies and notes form part of these financial statements.

Statement of financial position

As at 30 June 2020

	NOTE	ACTUAL 2020 \$000	BUDGET 2020 \$000	ACTUAL 2019 \$000
ASSETS				
Current assets				
Cash and cash equivalents	10	4,693	1,849	568
Investments in term deposits	11	10,000	26,000	32,500
Receivables	12	16,440	10,900	10,147
Prepayments		174	200	299
Total current assets		31,307	38,949	43,514
Non-current assets				
Property, plant and equipment	13	557	640	499
Works of art	14	1,027	1,079	1,040
Intangible assets	15	1,226	1,480	1,409
Total non-current assets		2,810	3,199	2,948
TOTAL ASSETS		34,117	42,148	46,462
LIABILITIES				
Current liabilities				
Grants payable	9	19,054	17,500	16,048
Payables and deferred revenue	16	326	560	647
Employee entitlements	17	565	300	309
Lease make-good provision	18	–	–	100
Total current liabilities		19,945	18,360	17,104
Non-current liabilities				
Lease incentive	20.2	30	–	–
Employee entitlements	17	68	53	62
Total non-current liabilities		98	53	62
TOTAL LIABILITIES		20,043	18,413	17,166
NET ASSETS		14,074	23,735	29,296
EQUITY				
Accumulated funds	19	12,184	21,833	27,470
Revaluation reserves	19	1,027	1,079	1,040
Restricted reserves (special purpose funds)	19	863	823	786
TOTAL EQUITY		14,074	23,735	29,296

Explanations of major variances against budget are provided in note 2.

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2020

	ACTUAL 2020 \$000	BUDGET 2020 \$000	ACTUAL 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	16,689	16,689	15,689
Revenue from the New Zealand Lottery Grants Board	40,518	40,324	42,736
Interest received	1,086	1,158	1,085
Grant retirements and gains	123	50	97
Other revenue	461	14	64
Cash was applied to:			
Payments of grants	(66,885)	(54,584)	(45,319)
Payments to employees	(6,539)	(6,448)	(6,095)
Payments of operating expenses	(3,120)	(2,838)	(2,314)
Net goods and services tax	(447)	(15)	(69)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(18,114)	(5,650)	5,874
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Term deposits maturing (with maturities over 3 months)	32,500	32,500	26,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(261)	(420)	(518)
Investment in term deposits (with maturities over 3 months)	(10,000)	(26,000)	(32,500)
NET CASH FLOWS FROM INVESTING ACTIVITIES	22,239	6,080	(7,018)
NET INCREASE (DECREASE) IN CASH HELD	4,125	430	(1,144)
Cash and cash equivalents at the beginning of the year	568	1,419	1,712
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	4,693	1,849	568

Explanations of major variances against budget are provided in note 2.

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows (continued)

For the year ended 30 June 2020

RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES	ACTUAL 2020 \$000	ACTUAL 2019 \$000
Net surplus/(deficit) from operations	(15,209)	(238)
Add/(less) non-cash items:		
Depreciation and amortisation	386	329
Retirement of grants	(218)	(134)
Total non-cash items	168	195
Add/(less) movements in working capital items:		
Decrease (increase) in receivables	(6,071)	3,193
Decrease (increase) in prepayments	125	(198)
Decrease (increase) in interest receivable	225	(103)
Decrease (increase) in net GST receivable	(447)	(69)
Increase (decrease) in payables and deferred revenue	(321)	213
Increase (decrease) in employee entitlements	262	18
Increase (decrease) in lease make-good provision	(100)	-
Increase (decrease) in lease incentive	30	-
Increase (decrease) in grants payable	3,224	2,863
Net movements in working capital items	(3,073)	5,917
Add/(less) items classified as investing activities		
Loss/(gain) on the sale of property, plant and equipment	-	-
Total items classified as investing activities	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(18,114)	5,874

Explanations of major variances against budget are provided in note 2.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies

For the year ended 30 June 2020.

1.1. Reporting entity

The Arts Council of New Zealand Toi Aotearoa was established on 1 July 1994 by the Arts Council of New Zealand Toi Aotearoa Act 1994. The Council has chosen to operate under the name Creative New Zealand.

Creative New Zealand is a Crown entity, as defined by the Crown Entities Act 2004, and is domiciled and operates in New Zealand. As such, Creative New Zealand's ultimate parent is the New Zealand Crown.

Its purpose, as defined under the current governing legislation, the Arts Council of New Zealand Toi Aotearoa Act 2014, is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders. Creative New Zealand does not operate to make a financial return.

Accordingly, Creative New Zealand has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Creative New Zealand are for the year ended 30 June 2020 and were approved for issue by the Board (the Arts Council) on 4 November 2020.

1.2. Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

1.2.1. Statement of compliance

The financial statements have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE accounting standards.

1.2.2. Presentation currency and rounding

The financial statements are presented in New Zealand dollars (NZ\$) and are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

1.2.3. Standards early adopted

In line with the Financial Statements of the Government, Creative New Zealand has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

1.2.4. Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, that have not been early adopted are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Creative New Zealand does not intend to early adopt the amendment.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although Creative New Zealand has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Creative New Zealand has not yet determined how application of PBE FRS 48 will affect its statement of performance.

1.3. Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

1.3.1. Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the spot exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance.

