



ARTS COUNCIL OF NEW ZEALAND TOI AOTEAROA

 2019  
for the year ended 30 June

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## ANNUAL REPORT

### PŪRONGO Ā TAU

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PRESENTED TO THE HOUSE OF REPRESENTATIVES  
PURSUANT TO THE CROWN ENTITIES ACT 2004



In accordance with section 150(3) of the Crown Entities Act 2004, the Annual Report for 2018/19 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 2018/19 financial year – 1 July 2018 to 30 June 2019 – 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

31 October 2019

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

**Caren Rangi**

Deputy Chair, Arts Council

31 October 2019





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# Our Chair and Chief Executive review the year

Ngā tirohanga mai tō mātou  
tiamana, me te tumuaki nō  
tēnei tau

Every day, the arts inspire and delight us. They enable us to express ourselves creatively and help make sense of the environment we live in. The arts strengthen individual, whānau, community and societal wellbeing. Quite simply, they help create a better world.

We know from our research that New Zealanders value the arts. When we last asked in 2017, eight out of ten adults said they'd attended or participated in at least one arts event in the past 12 months. Over half of the country agreed that the arts help improve New Zealand society, that they contribute positively to the economy and help define who we are as New Zealanders.

In 2018/19, the arts continued to deliver value for New Zealanders across Aotearoa. Creative New Zealand's purpose is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders. We're delighted that our investment is delivering great art and growing public engagement with the arts, both locally and internationally.

## Our biggest year yet

In the year Creative New Zealand celebrates its 25th anniversary (and the Arts Council its 55th), we invested a record **\$47.974 million** directly in the sector through our funding, capability building and advocacy programmes.

The arts sector rose to the occasion, with New Zealand artists, arts practitioners and arts organisations creating and presenting an impressive array of high-quality works throughout the year.

As our investment has grown, our offering has expanded; as has the demand for funding. By way of context, we held 66 funding rounds in 2018/19 (25 percent more than we did in 2017/18) with a total of 2426 applications (a 41 percent increase on 2017/18). We've been able to meet this increased demand with about the same level of staffing and resources as the previous year, with decisions now all driven by external assessment which provides greater independence and artist-led decision-making.

**Our expanded offering saw a number of significant new initiatives developed in 2018/19, including the:**

- **Innovation Fund**
- **Toi Rangatahi Fund and the Northland Youth Arts and Capability Fund (with the Ministry of Youth Development).**

**Other achievements and activity included:**

- more than **2,600 high-quality New Zealand artworks** developed
- more than **266,000 participations** in projects or events funded by Creative New Zealand, with the majority of our Toi Tōtara Haemata and Toi Uru Kahikatea Investment programme organisations reporting an increase in New Zealanders actively engaging with their arts activities
- more than **2 million attendances** reported by arts organisations providing arts experiences across the country and across all artforms
- successful completion of **624 grants and other opportunities** (such as residencies and fellowships) by artists and arts organisations
- more than **\$10 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 territorial authorities, which awarded more than \$3.4 million to over 1,700 arts projects throughout New Zealand

- more than **\$1 million provided for capability building initiatives** for artists and organisations, covering areas such as audience and market development, strategy and governance, and arts sector development
- *Nui te Kōrero: Weaving the threads* (our key annual audience development gathering) was attended by over 210 members of the arts sector from across the country, with 90 percent of delegates finding it effective overall – strong Māori, Pasifika and youth perspectives contribute to the continued evolution of this event
- detailed planning for the **Festival of Pacific Arts and Culture 2020** in Hawai'i commenced, including selection of the artist delegation to represent Aotearoa
- we continued to build our relationships with other national arts councils, including developing a **new relationship with the National Arts Council of Singapore** through the New Zealand-Singapore Enhanced Partnership, with the first actions focusing on artistic exchange
- as part of our advocacy work, we **built our relationship with local government** – assisting with local arts strategy development and partnering with local government sector representative bodies
- when it comes to wellbeing, **we ranked 7th out of the 50 agencies in the Public Sector Reputation Index in 2018/19**. This result shows that our contribution to society and the wellbeing of New Zealanders is increasingly well understood. We'll continue to build on this by telling our own unique wellbeing stories to a wider audience.

## Setting our new direction

Alongside all of the above, the Arts Council has undertaken an ambitious direction-setting programme over 2018/19 to refocus the organisation for future success. The arts sector's generosity with its time, ideas and thinking – as we've developed our own – has improved these new directions immensely.

Our *Investment Strategy Te Ara Whakamua 2018–2023*<sup>1</sup> is now guiding our investment decisions. In line with the strategy, we've reviewed the Tōtara and Kahikatea Investment programmes and delivered the 2019 Investment funding round, with \$4.5 million in additional annual funding to go to organisations in the two programmes from 2020. We're also implementing the results of the Grants review and the review of the Creative Communities Scheme. As a result, additional funding has gone into both of these investment categories in line with the Investment Strategy.



We've also developed the *Pacific Arts Strategy 2018–2023*<sup>2</sup>, a first for Creative New Zealand. Delivery to this strategy has begun, with new leadership development opportunities in place and increased funding for Pacific arts (including for Pasifika-led organisations through the Tōtara and Kahikatea programmes).

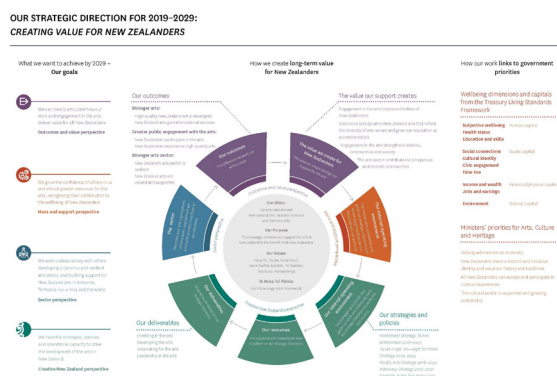
Our national strategy for ngā toi Māori, *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*<sup>3</sup>, is in effect and has been well-received by Māori artists and communities around the country since its launch at February 2019's Te Matatini festival. This strategy is guiding the way we're investing in, developing, advocating for and providing leadership around ngā toi Māori.

<sup>1</sup> Creative New Zealand (2018). *Creative New Zealand Investment Strategy Te Ara Whakamua 2018–2023*. Available at: [www.creativenz.govt.nz/Investment\\_Strategy\\_2018-2023](http://www.creativenz.govt.nz/Investment_Strategy_2018-2023)

<sup>2</sup> Creative New Zealand (2018). *Pacific Arts Strategy 2018–2023*. Available at: [www.creativenz.govt.nz/Pacific\\_Arts\\_Strategy](http://www.creativenz.govt.nz/Pacific_Arts_Strategy)

<sup>3</sup> Creative New Zealand (2019). *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*. Available at: [www.creativenz.govt.nz/maori-arts-strategy](http://www.creativenz.govt.nz/maori-arts-strategy)

Figure 1: Our strategic direction for 2019-2029:  
Creating Value for New Zealanders



## Working with others

The first stage of our *A Profile of Creative Professionals*<sup>4</sup> research, delivered in partnership with NZ On Air, was also completed and shared with the sector. This is the first significant research on sector working conditions in

Finally, our thanks go to the Arts Council and Creative New Zealand staff for their exceptional effort and dedication over the past year. We've achieved great things together, for the arts sector and for New Zealanders, and we look forward to experiencing more amazing, inspiring and challenging arts in the year ahead.

By working together we can grow the arts for everyone

*Melagato*

Stewart Wright

**Stephen Wainwright**  
Chief Executive  
Creative New Zealand

4 Colmar Brunton (2019). *A Profile of Creative Professionals*. Available at: [www.creativenz.govt.nz/creative\\_professionals](http://www.creativenz.govt.nz/creative_professionals)



# About Creative New Zealand

Creative New Zealand is the national arts development agency of Aotearoa. Our statutory purpose is to encourage, promote and support the arts in New Zealand, for the benefit of all New Zealanders.

We fund arts activity by New Zealand artists, arts practitioners and arts organisations, both within New Zealand and internationally. This is where most of the money we receive is spent.

We also support the development of artists and their practice, and help build the capability of arts organisations so that they can increase their audiences and markets.

Complementing our funding and development work, we advocate for the value of the arts to New Zealand – both to the public and to groups and organisations and to central and local government – and provide a leadership role to ensure that the arts sector is well positioned to respond to challenges.

## Our vision

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

Our vision describes our ambition for the arts and what we want to achieve.

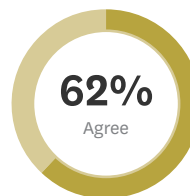
To us, dynamic New Zealand arts are bold, imaginative and not afraid to challenge or provoke their audience. They are created by a diverse group of artists, arts practitioners and arts organisations from around New Zealand, across a broad spectrum of artforms.

For our arts to be resilient, artists and arts practitioners need to be knowledgeable and skilful in their craft. Arts organisations need to be directed with expertise that ensures they can adapt to challenges and opportunities, and respond to the ways Aotearoa is changing. For the sector to be resilient, artists and arts practitioners must be able to maintain sustainable careers in the arts.

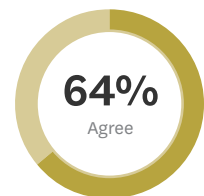
Arts that are valued improve the lives of New Zealanders, reflect the diversity of who we are and grow our reputation as a creative nation. They are high-quality creative expressions, whose creators are respected for their vision and passion.

One of the ways we measure the progress we're making towards our vision is through New Zealanders' views on, and engagement with, the arts. We seek these views every three years through our *New Zealanders and the arts* and *Audience Atlas New Zealand* surveys

### DYNAMIC

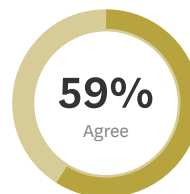


Overall, New Zealand arts are of high quality

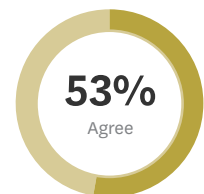


I learn about different cultures through the arts

### RESILIENT

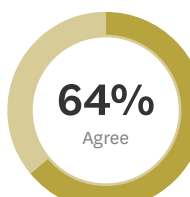


The arts contribute positively to our economy

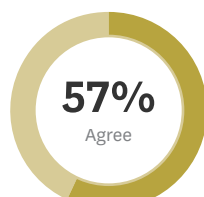


The arts should receive public funding

### VALUED



The arts should be part of the education of every New Zealander



The arts help improve New Zealand society

## Our purpose

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

Our purpose is our reason for being, as set out in the Arts Council of New Zealand Toi Aotearoa Act 2014.

Encouraging, promoting and supporting the arts effectively align with our three key deliverables:

- investing in the arts
- developing the arts
- advocating for the arts.

## Our values

Our eight values describe the actions and behaviours the arts sector, our partners and the public can expect from us as we work with them. They guide our conduct and decision-making.

**Mana Toi** – we champion the role of the arts and the contribution artists make to our lives.

**Tauīwi** – we recognise New Zealand’s distinctive cultural and social diversity and work to ensure arts opportunities for all.

**Mana Māori** – we recognise and support the role of Māori as tangata whenua in the arts.

**Mana Pasifika** – we recognise the arts of the Pasifika peoples of New Zealand.

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

**Te Taumata** – we set high standards for our work.

**Tauutuutu** – we are open, frank and respectful in our relationships.

**Manaakitanga** – we are welcoming and responsive to all.

## Te Waka Toi Pātaka – our Mātauranga Māori Framework

Our Mātauranga Māori Framework – *Te Waka Toi Pātaka* – enables a Māori worldview to guide how we work and how we make decisions.

Developed in 2018, *Te Waka Toi Pātaka* will guide how we deliver our outcomes, especially as they relate to ngā toi Māori.

*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.

*Te Waka Toi Pātaka* is included in *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*, available on our website<sup>5</sup>.

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<sup>5</sup> See Creative New Zealand (2019) on page 2, note 3.

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# THE YEAR IN REVIEW

## *TE TIROHANGA O TĒNEI TAU*

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Every day, the arts inspire and delight us. They enable us to express ourselves creatively and help make sense of the environment we live in. The arts strengthen individual, whānau, community and societal wellbeing. Quite simply, they help create a better world.

*Michael Moynahan, Chair, Arts Council*



## About this report

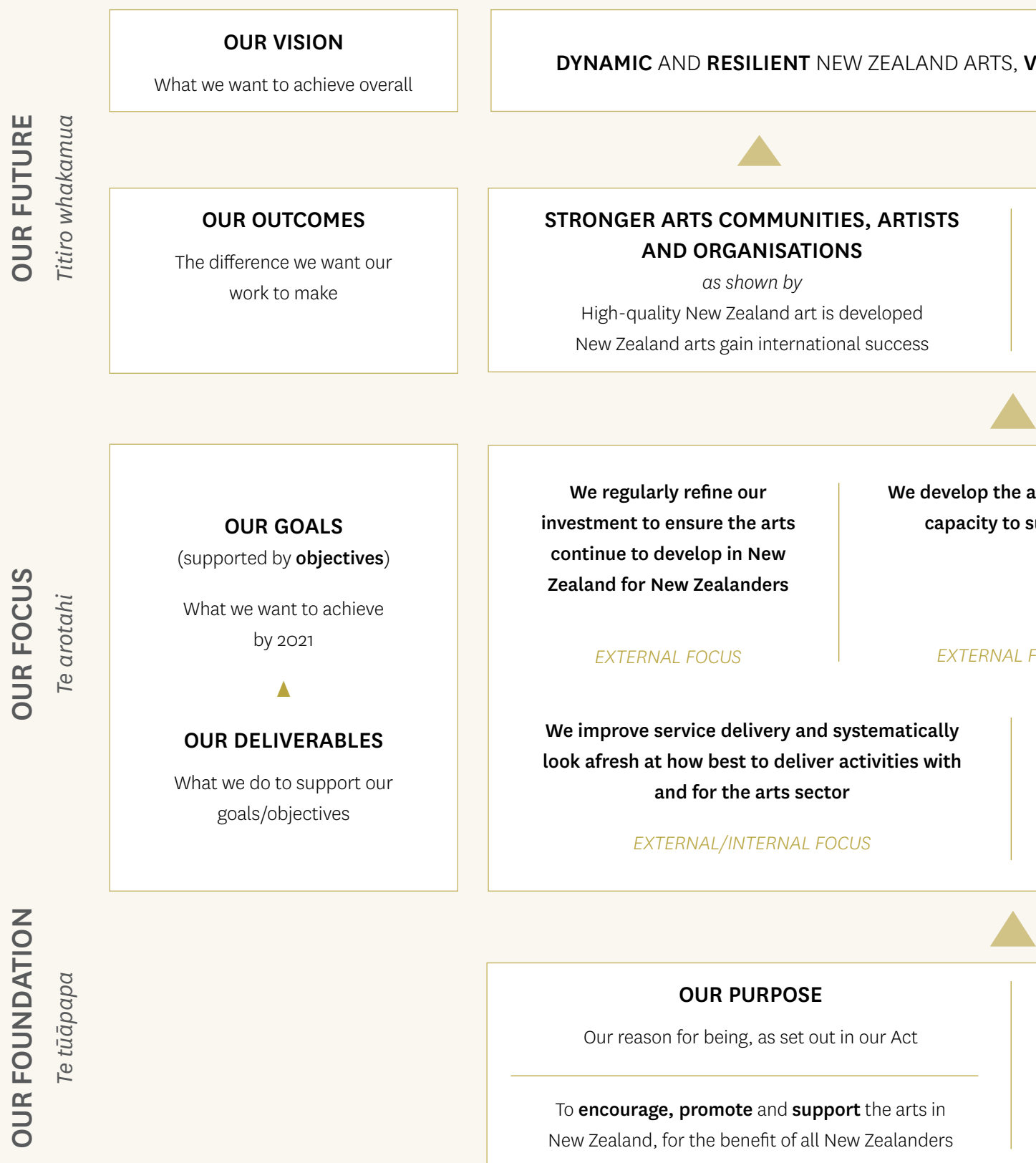
This annual report covers the 2018/19 financial year – 1 July 2018 to 30 June 2019 – and reports on:

- our year in review – a look at Creative New Zealand's achievements and those of the arts sector during the past year
- non-financial planning and performance – achievements against our outcomes, priorities and deliverables as set out in our Statement of Intent 2016–2021 and Statement of Performance Expectations 2018/19 and in figures 2 and 3 on pages 9-12
- trends in our funding delivery – how our funding has changed over time, across our outcomes and funding programmes, the distribution of funding across New Zealand and internationally, and across the artforms we fund
- financial performance – financial statements for the 2018/19 year and the notes to those statements.

Further information about Creative New Zealand's achievements for the year is available on our website:

[www.creativenz.govt.nz](http://www.creativenz.govt.nz)

Figure 2: Creative New Zealand's strategic direction 2016–2021



VALUED IN AOTEAROA AND INTERNATIONALLY



### GREATER PUBLIC ENGAGEMENT WITH THE ARTS

*as shown by*

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

Arts sector's  
succeed

We are a powerful advocate  
for the arts

FOCUS

EXTERNAL FOCUS

We become a more focused,  
higher-performing, learning organisation

INTERNAL FOCUS

### CULTURAL SECTOR VISION

New Zealand's distinctive culture enriches our lives



### CULTURAL SECTOR OUTCOMES

*Create:* Cultural and sporting activity flourishes in  
New Zealand

*Engage:* Engagement in cultural and sporting  
activities is increasing

*Preserve:* Our heritage can be enjoyed by future  
generations

*Excel:* Artists, athletes and organisations achieve  
excellence



### CULTURAL SECTOR PRIORITIES

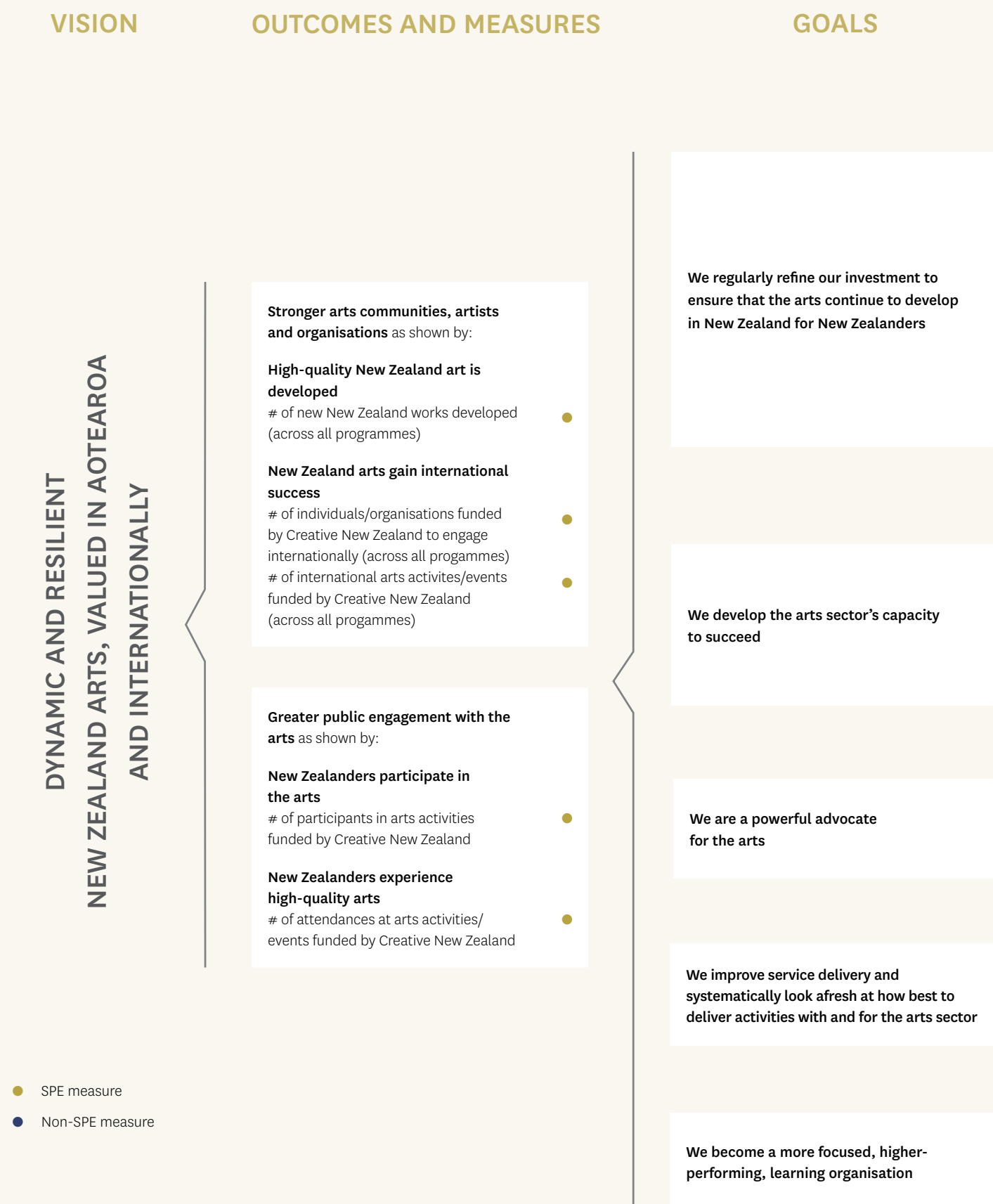
Fostering inclusive New Zealand identity  
Supporting Māori cultural aspirations  
Front footing transformative technology  
Improving cultural asset sustainability  
Measuring and maximising public value

### OUR VALUES

The core principles that guide our work

Mana Toi • Tauīwi • Mana Māori • Mana Pasifika • Mahitahi •  
Te Taumata • Tauutuutu • Manaakitanga

Figure 3: Our performance framework 2018/19





## DELIVERABLE AREAS AND MEASURES

### ANNUAL PRIORITIES

### CORE ACTIVITIES

#### INVESTING IN THE ARTS

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

Implementing the *Māori Arts Strategy*

Implementing the *Pacific Arts Strategy*

##### Investment programmes

% of investment organisations that meet or exceed expectations set in their funding agreements ●

% of investment organisations that meet or exceed expectations against KPIs set in individual funding agreements ('Investment programme success rate') ●

# of organisations in the investment programme: Tōtara and Kahikatea ●

##### Grants Investment Category

% of completed projects that meet/exceed expectations in funding agreements ●

# of grants awarded (Grants and special opportunities, and International programme) ●

# of grants awarded (Creative Communities Scheme) ●

% Project completion rate ●

#### DEVELOPING THE ARTS

Implementing the Innovation Fund

Implementing the Young New Zealanders in the Arts Toi Rongatahi Initiative

Developing an Arts in the Regions Initiative

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

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

% of capability building initiatives delivered to the sector that have met or exceeded our expectations ●

# of capability building initiatives delivered to the sector ●

#### ADVOCATING FOR THE ARTS

Developing new advocacy agendas with Māori, Pacific groups and local government

Boosting the impact of our research

% of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations ●

# of advocacy actions, including submissions on arts matters ●

#### IMPROVING SERVICE DELIVERY

Aligning our business practices with our investment intentions

Refining our systems

% of clients who are satisfied with the overall service received from Creative New Zealand ●

% of funding decisions made within timeframes ●

#### IMPROVING OUR ORGANISATION

Developing a cohesive learning and development framework

Embedding high performance in our new operating model

# Maintain or improve audit management ratings ●

% Improve on Best Workplaces Survey – overall performance index ●

\$ Maintain operating costs inline with agreed budgets ●

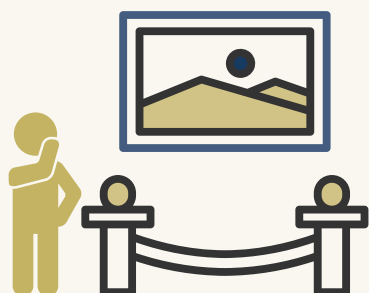
# Undertake internal review of process and policy against standards ●

## OUR YEAR IN NUMBERS



**2,115,212**

attendances at arts  
events supported by  
Creative New Zealand



**266,926**

participations in activities  
or events supported by  
Creative New Zealand

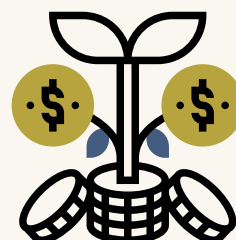


**16**

submissions made  
to central and  
local government

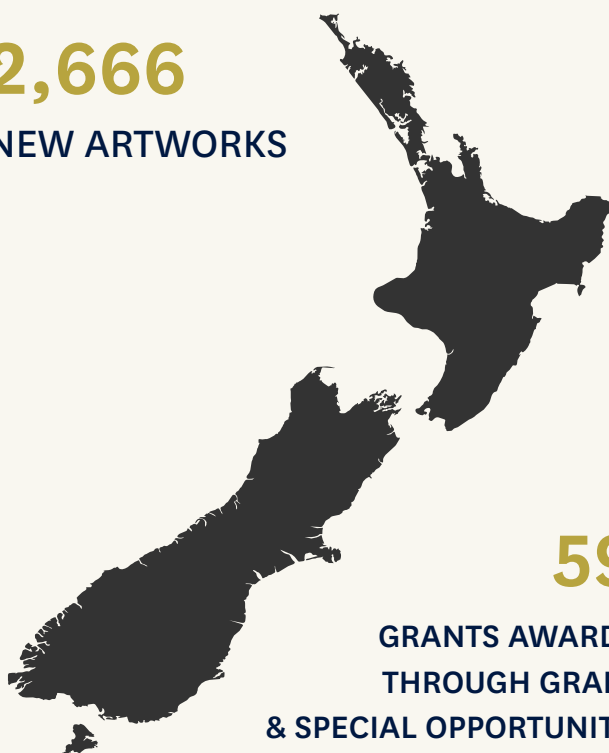
**\$48M**

in funding to the arts  
in Aotearoa



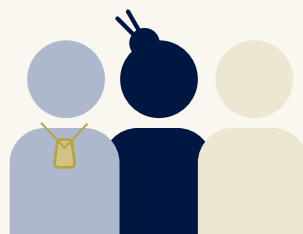
**2,666**

**NEW ARTWORKS**



**591**

**GRANTS AWARDED  
THROUGH GRANTS  
& SPECIAL OPPORTUNITIES**



**459**

New Māori works  
developed

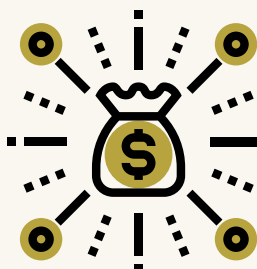


**171**

New Pasifika works  
developed

# \$27.3M

WAS AWARDED TO 91 TŌTARA  
AND KAHIKATEA ORGANISATIONS



## 57%

percent of our total investment

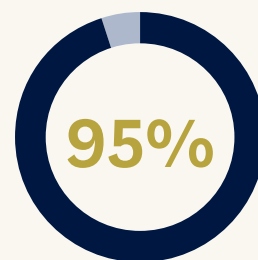
# 2,610

INTERNATIONAL  
ARTS ACTIVITIES

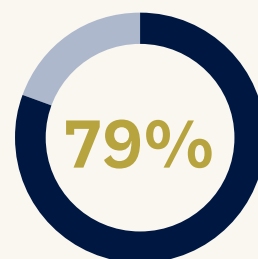


## 143

New Zealand artists and arts organisations  
funded to present internationally



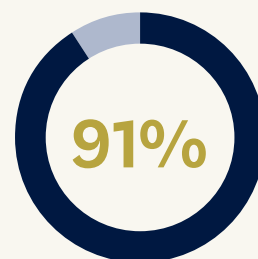
Tōtara and Kahikatea organisations met or  
exceeded expectations



of organisations participating in  
Capability Building Programme  
initiatives rated them as extremely or  
very effective or relevant



99%  
of completed projects  
met or exceeded  
expectations



Tōtara and Kahikatea organisations  
agreed or strongly agreed the Capability  
Building Programme responded to their  
needs and priorities

## Delivering to our strategic outcomes in 2018/19

Our outcomes are the foundation for our vision for **Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally**. Our outcomes describe the difference we want our work to make for the arts in New Zealand and how we want that to contribute to the wider cultural sector's vision and priorities:

### Our strategic outcomes

#### 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.

#### Greater public engagement with the arts

as shown by:

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

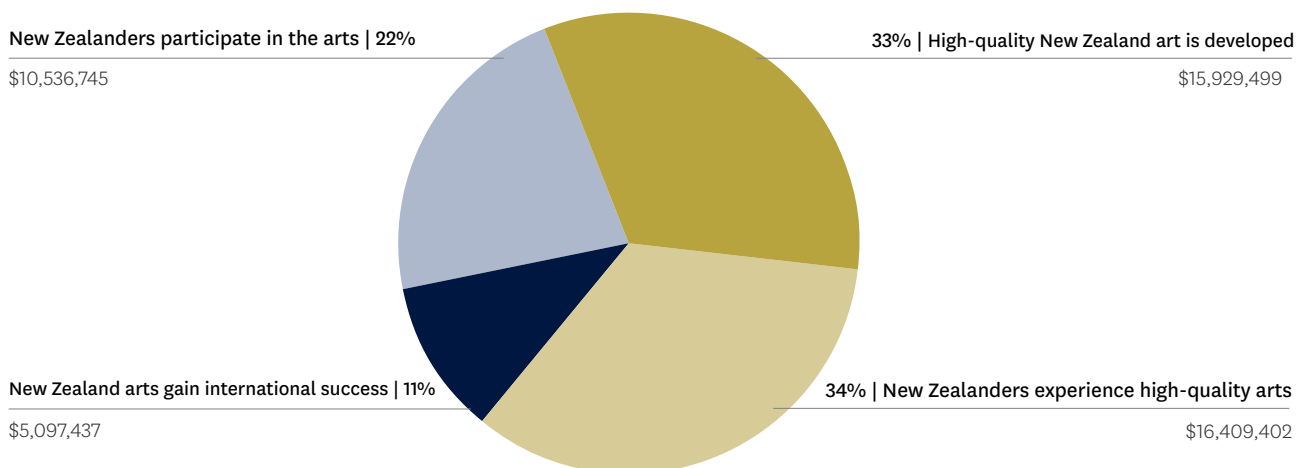
Engaging with the arts brings huge benefits to individuals and communities. These include personal health and wellbeing, the development of people skills, and bringing communities together to work on positive, creative projects.

Our outcomes guide all of our work, including how we assess applications to our funding programmes and the delivery of our development and advocacy initiatives. While investment across our outcomes shifts from year to year as artist demand for contestable funding fluctuates, a little over a half of our investment supports our outcome **Greater public engagement with the arts**, with the remainder supporting **Stronger arts communities, artists and organisations**.

We invested close to \$48 million in funding the arts in Aotearoa in 2018/19. Figure 4 shows the proportion of funding that supported each outcome in 2018/19 while our investment across outcomes for the period 2014/15 to 2018/19 is available on page 50.

We're proud of what we have achieved for the arts in 2018/19. The highlights are presented overleaf, with further stories and reporting available on our website and in the Statement of Non-Financial Performance in Section Three, pages 58-74.

Figure 4: Creative New Zealand expenditure 2018/19 (excluding operating costs)





## Outcome: Stronger arts communities, artists and organisations

Our achievements on pages 17-20 under this outcome are supported by our three aspirational strategies and their shared focus on strengthening artists and their practice in New Zealand, in the following ways.



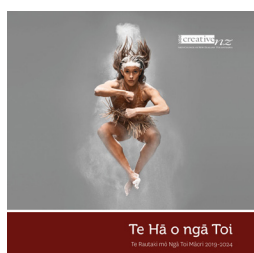
### Investment Strategy Te Ara Whakamua 2018–2023

#### Diversity and reach:

- Investment that supports innovation in New Zealand arts practice.
- Investment in the development of New Zealand arts, in New Zealand and internationally.

#### Resilient arts sector:

- Investment that supports capability and capacity building in organisations and the arts sector for long-term benefit, including ways of working and new models of value creation that drive resilience.
- Investment that demonstrates relevance to current and changing communities.

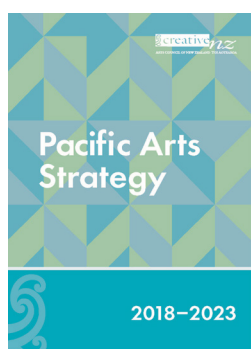


### Te Hā o ngā Toi — Māori Arts Strategy 2019–2024

#### More Māori practitioners working across the arts:

- Opportunities for career/practice progression and capability building.
- Wider range of work and career development opportunities at home and abroad.

- More opportunities for ngā toi Māori career and practice development.



### Pacific Arts Strategy 2018–2023

#### Outcomes for:

- Pacific arts are bold and dynamic, and have a big impact on the lives of the people they touch.
- Pacific arts are nurtured and nourished through a connected, resilient Pacific arts community in Aotearoa.

#### Focus areas of:

- **TAGATA:** Pasifika artists and arts practitioners are resourced to develop their practice and deliver outstanding work.
- **VAKA:** Pacific arts groups, collectives and organisations are supported to help lead and grow Pacific arts in Aotearoa.
- **VA:** An innovative and networked Pacific arts environment exists, so that Pacific arts are strengthened for future success.
- **MOANA:** Meaningful connections, across Aotearoa, Oceania and globally, ensure that Pacific arts are further enriched.

## High-quality New Zealand art is developed

Dynamic arts are at the core of our vision for the arts in New Zealand. Investing in high-quality art is important; these are the tangible works that help develop artists' practice, challenge, provoke and delight New Zealanders, create national and global conversations and reflect our humanity.

In 2018/19, we committed to developing and strengthening artistic work, and to developing artists' practice. We invested \$15.9 million (33 percent) of our total investment in the arts in 2018/19 to support artists, arts practitioners and arts organisations to develop their artforms, and improve the quality of their work and their artistic skills and capabilities. We also supported opportunities for them to experiment, be innovative and take risks. Work across all of our deliverables contributes directly to this outcome.

### Achievements and activity in 2018/19:

The 2,666 new New Zealand works developed with Creative New Zealand support was an increase of 788 new works on the 2017/18 total. Our Investment organisations played a vital role in supporting this outcome, through their leadership, talent development and support for innovation and artistic risk. The 368 new works developed through their mahi during this period, excited and engaged audiences throughout New Zealand.

Through our Grants Investment category, 624 projects across all artforms were completed by artists and arts organisations, resulting in 2,298 new New Zealand works. Changes to the Grants investment category in April 2019, in line with our *Investment Strategy Te Ara Whakamua 2018–2023*, will encourage increased focus on the development of arts practice and innovation in New Zealand arts from 2019/20.

Creative New Zealand's 2017 research, *New Zealanders and the arts*, found growing support among New Zealanders for ngā toi Māori and an increased appetite for high-quality ngā toi Māori events.<sup>6</sup> Within the total number of new New Zealand works developed in 2018/19, 459 Māori works were developed along with 171 Pacific works. In 2019/20, we'll continue to work to advance ngā toi Māori and Pacific arts through supporting Māori and Pasifika artists and arts practitioners to better develop their practice and careers.

Each year we celebrate excellence and innovation in the arts through our support for awards across a range of artforms. For example, in 2018/19 we supported some of the most talented exponents of their artforms at the Te Waka Toi Awards, Arts Pasifika Awards, the Prime Minister's Awards for Literary Achievement, the Ockham New Zealand Book Awards, and the New Zealand Book Awards for Children and Young Adults. Exciting works by our artists and arts organisations in 2018/19 are detailed overleaf, in Section Two of this report and on the Creative New Zealand's website.

2,666

New Zealand works  
supported

171

New Pasifika works  
developed

459

New Māori works  
developed

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<sup>6</sup> Colmar Brunton (2018). *New Zealanders and the arts: Attitudes, attendance and participation in 2017*.

## Working On My Night Moves

Artists Julia Croft and Nisha Madhan have developed a new solo theatre work *Working on my night moves*, recognised nationally and internationally for its boundary-pushing innovation. *Working on my night moves* is the third in a trilogy of feminist works, following on from *If There's Not Dancing At The Revolution, I'm Not Coming* (2015) and *Power Ballad* (2017). It investigates what a feminist future would look like, and explores the complexities of gender politics and strategies for the future.

Creative New Zealand has supported this work at numerous stages of its development. Croft initially received support to research the work through Magnetic North Rough Mix Residency, funded by Creative New Zealand, and further developed it during a residency at Battersea Arts Centre, London. In 2018/19, Creative New Zealand supported the development and presentation of the work through a Quick Response Grant and Arts Grant, and its presentation at the 2019 Edinburgh Festival through the International Initiative Presentation Fund.

*Working On My Night Moves* shows Croft and Madhan's commitment to pushing the boundaries of theatre to challenge the relationship between performer and audience. The show was part of Basement Theatre's Visions programme and was recently awarded the 2019 Total Theatre and Cambridge Junction Award for Physical/Visual Theatre at the Edinburgh Festival.

**Artform** – Theatre

**Location** – Auckland, Edinburgh

**Funding** – Quick Response Grants, \$7,500; Arts Grants \$43,733; International Initiative Presentation Fund \$28,570



*Working On My Night Moves*, Julia Croft.  
Photography: Andi Crown.

## New Zealand arts gain international success

Three quarters (74 percent) of New Zealanders feel proud when New Zealand artists do well overseas.<sup>7</sup> Our support helps New Zealand artists and arts organisations to develop international audiences and expand the reach of their work onto the global stage.

This in turn helps them increase their income and develop their practice in the international arts environment. It also promotes New Zealand and its arts to international audiences.

### Achievements and activity in 2018/19:

In 2018/19, we invested \$5 million (11 percent of our total investment in the arts) in international arts development and presentation work and cultural and artform exchanges. Our investment supported 143 New Zealand artists and arts organisations to present internationally and funded 2,610 international arts activities and events in more than 18 countries (figure 5).

Highlights include Dane Mitchell's *Post Hoc* at the 58th International Art Exhibition – La Biennale di Venezia, the *Oceania* exhibition in London and Paris (page 20), Julia Croft's achievements with support through the International Initiatives Presentation Fund (page 23), and the solid growth in on-going collaborative projects between artists, practitioners and arts organisations from New Zealand and Asia. The latter includes Java Dance Company, who collaborated with festivals in Korea and China to create versions of their work *Back of the Bus* with local artists and producers. Further support for this priority in 2018/19 was provided by the International Capability Building programme.

Through our international market development work, we continued to seek long-term engagement with the international arts community including bringing in important overseas presenters, agents, curators and collaborators. Key international influencers from across artforms visited New Zealand through the *Te Manu Ka Tau* programme in 2018/19, to experience New Zealand arts in their local context and expand the reach of our work onto the global stage. Numerous invitations were extended to our artists, including Silo Theatre presenting *Peter and the Wolf* at the 2019 Singapore International Arts Festival

Figure 5: Countries that Creative New Zealand has presented in



<sup>7</sup> See Colmar Brunton (2018) page 17, note 6.



in May, the New Zealand Dance Company presenting three performances of its programme *TIME* across three European venues, and curator Yung Ma inviting FAFSWAG Collective to screen the FAFSWAG: Vogue! series at the Centre Pompidou in Paris, France.

Creative New Zealand's International team delivered a one-day symposium in Auckland focused on the performing arts sector, providing them with tools to thrive in Asia. Registrations exceeded expectations by 42 percent, with 85 attendees in total. Some 75 percent of attendees gave the event an overall rating of either 'excellent' or 'very good'.

Participants learned about emerging trends in Asia, tips on how to prepare for strategic arts markets in Asia, the fundamentals of doing business in the region and how to negotiate cross-cultural business relationships. International speakers from China and Singapore provided local intelligence on trends, programming priorities and platforms to target. New Zealand film and business sectors experts on Asia were also invited to share their insights with the arts community. A coaching clinic was also held the following day for practitioners to have one-on-one meetings with the Singaporean delegation present.

Stories about exciting international work by our artists and arts organisations are on the Creative New Zealand's website.

## Oceania

In October 2018, the Royal Academy of Arts in London opened Oceania, an exhibition of art and culture from Polynesia, Melanesia, Micronesia and Aotearoa. Oceania was the United Kingdom's first major exhibition of Māori and Pacific culture in almost a century, and included around 200 works spanning more than 500 years. The exhibits then travelled to Musée du quai Branly in Paris for the first half of 2019.

The Ministry of Foreign Affairs & Trade supported Oceania, and Creative New Zealand supported 10 contemporary visual artists from Aotearoa to have their work included in the exhibition – Mark Adams, Yuki Kihara, Mata Aho Collective, Fiona Pardington, Michael Parekowhai, John Pule and Lisa Reihana. There was also a programme of writers to showcase New Zealand's literary talent alongside the exhibition. Māori writers Witi Ihimaera, Paula Morris and Tina Makereti and Pasifika poets Karlo Mila and David Eggleton took part in a programme of activity in London, including three public events.

Associate Minister for Arts, Culture and Heritage Hon Carmel Sepuloni attended the exhibition opening and said the exhibition was a powerful opportunity to build dialogue. "By sharing our knowledge, history and context, the pathway is paved for a better international understanding of who we are and our place in the world. We need this to occur if we are going to grow the global duty of care to our Pacific region in relation to the challenges we all face", said Minister Sepuloni.

Oceania attracted 135,555 visitors over 73 days, which is the equivalent of 1,857 daily visits. Engagement was also high online, with 260,000 views of the video content produced for the exhibition.

**Artform** – Visual art, Pacific arts, Ngā toi Māori

**Location** – London, Paris

**Funding** – International \$170,000



*Oceania exhibition.*

*Photography: David Parry, Royal Academy of Arts.*

## Outcome: Greater public engagement with the arts

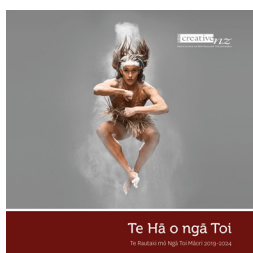
Our achievements on pages 23-25 under this outcome are supported by our three aspirational strategies and their shared focus on increasing public engagement with the arts, in the following ways.



### Investment Strategy Te Ara Whakamua 2018–2023

#### 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 under-represented communities.
- Investment that engages 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.



### Te Hā o ngā Toi — Māori Arts Strategy 2019–2024

#### All New Zealanders experience ngā toi Māori:

- Communities outside the main centres have access to ngā toi Māori.
- New Māori infrastructure models emerge and are supported to grow participation and experiences.
- More opportunities to experience ngā toi Māori.



### Pacific Arts Strategy 2018–2023

#### Outcomes for:

- Pacific arts reach, inspire and are valued by more people and communities, everywhere.

#### Focus areas of:

- **TAGATA:** Pasifika artists and arts practitioners are resourced to develop their practice and deliver outstanding work.
- **VAKA:** Pacific arts groups, collectives and organisations are supported to help lead and grow Pacific arts in Aotearoa.
- **VA:** An innovative and networked Pacific arts environment exists, so that Pacific arts are strengthened for future success.
- **MOANA:** Meaningful connections, across Aotearoa, Oceania and globally, ensure that Pacific arts are further enriched.

## New Zealanders participate in the arts

Participation in the arts brings huge benefits to individuals and communities. The term 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.

Eighty percent of New Zealanders surveyed in 2017 either attended or participated in the arts in the 12 months prior.<sup>8</sup> Benefits include personal health and wellbeing, the development of people skills and bringing communities together to work on positive, creative projects.

### Achievements and activity in 2018/19:

We invested \$10.5 million in this outcome over the last year (22 percent of our total investment in the arts). More than 266,000 participations in projects or events were reported in 2018/19, a small increase of 3,938 on 2017/18.

Creative New Zealand Tōtara and Kahikatea organisations reported a successful year with 64,241 participations through their arts activities. This increase is mostly attributable to the focus of some organisations on young people.

Other artists and arts organisations reported 32,277 participations where people were actively involved in the making or presentation of art, including projects that brought together people of all ages (page 23) and across a range of artforms and arts practices. This included communities celebrating, practising and transmitting their diverse artistic traditions and cultural heritage, and developing links within communities that improve cross-cultural understanding.

The 1,596 Creative Communities Scheme projects completed in 2018/19 resulted in 170,427 reported participations, exceeding the targeted 160,000 participations.

The Young New Zealanders in the Arts Toi Rangatahi Initiative, introduced in 2019, provided investment through three funds (Participation, Engagement, and Leadership). The funds aim to support young New Zealanders to value, access, and participate in the arts, with a focus on under-represented communities. The 20 projects supported in 2018/19 include workshops, performance, exhibitions, street arts and mentoring, across all artforms. Activity also covered regional centres including Waikato, Northland and Hawke's Bay.

Diversity and reach will continue to be our focus throughout 2019/20. A new Arts in the Regions initiative will be introduced in 2019/20 and will broaden our reach of the arts and increase investment to under-represented communities around New Zealand. Stories about participation in the arts are available on the Creative New Zealand's website.



<sup>8</sup> See Colmar Brunton (2018) on page 17, note 6.



## Suffrage 125 Banner

Dunedin artist Janet de Wagt worked with Heritage New Zealand to create a series of workshops that produced hand-stitched banners to celebrate the 125th anniversary of women's suffrage in New Zealand.

The workshops were held in historic places around the country and brought together people of all ages. Artists, craftspeople, children and other participants took part, eager to be a part of history.

The banners have now been stitched together into seven large banners, and hang in the building that was the centre of Government activity in 1893.

The individual components of the Suffrage banners incorporate embroidery, weaving, spinning and even elements like camellias made from harakeke (flax); camellias being the symbol of women's suffrage in New Zealand. The banners also include some family heirlooms like lacework and other taonga donated by participants, linking them to women of past generations.

"The banners are an artistic representation of the extraordinary social movement that ultimately saw New Zealand becoming the first country in the world to grant women the right to vote,"

- Pam Bain, Heritage New Zealand Pouhere Taonga Director Regional Services

De Wagt has undertaken a number of community arts projects and the banners are another example of her ability to create works that draw many individuals together, providing opportunities for more New Zealanders to participate in the arts.

**Artform** – Craft/object, community arts

**Location** – Dunedin, Wellington

**Funding** – Quick Response Grants, \$7,500



*Suffrage 125 Banners at Parliament.  
Photography: Simon Hoyle.*



## New Zealanders experience high quality arts

Audiences are vital to a vibrant arts sector. Seventy-three percent of New Zealanders surveyed in 2017 attended at least one arts event or location in the previous 12 months.<sup>9</sup> We support the arts sector so New Zealanders can experience the arts, giving them access to diverse artistic experiences. When New Zealanders gather together to appreciate the arts of Aotearoa, it helps maintain the vibrancy and vitality of those arts.

### Achievements and activity in 2018/19:

We invested \$16.4 million in this outcome over the last year (34 percent of our total investment in the arts) and an increase of more than \$2 million on 2017/18. This investment supported artists and arts organisations to provide arts experiences across all artforms throughout the country, supporting diversity and reach in the arts.

Overall, 2,115,212 attendances were reported across Creative New Zealand programmes in 2018/19. Investment organisations reported 1,174,084 audience attendances at their works, up 15 percent on the previous year. Other artists and arts organisations reported 941,128 in audience numbers, exceeding the year's target. Audiences attended works across all artforms, with theatre, music and multi-disciplinary events and activities attracting more than half of all audience numbers reported (1,339,789 attendances).

We know that geographic location impacts arts engagement in New Zealand. The 33 initiatives provided through the Capability Building Programme this year created opportunities for artists, arts practitioners and arts organisations to address identified needs and undertake research that can be used to analyse and respond to trends in New Zealanders' attendance at arts events.

We supported opportunities for artists, arts producers and presenters to tour work outside of the main centres through a range of funds and initiatives, including the Māori Arts Presentation Fund and the new Toi Rangatahi Engagement and Participation funds (page 17).

Reach was a key focus as we reviewed our funding programmes in 2018/19 in line with our *Investment Strategy Te Ara Whakamua 2018–2023*, *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*.

Following the Tōtara and Kahikatea Investment programme funding rounds in 2019, investment has been confirmed that will engage new audiences nationally. Changes to the Grants Investment category in April 2019 will see increased project funding to New Zealand artists, arts practitioners and arts organisations that will enable opportunities for diverse communities to access and participate in high-quality arts experiences.

More stories of New Zealanders experiencing the arts are on Creative New Zealand's website.

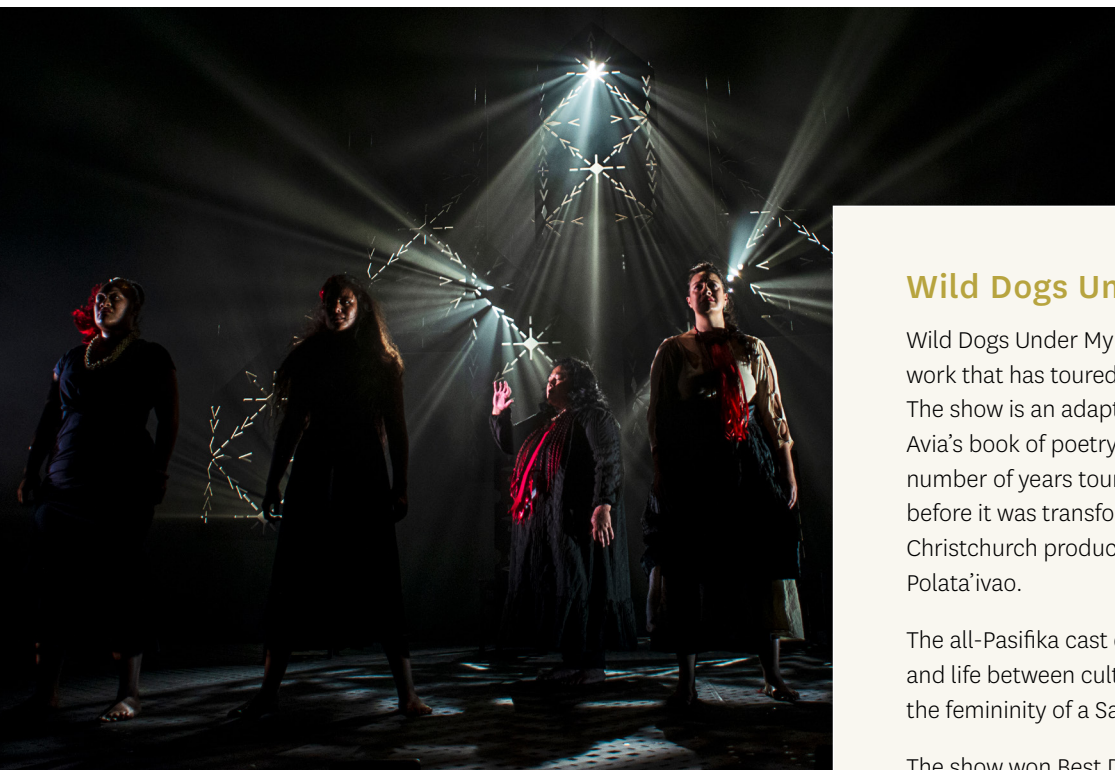


Cuba Dupa 2019.  
Photography: Oliver Crawford.

<sup>9</sup> See Colmar Brunton (2018) on page 17, note 6.

## Section 1:

The year in review



*Wild Dogs Under My Skirt, a co-presentation between Silo Theatre, Auckland Arts Festival and Victor Rodger. Photography: Raymond Sagapolutele.*

### Wild Dogs Under My Skirt Tour

Wild Dogs Under My Skirt is a multi award-winning theatre work that has toured in New Zealand and internationally. The show is an adaptation of Christchurch poet Tusiata Avia's book of poetry by the same name. Avia spent a number of years touring this work as a solo performance before it was transformed into a six-woman show by Christchurch producer Victor Roger and director Anapela Polata'ivao.

The all-Pasifika cast explores power, racism, love, abuse and life between cultures, while celebrating island life and the femininity of a Samoan woman.

The show won Best Director, Best Production and Best Lighting Design at the 2018 Wellington Theatre Awards, and was presented as part of Auckland Arts Festival, New Zealand Festival, and Christchurch Arts Festival.

Creative New Zealand has provided several grants to support the work since its production at the Mangere Arts Centre in 2016. Most recently, we provided a Quick Response grant to tour the work to the 2018 Hawke's Bay and Nelson Arts Festivals. Regional arts festivals provide New Zealanders with the opportunity to experience a broad range of shows, and are a vital platform for delivering high-quality arts to New Zealanders.

Wild Dogs Under My Skirt is set to be one of three New Zealand theatre shows to hit New York stages in 2020, and will be shown at the critically acclaimed off-Broadway theatre SoHo Playhouse. "All three are humanising plays that show how performance art can truly bring the world together," said SoHo's artistic director Darren Lee Cole.

**Artform** – Theatre, Pacific Arts

**Location** – Nelson, Hawke's Bay

**Funding** – Quick Response Grants, \$7,500

## Our deliverables for 2018/19

We're proud of the work we've accomplished, both internally and with our partners, that contributes to our outcomes of Stronger arts communities, artists and organisations and Greater public engagement with the arts in 2018/19.

To achieve our outcomes, we worked on three core deliverables for the sector: **Investing in the arts**, **Developing the arts** and **Advocating for the arts**.

Most of our work is delivered through **Investing in the arts** (figure 6) via our main funding programmes, with \$44 million invested in 2018/19. The *Investment Strategy Te Ara Whakamua 2018–2023* acts as an umbrella for all our work, including our key deliverables. As detailed throughout this report, the strategy is guiding changes in:

- the level of investment across investment categories and/or programmes, as our investment becomes more responsive to the changing face of the arts sector and New Zealand
- programme design
- the kinds of initiatives we undertake
- how funding proposals are prioritised or assessed.

We invested \$2.9 million in **Developing the arts** for artists and arts organisations in 2018/19. This included initiatives – both national and international – delivered through the Capability Building Programme, with the assistance of our

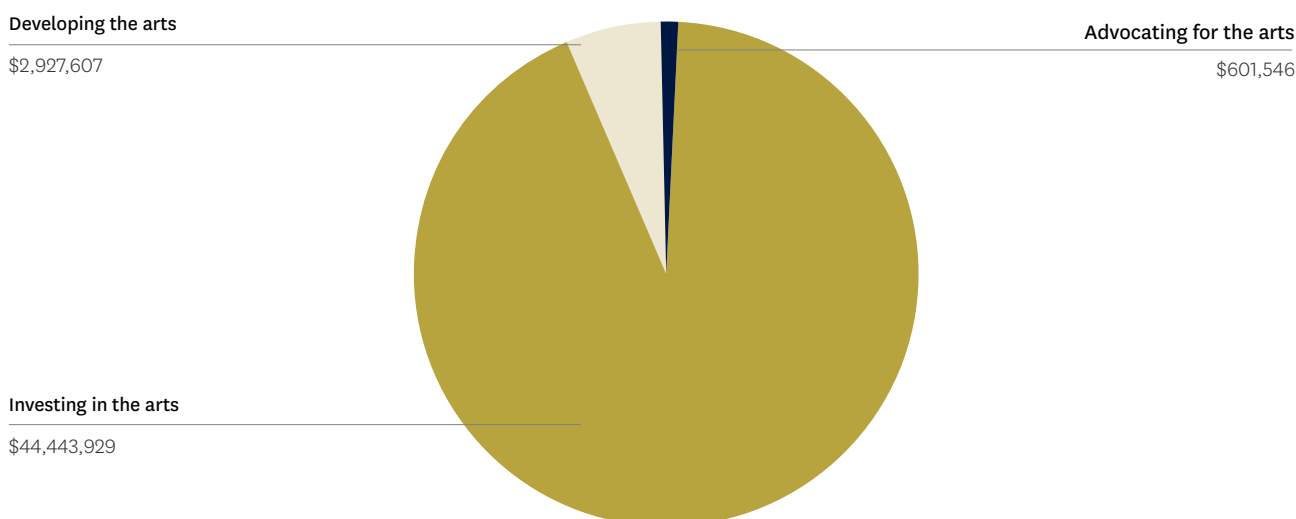
partners. These initiatives created opportunities for arts practitioners and arts organisations (mainly our Tōtara and Kahikatea organisations) to address capability needs in areas such as digital, governance, volunteer management, fundraising and revenue generation, financial skills and diversity in the arts. Further support was provided through initiatives and pilots with a focus on development.

In 2018/19, \$601,546 was spent directly on **Advocating for the arts**, with much of this work being delivered through existing programmes and resources. While this is a decrease on the previous year (2017/18: \$863,382) and represents 1 percent of our total arts sector investment for the period, it 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.

Two further deliverables, **Improving service delivery** and **Improving our organisation**, do not have a fixed sum allocated but are reported within Creative New Zealand's operating costs. Our investment across our deliverables for the periods 2014/15 to 2018/19 is available below.

An overview of our activities and achievements under our deliverables is set out on pages 27–36. Further information on our work is available in our *Statement of Intent 2019–2029* and *Statement of Performance Expectations 2019/20*. Information about all our programmes is available on our website.