1.3.2. Goods and services tax

All items in the financial statements are exclusive of goods and services tax (GST), with the exception of receivables and creditors and other payables, which are stated inclusive of GST. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to, the Inland Revenue Department is included as part of receivables or creditors and other payables in the Statement of Financial Position.

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

1.3.3. Income tax

Creative New Zealand is a public authority and consequently is exempt from the payment of income tax in accordance with the Income Tax Act 2007. Accordingly, no provision has been made for income tax.

1.3.4. Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Arts Council at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Arts Council in preparing these financial statements. Explanations of major variances against budget are provided in note 2.

1.3.5. Comparatives

Certain comparative information has been reclassified, where required, to conform to the current year's presentation.

1.4. Use of judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Creative New Zealand continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Creative New Zealand bases its judgements and estimates on historical experience, advice from independent experts and on other various factors it believes to be reasonable under the circumstances. The result of these judgements and estimates forms the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

There are no judgements, estimates and assumptions which materially affect these financial statements.

2. Significant budget variances

Creative New Zealand's budget figures are derived from the 'Statement of Performance Expectations 2019–20' ('SPE') published in June 2019, based on the budget approved by the Arts Council at its June 2019 meeting. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Arts Council in preparing these financial statements.

These budget figures are based on several assumptions which are causing variances to actual figures:

- Revenue from the NZLGB for 2019/20 was based on Lotto New Zealand's budgeted profit for 2019/20. For any financial year, the actual revenue from the NZLGB depends on the actual Lotto NZ profit for that year, which creates a degree of inherent revenue unpredictability. To manage this unpredictability Lotto NZ, through the NZLGB, pays the entities it funds on a quarterly basis, and may take into account the latest profit forecast for the period.
- The budgeted level and timing of funding provided to the sector is based on historical data, existing business practices or actual business plan projections, and is dependent on the level of funding received.

Explanations for specific major variances are outlined below.

Statement of financial performance

An operating deficit of \$15.209 million for the year ended 30 June 2020 is reported against the net operating deficit budget of \$4.498 million, a variance of \$10.711 million.

Revenue from the NZLGB was higher by \$5.0 million when compared to the budget of \$42.0 million. Despite the loss of retail sales caused by the COVID-19 lock down, Lotto NZ financial performance remained strong during the year.

Total expenses for the year exceeded the budget presented in the Statement of Performance Expectations that was approved in June 2019, by \$15.8 million. This variance was approved by the Arts Council in March and April 2020 as part of its response to the COVID-19 pandemic.

In response to the COVID-19 crisis, in March 2020, the Arts Council agreed to suspend the majority of Creative New Zealand's existing contestable funding programmes and established a \$16 million Emergency Response Fund (ERF). In June 2020, due to the unprecedented demand for financial support from the fund, the Arts Council approved investing a further \$13 million towards this emergency response.

The \$29 million ERF was partly funded from the budgets from the suspended programmes – a total of \$8.3 million, and partly from the additional NZLGB funding, with the balance being met from Creative New Zealand's balance sheet (accumulated funds).

By 30 June 2020, Creative New Zealand had expensed a total of \$23.7 million of this fund, with the balance being expensed in July 2020 (next financial year) due to the timing of funding decisions.

Statement of financial position

The Budget variances in the Statement of Financial Position are mainly caused by the additional investment Creative New Zealand made in response to the COVID-19 pandemic, as referred to above. A significant portion of the financial support provided to the arts sector was funded through Creative New Zealand's accumulated funds.

As a result, compared to the budget approved in June 2019, the cash and term deposit balances have decreased by a total of \$13.2 million, and the grants payable balance has increased by \$1.6 million.

Statement of cash flows

The Statement of Cash Flows reflects the movements in the Statement of Financial Performance and Statement of Financial Position. The budget variances are mainly driven by the variances outlined above.

3. Revenue from the Crown

Accounting policy

Creative New Zealand receives funding from the Crown, which is restricted in its use for the purpose of Creative New Zealand meeting the objectives specified in its governing legislation and the scope of the relevant appropriations of the funder.

Creative New Zealand considers there are no conditions attached to the funding (a condition refers to an enforceable legal right of return of the transferred asset if it is not used for the specific intended purpose). The funding is recognised as revenue at the point of entitlement. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

The funding provided from the Crown amounted to \$16.689 million (2019: \$15.689 million).

Apart from the general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2019: \$nil).

4. Revenue from the New Zealand Lottery Grants Board (NZLGB)

Accounting policy

Creative New Zealand receives most of its funding from the NZLGB. The NZLGB allocates part of Lotto NZ's profit to Creative New Zealand through the Gambling Act 2003. The funding allocation for the year is based on 15 percent of Lotto NZ's forecast profit for the financial year. Creative New Zealand also receives a 15 percent share in Lotto NZ's available funding over and above the forecast (the additional profit allocation), which is dependent on the actual audited results for the year. One-off funding allocations from reserves are also based on this 15 percent share.

Creative New Zealand uses the funding for the purpose of meeting its objectives as specified in the governing legislation. Creative New Zealand considers there are no conditions attached to the funding. The funding is recognised as revenue at the point of entitlement.

The fair value of revenue from the NZLGB has been determined to be equivalent to the amounts due in the funding arrangements.