Figure 6: Creative New Zealand expenditure 2018/19 (excluding operating costs)







## Investing in the arts

Providing financial assistance to artists, arts practitioners, arts organisations and their projects

### ACTIVITY IN 2018/19

#### Toi Tōtara Haemata and Toi Uru Kahikatea Investment Programmes

- \$27.4 million was awarded to 91 Tōtara and Kahikatea organisations in 2018/19, 57 percent of our total investment in the arts. Tōtara and Kahikatea organisations were critical to delivering to our strategic outcomes, with 95 percent of those organisations meeting or achieving expectations for overall organisational performance in 2018/19.
- In 2018/19, we reviewed the Tōtara and Kahikatea Investment programmes in line with our *Investment Strategy Te Ara Whakamua 2018–2023*. The following changes will occur as a result of decisions made in the 2019 Investments round:
  - \$4.5 million in additional annual funding to organisations in the Tōtara and Kahikatea Investment programmes.
  - Funding for Māori-led organisations will increase 39 percent, from 2018 funding of \$2.34 million to \$3.24 million for 2020.
  - Funding for Pasifika-led organisations will increase 68 percent, from 2018 funding of \$1.37 million to \$2.31 million for 2020.
  - The number of organisations working toward building a resilient arts sector has increased by 35 percent (approximately 20 organisations). This includes building sector capability, organisational capability and working with new models.

#### Grants: Arts Grants, Quick Response Grants and Special Opportunities

- 591 grants, totalling \$10.121 million were awarded through the Grants Investment category, with 99 percent of projects completed in the period meeting or exceeding expectations. The average grant was \$17,126, up from \$14,621 in 2017/18. The works supported under this category in 2018/19 included:
  - Arts Grants projects, including the Toi Ake fund and Kava New Leaders Grants, and the Toi Rangatahi Engagement and Participation Funds for young people and under-represented communities.
  - Quick Response grants, including through the Toi Tipu Toi Rea Emerging Māori Artists Fund, Toi Tuarangi, Tohunga Tukunga Mentoring Fund for Māori artists, and the Moana Community Grants fund focusing on outcomes for Pasifika artists and communities.
  - Special opportunities including awards, residencies, bursaries and scholarships. Stories on artists' achievements as a result of Grants funding are available on our website.
- In 2018/19, we reviewed the Grants programme and implemented the results of the review in line with our *Investment Strategy Te Ara Whakamua 2018–2023*. This resulted in new programme purposes and increases in available funding, including support for ngā toi Māori and Pacific arts.

### Creative Communities Scheme

- Each year Creative New Zealand provides funding to city and district councils to distribute to local arts projects in their area. Territorial authorities supported 1,766 Creative Communities Scheme projects to a value of \$3.447 million in 2018/19, exceeding the target for the year. In December, as part of the review of the Creative Communities Scheme, the Arts Council approved changes to the Scheme's funding formula to enhance delivery of the Scheme in smaller communities. It was also agreed to increase Pacific peoples' representation on the local panels for Scheme applications.

### International Programme

- \$2.394 million was invested through the International Programme in 2018/19 to support the presentation of art, touring and cultural exchange in more than 18 countries (refer figure 5). The Programme connects high-quality artists with global markets and audiences and contributes directly to our outcome element New Zealand arts gain international success. While the 58th International Art Exhibition – La Biennale di Venezia, the Oceania exhibition and Edinburgh Festivals were priority events in the period, the Focus on Asia programme provided many exciting opportunities throughout the year (page 19).

### Initiatives and Pilots

- \$3.069 million was invested in initiatives and pilots in 2018/19. Initiatives and pilots are developed from time-to-time to enable Creative New Zealand to drive and support change and development, pilot new ideas and enable experimentation. In 2018/19, initiatives included support for the Innovation fund, Internships (Māori, Pacific and publishing), the Auckland Diversity Fund, the Māori Arts Presentation Fund and the Arts Philanthropy and Partnership Programme.

# \$44,443,929

## Invested in the arts

Stories on our artists and organisations achievements this year are available on our website:

[www.creativenz.govt.nz/news-and-blog](http://www.creativenz.govt.nz/news-and-blog)

Performance against our 2018/19 measures is reported on pages 62-65, with further information on trends in our funding delivery on pages 49-56. Further achievements for the year are included in a snapshot of arts practice across all programmes in 2018/19 on pages 37-48.



## Developing the arts

Helping arts organisations and individual artists and practitioners develop their skills and capability

### ACTIVITY IN 2018/19

#### Overall programme performance

- \$1.053 million was invested through the Capability Building Programme in opportunities for artists and arts organisations (targeted at our Tōtara and Kahikatea organisations) to develop their skills and capability in 2018/19. Further capability building support was provided through a number of initiatives and pilots in 2018/19 (page 52) and through international market development initiatives (see overleaf).
- 79 percent of organisations participating in Capability Building Programme initiatives rated them as extremely or very effective or relevant (up from 74 percent in 2017/18).
- 91 percent of Tōtara and Kahikatea organisations (in the programme) agreed or strongly agreed that the Capability Building Programme responded to their needs and priorities (up from 83 percent in 2017/18).

#### Audience and market development

- We built arts organisation capability in understanding and applying audience insights to increase audience engagement, offering Audience Atlas: Turning Insight into Action workshops in Auckland, Wellington and Christchurch. Ninety-five percent of workshop attendees found them to be effective or very effective at providing insights into arts audiences in their region.

#### Internships

- An internal review of the Internship programmes (Māori, Pasifika and publishing) in 2018/19 showed the programmes have been successful, particularly with regard to supporting sustainable employment in the arts and cultural sector, addressing arts infrastructure gaps, and empowering a new generation of Māori and Pasifika arts leaders. Over five years, 50 new emerging arts and cultural practitioners have benefited from the programmes.

#### Strategy and governance

- A new governance recruitment and training programme, On Board the Arts, was launched to help grow and diversify the available pool of arts governors and to upskill organisations on good governance practice.

#### Arts Philanthropy and Partnerships Programme

- We supported arts organisations to diversify their income, offering the Partnership Incentive Fund for the third consecutive year. The majority of successful applicants (nine out of 11) have used the Fund to attract new sponsors or donors, who are investing a total of \$65,000 into the arts.

### Nui te Kōrero: Weaving the Threads

- *Nui te Kōrero: Weaving the Threads*, our key annual leadership conference, was attended by 210 delegates representing arts organisations and supporters across New Zealand. The theme of the conference was reflected in the whakataukī chosen: Tuia te muka kōrero, kia u ki te hinengaro me te ngākau o te tāngata (*Weave the thread of language into the minds and hearts of the people*). This year's conference had a particular focus on examining why relevance in the arts is important, and how partnerships within and outside of the arts sector can provide a platform for change. It also focused on key findings from the *New Zealanders and the arts*<sup>10</sup> research, and how the arts and cultural sector can respond to the challenge of providing access and equity to quality arts experiences to all New Zealanders, regardless of gender, age or location.
- 90 percent of delegates surveyed found this year's *Nui te Kōrero* effective. Delegates said they were challenged to consider their organisation's relationship with tangata whenua and are excited by the possibilities of greater understanding and partnerships.

*Nui te Kōrero: Weaving the Threads 2019.*  
Photography: Mark Tantrum.

# 90%

of delegates found  
Nui te Kōrero effective

Stories on our artists and organisations' achievements this year are available on our website:

[www.creativenz.govt.nz/news-and-blog](http://www.creativenz.govt.nz/news-and-blog)

Performance against our 2018/19 measures is reported on pages 66-68 with further information on trends in our funding delivery on page 53. Further achievements for the year are included in a snapshot of arts practice across all programmes in 2018/19 on pages 37-48.



<sup>10</sup> See Colmar Brunton (2018) on page 17, note 6.



## Advocating for the arts

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

### ACTIVITY IN 2018/19

#### Developing new advocacy agendas with Māori

- We developed a strong relationship with Callaghan Innovation to explore how we can increase the visibility of innovation within ngā toi Māori (customary and contemporary practices).
- We're an active member of the Ngā Kaihautu Forum (comprising Crown and Crown-funded cultural agencies' senior Māori leaders).
- Development of a Memorandum of Understanding with Te Matatini Kapa Haka Aotearoa is underway.
- Ngā toi Māori-focused stories and pānui featured across our communications channels, to improve communication and visibility of opportunities related to ngā toi Māori nationally and internationally.

#### Developing new advocacy agendas with Pacific groups

- Significant progress was made around identifying and advancing new relationships in the Pacific arts space. These included relationships with the Queensland Art Gallery and Gallery of Modern Art, with a view to a new curatorial residency.
- Existing relationships with the Ministry of Pacific Peoples, the Ministry of Foreign Affairs & Trade and Massey University were strengthened and developed.
- A new partnership with Leadership NZ was formed, specifically to place two Pasifika artists in both their general leadership programme and a new Mana Moana Pasifika leadership programme.

#### Developing new advocacy agendas with local government

- We successfully sponsored the 2018 Local Government New Zealand Conference (LGNZ) and made strong headway in helping LGNZ reconfigure the Conference to a wellbeing focus, particularly around cultural wellbeing. For the July 2019 conference, we sponsored the EXCELLENCE Award for Cultural Wellbeing and built a dynamic arts experience into the Conference's cultural wellbeing workshop (delivered by Barbarian Productions).
- We presented to the LGNZ Rural & Provincial Group on the value of the arts, the importance of cultural wellbeing and the potential to grow the partnership between Creative New Zealand and LGNZ.
- We attended Te Maruata (Māori elected members group) hui and presented at Te Maruata's sector conference in July 2019. An area of particular interest moving forward is cultural wellbeing and greater presence of ngā toi Māori in local government long-term plans.

#### Boosting the impact of our research

- Our main research focus for 2018/19 was *A Profile of Creative Professionals*, new research that took a significant look at career conditions in the sector (in partnership with NZ On Air; page 32).



### Increasing the quality and volume of arts education

- We worked closely with the Ministry for Culture & Heritage and Ministry of Education to develop a new Creatives in Schools programme, which was announced as part of the Wellbeing Budget 2019 (a \$7.157 million investment over four years). The programme will partner professional artists, or creative practitioners, with schools and kura to foster new creative learning experiences for students.

### Greater understanding of the artistic workforce and the issues they face

- We completed an arts sector remuneration survey, working with our Tōtara and Kahikatea Investment clients, and shared the high-level survey findings with organisations and the wider sector.
- We released the results of *A Profile of Creative Professionals* research, in partnership with NZ On Air. Results included data on total income (including both creative and non-creative income), training, means of support and wellbeing from close to 1,500 people working in creative professions. Following on from the Profile research, we released a discussion document to the sector in August 2019 which will help inform our next steps in advancing the mahi on sustainable careers.

### Mana Māori: Understand and value Māori culture as part of the distinctive identity of Aotearoa

- As we implement *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* we're promoting the great value of te reo, mātauranga and tikanga Māori across a number of strands of our work: looking at ways the cultural sector can support greater visibility and value of te reo with the Ngā Kaihautū forum, increasing opportunities for rangatahi leadership through key platforms such as the Festival of Pacific Arts and Culture; and supporting the development of Māori arts leadership through new ngā toi Māori professional development opportunities.



## LGNZ

sponsored the EXCELLENCE  
Award for Cultural Wellbeing

2019 LGNZ Conference & EXCELLENCE Awards.  
Photography: Jeremy Hill.



## Advocating for the arts

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

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### ACTIVITY IN 2018/19

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**Mana Pasifika:  
Actively build  
Pacific arts  
infrastructure  
and gather wider  
support for Pacific  
arts**

- We provided advocacy support for matters raised by the arts community as we began implementing the *Pacific Arts Strategy 2018–2023*, including the development of a Creative New Zealand Pacific Engagement Plan. The planned Pacific Engagement Plan was re-conceptualised and developed as the Teu Le Va ('Adorn the Space') Plan. This will be activated in 2019/20, with a particular focus on youth-friendly collateral and digital engagement.

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**The arts connect  
with, reflect  
and empower  
our diverse  
communities**

- We successfully launched the Community Arts Toolkit in July 2018, with strong engagement through our website and on social media (including more than 3,300 total views of all Toolkit videos on YouTube).

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**The arts are seen  
as a core part of  
social wellbeing  
and our national  
identity**

- We advocated for the need to properly explore the interface between the social and cultural sectors, for the greater benefit of New Zealanders. This mahi has included providing input on a number of projects, including creative spaces research and involvement in the formation of Te Ora Auaha, the Creative Wellbeing Alliance of Aotearoa.

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**Arts and culture  
become a core part  
of New Zealand  
tourism**

- We worked with NZ Story Group to look at how ngā toi Māori, Māori artists and creatives, and Mātauranga Māori can be presented internationally as part of the New Zealand story.
- We made a submission on the Aotearoa New Zealand Government Tourism Strategy, to highlight the importance of the arts to New Zealand's future tourism directions. Our submission was well-received by the arts sector with comments/endorsements from 80 organisations.

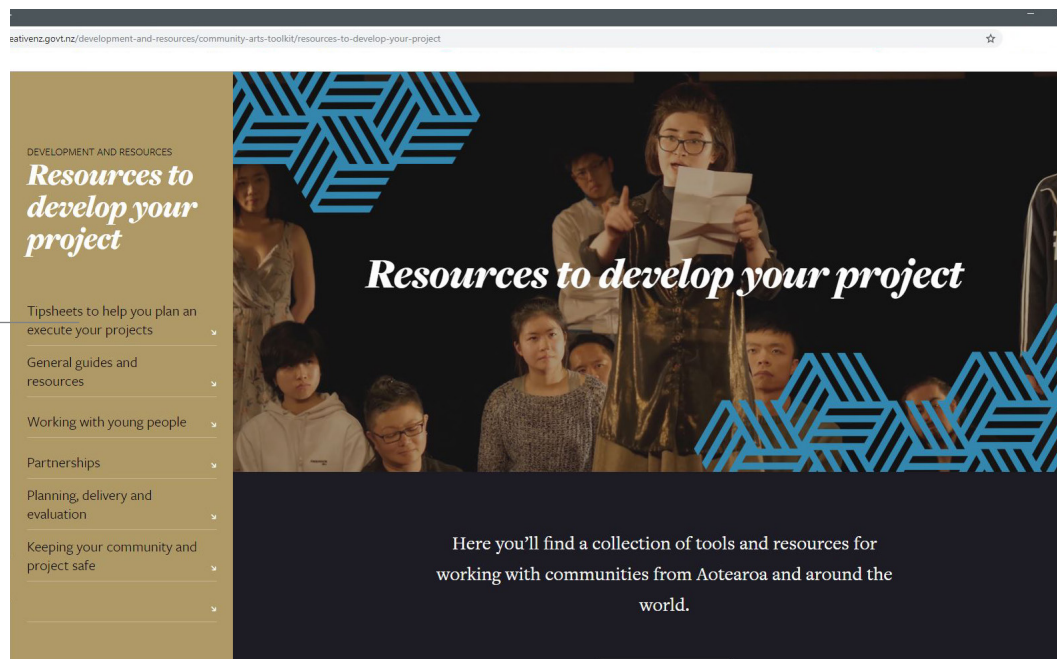
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**Greater  
cooperation from  
funders solidifies  
arts funding and  
reduces volatility**

- We advanced our advocacy work in Christchurch as one of four major partners in Toi Ōtautahi, the new first-of-its-kind partnership arts strategy for the city, developed with Christchurch City Council, Christchurch NZ and Rātā Foundation, alongside mana whenua, the local arts sector and other supporters.

3,300

Total views of all Community Arts Toolkit videos on Youtube



#### Tautokohia te Mana o Ngā Toi (Supporting the Status of the Arts)

- We confirmed the structure of a new Creative New Zealand Advocacy team to accelerate our advocacy work, with positions to be filled in 2019/20.
- Sixteen submissions were made to central and local government agencies, on a wide variety of topics. These included submissions on regional arts strategies (eg, Hawke's Bay, Whanganui) as well as major government workstreams of relevance to the sector (eg, Reform of Vocational Education, Review of the Copyright Act 1994 Issues Paper, the Maihi Karauna strategy for Māori language revitalisation, and the Aotearoa New Zealand Government Tourism Strategy).
- We also continued our advocacy around the role of the arts in enhancing positive mental health and wellbeing, including on the release of the Government Inquiry into Mental Health and Addiction report in December 2018.
- We've continued to develop our relationship with creative industries body WeCreate, and provided input on an action plan for the creative industries which will be implemented in 2019/20.

More stories on our advocacy work this year are available on our website:

[www.creativenz.govt.nz/news-and-blog](http://www.creativenz.govt.nz/news-and-blog)

Performance against our 2018/19 measures is reported on pages 69-70 with further information on trends in our funding delivery on page 53. Further achievements for the year are included in a snapshot of arts practice across all programmes in 2018/19 on pages 37-48.

## Health and wellbeing in advocacy

Health and wellbeing has been central to Creative New Zealand's advocacy work in 2018/19. Following our submission to the *Inquiry into Mental Health and Addiction: Oranga Tāngata, Oranga Whānau* in June 2018, we have continued to advocate for the value of arts and culture on New Zealanders' health and wellbeing. We focused on support for the introduction of arts prescription schemes, and for creative spaces to sustain and grow their services for people all around Aotearoa.

"We are calling on policy and decision-makers to formally recognise the contribution the arts make to wellbeing and a better functioning community. This approach will serve us well as we all take the first steps towards a more fitting and sustainable approach to mental health in Aotearoa."

- Arts Council Chair Michael Moynahan,  
New Zealand Herald

Following the publication of the 40 recommendations from the Inquiry, Arts Council Chair Michael Moynahan published an opinion article in the *New Zealand Herald* and was interviewed for an article on The Big Idea website to support this advocacy work.

We also made submissions on the *Ageing Population Strategy*, developed by the Office of Seniors. These submissions have drawn on the growing body of research relating to the contribution of the arts to both the mental and physical wellbeing of individuals, and to the social cohesion of communities. This wider research includes evidence around the arts helping young people to gain confidence, increasing social cohesion and educational outcomes, and maintaining physical and mental fitness and dexterity.

In addition to our direct advocacy, we hosted the launch of *Te Ora Auaha: Creative Wellbeing Alliance Aotearoa*, a national network committed to addressing wellbeing issues in New Zealand through the arts and creativity.

We look forward to developing this work further as health and wellbeing becomes one of the two focus areas for our Advocacy Action Plan 2019/20.

## Improving service delivery

Continuing to improve the way in which we deliver services to the arts sector, including focusing on what we're best placed to deliver.

How we deliver our services is critical. In recent years, we've worked to make things simpler for our customers and clients when they engage with us (eg, in our funding applications, our contracting and our reporting requirements). The continued development of our grants management system is the main means for achieving this.

Unlike our funding spend (ie, investing, developing and advocating), no fixed sum is allocated towards **improving service delivery**. At \$8.920 million, Creative New Zealand's 2018/19 operating costs are increasing as we develop more specialist capability and capacity within the organisation. This is allowing us to deliver better services to those we interact with, as well as to make greater use of external advice in our funding and decision-making processes.

Our performance against our 2018/19 measures is reported on pages 71-72.

### Activity in 2018/19:

We continued to align our systems and processes with the outcomes of our Investment Strategy category review's:

- We completed the Investment category reviews scheduled for 2018/19 (page 62), along with the necessary system changes to implement the review results.
- We began work refining our systems to be able to implement the *Pacific Arts Strategy* and *Te Hā o ngā Toi—Māori Arts Strategy* (pages 63-64).
- We aligned our funding programme dates/schedules for improved service delivery.

We continued to refine our systems, so as to improve service delivery and operational efficiency:

- Online reporting on project outcomes and contract deliverables is now live for all Investment and Grant programmes in the grants management system. International and Capability Building programmes that fit with our standard reporting templates are also now online, and work is underway to transfer the remaining programmes with bespoke reporting requirements online by the end of 2019/20.

- We developed a standardised set of activity reporting guidelines, clarifying reporting requirements for artists.
- We also replaced our legacy finance system in order to improve operational efficiency and increase transparency.
- We continued to refine our independent external peer assessment to inform decision-making on funding and development opportunities.
- Our new strategic direction – *Creating value for New Zealanders* – includes a focus on the way in which we deliver services to the arts sector, including focusing on what we're best placed to deliver.

### 2019/20 focus:

- Developing service standards, by 30 June 2020.
- Completing the website and web portal development project, by 30 June 2020.

## Improving our organisation

### Improving the way we operate as New Zealand's national arts development agency

Along with **Improving service delivery**, this area focuses on how we can carry out our work better. It has a particular focus on us as an organisation, rather than directly delivering services to our artists and organisations. As with **Improving service delivery**, no fixed sum is allocated towards Improving our organisation.

Our performance against our 2018/19 measures is reported on pages 73-74.

### Activity in 2018/19:

We relocated Creative New Zealand's Wellington office to new premises in Allen Street, with more collaborative spaces for working with the sector and positioned closer to many arts organisations' home-bases.

We began work on developing a cohesive learning and development framework:

- This work included the first-stage development of a leadership competency framework to help clarify skills, behaviours and competencies expected of staff.
- While competencies incorporating Māori and Pacific responsiveness will be developed as *Te Hā o ngā Toi*—*Māori Arts Strategy* and the *Pacific Arts Strategy* are

implemented, we continued to grow staff capability in areas that are critical to success, including Māori and Pacific responsiveness (eg, our first staff noho marae was held in February 2019).

We embedded high performance in our new operating model:

- We provided a more cohesive approach to learning, including improved recruitment and targeted training so that people in new roles are confident and well-equipped for success.
- We communicated our values (page 5) – the behaviours our artists, organisations, partners and stakeholders can expect from us as we work with them.
- The Funding Services team was expanded, to better serve increased demand from our customers.
- The structure of the new Advocacy team was confirmed, with positions to be filled in 2019/20.
- Work continues on a new Business Intelligence reporting tool ensuring staff can better use the information we hold to inform their work.
- Improvements to our formal assessor training programme were made, including updating assessor resources.
- The annual staff engagement survey was carried out to ensure staff have a voice in improving our organisation.

### 2019/20 focus:

- Further 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.

## A snapshot of arts practice in 2018/19

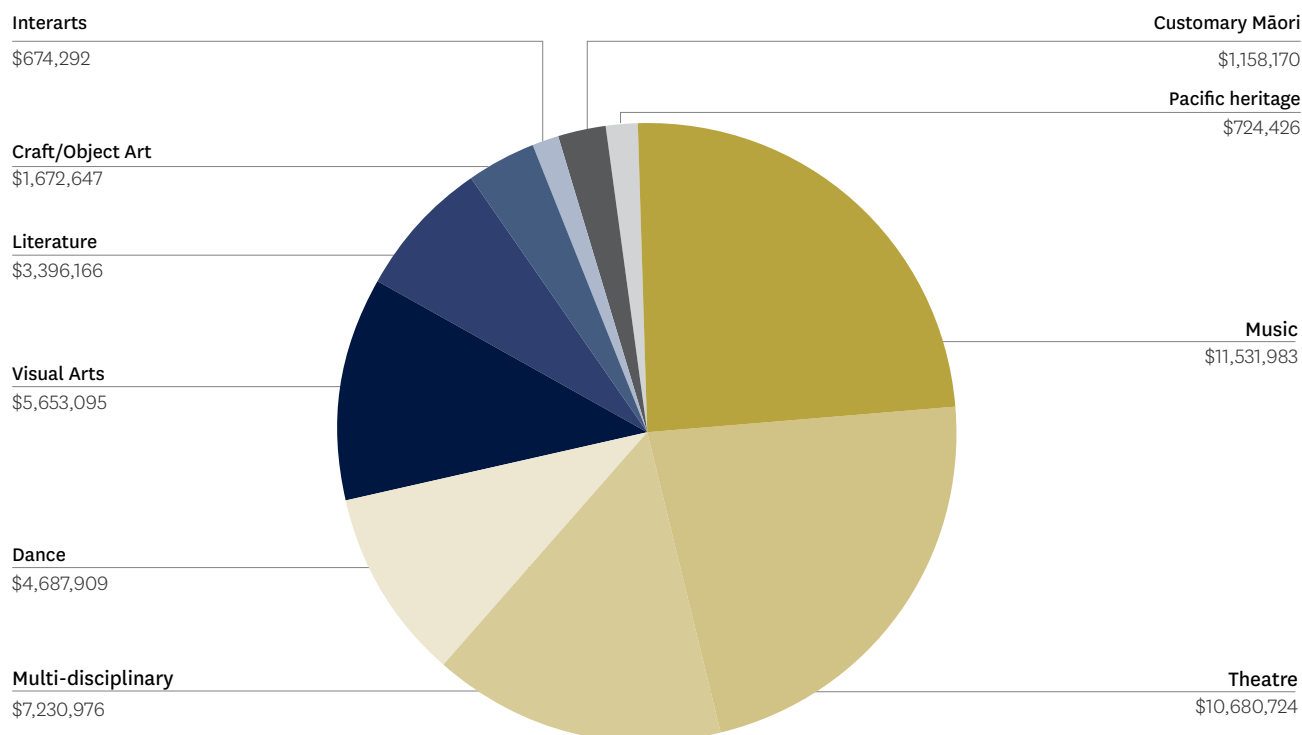
Our central kaupapa could not be achieved without strong relationships across and beyond the arts sector. Our artists, organisations, public and private investors and partners make a vital contribution towards our vision of dynamic and resilient New Zealand arts.

Our Arts Practice Directors work with artists, practitioners and arts organisations to understand the landscape of artform practice in New Zealand. This allows us to recognise and respond to how Aotearoa is changing, including increasing diversity, the role of iwi and Māori, the need to deliver to under-represented communities, the effects of technology, and the emergence of alternative funding sources (such as crowd funding).

Our \$48 million investment in the arts in 2018/19 was spread across all forms of arts practice: craft/object, dance, interarts, literature, multidisciplinary, music, ngā toi Māori, Pacific arts, theatre and visual arts. Figure 7 below presents Creative New Zealand's distribution of funding across these artforms in 2018/19.

On pages 43-53, we've provided a snapshot of our artforms along with an overview of support for arts for young New Zealanders and community arts, and how these contributed to our outcomes and the broader arts sector in New Zealand in 2018/19. While overviews for interarts and multidisciplinary arts are not covered, a summary of our support for festivals is included and examples of our support for these practices can be found on our website.

Figure 7: Investment by artform, 2018/19







*Tira, Auckland Arts Festival. Photography: Eu-Lee Teh, courtesy of Auckland Arts Festival 2019.*

## Festivals

Arts festivals provide a vibrant platform for presenting artworks to audiences, and provide New Zealanders with the opportunity to experience a diverse range of shows, including some with challenging subject matter or those outside their typical range of tastes. Annual or biennial arts festivals can now be found in most regions of New Zealand, along with iwi festivals and cultural events. There are multidisciplinary arts festivals the length and breadth of New Zealand, from Upsurge in the Bay of Islands to the Southland Arts Festival in Invercargill.

We play a role in ensuring that key festivals have the funds to present the best New Zealand arts and artists to their communities, to commission new work and to facilitate community engagement. Currently there are six festivals in the Tōtara and Kahikatea Investment programmes.

Recently, there's been a radical re-think in the delivery models of some of the well-established arts festivals around the country. The New Zealand Festival is changing from one Artistic Director to engaging three guest curators and, in October 2019, we welcome the inaugural Te Tairāwhiti Arts Festival in Gisborne.

Auckland Arts Festival's Whānui project (focused on local participatory community arts projects) was further developed this year through new initiative Toitū Toitū. In partnership with Te Taura Whiri, this initiative uses the arts to promote and champion the everyday use of te reo

Māori. This included plays in te reo Māori, bilingual signage and programming material, as well as fluent speakers as ambassadors to help connect with non-speakers.

In addition to their role in the development of new New Zealand works, festivals also contribute to the mobility and longevity of work by supporting touring. The festivals sector operates a network in partnership with local venues and organisations, such as Tour-Makers and Arts on Tour NZ. They use their strong international connections to promote New Zealand work and actively participate in our Te Manu Ka Tau programme, by hosting overseas presenters and making performances available to them.

Alongside programmed arts festivals, there are open-access festivals or 'fringe festivals'; in particular, in Wellington (NZ Fringe), Dunedin and Auckland. The inaugural Rotorua Fringe Festival took place in April 2019. Kia Mau and Measina Arts Festivals support Māori and Pasifika work, with Kia Mau also having strong international links and collaborations. In November 2018, Black Grace launched The Guerrilla Collection, a Pacific arts festival exploring the future of Auckland in 30 years' time.

We'll continue to support festivals' important roles around presenting diverse work to audiences in their local communities, and promoting New Zealand work by fostering international relationships.

## Music

The power of music as an essential element for the universal health and wellbeing of humanity is confirmed in international research findings, and evidenced by the large number of New Zealanders who attended and participated in a broad range of music activities across the year.

Music continues to have a comparatively large market in New Zealand, with established infrastructure. Our investment has continued to support diverse forms and genres including classical and contemporary music, band music, chamber music, choral music, jazz and improvised music, opera, orchestral music, popular music, sound art, 'world' music, and traditional and contemporary Māori and Pasifika music. In 2018/19, we supported 18 organisations through our Tōtara and Kahikatea Investment programmes to a total of \$9,404,210.

New projects supported through Arts Grants include a 2018 tour by band Alien Weaponry to Europe, and a new work project by composer Salina Fisher. In addition, a number of youth projects were supported, including Virtuoso Strings Charitable Trust which received \$65,000 through the new Toi Rangatahi Participation Fund.

The orchestral sector delivered strong programmes of work for their audiences and communities. Highlights included Christchurch Symphony Orchestra's return to the upgraded Town Hall in March 2019, with an audience in excess of 5,000 to celebrate the occasion, and more than 290,000 enjoying the Auckland Philharmonia Orchestra's live performances. We also note strong regional delivery from Dunedin Symphony Orchestra, Orchestra Wellington and Orchestras Central.

International success was enjoyed by touring organisations, including the New Zealand String Quartet which returned to markets in Canada and Europe, and NZ Trio which toured to China and Australia. In the choral world, Voices New Zealand choir toured to Europe with taonga puoro artist Horomona Horo, taking our stories and music to six destinations including major concert houses in Hamburg, Berlin, London and Barcelona. The group also presented a newly commissioned work by New Zealand composer Victoria Kelly at the official WW100 commemorations in Le Quesnoy, France. The London

concert was recorded and broadcast by the BBC to hundreds of thousands of people.

Opportunities for classically trained musicians to further their post graduate studies internationally continued to be in high demand. Music scholarships were awarded to five outstanding young performers and composers to study in Europe and the United States.

New Zealanders had access to live opera productions in regions and main centres. Highlights included a production of Leonard Bernstein's *Candide*, a major collaboration between New Zealand Opera and Auckland Arts Festival.

Music participation levels remained high for children and young people, who were supported and encouraged through activities including the New Zealand Choral Federation's national Kids Sing and Big Sing programmes, Project Prima Volta's music and opera programmes for young people in the Hawke's Bay, the orchestra sector's instrumental and youth orchestra programmes including Sistema Aotearoa, Arohanui and Virtuoso Strings programmes, and the New Zealand String Quartet's annual Adam Summer School for chamber music. Te Ahi Kaa, a string quartet comprising young Māori musicians from Whangarei, won Chamber Music New Zealand's NZCT Chamber Music Contest in 2018.

Māori and Pasifika artists including Moana Maniapoto, Maisey Rika, Ria Hall, Rob Ruha, the Modern Māori Quartet and Teeks were in high demand in national touring circuits, and featured across arts festival and orchestral programmes.

Many music organisations and artists are maximising social media platforms and attracting international audiences. Digital strategies continue to be cemented into organisations' strategic approaches, contributing to audience development and reaching new audiences for our recorded music.

The coming year looks positive for the music sector with delivery of health and wellbeing outcomes across age groups and diverse cultural communities from around New Zealand, via live, recorded, streamed and participatory activities. New Zealand music, with all of its unique cultural influences, will continue to capture the attention of international audiences and be valued for its freshness and innovation.



## Literature

Literature captures the stories of our culture, history and identity, and enables its readers to see from new perspectives. Most New Zealanders say they read for relaxation and enjoyment, choosing from a wide range of genres and styles. In 2018/19, the styles, subjects and formats of New Zealand literature continued to broaden, from graphic novels and creative non-fiction, to speculative fiction and spoken word poetry.

Over the past year publishers (traditional and online), festivals, touring programmes and book awards presented literature to a diverse range of audiences throughout the country and the world. Creative writing programmes taught students both young and old. An increasing number of residencies – including more dedicated to Māori and Pasifika writers – gave writers from diverse genres space to develop work. There was increased visibility and opportunities for Māori, Pasifika, Asian and LGBTQIA+ writers. However, there is still room to increase opportunities for writers and publishers from New Zealand's many diverse communities. Attendances and presentation opportunities at major literature festivals in Auckland and Christchurch grew further, and new smaller festivals launched, including Words Will Work in South Auckland and the crime fiction focused Rotorua Noir.

Across this period, our literature funding totalled \$3.4 million, up from \$2.9 million in 2017/18. Eighteen literature organisations were supported through our Investment programmes. New Zealand writers remained in high demand abroad. Twenty-seven New Zealand writers attended 17 different festivals or other overseas opportunities in seven countries over the past year, with support from the International Promotional Fund for Literature. This included New Zealand writers presenting at the Edinburgh International Book Festival, and Māori and Pasifika writers taking part in the *Oceania* programme in London.

Our funding also helped bring 25 literature festival directors from throughout the Asia Pacific region to Auckland to see a broad range of writers and publishers during the Auckland Writers Festival. Another highlight was the NZ Book Council-led Writers in Oranga Tamariki residencies pilot (which received \$25,755), supported through our new Toi Rangatahi Engagement Fund.



New Zealand Book Awards for Children and Young Adults 2019.  
Photography: Vanessa Rushton Photography.

At the Creative New Zealand-supported Ockham NZ Book Awards 2019, the \$10,000 Māori Language Award for literature written entirely in te reo was presented for the first time in seven years to Auckland University Press's *He Kupu Tuku Iho: Ko te Reo Māori te Tatau ki te Ao*, by Timoti Kāretu and Wharehuia Milroy.

In October 2018, the Prime Minister's Awards for Literary Achievement celebrated the significant contributions to New Zealand literature of Alexandra-based poet Michael Harlow, Auckland-based art critic Wystan Curnow and Otaki-based novelist, short story writer and playwright Renée (Ngāti Kahungunu).

The Creative Communities Scheme continued to be an important source of literature funding nationwide, with \$123,108 awarded throughout the period for projects focused on participation, diversity and youth.

Major challenges over the period included lack of growth in the sales of New Zealand books in areas such as adult fiction, and low rates of remuneration for writers. In response, a new pan-literature sector organisation, The Coalition for Books New Zealand, has been established to grow sales, visibility and audiences for New Zealand books and authors. New Zealand writers are also keenly awaiting the development of an options paper on the Review of the Copyright Act, to see how revisions to the Act could help to address these challenges. Creative writing education also experienced some setbacks through cuts to courses in Auckland and Wellington.

In the coming year we expect to see new residencies in Auckland, Wellington and internationally for Pasifika writers, to increase the low number of Pasifika-focused books being written and published. We look forward to seeing opportunities develop for more New Zealanders to engage with our nation's literature.

## Section 1:

### The year in review

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## Craft/object art

The depth and diversity of our cultural identity is revealed through craft/object art. Traditional applied arts that have been passed down as intergenerational knowledge are included here, as well as contemporary practices. We support customary Māori artforms such as rāanga and tāniko, and Pacific heritage arts such as tapa making and tivaevae, as well as ceramics, furniture, glass, jewellery, object making, studio-based design, typography and other forms of weaving and textile arts.

During 2018/19, we supported three craft/object organisations through our Tōtara and Kahikatea Investment programmes. Objectspace received \$481,010 through the Tōtara programme, with additional support secured through our Capability Building programme and Innovation Fund towards 'The Maukuuku Project'. The Kahikatea programme supported Makers 101 and the Pacifica Arts Centre.

The 2019 Craft/Object Fellowship was awarded to Christchurch-based Cheryl Lucas, who will use the \$100,000 to develop two significant bodies of work for exhibition over the next two years. Our support for the Blumhardt Curatorial Internship saw Milly Mitchell-Anyon present *Making Conversation* within The Dowse's revamped Doreen Blumhardt Gallery and will see Gina Matchitt develop her own project as the 2019 Blumhardt Curatorial Intern.

Craft/object makers and practitioners took their practice far and wide in 2018/19. New Zealand jewellers presented at the annual Internationale Handwerksmesse trade fair for Skilled Handicrafts in Munich, Germany. The design collective Ngā Aho took part in our International Indigenous Artform Exchange programme to connect with Indigenous Placemakers in Toronto, Canada. At home,

funding also supported the development of new work to be presented at the Festival for Pacific Arts and Culture (FestPAC) in 2020. The Suffrage 125 Fund supported the creation of a 300 metre textile work, 'Suffrage in Stitches', commemorating New Zealand's Women's Suffrage petition signed in 1893.

Increased attendance at wānanga, fono and community classes shows interest in craft is growing. However, opportunities for higher levels of training and development, previously well-supported by the tertiary sector, continue to decline. Less support for craft-specific education within all levels of the education sector has meant innovative and tactical partnerships are a recognisable and necessary feature of the sector's resilience.

A number of projects supported through this year's Arts Grants and Quick Response Grants are evidence of this innovation. The New Zealand Society of Artists in Glass hosted a trans-Tasman 2019 Co-lab Conference in Whanganui, Tauranga Art Gallery created an offsite collaboration with The Elms that brought to life the history of the site through seven insightful artists' projects, and Ōtautahi-based organisation Rekindle presented *Necessary Traditions*, a festival celebrating artists, makers and traditional practices from around Aotearoa and the world. Another highlight was the influential, intergenerational Fafine Niutao i Aotearoa research project, which supported Tapania Taiki's time in Tuvalu to collect and document the process of working with pandanus. This research was then shared in Aotearoa to create decorative mats or lopa for exhibition alongside Tuvalu master artist Lakiloko Keakea's first solo exhibition at Objectspace.

Our funding programmes support the craft/object sector through development of new work, community crafts, international presentation, residencies and more. We recently established specific opportunities to support customary Māori artforms and Pacific heritage arts practices, to support and affirm a wide range of precious skills and networks. The establishment of a new Community Arts funding round within our 2019/20 Arts Grants programme will offer local groups around the country the opportunity to seek support for their initiatives, and we look forward to seeing how the broad network of craft-specific societies, clubs, guild and associations responds.

*Rekindle Workshop. Photography: Johannes van Kan.*



## Community arts

Community arts created by and with communities are an essential part of improving the wellbeing of New Zealanders. According to national and international research, participating in making, creating or practicing art increases social cohesion and connectedness, reduces loneliness, boosts confidence and improves mental wellbeing.

To reach a diverse range of people and provide access to a wide range of artforms, community arts practitioners partner with local authorities, philanthropic and community trusts, and central government health and social agencies (eg. Ministry for Social Development, Ministry for Youth Development and the Department of Corrections) to improve the lives of New Zealanders.

We support a diverse and wide-reaching range of community arts activity across our main funding programmes. The Creative Communities Scheme, in particular, supports community arts activity with around 1800 small grants averaging \$2,000, allocated across all regions.

Increasing recognition, nationally and internationally, of the role that the arts can contribute to wellbeing has led to new initiatives such as Te Ora Auaha: Creative Wellbeing Network Aotearoa. The network aims to support research, advocacy and capability building for community arts practice. The introduction of the Treasury's Living Standards Framework and the re-introduction of the 'four wellbeings' to the Local Government Act also recognises the value arts and culture provide to New Zealanders through their positive impact on our wellbeing.

Regional arts development agencies (eg, Creative Waikato, Creative Bay of Plenty), community arts councils and local government community development staff provide key capability building programmes, advice and resources for community arts activity and advocacy. We will continue to encourage these agencies to promote greater sharing of information, tools and resources.

The community arts sector is currently facing a number of challenges. Access to arts activities – and spaces to host these activities – remains a challenge, particularly for rural and low income whānau and communities. Individual artists lack the capacity or resources to sustain this activity or infrastructure alone. 'Creative spaces' (primarily funded by district health boards, the Ministry for Social Development and philanthropic/gaming trusts) and other community facilities (eg, arts centres/galleries) providing access to the arts are often unable to secure the funding needed to meet demand or sustain their activity. Better partnerships are needed to bridge these gaps and deliver to under-served communities. We're currently developing a new regional arts initiative to increase opportunities for participation by communities outside of the main centres.

There's a lack of tertiary training and professional development opportunities available in Aotearoa for artists wanting to work with communities and young people. Training gaps include best practice in co-creation with communities, group facilitation/teaching practices, working with vulnerable communities, engaging with diverse cultures and managing multiple stakeholders.

From 2019/20, we're recognising Community Arts as a distinct arts practice and an artform option for applicants to select when applying for an Arts Grant. This means that all community arts applications will now be assessed by assessors with expertise in community arts.

In 2019/20, our new Advocacy team will work with local and central government to support better understanding of the role that arts participation can play in delivering improved wellbeing (particularly cultural wellbeing). With this work we aim to strengthen local and community arts and cultural planning, investment and infrastructure, and grow opportunities to support mental and social wellbeing through the arts.

Over the next year, we'll continue to support Arts Access Aotearoa and other agencies to advocate for arts access and participation by all New Zealanders. We'll also carry out a stocktake of training opportunities for community artists in New Zealand and will make this information available through our Community Arts Toolkit.





MEAT, Dance Plant Collective with Tui Hoffman. Photography: Justin Spiers.

## Dance

Dance plays a huge part in the lives of many New Zealanders. It's estimated that more Kiwis dance than play rugby. New Zealand's dance sector encompasses a wide range of styles, including classical ballet, contemporary dance, street, experimental, film and integrated dance, and traditional and contemporary Māori and Pacific dance. Participation is particularly high for recreational dance such as kapa haka, in PolyFests, other cultural dance, ballroom, swing, Latin, experimental and street/hip-hop.

In 2018/19, we supported nine dance organisations within our Investment portfolio to a total of \$3,065,900. It's a diverse portfolio that includes Māori and Pacific-led organisations, and New Zealand's only dedicated dance festival. From 2020 onwards, eight dance organisations will receive a total of \$10,127,767 through the Tōtara and Kahikatea programmes, more than three times their previous funding. These organisations are Black Grace, Atamira, New Zealand Dance Company, Footnote, Tempo Dance Festival, Touch Compass, Pacific Islands Dance Fono and Kahurangi Māori Dance Theatre.

Over the past year we also supported the work of independent companies and producers through the funding of 45 projects (\$975,832) through Grants and Special Opportunities funding. Projects included the inaugural Experimental Dance Week Aotearoa in Auckland, Muscle Mouth's full-length work by Ross McCormack *As It Stands*, which premiered at the Auckland Arts Festival, and *Movement of the Human's HuriHuri*, an integrated performance featuring aerial choreography, live music, kapa haka and wheeled performers, which debuted as part

of the Gold Coast 2018 Commonwealth Games 'Festival 2018' programme.

New Zealand artists and companies are increasingly connected internationally, and our distinctive choreographic work is sought by international markets. Black Grace, the New Zealand Dance Company, Java Dance, Good Company Arts and Atamira all enjoyed international success and interest from overseas markets. Footnote created a new work, *Hemispheres*, with Guangdong Modern Dance Company. *Hemispheres* premiered in China in November 2018 and toured to four cities – Guangzhou, Heyuan, Jiangmen and Shenzhen. The production was brought back to New Zealand in March 2019 where it toured to Auckland, Palmerston North, Christchurch and Dunedin.

Despite these successes, there are a number of challenges within the dance sector including, in particular, the ability to have a sustainable career as a dance practitioner. In our *A Profile of Creative Professionals* research, dancers were the lowest remunerated with the median income for dancers being less than the adult minimum wage. Often careers are limited due to physical demands on dancers' bodies (eg, injury or constant physical demands). We're working with sector leaders and practitioners as part of our on-going work around sustainable careers for artists.

A healthy sector that is fit for the future of dance needs a thriving ecology of dance companies, venues, festivals and presenters. We'll continue to support practitioners and organisations so work can reach new audiences and capability increases.

## Ngā Toi Māori

Ngā toi Māori are an invaluable part of the distinct identity of Aotearoa New Zealand, and encompasses a dynamic and broad range of practices, including customary and contemporary arts. Creative New Zealand's vision is to see ngā toi Māori recognised and admired in New Zealand and globally.

Customary arts supported by Creative New Zealand include whakairo, kōwhaiwhai, te reo, karanga, whaikōrero, mōteatea, pao, haka, kaupapa waka, rāranga, whatu and tukutuku. Contemporary arts include dance, theatre, music, literature, visual arts, craft, and festivals.

In 2018/19 Creative New Zealand supported seven Māori-led arts organisations through its Tōtara and Kahikatea programmes. This included two organisations supported through the Tōtara programme to a total of \$1,239,196, and five organisations to a total of \$1,096,285 through the Kahikatea programme.

There has been a steady increase in project funding for Māori-led projects over the 2016–2019 financial years. We've also seen an increase in the number of applications over the past year, partly due to the Festival of Pacific Arts and Culture (FestPAC) taking place in Hawai'i in 2020. The Aotearoa delegation is made up of a dynamic range of Māori and contemporary Pasifika artists who will present, create and collaborate on works at this festival.

Arts Grants and Quick Response Grants supported works across a wide variety of artforms. Some of the highlights were the theatre work *Pakaru* directed by Nancy Brunning which showcased at the 2019 Kia Mau Festival, two bronze pou whakairo created by Mathew Randall, and the research and development of new work by Dorothy Waetford and Ngā Kaihanga Uku. Another strong project was a weaving wānanga on the East Coast that resulted in a number of fine woven whāriki and the transmission of knowledge to emerging, mid-career artists.

A major achievement of the past year was the launch of Creative New Zealand's *Te Hā o ngā Toi — Māori Arts Strategy 2019–2024* at the Te Matatini Festival in

February 2019. The strategy was created through extensive engagement with ngā toi Māori artists and communities. This included 28 hui around the country, an online survey, and hui with Crown organisations and agencies to understand and reflect the ngā toi Māori sector's needs and aspirations.

*Te Hā o ngā Toi* sets out our vision for ngā toi Māori to be visible everywhere, highly valued in Aotearoa as part of our distinct identity, and recognised and admired globally. It provides clarity and future direction as to how Creative New Zealand will provide more opportunities for Māori artists, Māori arts practitioners, and Māori arts organisations. The strategy is underpinned by our Mātauranga Māori Framework, Te Waka Toi Pataka, which provides a Māori lens for Creative New Zealand to design and review its programmes. Appropriate resourcing will be key to successful delivery of the strategy.

Creative New Zealand has met with other Government agencies to explore how these agencies might contribute to ngā toi Māori, and we look forward to developing these discussions further over the next year. The agencies included Te Puni Kōkiri, Te Taura Whiri, Ministry of Culture & Heritage, Te Papa Tongarewa, Te Māngai Pāho, Department of Internal Affairs and Department of Conservation.

The six months from January to June 2019 focused on weaving *Te Hā o ngā Toi* into Creative New Zealand's core business. Creative New Zealand staff undertook a noho marae at Waiwhetū in February 2019, a first for our organisation. Workshops were presented to wānanga and upskill staff in Tikanga Māori, Treaty issues and putting Creative New Zealand's Mātauranga Māori Framework into practice.

Over the next year we look forward to exploring the impact of ngā toi Māori on our hauora (wellbeing) in response to Government's Wellbeing Budget 2019, and the return of the four wellbeings to local government. In te ao Māori, people, art and culture are inseparable, and a Māori approach will show the interconnectedness of hauora.

## Pacific Arts

Pacific arts are a distinctive part of New Zealand arts today and feature strongly in national and international programming supported by Creative New Zealand. The dynamic, diverse and youthful Pasifika population is the fastest growing youth population in New Zealand. They're driving Pacific arts forward by maintaining heritage arts as well as developing contemporary practices. Pacific arts include all arts practice areas: craft/object, community arts, dance, festivals, literature, inter-arts, multi-disciplinary, music, theatre and visual arts.

The new Toi Rangatahi youth funds, supporting youth led initiatives such as The 312 Hub space in Onehunga with a \$65,000 grant, aligns with delivery to Pasifika youth. The transmission and maintenance of heritage arts has also been strengthened with annual funding to a national Pacific Heritage Arts Fono since 2015.

Across our funding programmes, there is further work to be done to address inequities for Pasifika, and to develop Pasifika infrastructure and longer-term security and planning. For example, in the Tōtara and Kahikatea programmes there are five Pasifika-led and seven Māori-led organisations out of a total of 91 organisations. Another challenge facing the sector is the lack of Pasifika owned or operated venues, spaces and platforms for presenting major festivals or events. Projects such as the kaupapa led Pacific Dance Festival and Kia Mau Festival provide professional platforms for Pacific arts to thrive and self-drive their artistic futures. The addition of the Pacific Arts Centre, which supports heritage arts and craft/object, to the Kahikatea programme (\$204,000) from January 2019 is a substantial gain to the infrastructure.

A historic milestone for the year has been the completion of a first ever Creative New Zealand Pacific Arts Strategy. The *Pacific Arts Strategy 2018–2023* was officially launched by Hon Carmel Sepuloni, Associate Minister for Arts Culture and Heritage, at the annual Arts Pasifika Awards at Parliament in October 2018. The *Pacific Arts Strategy* applies across all of Creative New Zealand's programmes and policies, and sets out our vision for a powerful future Pacific Arts sector that is led by passionate and skilled Pasifika people, for Aotearoa, Te Moana-nui-a-Kiwa and the world.



Arts Pasifika Awards 2018. Photography: Mark Tantrum.

The first six months of 2019 have focused on amplifying current successful delivery for Pacific arts, as well as scoping new opportunities and partnerships across government, the private sector and communities. Highlights include a new strategic partnership with Leadership New Zealand that supports four Pasifika artists to undertake leadership development, and a new position on our staff of Senior Communications Adviser – Pacific focus, to increase access for Pasifika artists and communities to funding information, support and resources. Other opportunities being scoped and developed include a new Pacific Artist Residence in Fiji themed around climate change, partnerships for residencies in Rarotonga and New Caledonia, and a new Think Tank of Māori and Pasifika artists to catalyse creative solutions to the problems affecting their lives.

The 2019 Creative New Zealand Fulbright NZ Pacific Writer in Residence at the University of Hawai'i was awarded to writer/director Oscar Kightley, and choreographer Tupe Lualua was selected for the Samoa Artist in Residence 2019. Multi-media artist, photographer and documenter Tuafale Tanoa'i (Linda T) was selected for the McMillan Brown Artist in Residence at the University of Canterbury.

Looking ahead, we'll continue to deliver to the *Pacific Arts Strategy 2018–2023* and focus on finding other friends to join our vaka and expand our fleet to increase the global presence of Pacific arts, and increase economic and artistic outcomes for Pasifika and for their wellbeing.



## Theatre

New Zealand theatre has a rich history, and continues to be enjoyed across the country, with one in four New Zealanders attending live theatre in the past 12 months. Over the past year, we've seen an increase in the number of New Zealand works presented on our professional stages. Playmarket research shows that, of the 241 works produced professionally in our theatres, 84 percent of them were New Zealand works, with seven companies creating seasons of 100 percent New Zealand work. More diverse work was produced including an increase of works written and directed by women and Pasifika along with Asian work, mainstage work in te reo Māori (*He Kura E Huna Ana*), and the delivery of accessible performances.

### One in four New Zealanders attended live theatre in the past 12 months.

New Zealand has a well-established theatre infrastructure system for the commissioning, development, production and touring of theatre work. Our definition of theatre is broad and includes a variety of styles, scale and genres encompassing multi-disciplinary and inter-arts work, as well as comedy, immersive and street art. An emerging trend across genres is the use of digital platforms to engage audiences and present work, allowing audiences better access to back stage, rehearsals and educational opportunities.

Creative New Zealand's Tōtara and Kahikatea programmes support 25 theatre-focused organisations nationwide, from main centre presentation to touring groups performing in centres from Kaitiaki to Invercargill. Currently Creative New Zealand supports 11 Tōtara and 14 Kahikatea organisations to a total of \$7,433,684, while a further 81 projects were supported through Grants and Special opportunities funding.

New Zealand artists are increasing their reach internationally. A Slightly Isolated Dog collaborated with Chinese company, Kaixin Mahua, to produce and present a localised version of their hit show *Don Juan*. The localised show, with a full Chinese cast, premiered in Beijing in May 2019 and the Chinese company has just completed a return season in July 2019. In 2018/19 Creative New Zealand supported 27 international theatre projects, including eight theatre companies and four delegates at the Edinburgh Fringe Festival.

*The Basement Tapes*, performed by Stella Reid and directed by Jane Yonge, and described as 'Twin Peaks meets Serial' ended an already award-heavy year with a Scotsman Fringe First win at the 2018 Edinburgh Fringe Festival. Stella Reid also received a Stage Edinburgh Award for best performance. Produced by FCC and based on Tusiata Avia's poetry, the multi-award winning production of *Wild Dogs Under My Skirt* has been touring successfully throughout New Zealand and will feature as part of a New Zealand showcase at SoHo Playhouse, New York in 2020.

In October 2018, Albert Belz's play *Astroman* made history by having its world premiere at the Court Theatre in Christchurch, only to open another production two hours later on the Melbourne Theatre Company's stage. It was subsequently co-produced in March this year by the Auckland Theatre Company with Te Rēhia Theatre Company, in association with the Auckland Arts Festival. *Astroman* is a retro coming of age comedy, set in the decade of species, Poi E and Prince.

Work in Waikato and Dunedin was among the highlights for 2018/19. Creative New Zealand supported Creative Waikato to pilot a New Works Incubator initiative, to develop work with local practitioners. The programme included mentoring, and partnered with local venues to produce three new theatre and dance works that will be supported in the next stages of development.

We've also worked closely with Dunedin City Council on the Dunedin Theatre Initiative, following the closure of the Fortune Theatre. Through the initiative we've co-invested in a feasibility study into a new performing arts venue, established a new theatre fund with the Council, supported Tour-Makers to present work in Dunedin venues, and provided funding to local established and emerging practitioners to develop and present new work.

Increasingly theatre organisations are placing the wellbeing of artists at the forefront. There has been a shift to think more holistically about what responsibilities producers of theatre hold as caretakers of practitioners when producing work, and we acknowledge Playmarket's work to publish the Working Together: Safety, Respect and Wellbeing guideline earlier in 2019.

## Visual Arts

Through visual arts we gain new ways of seeing the world around us and transform the spaces and environments we live in every day. Creating art has also proven to have a positive impact on health and wellbeing, an area New Zealand is beginning to explore more.

Beyond Creative New Zealand's support for this dynamic sector, museums and galleries throughout Aotearoa contribute significantly to visual arts. This includes support for drawing, experimental sound/audio and moving-image arts projects, installation, kōwhaiwhai, painting, performance within a visual arts context, photography, printmaking, sculpture, tā moko and typography.

During 2018/19 Creative New Zealand supported three visual arts organisations through the Toi Tōtara Haemata Investment programme (Tautai Contemporary Pacific Arts Trust, Artspace Aotearoa and The Physics Room), and eight galleries and professional development opportunities through the Toi Uru Kahikatea Programme.

It was a particularly busy year on the international stage for New Zealand artists. In addition to the 58th International Art Exhibition – La Biennale di Venezia, and the sizeable number of artists selected for the Asia Pacific Triennial in Brisbane and the Honolulu Biennale, the impressive Oceania exhibition also opened at the Royal Academy in London. The exhibition presented precious taonga from museum collections around the world alongside contemporary works by some of our leading artists. Creative New Zealand invested \$170,000 towards the freighting of contemporary artworks and the travel and accommodation for the New Zealand artists to attend the opening events and participate in the public programme. Following the project's success in London, Creative New Zealand also supported a smaller contingent of contemporary artists to participate in the launch events when the exhibition travelled on to the Musée du quai Branly in Paris.

The visual arts sector also benefited from new funds such as the 19 grants totalling \$73,556 awarded via

the Suffrage 125 Fund to projects focussing on women from diverse cultural backgrounds who have helped advance women's rights. The three new Toi Rangatahi Funds supported an additional 19 visual arts projects, totalling \$281,770 of additional targeted investment to support arts projects that help young New Zealanders (aged 10 to 25) attend, participate in or lead arts projects in their own communities.

During the year, 122 new project grants were awarded to visual arts. Highlights included: the wānanga supporting the establishment of the new *ATE: Journal of Māori Art*; developmental support in the lead up to the Shared Lines arts festival in Kaikōura; *What we have to say (is worth sharing with you)*, the pop-up radio station running as part of the Asian Aotearoa Arts Hui programme during September 2018; the Young Creatives programme piloted by Te Tuhi in Auckland that supported young people's engagement with contemporary art; research and development support for Yuki Kihara's large scale international project linking her Samoan and Japanese heritage; support towards Christchurch Art Gallery's publication documenting Tony de Lautour's retrospective exhibition; and Sarah Hudson's Whakatāne photography project that saw her create her own new work, as well as develop a free, after-school photography course looking at the medium through a Māori lens.

Our International programme also provided \$127,478 towards artists' engagement with Asia via our current range of Focus on Asia initiatives and the International Art Fair Fund also supported market development and profiling for our artists via \$125,654 of subsidies, supporting 11 presentations offshore.

It's also been a time of change in arts education. The tertiary sector plays an important role in the development of high-quality art and artists, but has seen a number of recent closures of visual arts courses and facilities. The Government's review of the vocational education system could also result in significant change to the sector. In the year ahead the Government will launch a new Creatives in Schools programme, which will support artists to share their specialist knowledge with students. Creative New Zealand is helping to develop the programme which will provide artists with access to working space, time and resources to develop their own work and skills within communities around the country.



## Young New Zealanders

The future of creativity in New Zealand lies in the hands of our rangatahi. Young New Zealanders are highly engaged in the arts and leading the way in creating innovative works that explore New Zealand's evolving cultural identity, while taking our creativity to the world.