Breakdown of revenue from the New Zealand Lottery Grants Board

Breakdown of revenue from the New Zealand Lottery Grants Board

	2020 \$000	2019 \$000
Funding allocation for the year (based on budgeted profit)	45,000	39,000
Additional allocation for the year (based on forecast profit)	–	–
Additional profit allocation (wash-up from current year's profit)	2,008	194
	47,008	39,194

5. Other revenue

Accounting policy

The specific accounting policies for significant other revenue items are explained below.

Other grants

Grants are recognised as revenue when they become receivable, unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and are recognised as revenue when conditions of the grant are satisfied.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Donated assets

Where a physical asset is gifted to or acquired by Creative New Zealand for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the consideration provided and fair value of the asset is recognised as revenue.

The fair value of donated assets is determined as follows.

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information and/or expert advice for assets of a similar type, condition and age at the time the asset is received.

Grant retirements

Grants committed in previous years are retired and recognised as revenue in the Statement of Financial Performance when:

- they are not collected by recipients within a year of being offered
- they are no longer required by the grantee for the purpose for which they were approved, or
- partial or full repayment is received from a grant recipient.

Breakdown of other revenue

	2020 \$000	2019 \$000
Retirement of grants	341	231
Revenue from project partners	82	–
Revenue from ticket sales	5	–
Donations	55	–
The Todd Trust	10	10
Venice Biennale – Patrons	–	290
Venice Biennale – other contributions	–	46
Other	19	8
	512	585

6. Personnel expenses

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution scheme

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes

and are recognised as an expense in the Statement of Financial Performance as incurred.

Breakdown of personnel expenses

	2020 \$000	2019 \$000
Salaries and wages	5,880	5,285
Other staff-related costs	546	660
Employer contributions to defined contribution plans	164	150
Increase/(decrease) in employee entitlements	211	18
	6,801	6,113

During the year ended 30 June 2020, no employees received compensation relating to the cessation of their employment with Creative New Zealand (2019: \$nil).

The number of employees whose remuneration for the financial year exceeded \$100,000 is as follows:

	2020	2019
\$100,000 – \$109,999	8	3
\$110,000 – \$119,999	3	2
\$120,000 – \$129,999	4	3
\$130,000 – \$139,999	2	1
\$150,000 – \$159,999	Nil	1
\$160,000 – \$169,999	1	1
\$170,000 – \$179,999	1	Nil
\$200,000 – \$209,999	1	1
\$210,000 – \$219,999	1	1
\$310,000 – \$329,999	1	Nil
\$340,000 – \$349,999	Nil	1

The Chief Executive's remuneration and benefits is in the \$310,000 to \$329,999 band (2019: \$340,000 to \$349,999). The Chief Executive agreed to voluntarily take a 20% reduction in salary from 4 May 2020 for the next 6 months.

2019 reflected the change in the treatment of the performance pay component. As per the State Services Commission's guidance on Chief Executive remuneration, the performance pay component

has been transferred into base salary from 21 August 2018. The Chief Executive also received the 2017/18 performance pay in 2018/19. Without this one-off timing anomaly, the Chief Executive's remuneration and benefits in 2019 were in the \$320,000 to \$329,999 band.

7. Depreciation and amortisation

	2020 \$000	2019 \$000
Depreciation		
Leasehold improvements	38	9
Computer equipment	40	37
Furniture, equipment and fittings	37	33
Amortisation		
Computer software	271	250
	386	329

8. Other expenses

	2020 \$000	2019 \$000
Fees to auditor – Audit New Zealand		
– for audit of financial statements	65	70
Board member remuneration (note 23)	173	188
Operating lease payments	376	343
Bad debt written off	86	–
Other expenses	2,154	1,877
	2,854	2,478

9. Expenses by investment category

Accounting policy

Grant expenses

Discretionary grants are those grants where Creative New Zealand has no obligations to award on receipt of the grant application. For discretionary grants without substantive conditions, the total committed funding is expensed when the grant is approved by Creative New Zealand and the approval has been communicated to the applicant. Discretionary grants with substantive conditions are expensed at the earlier of the grant payment date or when the grant conditions have been satisfied. Conditions usually include milestones that must be met to be eligible for funding.

When multi-year funding agreements are entered into, amounts granted under these agreements are recognised in the Statement of Financial Performance to the extent that they relate to the current financial year. The agreed funding for the out years is conditional on the programme and budget being agreed within the timeframes and any special conditions for the drawdown of funding being met (disclosed in note 26).

The liability disclosed in the Statement of Financial Position represents financial grants to New Zealand artists and arts organisations approved by Creative New Zealand but not paid at balance date.

Non-discretionary grants are grants that are awarded automatically if the grant application meets the specified criteria, that is, Creative Communities Scheme funding to territorial authorities. This funding is expensed annually when communicated and distributed as there is no application process and there are no substantive conditions that need to be fulfilled to receive the grant.

Breakdown of expenses by investment category

	ACTUAL 2020 \$000	BUDGET unaudited 2020 \$000	ACTUAL 2019 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	15,665	19,094	16,758
Toi Uru Kahikatea Investment programme	16,203	11,066	10,584
Grants and Special Opportunities	5,636	9,665	10,071
Creative Communities Scheme	3,945	3,995	3,392
International programme	1,852	2,325	2,394
Initiatives and pilots	150	450	683
COVID-19 emergency response			
Toi Tōtara Haemata short-term relief	797	–	–
Toi Uru Kahikatea short-term relief	942	–	–
Grants and special opportunities – Arts Continuity Grants	11,993	–	–
Initiatives and pilots – Emergency Relief Grants	9,943	–	–
	67,126	46,595	43,882
DEVELOPING THE ARTS			
Capability building – national programme	116	526	414
Capability building – international programme	572	652	640
Initiatives and pilots	1,685	5,365	2,386
	2,373	6,543	3,440
ADVOCATING FOR THE ARTS			
	647	960	542
LEADERSHIP IN THE ARTS			
	92	780	110

Creative New Zealand does not allocate personnel costs directly to deliverables: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts.

Comparative and budget information has been reclassified to conform to the current year's presentation and alignment of expenditure to Creative New Zealand's strategic direction for 2019–2029.

Explanations of major variances against budget are provided in note 2.

Breakdown of grants payable

	2020 \$000	2019 \$000
Toi Tōtara Haemata Investment Programme	7,200	8,146
Toi Uru Kahikatea Investment Programme	7,718	5,103
Grants and other investment categories	4,136	2,799
	19,054	16,048

10. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash at bank and on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Breakdown of cash and cash equivalents

	2020 \$000	2019 \$000
Cash at bank and on hand	139	98
Term deposits with maturities less than three months	4,554	470
Total cash and cash equivalents	4,693	568

While cash and cash equivalents at 30 June 2020 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

11. Investments in term deposits

Accounting policy

Investments in bank term deposits with original maturities of between three months and one year are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Breakdown of investments in term deposits

	2020 \$000	2019 \$000
Term deposits	10,000	32,500
Total investments in term deposits	10,000	32,500

Creative New Zealand considers there has not been a significant increase in credit risk for investments in term deposits because the issuer of the investment continues to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

No loss allowance for expected credit losses has been recognised because the estimated 12-month expected loss allowance for credit losses is trivial.

The carrying amounts of term deposits with maturities of 12 months or less approximate their fair value.

12. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Creative New Zealand applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Breakdown of receivables

	2020 \$000	2019 \$000
Receivables from non-exchange transactions		
New Zealand Lottery Grants Board	15,508	9,018
Goods and services tax receivable	772	325
Sundry receivables	24	443
Receivables from exchange transactions		
Interest receivable	136	361
Total receivables	16,440	10,147

Creative New Zealand does not expect credit losses at 30 June 2020, based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. Receivables are non-interest bearing and are normally settled on 30-day terms. The carrying value of receivables approximates to their fair value.

The ageing profile of receivables at year end is detailed below:

	2020 \$000	2019 \$000
Not past due	16,439	10,147
Past due 1–30 days	1	–
Past due 31–60 days	–	–
Past due 61–90 days	–	–
Past due over 90 days	–	–
	16,440	10,147

13. Property, plant and equipment

Accounting policy

Property, plant and equipment consist of the following asset classes: leasehold improvements, furniture, equipment and fittings and computer equipment.

Property, plant and equipment asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that

future economic benefits or service potential associated with the item will flow to Creative New Zealand and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Creative New Zealand and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Financial Performance as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Financial Performance.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold improvements (Auckland)	6 years	16.7%
Leasehold improvements (Wellington)	9 years	11.1%
Furniture, equipment and fittings	10 years	10.0%
Computer equipment	4 years	25.0%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

Impairment of property, plant and equipment

Creative New Zealand does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non-cash generating assets

Property, plant and equipment and intangible assets held at cost that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Movements for each class of property, plant and equipment are as follows:

	Work in progress* \$000	Leasehold improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost					
Balance at 1 July 2019	215	315	375	445	1,350
Additions	73	–	51	49	173
Disposals	–	(234)	–	–	(234)
Reclassification	(288)	288	–	–	–
Balance at 30 June 2020	–	369	426	494	1,289
Accumulated depreciation					
Balance at 1 July 2019	–	296	199	356	851
Depreciation expense	–	38	37	40	115
Eliminated on disposal/reclassification	–	(234)	–	–	(234)
Balance at 30 June 2020	–	100	236	396	732
Carrying amount at 30 June 2020	–	269	190	98	557

	Work in progress* \$000	Leasehold improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost					
Balance at 1 July 2018	–	315	371	465	1,151
Additions	215	–	13	57	285
Disposals	–	–	(9)	(77)	(86)
Balance at 30 June 2019	215	315	375	445	1,350
Accumulated depreciation					
Balance at 1 July 2018	–	287	175	396	858
Depreciation expense	–	9	33	37	79
Eliminated on disposal/reclassification	–	–	(9)	(77)	(86)
Balance at 30 June 2019	–	296	199	356	851
Carrying amount at 30 June 2019	215	19	176	89	499

There are no restrictions over the title of Creative New Zealand's property, plant and equipment assets, nor are any property, plant, and equipment assets pledged as security for liabilities.

*The work in progress balance relates to the fit-out of the new office in Wellington, 2–12 Allen Street. The lease agreement was signed on 30 April 2019 and the fit-out work started on 1 May 2019 when Creative New Zealand gained access to the premises. The lease commenced on 1 August 2019.