Creative New Zealand funds arts activities by, with and for young New Zealanders (children, young people and youth up to 25 years of age) through all our main funding programmes. This funding complements the support offered by other government agencies, including the Ministry of Education and the Ministry for Social Development.

In 2018/19, this included activities by over 60 percent of organisations funded through our Kahikatea and Tōtara programmes, and 30 percent of Creative Communities Scheme funded projects. The CCS projects alone were projected to involve more than 75,000 young people as participants.

In 2018/19 Creative New Zealand launched its \$5 million Toi Rangatahi Young New Zealanders and the Arts Initiative. This initiative includes three funds to support participation, engagement and leadership in the arts by young New Zealanders. This year 20 projects were funded through the initiative. Examples include a Creative Waikato-led regional arts mentoring programme for rangatahi Māori, the Hawke's Bay Festival of Youth, the development,

workshops and a schools tour of *Sailing Solo* by Aloalii Tapu and Friends, and the ĀKAU Foundation's design and creation, with local taitamariki, of a living mapping system that connects the taonga of Kaikohe.

As part of the Young New Zealanders and the Arts Initiative, we also established partnerships with central government agencies to broaden our reach. Creative New Zealand established a joint fund with Ministry for Youth Development to build capability of arts organisations delivering to young people in Northland, and Oranga Tamariki and Arts Access Aotearoa to support delivery to young people in youth justice facilities. We'll continue to roll out this initiative in 2019/20.

Delivery to young New Zealanders was also identified as a priority in our recent Kahikatea and Totara funding rounds. Over 90 percent of applicants included delivery to young New Zealanders and it is anticipated that this will result in increased opportunities for young New Zealanders.

In 2019, six youth ambassadors were selected to represent Aotearoa as a part of New Zealand's delegation to the Festival of Pacific Arts and Culture.

Looking forward, we will continue to encourage best practice for engaging young people in the arts between artists and arts organisations, and continue to advocate for the important role of the arts and creativity in the wellbeing of our young people.

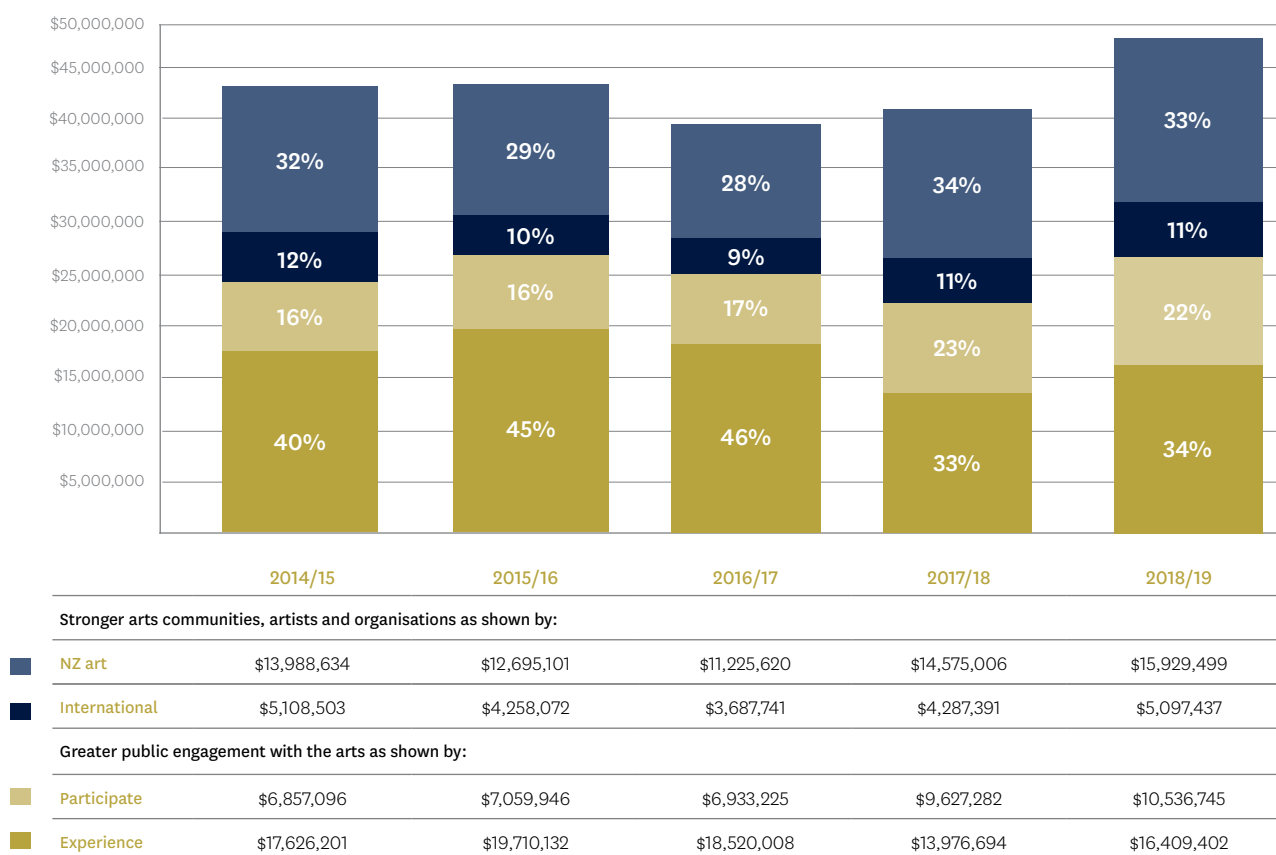
*The Legends of Shiva performed at the Dorothy Winstone Centre by Chinmaya Mission NZ. Image supplied.*



## Section 1:

### The year in review

Figure 8: Investment by outcome, 2014/15–2018/19



## Trends in our funding delivery

This section provides an overview of our main trend information, which helps us evaluate change over time and influences our future decision-making.

### Funding across outcomes

While funding across our outcomes increased between 2014/15 and 2015/16, decisions taken by Creative New Zealand through the 2016/17 planning process reduced some programmes and operating costs for the year. This was carried out in an uncertain environment, where funding from the New Zealand Lottery Grants Board was forecast to reduce. Our strong financial performance and good fortunes in the 2017/18 year enabled our funding of the arts to increase and this trend has continued in 2018/19 (figure 8) above. Overall, we invested \$47.974 million in the arts sector in 2018/19, an increase of \$5.5 million on 2017/18 funding. Annual activity programmes of Tōtara

and Kahikatea organisations are linked to outcomes, with investment fluctuations reflecting the changes in activities year to year.

### Investment across categories

In 2018/19, Creative New Zealand funding was distributed through the following categories: Toi Tōtara Haemata Investment programme; Toi Uru Kahikatea Investment programme; Grants: Arts Grants Quick Response Grants and Special Opportunities; Creative Communities Scheme; International Programme; and Initiatives and Pilots. The results of our funding through these categories in 2018/19 are detailed in Section Two.

Table 1 sets out the proportional distribution of funding across these categories, for both the past year and 2014/15 by way of comparison. On the whole, funding distribution has remained steady since 2014/15.

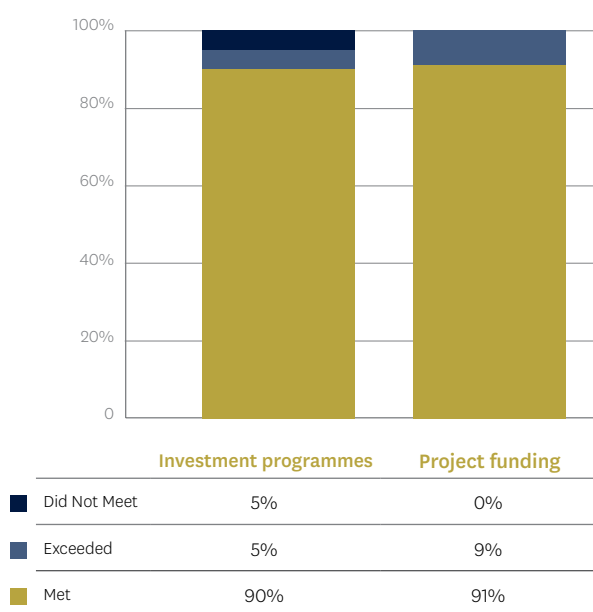
Table 1: Comparison of funding distribution, 2014/15 and 2018/19<sup>11</sup>

Investment category	2014/15		2018/19	
	\$	%	\$	%
Investment programmes (Tōtara and Kahikatea)	\$24,904,287	60%	\$27,341,890	59%
Grants and special opportunities	\$ 6,948,854	17%	\$10,121,466	22%
Creative Communities Scheme	\$3,401,631	8%	\$3,391,940	7%
International programme	\$3,124,047	7%	\$2,394,075	5%
Initiatives and pilots	\$3,417,605	8%	\$3,068,949	7%
<b>TOTAL</b>	<b>\$41,796,424</b>	<b>100</b>	<b>\$46,318,319</b>	<b>100</b>

## OVERALL PERFORMANCE

All artists, arts practitioners and arts organisations receiving funding directly from Creative New Zealand have their performance assessed against criteria set in their funding agreements. In 2018/19, 91 percent of organisations met expectations and 7 percent exceeded expectations, maintaining the successful results of recent years. Further details about organisations' performance are detailed in Section Two.

Figure 9: Performance against expectations, 2014/15–2018/19

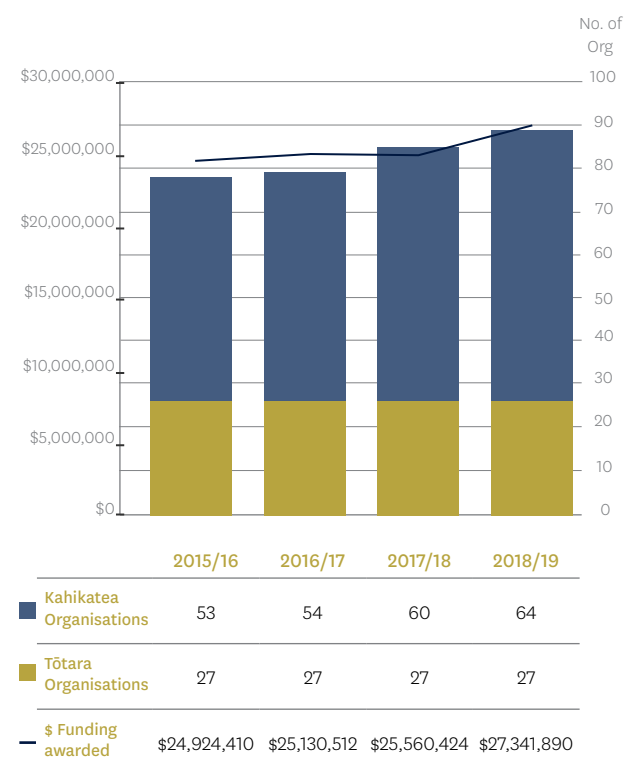


<sup>11</sup> Results exclude the Capability Building Programme and Advocacy initiatives.

## TŌTARA AND KAHIKATEA ORGANISATIONS

The Tōtara and Kahikatea Investment categories were implemented in January 2012 (replacing the Recurrently Funded Organisations programme). Since then, the number of participating organisations has steadily increased (figure 10). This is mainly due to the number of organisations participating in the Kahikatea programme, which has tended to fluctuate more than the Tōtara programme. Investment has increased steadily since 2015/16 in line with an increase in our revenue and an increased focus on improving the programme. An additional \$4.5 million in annual funding will be distributed to Tōtara and Kahikatea organisations from 2019.

Figure 10: Number of organisations and total funding to Tōtara and Kahikatea organisations, 2015/16–2018/19



## GRANTS AND SPECIAL OPPORTUNITIES

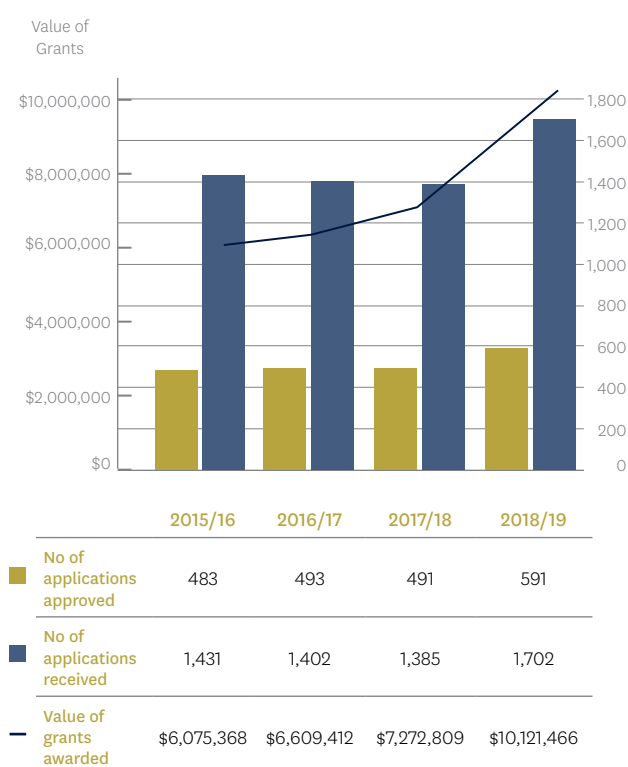
Creative New Zealand provides Grants funding through various programmes, selecting the best applications from artists, arts practitioners and arts organisations. Funding awarded through this category has increased this year (2018/19: \$10.121 million, 2017/18: \$7.273 million) because of increased revenue, which has resulted in more funds to invest in the arts sector.

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In 2018/19, 591 grants were awarded, an increase of 17 percent on the previous year (2017/18: 491). The number of grants funded depends on the quality of applications and the amount of funding requested in each, balanced by the total funding available. Across all projects funded in the Grants category, the average grant amount was \$17,621, compared with \$14,621, in 2017/18.

Figure 11: Number and value of grants through Grants category, 2015/16–2018/19

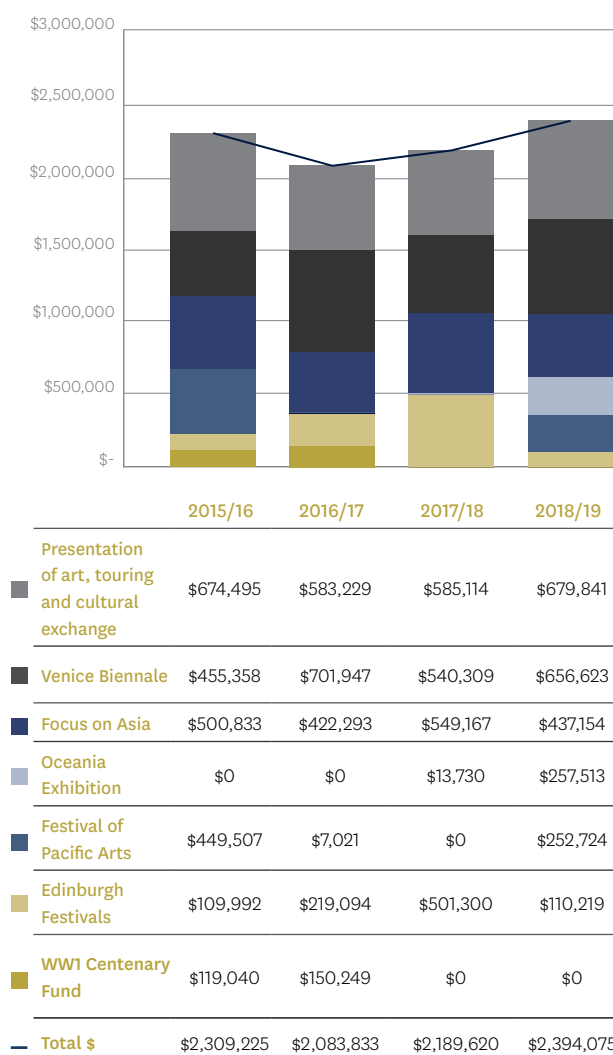


## INTERNATIONAL PROGRAMME

Through the International investment category, Creative New Zealand supports individual artists, arts practitioners, arts organisations or groups of artists to tour, exhibit or perform internationally. This is in addition to support for internationally focused work that comes through the Grants investment category.

Funding has remained steady since 2015/16. Fluctuations in International Programme funding are driven mainly by our investment in major international projects each year. Funding increased in 2018/19 from last year due to support for the Oceania Exhibition and 58th International Art Exhibition – La Biennale di Venezia.

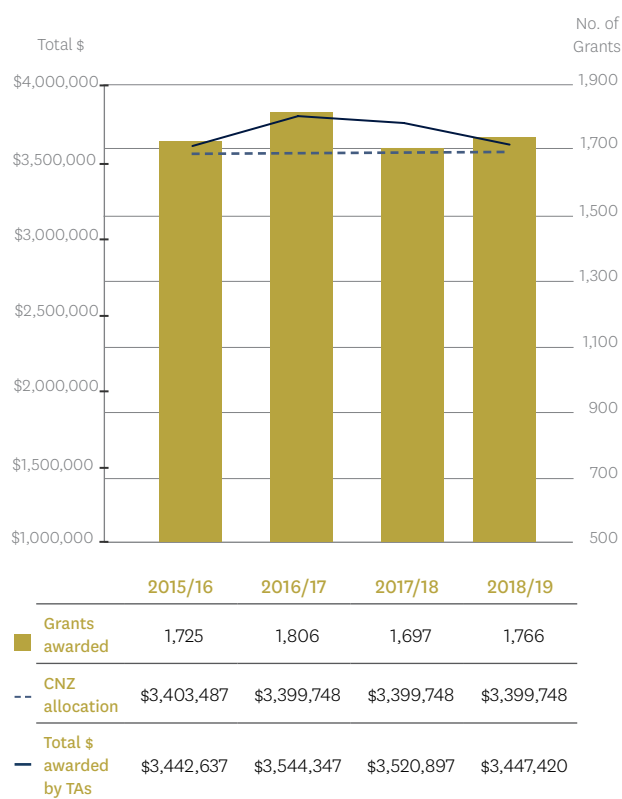
Figure 12: International programme funding, 2015/16–2018/19



## CREATIVE COMMUNITIES SCHEME

The Creative Communities Scheme is a small-grants scheme that supports local community arts projects and activities across New Zealand and in every territorial authority.<sup>12</sup> Creative New Zealand allocates funds to territorial authorities based on a funding formula and population size. Territorial authorities awarded 1,766 grants in 2018/19, an increase on the 1,697 given in 2017/18 but on target for the year (101.4% of budget allocated) and reflecting a decrease in the average grant this year (2018/19: \$1,952, 2017/18: \$2,075). Creative New Zealand's contribution remained steady in 2018/19 (figure 13).

Figure 13: Number and value of Creative Communities Scheme grants awarded, 2015/16–2018/19



## INITIATIVES AND PILOTS

Initiatives and pilots may be developed from time to time to allow Creative New Zealand to drive and support change and development by running new initiatives, piloting new ideas and enabling experimentation. Investment varies across years, with \$3.068 million invested in 2018/19 (table 2). It is expected that, at the conclusion of the initiative or pilot, if it is to be supported on an ongoing basis, it will shift to one of the other investment categories featured in this section.

Table 2: Initiatives and pilots funding by programme, 2015/16–2018/19

	2015/16	2016/17	2017/18	2018/19
<b>Young New Zealanders and the arts</b>	\$0	\$0	\$0	\$775,326
<b>Dunedin Theatre</b>	\$0	\$0	\$0	\$468,386
<b>Internships</b>	\$185,000	\$188,500	\$441,667	\$341,000
<b>National Touring</b>	\$708,165	\$718,400	\$890,000	\$303,979
<b>Innovation Fund</b>	\$0	\$0	\$0	\$225,401
<b>Regional Arts Pilot</b>	\$187,834	\$178,167	\$240,243	\$223,612
<b>Diversity Auckland</b>	\$251,854	\$249,279	\$245,615	\$218,288
<b>Arts Philanthropy and Partnership Programme</b>	\$1,103	\$230,318	\$336,873	\$216,199
<b>Suffrage 125 Fund</b>	\$0	\$0	\$0	\$152,606
<b>Christchurch Initiatives</b>	\$741,544	\$0	\$0	\$73,478
<b>Pacific Arts Development Initiative</b>	\$0	\$0	\$0	\$70,000
<b>Auckland Theatre capital grant</b>	\$3,058,305	\$504,084	\$0	\$0
<b>Sistema Aotearoa</b>	\$495,000	\$0	\$0	\$0
<b>Royal NZ Ballet grant</b>	\$250,000	\$0	\$0	\$0
<b>Pacific Arts Summit</b>	\$0	\$0	\$62,742	\$673
<b>Maori Arts Development Initiative</b>	\$0	\$0	\$0	\$0
<b>Total \$ Awarded</b>	\$5,878,806	\$2,068,748	\$2,217,140	\$3,068,949

<sup>12</sup> See [www.creativenz.govt.nz/find-funding/funds/creative-communities-scheme](http://www.creativenz.govt.nz/find-funding/funds/creative-communities-scheme)



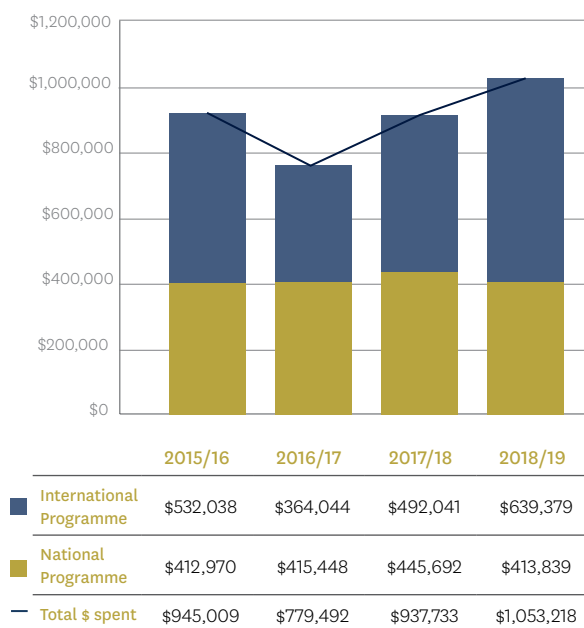
## Section 1:

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## CAPABILITY BUILDING

Creative New Zealand provides opportunities for arts organisations and individual artists and practitioners to build their skills and capability, with the goal of developing the arts sector's capacity to succeed. Investment through this category has continued to rise over the past three years with a 25 percent increase since 2016/17. While this is less than 10 percent of all Creative New Zealand investment, support through this category is delivered through various other approaches including in partnership with other agencies or organisations.

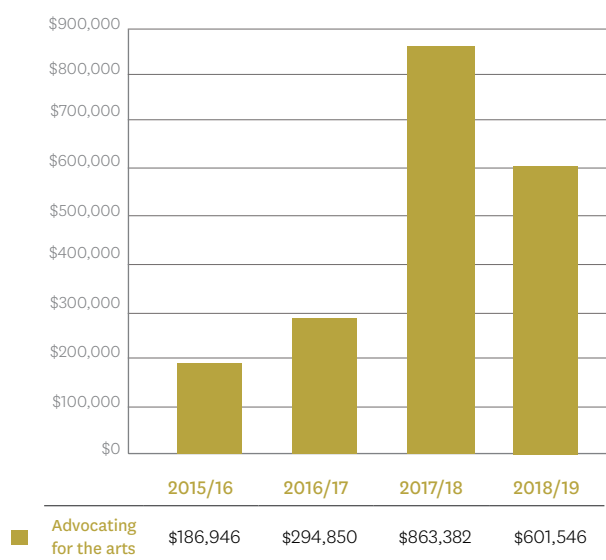
Figure 14: Capability Building Programme funding, 2015/16–2018/19



## ADVOCACY

In 2018/19, \$601,546 was spent directly on advocacy, with much of this work being delivered through existing programmes and resources. While this is a decrease on the previous year (2017/18: \$863,382) and is less than 1 percent of our total arts sector investment for the period, our investment in advocacy 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 ability that gives us to advocate for the arts.

Figure 15: Advocacy funding, 2015/16–2018/19



## FUNDING ACROSS LOCATIONS

While Creative New Zealand monitors the geographic spread of all funding as one element in understanding New Zealand's arts landscape, we have traditionally allocated funding based on the quality of applications rather than the location of the applicant. The Creative Communities Scheme – where funding is allocated to territorial authorities on a population basis – is an exception to this, as is the Regional Arts Pilot programme which has seen dedicated funds applied to developing the arts in Waikato and Southland.

Figure 16 on the next page shows how funding is distributed across the country, internationally and online. 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. Nearly one in every nine dollars goes to national delivery. Online refers to creative content delivered digitally.

Figure 17 on the next page compares the distribution of our funding with that of the population from the 2013 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. Auckland totals in previous years include most of a one-off capital grant as a contribution to the building of the new ASB Waterfront Theatre in Auckland. Expanding our reach is a key focus with a number of initiatives underway to increase engagement in the arts outside the main centres.