14. Works of art

Accounting policy

Creative New Zealand owns a 'furnishing works of art collection' with items on display in Creative New Zealand offices. These items are rotated on a regular basis with items held in storage. Some items are also on loan to other organisations, including museums and other arts organisations.

Works of art are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years. Fair value is determined from market-based evidence by an independent valuer. The results of revaluing works of art are credited or debited to an asset revaluation reserve for that class of asset, in the same way as land and buildings.

Works of art are not depreciated because they have an indeterminate useful life and may appreciate in value over time. The carrying values of revalued works of art are assessed annually to ensure that they do not differ materially from the assets' fair values.

The works of art are stated at fair value as at 30 June 2020 impairment tested by Christopher Moore. Christopher Moore is an art dealer and an experienced valuer of artworks. The full valuation of the works of art was last completed by Christopher Moore as at 30 June 2018.

	2020 \$000	2019 \$000
Valuation		
Balance at 1 July	1,040	1,079
Additions	-	-
Revaluation increase/(decrease)	(13)	(39)
Disposals	-	-
Carrying amount at 30 June	1,027	1,040

15. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development costs.

Employee costs, staff training costs and relevant overheads are recognised as an expense when incurred. Costs associated with maintaining computer software 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 the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: Grants Management System and Customer Relationship Management system	8 years	12.5%
Computer software: other	4 years	25.0%

Movements for computer software are as follows:

	2020 \$000	2019 \$000
Cost		
Balance at 1 July	3,597	3,364
Additions	88	233
Balance at 30 June	3,685	3,597
Accumulated amortisation		
Balance at 1 July	2,188	1,938
Amortisation expense	271	250
Balance at 30 June	2,459	2,188
Carrying amount at 30 June	1,226	1,409

There are no restrictions over the title of Creative New Zealand's intangible assets, nor are any intangible assets pledged as security for liabilities.

16. Payables and deferred revenue

Accounting policy

Short-term payables are recorded at the amount payable. The amounts are unsecured and are usually paid within 30 days of recognition; therefore, the carrying value of creditors and other payables approximates their fair value.

	2020 \$000	2019 \$000
Payables and deferred revenue under exchange transactions		
Trade payables	247	569
Revenue in advance (The Todd Trust)	10	10
Lease incentive – current portion (note 20.2)	4	–
Accrued expenses	65	68
	326	647

Creative New Zealand has a bank credit card facility of up to \$200,000 (2019: \$200,000). \$4,003 of the total facility was used at 30 June 2020 (2019: \$11,102).

17. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave entitlements expected to be settled within 12 months and time in lieu accrued up to balance date. Creative New Zealand has no liability for sick leave entitlements.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood

that staff will reach the point of entitlement and contractual entitlements information

- the present value of the estimated future cash flows.

Expected future payments are discounted using the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

	2020 \$000	2019 \$000
Current portion		
Accrued/(prepaid) salaries and wages	51	–
Annual leave	394	261
Long service leave	48	40
Time in lieu	72	8
Total current portion	565	309
Non-current portion		
Long service leave	68	62
Total non-current portion	68	62
Total employee entitlements	633	371

18. Lease make-good provision

Accounting policy

A provision is recognised for future expense of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, when it is probable that an outflow of future economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expense expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

In respect of its leased office premises in Aorangi House in Wellington, Creative New Zealand was required at the expiry of the lease term, on 4 August 2019, to make good any damage and functional and structural changes to the leased office space. The cash flows associated with the current portion of the lease make-good provision occurred in September 2019. Further information about Creative New Zealand's leasing arrangements is disclosed in note 21.

Breakdown of lease make-good provision

	2020 \$000	2019 \$000
Lease make-good current portion	-	100
Total provisions	-	100
Movements of lease make-good provision are as follows:		
Balance at 1 July	100	100
Amount used	(100)	-
Balance at 30 June	-	100

19. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds
- revaluation reserve
- restricted reserve.

Revaluation reserve relates to the revaluation of works of art (note 14).

Restricted reserve consists of donations and bequests entrusted to Creative New Zealand to administer for a stipulated purpose (special purpose funds).

Capital management

Creative New Zealand's capital is its equity, which comprises accumulated funds, revaluation reserves and restricted reserves. Equity is represented by net assets.

Creative New Zealand is independent in deciding how to best use its capital for achieving its goals. However, Creative New Zealand is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives. Creative New Zealand has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

Creative New Zealand manages its equity (through the minimum equity policy) as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure its objectives and purpose are effectively achieved while remaining a going concern.

Breakdown of equity

	2020 \$000	2019 \$000
Accumulated funds		
Balance at 1 July	27,470	27,671
Surplus/(deficit) for the year	(15,209)	(238)
Transfer of special purpose funds from restricted reserves	(77)	37
Balance at 30 June	12,184	27,470
Revaluation reserves (works of art)		
Balance at 1 July	1,040	1,079
Revaluation of works of art (note 14)	(13)	(39)
Balance at 30 June	1,027	1,040
Restricted reserves (special purpose funds)		
Balance at 1 July	786	823
Transfer of special purpose funds to accumulated funds	77	(37)
Balance at 30 June	863	786
Total equity	14,074	29,296

Accumulated funds

Accumulated funds include a bequest from the estate of Hilda Dawn Sturgeon amounting to \$1.313 million.

The estate was fully distributed to Creative New Zealand on 3 July 2017.

Restricted reserves (special purpose funds)

2020	Opening balance \$000	Revenue \$000	Expenses \$000	Closing balance \$000
Edwin Carr Foundation	617	19	–	636
Tup Lang scholarship fund	75	2	2	75
Louis Johnson fund	54	2	–	56
Butland Music Foundation	40	1	–	41
Aotearoa Music Scholarship	–	55	–	55
Total restricted reserves (special purpose funds)	786			863

The Edwin Carr Foundation was set up in 2004 as a trust with the Carr family to commemorate New Zealand composer Edwin Carr and provide scholarships to composers. Creative New Zealand is the Trustee of the Foundation and administers the foundation and its associated scholarships.

The Tup Lang scholarship fund is a bequest from Octavia Gwendolin Lang, set up in 1999 as a trust. The fund, as stipulated in the will, is used towards a grant for research and choreographic development of a new work.

The Louis Johnson fund is a gift received in 1989 and 1999 from Mrs Cecilia Johnson to the Literary programme of the Arts Council. The funds are held in trust and the income is used to finance the Louis Johnson Writer's Bursary.

The Butland Music Foundation appointed the Arts Council as its trustee in 1994. Income from trust funds is given towards a grant to a music student to help and encourage their studies within or beyond New Zealand.

The New Zealand/Aotearoa Music Scholarship comes from the estate of Brent Lewis. The deceased set aside \$160,000 from the estate to form a scholarship fund to be awarded over 10 years from 2010 at \$16,000 per annum. The scholarship enables up to two young musicians to undertake study or gain further musical

experience at a tertiary institution in New Zealand or overseas. Creative New Zealand is the Residual Beneficiary of the estate of Brent Lewis. On completion of 10 years, remaining funds were transferred to Creative New Zealand with the expectation to award at least one further scholarship in 2020/21.

20. Capital commitments and operating leases

20.1. Capital commitments

	2020 \$000	2019 \$000
Capital commitments		
Property, plant and equipment	–	84
Total capital commitments	–	84

Capital commitments at 30 June 2019 represent capital expenses related to the leasehold improvements of the new office in Wellington, contracted at balance date but not yet incurred. The fit-out work started on 1 May 2019 when Creative New Zealand gained access to the premises. The lease commenced on 1 August 2019.

20.2. Operating leases

Accounting policy

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

	2020 \$000	2019 \$000
Operating leases as lessee, payable:		
Not later than one year	391	284
Later than one year and not later than five years	984	1,054
Later than five years	710	939
Total non-cancellable operating leases payable	2,085	2,274

Creative New Zealand leases office premises in Wellington and Auckland, video conferencing equipment, and multi-function print devices. The non-cancellable leasing period for these leases range from one to nine years. There are no contingent rents payable and no sublease income receivable on these operating leases.

In respect of the leased office in Wellington, 2–12 Allen Street, the landlord agreed to a two-month rent free period from the lease commencement date of 1 August 2019. The benefit of this lease incentive will be recognised as a reduction of rental expense over the lease term.

Breakdown of lease incentive

	2020 \$000	2019 \$000
Current portion (note 16)	4	–
Non-current portion	30	–
Total non-cancellable operating leases payable	34	–

21. Contingencies

21.1. Contingent liabilities

	2020 \$000	2019 \$000
Bank of New Zealand Letter of Credit – Datacom Employer Services Limited	200	150

The Letter of Credit of \$200,000 (2019: \$150,000) is issued by the Bank of New Zealand on behalf of Creative New Zealand to the ASB Bank, the banker for Datacom Employer Services Limited. The Letter of Credit guarantees to the ASB Bank that the Bank of New Zealand will accept MTS direct debits from Datacom Employer Services Limited for the fortnightly payroll costs of up to \$200,000. This arrangement has been in place since 2002.

21.2. Contingent assets

	2020 \$000	2019 \$000
Invoiced to grantees in a default position	86	374

Creative New Zealand invoices grantees who are in default of their grant terms and conditions. As a result of invoicing, the grantee could produce a satisfactory acquittal report or repay the grant. If a satisfactory acquittal report is provided, then the repayment of the grant will not be pursued. It is not possible to reliably estimate the amount recoverable on these invoices; therefore, amounts invoiced during the financial year and not paid as at 30 June have not been recognised in the Statement of Financial Position.

22. Related parties

Creative New Zealand is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client–recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect Creative

New Zealand would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Creative New Zealand maintains interest registers for the Arts Council, its committees and staff to record any interests they may have in an organisation or an individual that is funded by or is contracted to Creative New Zealand for services. Interests are declared and managed in line with Creative New Zealand's conflict of interest policy and the Crown Entities Act 2004.

All related party transactions have been entered into on an arm's length basis.