Figure 16: Funding by location, 2018/19

National \$4,340,216  
International \$5,913,581  
Online \$1,053,929

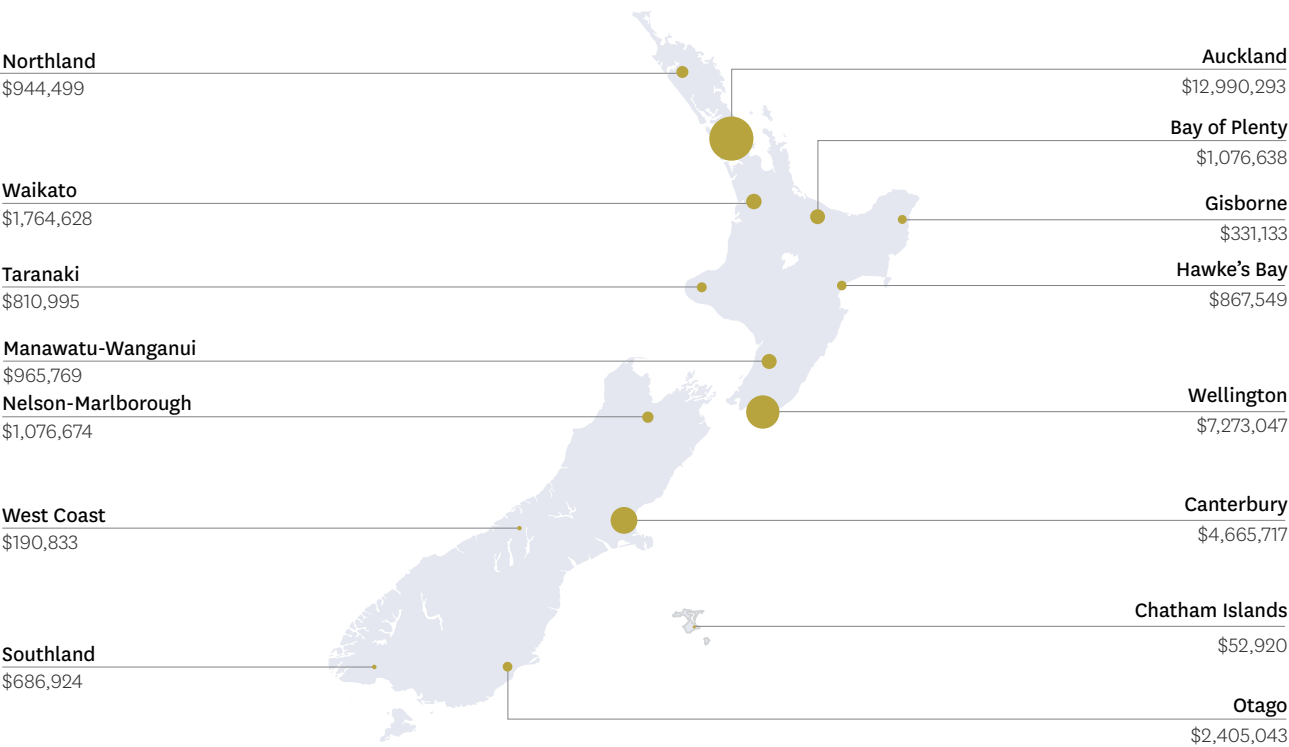
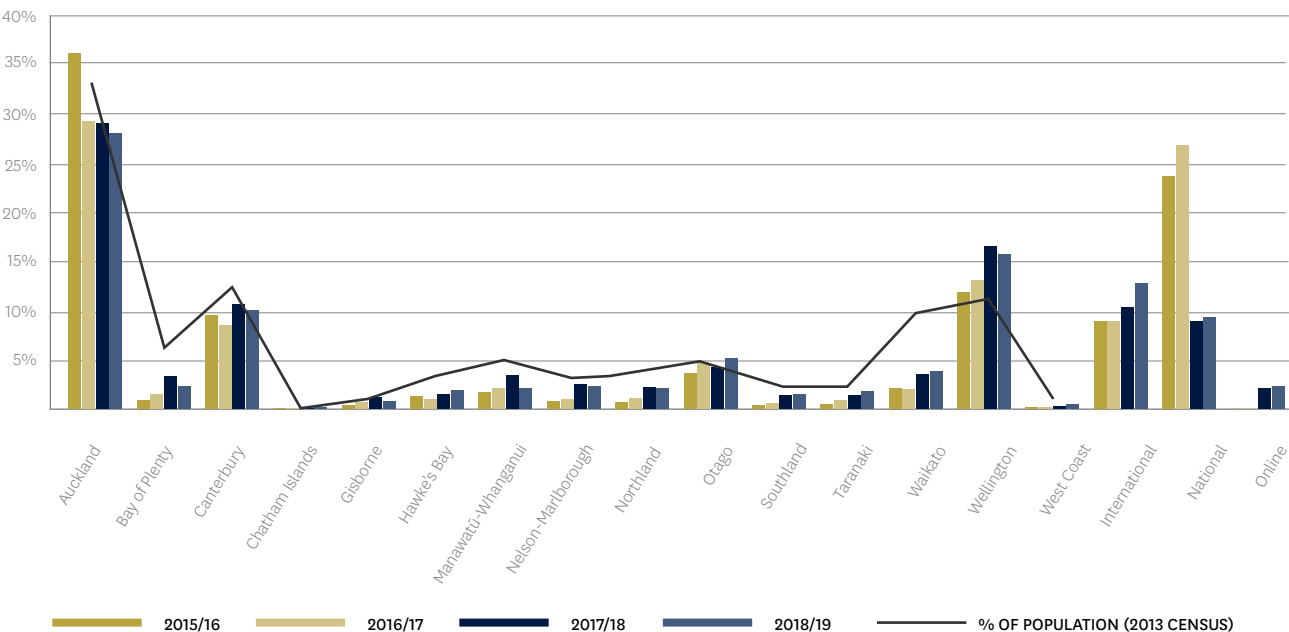


Figure 17: Distribution of funding by region, 2015/16–2018/19



## Section 1:

### The year in review

## Funding across artforms

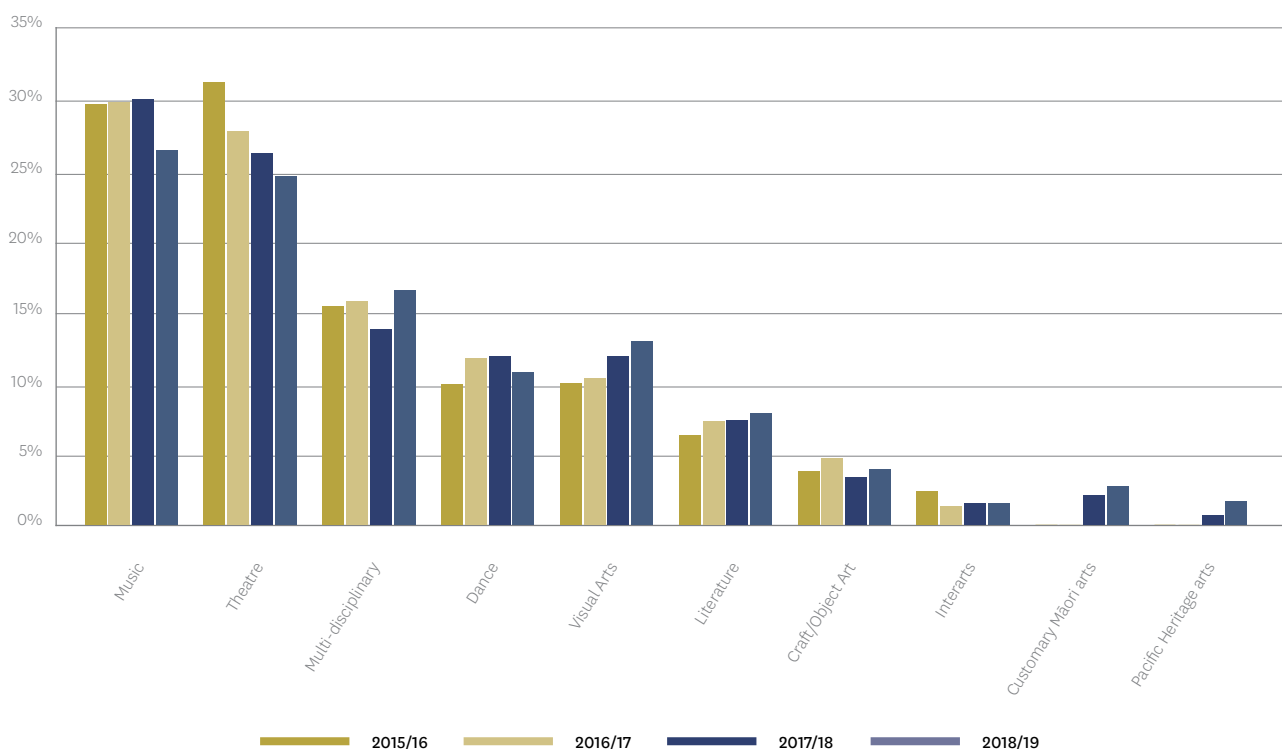
We are the only arts development agency in New Zealand to fund nationally across all artforms (excluding film). Over recent years, the proportion of funding distributed to artforms has been relatively steady, with the largest shifts occurring in the multi-disciplinary, dance and literature artforms. Snapshots of artform practice in 2018/19 are detailed on pages 37-48.

Figure 18 outlines Creative New Zealand's distribution of funding across four financial years. In 2018/19, music received \$11.531 million. At 24 percent, it received the highest proportion of funding across all artforms, although this is a 3 percent decrease on 2017/18. Two new categories – customary Māori arts and Pacific heritage arts – were included in 2017/18 (In previous years, both were reported within other artform categories). Both categories have seen an increase in 2018/19 with investment in customary Māori arts up 22 percent and investment in Pacific heritage arts up 66 percent. Visual arts investment increased by

\$1.248 million in 2018/19. Variances in the distribution of our funding 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 18: Funding by artform, 2015/16–2018/19



## Funding by funding stream (General, Māori and Pacific)

Across the Tōtara programme, the Kahikatea programme, Arts Grants and Quick Response Grants, the breakdown of funding for Māori, Pacific and General Arts for the period 2016/17–2018/19 was as follows (figure 19). This reflects the funding distributed through each of the funding application streams.

Following improvements to our reporting systems in 2017/18, we can now show Māori and Pacific funding through the General arts funding stream (figure 20). This tells a more accurate story of the level of investment in these works than reported in previous years. We will continue to improve our monitoring of Māori and Pacific works as we implement our Māori and Pacific strategies in 2019/20 and beyond.

Figure 19: Works developed 2017/18 – 2018/19

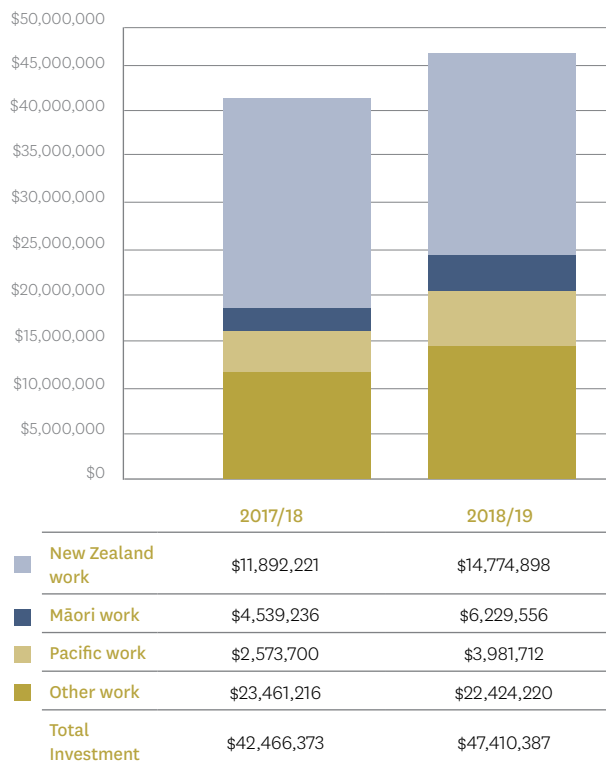
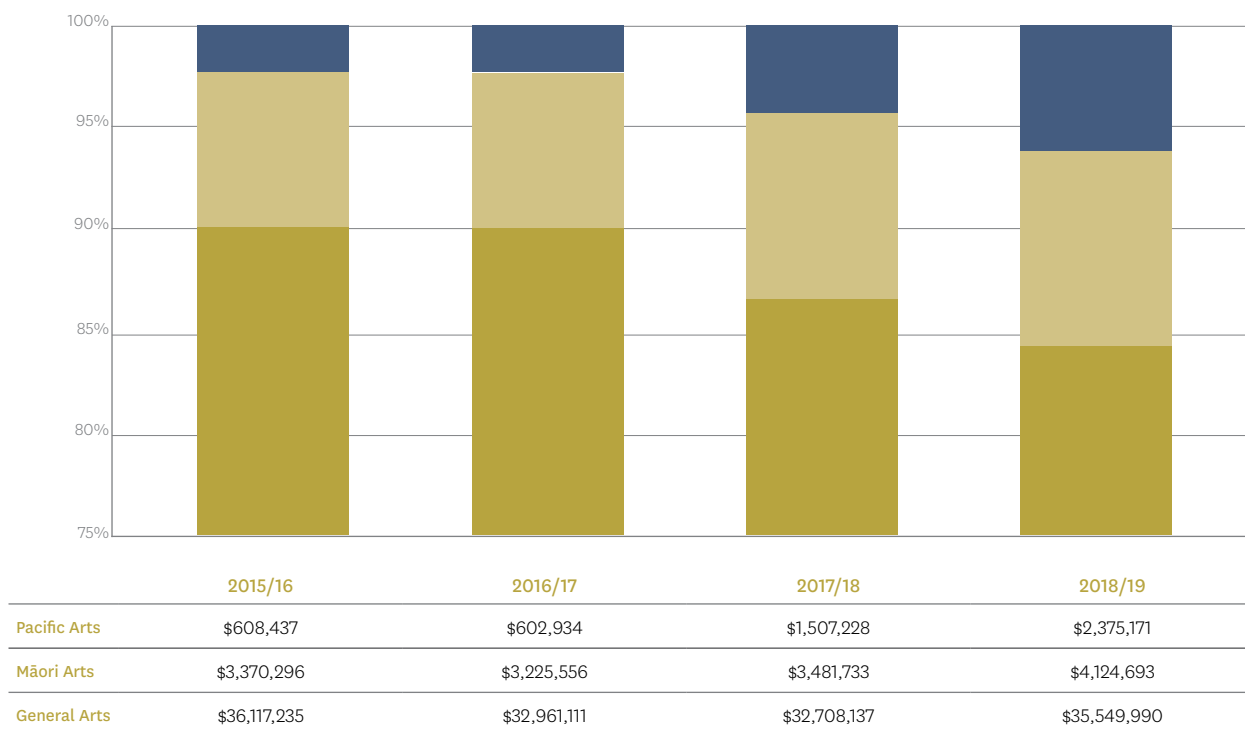


Figure 20: Funding by funding stream (General, Māori and Pacific)



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# STATEMENT OF PERFORMANCE

*TE TAUKI WHAKATUTUKI I  
NGĀ MAHI*

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## Statement of Non-Financial Performance 2018/19

This section reports on how we have delivered against our output class and:

- our two **outcomes** and their associated measures
- our five **deliverable** areas and their associated measures.

These elements are outlined in our Statement of Intent 2016–2021 and Statement of Performance Expectations 2018/19.

### Our planning and performance context

Our performance framework for 2018/19 is shown in figure 3 on page 11. 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.

Further detail on our achievements for the year for the arts in New Zealand is included in Section Two on pages 58–100.

## Our outcomes: Reporting performance against measures for the year ended 30 June 2019

Table 2: Performance against 'Our outcome measures, 2018/19

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
<p>Note: We made significant improvements in the way we collect the data for our outcomes measures. From 1 July 2017, we implemented a new system that allows us to capture statistics about activities and report on outcomes across all programmes. As a result, the reporting methodology for project funding: Grants and special opportunities, initiatives and pilots, and the International Programme, changed from reporting at granting stage to reporting at completion stage. This has contributed to the actual results being significantly higher than the previous year and against targets for several outcome measures. We also refined the activity statistics and outcome reporting guidelines and have applied more rigour to our data collection, resulting in richer information for Creative New Zealand funded activities.</p>							
<b>OUTCOME: STRONGER ARTS COMMUNITIES, ARTISTS AND ORGANISATIONS as shown by:</b>							
<b>O1.1</b>	<b>High-quality New Zealand art is developed:</b> Number of new New Zealand works developed (across all programmes)	319	1,878	≥450	2,666	492%	<p><b>Exceeded target</b></p> <p>The improvement in the way we capture outcome reporting (from 1 July 2017), using activity statistics, has caused the significant increase in the number of new New Zealand works reported. The main area impacted by this change is project funding.</p> <p>The 624 projects acquitted and evaluated in the reporting period resulted in 2,298 new New Zealand works created (2018: 554 projects acquitted and evaluated resulted in 1,507 new New Zealand works created). We were working on completeness of the data in the second half of 2017/18, which meant we did not have a reliable baseline to set up the target in the SPE 2018/19.</p> <p>Tōtara and Kahikatea organisations developed 368 new New Zealand works (2018: 371 works developed).</p> <p>Creative New Zealand ensures high-quality New Zealand art is funded through a robust application assessment process. The number is largely driven by available resources and demand.</p>
<b>O1.2</b>	<b>New Zealand arts gain international success:</b> Number of individuals and organisations funded by Creative New Zealand to engage internationally (across all programmes)	220	161	≥180	143	-21%	<p><b>Did not meet target</b></p> <p>A total of 143 individuals and organisations were funded to engage internationally. The number is driven by the mix of international activities and demand. This target is based on an average of the number of individuals funded in previous years. While under target, the result is only 18 fewer individuals than last year and total activity (refer O1.3) has increased. These numbers do not include the individuals and organisations funded more than once.</p>

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
O1.3	<b>New Zealand arts gain international success:</b> Number of international arts activities and events[1] funded by Creative New Zealand (across all programmes)	765	1,318	≥600	2,610	335%	<p><b>Exceeded target</b></p> <p>The 175 international projects acquitted and evaluated in the reporting period resulted in 2,443 events, or opportunities for international audiences to experience New Zealand arts activities (2018: 164 projects; 1,110 events). Tōtara and Kahikatea organisations supported a further 167 activities.</p> <p>The result is an increase on the same period last year, which reflects an increase in international activities and the duration of some presentations.</p> <p>Similar to O1.1, the improvement in the way we capture outcome reporting, through activity statistics, has caused the significant increase in the number of international activities and events reported in 2018/19.</p>
<b>OUTCOME: GREATER PUBLIC ENGAGEMENT WITH THE ARTS as shown by:</b>							
O2.1	<b>New Zealanders participate in the arts:</b> Number of participants in arts activities[1] funded by Creative New Zealand:						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.
O2.1.1	<i>Investment programmes</i>	44,791	46,331	≥42,000	64,241	53%	<p><b>Exceeded target</b></p> <p>Most of our Tōtara and Kahikatea organisations reported a great year, with more New Zealanders actively participating in arts activities. The increase to 2018 is mainly attributable to the focus of some organisations on young people (eg. NZ Choral Federation: The Big Sing; Kahurangi NZ Māori Dance Trust: Kura Whakangahau; Christchurch Symphony Trust: Karawhiua! Let's Play).</p>
O2.1.2	<i>Creative Communities Scheme</i>	181,860	174,620	≥160,000	170,427	7%	<p><b>Exceeded target</b></p> <p>The 1,596 Creative Communities Scheme projects completed in the reporting period resulted in 170,427 reported participants (2018: 1,373 projects completed resulted in 174,620 reported participants).</p>

[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).

Section 2:  
Statement of performance

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
<b>O2.1.3</b>	<i>Grant: Arts Grant, Quick Response Grants and special opportunities</i>	<i>new in 2016/17</i>	37,722	≥50,000	32,258	-35%	<p><b>Did not meet target</b></p> <p>624 projects completed and evaluated in the reporting period resulted in 32,258 reported participants (2018: 554 projects; 44,722 participants).</p> <p>Note: We adjusted down the number reported in 2018, 44,722 participants, due to the double counting of Murihiku Polyfest participants funded through two projects.</p> <p>2018 was the first year this statistic was collected, and we are yet to see the pattern of project funded activities.</p>
<b>O2.2</b>	<b>New Zealanders experience high-quality arts:</b> Number of attendances at arts activities and events <sup>[1]</sup> funded by Creative New Zealand:						This measure refers to audience numbers, including paid audiences, readers, viewers, and attendances at free events.
<b>O2.2.1</b>	<i>Investment programmes</i>	1,286,665	1,024,791	≥1,200,000	1,174,084	-2%	<p><b>Did not meet target</b></p> <p>Although slightly under target, Tōtara and Kahikatea organisations reported a successful year, with attendances increasing by 15% compared to the previous year.</p>
<b>O2.2.2</b>	<i>Grant: Arts Grant, Quick Response Grants and special opportunities</i>	<i>new in 2016/17</i>	1,167,581	≥400,000	941,128	135%	<p><b>Exceeded target</b></p> <p>449 national projects completed and evaluated in the reporting period resulted in 941,128 reported attendances (2018: 390 national projects; 1,167,581 attendances).</p> <p>The target for 2019 was based on the 2018 half-year result that was significantly below the actual full year result. 2018 was also the first year this statistic was collected, and we are yet to see the pattern of project funded activities.</p>

[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).

## Investing in the arts: Reporting performance against measures for the year ended 30 June 2019

### Annual priorities

Table 3: Performance against 'Our annual priorities: Investing in the arts' measures, 2017/18

Measures:

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
G1.1	Implementing <i>Investment Strategy Te Ara Whakamua 2018–2023</i>	We will align our systems and processes with the principles and features of our new investment strategy.	The arts sector has a clear understanding of our investment principles and features, and our investment shifts to match the Investment Strategy.	<ul style="list-style-type: none"> <li>Implementing the Investment Strategy: <ul style="list-style-type: none"> <li>within the Toi Tōtara Haemata (Arts Leadership) and Toi Uru Kahikatea (Arts Development) investment categories (review completed by December 2018 to apply from 1 January 2020)</li> <li>within the Grants investment category (by June 2019)</li> <li>within the Creative Communities Scheme (by June 2019).</li> </ul> </li> </ul> <p><i>Note: The International Programme investment category will be reviewed in 2019/20.</i></p> <p>Review our strategic framework to ensure the Investment Strategy is reflected in our Statement of Intent (review completed by December 2018 to apply from 1 July 2019).</p>	<p><b>Milestones completed</b></p> <p><i>Investment programmes</i></p> <p>The review of the Toi Tōtara Haemata and Toi Uru Kahikatea programmes was completed by December 2018 (the Arts Council approved programme changes at its October 2018 meeting, and they were communicated to the sector in November 2018). A call for proposals for the new programmes was made in February 2019, and proposals were submitted in May 2019. The Arts Council made funding decisions on 24 July 2019 for all organisations that submitted a proposal. Funding under the revised programmes takes effect from 1 January 2020.</p> <p><i>Grants programme</i></p> <p>The Arts Council confirmed changes to the Grants programme in April 2019. A transitional Arts Grants round, incorporating the review recommendations, opened on 19 July 2019. Full review recommendations will be implemented for subsequent rounds.</p> <p><i>Creative Communities Scheme</i></p> <p>At its December 2018 meeting, as part of the review of the Creative Communities Scheme, the Arts Council approved changes to the Scheme's funding formula to enhance delivery of the Scheme in smaller communities. Recommendations on further changes to the Scheme were agreed by Council in February 2019, pending consultation with territorial authorities. The Arts Council confirmed the review findings in April 2019, taking into account feedback received from territorial authorities. Revised contracts reflecting the review outcomes were forwarded to territorial authorities in early June 2019. Changes to the Scheme applied from 1 July 2019.</p>



## Section 2:

### Statement of performance

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
					<p><i>Strategic framework review</i></p> <p>At its December 2018 meeting, the Arts Council endorsed a new draft strategic and performance framework for Creative New Zealand. The revised strategic framework proposed a new outcome (Stronger arts sector), a new deliverable (Leadership in the arts), and incorporated a new model for representing how Creative New Zealand creates value for New Zealanders through its work.</p> <p>A public discussion document outlining the new 10-year strategic direction was released on 7 March. A total of 25 responses were received which were overwhelmingly supportive of the proposed changes. The final Statement of Intent and Statement of Performance Expectations were approved by the Arts Council in June 2019 and published on 30 June.</p>
G1.2	Implementing <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i>	We will develop and implement a new Māori arts strategy that contributes to the direction of our funding, capability and advocacy programmes and supports the arts sector for long-term success.	Māori arts development directions are identified and acted on, informed by the arts sector and in line with the Investment Strategy.	<ul style="list-style-type: none"> <li>The Māori Arts Strategy is agreed by the Arts Council (by December 2018), communicated to the arts sector (by February 2019) and implementation begins (by March 2019).</li> </ul>	<p><b>Milestone partially completed</b></p> <p><i>Te Hā o ngā Toi — Māori Arts Strategy 2019–2024</i> was approved by the Arts Council on 5 December 2018 and was launched at Te Matatini National Kapa Haka Festival 2019 (20–24 February).</p> <p>A high-level internal Implementation Plan for the 2019–2021 period was presented to Komiti Māori for their review and feedback at their April 2019 meeting. Work is progressing to refine and implement actions under the Implementation Plan, as part of the Grants investment category review (referred to under G1.1) and as part of our work in the regions (Tai Tokerau and Tairāwhiti in particular, discussed briefly under G2.3), and in collaboration with Crown and other cultural agencies. The Implementation Plan was presented to the Arts Council in October 2019.</p>

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
G1.3	Implementing <i>Pacific Arts Strategy 2018–2023</i>	We will develop and implement a new Pacific arts strategy that contributes to the direction of our funding, capability and advocacy programmes and supports the arts sector for long-term success.	Pacific arts development directions are identified and acted on, informed by the arts sector and in line with the Investment Strategy.	<ul style="list-style-type: none"> <li>The Pacific Arts Strategy is agreed by the Arts Council (by September 2018), communicated to the arts sector (by October 2018) and implementation begins (by November 2018).</li> </ul>	<p><b>Milestones completed</b></p> <p>The Pacific Arts Strategy 2018–2023, developed in consultation with the Pacific arts community, was approved by the Arts Council at its August 2018 meeting and published on 25 September. The Strategy applies to all Creative New Zealand’s programmes and policies, including arts funding, investments, grants, international capability and advocacy programmes, for the 2018–2023 period. The strategy includes a five-year strategic direction and a set of five-year priorities for action, to be supported by annual implementation plans.</p> <p>Implementation commenced in October 2018 and at its December 2018 meeting, the Arts Council endorsed the Implementation Plan for the 2018–2020 periods. A high-level version of the Implementation Plan was published in August 2019. Work is progressing to implement actions under the Implementation Plan, including those with impacts on the Grants investment category (alongside the Grants Review referred to under G1.1).</p>

## Core activities

Table 4: Performance against 'Our core activities: Investing in the arts' measures, 2018/19

Measures:

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
<b>TŌTARA AND KAHIKATEA PROGRAMMES</b>							
<b>G1.4</b>	Percentage of investment organisations that meet or exceed expectations set in their funding agreements	95%	97%	≥95%	95%	0%	<p><b>Met target</b></p> <p>This measure reports on Tōtara and Kahikatea organisations' delivery against performance in four areas: quality, alignment to Creative New Zealand strategy, financial and organisational. It includes all Tōtara and Kahikatea organisations with continuous funding agreements.</p> <p>Of the 84 organisations with continuous programme funding agreements, 80 organisations met or exceeded expectations.</p>
<b>G1.5</b>	Percentage of investment organisations that meet or exceed expectations against key performance indicators set in individual funding agreements (Tōtara and Kahikatea programmes success rate)	96%	97%	≥96%	93%	-3%	<p><b>Did not meet target</b></p> <p>This measure reports on Tōtara and Kahikatea organisations' delivery against the key performance indicators (KPIs) in individual funding agreements. It includes all Tōtara and Kahikatea organisations with continuous funding agreements.</p>
<b>GRANTS: ARTS GRANT, QUICK RESPONSE GRANTS AND SPECIAL OPPORTUNITIES</b>							
<b>G1.6</b>	Percentage of completed projects that meet or exceed expectations in funding agreements	100%	99%	≥99%	99%	0%	<p><b>Target met</b></p> <p>Of the 554 projects evaluated in the reporting period, 548 met or exceeded expectations. This measure reports on Creative New Zealand staff evaluations of artists' completion reports for project funding through the following programmes: Project funded organisations; Grants and special opportunities; International Programme grants; and other project funding.</p>

## Developing the arts: Reporting performance against measures for the year ended 30 June 2019

### Annual priorities

Table 5: Performance against 'Our annual priorities: Developing the arts' measures, 2018/19

Measures:

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
G2.1	Implementing the Innovation Fund	To provide one-off funding for selected organisations currently funded through the Tōtara and Kahikatea Programmes to build innovation into their regular arts and organisational practice.	We provide investment that supports innovation in New Zealand arts practice.	Initiative to be implemented and funding granted to successful applicants (by June 2019).	<p><b>Milestone completed</b></p> <p>Applications to the Innovation Fund closed on 12 October 2018 with more than 20 applications submitted (total available budget: \$450,000 per annum).</p> <p>Four projects were funded in this round, with the panel recommending that the full budget not be used at this point (the panel believing that for projects to be funded, they needed to display true innovation to the sector, not just to the organisation). It was agreed that the remainder of the budget (\$224,599) would be reallocated to 2019/20.</p>
G2.2	Implementing the Young New Zealanders and the Arts Toi Rangatahi Initiative	To provide a three-part initiative that supports young New Zealanders to value, access, and participate in the arts.	We provide investment that supports young New Zealanders to value, access, and participate in the arts, with a focus on under-represented communities.	<p>Fund: Implemented and funding granted to successful applicants (by June 2019)</p> <p>Partnerships Programme: Scoping and implementation (from December 2018)</p> <p>Strategy: Development process commenced (by December 2018)</p>	<p><b>Milestones completed</b></p> <p><i>Fund</i></p> <p>The three Toi Rangatahi funds opened on 11 October 2018 with a focus on specific areas for young New Zealanders around participation, engagement and leadership. Applications closed on 1 March 2019. Applicants were notified of decisions on 18 April 2019.</p> <p>Twenty projects from a total of 106 applications were supported across the three funds: Engagement (11); Participation (5) and Leadership (4). Projects include workshops, performance, kapa haka, exhibitions, street arts and mentoring, across all artforms. Activity also covered regional centres including Waikato, Northland and Hawke's Bay. Under-represented communities targeted by these projects included young people in youth justice residencies and with complex mental health needs.</p> <p>The second tranche of the Leadership fund closed on 26 July 2019. Five grants totalling \$48,877 were offered to support projects by New Zealand artists and practitioners in this funding round. 23 applications were received, with a total of \$243,063 requested.</p>

## Section 2:

### Statement of performance

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
					<p><i>Partnership Programme</i></p> <p>A new pilot initiative in partnership with the Ministry of Youth Development – the Northland Youth Arts and Capability Fund – was delivered. The purpose of this initiative is to increase opportunities for young New Zealanders (12-24 years) in Northland to engage in (by, with or for) high-quality arts experiences. Three applications were received and two projects were funded: to Sistema Whangarei to extend teaching to teenagers, and to Creative Northland to engage young people in arts across the region.</p> <p>A partnership with Oranga Tamariki to support Arts Access Aotearoa to deliver an arts programme in youth justice residencies has been agreed in principle. The project is in two stages – the first will be a scoping exercise facilitated by Arts Access Aotearoa and the second phase will be the implementation of arts projects.</p> <p><i>Strategy</i></p> <p>The development process commenced but was paused to allow the Fund and Partnerships Programme processes to run and the results to be considered. The need for a dedicated strategy will be re-assessed in 2019/20.</p>
G2.3	Developing an Arts in the Regions Initiative	We will develop and implement a new initiative focused on enabling communities across New Zealand to engage in the arts, with a focus on under-represented communities.	We confirm our approach to broadening the reach of the arts to under-represented communities around New Zealand.	Scoping and development to be completed by June 2019.	<p><b>Milestone completed</b></p> <p>A proposal for the establishment of an Arts in the Regions initiative was approved by the Arts Council at its 29 April 2019 meeting and announced by Minister Robertson at Creative New Zealand's Nui te Kōrero hui on 13 June 2019.</p> <p>The initiative will comprise two funds, an Arts in the Regions Touring Fund and an Arts in the Regions Programming Incentive Fund. Proposed changes to the Creative Communities Scheme, to increase funding to rural and provincial territorial authorities, can also be viewed as falling under the banner of the initiative.</p> <p>The overall aim of the initiative is to broaden the reach of the arts to local and regional communities (ie, those outside the main centres of Auckland, Wellington and Christchurch). The Funds will be developed by December 2019 and implemented in 2020.</p> <p>There is also a focus on regional development in ngā toi Māori as part of the implementation of <i>Te Hā o ngā Toi—Māori Arts Strategy</i>. This is discussed under G3.1.</p>



## Core Activities

Table 6: Performance against 'Our core activities: Developing the arts' measures, 2018/19

Measures:

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
<b>G2.4</b>	Percentage of organisations who agree capability building programmes align with their needs and priorities	84%	82%	≥85%	90%	5%	<b>Exceeded target</b> These two measures are based on the Organisational Development Model (ODM) survey, a self-assessment tool for Tōtara and Kahikatea organisations to review their organisation's strengths and weaknesses and to track progress over time. Creative New Zealand manages this survey internally. The survey results provide confidence that we are tailoring capability initiatives that respond to areas of need. The survey is completed annually. Overall results excluded duplicate responses, partially completed responses and late responses. Final results are based on a total of 54 survey responses with 41 responses considered for these measures (ie, those who agree or strongly agree).
<b>G2.5</b>	Percentage of organisations who rank capability building initiatives as extremely or very effective, relevant and helpful	74%	74%	≥75%	78%	3%	
<b>G2.6</b>	Percentage of capability building initiatives delivered to the sector that have met or exceeded our expectations	New in 2017/18	92%	92%	96%	4%	<b>Exceeded target</b> Of the 70 capability building projects evaluated in the reporting period, 67 met or exceeded expectations. This measure focuses on Creative New Zealand's assessment of the immediate results of individual capability building initiatives against the relevant objectives set for each initiative.