Key management personnel compensation

	2020 \$000	2019 \$000
Council members		
Remuneration (note 23)	\$172,954	\$187,700
Full-time equivalent members	1.38	1.54
Leadership team		
Remuneration	\$1,078,852	\$1,085,202
Full-time equivalent members	5	5

23. Board member remuneration

The total value of remuneration paid or payable to each Board (Arts Council) member during the year was:

Member	Tenure	2020	2019
Michael Moynahan	Arts Council member; Chairman from 1 May 2017	31,900	33,000
Caren Rangi	Arts Council member; Chair of Audit and Risk Committee from 27 April 2016 to 31 August 2018, Deputy Chair from 1 May 2017	16,917	17,500
Michael Prentice	Arts Council member; Chair of Audit and Risk Committee from 1 February 2020	14,070	14,000
Dean Whiting*	Arts Council member; Chair of Māori Committee from 1 January 2019	-	-
Luamanuvao Dame Winnie Laban, QSO	Arts Council member	13,533	14,000
Roger King	Arts Council member; Audit and Risk Committee member	13,533	14,000
Garth Gallaway	Arts Council member; Audit and Risk Committee member	13,533	14,000
Briar Grace-Smith	Arts Council member; Māori Committee member; appointed 1 May 2019	14,000	2,333
Riria Hotere-Barnes	Arts Council member; Māori Committee member; appointed 9 December 2019	7,399	-
John Ong	Arts Council member; appointed 9 December 2019	7,399	-
Janine Morrell-Gunn	Arts Council member; appointed 9 December 2019	7,399	-
Kura Moehau	Arts Council member; Māori Committee member; appointed 25 February 2020	4,828	-
Robyn Hunt	Arts Council member; appointed 25 February 2020	4,361	-
Angela Abernethy	Audit and Risk Committee independent member from April 2020	1,867	-
Wayne P Marriott, JJP	Arts Council member; Chair of Audit and Risk Committee from 1 September 2018; term ended 8 December 2019	6,748	15,167
Andrew Caisley	Arts Council member; term ended 24 February 2020	9,333	14,000
Dame Jenny Gibbs, DNZM	Arts Council member; term ended 8 December 2019	6,134	14,000
Professor Taiarahia Black	Arts Council member, resigned 30 June 2019	-	14,000
Karl Johnstone	Arts Council member, resigned 30 June 2019	-	14,000
Suzanne Ellison	Arts Council member; Chair of Māori Committee from 1 July 2016; resigned 11 December 2018	-	7,700
		172,954	187,700

*Dean Whiting does not receive any fees for Creative New Zealand activities that occur during his working hours with Heritage New Zealand Pouhere Taonga.

No Board members received compensation or other benefits in relation to cessation (2019: \$nil).

Most Council members have agreed to voluntarily take a 20% reduction in their salaries from 4 May 2020 for the next 6 months.

24. Financial instruments

Accounting policy

Creative New Zealand is party to non-derivative financial instruments as part of its normal operations. These financial instruments include cash at bank and on hand, deposits held on call with banks, short-term deposits, debtors and other receivables and creditors and other payables.

Except for those items covered by a separate accounting policy, all financial instruments are initially recognised in the Statement of Financial Position at fair value, and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

Creative New Zealand does not use derivative financial instruments.

24.1. Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2020 \$000	2019 \$000
Financial assets measured at amortised cost (2018: Loans and receivables):		
Cash and cash equivalents	4,693	568
Receivables	15,668	9,822
Investments in term deposits	10,000	32,500
Total financial assets	30,361	42,890
Financial liabilities measured at amortised cost:		
Grants payable	19,054	16,048
Payables and deferred revenue	326	647
Total financial assets	19,380	16,695

The carrying value of financial assets and liabilities equates to their fair value at 30 June.

24.2. Financial instrument risks

Creative New Zealand's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Creative New Zealand has policies in place to manage the risks associated with financial instruments and seeks to minimise exposure. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Creative New Zealand does not invest in publicly traded financial instruments; therefore, the price risk is considered to be minimal.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Creative New Zealand is exposed to foreign currency risk on payments and liabilities that are denominated in a currency other than Creative New Zealand's functional and presentational currency, New Zealand dollars.

The level of payments in foreign currencies is small and the time between commitment and payment of the liability is generally less than one month, therefore, Creative New Zealand considers foreign exchange risk to be minimal. No forward contracts are entered into to hedge foreign currency risk exposure.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

Creative New Zealand's exposure to fair value interest rate risk is limited to its bank deposits, which are held at fixed rates of interest. The fair value interest rate risk is considered to be minimal.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate due to changes in market interest rates.

Creative New Zealand has no borrowings and has adopted a policy of holding short-term investments until maturity at a fixed rate. Therefore, the cash flow interest rate risk is considered to be minimal.

The interest rates for fixed term deposits at 30 June 2020 were ranging between 2.43% and 3.49% (2019: between 3.12% and 3.52%). Call deposits were invested at the official cash rate (OCR) of 0.25% at 30 June 2020 (2019: 1.50%).

Credit risk

Credit risk is the risk that a third party will default on its obligations to Creative New Zealand, causing Creative New Zealand to incur a loss.

Financial instruments, which potentially subject Creative New Zealand to risk, consist principally of cash, bank deposits and trade debtors.

Creative New Zealand is only permitted to deposit funds with the registered banks that have a high credit rating, as defined by the Crown Entities Act 2004. For its other financial instruments, Creative New Zealand does not have significant concentrations of credit risk.

Creative New Zealand's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and debtors and other receivables. There is no collateral held as security against these financial instruments.

Impairment

Cash and cash equivalents (note 10), receivables (note 12), and term deposit investments (note 11) are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

Credit risk exposure by credit risk rating grades, excluding receivables

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings:

	2020 \$000	2019 \$000
Counterparties with credit ratings*		
Cash and cash equivalents		
AA-	4,693	568
Investments in term deposits		
AA-	10,000	32,500
Total financial assets	14,693	33,068
Counterparties without credit ratings		
Debtors and other receivables		
Existing counterparty with no defaults in the past	16,440	10,147
Existing counterparty with defaults in the past	-	-
Total financial assets	16,440	10,147

*Credit rating refers to the counterparties' Standard and Poor's credit rating – an independent opinion of the capability and willingness of a financial institution to repay its debts. A rating of A and above indicates strong capacity to make timely payment.

Liquidity risk

Liquidity risk is the risk that Creative New Zealand will encounter difficulty raising liquid funds to meet commitments as they fall due. Creative New Zealand closely monitors its forecast cash requirements and maintains a target level of cash to meet liquidity requirements.

Contractual maturity analysis

The table below analyses the contractual cash flows for all financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date.

2020 (in \$000)	Carrying amount	Contractual cash flows	Less than 6 months	Between 6–12 months	Over 1 year
Payables and deferred revenue	326	326	326	–	–
Grants payable	19,054	19,054	19,054	–	–
2019 (in \$000)					
Payables and deferred revenue	637	637	637	–	–
Grants payable	16,048	16,048	16,048	–	–

25. Events subsequent to balance date

There have been no events subsequent to 30 June 2020 that materially affect these financial statements.

26. Conditional funding approved for out-years (unaudited)

Creative New Zealand enters into multi-year funding agreements with organisations in its Investment programmes. The future commitments resulting from these agreements are not audited. The agreed funding for out-years is conditional on client programmes and budgets being agreed within relevant timeframes, and any special conditions for the drawdown of funding being met.

Amounts granted under these multi-year agreements are expensed in the Statement of Financial Performance to the extent that they relate to the current financial year.

Some funding for specific projects may include milestones that must be met in order to draw down the grant. Grants with substantive conditions that have not been met as at 30 June are considered conditional and are not expensed in the Statement of Financial Performance at year-end.

	2020 \$000	2019 \$000
Conditional funding, payable in out-years:		
Not later than one year	31,834	82
Later than one year and not later than two years	29,318	–
Total funding commitments as at 30 June	61,152	82

The variance in the amount between 2020 and 2019 is caused by the timing of the multi-year funding contracts and the timing of funding decisions.

In July 2019, the Arts Council approved \$92.864 million of funding over the three financial years (2019/20: \$31.712 million, 2020/21: \$31.834 million and 2021/22: \$29.318 million) for our investment programmes (23 organisations in the Toi Tōtara Haemata programme and 57 organisations in the Toi Uru Kahikatea programme). The investment programmes represent about 60 percent of our investment in the arts sector.

Independent Auditor's Report

To the readers of Arts Council of New Zealand Toi Aotearoa's financial statements and performance information for the year ended 30 June 2020

The Auditor General is the auditor of Arts Council of New Zealand Toi Aotearoa (Creative New Zealand). The Auditor General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of Creative New Zealand on his behalf.

Opinion

We have audited:

- the financial statements of Creative New Zealand on pages 80 to 105, that comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of Creative New Zealand on pages 57 to 76.

In our opinion:

- the financial statements of Creative New Zealand on pages 78 to 105:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards ; and

- the performance information on pages 57 to 76:
- presents fairly, in all material respects, Creative New Zealand's performance for the year ended 30 June 2020, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 6 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of COVID-19 on Creative New Zealand. In addition, we outline the responsibilities of the Arts Council and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of COVID-19

Without modifying our opinion, we draw your attention to the disclosures about the impact of COVID-19 on Creative New Zealand as set out in notes 2 and 9 to the financial statements and pages 52 to 75 of the performance information.

Basis for our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those

standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Arts Council for the financial statements and the performance information

The Arts Council is responsible on behalf of Creative New Zealand for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Arts Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Arts Council is responsible on behalf of Creative New Zealand for assessing Creative New Zealand's ability to continue as a going concern. The Arts Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Creative New Zealand, or there is no realistic alternative but to do so.

The Arts Council's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in

accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to Creative New Zealand's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Creative New Zealand's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Arts Council.

- We evaluate the appropriateness of the reported performance information within Creative New Zealand's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Arts Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Creative New Zealand's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Creative New Zealand to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Arts Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Arts Council is responsible for the other information. The other information comprises the information included on pages 1 to 56, 77 to 89 and 106, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other

information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of Creative New Zealand in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in Creative New Zealand.



Rehan Badar

Audit New Zealand

On behalf of the Auditor General
Wellington, New Zealand

Statement of responsibility

For the year ended 30 June 2020

The Arts Council (the governing body of Creative New Zealand) accepts responsibility for the preparation of Creative New Zealand's financial statements and Statement of Performance, and the judgements made in them.

The Arts Council accepts responsibility for any end-of-year performance information provided by Creative New Zealand under section 19A of the Public Finance Act 1989.

The Arts Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Arts Council, the annual financial statements and the Statement of Performance for the year ended 30 June 2020 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council



Michael Moynahan
Chair, Arts Council of New Zealand Toi Aotearoa
1 November 2020



Caren Rangi ONZM
Deputy Chair, Arts Council of New Zealand Toi Aotearoa
3 November 2020



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