## Advocating for the arts: Reporting performance against measures for the year ended 30 June 2019

### Annual priorities

Table 7: Performance against 'Our annual priorities: Advocating for the arts' measures, 2018/19

Measures:

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
G3.1	Developing new advocacy agendas with Māori, Pacific groups and local government	We will continue to enhance our relationship with Māori, Pacific groups and local government, as important advocates and co-funders of the arts in Aotearoa New Zealand.	Our agreements with key Māori and Pacific partners are advanced, so that Māori and Pacific arts develop regionally, nationally and internationally. 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.	Milestones for each advocacy audience (Māori, Pacific groups and local government) to be confirmed through the 2018/19 Advocacy Action Plan by September 2018; relevant actions delivered by June 2019	<p><b>Milestones completed</b></p> <p>Relationships with Māori, Pacific groups and local government have been developed over the year. In the Māori and Pacific space, much of the focus has been around the new strategies for ngā toi Māori and Pacific arts (each of which includes advocacy actions). For local government, discussions were held with Local Government New Zealand (LGNZ) about next steps for growing the relationship, including with the Te Maruata governance group and at the LGNZ conference in July 2019. Advice was also provided to specific individual councils over the period about new arts and culture plans in their districts, including in Christchurch, Hawke's Bay, Whanganui and Whangarei.</p> <p>Work to support ngā toi Māori advocacy is progressing in specific Rohe (regions) in partnership with iwi, hapū and arts organisations. Relationships with New Zealand Trade and Enterprise, Callaghan Innovation and NZ Story Group have also been strengthened, as have relationships within the Ngā Kaihautū cultural agencies forum.</p>

No.	Name	Description	Achievement result	2018/19 milestones	2018/19 Result
G3.2	Boosting the impact of our research	We will communicate new research insights and develop a new research agenda for Creative New Zealand, informed by our new Māori and Pacific arts strategies, in collaboration with our stakeholders and for the benefit of the arts sector.	Research insights produced are useful to the sector and stakeholders, and serve to advance discussion about the arts in New Zealand.  The sector and stakeholders agree that the research agenda is an effective plan to develop a co-ordinated programme of research.	New research insights from <i>New Zealanders and the arts</i> and <i>Audience Atlas</i> New Zealand are communicated to the arts sector and other stakeholders (ongoing; by June 2019).  Research agenda developed and communicated to the arts sector and other stakeholders (by December 2018).	<b>Milestones partially completed</b>  Research insights from <i>New Zealanders and the arts</i> and <i>Audience Atlas</i> have been used across a variety of Creative New Zealand's work, including advocacy submissions. No specific additional reports have been produced.  The main research focus for 2018/19 was <i>A Profile of Creative Professionals</i> – a significant survey of creative professionals delivered in January 2019 by research company Colmar Brunton (jointly commissioned by Creative New Zealand and NZ On Air). Of the 8,200 email addresses contacted, 1,477 creative professionals fully completed an online survey. In addition, Colmar Brunton conducted 16 qualitative face-to-face interviews with creative professionals in Auckland, Wellington, and Christchurch. The final report was released in May 2019 and generated significant discussion. Further engagement with the arts sector on draft principles for sustainable careers, along with potential future actions in this space, began in August 2019.  A three-year research plan has been drafted but this was not communicated to the arts sector and other stakeholders in 2018/19 as planned. This work will carry forward to 2019/20.

## Core Activities

Table 8: Performance against 'Our core activities: Advocating for the arts' measures, 2018/19

Measures:

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
G3.3	Percentage of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations	New in 2017/18	54%	90%	64%	-29%	<b>Did not meet target</b>  The Advocacy Action Plan 2018/19 had 31 actions; 5 exceeded expectations, 15 met expectations and 11 did not meet expectations. In 2018/19, we made deliberate prioritisation choices and, in some cases, decisions were made during the year to concentrate resources and effort on different actions, for greater impact. For many actions where expectations were not met, work will be continued on in 2019/20. Achievements in 2018/19 are detailed on pages 26-30.

## Improving service delivery: Reporting performance against measures for the year ended 30 June 2019

### Annual priorities

Table 9: Performance against 'Our annual priorities: Improving service delivery' measures, 2018/19

Measures:

No.	Name	Description	Achievement result	2018/19 milestones	Notes
G4.1	Aligning our business practices with our investment intentions	We will continue to refine our systems and processes to best support the delivery of our investment intentions, as set out in the new Investment Strategy.	Systems are well placed to better serve and deliver on our investment intentions, and progress on delivering on these intentions is tracked.	Refine our systems and processes in line with the outcomes of Investment Strategy category reviews (refer G1.1) (ongoing; by June 2019).	<p><b>Milestone completed</b></p> <p>The investment category reviews under G1.1 have been completed, along with the necessary system changes to implement these reviews.</p> <p>We have begun work on refining our systems to be able to implement the <i>Te Hā o ngā Toi—Māori Arts Strategy</i> and the <i>Pacific Arts Strategy</i> (G1.2 and G1.3).</p>
G4.2	Refining our systems	We will continue to refine our systems, to improve service delivery and operational efficiency.	Through the information our systems tell us, we have a better understanding of the impact our work is having, in the most effective and efficient way and with fewer compliance costs for our clients.	<p>Develop a standardised set of activity reporting guidelines, including counting rules and definitions, for staff (by September 2018).</p> <p>Enable clients to report on the outcomes of their projects and contract deliverables online (by December 2018).</p> <p>Develop an information systems plan for the three years to December 2021 (by December 2018).</p>	<p><b>Milestone completed</b></p> <p>A standardised set of activity reporting guidelines for staff, including counting rules and definitions, has been completed.</p> <p>Online reporting on project outcomes and contract deliverables is now live for all Investment and Grant programmes in the Grants Management System. International and Capability Building programmes that fit with our standard reporting templates are also now online and work is underway to transfer the remaining programmes with bespoke reporting requirements online by the end of February 2019.</p> <p>In Quarter 3, we also replaced our legacy finance system. We entered into a five-year shared service agreement with the Treasury for provision of services relating to a financial management information system. This service includes a Software-as-a-Service (SaaS) system, shared best practice tools and templates, and access to a centre of expertise within the Central Agencies Shared Services unit.</p> <p>The information systems plan has also been revised and updated.</p>

## Core Activities

Table 10: Performance against 'Our core activities: Improving service delivery' measures, 2018/19

Measures:

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Notes
<b>G4.3</b>	Percentage of clients who are satisfied with overall service received from Creative New Zealand	78.5%	64.2%	≥80%	Survey not completed in 2018/19	Not applicable	The decision was made not to complete the customer satisfaction survey, due to the changes to major programmes and the reviews of the investment categories referred to under G1.1. It was felt that the survey would not provide a useful perspective in a changing environment. However, we continued to monitor client satisfaction and feedback through individual programme evaluations (eg, refer to G2.4 and G2.5), regular engagement with clients via the Investment Services team, face-to-face meetings and email feedback. We will be looking at the best way to get valuable feedback from clients in 2019/20.



## Improving our organisation: Reporting performance against measures for the year ended 30 June 2019

### Annual priorities

Table 11: Performance against 'Our annual priorities: Improving our organisation' measures, 2018/19

Measures:

No.	Name	Description	Achievement result	2018/19 milestones	Notes
G5.1	Developing a cohesive learning and development framework	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.	Staff capability continues to grow in areas critical to success, including Māori and Pacific responsiveness.	A cohesive learning and development framework is developed (by December 2018).	<b>Milestone partially completed</b> Work to create a cohesive learning and development framework began in 2018/19, though it was not fully completed by 30 June 2019. Work included the development of a leadership competency framework to help clarify skills, behaviours and competencies expected of staff. Competencies incorporating Māori and Pacific responsiveness will be developed as <i>Te Hā o ngā Toi—Māori Arts Strategy</i> and the <i>Pacific Arts Strategy</i> are implemented.
G5.2	Embedding high performance in our new operating model	We will pursue continuous improvement opportunities that lift the organisation's performance within our new operating model.	Creative New Zealand staff and the arts sector experience positive changes resulting from implementation of the new operating model.	Performance is lifted through implementing the cohesive learning and development framework (by June 2019).	<b>Milestone partially completed</b> While the learning and development framework was not completed in 2018/19, a large amount of work was undertaken to embed a new operating model across Creative New Zealand, deliver specialist services to clients and the organisation, and to refine various teams' performance. Work towards a new learning and development framework is a part of this overall improvement process.

## Core Activities

Table 12: Performance against 'Our core activities: Improving our organisation' measures, 2018/19

Measures:

No.	Name	2016/17 Actual	2017/18 Actual	2018/19 Target	Result	Variance	Note
<b>G5.3</b>	Maintain or improve audit management ratings	Very Good Very Good Good	Very Good Very Good Good	Very Good Very Good Very Good	Very Good Very Good Good	Not applicable	<b>Did not meet target</b>  This measure includes annual audit ratings for management control, financial systems and service performance information.
<b>G5.4</b>	Improve on 'Best Workplaces' survey – overall performance index	65.2%	66.8%	≥74%	75.7%	1.7%	<b>Exceeded target</b>  This measure is an average of the survey's section scores, covering areas like quality and performance focus, communication and co-operation, and learning and development. The survey is run annually in July/August for the previous financial year. All Creative New Zealand staff received the invite to complete the survey. 49 responses were received. The survey was managed internally.  The 2018 results reflected the changes in the operating model and the related period of organisational change.

## Statement of Financial Performance 2018/19

The following section details the 2018/19 financial performance and the financial planning context for 2019/20.

### Financial performance 2018/19

In 2018/19, we worked to provide as much stability and certainty as possible, with variable revenue, to our investment and service delivery.

Revenue from the New Zealand Lottery Grants Board (NZLGB) for 2018/19 reduced by \$2.1 million compared to the previous financial year. In 2016/17 and 2017/18, we benefited from the strong financial performance of Lotto NZ, through the NZLGB. In both years, lotteries profits have been well ahead of initial targets. This saw us receive \$19.3 million more than originally budgeted (\$11.8 million in 2016/17 and \$7.5 million in 2017/18). This additional 'windfall' revenue positioned us extremely well for the future.

We increased our investment in the arts sector in 2018/19. Overall, we invested \$47.974 million in the arts sector,

an increase of \$5.5 million from the total investment in 2017/18, spread across all programmes. The good fortune we had in 2016/17 and 2017/18 has meant that our investment in the arts sector can increase further – to \$57.946 million in 2019/20, a further increase of \$10 million, for which we will be using our accumulated funds.

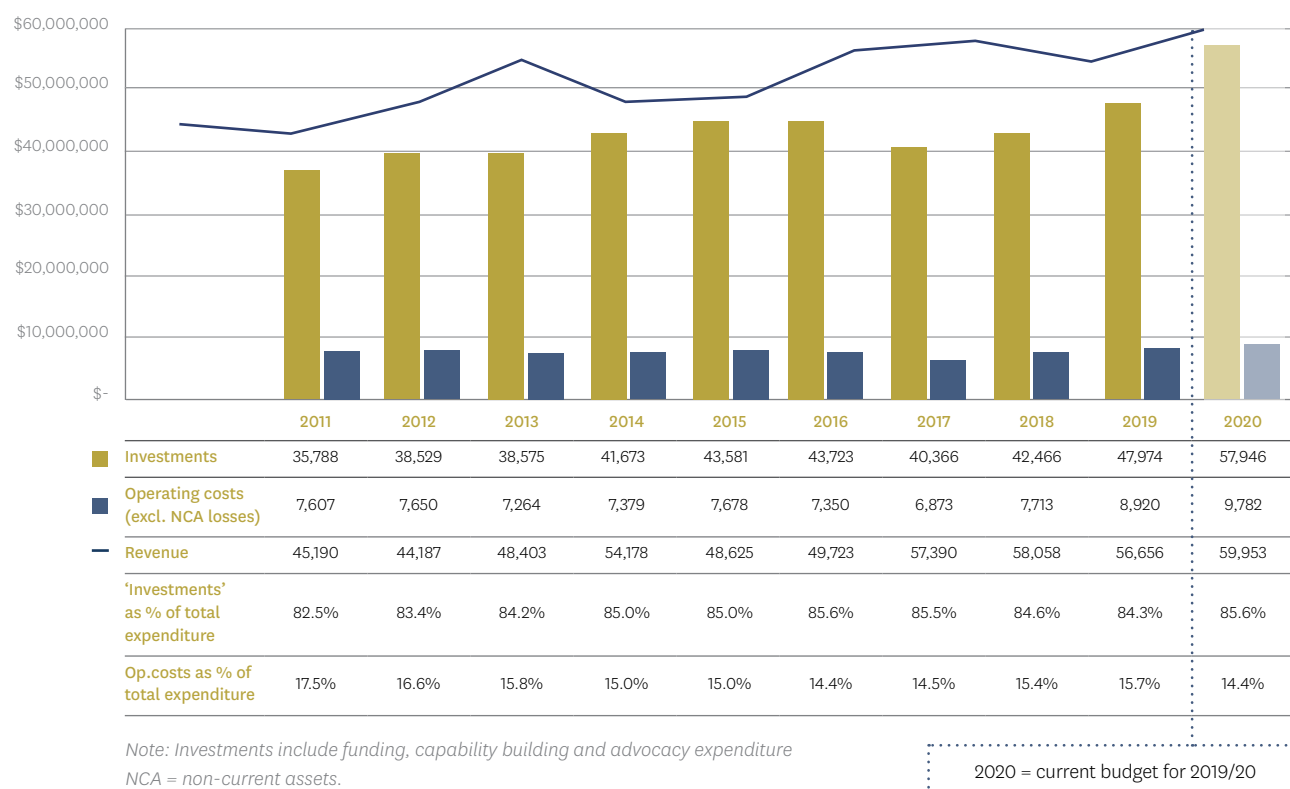
We have an equity policy that enables us to shield the sector from the unpredictable nature of lottery revenue. Figure 21 shows the funds we've accumulated over time, which will now be reduced through greater investment in the sector. This will allow our investment to increase even further in the future.

Figure 22 shows our longer-term revenue and expense trends. These show a significant increase in our investment in the arts sector over time and the volatility of our revenue. Having remained at the same level for 10 years, our operating costs are increasing as we develop more specialist capability and capacity within the organisation. This is allowing us to deliver better services to those we interact with, as well as to make greater use of external advice in our funding and decision-making processes.

Figure 21: Surplus/deficit vs Minimum equity vs Accumulated funds 2011/12–2021/22



Figure 22: Revenue and expense trends 2011/12–2019/20



## Financial planning context for 2019/20

The Arts Council has developed and published an investment strategy to give the arts sector and other arts investors increased clarity on the future direction of Creative New Zealand's funding. The *Investment Strategy Te Ara Whakamua 2018–2023* is guiding our investment directions, to ensure we build an investment portfolio that's fit to meet the future needs of the arts in Aotearoa.

In July 2019, the Arts Council approved \$92.864 million of funding over the next three financial years for our Tōtara and Kahikatea Investment programmes (note 27), an average increase of \$4.8 million per annum on the 2018/19 level. The Investment programmes represent about 60 percent of our total investment in the arts sector. These decisions reflect our Council's intention to position the Investment portfolio to deliver to New Zealand's changing arts sector and population in line with the direction set

out in the Investment Strategy – particularly its three features of diversity and reach, dynamic arts and a resilient arts sector – and to reward great performance and solid plans. We made decisions based on each organisation's alignment with the features of the Investment Strategy, and also considered alignment with *Te Hā o ngā Toi* and the *Pacific Arts Strategy*.

We'll continue to implement our Investment Strategy over the 2019/20 year to guide the way we support the arts in New Zealand. We'll also advance ngā toi Māori and Pacific arts through our two new dedicated strategies.

Guided by our strategies, we'll also advance initiatives for young people and youth arts, arts in the regions and innovation in the arts, as well as continuing our support across all our major programmes.

For further information, see our Statement of Performance Expectations 2019/20, which is available on our website: [www.creativenz.govt.nz/SPE\\_2019-20](http://www.creativenz.govt.nz/SPE_2019-20)

## Statement of financial performance

For the year ended 30 June 2019

	NOTE	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000
<b>REVENUE</b>				
Revenue from the Crown	3	15,689	15,689	15,689
Revenue from the New Zealand Lottery Grants Board	4	39,194	40,350	41,259
Interest revenue		1,188	1,120	940
Other revenue	5	585	214	170
<b>TOTAL REVENUE</b>		<b>56,656</b>	<b>57,373</b>	<b>58,058</b>
<b>EXPENSES</b>				
Investing in the arts	9	44,444	44,724	39,887
Developing the arts	9	2,928	3,027	1,716
Advocating for the arts	9	602	1,010	863
		<b>47,974</b>	<b>48,761</b>	<b>42,466</b>
Operating costs				
Personnel expenses	6	6,113	6,103	5,170
Depreciation and amortisation	7	329	340	347
Other expenses	8	2,478	2,547	2,196
		<b>8,920</b>	<b>8,990</b>	<b>7,713</b>
<b>TOTAL EXPENDITURE</b>		<b>56,894</b>	<b>57,751</b>	<b>50,179</b>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<b>(238)</b>	<b>(378)</b>	<b>7,879</b>

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 2019

	NOTE	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000
<b>Surplus/(deficit) for the year</b>		(238)	(378)	7,879
<b>Other comprehensive revenue and expense</b>				
Gain/(Loss) on revaluation of works of art	14	(39)	–	8
<b>Total other comprehensive revenue and expense</b>		(39)	–	8
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(277)</b>	<b>(378)</b>	<b>7,887</b>

## Statement of changes in net equity

For the year ended 30 June 2019

	NOTE	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000
<b>Total equity as at 1 July</b>		<b>29,573</b>	<b>28,753</b>	<b>21,686</b>
Net operating surplus/(deficit) for the year		(238)	(378)	7,879
Other comprehensive revenue and expense		(39)	–	8
<b>Total comprehensive revenue and expense</b>		<b>(277)</b>	<b>(378)</b>	<b>7,887</b>
<b>TOTAL EQUITY AS AT 30 JUNE</b>	19	<b>29,296</b>	<b>28,375</b>	<b>29,573</b>

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 2019

	NOTE	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	10	568	5,213	1,712
Investments in term deposits	11	32,500	25,000	26,000
Receivables	12	10,147	10,488	13,168
Prepayments		299	350	101
<b>Total current assets</b>		<b>43,514</b>	<b>41,051</b>	<b>40,981</b>
<b>Non-current assets</b>				
Property, plant and equipment	13	499	280	293
Works of art	14	1,040	1,071	1,079
Intangible assets	15	1,409	1,480	1,426
<b>Total non-current assets</b>		<b>2,948</b>	<b>2,831</b>	<b>2,798</b>
<b>TOTAL ASSETS</b>		<b>46,462</b>	<b>43,882</b>	<b>43,779</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Grants payable	9	16,048	14,500	13,319
Creditors and other payables	16	637	550	424
Revenue in advance		10	10	10
Employee entitlements	17	309	300	295
Lease make-good provision	18	100	105	100
<b>Total current liabilities</b>		<b>17,104</b>	<b>15,465</b>	<b>14,148</b>
<b>Non-current liabilities</b>				
Employee entitlements	17	62	42	58
<b>Total non-current liabilities</b>		<b>62</b>	<b>42</b>	<b>58</b>
<b>TOTAL LIABILITIES</b>		<b>17,166</b>	<b>15,507</b>	<b>14,206</b>
<b>NET ASSETS</b>		<b>29,296</b>	<b>28,375</b>	<b>29,573</b>
<b>EQUITY</b>				
Accumulated funds	19	27,470	26,472	27,671
Revaluation reserves	19	1,040	1,071	1,079
Restricted reserves – special purpose funds	19	786	832	823
<b>TOTAL EQUITY</b>		<b>29,296</b>	<b>28,375</b>	<b>29,573</b>

## Statement of cash flows

For the year ended 30 June 2019

	ACTUAL 2019 \$000	BUDGET 2019 \$000	ACTUAL 2018 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Revenue from the Crown	15,689	15,689	15,689
Revenue from the New Zealand Lottery Grants Board	42,736	42,518	45,280
Interest received	1,085	1,128	779
Grant retirements and gains	97	50	28
Other revenue	64	14	840
<b>Cash was applied to:</b>			
Payments of grants	(45,319)	(48,887)	(42,316)
Payments to employees	(6,095)	(6,103)	(5,119)
Payments of operating expenses	(2,314)	(2,592)	(2,260)
Net Goods and Services Tax	(69)	(50)	(162)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>5,874</b>	<b>1,767</b>	<b>12,759</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Term deposits maturing (with maturities over 3 months)	26,000	26,000	8,500
<b>Cash was applied to:</b>			
Purchase of property, plant, equipment and intangible assets	(518)	(440)	(320)
Investment in term deposits (with maturities over 3 months)	(32,500)	(25,000)	(26,000)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(7,018)</b>	<b>560</b>	<b>(17,820)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(1,144)</b>	<b>2,327</b>	<b>(5,061)</b>
Cash and cash equivalents at the beginning of the year	1,712	2,886	6,773
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>568</b>	<b>5,213</b>	<b>1,712</b>

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 2019.

#### 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 2019 and were approved for issue by the Board (the Arts Council) on 31 October 2019.

#### 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 2018-19 published in June 2018, based on the budget approved by the Arts Council at its June 2018 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 2018/19 has been estimated at \$40.35 million, based on Lotto NZ's forecast payment to the NZLGB for 2017/18, along with the average payment from the NZLGB to Creative New Zealand over the previous six years.
- 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 on next page.

## STATEMENT OF FINANCIAL PERFORMANCE

An operating deficit of \$0.238 million for the year ended 30 June 2019 is reported against the net operating deficit budget of \$0.378 million, a variance of \$0.140 million.

Revenue from the NZLGB was lower by \$1.156 million when compared to the June 2018 budget of \$40.35 million. In July 2018, the NZLGB advised the allocation for 2018/19 to be \$41.2 million. During the year, Lotto NZ revised their profit forecast down, resulting in Creative New Zealand's revenue from the NZLGB for 2018/19 reducing by \$2.2 million.

Total expenses for the year tracked close to budget; with an overall underspend of \$0.86 million (1.5%). Details of expenses (investing in the arts, developing the arts and advocating for the arts) by investment category are provided in note 9.

## STATEMENT OF FINANCIAL POSITION

Net cash position and grants payable balance were higher than budgeted by \$2.855 million (9%) and by \$1.548 million (10%) respectively due to the timing of the multi-year grant payments (Tōtara and Kahikatea) as disclosed in note 9.

## 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 \$15.689 million (2018: \$15.689 million).

Apart from the general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2018: \$nil).

## 4. Revenue from the New Zealand Lottery Grants Board

### 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

	2019 \$000	2018 \$000
Funding allocation for the year (based on budgeted profit)	39,000	33,750
Additional allocation for the year (based on forecast profit)	–	6,750
Additional profit allocation (wash-up from current year's profit)	194	754
Additional profit allocation (wash-up from previous year's profit)	–	5
	<b>39,149</b>	<b>41,259</b>



## 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

	2019 \$000	2018 \$000
Venice Biennale – Patrons	290	–
Venice Biennale – other contributions	46	70
Retirement of grants	231	89
The Todd Trust	10	10
Other	8	1
	<b>585</b>	<b>170</b>

## 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

	2019 \$000	2018 \$000
Salaries and wages	5,285	4,694
Other staff-related costs	660	282
Employer contributions to defined contribution plans	150	143
Increase/(decrease) in employee entitlements	18	51
	<b>6,113</b>	<b>5,170</b>

During the year ended 30 June 2019, no employees received compensation relating to the cessation of their employment with Creative New Zealand (2018: \$nil).

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

Total remuneration paid or payable:	Number of employees	
	2019	2018
\$100,000 – \$109,999	3	4
\$110,000 – \$119,999	2	3
\$120,000 – \$129,999	3	2
\$130,000 – \$139,999	1	Nil
\$140,000 – \$149,999	Nil	3
\$150,000 – \$159,999	1	1
\$160,000 – \$169,999	1	Nil
\$200,000 – \$209,999	1	Nil
\$210,000 – \$219,999	1	1
\$320,000 – \$329,999	Nil	1
\$340,000 – \$349,999	1	Nil

The Chief Executive's remuneration and benefits is in the \$340,000 to \$349,999 band (2018: \$320,000 to \$329,999). This reflects the change in the treatment of the performance pay component. As per the State Services Commission's (SSC) 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 anomaly, the Chief Executive's remuneration and benefits remains in the \$320,000 to \$329,999 band.

## 7. Depreciation and amortisation

	2019 \$000	2018 \$000
<b>Depreciation</b>		
Leasehold improvements	9	62
Computer equipment	37	43
Furniture, equipment and fittings	33	33
<b>Amortisation</b>		
Computer software	250	209
	<b>329</b>	<b>347</b>

## 8. Other expenses

	2019 \$000	2018 \$000
Fees to auditor – Audit New Zealand – for audit of financial statements	70	62
Board member remuneration (Note 24)	188	192
Operating lease payments	343	309
Interest expense – discount unwind on provisions (Note 18)	–	3
Other expenses	1,877	1,630
	<b>2,478</b>	<b>2,196</b>

## 9. Expenditure (investing, developing, advocating) by investment category

### Accounting policy

#### GRANT EXPENDITURE

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 27).

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 expenditure by investment category

	ACTUAL 2019 \$000	ACTUAL 2018 \$000
<b>INVESTING IN THE ARTS</b>		
Toi Tōtara Haemata (Arts Leadership) Investment programme	16,758	16,503
Toi Uru Kahikatea (Arts Development) Investment programme	10,584	9,057
Grants: Arts Grants, Quick Response Grants and Special Opportunities	10,121	7,273
Creative Communities Scheme	3,392	3,425
International Programme	2,394	2,190
Initiatives and pilots	1,195	1,439
	<b>44,444</b>	<b>39,887</b>
<b>DEVELOPING THE ARTS</b>		
National programme	414	423
International Programme	640	514
Initiatives and pilots	1,874	779
	<b>2,928</b>	<b>1,716</b>
<b>ADVOCATING FOR THE ARTS</b>		
	<b>602</b>	<b>863</b>

Creative New Zealand does not allocate personnel costs directly to funding, capability building and advocacy programmes.

Comparative and budget information has been reclassified to conform to the current year's presentation and alignment of expenses to investment categories.

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

### Breakdown of grants payable

	2019 \$000	2018 \$000
Toi Tōtara Haemata (Arts Leadership) Investment programme	8,146	7,045
Toi Uru Kahikatea (Arts Development) Investment programme	5,103	3,775
Grants and other investment categories	2,799	2,499
	<b>16,048</b>	<b>13,319</b>

## 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

	2019 \$000	2018 \$000
Cash at bank and on hand	98	108
Term deposits with maturities less than three months	470	1,604
<b>Total investments</b>	<b>568</b>	<b>1,712</b>

While cash and cash equivalents at 30 June 2019 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

	2019 \$000	2018 \$000
Term deposits	32,500	26,000
<b>Total investments</b>	<b>32,500</b>	<b>26,000</b>

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.

### PREVIOUS ACCOUNTING POLICY FOR IMPAIRMENT OF RECEIVABLES

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

## Breakdown of receivables

	2019 \$000	2018 \$000
<b>Receivables from non-exchange transactions</b>		
New Zealand Lottery Grants Board	9,018	12,560
Goods and services tax receivable	325	256
Sundry receivables	443	94
<b>Receivables from exchange transactions</b>		
Interest receivable	361	258
<b>Total receivables</b>	<b>10,147</b>	<b>13,168</b>

Creative New Zealand does not expect credit losses at 30 June 2019, 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:

	2019 \$000	2018 \$000
Not past due	10,147	13,164
Past due 1–30 days	–	4
Past due 31–60 days	–	–
Past due 61–90 days	–	–
Past due over 90 days	–	–
	<b>10,147</b>	<b>13,168</b>

## 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)	4.6 years	21.8%
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.

Section 2:  
Statement of performance

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
<b>Cost</b>					
Balance at 1 July 2018	-	315	371	465	1,151
Additions	215	-	13	57	285
Disposals	-	-	(9)	(77)	(86)
<b>Balance at 30 June 2019</b>	<b>215</b>	<b>315</b>	<b>375</b>	<b>445</b>	<b>1,350</b>
<b>Accumulated depreciation</b>					
Balance at 1 July 2018	-	287	175	396	858
Depreciation expense	-	9	33	37	79
Eliminated on disposal/reclassification	-	-	(9)	(77)	(86)
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>296</b>	<b>199</b>	<b>356</b>	<b>851</b>
<b>Carrying amount at 30 June 2019</b>	<b>215</b>	<b>19</b>	<b>176</b>	<b>89</b>	<b>499</b>
<b>Cost</b>					
Balance at 1 July 2017	-	315	344	447	1,106
Additions	-	-	27	58	85
Disposals	-	-	-	(40)	(40)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>315</b>	<b>371</b>	<b>465</b>	<b>1,151</b>
<b>Accumulated depreciation</b>					
Balance at 1 July 2017	-	225	142	393	760
Depreciation expense	-	62	33	43	138
Eliminated on disposal/reclassification	-	-	-	(40)	(40)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>287</b>	<b>175</b>	<b>396</b>	<b>858</b>
<b>Carrying amount at 30 June 2017</b>	<b>-</b>	<b>28</b>	<b>196</b>	<b>69</b>	<b>293</b>

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 determined by Christopher Moore of Christopher Moore Gallery as at 30 June 2019. Christopher Moore is an art dealer and an experienced independent valuer of artworks.

	2019 \$000	2018 \$000
<b>Balance at 1 July</b>	1,079	1,071
Additions	-	-
Revaluation increase/(decrease)	(39)	8
Disposals	-	-
<b>Carrying amount at 30 June</b>	<b>1,040</b>	<b>1,079</b>

## 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:

	2019 \$000	2018 \$000
<b>Cost</b>		
Balance at 1 July	3,364	3,129
Additions	233	235
<b>Balance at 30 June</b>	<b>3,597</b>	<b>3,364</b>
<b>Accumulated amortisation</b>		
Balance at 1 July	1,938	1,729
Amortisation expense	250	209
<b>Balance at 30 June</b>	<b>2,188</b>	<b>1,938</b>
<b>Carrying amount at 30 June</b>	<b>1,409</b>	<b>1,426</b>

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. Creditors and other payables

### Accounting policy

Short-term creditors and other 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.

### Breakdown of creditors and other payables

	2019 \$000	2018 \$000
<b>Payables under exchange transactions</b>		
Trade payables	569	384
Accrued expenses	68	40
	<b>637</b>	<b>424</b>

Creative New Zealand has a bank credit card facility of up to \$200,000 (2018: \$200,000). \$11,102 of the total facility was used at 30 June 2019 (2018: \$9,758).

## 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.

### Breakdown of employee entitlements

	2019 \$000	2018 \$000
<b>Current portion</b>		
Accrued/(prepaid) salaries and wages	-	-
Annual leave	261	262
Long service leave	40	26
Time in lieu	8	7
<b>Total current portion</b>	<b>309</b>	<b>295</b>
<b>Non-current portion</b>		
Long service leave	62	58
<b>Total non-current portion</b>	<b>62</b>	<b>58</b>
<b>Total employee entitlements</b>	<b>371</b>	<b>353</b>

## 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 is 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 are expected to occur in August 2019. Further information about Creative New Zealand's leasing arrangements is disclosed in note 21.

### Breakdown of lease make-good provision

	2019 \$000	2018 \$000
Lease make-good current portion	100	100
<b>Total provisions</b>	<b>100</b>	<b>100</b>
Movements of lease make-good provision are as follows:		
Balance at 1 July	100	97
Discount unwind (note 8)	–	3
<b>Balance at 30 June</b>	<b>100</b>	<b>100</b>

## 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

	2019 \$000	2018 \$000
<b>Accumulated funds</b>		
Balance at 1 July	27,671	19,783
Surplus/(deficit) for the year	(238)	7,879
Transfer of special purpose funds from restricted reserves	37	9
<b>Balance at 30 June</b>	<b>27,470</b>	<b>27,671</b>
<b>Revaluation reserves (works of art)</b>		
Balance at 1 July	1,079	1,071
Revaluation of works of art (note 14)	(39)	8
<b>Balance at 30 June</b>	<b>1,040</b>	<b>1,079</b>
<b>Restricted reserves (special purpose funds)</b>		
Balance at 1 July	823	832
Transfer of special purpose funds to accumulated funds	(37)	(9)
<b>Balance at 30 June</b>	<b>786</b>	<b>823</b>
<b>Total equity</b>	<b>29,296</b>	<b>29,573</b>

## 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 2018.

## RESTRICTED RESERVES (SPECIAL PURPOSE FUNDS)

	Opening balance	Revenue	Expenditure	Closing balance
Edwin Carr Foundation	617	25	25	617
Tup Lang scholarship fund	77	3	5	75
Louis Johnson fund	54	2	2	54
Butland Music Foundation	39	1	–	40
Christchurch Earthquake Support Fund donation	36	–	36	–
<b>Total Restricted Reserves</b>	<b>823</b>			<b>786</b>

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 Christchurch Earthquake Support Fund donation is the payment received from Christchurch Art Gallery. The sum relates to funds presented by the English artist Sarah Lucas to Christchurch Art Gallery, and in line with the artist's wishes, is to go towards the Christchurch Earthquake Support Fund and the visual arts community.

## 20. Reconciliation of net surplus/ (deficit) to net cash flow from operating activities

	2019 \$000	2018 \$000
<b>Net surplus/(deficit) from operations</b>	<b>(238)</b>	<b>7,879</b>
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation	329	347
Retirement of grants	(134)	(61)
<b>Total non-cash items</b>	<b>195</b>	<b>286</b>
<b>Add/(less) movements in working capital items:</b>		
Decrease (increase) in prepayments	(198)	295
Decrease (increase) in receivables	3,193	4,787
Decrease (increase) in interest receivable	(103)	(161)
Increase (decrease) in GST payable/receivable	(69)	(162)
Increase (decrease) in creditors and other payables	213	(121)
Increase (decrease) in provision for employee entitlements	18	51
Increase (decrease) in lease make-good provision	–	3
Increase (decrease) in grants payable	2,863	(98)
<b>Net movements in working capital items</b>	<b>5,917</b>	<b>4,594</b>
<b>Add/(less) items classified as investing activities</b>		
Loss/(gain) on the sale of property, plant and equipment	–	–
<b>Total items classified as investing activities</b>	<b>–</b>	<b>–</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,874</b>	<b>12,759</b>

## 21. Capital commitments and operating leases

### 21.1. Capital commitments

	2019 \$000	2018 \$000
<b>Capital commitments</b>		
Property, plant and equipment	84	–
Intangible assets	–	77
<b>Total capital commitments</b>	<b>84</b>	<b>77</b>

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 commences on 1 August 2019.

Capital commitments at 30 June 2018 related to the development of the Grant Management (GMS) and Customer Relationship Management (CRM) system.

### 21.2. Operating leases

#### Accounting policy

##### OPERATING LEASES

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.

	2019 \$000	2018 \$000
<b>Operating leases as lessee, payable:</b>		
Not later than one year	284	266
Later than one year and not later than five years	1,054	220
Later than five years	936	–
<b>Total non-cancellable operating leases payable</b>	<b>2,274</b>	<b>486</b>

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.

The operating lease commitments have increased as Creative New Zealand entered into a nine-year lease agreement for its new office in Wellington.

## 22. Contingencies

### 22.1. Contingent liabilities

	2019 \$000	2018 \$000
Bank of New Zealand	150	150
Letter of Credit – Datacom		
Employer Services Limited		

The Letter of Credit of \$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 \$150,000. This arrangement has been in place since 2002.

### 22.2. Contingent assets

	2019 \$000	2018 \$000
Invoiced to grantees in a default position	374	55

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.

## 23. 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 (eg, 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

	2019	2018
<b>Council members</b>		
Remuneration (note 24)	\$187,700	\$191,900
Full-time equivalent members	1.54	1.58
<b>Leadership team</b>		
Remuneration	\$1,085,202	\$1,000,848
Full-time equivalent members	5	5



## 24. Board member remuneration

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

Member	Tenure	2019 \$	2018 \$
Michael Moynahan	Arts Council Deputy Chair from 20 June 2016; appointed Chair from 1 May 2017	33,000	33,000
Caren Rangi	Arts Council member; Chair of Audit and Risk Committee from 27 April 2016 to 31 August 2018, appointed Deputy Chair from 1 May 2017	17,500	17,500
Wayne P Marriott, JJP	Arts Council member; Chair of Audit and Risk Committee from 1 September 2018	15,167	14,000
Suzanne Ellison	Arts Council member; Chair of Māori Committee from 1 July 2016; resigned 11 December 2018	7,700	15,400
Dean Whiting *	Arts Council member; appointed 18 August 2017; Chair of Māori Committee from 1 January 2019	–	–
Andrew Caisley	Arts Council member	14,000	14,000
Luamanuvao Dame Winnie Laban, QSO	Arts Council member	14,000	14,000
Michael Prentice	Arts Council member	14,000	14,000
Professor Tairahia Black	Arts Council member, resigned 30 June 2019	14,000	14,000
Dame Jenny Gibbs, DNZM	Arts Council member	14,000	14,000
Karl Johnstone	Arts Council member, resigned 30 June 2019	14,000	14,000
Roger King	Arts Council member	14,000	14,000
Garth Gallaway	Arts Council member	14,000	14,000
Briar Grace-Smith	Arts Council member; appointed 1 May 2019	2,333	–
		<b>187,700</b>	<b>191,900</b>

\* Dean Whiting does not to 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 (2018: \$nil).

## 25. 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.

### 25.1. Financial instrument categories

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

	2019 \$000	2018 \$000
<b>Financial assets measured at amortised cost (2018: Loans and receivables):</b>		
Cash and cash equivalents	568	1,712
Receivables	9,822	12,912
Investments in term deposits	32,500	26,000
<b>Total financial assets</b>	<b>42,890</b>	<b>40,624</b>
<b>Financial liabilities measured at amortised cost:</b>		
Grants payable	16,048	13,319
Creditors and other payables	637	424
<b>Total financial liabilities</b>	<b>16,685</b>	<b>13,743</b>

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

### 25.2. 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 2019 were ranging between 3.12% and 3.52% (2018: between 3.27% and 3.83%). Call deposits were invested at the interest rate of 1.50% at 30 June 2019 (2018: 1.75%).

### 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:

	2019 \$000	2018 \$000
<b>Counterparties with credit ratings*</b>		
Cash and cash equivalents		
AA-	568	1,712
Investments in term deposits		
AA-	32,500	26,000
<b>Total cash and term deposits</b>	<b>33,068</b>	<b>27,712</b>
<b>Counterparties without credit ratings</b>		
Debtors and other receivables		
Existing counterparty with no defaults in the past	10,147	13,168
Existing counterparty with defaults in the past	-	-
<b>Total debtors and other receivables</b>	<b>10,147</b>	<b>13,168</b>

\* 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 overleaf 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.

2019 (in \$000)	Carrying amount	Contractual Cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
Creditors and other payables	637	637	637	–	–
Grants payable	16,048	16,048	16,048	–	–

#### 2018 (in \$000)

Creditors and other payables	424	424	424	–	–
Grants payable	13,319	13,319	13,319	–	–

## 26. Events subsequent to balance date

There have been no events subsequent to 30 June 2019 that materially affect these financial statements.

## 27. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, Creative New Zealand has elected not to restate the information for previous years to comply with PBE IFRS 9. There are no adjustments arising from the adoption of PBE IFRS 9.

Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 12 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investment in term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

On the date of initial application of PBE IFRS 9, being 1 July 2018, the classification of financial instruments under PBE IPSAS 29 and PBE IFRS 9 is as follows:

Measurement category			Carrying amount		
PBE IPSAS 29	PBE IFRS 9		Closing balance 30 June 2018 (PBE IPSAS 29)	PBE IFRS 9 adjustment	Opening balance 1 July 2018 (PBE IFRS 9)
			\$000	\$000	\$000
Cash and cash equivalents	Loans and receivables	Amortised cost	1,712	–	1,712
Receivables	Loans and receivables	Amortised cost	13,168	–	13,168
Investments in term deposits	Loans and receivables	Amortised cost	26,000	–	26,000
<b>Total financial assets</b>			<b>40,880</b>	<b>–</b>	<b>40,880</b>

The measurement categories and carrying amounts for financial liabilities have not changed between the closing 30 June 2018 and opening 1 July 2018 dates as a result of the transition to PBE IFRS 9.

## 28. 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.

	2019 \$000	2018 \$000
<b>Conditional funding, payable in out-years:</b>		
Not later than one year	82	27,360
Later than one year and not later than two years	–	82
<b>Total funding commitments as at 30 June</b>	<b>82</b>	<b>27,442</b>

The variance in the amount between 2019 and 2018 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 next three financial years 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. The funding is split as follows:

	\$000
<b>Conditional funding, payable in out-years, approved in July 2019:</b>	
In 2019/20	31,712
In 2020/21	31,834
In 2021/22	29,318
<b>Total funding commitments as at 31 July 2019</b>	<b>92,864</b>

## 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 2019

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 77 to 99, that comprise the statement of  
financial position as at 30 June 2019, 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 58 to 74.

In our opinion:

- the financial statements of Creative New Zealand on  
pages 77 to 99:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; 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 58 to 74:
  - presents fairly, in all material respects, Creative  
New Zealand's performance for the year ended 30  
June 2019, including:
    - for each class of reportable outputs:
      - its standards of delivery performance  
achieved as compared with forecasts

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

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 31 October 2019. This is the  
date at which our opinion is expressed.

The basis for our opinion is explained below. 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.

### 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.

## Section 2:

### Statement of performance

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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 109, 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 2019

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 2019 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council.



**Michael Moynahan**

Chair, Arts Council

31 October 2019



**Caren Rangi**

Deputy Chair, Arts Council

31 October 2019

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# GOOD EMPLOYER REPORTING

*PŪRONGO KAIWHAKAWHIWHI  
MAHI PAI*

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## Good employer reporting

Section 118 of the Crown Entities Act 2004 requires us to:

- operate personnel policies and practices that comply with the principle of being a 'good employer'
- report on how we comply with those policies, including our equal employment opportunities (EEO) programme, in our annual report.

We show our commitment to our 'good employer' obligations by maintaining and reporting against a personnel policy that includes reference to the seven key good employer elements.<sup>13</sup> Reporting on how we have performed against these elements in 2018/19 is detailed on the following pages.

## Equal employment opportunity policy and practice

Creative New Zealand's EEO policy is an integral part of the organisation's approach and supports us to build a workforce that helps us serve our customers well. A copy is available on our intranet, and new staff are required to read and sign their agreement to comply with significant policies, including the EEO policy, during their induction. This policy refers to our commitment to be a 'good employer' and achieve successful EEO outcomes. We aim to have a workforce that reflects the communities we serve and have made progress towards this in 2018/19. We have strengthened the diversity of our workforce while also expanding our teams.

Creative New Zealand is a member of Diversity Works (formerly the Equal Employment Opportunities Trust), which provides it with access to best practice resources

and training. In our 2019 workplace survey, 80 percent of staff agreed that 'all employees in this organisation are treated fairly, regardless of their age, ethnicity, gender, and physical capabilities'.

We respect that disclosing demographic information, such as ethnicity, is a personal choice. To encourage a clear picture of workplace diversity data, staff are invited to disclose demographic information such as ethnicity on a voluntary basis when they join our organisation. The information is held securely in personnel files and our payroll system. Staff are able to update their personal details at any time. Periodically staff are invited to check and update this information, if needed, and they are reminded what it is used for. Our staff profile at 30 June 2019 is shown in the tables below.

Total/employment status	Number
Staff full-time equivalent (FTE)	55.67
Headcount	57 (100%)
Permanent staff	55 (96%)
Fixed-term contracts	2 (4%)

Gender	Female (%)	Male (%)	Non-binary (%)
Senior Leadership Team (SLT) (5)	2 (40%)	3 (60%)	–
All managers, including SLT (15)	10 (67%)	5 (33%)	–
All staff, including all managers (57)	40 (70%)	17 (30%)	–

Ethnicity*	European** (%)	Māori (%)	Pacific Peoples (%)	Asian (%)	MELAA*** (%)	Other**** (%)
All staff, including all managers (41)	25 (61%)	7 (17%)	6 (15%)	4 (10%)	–	3 (7%)

NB Ethnicity is self-declared by staff, who may choose not to declare an ethnicity. Of a total of 57 staff, 41 have chosen to do so. Staff may declare more than one ethnicity, hence percentages add up to more than 100 percent.

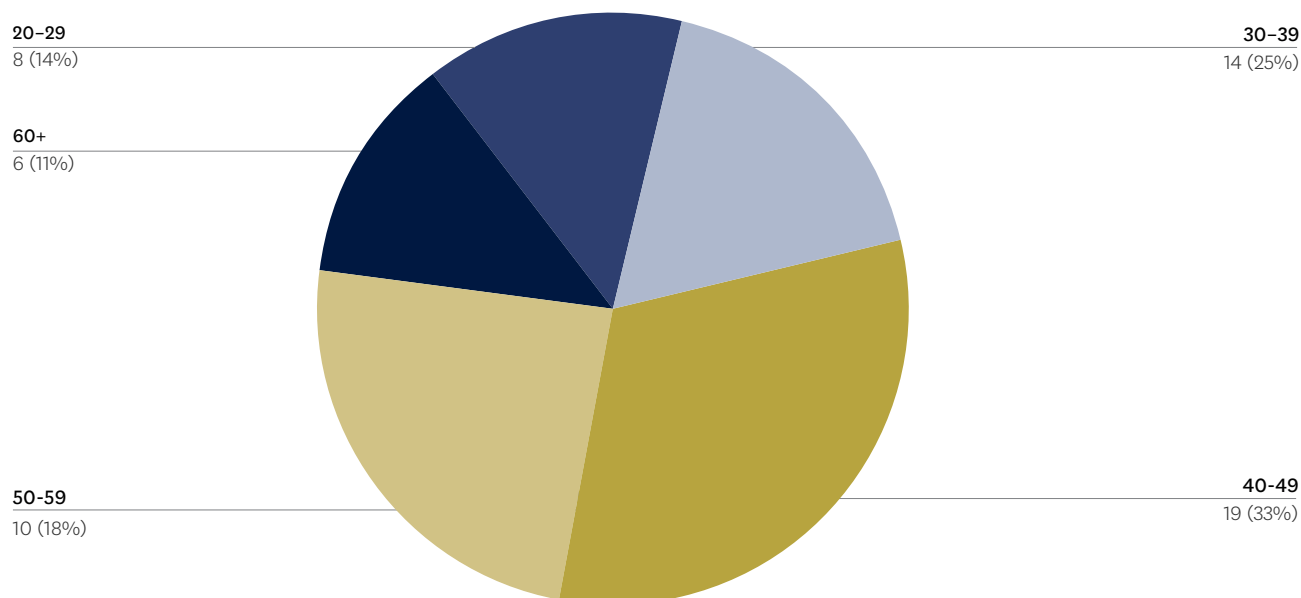
\*\* Includes 'New Zealand European', 'Pākehā'.

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

\*\*\*\* Includes 'New Zealander', 'Kiwi'.

<sup>13</sup> Further detail can be found at: [www.hrc.co.nz/your-rights/business-and-work/tools-and-research/crown-entities-and-good-employer-annual-report-review](http://www.hrc.co.nz/your-rights/business-and-work/tools-and-research/crown-entities-and-good-employer-annual-report-review)

Figure 23: Age Groups at Creative New Zealand



## Responsiveness to Māori

Creative New Zealand continues to develop its organisational capability in Māori responsiveness 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 experienced Māori staff on matters of Māori responsiveness.

Mana Māori is one of our organisational values that guide the conduct and decision-making of staff. The ability to put this into practice is supported by formal and informal training, as well as work practices. Creative New Zealand is now seeing the cumulative benefits of the ongoing commitment to increasing the practice of tikanga and te reo Māori in its workplace, with the number of competent te reo speakers growing and familiarity amongst all staff regarding common protocols. During 2018/19 we have:

- continued our practice of tikanga Māori at all monthly staff meetings. These meetings customarily close with karakia and waiata, and periodically we invite Māori artists in to discuss their work and kaupapa with our staff
- continued our weekly te reo classes. Thirty staff enrolled in these classes, which cater to a range of

abilities. Some staff supplement this learning with outside classes too

- continued to encourage staff to use Māori greetings and signoffs in their communications eg, emails
- issued our business cards with titles in te reo, as well as using te reo in organisational signage and publications
- implemented tikanga Māori in our recruitment interview practices, including inviting whānau support at job interviews for any candidates, seeking candidate experience in their responsiveness to Māori and beginning and ending with a karakia.
- expanded our recruitment advertising channels to reach a broader pool of candidates
- offered and held pōwhiri or mihi whakatau to welcome all new employees
- introduced monthly waiata practice for staff in Wellington
- held a noho marae for all staff.

In 2019/20 we will develop a learning initiative for the mātauranga Māori framework and other cultural learning initiatives.



## Organisational culture

Since 2008, we have participated in an annual engagement survey, which provides an opportunity to gather staff feedback on their employee experience. Typically, we use the results to celebrate progress and to identify ways we can improve.

## Leadership and management accountability

Creative New Zealand has skilled and stable leadership. The Senior Leadership Team provide dedicated resource to our efforts to develop and drive the arts agenda. A third-tier management group meets monthly to foster collaboration, communication and cross-functional team work across the organisation.

‘The Person I Report To’ section was one of the highest rated elements of our 2019 engagement survey, which comprised the following questions.

- The person I report to treats people with respect (93.6%).
- The person I report to communicates the goals and objectives of our team effectively (81.3%).
- The person I report to behaves in a way that is consistent with the values of the organisation (86.7%).

## Recruitment, selection and induction

Vacancies are advertised through a range of advertising channels to attract a diverse pool of applicants. Selection panels comprise a cross section of managers and staff, and interviews include structured behaviour interviewing, to ensure thorough evaluation of candidate suitability is undertaken. Candidates are invited to bring whānau support to interviews.

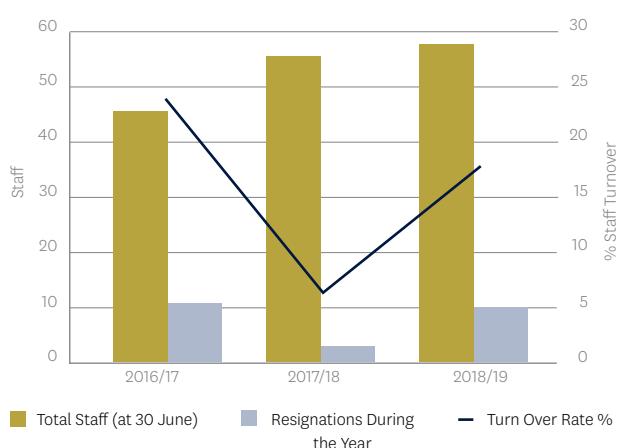
A personalised induction journey is prepared for each new employee and designed to ensure they are quickly integrated into their new role, team and the organisation across their first three months. Each induction segment is signed off. All new staff are teamed up with a ‘buddy’ for support during their first weeks in their new role. All new employees are expected to have a performance and development plan in place by the end of their induction, so they have clarity about what is expected of them.

Induction follow-up sessions are held with all new employees after they have been in their roles for around one month, and again after three months, to check they are settling in well and have the information and support

they need to be effective in their jobs. Follow-up actions to complete the induction process and/or resolve any issues are identified, as appropriate.

The voluntary turnover rate (ie, resignations) for the year to 30 June 2019 was 18 percent. No involuntary turnover (ie, redundancies) occurred in 2018/19. The average length of service of those employees who resigned was 5.7 years. Resignations and turnover rates for the past three years are shown in Figure 24.

Figure 24: Staff resignations and turnover rate, 2016/17 – 2018/19



At the time each vacancy occurs, the position and rationale for it is reviewed, to ensure organisational capability is in line with the organisation’s strategic and operational needs. This year, several new positions were created to adequately resource the new operating model.

## Staff wellbeing

We pride ourselves on having an enjoyable and caring workplace that supports staff wellbeing, underpinned with the values of manaakitanga and mahitahi. This begins with practices such as pōwhiri to welcome new Māori staff, and all new staff having a ‘buddy’ for support. Wellbeing measures in our workplace survey strongly show that wellbeing is supported here. Health, safety and wellbeing are supported through our policies and practices. This includes providing ‘reasonable’ sick leave entitlement for personal and domestic situations, life and income protection insurance for all permanent staff, access to an employer-paid and confidential employee assistance programme with access this year extended to family members, access to a weekly fruit basket for office staff and free flu vaccinations to all staff. Staff are also able to access discounted health insurance.

Our health and safety policies and procedures are consistent with legislation and appropriate for Creative New Zealand. We also have an active health and safety committee with representatives from each team. In our 2019 engagement survey, 75% of staff agreed that 'Creative New Zealand is committed to the health and safety of its people'. Leaders are aware of the need to sustain a healthy work-life balance, and to allow staff to work flexible hours and from home when needed.

### Flexible working arrangements

Creative New Zealand has processes in place to meet its obligations to consider requests for flexible working arrangements. Flexible working arrangements are offered to recognise the needs of staff, including part-time work, for staff transitioning back from parental leave, a 'remote working' policy, which gives staff the opportunity to apply to work from home on a regular and ongoing basis and flexible hours arrangements to accommodate individual circumstances.

### Employee development

All staff are offered training and development across a variety of areas so our organisational capability keeps pace with today's needs (eg, the information technology we use, financial reporting, communication and project management). Learning and development opportunities form an integral part of the six-monthly performance planning and reviews, and all staff have had access to development opportunities over the past 12 months. Our commitment to learning and development is reinforced in our learning and development policy and our requirement that all staff have a current development plan in place. During the 2018/19 year, \$68,000 was spent on formal employee development opportunities.

Long service leave provides a unique employee development opportunity for long serving staff. Staff who complete five years continuous service become eligible for the long service leave entitlement of an additional week's leave. In line with our commitment to career development, we advertise our vacancies internally and encourage staff to apply for roles they are interested in. Many existing staff moved into new or changed roles as a result of the new organisational structure implemented this year, which has provided opportunities to learn and apply new skills.

### Remuneration, recognition and conditions

Our remuneration policy ensures staff are remunerated appropriately for their role and skills, and that our pay practices are open and transparent. Our remuneration practices include using externally sourced job evaluation data and market remuneration information to set our annual salary ranges and updating our remuneration bands annually, based on new market salary information. We make this information available to all staff within the remuneration policy document and ensure pay equity for staff who perform similar roles and have comparable performance. This analysis is considered annually during remuneration review moderation.

### Ongoing review and renewal of human resources policies and programmes

Human resources policies and programmes are regularly reviewed and updated to ensure they are current, legally compliant and appropriate for the organisation. Where possible, these policies are circulated to staff for consultation before they are finalised. During 2018/19, the domestic violence policy was created and is currently going through the approval process.

### Harassment and bullying prevention

Harassment and bullying in any form is unacceptable at Creative New Zealand. We have clear expectations, policies and practices in place to promote a workplace environment that is free from intimidation or inappropriate behaviour, including:

- our values, including mahitahi (we will work together with others so we can achieve more); Tauutuutu (we will be open, frank and respectful in our relationships); and manaakitanga (we will be welcoming and responsive to all)
- our Code of Conduct
- our human resources policies, such as the workplace harassment policy and the equal opportunities policies
- our obligation to be a 'good employer' and provide a safe working environment.

### More information

Further details about Creative New Zealand are available on our website:

[www.creativenz.govt.nz/about-creative-new-zealand](http://www.creativenz.govt.nz/about-creative-new-zealand)



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